Date of Uploading 27 /02 /2020

Directorate General of Foreign Trade
(PRC Section)

Minutes of the Policy Relaxation Committee Meeting Held on 11.02.2020 under the Chairmanship of Shri Amit Yadav, Director General of Foreign Trade

Meeting No.30/AM20 held on 11.02.2020

The following members were present in the meeting:

1.	Shri K.C. Rout	Addl. DGFT
2.	Shri R. P. Goyal	Addl. DGFT
3.	Shri Vijay Kumar	Addl. DGFT
4.	Shri SatyanSharda	Addl. DGFT
5.	Shri Hardeep Singh	Addl. DGFT
6.	Shri Anil Aggarwal	Addl. DGFT
7.	Shri Rajbir Sharma	Jt. DGFT

Following cases were discussed. The decision taken on the individual cases are as under:-

S. No	Name of the firm	Case No.
1.	M/s. Apar Industries Limited, Vadodara	1
2.	M/s. Gala Precision Engineering Pvt. Ltd., Maharashtra	2
3.	M/s. Indorub Industries, Delhi	3
4.	M/s. Shahi Export Pvt. Ltd., New Delhi	4
5.	M/s. Jubiliant Life Sciences Ltd., Noida	5
6.	M/s. GE India Industrial Pvt. Ltd., Pune	6
7.	M/s. Jindal Aluminium Limited, Bengaluru	7
8.	M/s. Small World, New Delhi	8
9.	M/s. Mylan Laboratories Limited, Hyderabad	9
10.	M/s. Lovely Offset Printers Pvt. Limited, Tamil Nadu	10
11.	M/s. Bosch Limited, Bangalore	11
12.	M/s. AAK Kamani Private Limited, Mumbai	12
13.	M/s. Clariant Chemical (India) Limited, Mumbai	13&14
14.	M/s. SRF Limited, Haryana	15
15.	M/s. Sanghar Exports, Pune	16
16.	M/s. PV Sons Corn Milling Co. Pvt. Ltd., Pune	17
17.	M/s. Steel Strips Wheels Ltd., Chandigarh	18
18.	M/s. Sri Chakra Poly Plast India Pvt. Ltd., Hyderabad	19
19.	M/s. Wrigley India Limited, Nalagarh (HP)	20

PH Case No. 01 M/s. Apar Industries Limited, Vadodara
F. No. 01/60/162/492/AM20/PRC
PRC Meeting No.30/AM20 dated 11.02.2020

Subject: To Condone the late cut against 30 Shipping Bills No.(1) 1524425 dated 01.07.2015, (2) 1524437 dated 01.07.2015, (3) 1539376 dated 01.07.2015, (4) 1585598 dated 03.07.2015, (5) 1577423 dated 03.07.2015, (6) 2689678 dated 29.08.2015, (7) 2692165 dated 29.08.2015, (8) 2689760 dated 29.08.2015, (9) 2720372 dated 31.08.2015, (10) 2689677 dated 29.08.2015, (11) 2689897 dated 29.08.2015, (12) 2745100 dated 01.09.2015, (13) 2720388 dated 31.08.2015, (14) 2724105 dated 31.08.2015, (15) 2724096 dated 31.08.2015, (16) 2724129 dated 31.08.2015, (17) 2739210 dated 31.08.2015, (18) 2745012 dated 01.09.2015, (19) 2745090 dated 01.09.2015, (20) 2739654 dated 31.08.2015, (21) 2739053 dated 31.08.2015, (22) 2772108 dated 02.09.2015, (23) 2868028 dated 07.09.2015, (24) 2868046 dated 07.09.2015, (25) 2868057 dated 07.09.2015, (26) 2868056 dated 07.09.2015, (27) 2868085 dated 07.09.2015, (28) 2887870 dated 08.09.2015, (29) 2887873 dated 08.09.2015, and (30) 2887872 dated 08.09.2015, which are pertain to the Year 2015-16.

The applicant had sought personal hearing in terms of Para 2.59 of FTP, 2015-2020, which was afforded on 11.02.2020. Shri Varghese N., Assistant General Manager (Export) appeared on behalf of the firm and made the following submissions:

The applicant stated that they had exported to Kuwait vide Advance Authorisation No.3410040577 dated 25.09.2014 & Brazil vide Advance Authorisation No.3410041390 dated 21.07.2015 during 2015-16, but the overseas buyers defaulted in making payment to them. They approached to ECGC and were granted 90% of payment during the year 2017-18, 2018-19. They had approached RA, Mumbai for the issuance of eBRCs which is still under process. Now, even if the e-BRC is issued by RA, Mumbai they may not get 100% MEIS entitlement because 100% late cut will be imposed since the application for MEIS will be made after span of 3 years from date of export.

