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Directorate General of Foreign Trade
(PRC Section)

Minutes of the Policy Relaxation Committee Meeting Held on 10.09.2020 under the Chairmanship of Shri Amit Yadav, Director General of Foreign Trade

Meeting No.10/AM21 held on 10.09.2020

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 Satyan Sharda	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.Heemankshi Bakers Private Limited, Hyderabad	1
2.	M/s. Jain Farms Fresh Foods Ltd., Maharashtra	2
3.	M/s. Sri Saravana Mills Pvt. Ltd., Tamil Nadu	3
4.	M/s. James Warren Tea Limited, Kolkata	4
5.	M/s. Tams Fine Ceramics Pvt. Ltd., Chennai	5
6.	M/s. Jain Farms Fresh Foods Ltd., Maharashtra	6
7.	M/s. Vizag General Cargo Berth Private Limited, New Delhi	7
8.	M/s. Glamindia Knit Designs, Tirupur	8
9.	M/s. Karamhans Food Pvt. Ltd., Jammu	9
10.	M/s. Hyundai Motor India Limited, Sriperumbudur (TN)	10
11.	M/s. Sai Industries Pvt. Ltd., Kolkata	11
12.	M/s. Goan Fresh Marine Exports Pvt. Ltd., Karnataka	12&13
13.	M/s. Sterlite Power Transmission Limited, Maharashtra	14
14.	M/s. Bharat Forge Limited, New Delhi	15

Case No. 01 M/s. Heemankshi Bakers Private Limited, Hyderabad
F. No. 01/60/162/805/AM20/PRC
PRC Meeting No.10/AM21 dated 10.09.2020

Subject: To allow DFIA benefit against the export made beyond 12 months from the date of online submission of DFIA application No.09/73/076/00035/AM17 dated 04.11.2016.

This is deferred case of PRC Meeting No.04/AM21 dated 02.07.2020 (Case No.15), wherein the Committee decided to seek a detailed report from RA, Hyderabad. The report has since been received. The applicant stated that they had applied for online DFIA application against DFIA File No.09/73/076/00035/AM17 dated 04.11.2016, and started their exports from 24.02.2017. They have fulfilled 27% in terms of value and 23% in terms of quantity within twelve months from the date of online submission of DFIA application. Further they had exported the balance both in terms of quantity and value by exporting upto 28.11.2018 against the said file number in all the shipping bills. Hence, requested to issue DFIA by accepting and considering the goods exported under the DFIA beyond 12 months.

Decision: The Committee examined the case in detail and discussed it. It was observed that exports have been made within the quantity and value applied for in the application in the first place. In view of justification provided by the firm along with report received from RA, Hyderabad, it decided to accede to the request and allowed DFIA benefit against the export made beyond 12 months from the date of online submission of DFIA applicationNo.09/73/076/00035/AM17 dated 04.11.2016 subject to the condition that the SION applicable at the time of export should be applied while calculating import entitlement. At the same time it is also to be ensured that required file number is mentioned in the shipping bills. Late cut, if any, on the entitlement will be decided as per Policy/HBP provisions. The firm shall approach RA within 30 days from the date of uploading of the minutes of meeting.

(Action: Applicant/RA-Hyderabad)

Case No. 02 M/s. Jain Farms Fresh Foods Ltd., Maharashtra
F. No. 01/60/162/77/AM21/PRC
PRC Meeting No.10/AM21 dated 10.09.2020

Subject: Revalidation of MEIS Licence No.0319141352 dated 18.12.2017.

The applicant stated that out of the total license value of Rs.17,45,136/- they have utilized for import duty valued of Rs.4,36,141/- and balance amount of Rs.13,08,995/- is not utilized because their license handling concern person left the job without any handing and taking over the documents /papers. After that they had appointed a new person for same assignment and he has not seen immediately back log pendency. Hence, requested for revalidation of 12 months.

Decision: The Committee went through the statements made by the firm and noted that the applicant has not submitted any cogent reason/ justification in support of any genuine hardship faced by them. Accordingly, the Committee decided to reject the request.

