Date of Uploading 22/06/2021

Directorate General of Foreign Trade
(PRC Section)

Minutes of the Policy Relaxation Committee Meeting
Held on 16.06.2021under the Chairmanship of Shri Amit Yadav, Director General of Foreign Trade

Meeting No.03/AM22 held on 16.06.2021

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 AkashTaneja 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. Centex International Pvt. Ltd., Ludhiana	1&2
2.	M/s. Shalina Laboratories Pvt. Ltd., Mumbai	3
3.	M/s. MIM Components (Bangalore) Pvt Ltd, Bangalore	4&5
4.	M/s. Orange Impex, Karur	6
5.	M/s. Jahan Leather Exports, Chennai	7
6.	M/s. Malsons Polymers Pvt. Ltd., Kolkata	8
7.	M/s. Ford India Ltd, Chengalpattu, Tamil Nadu	9
8.	M/s. Arvind Pipes & Fitting Industries Pvt. Ltd., Mumbai	10
9.	M/s. Shubhalakshmi Polyesters Limited, Gujarat	11
10.	M/s. Mylan Laboratories Limited, Hyderabad	12
11.	M/s. Jabsons Foods Pvt Ltd., Gujarat	13
12.	M/s. Thermosol Glass Pvt. Ltd., Ahmedabad	14 to 16
13.	M/s. MPD Industries Pvt. Ltd., Indore	17&18
14.	M/s. L&T Kobelco Machinery Private Limited.,Tamil Nadu	19
15.	M/s. Ethnic Silk Mills, Bangalore	20
16.	M/s. Cipla Limited, Mumbai	21

PH Case No. 01 M/s. Centex International Pvt. Ltd., Ludhiana
F. No. 01/60/162/365/AM20/PRC
PRC Meeting No.03/AM22 dated 16.06.2021

Subject: Regularization of EO against Advance Authorization No.3010103022 dated 16.07.2014.

Decision: The applicant had sought personal hearing in terms of Para 2.59 of FTP, 2015-2020, which was afforded on 16.06.2021, but no one appeared on behalf of the firm. The Committee decided to defer the case.

(Action: Applicant)

PH Case No. 02 M/s. Centex International Pvt. Ltd., Ludhiana
F. No. 01/60/162/367/AM20/PRC
PRC Meeting No.03/AM22 dated 16.06.2021

Subject: Regularization of EO against Advance Authorization No.3010103430 dated 18.03.2015.

Decision: The applicant had sought personal hearing in terms of Para 2.59 of FTP, 2015-2020, which was afforded on 16.06.2021, but no one appeared on behalf of the firm. The Committee decided to defer the case.

(Action: Applicant)

PH Case No. 03 M/s. Shalina Laboratories Pvt. Ltd., Mumbai
F. No. 01/60/162/271/AM21/PRC
PRC Meeting No.03/AM22 dated 16.06.2021

Subject: Extension in EOP against 3 Advance Authorization No.(i) 0310792657 dated 07.01.2015, (ii) 0310792650 dated 07.01.2015 and (iii) 0310798872 dated 14.09.2015 issued under PC-9 condition for redemption /clubbing purpose.

The applicant had sought personal hearing in terms of Para 2.59 of FTP, 2015-2020, which was afforded on 16.06.2021. Ms. Ujjwala Shirodkar, General Manager – Exim & Shipping, appeared on behalf of the firm and made the following submissions:

The applicant stated that they have made their exports only to African countries. They have been able to fulfill the EO under most of the Advance licenses well in time. However, in few cases there have been delays in meeting the EO due to several challenges and the extraordinary conditions in their export markets in Africa. People in Africa have very low per capita income and suffer from poverty and tough climatic conditions and there is huge challenge for socio-political conditions of these countries. These countries are dependent on crude, which has come down from $147 peak level to $44 in July 2017, when actual export has happened. Due to this their purchasing power had also come down drastically. Though India has benefitted due to lower crude price, however countries like Angola, Nigeria majorly dependent on Oil has lost heavily.
In spite of the above mentioned challenges they have affected the shipments and completed the EO few months outside the EOP. The above licenses were issued with PC-09 condition. RA, Mumbai is able to consider EOP extension only upto 06th Aug 2016(12 +6 months from 1st import) against these licenses. However in their case, the last date of Exports under these licenses was 13th Jan 2017 (i.e. a delay of 5 months and 7 days).

