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Directorate General of Foreign Trade
(PRC Section)

Minutes of the Policy Relaxation Committee Meeting
Held on 09.09.2021 under the Chairmanship of Shri Amit Yadav,
Director General of Foreign Trade

Meeting No.09/AM22 held on 09.09.2021

The following members were present in the meeting:

1. Shri Vijay Kumar Addl. DGFT
2. Shri S.B.S. Reddy Addl. DGFT
3. Shri Hardeep Singh Addl. DGFT
4. Shri Anil Aggarwal Addl. DGFT
5. Shri Akash Taneja Addl. DGFT
6. Shri Amiya Chandra Addl. 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. Fermenta Biotech Limited, Thane	1
2.	M/s. Tata Consumer Products Limited, Kolkata	2
3.	M/s. VKC Nuts Private limited, Jammu Tawi	3
4.	M/s. Mayur Plastics Industries, Gujarat	4
5.	M/s. Karam Multipack Private Limited, Rajkot	5
6.	M/s. Wadpack Private limited, Bangalore	6
7.	M/s. Balu India, Mumbai	7
8.	M/s. Royal Textiles, Surat	8
9.	M/s. Nash Industries (I) Pvt. Ltd., Bangalore	9
10.	M/s. NICE Tractor (India), Ludhiana	10
11.	M/s. Priya Fasteners, Ludhiana	11&12
12.	M/s. GMR Hospitality and Retail Limited, Hyderabad	13
13.	M/s. Siemens Limited, Mumbai	14
14.	M/s. Prayag Polytech Private Limited, Gurgaon	15
15.	M/s. Orbit Lifescience Pvt. Ltd., Mumbai	16
16.	M/s. Oats Corporate Consultants Pvt. Ltd., Pune	17
17.	M/s. Anand Seamless Tubes Pvt. Ltd., Gujarat	18
18.	M/s. Reliance Industries Limited, Mumbai	19
19.	M/s. Hotel Annamalai International, Madurai	20
20.	M/s. Simosis International, Mumbai	21

21.	M/s. Eastman Industries, Ludhiana	22

PH Case No. 01 M/s. Fermenta Biotech Limited, Thane
F. No. HQRPRCAPPLY00104284AM21
Meeting No.09/AM22 held on 09.09.2021

Subject: Revalidation of Advance Authorization No.0310824691 dated 25.10.2018.

The applicant had sought personal hearing in terms of Para 2.59 of FTP-2015-2020, which was afforded on 09.09.2021. Shri Arun Khedwal, Supply Chain Management appeared on behalf of the firm and made the following submissions:

The applicant stated that they have fulfilled export obligation 100% quantity-wise and 100% value-wise against the subject authorization. But due to Covid-19 developments from start of year 2020 and restrictions laid thereafter, they were not able to import their raw materials which are balance against the said authorisation. Hence, requested to grant them revalidation for six months to fulfill the balance import entitlement.

Decision: The Committee heard the case on the basis of submission made by the firm and discussed the matter at length. It observed that there is merit in the case and accordingly decided to accede to the request and allowed revalidation of Advance Authorization No.0310824691 dated 25.10.2018 for a further period of 6 months from the date of endorsement. The firm shall approach RA within 30 days from the date of uploading of the minutes of meeting.

(Action: Applicant/RA-Mumbai)

PH Case No. 02 M/s. Tata Consumer Products Limited, Kolkata
F. No. HQRPRCAPPLY00116927AM21
Meeting No.09/AM22 held on 09.09.2021

Subject: To allow MEIS benefit against the shipping bills pertaining to the period 2016-17 and 2017-18.

The applicant had sought personal hearing in terms of Para 2.59 of FTP-2015-2020, which was afforded on 09.09.2021. Shri Ibrahim Lodhger, Authorised Representative, appeared on behalf of the firm and made the following submissions:

The applicant stated that some of eBRC had not been uploaded correctly by the banks even though the payment was realized in time. There were cases where mistakes were made in the data uploaded and as a result, there was a mismatch with the shipping bill data and they could not apply. In some cases the eBRC were not uploaded at all till much later and in some cases, the eBRCs have been uploaded by the Banks after a considerable delay although realization came in time. There are cases where the correct eBRC have not been uploaded even now and the time period is expiring. Some eBRCs were uploaded quite late and late cut of more than 5% would have got imposed. They are hence unnecessarily put to undue hardship and their rightful claim is being denied since the applications cannot be filed for no fault on their part. They are seeking relaxation of para 3.15 and 9.02 of HBP to cover the following instances :

(a) cases where realization has been made in time but the Banks have uploaded the correct eBRC after a delay of more than 3 years which renders and claim time barred and

(b) cases where realization has been made in time but the Banks are yet to upload the eBRC or have uploaded the correct quite late thereby attracting late cuts. Hence, requested to allow them to manually file the applications since the system does not take care of such a situation. Alternately, the shipping bills may be reactivated so that they can apply without late cut.

Decision: The Committee heard and went through the statement made by the applicant 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 MEIS benefit only for those shipping bills where realization has happened within 3 years from the date of shipment and e BRCs have been uploaded after 3 years of shipment. It also decided that no cut would be imposed on the entitlement of such S/bills. The firm shall approach RA within 90 days from the date of uploading of the minutes of meeting.

(Action: Applicant/RA-Kolkata/EDI-Division)

PH Case No. 03 M/s. VKC Nuts Private limited, Jammu Tawi
F. No. HQRPRCAPPLY00117888AM21
Meeting No.09/AM22 held on 09.09.2021

Subject: Extension of EOP against Advance Authorization No.1810004339 dated 26.07.2019.