Decision: The Committee went through the statement made by the applicant and discussed the matter at length. The Committee observed that due to delay in uploading the BRCs by RA Mumbai (being ECGC cases) in DGFT Portal, the firm has faced the problem which was beyond their control and accordingly the Committee decided to allow MEIS benefit of 30 shipping bills as mentioned above without any late cut. The firm shall approach RA within 30 days from the date of uploading of the minutes of meeting.

(Action: Applicant/RA-Vadodara)

PH Case No. 02 M/s. Gala Precision Engineering Pvt. Ltd., Maharashtra
F. No. 01/60/162/460/AM20/PRC
PRC Meeting No.30/AM20 dated 11.02.2020

Subject: To allow Chapter 3 benefit (FPS/MEIS) against the export made during the Year 2012-13 to 2015-16.

The applicant had sought personal hearing in terms of Para 2.59 of FTP, 2015-2020, which was afforded on 11.02.2020. Shri S. Giridhar, Vice President – Finance & IT appeared on behalf of the firm and made the following submissions:

The applicant stated that they had exported total Rs.145.87 crores in the past three years (2016-17-Rs.43, 66,95,159, in 2017-18-Rs.53,44,40,284 and in 2018-19 they exported Rs.48,75,19,257 respectively. They are entitled for export incentive in the form of MEIS license (then FPS) and are availing the same on regular basis. From the last couple of years, they are facing challenges in applying MEIS license due to issues in system. As an exporter, they had fulfilled their part of obligation by collecting FFE in time. As per procedure, bank is supposed to generate e-BRC for the same. However, banks have failed to perform their part of obligation. They even changed bank from SBI (largest nationalized bank) to HDFC (largest private Sector back) however situation didn't change. Due to not availing MEIS (then FPS) benefit on time during year 2012-13 to 2015-16, they had to borrow additional Rs.1.50 crores from HDFC bank to cater to their business needs. They took all possible efforts at their end. They have been following and making correspondences with both the banks through emails, letters and personal visits. The reasons given by banks is that there are technical systems issued with RBI due to which they fail to upload data and generate BRCs. Meanwhile, shipping bills are time barred for applying MEIS license and they are at huge financial loss. The amount of claim is to the tune of approximately Rs.40 lakhs.

Decision: The Committee heard the submission made by the firm and discussed the matter at length. The Committee observed that due to delay in uploading of BRC by the banker in DGFT Portal, the firm has faced the problem which was beyond their control and accordingly decided to allow Chapter 3 benefit (FPS/MEIS) without any late cut only for those shipping bills for which payments have been realized on time but the BRCs have been uploaded by the bank after the expiry of 3 years from the date of let export. The firm shall approach RA within 90 days from the date of uploading of the minutes of meeting.

(Action: Applicant/RA, Mumbai)

PH Case No. 03 M/s. Indorub Industries, Delhi
F. No. 01/60/162/340/AM20/PRC
PRC Meeting No.30/AM20 dated 11.02.2020

Subject: Waiver of Average Export Obligation (AEO) against 2 EPCG Authorization No.0530142811 dated 10.01.2017 and 0530143012 dated 05.02.2017.

Decision: The applicant had sought personal hearing in terms of Para 2.59 of FTP, 2015-2020, which was afforded on 11.02.2020, but no one appeared on behalf of the firm. The Committee decided to defer the case.

(Action: Applicant)

PH Case No. 04 M/s. Shahi Export Pvt. Ltd., New Delhi
F. No. 01/60/162/401/AM20/PRC
PRC Meeting No.30/AM20 dated 11.02.2020

Subject: Exemption from non-compliance of stipulated procedure for redemption of EPCG Authorization No.0530155841 dated 24.06.2011.