(Action: Applicant)

Case No. 03 M/s. Sri Saravana Mills Pvt. Ltd., Tamil Nadu

F. No. 01/60/162/105/AM21/PRC
PRC Meeting No.10/AM21 dated 10.09.2020

Subject: To allow MEIS benefit against 15 shipping bills.

The applicant stated that they had exported 95% Cotton, 5% Elastane SJ knitted fabrics 180 GSM under Chapter-3 Scheme for MEIS benefits in 15 shipping bills from 20.03.2019 to 09.07.2019. Declaration of intent has been mentioned with Yes in the reward column. However, inadvertently, they had not mentioned the correct ITC HS code i.e. 60062200. Instead they had mentioned HS code as 60064200. Thereafter, they had obtained necessary amendments u/s 149 of the Customs Act 1962 by suitably mentioning the ITC HS Code as 60062200. However, they are not able to file the application for MEIS benefit because the shipping bills are not transferred by the Customs to ICEGATE for seamless transmission of data into DGFT System.

Decision: The Committee having examined the case on the basis of justification furnished by the firm and observed that there is a mistake on the part of the firm and there is no provision in the automated system to consider such requests , as such data amendment transmission is not feasible. Accordingly, it found no merit in it and hence decided to reject the request of the firm.

(Action: Applicant)

Case No. 04 M/s. James Warren Tea Limited, Kolkata
F. No. 01/60/162/76/AM21/PRC
PRC Meeting No.10/AM21 dated 10.09.2020

Subject: Permission to file fresh MEIS application beyond 36 months without any late cut against 13 shipping bills in lieu of cancelled MEIS License No.0219017646 dated 11.12.2015 issued to them against said shipping bills.

The applicant stated that all following 13 Shipping Bills No.(i)1575140 dated 03.07.2015, (ii) 1823542 dated 16.07.2015, (iii) 1902773 dated 20.07.2015, (iv) 1911870 dated 21.07.2015, (v) 1919801 dated 21.07.2015, (vi) 2234024 dated 05.08.2015, (vii) 2384494 dated 13.08.2015, (viii) 2384419 dated 13.08.2015, (ix) 2386696 dated 13.08.2015, (x) 2571060 dated 24.08.2015, (xi) 2574757 dated 24.08.2015, (xii) 2746315 dated 01.09.2015 & (xiii) 2747464 dated 01.09.2015 were dated between 01.06.2015 to 30.09.2015, with declaration of intent on the physical EP copy of shipping bills as provided in para 3.14 of HBP 2015-20, but "N" declared in the 'Reward' item field against which they filed the MEIS application and received MEIS also dated 11.12.2015. But unfortunately, out of the 13 shipping bills, one shipping bill no.1823542 dated 16.07.2015 did not appear at the Customs EDI website, against the said authorization. Then at the advise of the Customs they had to request RA for cancellation of the MEIS license and release of 13 shipping bills, so that they can make a fresh application against the said 13 shipping bills. Hence, requested for permission to file for a fresh application of MEIS license without any late cut, in lieu of the cancelled MEIS license by RA.

Vyant

Decision: The Committee went through the statement made by the applicant and discussed the matter at length. The Committee noted that there is merit in the case as initially the firm had filed application within time and MEIS scrip was also issued to the firm, which could not be used due to system problems. Accordingly, committee decided to accede to the request of the firm for grant of fresh MEIS benefit against the above mentioned 13 Shipping Bills in lieu of cancelled MEIS LicenceNo.0219017646 dated 11.12.2015 issued to them against said Shipping Bills, without any late cut. NIC/EDI will also make these shipping bills available for reapplying of MEIS. The firm shall approach RA within 90 days from the date of uploading of the minutes of meeting.

(Action: Applicant/EDI/ RA-Kolkata)

Case No. 05 M/s. Tams Fine Ceramics Pvt. Ltd., Chennai
F. No. 01/60/162/585/AM19/PRC
PRC Meeting No.10/AM21 dated 10.09.2020

Subject: To grant relief under Para 6.38 (a) of HBP for conversion of the DTA into EOU on depreciated value of the capital goods imported by treating the EO shortfall as a bonafide default against 2 EPCG Licence No.0430006068 dated 25.04.2008 and 0430006159 dated 27.05.2008.