Decision: The applicant had sought personal hearing in terms of Para 2.59 of FTP, 2015-2020, which was afforded on 09.09.2021, but no one appeared on behalf of the firm. The Committee decided to defer the case.

(Action: Applicant)

PH Case No. 04 M/s. Mayur Plastics Industries, Gujarat
F. No. HQRPRCAPPLY00018264AM22
Meeting No.09/AM22 held on 09.09.2021

Subject: Revalidation of Advance Authorization No.3410045074 dated 25.04.2019.

Decision: The applicant had sought personal hearing in terms of Para 2.59 of FTP, 2015-2020, which was afforded on 09.09.2021, but no one appeared on behalf of the firm. The Committee decided to defer the case.

(Action: Applicant)

PH Case No. 05 M/s. Karam Multipack Private Limited, Rajkot

F. No. HQRPRCAPPLY00025995AM22
Meeting No.09/AM22 held on 09.09.2021

Subject: Revalidation against Advance Authorization No.2410041951 dated 22.04.2016.

The applicant had sought personal hearing in terms of Para 2.59 of FTP-2015-2020, which was afforded on 09.09.2021. Shri Himanshu Patel, Authorised Representative, appeared on behalf of the firm and made the following submissions:

The applicant stated that the subject advance authorization was obtained under no norms categories self declaration. Their Norms are fixed on 20.07.2017 vide Meeting No.8 84-ALC3 2017 dated 20.07.2017 (Case No. 8/484-ALC3 2017). Their norms were not fixed by Norms Committee, so they were not able to obtain another license under Repetition of ADHOC Norms of their product. In between GST Regime has been implemented from 01.07.2017. Furthermore, they were not able to understand how to import or procure raw material and how to export under GST as they have fulfilled the exports more than required EO against the said authorisation before GST Regime without availability of CENVAT and manufactured either from the duty paid material or from the duty free material procured under the same or earlier advance authorization in which they had already fulfilled the EO from the duty paid material. They have not availed CENVAT credit while dispatch of material for export. They have taken burden of input taxes at the time of manufacturing of exported goods. But GST Regime enforced them for making payment as per below details:-
In initial period of GST, either or Post-Import, Authorization holder has to paid the IGST while of raw material whether he is doing direct import or procure from the indigenous supplier as per Trade Notice No.11/2018 dated 30.06.2017. Thereafter, you can take Input Tax Credit ITC of IGST. Their Export/ manufacturing product are falling under GST Slab of 12% of the product value. However, raw material which is PP Granules main input is falling under 18% of raw material value. So huge working capital may be get stuck as they have exported before GST Regime. Meantime, import validity has been expired on 22.10.2017 and that time IGST was exempted for Pre-import only. Hence, requested (a) to revalidate the advance authorization in terms of para 2.20 and 4.41 of HBP-2015-20 before then 27.12.2018 Para and (b) enhancement in CIF or FOB value and proportion of actual export made against the said advance authorization.

Decision: The Committee discussed the case at length and found no merit or hardship in the arguments made by the firm and hence decided to reject the request of the firm.

(Action: Applicant)

PH Case No. 06 M/s. Wadpack Private limited, Bangalore
F. No. HQRPRCAPPLY00027995AM22
Meeting No.09/AM22 held on 09.09.2021

Subject: Waiver of submitting bill of export towards fulfillment of EO against Advance Authorization No.0710085451 dated 13.01.2012.

Vyas

The applicant had sought personal hearing in terms of Para 2.59 of FTP-2015-2020, which was afforded on 09.09.2021. Ms. Rummini Menon, Authorised Representative, appeared on behalf of the firm and made the following submissions:

The applicant stated that they are applying for closure of above mentioned advance authorization by relaxing the condition in the Handbook of Procedures (2009-2014) (Para 4.25) read with ANF4 (Guideline 2 (a) (ii)) requiring furnishing Bill of Export as one of the documents as proof of fulfillment of export obligation and to issue Export Obligation Discharge Certificate (EODC) for Advance Authorization No.0710085451 dated 13.01.2012.

Decision: The Committee heard and examined the statement made by the firm and discussed the matter at length. The Committee observed that Bill of Export is a mandatory document in terms of FTP for discharge of EO of advance authorization in case of supplies made to SEZ Unit. Accordingly, the Committee decided to reject the request of the firm.

(Action: Applicant)

PH Case No. 07 M/s. Balu India, Mumbai
F. No. HQRPRCAPPLY00029618AM22
Meeting No.09/AM22 held on 09.09.2021

Subject: Condone the delay in submission of MEIS application against 5 Shipping Bill No.(i) 3427284 dated 12.01.2017, (ii) 4369759 dated 25.02.2017, (iii) 4282459 dated 22.02.2017, (iv) 6968777 dated 09.04.2016 & (v) 9564582 dated 20.08.2016 in which the payment were realized late and e-BRC's were uploaded by the Bank during September 2019 to October 2019.