Decision: The Committee heard the case on the basis of justification submitted by the applicant and discussed the matter at length. The Committee decided to accede the request of the firm and allowed EOP extension up to 13.01.2017 of Advance Authorizations No..(i) 0310792657 dated 07.01.2015, (ii) 0310792650 dated 07.01.2015 and (iii) 0310798872 dated 14.09.2015 only for regularization and redemption/clubbing purpose subject to 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 other terms and conditions towards fulfillment of EO/clubbing shall remain same as per policy/HBP provisions. The firm shall approach RA concerned within 30 days of the uploading of the minutes of meeting.

(Action: Applicant/RA-Mumbai)

PH Case No. 04 M/s. MIM Components (Bangalore) Pvt. Ltd, Bangalore
F. No. 01/60/162/391/AM21/PRC
PRC Meeting No.03/AM22 dated 16.06.2021

Subject: Extension of EOP against EPCG Authorization No.0730012978 dated 13.12.2013.

The applicant had sought personal hearing in terms of Para 2.59 of FTP, 2015-2020, which was afforded on 16.06.2021. Shri Bharat Bhandari, Authorised Representative, appeared on behalf of the firm and made the following submissions:

The applicant stated that they were unable to fulfill the EO within the specified time frame due to the following; (i) Flawed policy by concerned government agency by way of license fee regime wherein the license fee itself was more than the cost of the product, hence making it impossible to export parts of firearms. (ii) Unable to export due to the flawed policy. They had to impress upon the concerned government agency about the policy lacuna and due to their efforts, the concerned agency issued 4 notifications over a period of more than one year which ultimately rectified the flaws and they were then ready to export. (iii) Precious time which should have been spent in exporting was spent in bringing to the notice of the government about the policy issues and they lost 2 years i.e. from December 2016 till November 2018. (iv) Another one year was lost on account of damaged reputations owing to cancellations of their orders by buyer in USA and till date they have been unable to crack the US market. During the 3 years that they lost out on exporting, they had to still continue paying salaries and wages, interest on loans, power charges etc. All these expenses have drained nearly all their finances and they are under extreme financial stress. It will take some time to also emerge out of the financial stress that they find there selves in today. Further, stated that the world is now faced with even more challenges during COVID, such as cancellations of Trade fairs, suspension of international travel etc. This creates fresh challenges in meeting buyers and finalizing business deals.

Decision: During the course of hearing, the firm informed the Committee that the export obligation of subject authorization has already been fulfilled and no further EO extension is required in this case. Hence, the Committee decided to withdraw this case from PRC.

(Action: Applicant)

PH Case No. 05 M/s. MIM Components (Bangalore) Pvt. Ltd, Bangalore
F. No. 01/60/162/390/AM21/PRC
PRC Meeting No.03/AM22 dated 16.06.2021

Subject: Extension of EOP against EPCG Authorization No.0730012925 dated 29.11.2013.

The applicant had sought personal hearing in terms of Para 2.59 of FTP, 2015-2020, which was afforded on 16.06.2021. Shri Bharat Bhandari, Authorised Representative appeared on behalf of the firm and made the following submissions:

The applicant stated that they were unable to fulfill the EO within the specified time frame due to the following; (i) Flawed policy by concerned government agency by way of license fee regime wherein the license fee itself was more than the cost of the product, hence making it impossible to export parts of firearms. (ii) Unable to export due to the flawed policy. They had to impress upon the concerned government agency about the policy lacuna and due to their efforts, the concerned agency issued 4 notifications over a period of more than one year which ultimately rectified the flaws and they were then ready to export. (iii) Precious time which should have been spent in exporting was spent in bringing to the notice of the government about the policy issues and they lost 2 years i.e. from December 2016 till November 2018. (iv) Another one year was lost on account of damaged reputations owing to cancellations of their orders by buyer in USA and till date they have been unable to crack the US market. During the 3 years that they lost out on exporting, they had to still continue paying salaries and wages, interest on loans, power charges etc. All these expenses have drained nearly all their finances and they are under extreme financial stress. It will take some time to also emerge out of the financial stress that they find there selves in today. Further, stated that the world is now faced with even more challenges during COVID, such as cancellations of Trade fairs, suspension of international travel etc. This creates fresh challenges in meeting buyers and finalizing business deals.