The applicant had sought personal hearing in terms of Para 2.59 of FTP, 2015-2020, which was afforded on 11.02.2020. Shri Aditya Sharma, General Manager – B.I., Doc. & Logistics, Shri Rajneesh Rai and Shri Subhash Chand, Authorised Representatives appeared on behalf of the firm and made the following submissions:

The applicant stated that they had applied EPCG Authorization for import of Glass Wool that was required for Humidification Plant at their unit. They had imported the Glass Wool vide Bill of Entry Sl.No.4131564 dated 20.07.2011 & 4192155 dated 27.07.2011 against the subjected authorization. They have fulfilled the EO of said authorization vide S/Bill No.6068515 dated 01.11.2011 & 6302630 dated 18.11.2011 and submitted their application along with all required documents to CLA, New Delhi for redemption on 30.10.2012.CLA, New Delhi sought clarification from EPCG Committee whether Glass Wool covered under ITC (HS) 70199010 can be treated as Capital Goods or not. EPCG committee vide its meeting held on 28.06.2012 took the decision that Glass Wool cannot be treated as Capital Goods.

<u>**Decision**</u>: The Committee heard the submission made by the firm and discussed the matter at length and observed that it is an issue to ascertain whether Glass wool imported by the firm is a capital good or not. It decided to refer the issue to EPCG-Division for re-consideration and resolution of the matter.

(Action: Applicant/EPCG-Division)

PH Case No. 05 M/s. Jubiliant Life Sciences Ltd., Noida
F. No. 01/60/162/153/AM17/PRC
PRC Meeting No.30/AM20 dated 11.02.2020

Subject: Refund of Customs Duty paid under protest against Advance Authorization No.0510370486 dated 07.11.2013.

The applicant had sought personal hearing in terms of Para 2.59 of FTP, 2015-2020, which was afforded on 11.02.2020. Shri Rajeev Kumar Balyan, General Manager and Shri B.P. Saxena, Deputy Manager appeared on behalf of the firm and made the following submissions:

The applicant stated that they had applied for addition of Co-Licensee in CLA, New Delhi in August 2014. Office of CLA, New Delhi referred their case to DGFT, New Delhi for clarification. PRC had allowed addition of co-license in its Meeting No.12/AM16 dated 28.10.2015. However, during the period their authorization had expired for exports. Consequently, they had approached again for EO extension in the month of December,. 2015/15.03.2016, which was allowed till 36 months vide PRC Meeting No.07/AM17 dated 24.05.2016. After the decision of PRC, they calculated the composition fee to the tune of Rs.129.14 lacs against pending EO vis-à-vis Customs Duty involved and found that payment of composition fee is more than net Customs Duty saving. Consequently, they had to pay Customs Duty and interest of Rs.105.71 lacs even after no fault of them, which they feel is entirely avoidable

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had they been given approval in time. Accordingly, their request is to refund the amount paid by them as CD plus interest.

Decision: The Committee went through the submission made by the firm and observed that PRC had already decided the issue in 2016 and firm had already acted on it as it deemed fit. Their present request is not in the domain of PRC. Hence, the Committee decided to reject the request of the firm.

(Action: Applicant)

PH Case No. 06 M/s. GE India Industrial Pvt. Ltd., Pune
F. No. 01/60/162/920/AM19/PRC
PRC Meeting No.30/AM20 dated 11.02.2020

Subject: To relax the requirement for furnishing Bill of Exports towards fulfillment of EO against Advance Authorization No.3110065057 dated 13.11.2014.

Decision: The applicant had sought personal hearing in terms of Para 2.59 of FTP, 2015-2020, which was afforded on 11.02.2020, but no one appeared on behalf of the firm. The Committee decided to defer the case.

(Action: Applicant)

PH Case No. 07 M/s. Jindal Aluminium Limited, Bengaluru
F. No. 01/60/162/696/AM20/PRC
PRC Meeting No.30/AM20 dated 11.02.2020

Subject: To relax pre-import condition against Advance Authorization No.0710111222 dated 02.03.2017.