The applicant had sought personal hearing in terms of Para 2.59 of FTP-2015-2020, which was afforded on 09.09.2021, Shri Trimaan Chandock, Executive Director, appeared on behalf of the firm and made the following submissions:

This is review of PRC Meeting No.21/AM21 dated 12.01.2021 (Case No.16), wherein the Committed rejected the case. The applicant stated that their MEIS applications for consideration are for the year 2016-17 during which the MEIS applications are to be filed on yearly basis and there is no provision to file any supplementary calim for MEIS. The entire application has to be filed along with eBRC's which can only be uploaded on eCOM applications upon realization of payment and uploading of eBRC's by the Bank. In view of late receipt of payment and uploading of eBRC's by the bank they could not file MEIS for the year 2016-17 in time. There are total 267 eBRCs against which payment for 252 were realised up to 2019-20 and for the remaining 15 the payments were received up to 17.10.2019. By the time they realised most of the payments against their exports for the year 2016-17 up to 17.11.2019 they again initiated the process for online generation of eCom applications. Moreover, in view of Corona Pandemic from March 2020 they could not file MEIS application for 2016-17 exports where the last payment was realised on 17.11.2019 as there was no available staff and assess to SBs and eBRCs from their office in Mumbai. Hence, requested (a) to allow time up to 6 months from the date of uploading of eBRC (on 17.10.2019) upon realization of payment be allowed up to

16.05.2020 and (a) further to condone 4 months time delay in filing eCom application on 04.09.2020 due to corona pandemic in Mumbai due to which no staff and any assess to SBs and eBRCs was available.

Decision: The Committee heard and reviewed the case on the basis of submission made by the firm and discussed the matter at length. It is observed that there is merit in the case and accordingly it decided to accede to the request and allowed MEIS benefit against 5 Shipping Bill No.(i) 3427284 dated 12.01.2017, (ii) 4369759 dated 25.02.2017, (iii) 4282459 dated 22.02.2017, (iv) 6968777 dated 09.04.2016 and (v) 9564582 dated 20.08.2016 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/ EDI/NIC for necessary updation in the System)

PH Case No. 08 M/s. Royal Textiles, Surat
F. No. HQRPRCAPPLY00082434AM21
Meeting No.09/AM22 held on 09.09.2021

Subject: To allow MEIS benefit against shipping bills pertaining to the period 2015-2016 and 2016-2017.

The applicant had sought personal hearing in terms of Para 2.59 of FTP-2015-2020, which was afforded on 09.09.2021. Shri Wajid Ali, Proprietor, appeared on behalf of the firm and made the following submissions:

The applicant stated that they are requesting for consideration for Issuance of MEIS Scheme in period of 2015-2016 (22 Nos. SBs) and for the period 2016-2017 (10 Nos. SBs). They have received foreign remittance from their overseas buyer lately so that the e-BRC issued from bank after time barred within time limit of submission of MEIS. They could not well aware to submit the MEIS application in this regard because some of their overseas buyers are dispute with them for remitting of payments due to heavy slack market in Nigeria. They are asking more time to remitting payments when they had exported the goods to Nigeria than the Nigerian Currency naira conversion rate to USD 195.00 to USD 200. Now, the exchange rate in Nigeria is USD 300 to USD 315 so that the buyers are waiting for their remittance of payment to reduce the exchange rate. Further, stated that they have visited Nigeria 5 times after exported the goods for collecting of their payments. Hence, requested to allow MEIS benefit against shipping bills pertain to the period of 2015-2016 and 2016-2017.

Decision: The Committee heard and went through the statement made by the applicant 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 MEIS benefit only for those shipping bills where realization has happened within 3 years from the date of shipment and e-BRCs have been uploaded after 3 years of shipment. It also decided that no cut would be imposed on the entitlement of such S/bills. The firm shall approach RA within 90 days from the date of uploading of the minutes of meeting.

(Action: Applicant/RA-Surat/EDI-Division)

PH Case No. 09 M/s. Nash Industries (I) Pvt. Ltd., Bangalore
F. No. HQRPRCAPPLY00040530AM22
Meeting No.09/AM22 held on 09.09.2021

Subject: To allow MEIS benefit against 90 Shipping bills for the period 2017-18.

Decision: The applicant had sought personal hearing in terms of Para 2.59 of FTP, 2015-2020, which was afforded on 09.09.2021, but no one appeared on behalf of the firm. The Committee decided to defer the case.

(Action: Applicant)

PH Case No. 10 M/s. NICE Tractor (India), Ludhiana
F. No. HQRPRCAPPLY00038883AM22
Meeting No.09/AM22 held on 09.09.2021

Subject: To allow FPS benefit against Shipping Bill No.7038089 dated 05.01.2015.

The applicant had sought personal hearing in terms of Para 2.59 of FTP-2015-2020, which was afforded on 09.09.2021. Shri Samir Sikri, Authorised Representative, appeared on behalf of the firm and made the following submissions:

The applicant stated that their export shipment which they have made to their buyer M/s. Fastino Investments Ltd., Nigeria against Shipping Bill No.7038089 dated 05.01.2015, Bill of Lading No.IN70275560 dt.21.01.2015. They had requested RA, Ludhiana regarding to apply for online application on DGFT site for FPS Licence (Focus Product Scheme) as the exports were made prior to 01.04.2015 as now MEIS Licence is only available on DGFT Portal which are against exports w.e.f. 01.04.2015 onwards. Further, RA, Ludhiana got the approval for uploading the value (in lieu of e-BRC) in EDI system of DGFT for processing the case and e-BRC of the same has been uploaded against the above shipping bill on 08.12.2020 vide BRC ref. no.DGFT0500000000003014. Besides, when they have followed up with RA, Ludhiana regarding issue of Licence under FPS Scheme they have communicated by email on 03.05.2021 that FPS Scheme is no longer operational and all Shipping Bills are now time barred. On further correspondence with DGFT, communicated them to approach Policy Relaxation Committee in DGFT. Hence, requested to grant them FPS Licence (Focus Product Scheme) against the above mentioned Shipping Bill No.7038089 dated 05.01.2015 as it is imperative on their part to have said Licence for them to run business smoothly. In this ongoing Pandemic Covid-19 every business house is struggling for this existence and already on the verge of collapse, may help of great relief for their esteemed firm and also boost them to come out of this critical situation.