This is review case of PRC Meeting No.18/AM20 dated 03.09.2019 (Case No.33). Applicant had informed They had acquired the land and building of the unit in the open auction of BIFR during 2008. There was a delay in getting the original title deeds. They had invested Rs.37 crores for implementation of the project. But due to procedural delay, they could not proceed with the installation of the machinery and implementation of the project. The process took several years for getting clearance from various government agencies and banks. Due to these reason, they could not fulfill the EO of the subject authorisations. The Capital Goods were kept un-opened and lying in the factory site without installation of the same as they could not start the factory and manufacture the resultant products. Now, they want to convert this DTA unit into a EOU as per Para 6.38 (a) of HBP 2015-20 with depreciated value of the CGs imported under the said two authorisations for arriving at the net NFE to be earned/achieved after conversion in the EOU scheme.

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

(Action: Applicant)

Case No. 06 M/s. Jain Farms Fresh Foods Ltd., Maharashtra
F. No. 01/60/162/78/AM21/PRC
PRC Meeting No.10/AM21 dated 10.09.2020

Subject: Revalidation of MEIS License No.0319135806 dated 14.11.2017.

The applicant stated that out of the total license value of Rs.29,00,028/- they have utilized for import duty valued of Rs.21,56,306/- and balance amount of

Rs.7,43,722/- is not utilized because their license handling concern person left the job without any handing and taking over the documents /papers. After that they had appointed a new person for same assignment and he has not seen immediately back log pendency. Hence, requested for revalidation of 12 months.

Decision: The Committee went through the statements made by the applicant and noted that the applicant has not submitted any cogent reason/ justification in support of any genuine hardship faced by them. Accordingly, the Committee decided to reject the request.

(Action: Applicant)

Case No. 07 M/s. Vizag General Cargo Berth Private Limited, New Delhi
F. No. 01/60/162/886/AM20/PRC
PRC Meeting No.10/AM21 dated 10.09.2020

Subject: Revalidation of SFIS No.0510405771 dated 05.03.2018 or grant alternate relief.

This is review case of PRC Meeting No.02/AM21 dated 20.05.2020 (Case No.12). The applicant stated that the Kolkata Customs did not allow them to utilize the scrip stating that the items proposed to be imported seem to relate the manufacturing sector. Notification No.24/2013 dated 18.04.2013 has amended the Customs Notification No.91/2009 dated 11.09.2009 and allows import of capital including spares relating to the manufacturing sector business in case the Service Provider is also engaged in the Manufacturing Activity. At the time of actual imports and utilization of the SFIS Scrip, the Kolkata Customs did not allow them to utilize the Scrips and they have to clear several imports on payment of actual Customs Duty. Since, the Kolkata Customs department continuously refused to allow them to utilize the Scrips for a period of 2 months is covered under Para 2.20(c) of HBP 2015-20. The global recession and the outbreak of Corona Virus further affected the prospects of utilizing the Scrips. Their scrip has been issued between 01.04.2018 & 30.06.2018 in terms of FTP-2009-14. Therefore, they have sought following alternate relief that; in view of COVID-19 the DGFT vide PN No.08 dated 01.06.2020 which has extended the validity of scrips issued under Chapter 3 should also be extended to all scrips issued between 01.03.2018 to 30.06.2018 including scrips issued under Chapter 3 of FTP 2009-14.

Decision: The Committee reviewed the case on the basis of 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: PC-3 division /Applicant)

Case No. 08 M/s. Glamindia Knit Designs, Tirupur
F. No. 01/60/162/206/AM19/PRC
PRC Meeting No.10/AM21 dated 10.09.2020

Subject: Condonation of delay in filing the application (RA file No. 32/21/092/80079/AM17 dated 30.09.2016) for Incremental Export Incentive.