The applicant had sought personal hearing in terms of Para 2.59 of FTP, 2015-2020, which was afforded on 11.02.2020. Shri Naveen Pant, Branch Manager appeared on behalf of the firm and made the following submissions:

The applicant stated that during the period from 14.10.2017 to 27.11.2017, they had imported inputs against subject advance authorization by availing exemption from IGST. In fact, Customs started giving exemption from IGST for import against advance authorization from 14.10.2017 onwards without asking any others details and their shipping agent also did not explain much about the same. They were not aware of any such pre-import condition. It came to their notice only on 28.11.2017 that for availing exemption from IGST, they need to follow the pre-import condition, as prescribed under the policy, by doing import first and export later. But they found that they may not be able to follow this condition for 100% export and import because it's not practically feasible considering the lead time to complete one transaction which may go up to 4-5 months (import transaction is completed in 3-4 month time and export transaction is completed in 1-2 moth time). So they decided to not avail exemption from IGST for the remaining import to be done and started paying IGST against all imports thereafter. Further stated that in their case the subject authorization was issued on 02.03.2017 i.e. much before issuance of DGFT

Notification No.33 dated 13.10.2017. They had availed IGST exemption against 1565542.86 kg of imported inputs i.e. Primary Aluminium Ingot against which they were supposed to export their finished goods i.e. Rolled Aluminium Sheet of 1534845.94(as per SION norms C 29) by exporting goods after the date of import but they could fulfill pre-import condition by exporting 1435634.60 kg of their finished goods so there is a shortfall of 99211.34 kg which in fact was exported before the date of import. But on the overall basis they have fulfilled 100% export obligation and also completed 100% import based on the actual export. They had also applied to RA, Bengaluru for redemption on 19.07.2019, however, vide letter dated 19.07.2019 RA, Bengaluru asking them to comply with the pre-import condition or otherwise to pay the IGST exemption availed or approach Headquarters, New Delhi.

Decision: The Committee heard the submission made by the firm and discussed the matter at length and noted that the applicant has not submitted any cogent reason/ justification in support of any genuine hardship faced by them. Moreover it also observed that this issue is already being contested before many courts in the country. Thus the matter is sub-judice. Accordingly, the Committee decided to reject the request.

(Action: Applicant)

PH Case No. 08 M/s. Small World, New Delhi
F. No. 01/60/162/559/AM20/PRC
PRC Meeting No.30/AM20 dated 11.02.2020

Subject: To allow SEIS benefit against File No.05/21/094/50400/AM19.

The applicant had sought personal hearing in terms of Para 2.59 of FTP, 2015-2020, which was afforded on 11.02.2020. Shri Karan Joshi, Authorised Representative appeared on behalf of the firm and made the following submissions:

The applicant stated that their SEIS application for Management Consulting Services was rejected on the basis of word "Commission", which was used to fix a rate for service rendering charges with their foreign client through an agreement as described "5% Commission for the above services rendered". Regarding the term "Commission" as mentioned in para-3 of the agreement, they would like to request that the word should not be taken for its general meaning but should simply be viewed as "charges/fees" as already mentioned in requisite documents namely invoice and FIRC, which clearly states, that charges for services rendered". In their case, it is just a way for them to charge their client in exchange of their services. It may also be noted that the policy does not define in which way they could ask for their charges. What matters is whether the payment has been received against one of the notified services as mentioned in Appendix 3D or a bunch of ineligible services as suggested in Para 3.09 of FTP and Note 5 of PN No. 45/2015-2020 dated 05.12.2017.

Decision: The Committee went through the statements made by the applicant and observed that it is not a case of policy relaxation. Accordingly, it decided to refer the case to PC-3 Division in DGFT for its examination and resolution in the matter.

(Action: PC-3 Division/Applicant)

PH Case No. 09 M/s. Mylan Laboratories Limited, Hyderabad
F. No. 01/60/162/588/AM20/PRC
PRC Meeting No.30/AM20 dated 11.02.2020

Subject: Revalidation of 23 FMS / FPS / SFMS / MLFPS Scrips used for payment of service tax under Reverse Charge Mechanism (RCM) during the period July, 2013 to March, 2014.

The applicant had sought personal hearing in terms of Para 2.59 of FTP, 2015-2020, which was afforded on 11.02.2020. Shri Chandra Sekhar B., General Manager and Shri Ashwani Pahwa, Senior Manager appeared on behalf of the firm and made the following submissions:

The applicant stated that they had obtained 23 different licenses for the duty credit scrips and utilized the same for payment of Service Tax under RCM during the period July, 2013 to April, 2014 (the relevant period).The amount involved in utilization of duty credit scrips towards payment of Service Tax is Rs.8,49,58,198/- obtained under various incentives schemes, prescribed under the then FTP-2009-14 for discharging their Service Tax liability under Reverse Charge Mechanism (RCM). The Revenue Department after conducting a detailed investigation on the above matter, has alleged that the srips cannot be utilized for discharging Service Tax liability under RCM by the Company and demanded the payment of appropriate Service Tax in cash along with applicable interest and penalty. Matter was agitated before CESTAT Hyderabad also. In this, they end up losing the case and paying Service Tax in cash to the Revenue again. In 2918, under sabka Vishwas scheme, they settled the issue. Further, stated that, all these scrips have now expired in their Custody. Thus, settlement of the Service Tax dues in cash without getting to use the duty credit scrips is in effect double payment by them. Hence, requested for revalidation of the subject duty credit scrips or alternately issue them a new scrip of the same value i.e.Rs.8,49,58,198/- to avoid double loss to the company.

Decision: The Committee heard the submission made by the firm and discussed the matter at length and noted that the scrips are still lying with Customs. Hence the Committee decided to ask the applicant to obtain the scrips from Customs concerned along with a recommendation of theirs to re-credit the value of scrips and after that approach to PRC for a further decision.

(Action: Applicant)

PH Case No.10 M/s. Lovely Offset Printers Pvt. Limited, Tamil Nadu
F. No. 01/60/162/238/AM20/PRC
PRC Meeting No.30/AM20 dated 11.02.2020

Subject: To allow MEIS benefit against 163 shipping bills.

Decision: The applicant had sought personal hearing in terms of Para 2.59 of FTP, 2015-2020, which was afforded on 11.02.2020, but no one appeared on behalf of the firm. The Committee decided to defer the case.

(Action: Applicant)

Case No. 11 M/s. Bosch Limited, Bangalore
F. No. 01/60/162/745/AM20/PRC
PRC Meeting No.30/AM20 dated 11.02.2020

Subject: Revalidation of MEIS Scrip No.719026844 dated 02.03.2018.

The applicant stated that the subject MEIS duty credit amount of Rs.10,12,112/- was granted to them on 02.03.2018 and the same was reflecting in ICEGATE with error code '02' (error code description 'master data error'). They had lodged complaint through DGFT contact for retransmission of the script after removing the error code '02'. Based on their request the scrip was retransmitted 22 times (recent transmission made on 06.12.2019).However, still the status of this scrip at ICEGATE is reflecting the same error with error code '02'. They again reported the issue through mail to 'dgftedi@nic.in'on 16.12.2019. During this ongoing process, they are not in a position to utilise the scrip within the validity period.

<u>**Decision:**</u> The Committee examined the case in detail and in view of justification provided by the firm observed that there is merit in their case. Accordingly the Committee decided to accede to the request and allowed revalidation of MEIS No.0719026844 dated 02.03.2018 for a further period of 6 months from the date of expiry i.e. up to 01.09.2020. The firm shall approach RA in the matter.

(Action: Applicant/RA-Bangalore)

Case No. 12 M/s. AAK Kamani Private Limited, Mumbai
F. No. 01/60/162/756/AM20/PRC
PRC Meeting No.30/AM20 dated 11.02.2020

Subject: Waiver of pre import condition against Advance Authorization No.0310830117 dated 05.07.2019.

The applicant stated that they had completed the EO based on the file number obtained at the time of application of the subject authorization from DGFT website as per SION Norms (E124) considering pre export condition, which even today shows pre-export condition. Since, they had followed the condition mentioned in SION E-124 i.e. pre export condition, they are requesting for waiver of the pre-import condition imposed in the subject advance authorization (received after completion of export obligation as per SION E124) as per PN No.57 dated 25.01.2018.

<u>**Decision:**</u> The Committee went through the statement made by the applicant and discussed the matter at length and decided to accede to the request of the firm for waiver of Pre-import condition against No.0310830117 dated 05.07.2019. Imports against Advance Authorization would be allowed proportionate to the exports already made in subject Advance Authorization. The firm shall approach RA within 30 days from the date of uploading of the minutes of meeting.

(Action: Applicant/RA-Mumbai)

Case No. 13 M/s. Clariant Chemical (India) Limited, Mumbai
F. No. 01/60/162/770/AM20/PRC
PRC Meeting No.30/AM20 dated 11.02.2020

Subject: To allow MEIS benefit against 2 time barred Shipping Bill No.6060084 dated 24.02.2016 and 6553585 dated 19.03.2016 due to delay in uploading in BRC.