Decision: The Committee heard the submission made by the firm and discussed the matter at length and it decided to refer the issue to PC-3 Division for its examination and resolution.

(Action: Applicant/PC-3 Division)

PH Case No. 11 M/s. Priya Fasteners, Ludhiana
F. No. HQRPRCAPPLY00040281AM22
Meeting No.09/AM22 held on 09.09.2021

Subject: To allow MEIS benefit against 2 ECOM ref. No.30940042960006006130 dated 04.03.2019 and 30940042960006006128 dated 04.03.2019.

The applicant had sought personal hearing in terms of Para 2.59 of FTP-2015-2020, which was afforded on 09.09.2021. Shri Samir Sikri, Authorised Representative, appeared on behalf of the firm and made the following submissions:

The applicant stated that they had applied MEIS License vide ECOM No.30940042960006006130 dated 04.03.2019 and ECOM No.30940042960006006128 dated 04.03.2019 respectively. Earlier when they had tried to submit both the ECOM applications, the digital signature pen drive of DGFT was not showing. Thereafter they had raised the request on DGFT online portal and accordingly sent them vide email on 27.04.2021 and 28.04.2021 communicating them that the query is by given the remark resolution comment released ECOM and please check and submit now. Accordingly they have checked the same and found that the both ECOM Numbers are showing vide ECOM No.30940042960006006130 for Shipping Bill No. 1216005, 1378184, 1522815, 5132389, 6931502 and 8647649 total credit value available for Rs.104585.00 and ECOM No.30940042960006006128 for Shipping Bill No.3124085, 3473772, 3473815, 8034390 and 8034454 total credit value available for Rs.82267.00 after which they have applied for the MEIS License by making the required DGFT FEE for issuing MEIS License for Rs.1000.00 each for both ECOM applications separately. Thereafter when they proceed further for submitting the both ECOM applications for issuing of MEIS License the credit value is showing 0.00 for both ECOM Numbers. Hence, requested to rectify the error so that the actual value against the ECOM No.30940042960006006130 for credit value Rs.104585.00 and ECOM NO. 30940042960006006128 for credit value Rs.82267.00 be shown on the system and accordingly ECOM applications be submitted.

Decision: The Committee having heard the case on the basis of justification furnished by the firm and observed that there is no merit in firm's contention and decided to reject the request of the firm.

(Action: Applicant)

PH Case No. 12 M/s. Priya Fasteners, Ludhiana
F. No. HQRPRCAPPLY00041087AM22
Meeting No.09/AM22 held on 09.09.2021

Subject: To allow FPS benefit against 3 Shipping Bill No.(i) 7886877 dated 09.10.2013, (ii) 9015665 dated 17.12.2013 and (iii) 1191094 dated 21.02.2014.

The applicant had sought personal hearing in terms of Para 2.59 of FTP-2015-2020, which was afforded on 09.09.2021. Shri Samir Sikri, Authorised Representative, appeared on behalf of the firm and made the following submissions:

The applicant stated that they had sent email dated 03.05.2021 to RA, Ludhiana regarding their above shipping bills against which BRC's had been issued recently. They had requested how to apply for online application on DGFT site for FPS Licence (Focus Product Scheme) as the exports were made prior to 01.04.2015 as now MEIS Licence is only available on DGFT Portal which is against exports w.e.f. 01.04.2015 onwards. They had requested them to check the same at their end and update the same on online so that the system enable them to apply for the FPS Licence against the export made prior to 1.04.2015. Further stated that they had received money from M/s. MB LML Nigeria Ltd. amounting to USD 8300.00 during the trip of their representative during the meeting which was held on 03.09.2018 during stay at Nigeria and out of which an amount amounting to USD 600.00 has been handed over to the local agent of Debt collection Agency and remaining (USD 8300.00-USD 600.00 USD 7700.00) USD 7700.00 is lying with them in form of cash and they have written many letters to HDFC Bank where they maintain their account, to give them approval to deposit the same in their account but approval have not been given by the bank yet to deposit the same. After email sent to DGFT on 03.05.2021 they got reply mentioning that FPS Scheme is no longer operational and Shipping Bills are now time barred. In this regard they had sent them letter on 07.05.2021 & emailed on 08.05.2011 communicated that they had submitted all the concerned documents in the office of RA about 4 yrs back for issuing the eBRC against the payment received as claim against the above shipping bills against which payment was made by ECGC on default as the buyers were insured with ECGC and eBRC's were issued by DGFT recently. As they had given their request about 4 years back for issuing eBRC and thereafter requested them many times for issuing eBRC the delayed was not their fault if FPS is no longer operational and shipping bills are now time barred. Moreover, due to ongoing Pandemic Covid-19 situation every business house is struggling for their existence and already on the verge of collapse. Hence, requested to grant them FPS Licence against the above mentioned shipping bills as the eBRC's were issued by DGFT with delay even after their repeated requests and it is imperative on their part to have the said Licence for them to run business smoothly.

Decision: The Committee heard the submission made by the firm and discussed the matter at length and it decided to refer the issue to PC-3 Division for its examination and resolution.

(Action: Applicant/PC-3 Division)

PH Case No. 13 M/s. GMR Hospitality and Retail Limited, Hyderabad
F. No. HQRPRCAPPLY00045165AM22
Meeting No.09/AM22 held on 09.09.2021

Subject: Revalidation of 5 SFIS Scrip No.(i) 0910067574 dated 28.05.2019, (ii) 0910067575 dated 28.05.2019, (iii) 0910067576 dated 28.05.2021, (iv) 0910067577 dated 28.05.2019 and (v) 0910067592 dated 28.05.2019.

