Date of Uploading 02 / 11 /2020

Directorate General of Foreign Trade
(PRC Section)

Minutes of the Policy Relaxation Committee Meeting Held on 27.10.2020 under the Chairmanship of Shri Amit Yadav, Director General of Foreign Trade

Meeting No.14/AM21 held on 27.10.2020

The following members were present in the meeting:

1.	Shri R.P. Goyal	Addl. DGFT
2.	Shri Vijay Kumar	Addl. DGFT
3.	Shri S.B.S. Reddy	Addl. DGFT
4.	Shri Hardeep Singh	Addl. DGFT
5.	Shri Anil Aggarwal	Addl. DGFT
6.	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. D. K. Bio Pharma Pvt. Ltd., Thane	1
2.	M/s. Reliance Industries Limited, Mumbai	2
3.	M/s. V. S. International, Gurugram, Haryana	3
4.	M/s. Oswal Industries Limited, Gandhi Nagar	4
5.	M/s. Shree Ganesh Metals, Haryana	5
6.	M/s. Gold Plus Glass Industry Limited, New Delhi	6
7.	M/s. Modern Apparels, Mumbai	7
8.	M/s. Blue-Fin Frozen Foods Pvt. Ltd., Mumbai	8
9.	M/s. Prayag Polytech Pvt. Ltd., HR	9
10.	M/s. Tata Consultancy Services Ltd., Mumbai	10
11.	M/s. Larsen & Toubro Limited, Mumbai	11
12.	M/s. ABC Cotspin Pvt. Ltd., Mumbai	12
13.	M/s. Natural Herbs & Formulations, Uttarakhand	13
14.	M/s. Ethnic Silk Mills, Bangalore	14
15.	M/s. RNR International, Gurgaon	15

PH Case No. 01 M/s. D. K. Bio Pharma Pvt. Ltd., Thane
F. No. 01/60/162/748/AM20/PRC
PRC Meeting No.14/AM21 dated 27.10.2020

Subject: Second EOP extension against Advance Authorization No.0310816992 dated 13.11.2017.

Ulyant

Decision: The applicant had sought personal hearing in terms of Para 2.59 of FTP, 2015-2020, which was afforded on 27.10.2020, but no one appeared on behalf of the firm. The Committee decided to defer the case.

(Action: Applicant)

PH Case No. 02 M/s. Reliance Industries Limited, Mumbai
F. No. 01/60/162/219/AM20/PRC
PRC Meeting No.14/AM21 dated 27.10.2020

Subject: To allow MEIS benefit against 2 Shipping Bills No. 9781055 dated 08.11.2017 and 4717618 dated 08.05.2018.

The applicant had sought personal hearing in terms of Para 2.59 of FTP, 2015-2020, which was afforded on 27.10.2020, Shri Ashutosh Verma, Vice President-EXIM appeared on behalf of the firmand made the following submissions:

This is review case of PRC Meeting No.11/AM20 dated 09.07.2019 (Case No.18), wherein the Committee had rejected the case. The applicant stated that at the time of filing their shipping bill, they have inadvertently selected the reward scheme as "No" instead of "Yes" due to which these shipping bills cannot be available for MEIS application in DGFT System. When they approach to Customs for amendment of these shipping bills they have issued them manual amendment certificate since no EDI modification in shipping bill can be carried out once EGM is filed.

Decision: The Committee heard and examined the case on the basis of justification furnished by the applicant. The Committee observed that conversion from 'N' to 'Y' is not feasible in the current automated system and transmission of such shipping bills from ICEGATE to DGFT system is not possible. Moreover there is a lapse on the part of the firm. The Committee found no merit in the request and hence decided to maintain rejection of the earlier decision of PRC in its Meeting No.11/AM20 dated 09.07.2019 (Case No.18).

(Action: Applicant)

PH Case No. 03 M/s. V. S. International, Gurugram, Haryana
F. No. 01/60/162/87/AM21/PRC
PRC Meeting No.14/AM21 dated 27.10.2020

Subject: To allow MEIS benefit against the shipping bills pertain to the year 2015-2016, which is time barred.

The applicant had sought personal hearing in terms of Para 2.59 of FTP, 2015-2020, which was afforded on 27.10.2020, Shri Arun Kumar Vij, Export Executive appeared on behalf of the firm and made the following submissions:

The applicant stated that an e-Com reference was generated by them on 22.09.2016 to file their MEIS claim for the period 2015-16, but the shipping bills were not reflecting on the EDI list of shipping bills repository. They approached DGFT-Help Desk time and again but their case/issue remained unresolved for 3 years in spite of their regular follow up with DGFT. Until on 03.04.2019 DGFT-Help Desk informed them the case /issue is resolved and they may check and file fresh MEIS claim. Unfortunately by that time their MEIS entitlement claim had become time barred.