Decision: The Committee heard and examined the case in detail and in view of justification provided by the firm observed that firm lost almost 2 years representing for a policy change. Accordingly, it decided to accede to the request and allowed EOP extension of EPCG Authorization No.0730012925 dated 29.11.2013 for a further period of 24 months from the date of endorsement subject to payment of composition fee equal to 2% of proportionate duty saved amount on unfulfilled export obligation. The firm shall approach RA within 30 days from the date of uploading of the minutes of meeting.

(Action: Applicant/ RA-Bangalore)

PH Case No. 06 M/s. Orange Impex, Karur
F. No. 01/60/162/562/AM19/PRC
PRC Meeting No.03/AM22 dated 16.06.2021

Subject: Extension in EOP and to allow fulfillment of EO by export of alternate export product against EPCG Authorization No.3230020569 dated 13.06.2014.

The applicant had sought personal hearing in terms of Para 2.59 of FTP, 2015-2020, which was afforded on 16.06.2021. Shri Alok Agarwal, Authorised Representative appeared on behalf of the firm and made the following submissions:

This is deferred case of PRC Meeting No.22/AM20 dated 19.11.2019 (Case No.14), wherein Committee defer the case as the applicant did not appear for PH. The firm stated that they had imported confectionary production line machinery comprising of 18 machines and total saved duty was Rs.47,35,231/- and said imported capital goods got installed in the factory. The confectionary unit got fire accident on20.04.2015 and entire imported machines were burnt completely and the unit was not in a position to run. RA, Coimbatore vide amendment No.01 dated 05.10.2017 allowed inclusion of alternate product i.e. Cotton Made ups in export item with limitation of 50% on existing EO in terms of Para 5.5(c) of FTP 2009-14 and balance to be exported through export items as endorsed in the license. The unit completed 50% exports of Cotton Made ups by mid March 2018.Since, capital goods were completely burnt and are not capable to manufacture export goods, the unit requested RA, Coimbatore to replace the limitation of 50% by 100% for fulfillment of EO which was rejected stating that Para 5.5(c) of FTP 2009-14 allows only 50% EO fulfillment through alternate products. They had fulfilled they have fulfilled 50% of EO through alternate products i.e. Cotton Made ups. Since, there is no alternate available, it is requested to grant EOP so that the remaining EO can be fulfilled by exporting Textile and Cotton Made ups.

Decision: The Committee reviewed and heard the case on the basis of justification submitted by the applicant and discussed the matter at length. In the meeting, it was informed by the firm that they are willing to install new duty paid machinery and are ready to fulfill the export obligation. After discussions, the Committee decided to accede to the request and allowed EOP extension of EPCG Authorization No.3230020569 dated 13.06.2014 for a further period of 24 months from the date of endorsement subject to payment of composition fee equal to 2% of proportionate duty saved amount on unfulfilled export obligation. The committee did not accept the request of the firm for allowing fulfillment of EO by export of alternate export product against subject EPCG Authorisation. The firm shall approach RA within 30 days from the date of uploading of the minutes of meeting.

(Action: Applicant/ RA-Coimbatore)

PH Case No. 07 M/s. Jahan Leather Exports, Chennai
F. No. 01/60/162/409/AM21/PRC
PRC Meeting No.03/AM22 dated 16.06.2021

Subject: Waiver from maintenance of annual average export obligation against 2 EPCG Authorization No.0430006514 dated 21.05.2008 and 0430006696 dated 06.10.2008.