Vimal

The applicant had sought personal hearing in terms of Para 2.59 of FTP-2015-2020, which was afforded on 09.09.2021. Shri Y Ram Manohar, Authorised Representative, appeared on behalf of the firm and made the following submissions:

The applicant stated that they had been facing difficulties in utilization due to Covid-19 Pandemic. Hence, requested for revalidation of SFIS Scrip of above mentioned 5 SFIS for Six months.

Decision: The Committee heard the submission made by the firm and discussed the matter at length and found no merit in it and hence decided to reject the request of the firm.

(Action: Applicant)

PH Case No. 14 M/s. Siemens Limited, Mumbai
F. No. HQRPRCAPPLY00046530AM22
Meeting No.09/AM22 held on 09.09.2021

Subject: Redemption of Advance Authorization No.0410134086 dated 23.02.2012.

The applicant had sought personal hearing in terms of Para 2.59 of FTP-2015-2020, which was afforded on 09.09.2021. Shri Pramod Sant, Head of Department - Exim, appeared on behalf of the firm and made the following submissions:

The applicant stated that they had obtained the subject authorization for export product – Winergy Gear Box PEAB Box PEAB 4456.6 for total 35 sets (on Component net to net basis). They have fulfilled the EO within time and submitted the redemption application to RA, Chennai. They have exported total 37 sets of Winergy Gear Box Peab 4456.6 (on net to net basis). EO against advance authorization is fulfilled more than 100% quantity-wise and value-wise. They have achieved require value addition. They have already submitted original documents such as import utilization certification attested by SEZ authority, Consumption certificate, e-BRC & Original quadruplicate copy of bill of export for the Export S.no. 01 to 22 of ANF to RA. Description and quantity of export product is correctly mentioned in all bill of export and in all commercial invoices. In all ARE-1, the details such as Commercial invoice, advance license no and quantity, Description of export product is correctly mentioned. It has been missed out to prepare bill of exports for Sr. No. 23 to 37 at the time of entry of goods in SEZ by the CHA but they have prepared commercial invoice, ARE-1 where advance authorization number and export product is clearly mentioned prior to supplies made in SEZ and SEZ authority has also attested the same. In lieu of bill of export they have submitted consumption certificate where the description, quantity, invoice number, date, ARE1 number and date is correctly mentioned which is duly stamp and signed by authority of SEZ, Padubidri, Udupi District Karnataka. 100% payment is also received and already submitted copy of eBRCs. Hence, requested to allow redemption of above authorization.

Decision: The Committee heard and examined the statement made by the firm and discussed the matter at length. The Committee observed that Bill of Export is a mandatory document in terms of FTP for discharge of EO of advance authorization in case of supplies made to SEZ Unit. Accordingly, the Committee decided to reject the request of the firm.

(Action: Applicant)

PH Case No. 15 M/s. Prayag Polytech Private Limited, Gurgaon
F. No. HQRPRCAPPLY00049399AM22
Meeting No.09/AM22 held on 09.09.2021

Subject: Extension of EOP against Advance Authorisation No.0510405892 dated 16.03.2018 without composition fee.

The applicant had sought personal hearing in terms of Para 2.59 of FTP-2015-2020, which was afforded on 09.09.2021. Shri Milan Aggarwal, Authorised Representative, appeared on behalf of the firm and made the following submissions:

This is review case of PRC Meeting No.23/AM21 dated 18.02.2021 (Case No.25), wherein the Committee approved the case. The applicant stated that they have earned a good reputation in exports till 2018 when the dispute in the company arose. Company has earned foreign currency for the country with great efforts. Till such time Company was making exports to all the customers overseas worldwide under open credit as the customer were trustworthy and long relationship was there with all customers. Due to internal management dispute which went out of proportions in 2018, the Manufacturing plant came to a standstill, suppliers stopped supplies and bank withdraw the credit limits and due to the rumor of no further supplies, all customers moved out to other suppliers and few of them stopped payments which were pending for previous supplies. Same are under legal recoveries in buyer country and EPCG claim is requested few of which are released to Bankers. At the time of dispute their exposure with the bankers was 270 crores and they kept on pursuing payments from domestic as well overseas customers and brought down the exposure which was very much appreciate by bankers by saying them a classic example of Loyal and honest customer to bankers. Their company accounts became NPA in 2019 with book liability of 45 crores as the bankers withdrew all the limits and put a debit freeze. They paid back almost 85% of the amount from realization of proceeds of sales to export and domestic. The balance amount to be paid to bankers as on date is around 45.0 crores and the restructuring and OTS proposal with respective bankers are under consideration favourably considering their poor financial health. Bankers are not very much willing to extend any further credits till the accounts become standard which may take some time. As the customers moved out to other suppliers and of course they can come back to them and few of them and few of them have already come back due to their commitment to quality but they all need open credit for which they are not comfortable. Under such circumstances the only option to export is under advance payment which will not result in big volumes to cover their export obligation and also for import utilization need funds to buy on advance payment. Moreover Corona pandemic which is prevailing all over the world is effecting the overall requirements in all the countries worldwide further reducing orders situation.
Therefore, to fully cover their pending advance authorization which are revalidated and EOP extension is also done for a period of 6 months with composite fees, they