The applicant stated that they had filed online application for IEIS as per instructions on 30.09.2016 well within the time frame of 36 months from 01.04.2014. However, RA, Coimbatore rejected their request vide letter dated 19.01.2018, stating that the firm have submitted the application after 36 months from the LET export dated. Hence, the application treated as time barred. Further stated that to submit proof of landing they have submitted FPS license copies, which were obtained from RA, Coimbatore after submitting proof for destination of goods. The MEIS license period runs for two financial years and they had to search FP license copies for two years, which led to delay in submitting hard copy to RA, Coimbatore. Hence, requested to condone the time delay of hard copy submission and sanction their Incremental Incentivisation Scheme duty credit for Rs.626257.92.

Decision: The Committee went through the justification made by the firm along with report received from RA, Coimbatore and discussed the matter at length. The Committee decided to condone the delay in submission of hard copy of the above application for Incremental Export Incentive. All other provisions of relevant FTP/HBP will continue to apply. Late cut, if any, on the entitlement will be decided as per Policy/HBP provisions. The firm shall approach RA within 30 days from the date of uploading of the minutes of meeting.

(Action: Applicant/RA-Coimbatore)

Case No. 09 M/s. Karamhans Food Pvt. Ltd., Jammu
F. No. 01/85/171/002/AM19/DES-VI
PRC Meeting No.10/AM21 dated 10.09.2020

Subject: Condonation of requirement of prior fixation of Norms under Para 4.11 of FTP & Para 4.06 of HBP and regularization of import & export already made against Advance Authorization No.1810004332 dated 14.06.2018 based on SION E-134.

This case is referred by NC-VI. The applicant stated that they had submitted an application for issue of advance authorization under Para 4.06 of HBP-2015-20 for export of Shelled Walnuts Edible Kernels Juglan Regia against import of Wallnut in Shell Juglan Regia Species. The import item falls under ineligible category of items under Para 4.11 of FTP for import on self-declaration basis. As such prior fixation of norms was required for issuance of advance authorization before execution of import and export. But before the norms committee could fix the norms, RA, Jammu had issued Advance Authorisation No.1810004332 dated 14.06.2018 against the above mentioned application of the firm inadvertently for import of 326.530 MT of Walnut in Shell for export of 160.00 MT of Walnut Kernel. After receiving the license, they have started import/export and completed the required quantity of import and export as per the authorization, duly certified by CA. Their request is for regularization of imports/exports made as concerned NC has fixed norms in the meanwhile.

Decision: The Committee after having examined the case in detail, decided to condone the requirement of prior fixation of Norms under Para 4.11 of FTP & Para 4.06 of HBP and accept regularization of import & export already made against Advance AuthorisationNo.1810004332 dated 14.06.2018 based on SION E-134.

(Action: Applicant/RA-Jammu)

Case No. 10 M/s. Hyundai Motor India Limited, Sriperumpudur (TN)
F. No. 01/60/162/79/AM21/PRC
PRC Meeting No.10/AM21 dated 10.09.2020

Subject: Condonation of delay in filing of MEIS application against 07 Shipping Bill No.(i) 4075885 dated 13.02.2017, (ii) 4076531 dated 13.02.2017, (iii) 4172328 dated 16.02.2017, (iv) 4172334 dated 16.02.2017, (v) 4172337 dated 16.02.2017, (vi) 4941904 dated 23.03.2017 & (vii) 4891481 dated 21.03.2017.

The applicant stated that due to software technical snag in DGFT website there was delay in data interface between Customs, DGFT and Banks. They have informed Customs-EDI section and DGFT to interface but there was delay due to software issues. Meanwhile last date of filing of MEIS application expired. Hence, requested for approval to file MEIS application again.

Decision: The Committee went through the statements made by the firm and noted that the applicant has not submitted any cogent reason/ justification in support of any genuine hardship faced by them. Accordingly, the Committee decided to reject the request.

(Action: Applicant)

Case No. 11 M/s. Sai Industries Pvt. Ltd., Kolkata
F. No. 01/60/162/84/AM21/PRC
PRC Meeting No.10/AM21 dated 10.09.2020

Subject: Second EOP extension against Advance Authorization No.0210208113 dated 09.01.2018.