The applicant had sought personal hearing in terms of Para 2.59 of FTP, 2015-2020, which was afforded on 16.06.2021. Shri Mohammed Jahan G, Partner, appeared on behalf of the firm and made the following submissions:

The applicant stated that they have procured the subject authorization and imported the machinery to manufacture Leather and Shoes for exports in the year 2008. The machine was imported and installed at the mentioned site. The had certain bulk orders to be executed from the year 2008, but due to the international recession and technical difficulties, their overseas buyer has reduced their purchase. The drop in the export orders has left a high impact on the company, as they had invested quite a bit of money on the infrastructure, technical man power and purchases to supply the initial overseas orders. With aggressively marketing and frequent visits, they were able to achieve a export income and fulfilled the EO for the aforementioned licenses, but could not hold the major buyers orders. Their major buyers cancelled the orders due to the recession and adverse market condition. The drastic change in the exchange value has also added up due to these crises, leaving them with a shortfall of 25.23% in the annual average. There was a considerable drop in the realization value, due to decline in the FOB value in comparison with the year on year.

Decision: The Committee heard and examined the statement made by the firm and observed that their request has been discussed in detail by the EPCG Committee in 10th Meeting dated 10.01.2020, and has been rejected giving detailed reasons. After discussing the matter at length, the Committee found no merit in it. Hence, it decided to reject the request of the firm.

(Action: Applicant)

PH Case No. 08 M/s. Malsons Polymers Pvt. Ltd., Kolkata
F. No. 01/60/162/195/AM19/PRC
PRC Meeting No.03/AM22 dated 16.06.2021

Subject: (i) Request for waiver of submission of Bill of exports in case of supply of goods to SEZ units by a DTA unit operating against Advance Authorisation No.0210130213 dated 10.08.2009 and (ii) Waiver of penalty of Rs.25.00 lakh imposed by Adjudicating Authority, Kolkata vide order dated 17.10.2014.

The applicant had sought personal hearing in terms of Para 2.59 of FTP, 2015-2020, which was afforded on 16.06.2021, Shri Sanjeev Kapoor, Authorised Representative, appeared on behalf of the firm and made the following submissions:

This is defer case of PRC Meeting No.12/AM21 dated 29.09.2020 (Case No.03), wherein Committee defer the case as the applicant did not appear for PH. The applicant stated that they had imported the material and supplied the finished products to a SEZ Unit, namely Plastolene Polymers Pvt. Ltd. They had submitted the documents with the RA, Kolkata for redemption/Closure of said authorization. However, their application was rejected on the ground that Bill of exports was not attached with the documents. Further stated the following; (i) They are a very small scale unit duly registered with MSME. (ii) They had imported the inputs under

Advance Authorization, manufactured the finished goods and supplied the same to SEZ unit, having LOP issued from Falta Special Economic Zone (SEZ). (iii) They have all the relevant documents with them like Invoice, packing List, ARE-I duty attested by the Excise Authorities and they have realised all the payments from the supplier and Appendix-22B have been issued by their bank and are available with them.(iv) This particular Advance Authorization was issued from licensing RA, Kolkata under Norms Fixed Category. (v) When this particular Advance Authorization has been issued under Norms Fixed Category and that too Standard Input Output Norms fixed by the office of DGFT, so in case, it can be proved that supply has been made to SEZ Unit, which can be established by Invoices, packing List, and ARE-I and Receipt of Payments from the Recipient.

They were issued an adjudication order dated 17.10.2014 and a penalty of Rs.25.00 Lacs was imposed by Adjudicating Authority, Kolkata. They filed an appeal against the same, however the Appellate Authority, Kolkata vide order dated 26.02.2018 upheld the decision of adjudicating officer and maintained the penalty. They did get any relief from the Appellate Authority, Kolkata. They filed a review appeal before DGFT, New Delhi, who upheld the decision vide his order dated 06.09.2018. They filed for second review before the Appellate Committee who directed the firm to approach Policy Relaxation Committee vide its decision dated 02.07.2019.