The applicant stated that they were not able to file MEIS claim for these shipping bills within the prescribed time period due to non–availability of shipping bill details at DGFT Server, since the BRCs has not been uploaded by the Banker within time. Hence, due to delay in uploading in BRC they could not claim MEIS benefit against the above shipping bills.

Decision: The Committee examined the case in detail and in view of justification provided by the firm the Committee observed that due to delay in uploading of BRC by the banker in DGFT Portal, the firm has faced the problem which was beyond their control and accordingly decided to accede to the request of the firm for grant of MEIS benefit only for Shipping Bill No.6060084 dated 24.02.2016 without any late cut. The Committee did not allow the MEIS benefit for Shipping Bill No.6553585 dated 19.03.2016 as realization has happened after 3 years of shipment and therefore request for same were found to be without any merit. The firm shall approach RA within 90 days from the date of uploading of the minutes of meeting.

(Action: Applicant/RA-Mumbai)

Case No. 14 M/s. Clariant Chemical (India) Limited, Mumbai
F. No. 01/60/162/771/AM20/PRC
PRC Meeting No.30/AM20 dated 11.02.2020

Subject: To allow MEIS benefit against 2 Shipping Bill No.7687623 dated 17.05.2016 and 8367443 dated 20.06.2016 due to delay in uploading the BRC

The applicant stated that they were not able to file MEIS claim for these shipping bills within the prescribed time period due to non–availability of shipping bill details at DGFT Server, since the BRCs has not been uploaded by the Banker within time. Hence, due to delay in uploading in BRC they could not claim MEIS benefit against the above shipping bills.

Decision: The Committee examined the case in detail and in view of justification provided by the firm the Committee observed that due to delay in uploading of BRC by the banker in DGFT Portal, the firm has faced the problem which was beyond their control and accordingly decided to accede to the request of the firm for grant of MEIS benefit against 2 Shipping Bill No.7687623 dated 17.05.2016 and 8367443 dated 20.06.2016 without any late cut. The firm shall approach RA within 90 days from the date of uploading of the minutes of meeting.

(Action: Applicant/RA-Mumbai)

Case No. 15 M/s. SRF Limited, Haryana
F. No. 01/60/162/768/AM20/PRC
PRC Meeting No.30/AM20 dated 11.02.2020

Subject: To allow MEIS benefit against 08 shipping bills in which "No" has been marked in Reward Column.

The applicant stated that due to oversight by their Customs Agent, the Reward Column under the EDI shipping bill has been inadvertently marked as 'No' instead of 'Yes'. However, in 3 shipping bills, intent of availing benefit under MEIS has other wise been declared in words. In order to rectify the above anomaly, they had approached the Jurisdictional Customs Authority for manual amendment of these shipping bills by rectifying the reward column from 'No' to 'Yes'. Consequently, they were intimated by the Customs Authority that out of the total 8 shipping bills, amendment has been carried out in respect of the 7 shipping bills. However, vide Customs letter dated 15.11.2018 informed them that the manual amendments effected in respect of the 7 shipping bills have been withdrawn in light of the PN No.40/2015-20 dated 09.10.2015, PN No.47/2015-20 dated 08.12.2015 and Trade Notice No.24/2018 dated 21.02.2018 issued by DGFT. Further, with respect to MEIS benefit associated with such shipping bills they were informed that the shipping bills were being transmitted to DGFT by the Customs Authority and they were advised to directly approach the RA for future necessary guidance in this matter. Accordingly, they approached the concerned DGFT vide letter dated 09.05.2019, but intimated that the said 7 shipping bills are not yet transmitted to DGFT Server, thus MEIS benefit were not granted in the online E COM module for these shipping bills.

<u>Decision</u>: The Committee examined the case on the basis of justification furnished by the firm and discussed the matter at length. The Committee observed that the Shipping Bills where 'No' is ticked (for any reason, whatsoever) do not get electronically transmitted on-line in the automated environment. Accordingly, it decided to reject the case.