Decision: The Committee went through the statement made by the applicant during the course of personal hearing and discussed the matter at length. It decided to refer the issue to EDI/NIC for its examination and thereafter the matter will be brought back to PRC.

(Action: EDI/NIC and Applicant)

PH Case No. 04 M/s. Oswal Industries Limited, Gandhi Nagar
F. No. 01/60/162/891/AM20/PRC
PRC Meeting No.14/AM21 dated 27.10.2020

Subject: Permission to claim advance license benefit in terms of Para 8.3 and 8.4 of FTP 2009-2014 against the supply falls under deemed export category and eligible for advance license for duty free import of inputs and Terminal Excise Duty refund.

Decision: The applicant had sought personal hearing in terms of Para 2.59 of FTP, 2015-2020, which was afforded on 27.10.2020, but no one appeared on behalf of the firm. The Committee decided to defer the case.

(Action: Applicant)

PH Case No. 05 M/s. Shree Ganesh Metals, Haryana
F. No. 01/60/162/942/AM20/PRC
PRC Meeting No.14/AM21 dated 27.10.2020

Subject: Clubbing of 2 Advance Authorization No.3310026241 dated 25.05.2013 and 3310030342 dated 02.09.2016.

The applicant had sought personal hearing in terms of Para 2.59 of FTP, 2015-2020, which was afforded on 27.10.2020, Shri Sanjay Aggarwal, Authorised Representative appeared on behalf of the firm and made the following submissions:

This is review case of PRC Meeting No.03/AM21 dated 09.06.2020 (Case No.04), wherein the Committee rejected the case. The applicant stated that in the first Advance Authorization No.3310026241 dated 25.05.2013 there is NIL imports. Description of import items and actual quantity of 2nd Advance Authorisation No.3310030342 dated 02.09.2016 is Zinc Ingots 247430 Kgs. Description of export items and actual quantity, exported 100% of quantity 51380 Kgs in first advance authorization and NIL exports in 2nd advance authorization. EO status on clubbing, 100% in first authorization and received EODC from RA, Panipat and paid import duty with interest (complete amount of Rs.1,17,11,535/-) against 2nd authorization for quantity 196050 Kgs. Hence, requested to club both authorizations so that exports of first authorization be adjusted in 2nd authorization. These are the only two authorisations they have ever taken. They don't have export experience. They did not make any mistake intentionally be market situation did not allow more export.

They paid import duty plus huge interest by borrowing more from bank in these tough times.

Decision: The Committee heard the case on the basis of justification furnished by the applicant and discussed the matter at length. The Committee observed that the applicant has not submitted any cogent reason/ justification in support of their claim and licenses issued in 2013 and 2016 cannot be clubbed. Accordingly, the Committee decided to maintain the earlier decision of PRC Meeting No.03/AM21 dated 09.06.2020 (Case No.04).

(Action: Applicant)

PH Case No. 06 M/s. Gold Plus Glass Industry Limited, New Delhi
F. No. 01/60/162/254/AM20/PRC
PRC Meeting No.14/AM21 dated 27.10.2020

Subject: **(A) Extending the time period for meeting the EO and waiver of the composite fee / Duty against 5 EPCG License Nos.(i) 530146540 dated 30.06.2008, (ii) 530146692 dated 16.07.2008, (iii) 530146782 dated 30.07.2008, (iv) 530146894 dated 13.08.2008 and (v) 530156887 dated 08.11.2011. (B) Condonation of procedural lapse for not submitting Bill of Exports in case of Deemed Exports.**

The applicant had sought personal hearing in terms of Para 2.59 of FTP, 2015-2020, which was afforded on 27.10.2020, Shri Subhash Tyagi, Chairman appeared on behalf of the firm and made the following submissions:

This is review case of PRC Meeting No.22/AM20 dated 19.11.2019 (Case No.15), wherein the Committee had rejected the case. The applicant stated that they are in the process of completing the EO of above 5 EPCG Licenses, but shall not be able to meet the obligation in given time frame nor in extended period mentioned in the FTP. They are facing the challenge of increasing prices of the raw materials in the process of glass manufacturing and it has a caused a drastic reduction in the profit margins of the Company. They are facing stiff competition from Chinese imports and also from Chinese companies in Malaysia due to FTA agreement and Iran, resulting into adverse pricing impact in India market which also makes their product uncompetitive in the export market. Further, due to COVID-19 pandemic, the Industry has suffered a severe setback. In the wake of an unprecedented demand, company is struggling to cope with the situation and to sustain in this ongoing economic scenario. Their plant is a continuous manufacturing plant. In spite of the lockdown they had to run their machinery and incurred huge losses. Because of the lockdown and border closed by Nepal, they had lost 90% of the export orders and suffered a PBT loss of approximately Rs.36 Crores in the first Quarter. Their company has been placed under DEL.

Decision: The Committee heard and examined the case on the basis of justification furnished by the applicant and discussed the matter at length. The Committee observed that the EPCG authorizations were quite old and the applicant has not submitted any cogent reason/ justification in support of their claim. Accordingly, the

Committee decided to maintain the earlier decision of PRC Meeting No.22/AM20 dated 19.11.2019 (Case No.15).

(Action: Applicant)

PH Case No. 07 M/s. Modern Apparels, Mumbai
F. No. 01/60/162/293/AM20/PRC
PRC Meeting No.14/AM21 dated 27.10.2020

Subject: To Count the export of free Shipping Bill No.4130991 dated 16.06.2011 towards discharge of EO against Advance Authorization No.0310634031 dated 01.06.2011 and allow of redemption on the basis of Custom invoice.

The applicant had sought personal hearing in terms of Para 2.59 of FTP, 2015-2020, which was afforded on 27.10.2020, Shri Vinod Panditpautra, Partner-CEO, and Shri Virav Goswami, CFO-Exports appeared on behalf of the firm and made the following submissions:

This is review case of PRC Meeting No.14/AM20 dated 06.08.2019 (Case No.18), wherein the Committee had rejected the case. The applicant stated that although their Customs Invoice No.EXP/001 dated 01.06.2011, distinctly mentions that shipment exported is towards discharge of export obligation against subject advance authorization. They are unable to digest as to how Land Customs Authority of India at Raxaul (India) – Birgunj (Nepal) border under Kolkata Customs allowed shipment of export under free Shipping Bill No.4130991 dated 16.01.2011, despite knowingly well that complete obligation has been discharged through single consignment of export without even allow of PH under the principle of Natural Justice. The another surprising fact is the availability of shipping bill is after several days upon execution of shipment as document of exports are made available through post & courier to the exporters who are situated at far flung places. By the time document of shipments get into the hands of exporters, probably after 30 days, exporters forget the importance of verification of assurance of documents of exports. Hence the irregularity made by staff of CHA & land customs authority did not get detected in time. They once again requested to allow relaxation exclusively based on their categorical statement made on their Invoice No. EXP/001 dtd.1.6.2011 showing their willingness to legitimately discharge Export Obligation in respect of their Advance Authorization No.0310634031 dtd.1.6.2011 through export under Shipping Bill No.4130991 dtd.16.6.2011 disregarding the inadvertent conversion of DEEC Shipping Bill to Free category as the same has been done by Customs Authority at Raxaul of Bihar State (Land Custom Station) without their any concurrence & knowledge.

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 noted that the shipping bill does not contain the advance authorization number, which is mandatory requirement for fulfillment of export obligation. Their shipping bills are in fact, free shipping bills, as indicated on the shipping bills. Moreover these shipping bills are either filed directly by the exporters or their authorized CHAs. Accordingly, the Committee decided to maintain the earlier decision of PRC Meeting No.14/AM20 dated 06.08.2019 (Case No.18).The applicant is directed to get the case regularized in terms of Para 4.49 of HBP, 2015-2020 within 30 days from the date of uploading of the minutes of meeting.

(Action: RA, Mumbai: if the applicant fails to get the case regularized within a month from the date of uploading of these minute on the Directorate website, necessary action as per the provisions of F.T.(DR)Act, shall be initiated/Applicant)

PH Case No. 08 M/s. Blue-Fin Frozen Foods Pvt. Ltd., Mumbai
F. No. 01/60/162/598/AM19/PRC
PRC Meeting No.14/AM21 dated 27.10.2020

Subject: To allow MEIS benefit against HS Code 03061790 and 03061719 in the fresh and chilled scampi the category to eliminate any scope of interpretation by the authorities.