need more time as 6 months is not possible as of now and they need minimum 1 year as of now and they will do their best efforts to achieve this in one year. Secondly, paying composite fees is completely impossible and unviable to them under such situation as they are having no liquidity other than operations of the company and to keep the company survive and sustain over a period of time come back to old glory which will take a longer time (around 4-5 years with disciplined outflow of funds only in relation to the operation of the company and nothing extra). Also honourable NCLT court has ordered at the time of their dispute settlement to condone all charges to revalidate their operations to all government authorities including DGFT. They have to manage the restructuring of the Bank accounts, settle OTS dues to bankers and NBFC, settle Old creditors, fund the legal proceeding to recover their debts from customers within India and overseas ets. All this is to be done in parallel to run the operations of the company convince overseas old customers and find new customers to pay Advance and execute the supplies as per orders to the customers. Most importantly their employee base who are completely dependent on the company for their families' survival, they are not even able to sometimes pay them on time due to poor funds availability. They are running as of now in between 05-20 % of the total company capacity and main reason of the found availability to service the orders. There have been time when the orders have been received but cancelled letter on due to poor or non-availability of raw material they are working to resolve all such issues in relation to the operation of the company. They have to focus on the mandatory statutory requirements of the company in preference order and pay them on monthly basis and at the same time manage the operation of the company and keep the bankers satisfied. Though, they have always been a time bound company and paid all fees as applicable during their goods times, however, under such difficult situation it is beyond their capacity to serve the Composite fees for the revalidation of the advance authorization and EOP extension. At this time, they genuinely need the support and approval for the complete waiver of the Composite fees and the further extension to 1 year from current permission of 6 months. This is the need of the hour for their company and they have no other door to request for the same. Management the EO and revalidating the advance authorization itself is a hercules task for them and they will surely be able to manage with the blessing and support of their customers and suppliers and of course with the available support of RA/CLA as always.

Decision: The Committee reviewed and examined the case on the basis of justification furnished by the firm and discussed the matter at length. The Committee found no merit in the request and hence decided to maintain the earlier decision of PRC in its Meeting No.23/AM21 dated 18.02.2021(Case No. 25).

(Action: Applicant)

PH Case No. 16 M/s. Orbit Lifescience Pvt. Ltd., Mumbai
F. No. HQRPRCAPPLY00099979AM22
Meeting No.09/AM22 held on 09.09.2021

Subject: Extension of EOP against Advance Authorization No.0310822080 dated 02.07.2018 and to allow to add name of new supporting manufacturer.

Ujjwal

Decision: The applicant had sought personal hearing in terms of Para 2.59 of FTP, 2015-2020, which was afforded on 09.09.2021, but no one appeared on behalf of the firm. The Committee decided to defer the case.

(Action: Applicant)

PH Case No. 17 M/s. Oats Corporate Consultants Pvt. Ltd., Pune
F. No. HQRPRCAPPLY00100035AM22
Meeting No.09/AM22 held on 09.09.2021

Subject: To allow SEIS benefit by relaxing the para 3.08(f) of FTP for FY 2017-18 and 2018-19.

The applicant had sought personal hearing in terms of Para 2.59 of FTP-2015-2020, which was afforded on 09.09.2021. Shri Shankargouda Patil, Authorised Representative, appeared on behalf of the firm and made the following submissions:

The applicant stated that they have applied for SEIS incentive for FY 2017-18 against File No.31/21/098/50075/AM21 Rs.1,96,000/-, FY 2018-19 F.No.31/21/098/50076/AM21 Rs.2,69,000/-. Their claims are rejected due to IEC not obtained at the time of rendering service. Further stated that in the present case, the requirement of possessing an IEC at the time of rendering the services, was only mere formality as it had no bearing whatsoever on the rendering of services nor was there any another legal requirement and hence there is no breach of any law rules whatsoever. Therefore, the condition in paragraph 3.08 (f) of the FTP 2015-20 is only a mere formality to be fulfilled. The relaxation of the Policy condition sought is not contrary to the provisions of FTDR Act and other provision of FT (D&R) Act. Hence, they have requested to take their case on record and condone the procedural lapse if any and allow SEIS benefit against the above mentioned 2 files.

Decision: The Committee having heard the case on the basis of justification furnished by the firm and observed that there is no merit in firm's contention and hence decided to reject the request of the firm.

(Action: Applicant)

PH Case No. 18 M/s. Anand Seamless Tubes Pvt. Ltd., Gujarat
F. No. HQRPRCAPPLY00101107AM22
Meeting No.09/AM22 held on 09.09.2021

Subject: Regularisation of export already made beyond EOP against Advance Authorization No.0810138168 dated 13.06.2016.

The applicant had sought personal hearing in terms of Para 2.59 of FTP-2015-2020, which was afforded on 09.09.2021. Shri Pratik Trivedi, Chartered Accountant – Authorised Representative, appeared on behalf of the firm and made the following submissions:

The applicant stated that in the above subject authorization they have obtained 2 EO extensions of 6 months each. Accordingly, new EOP expiry date was 11.12.2018

(Original EOP expiry date was 12.12.2017). In the above advance authorization out of total export obligation of 39.633 MTS, Export of 25.060 MTS was made up to 10.12.2018 and 8.160 MTS export was made on 01.01.2019 and 03.01.2019 i.e. within one month of expiry of extended export obligation period. Further, stated that the RA has demanded duty and interest on 17.488 MTS of import instead of 7.356 MTC. RA has also raised demand without considering the export made within one month of expiry of EO period. Hence requested to consider and to allow the export affected up to 01.01.2019 & 03.01.2019 (1 month after expiry of EOP).