(Action: Applicant)

Case No. 16 M/s. Sanghar Exports, Pune
F. No. 01/60/162/789/AM20/PRC
PRC Meeting No.30/AM20 dated 11.02.2020

Subject: To count the export of 36 shipping bills against Advance Authorization No. 3110047146 dated 01.03.2011 instead of Advance Authorization No.3110045324 dated 01.11.2010 – Shipping Bill No.(1) 9312626 dated 31.01.2011, (2) 9300145 dated 31.01.2011, (3) 9300189 dated 31.01.2011, (4) 9313677 dated 31.01.2011, (5) 9314258 dated 31.01.2011, (6) 9325330 dated 02.02.2011, (7) 9325284 dated 02.02.2011, (8) 9321628 dated 02.02.2011, (9) 9329002 dated 03.02.2011, (10) 9328615, dated 03.02.2011, (11) 9328845 dated 03.02.2011, (12) 9328599 dated 03.02.2011, (13) 9328967 dated 03.02.2011, (14) 9334112 dated 05.02.2011, (15) 9334331 dated 05.02.201, (16) 9345117 dated 08.02.2011, (17) 9346174 dated 08.02.2011, (18) 9351727 dated 10.02.2011, (19) 9351691 dated 10.02.2011, (20) 9351693 dated 10.02.2011, (21) 9359519 dated 12.02.2011, (22) 9359699 dated 12.02.2011, (23) 9363687 dated 14.02.2011, (24)

9359400 dated 12.02.2011, (25) 9366175 dated 15.02.2011, (26) 9370616 dated 15.02.2011, (27) 9371867 dated 16.02.2011, (28) 9375035 dated 17.02.2011, (29) 9374678 dated 17.02.2011, (30) 9381561 dated 18.02.2011, (31) 9386986 dated 21.02.2011, (32) 9385859 dated 21.02.2011, (33) 9385834 dated 21.02.2011, (34) 9399350 dated 23.02.2011, (35) 9397462 dated 23.02.2011, (36) 9398783 dated 23.02.2011.

The applicant stated that they had fulfilled partial EO and received the proceeds accordingly. There is some shortfall, due to a bonafide mistake from their staff by mentioning the Advance Authorisation No.3110045324 dated 01.11.2010 in some shipping bills instead of correct Advance Authorization No.3110047146 dated 01.03.2011. The Advance Authorisation No.3110045324 dated 01.11.2010 (which was wrongly mentioned) has already been redeemed on 04.01.2016. Further stated that if these shipping bills are considered for EO under correct Advance Authorization No.3110047146 dated 01.03.2011, the FOB value comes to US$ 15,72,944.13 against the required FOB value of US$ 23,10,000.00 leaving still a shortfall quantity of 76493.00 and CIF value of US$ 78787.79. However, they have paid Customs Duty and interest against this short fall, of Rs.5,32,110.00 and Rs.5,15,570.00 respectively. And against the remaining shortfall of EO they are ready to pay the balance amount of duty and interest. They undertake that they neither used nor shall use these shipping bills for discharge of EO under any license except the advance license in question.

Decision: The Committee examined the case in detail and noted that there is merit in firm's contention and there appeared to be a genuine mistake. Therefore the Committee decided to consider the export made vide above-mentioned 36 Shipping Bills against Advance Authorization No.3110047146 dated 01.03.2011 instead of Advance Authorization No.3110045324 dated 01.11.2010 subject to following conditions:

i. RA shall ensure that above shipping bills have not been taken into account in any other advance authorization for discharge of export obligation.
ii. RA shall also ensure that export product of both the authorisations are same.
iii. Composition fee of Rs.200/- per shipping bills hall be imposed.
iv. The applicant would submit an affidavit-cum-indemnity bond in order to indemnify the Government for any harm or loss occurring due to utilization of these shipping bills towards fulfillment of EO against Advance Authorisation No. 3110047146 dated 01.03.2011.
v. The firm shall approach RA within 30 days from the date of uploading of the minutes of meeting.

(Action: Applicant/RA-Pune)

Case No. 17 M/s. PV Sons Corn Milling Co. Pvt. Ltd., Pune
F. No. 01/60/162/788/AM20/PRC
PRC Meeting No.30/AM20 dated 11.02.2020

Subject: To allow MEIS benefit against 257 Shipping bills wherein MEIS reward scheme was inadvertently selected as "No" instead of "Yes".

The applicant stated that due to mistake of CHA staff the reward item box in 257 shipping bills have not been ticked with 'Yes' remark during the period from 01.10.2015 to 30.03.2016. Therefore, they are unable to get MEIS benefits for their exports during the aforementioned period. Further, stated that as per Trade Notice No.24/2018 dated 21.02.2018 regarding MEIS claim vide which details were called for, from the exporters who have ticked 'N' instead of 'Y' in reward column of shipping bills while filing the EDI, but have declared the intent in affirmative (in wordings). However no further action has been taken in such cases.