The applicant stated they had fulfilled 32.55% of its EO within the original EOP up to 09.07.2019 and further 9.32% of its EO within the extended EOP up to 09.01.2020. In total they had completed almost 41.87% of the required EO. As a general practice in their organization, they had obtained the subject authorization based on specific export orders. And due to the fact that the full order could not be supplied due to some problem at the Foreign Buyers end. Their balance EO still remain pending against the advance authorization. Although, they had obtained several advance licenses thereafter, for the same export item, obtained against specific export orders, and have completely fulfilled the EO. Since they have few export orders in hand, which are sufficient to fulfill their EO against the subject authorization, it is requested for 2nd extension in EOP from the date of endorsement. They are ready to pay the required extension fees. They did not file their request for second EO extension as they had not fulfilled more than 50% EO, as required under FTP/HBP.

Decision: The Committee having examined the case on the basis of justification submitted by the applicant and discussed the matter at length. The Committee decided to allow EOP extension of Advance Authorization No.0210208113 dated 09.01.2018 for a further period of 6 months from the date of endorsement subject to payment of composition fee @ 1% per month of the extension period granted, on the unfulfilled FOB Value. The firm shall approach RA concerned within 30 days from the date of uploading of the minutes of meeting.

(Action: Applicant/RA-Kolkata)

Case No. 12 M/s. Goan Fresh Marine Exports Pvt. Ltd., Karnataka
F. No. 01/60/162/83/AM21/PRC
PRC Meeting No.10/AM21 dated 10.09.2020

Subject: To allow MEIS benefit against 06 Shipping Bill No.(i) 3478815 dated 10.10.2015, (ii) 3451676 dated 14.10.2015, (iii) 3938791 dated 04.11.2015, (iv) 4094251 dated 13.11.2015, (v) 4198670 dated 20.11.2015, (vi) 4338913 dated 27.11.2015, in which CHA mentioned HS Code 03075900 instead of 03074990 due to oversight.

The applicant stated that they had exported Frozen Cuttlefish under the above mentioned 06 shipping bills and fully realized the same through bank. During filling of shipping bills in online their CHA wrongly entered the HS Code as 03075900 instead of 03074990. Their export item Frozen Cuttlefish is fully eligible for MEIS claim. They approached concerned RA and Customs for getting the amendment/corrections of HS Code. After cleared the HS code problem while processing of MEIS application the system shows the claim value as zero. Hence, requested to permit and allow them to file MEIS of above mentioned shipping bills with already changed HS code.

Decision: The Committee having examined the case on the basis of justification furnished by the firm and observed that there is a mistake on the part of the firm and there is no provision in the automated system to consider such requests, as such data amendment transmission is not feasible. Accordingly, it found no merit in it and hence decided to reject the request of the firm.

(Action: Applicant)

Case No. 13 M/s. Goan Fresh Marine Exports Pvt. Ltd., Karnataka
F. No. 01/60/162/82/AM21/PRC
PRC Meeting No.10/AM21 dated 10.09.2020

Subject: To allow MEIS benefit against 25 shipping bills where declaration of intent in reward column of shipping bills have been mentioned as "N" instead of "Y".

The applicant stated that while they try to apply for MEIS consist of 25 numbers of shipping bills worth FOB Rs.101807819/- and license value of Rs.5340888/- (credit rate @5%) they had noticed that the amount in FOB column showing only for Rs.34585520/- and Duty Free Credit Entitlement as Rs.1694669/-. They had approached RA, Bangalore and after verifying the shipping bills informed them that on shipping bills in the reward item box for some products are marked as "No". Due to this that particular products and their FOB will not reflect on DGFT repository. After several follow ups with DGFT, shipping bill starts to effect late cut @ 2% on their claim and if they wait further, the late cut will be increase to 5% and that will be a huge loss for them. On 25.01.2017, they had submitted MEIS application for of Rs.1694669/- with the available FOB value on repository to RA, Bangalore requesting to add the balance FOB on shipping bills which is not reflecting in repository. But the scrip was issued on 07.02.2017 only for Rs.1684971/- and because of this lesser value they had surrendered the original scrip to RA, Bangalore to enhance the MEIS value. On 22.02.2017 they have received a letter from RA, Bangalore along with MEIS license stating that the scrip has been issued based on the shipping bills data/items available in DGFT repository and enhancement of scrip is not possible. Further stated that all the 25 shipping bills are fully eligible for MEIS and are related to exports from 01.06.2015 to 30.09.2015 as per PN 47 dated 08.12.2015.