Decision: The Committee heard the submission made by the firm and discussed the matter at length and it decided to accede the request and allowed EOP extension up to 09.01.2019 of Advance Authorization No.0810138168 dated 13.06.2016 only for regularization purpose subject to the payment of composition fees @0.5% per month on the unfulfilled FOB value, if exports are fulfilled more than 50% within initial /extended EOP or @ 1% per month where exports have been made less than 50% within initial/extended EOP. The firm shall approach RA concerned within 30 days of the uploading of the minutes of meeting.

(Action: Applicant/RA-Ahmedabad)

PH Case No. 19 M/s. Reliance Industries Limited, Mumbai
F. No. HQRPRCAPPLY00103868AM22
Meeting No.09/AM22 held on 09.09.2021

Subject: To allow MEIS benefit against lost Shipping Bill No.761313 dated 27.08.2017.

The applicant had sought personal hearing in terms of Para 2.59 of FTP-2015-2020, which was afforded on 09.09.2021, Shri Ashutosh Verma, Vice President-Exim, appeared on behalf of the firm and made the following submissions:

This is review case of PRC Meeting No.27/AM21 dated 31.03.2021 (Case No.04), Wherein the Committee rejected the case. The applicant stated that as per para 2.34 of HBP 2015-20 which clearly mention claim against lost shipping bill can be preferred within 6 months from the date of release of duplicate copy of shipping bill. They have obtained duplicate copy from Customs Authority on 30.11.2020 and applied their claim on 01.12.2020, filed manually to RA, Mumbai, well within 6 months from the date of release of duplicate shipping bills. Further stated that their legitimate and eligible claim has been denied on account of system constraint, had it been the issue in previous regime where claim was filed manually under that process the same can be easily claimed and might have been allowed also by DGFT. They should not be deprived of their eligible benefit because of limitation of present online MEIS module of DGFT. Hence, requested to allow them either to file online application or grant MEIS scrip based on their manual application submission which they did within 6 months of issuance of duplicate copy of shipping bill.

Decision: The Committee heard and reviewed the case on the basis of justification submitted by the applicant and discussed the matter at length. The Committee observed that the export has been made from Non-EDI Port and they have already received duplicate s/bill in lieu of original reported lost. Accordingly it decided to allow MEIS benefit against lost Shipping Bill No.761313 dated 27.08.2017 subject to submission of documents as per provisions of HBP/FTP in case of loss of documents. The firm shall approach RA concerned within 30 days from the date of uploading of the minutes of meeting.

(Action: Applicant/RA-Mumbai)

PH Case No. 20 M/s. Hotel Annamalai International, Madurai
F. No. HQRPRCAPPLY00015595AM22
Meeting No.09/AM22 held on 09.09.2021

Subject: Request for consideration of payments received from Foreigners in INR by Hotel Industry towards redemption of EPCG License No.3530003915 dated 01.02.2010.

The applicant had sought personal hearing in terms of Para 2.59 of FTP-2015-2020, which was afforded on 09.09.2021. Ms. Swati Dhamija, Authorised Representative, appeared on behalf of the firm and made the following submissions:

This is review case of PRC Meeting No.15/AM21 dated 03.11.2020 & 11.11.2020 (Case No.07), wherein the Committee rejected the case. The applicant stated that that they have fulfilled the EO and payment has been received in free foreign exchange from the foreigners as per PC No.60 dated 24.12.1998. Since they are a small hotel and were not well conversant with the formalities, they did not obtain the photocopies of encashment certificate from the foreigners. However, they have maintained their records and ledgers in which the following records have been entered in their record books viz. Name of the Foreigner, Country, Passport number and date. From this record, it is clear that they have realized the payment in free foreign exchange. Hence, requested to consider the payment realized in INR towards fulfillment of EO against the subject EPCG authorization. Further stated that the following documents are available with them- Name and Nationality of Foreign Guest who have stayed in the Hotel. Copies of Passports of all the Foreign Nationals. Copies of invoices duly countersigned by the foreign national. Statement of EO fulfillment containing the name, Nationality, Passport Number of the Foreign nationals. All the passport copies and the invoices duly countersigned by the foreign nationals will be submitted to the concerned RA.
It was also informed that similar cases have been done by EPCG Committee in the past.

Decision: The Committee heard and reviewed the case on the basis of submission made by the applicant and decided to refer the issue to EPCG-Division for examining the matter and put up the same on file to DGFT for a decision.

(Action: Applicant/EPCG-Division)

PH Case No. 21 M/s. Simosis International, Mumbai
F. No. HQRPRCAPPLY00104715AM22
Meeting No.09/AM22 held on 09.09.2021

Subject: Relaxation of time for submission of physical copy of TMA application for the period 01.04.2020 to 30.06.2020 (File No.03/21/102/51372/AM21 dated 27.01.2021) and 01.07.2020 to 30.09.2020 (File No.03/21/102/51374/AM21 dated 27.01.2021).