Decision: The Committee examined the case on the basis of justification furnished by the firm and discussed the matter at length. The Committee observed that the Shipping Bills where 'No' is ticked (for any reason, whatsoever) do not get electronically transmitted on-line in the automated environment. Accordingly, decided to reject the case.

(Action: Applicant)

Case No. 18 M/s. Steel Strips Wheels Ltd., Chandigarh
F. No. 01/60/162/781/AM20/PRC
PRC Meeting No.30/AM20 dated 11.02.2020

Subject: Extension of EOP against Advance Authorization No.3010104162 dated 21.11.2017 and waiver of composition fee as prescribed under Para 4.42 (f) of HBP.

The applicant stated that there is global slowdown in the Auto Sector and the Auto Segment is down by 50% at global level. Therefore, in spite of their best efforts the export orders were not materializing. However, in spite of the slowdown they had already fulfilled 32% in terms of quantity and 50% in terms of value of EO. As they could not fulfill 50% EO in terms of quantity within 24 months in terms of Para 4.42 (f) of HBP, RA, Ludhiana has turned down their request for second extension. Now, with their renewed efforts they will be able to complete 100% EO within the period of second extension for a period of one year and relaxation of 50% condition prescribed under Para 4.42 (f) of the HBP. Further, stated that in view of the severe slowdown and the financial crisis in the automobile sector they are also not in a position to pay composition fee in terms of Para 4.42(f) of HBP 2015-20.

Decision: The Committee went through the statement made by the applicant and decided to allow EOP extension of Advance Authorization No.3010104162 dated 21.11.2017 for a period of 6 months from the date of endorsement subject to payment of composition fee @1% per month of the extension period granted (maximum 6 months), as above on the unfulfilled FOB value. The firm shall approach RA within 30 days from the date of uploading of the minutes of meeting.

(Action: Applicant/RA-Ludhiana)

Case No. 19 M/s. Sri Chakra Poly Plast India Pvt. Ltd., Hyderabad
F. No. 01/60/162/228/AM20/PRC
PRC Meeting No.30/AM20 dated 11.02.2020

Subject: Extension in EO Period for a period of one year against EPCG Authorization No.0930007289 dated 19.07.2011.

This is review case of the EPCG Committee Meeting dated 30.08.2019 (Case No.35). The applicant stated that due to some global market conditions, they could not meet any export until the amendment 1. Post amendment 1 dated 10.07.2018, they had fulfilled 51% of the EO out of the total US$ 772,571.00 EO as on date. Further, stated that currently they have already secured few orders and are confident in fulfilling the EO within one year.

Decision: The Committee examined the statement made by the firm and observed that their request has been discussed in detail by the EPCG Committee and has been rejected giving detailed reasons. After discussing the matter at length, the Committee found no merit in it. Hence, decided to maintain reject the request of the firm.

(Action: Applicant)

Case No. 20 M/s. Wrigley India Limited, Nalagarh (HP)
F. No. 01/60/162/423/AM20/PRC
PRC Meeting No.30/AM20 dated 11.02.2020

Subject: To accept free shipping bills towards fulfillment of EO against Advance Authorization No.0710104073 dated 13.05.2014.

The applicant stated that they had completed the EO 51% and Import Obligation 54% and they have not obtained further six months validity from RA office due to export contract period was over during that period. Renewal of contract took place after some time. While filing application for EODC purpose and they came to know that in Sl.No.1 - Hard Boiled Sugar Free Candy (Honey Lemon Flavor), exported under Free Shipping and in Sl.No.2 - Hard Boiled Sugar Free Candy (Menthol Eucalyptus Flavor) exported under Advance License. These two products are exported under same shipping bill only. But, due to some technical issue or error Sl.No.1 was not captured at the time preparing shipping bills, whereas second item at Sl.No.2 was captured and sent under Advance License. They have communicated this error to DGFT office and twice export items are re-transmitted to Customs Portal but after that also Sl.No.1 item was still not captured. Hence, requested to consider free shipping bill quantity while computing for EODC and to relax for not mentioning the advance license number in the shipping bills.

Decision: The Committee having examined the statement made by the firm found no merit in the case and decided to reject it.

(Action: Applicant)

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