Decision: The applicant had sought personal hearing in terms of Para 2.59 of FTP, 2015-2020, which was afforded on 27.10.2020, but no one appeared on behalf of the firm. The Committee decided to defer the case.

(Action: Applicant)

PH Case No. 09 M/s. Prayag Polytech Pvt. Ltd., HR
F. No. 01/60/162/58/AM21/PRC
PRC Meeting No.14/AM21 dated 27.10.2020

Subject: To allow MEIS benefit against partially utilized shipping bills (pertaining to the year 2014-2015, 2015-2016, 2016-17, 2017-18 & 2018-19) where multiple BRCs were issued and shipping bill is used with first BRC.

The applicant had sought personal hearing in terms of Para 2.59 of FTP, 2015-2020, which was afforded on 27.10.2020, Shri Milan Gupta, Director appeared on behalf of the firm and made the following submissions:

This is review of PRC Meeting No.08/AM21 dated 21.08.2020 (Case No.10), wherein the Committee had rejected the case. The applicant stated that it is a substantial amount of supplementary claim of 28.4 lac approximately. They are struggling in the world/ international market in price war and to lose this amount of claim will cause a great hardship to them. In order to receive orders from the overseas buyers, they are passing a major share of the incentive to the overseas buyer in their prices and in most of the cases the complete incentive is passed on to the buyer in order to retain the buyer. They missed the filing of these pending BRCs due to ignorance and they cannot afford to lose this MEIS claim of these supplementary BRCs against shipping bills. Further, exporter is eligible for MEIS incentive as each penny of Forex earned for the country. The amount of MEIS is taken as part of costing as competitive in international market is tough. So it is mandatory to receive MEIS on each and every penny of Forex. If there is no provision of filing supplementary claims in MEIS, it can be done manually by DGFT/CLA and MEIS authorization can be issued. Exporter should not suffer loss on account of system incapability. Gross ignorance is done by DGFT and various other government departments and all those gross ignorance are rectified. Same is the situation in their case. If their staff has done some gross negligence due to ignorance of law, they should be allowed to rectify on merit and not punished for same. They are not capable or rather they cannot afford to lose this MEIS incentive of unutilized amount of BRC of shipping bill. Hence, requested to allow the same and provide the incentive by way of manual filing or any other mode and award them.

Decision: The Committee heard the case on the basis of justification submitted by the applicant and discussed the matter at length. The Committee noted that in the automated environment, supplementary MEIS Scrip cannot be issued as firm has already utilized the shipping bills as well as the Scrip initially issued to them. Accordingly, the Committee decided to maintain the earlier decision of PRC Meeting No.08/AM21 dated 21.08.2020 (Case No.10).

(Action: Applicant)

PH Case No. 10 M/s. Tata Consultancy Services Ltd., Mumbai
F. No. 01/60/162/706/AM20/PRC
PRC Meeting No.14/AM21 dated 27.10.2020

Subject: Import of Brand new motor car Ford Fusion Hybrid Titanium and relaxation of policy condition no 2 (ii) of chapter 87 of ITC (HS) 2012 Schedule-I (Import Policy) of 2 numbers Ford Fusion Hybrid Titanium.

The applicant had sought personal hearing in terms of Para 2.59 of FTP, 2015-2020, which was afforded on 27.10.2020, Shri Puneet Gandhi, Technical Consultant and Adesh S, Authorised Representative appeared on behalf of the firm and made the following submissions:

The applicant has stated that they as a part of engineering and industrial services, has focused on Automotive Domain, Electronics today is a significant part of any automotive development. They provides end-to-end chain of activities beginning from the initial stages of requirement to software development, testing. The sub-system includes controls for Body/Chassis/Power Train System Focus in newer technologies such as Advance Driver Assistance System (ADAS), Hybrid/Electric Vehicles, Safety and Security are a mainstay. They are working on the software development for active safety and driving comfort applications in the area of Advanced Driver Assistance System (ADAS). The developed software needs to be validated in the laboratory and in real vehicle environment. The testing in the laboratory environment is completed successfully for real vehicle testing. TCS needs the vehicle with advanced features as mentioned above. These advance features vehicles are only available in advanced countries e.g. USA or Canada. They had identified Fort Motor Vehicle i.e. Fort Fusion Hybrid Titanium (Left Hand Drive) which needs to be imported in India. They will be importing this car at their SEZ Unit at Pune Plot No.2&3, Rajiv Gandhi Infotech Park, Pune which is brand new car. The transaction will be through seas sales. They will not use the car for any commercial purpose. Hence, requested to allow them to import Left Hand Steering New Car and to relax the provision of Policy Condition No.2(ii)(f) of Chapter 87 of ITC (HS) 2012 schedule 1 (import Policy).