Decision: The Committee heard and reviewed the case on the basis of submission made by the applicant and discussed it in detail. Firm explained during the meeting that requisite customs duty on imported inputs as well interest on it has already been paid by them in-spite of the fact that supply was made by them to the SEZ unit. Their request is only to waive penalty of Rs.25 lac, which was imposed on them at the time of adjudicating the case due to non fulfillment of export obligation.
The Committee observed that this is an adjudication case in which Adjudicating Authority, Kolkata had issued Order dated 17.10.2014 imposing a penalty of Rs.25 Lacs due to non fulfillment of export obligation. However since already action has been taken at different levels as per provisions of FTDR 1992, the Committee decided to refer the case to ECA-Division (HQ) for taking further necessary action in the matter as per FT (D&R) Act, 1992.

(Action: Applicant/ECA-Division)

PH Case No. 09 M/s. Ford India Ltd, Chengalpattu, Tamil Nadu
F. No. 01/60/162/473/AM21/PRC
PRC Meeting No.03/AM22 dated 16.06.2021

Subject: Relaxation for non mentioning of supporting manufacturer name in the shipping bills in respect of EPCG Authorization No.0430015142 dated 29.10.2015 towards fulfillment of EO.

The applicant had sought personal hearing in terms of Para 2.59 of FTP, 2015-2020, which was afforded on 16.06.2021. Shri Ashok Raj, Manager - Taxation, appeared on behalf of the firm and made the following submissions:

The applicant stated that they are engaged in manufacturing and supply of passenger cars, parts, components and engines in both domestic and export markets from its manufacturing facilities located at Chennai, Tamil Nadu and Sanand, Gujarat. They imported capital goods under Zero Duty EPCG scheme for its manufacturing plant located at Sanand, Gujarat. The capital goods imported were installed at the supporting manufacturer's premises (M/s Cosma Intonation (India) Pvt. Ltd., Sanand, Gujarat and M/s JBM Auto System Pvt. Ltd., Sanand, Gujarat) after endorsement from RA. They had completed the EO (both Average Export Obligation and Specific Export Obligation) in respect of above EPCG authorization and filed redemption application with RA, Chennai on 9th June 2017.On scrutiny of the redemption application, RA, Chennai has raised concern that shipping bills used towards fulfillment of Specific Export Obligation (SEO) did not mention the name of supporting manufacturer in terms of Para 5.10 (a) of HBP 2015-20 and advised them to approach EPCG Committee in Delhi for relaxation of the same vide deficiency letter issued on 29th October 2019. Accordingly, they had applied to EPCG Committee on 28th November 2019, but the request was rejected in 11th EPCG Committee Meeting held on 24th January 2020. Considering that export obligation period as per the above EPCG authorization has not been exhausted, they have decided to do export again for the second time through Pipavav Port, Gujarat after duly including the name of supporting manufacturer in the check-list of Shipping Bills filed in Customs ICEGATE portal. However due to IT system error, the same is not reflected / printed on the physical copy of the shipping bills, however the same is appearing in the Custom ICEGATE (online portal). Upon request to Pipavav Custom authorities for necessary correction and support, they have issued the letter to them confirming that the name of supporting manufacture has been included in the shipping bills filed for export. Based on the above letter from Pipavav authorities, they had filed revised redemption application (Form ANF-5B) with RA, Chennai for EODC. It is pertinent to note that only 9% of total import of capital goods under the said authorization was related to supporting manufacture issue and the rest of the license does not have any other issues.

Decision: The Committee heard the submission made by the firm and discussed the matter at length and noted that due to technical error, firm has faced the problem which was beyond their control. It also observed that firm has done the exports twice. Accordingly, it decided to waive off the procedural requirement of non-endorsement of the name of supporting manufacturer and count the export of these Shipping bills towards fulfillment of EO against EPCG Authorisation No.0430015142 dated 29.10.2015 (based on Customs Authorities' letter). The other terms and conditions for fulfillment of export obligation shall remain same 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-Chennai)

PH Case No. 10 M/s. Arvind Pipes & Fitting Industries Pvt. Ltd., Mumbai
F. No. 01/60/162/557/AM20/PRC
PRC Meeting No.03/AM22 dated 16.06.2021

Subject: Extension in EOP of Advance Authorization No.0310814454 dated 05.07.2017.

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Decision: The applicant had sought personal hearing in terms of Para 2.59 of FTP, 2015-2020, which was afforded on 16.06.2021. However, the firm vide mail dated 14.06.2021 intimated that as the situation in Mumbai is not normal yet they are unable to attend office and prepare for personal hearing. The Committee decided to defer the case.