__Decision__: The Committee went through the statements 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: PC-3 division /Applicant)

Case No. 14 M/s. Sterlite Power Transmission Limited, Maharashtra
F. No. 01/60/162/516/AM20/PRC
PRC Meeting No.10/AM21 dated 10.09.2020

Subject: Revalidation of two Advance Authorization No.0310818549 dated 16.01.2018 and 0310818561 dated 17.01.2018.

This is deferred case of PRC Meeting No.33/AM20 dated 03.03.2020 (Case No.09), wherein it was decided to ask the firm to get evidence of flooding and shutting of their premises on account of floods. The applicant had stated that they were not in a position to import the inputs during the validity period of the subject authorizations due to following reasons: The premise of their factory was severely affected by the floods for about four months May, 2019 to August, 2019. The floods were caused due to incessant rains, which led to water receding into the factory premises of the company. Consequently, the company was forced to cut down its import as the goods could not be stored in the factory premises till the time water receded back and the storage area was cleaned up so as to make it suitable for keeping goods. They regularly supply manufactured equipment to the Government projects. Such supply is regarded as deemed exports under Chapter 7 of the FTP. Thus, a major part of imported inputs is utilised towards manufacturing for supply to Government project.
As a result of discussions in the last PRC, firm has submitted evidence of flooding along with photographs.

__Decision:__ The Committee examined the case in detail and in view of justification provided by the firm, it decided to accede to the request and allowed revalidation of Advance Authorization No.0310818549 dated 16.01.2018 and 0310818561 dated 17.01.2018 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)

Case No. 15 M/s. Bharat Forge Limited, New Delhi
F. No. 01/93/180/67/AM16/PC-2(B)/(01/60/162/678/AM19/PRC)

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PRC Meeting No.10/AM21 dated 10.09.2020

Subject: Relaxation of Policy with regard to requirement of import license for goods imported under ATA Carnet Scheme and sold to Defense.

The applicant stated that they are a private importer and vide ATA Carnet imported certain hardware auxiliary parts for assembly with in-house manufactured structural parts by them and displayed a Garuda 105, a 105 mm/37 calibre gun in Defence expo. At the Defense Expo, the Defense Arm: Electronics and Mechanical Engineering School, Vadodara (EME) expressed interest in buying the displayed goods, resulting in issue of supply order dated 30.05.2014. Subsequently, Customs Duty Exemption Certificate (CDEC) dated 11.11.2014 was issued to them specially referring to the parts imported vide ATA Carnet. The hardware parts so imported, after assembly with in – house manufactured parts by them have been assembled into a gun prototype. The prototype has been mounted onto a truck supplied by EME. They along with EME have carried out initial trails at CPE, Itarsi, Bhopal in November, 2016. As the goods were imported under ATA Carnet Scheme, no restriction applied to the same and same were imported into India without a license. They approached the Customs to regularize the import. Customs vide letter dated 29.06.2018 directed them to obtain an import license for the imported parts. The said parts were imported under Exim code 9305 20 90 and the import policy was 'Free'. Customs has, however, placed the items under HS code 9305 91 00 and the import policy of items under this code is 'Restricted'. They further stated that in this case the Rule 3 (a) of Foreign Trade (Exemption from Application of Rules in Certain Cases) Order, 1993 is applicable and accordingly no license is required.

Decision: The Committee on the basis of justification submitted by the applicant discussed the case at length and noted that in this case the import license is required for regularization of import which have already been completed in 2014. Accordingly, the Committee decided to grant permission for issuance of import license for regularization of above import. Import Cell (ILS) is directed to give necessary instructions for issuance of import license to the Concerned RA after obtaining the NOC from Department of Defence Production (DDP), Ministry of Defence.

(Action: Applicant/Import Cell-ILS)

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