Decision: The Committee went through the justification provided by the firm and decided to accede to the request of the firm to import 2 numbers of brand new motor car Ford Fusion Hybrid Titanium (left hand drive) for R&D purposes only subject to the condition that these cars will not be plied/used on Indian roads.

(Action: Applicant)

Case No. 11 M/s. Larsen & Toubro Limited, Mumbai
F. No. 01/60/162/618/AM20/PRC
PRC Meeting No.14/AM21 dated 27.10.2020

Subject: Revalidation and enhancement of CIF Value of Import License No.0350003528 dated 20.02.2018.

This is review case of PRC Meeting No.24/AM20 dated 17.12.2019 (Case No.20), wherein the Committee allowed revalidation up to 31.10.2020 of the above import license. The applicant stated that due to COVID-19 lockdown and consequent supply chain disruption in the country, Ministry of Defence (MOD) vide their office order dated 12.06.2020 clarified that Force Majeure Clause (FMC) shall be applicable for a period of 4 months i.e. March 2020 to July 2020. As such final delivery period of the contract stands extended by 4 months. Since, the inputs are required at their unit as per the manufacturing schedule, the import shipments needs to be aligned as per the contractual delivery schedule of 09.03.2021. Further, due to steep fluctuation of exchange rate, the available CIF value is not adequate enough for completing balance imports required for manufacture of balance Guns. Therefore, requested to extend the revalidation period up to 09.03.2021 and enhancement in CIF value to USD 23,051,397 (INR 1,61,68,59,329/-).

Decision: The Committee went through the submission made by the firm and discussed the matter at length. The Committed decided to allow revalidation up to 09.03.2021 of the Import License No.0350003528 dated 20.02.2018.The Committee also allowed enhancement of CIF value of subject Import License. The firm shall approach RA concerned within 30 days of the uploading of minutes of meeting.

(Action: Applicant/RA-Mumbai)

Case No. 12 M/s. ABC Cotspin Pvt. Ltd., Mumbai
F. No. 01/60/162/388/AM20/PRC
PRC Meeting No.14/AM21 dated 27.10.2020

Subject: To allow IEIS benefit which was rejected on the ground of time barred against 16 IEIS files.

This is review case of PRC Meeting No.18/AM20 dated 03.09.2019 (Case No.15), wherein the Committee had rejected the case. The applicant stated that their case is for IEIS Scrips for the year 2013-14. There has been delay in submission of IEIS application on the grounds that against some shipping bills for the period of February 2014 the payments were although realised in time but the eBRCs have been uploaded by bank late in August, 2016. Until and unless payments against all BRCs have been realised the amount of growth and amount of IEIS cannot be arrived at.

The IEIS scheme originally notified vide PN No.41/2012 dated 28.12.2012 was subsequently amended vide PN No.28 dated 25.09.2013 with mandatory requirement of submission of eBRCs. Hence, requested to condone the delay in view of the above EXIM Policy provisions on the main grounds that eBRCs have been uploaded by bank late in August, 2016 and they could be filed on 23.03.2017.

Decision: The Committee reviewed the case on the basis of justification furnished by the firm and discussed the matter in detail. It observed that the Incremental Export Incentive Scheme (IEIS) was not on the basis of uploading of BRCs but was on the basis of certificate issued by Chartered Accountant (CA) on realization of proceeds. Hence, the Committee found no merit in the request of the firm and decided to maintain ~~of~~ the earlier decision of PRC in its Meeting No.18/AM20dated 03.09.2019(Case No.15).

(Action: Applicant)

Case No. 13 M/s. Natural Herbs & Formulations, Uttarakhand
F. No. 01/60/162/120/AM21/PRC
PRC Meeting No.14/AM21 dated 27.10.2020

Subject: Condonation of Procedural lapse of not following Para 4.06 of HBP and Para 4.11 (b) of FTP 2015-2020 for regularization of import and export already made against 11 Advance Authorizations.