(Action: Applicant)

PH Case No. 11 M/s. Shubhalakshmi Polyesters Limited, Gujarat
F. No. 01/60/162/746/AM20/PRC
PRC Meeting No.03/AM22 dated 16.06.2021

Subject: Clubbing of 3 Advance Authorization No.(i) 5210042233 dated 17.04.2017, (ii) 5210043025 dated 05.04.2019 and (iii) 5210043097 dated 01.07.2019.

Decision: The applicant had sought personal hearing in terms of Para 2.59 of FTP, 2015-2020, which was afforded on 16.06.2021. However, the firm vide mail dated 14.06.2021 intimated that the person who is handling this is unwell currently with suspected Covid-19 symptoms and unable to attend for personal hearing. The Committee decided to defer the case.

(Action: Applicant)

PH Case No. 12 M/s. Mylan Laboratories Limited, Hyderabad
F. No. 01/60/162/588/AM20/PRC
PRC Meeting No.03/AM22 dated 16.06.2021

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

Decision: The applicant had sought personal hearing in terms of Para 2.59 of FTP, 2015-2020, which was afforded on 16.06.2021, but no one appeared on behalf of the firm. The Committee decided to defer the case.

(Action: Applicant)

PH Case No. 13 M/s. Jabsons Foods Pvt Ltd., Gujarat
F. No. 01/60/162/251/AM21/PRC
PRC Meeting No.03/AM22 dated 16.06.2021

Subject: To condone the delay in filing the TMA application.

The applicant had sought personal hearing in terms of Para 2.59 of FTP, 2015-2020, which was afforded on 16.06.2021. Shri Ramakant Khetan, Authorised Representative, appeared on behalf of the firm and made the following submissions:

The applicant stated that they have prepared 2 TMA application against E-com Ref. No.(i) 34/02/000/48200/1013/5236 for the export period 01.04.2019 to 30.06.2019 and (ii) 34/02/000/48200/1013/5227 for the export period 01.03.2019 to 31.03.2019. However, while trying to submit on 30.09.2020 received message 'submission date exceed' was displayed. Moreover due to lockdown and current situation of pandemic coronavirus staff were not coming to offices and doing work from home. But as all the documents were lying in office and also local transportation was not allowed to travel other than essential services in Bharuch. Hence, they could not finalize the application before the due date. Still there have problem of staff as they are not willing to come to office in fear of spread of Covid-19. Hence, requested to condone the delay in filing of TMA application for the above mentioned export periods.

Decision: The Committee heard the case on the basis of justification submitted by the applicant and discussed the matter at length. The Committee observed that due to COVID-19 Pandemic, the firm has faced the problem which was beyond their control and accordingly decided to accede to the request for condonation of delay in submission of TMA application for the period 01.03.2019 to 31.03.2019 and 01.04.2019 to 30.06.2019. The firm shall approach RA concerned within 60 days of the uploading of the minutes of meeting.

(Action: Applicant/RA-Vadodara/EDI/NIC for necessary updation in the System)

PH Case No. 14 M/s. Thermosol Glass Pvt. Ltd., Ahmedabad
F. No. 01/60/162/952/AM20/PRC
PRC Meeting No.03/AM22 dated 16.06.2021

Subject: Extension in EOP against EPCG Authorisation No.0830004541 dated 30.11.2011.

The applicant had sought personal hearing in terms of Para 2.59 of FTP, 2015-2020, which was afforded on 16.06.2021. Shri Shankar Prasad, Authorised Representative, appeared on behalf of the firm and made the following submissions:

This is defer case of PRC Meeting No.20/AM21 dated 05.01.2021 (Case No.09), wherein the Committee defer the case as the applicant could not attend the PH. The applicant stated that they have obtained the said license considering that Solar Thermal Technology will develop good business opportunity in India and they would be able to meet the EO. At the point of time Deemed Export benefit were available to the manufacturer supplier who were producing the renewable products in India and supplying the material to the Solar Power Developers. The benefit has been withdrawn in the current FTP, which has affected them. They had applied to EPCG Committee, however it was decided to approach RA in terms of PN No.35, 36& 37 dated 25.10.2017 read with PN No.78 dated 11.03.2019. Further, stated that they have been granted extension for 1st block of the EPCG authorisation. In their case they are manufacturer of tailor made products i.e. parabolic mirrors which is rarely exportable, though they are searching for the international market and have some export enquiries in their hand and would be able to fulfil the entire EO in coming period. Hence, requested to allow them further extension for 4 years along with addition of new products and waiver of block-wise fulfilment of EO.