The applicant had sought personal hearing in terms of Para 2.59 of FTP-2015-2020, which was afforded on 09.09.2021. Shri Dinesh Mishra, Manager, appeared on behalf of the firm and made the following submissions:

The applicant stated that they have submitted both the TMA applications for the above periods on electronically with fees on 27.01.2021 and submitted the physical copy of document to RA on 08/3/2021 (10 days delay). All the physical documents (along with Chartered Accountant Certificate) were completed as per prescribed format on 27/01/2021 but they were unable to submit the physical documents within the given time frame to RA as their office staffs were found Covid positive and their entire office activity was badly affected. Their office staffs were founded Covid positive one by one, so they have decided to close their office to break this chain to save their staffs and save others. They clarify that this is the first incidence when they have not completed the notification conditions since the situation was extremely difficult during that time. They hereby request that the situation is very critical and last one year has all been about survival of business and very difficult to get the orders to complete the shipments timely. Sea freights are increases abnormally. They are facing the challenges of running the Business, Financial Losses, paying Salary to staffs on time, Bank interest and Repayment of loans. In the Export of agro commodities margin amount is very less, they have added this amount in their costing, the claim amount is very Big Total – Rs.23,00,200.00, its adverse impact on their export business. Their total claim amount is 1st April 2020 to 30th June 2020 is Rs.873600.00 and 1st July 2020 to 30th Sep. 2020 is Rs.1426600.00. Hence, requested to accept the application and grant the relaxation.

Decision: The Committee heard and went through the submission made by the firm and discussed the matter at length. The Committee decided to accept the request for condonation of delay in submission of physical copy of TMA application for the period 01.04.2020 to 30.06.2020 (File No.03/21/102/51372/AM21 dated 27.01.2021) and 01.07.2020 to 30.09.2020 (File No.03/21/102/51374/AM21 dated 27.01.2021) The firm shall approach RA concerned within 60 days of the uploading of the minutes of meeting.

(Action: Applicant/RA-Mumbai)

PH Case No. 22 M/s. Eastman Industries, Ludhiana
F. No.01/60/162/134/AM21/PRC
Meeting No.09/AM22 held on 09.09.2021

Subject: (i) Condonation of pre-import condition and allow revalidation of DFIA No.3010103853 dated 03.10.2016 (ii) To condone the pre-import conditions and allowed DFIA benefit against 6 pending DFIA File No.(a) 30/21/076/00018/AM16 dated 12.06.2015, (b) 30/21/076/00022/AM16 dated 26.06.2015, (c) 30/21/076/00041/AM16 dated 12.10.2015, (d)

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30/21/076/00008/AM17 dated 06.06.2016, (e) 30/21/076/00016/AM17 dated 23.06.2016 and (f) 30/21/076/00017/AM17 dated 23.06.2015.

The applicant had sought personal hearing in terms of Para 2.59 of FTP-2015-2020, which was afforded on 09.09.2021, Ms. Rupali Sharma, Authorised Representative, appeared on behalf of the firm and made the following submissions:

The applicant stated that they had been issued post export DFIA No.3010103853 dated 01.10.2016 against their exports of Automobile Tyres Sr. No.A1667 pf SION made during June, 2015 to October, 2015. Subsequently RA suomoto deleted Natural Rubber from DFIA on 15.11.2016 on the wrong notion that they were not eligible to import Natural Rubber as per PN 81 dated 09.01.2015. Their representation for inclusion of Natural Rubber as an input against export Tyres/tubes in their post export DFIA was rejected by RA on 10.03.2017. Being aggrieved by rejection, they had approached High Court of Punjab & Haryana at Chandigarh by filing WP No.CWP No.8498 of 2017. The Hon'ble High Court was pleased to to allow their WP vide its order /judgment dated 13.11.2019. After passing of the aforesaid order, they again requested and represented to allow their claim in view of the order passed by the Hon'ble High Court, but their requests were not considered. They came to know that the department had approached Hon'ble Supreme Court of India by filing SLP, having Diary No.26056/2020. They had contested the SLP before the Hon'ble Supreme Court and the Hon'ble Court was pleased to dismiss the SLP vide its order dated 02.08.021. Therefore, in the light of the order passed by Hon'ble Supremet Court they had requested to (i) Condone the pre-import condition and allow revalidation of DFIA No.3010103853 dated 03.10.2016 and (ii) To condone the pre-import condition and allow revalidation of following 6 pending DFIA File No.(a) 30/21/076/00018/AM16 dated 12.06.2015, (b) 30/21/076/00022/AM16 dated 26.06.2015, (c) 30/21/076/00041/AM16 dated 12.10.2015, (d) 30/21/076/00008/AM17 dated 06.06.2016, (e) 30/21/076/00016/AM17 dated 23.06.2016 and (f) 30/21/076/00017/AM17 dated 23.06.2015.

Decision: The Committee heard the case and went through the justification provided by the applicant. It also observed that Hon'ble Supreme Court vide its Order dated 02.08.2021 has dismissed the SLP having Diary No.26056/2020 filed by this office. Thereafter, in light of the Hon'ble SC's orders, the Committee discussed the matter at length. It was also informed by the firm that the firm had made all exports in these DFIAs prior to Notification No.42 dated 21.03.2017 and earlier in a similar case, PRC had allowed issue of DFIAs also. It was noted that same plea was taken by the firm before the Hon'ble Supreme Court during the hearing.

Accordingly, the Committee decided the following:-

(i) To condone the pre-import condition and allow revalidation of DFIA No.3010103853 dated 03.10.2016 for a period of 6 months from the date of endorsement.

(ii) To condone the pre-import condition and allow DFIA benefit against 6 DFIA File No.(i) 30/21/076/00018/AM16 dated 12.06.2015, (ii) 30/21/076/00022/AM16 dated 26.06.2015, (iii) 30/21/076/00041/AM16 dated 12.10.2015, (iv)

30/21/076/00008/AM17 dated 06.06.2016, (v) 30/21/076/00016/AM17 dated 23.06.2016 and (vi) 30/21/076/00017/AM17 dated 23.06.2015.

The firm shall approach RA concerned within 30 days of the uploading of the minutes of the meeting.

(Action: Applicant/RA, Ludhiana)

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