The applicant stated they are a small unit registered under MSME. They had been issued 11 advance authorisations under para 4.07 of HBP 2015-20 (where norms are not fixed – on self declaration basis) for import of Vitamins. They should have applied for approval of norms first and should have obtained the advance authorisations later on, as prescribed under Para 4.11 (b) of FTP and 4.06 of HBP 2015-20. They had taken the advance authorisations and their application was referred to norms committee for approval of norms. This mistake happened due to ignorance/less understanding on the subject. It was not intentional and is not going to provide them any Financial Benefit, sooner or later. Further, stated that they have already made 100% import of inputs against all the advance authorisations and saved the Import Duty and have already made exports against all advance authorisations (except one advance authorization), by utilizing the imported inputs. They had already considered the Duty Exemption Benefit on Imported Inputs and have already passed the Duty Exemption Benefit to the overseas buyer. They wish to undertake that they will not make any further import against the said 11 advance authorisations and shall export only to fulfill the un-utilized imported inputs lying with them, if any, and shall use the same for regularization of the subject authorisations only.

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

(Action: Applicant)

Case No. 14 M/s. Ethnic Silk Mills, Bangalore
F. No. 01/60/162/74/AM21/PRC
PRC Meeting No.14/AM21 dated 27.10.2020

Subject: Condonation of delay in submission of hard copy of FPS application (F.No.07/21/087/81163/AM17 dated 16.01,2017) and allowed Chapter-3 benefit.

The applicant stated that they had submitted the E.com/online application under FPS of FTP 2009-14 on the last day within the time limit mentioned in Para 9.3 of HBP 2009-14 i.e. Application received after 12 months from the prescribed date of submission but not later than 2 years from the prescribed date. However they could not submit the physical hard copy of the application within the time limit of 7 working days as mentioned in the prior PC No.20 dated 05.03.2007 of FTP 2004-09. Hence their application was rejected by RA, Bangalore under the old policy circular issued under 2009-14. They had submitted the hard copy of the application vide letter dated 27.01.2017. However, RA, Bangalore has rejected their application vide letter dated 24.05.2017. They are seeking relaxation in similar line with Para 2 of the PC No.21/2004-09 dated 11.03.2005, which is relating to chapter 4, the last date to submit the hard copy shall be within 15 working days of filing E-commerce application. Further, stated that all the economic activities are interrupted due to the COVID-19 Pandemic. Under these tumultuous and extraordinary situations, they are facing great financial difficulties, even in payment of salaries and other fixed expenses too.

Decision: The Committee went through the statements made by the applicant and discussed the matter a length. The Committee decided to condone the delay in submission of hard copy of FPS application (F.No.07/21/087/81163/AM17 dated 16.01.2017) and allowed Chapter-3 benefit against subject file. The firm shall approach RA within 90 days from the date of uploading of the minutes of meeting.

(Action: Applicant/RA-Bangalore)

Case No. 15 M/s. RNR International, Gurgaon
F. No. 01/60/162/127/AM21/PRC
PRC Meeting No.14/AM21 dated 27.10.2020

Subject: Waiver of procedural laps of not mentioning the license numbers on the S/Bills towards fulfillment of EO against 4 Advance Authorisation No.(i) 0510392248 dated 02.12.2014, (ii) 0510398556 dated 19.05.2016, (iii) 0510400427 dated 16.11.2016 &(iv) 0510404790 dated 08.12.2017.

The applicant stated that they had obtained the above 4 advance authorizations for export of readymade garments as per their buyer requirement. They are exporting readymade garments from past 8 years and due to global economic slowdown their factory closed in 2018. They have imported the raw material (Fabric) from buyer nominated supplier and exported to buyer within time period. As per Para 4.19 of HBP 2015-20, buyer can supply the raw material free of cost and CIF value of import and FOB value of export for the purpose of computation of value addition. Also to be endorsed on the license at the time of import. However, they were not aware that they must endorse on the license as per Para 4.19 for free of cost import of raw material, which is now not possible to endorse on the license. They have not paid any payment against imported fabric and they had already mentioned the buyer name on the Bill of Entry at the time of import of raw material (Fabric). After export the readymade garment, buyer made the payment after deducted raw material value. So finally they have received the short payment. They have fulfilled the EO within time period and submitted all documents to CLA, New Delhi for EODC. They received many deficiency letters to pay the duty against short payment from DGFT office. However, they are not in a position to pay the duty + interest on short payment. Hence, requested to condone the non-endorsement condition and waive the duty for short payment against the above mentioned 4 advance authorisations for redemption purpose only.

Decision: The Committee on the justification submitted by the applicant, discussed the case at length and found no merit or hardship in the arguments made by the firm. Hence, decided to reject the request of the firm.

(Action: Applicant)

*****