Decision: The Committee heard and examined the statement made by the firm and observed that their request has been discussed in detail by the EPCG Committee in 4th Meeting dated 11.09.2020, and has been rejected giving detailed reasons. After discussing the matter at length, the Committee found no merit in it. Hence, decided to reject the request of the firm.

(Action: Applicant)

PH Case No. 15 M/s. Thermosol Glass Pvt. Ltd., Ahmedabad
F. No. 01/60/162/951/AM20/PRC
PRC Meeting No.03/AM22 dated 16.06.2021

Subject: Extension in EOP against EPCG Authorisation No.0830004980 dated 25.07.2012.

The applicant had sought personal hearing in terms of Para 2.59 of FTP, 2015-2020, which was afforded on 16.06.2021, Shri Shankar Prasad, Authorised Representative, appeared on behalf of the firm and made the following submissions:

This is defer case of PRC Meeting No.20/AM21 dated 05.01.2021 (Case No.10), wherein the Committee defer the case as the applicant could not attend the PH. The applicant stated that they have obtained the said license considering that Solar Thermal Technology will develop good business opportunity in India and they would be able to meet the EO. At the point of time Deemed Export benefit were available to the manufacturer supplier who were producing the renewable products in India and supplying the material to the Solar Power Developers. The benefit has been withdrawn in the current FTP, which has affected them. They had applied to EPCG Committee, however it was decided to approach RA in terms of PN No.35, 36& 37 dated 25.10.2017 read with PN No.78 dated 11.03.2019. Further, stated that they have been granted for 1st block of the EPCG authorisation. In their case they are manufacturer of tailor made products i.e. parabolic mirrors which is rarely exportable, though they are searching for the international market and have some export enquiries in their hand and would be able to fulfil the entire EO in coming period. Hence, requested to allow them further extension for 4 years along with addition of new products and waiver of block-wise fulfilment of EO.

Decision: The Committee heard and examined the statement made by the firm and observed that their request has been discussed in detail by the EPCG Committee in 3rdMeeting dated 11.08.2020, and has been rejected giving detailed reasons. After discussing the matter at length, the Committee found no merit in it. Hence, decided to reject the request of the firm.

(Action: Applicant)

PH Case No. 16 M/s. Thermosol Glass Pvt. Ltd., Ahmedabad
F. No. 01/60/162/950/AM20/PRC
PRC Meeting No.03/AM22 dated 16.06.2021

Subject: Extension in EOP against EPCG Authorisation No.0830004636 dated 19.01.2012.

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The applicant had sought personal hearing in terms of Para 2.59 of FTP, 2015-2020, which was afforded on 16.06.2021, Shri Shankar Prasad, Authorised Representative, appeared on behalf of the firm and made the following submissions:

This is defer case of PRC Meeting No.20/AM21 dated 05.01.2021 (Case No.11), wherein the Committee defer the case as the applicant could not attend the PH. The applicant stated that they have obtained the said license considering that Solar Thermal Technology will develop good business opportunity in India and they would be able to meet the EO. At the point of time Deemed Export benefit were available to the manufacturer supplier who were producing the renewable products in India and supplying the material to the Solar Power Developers. The benefit has been withdrawn in the current FTP, which has affected them. They had applied to EPCG Committee, however it was decided to approach RA in terms of PN No.35, 36& 37 dated 25.10.2017 read with PN No.78 dated 11.03.2019. Further, stated that they have been granted for 1st block of the EPCG authorisation. In their case they are manufacturer of tailor made products i.e. parabolic mirrors which is rarely exportable, though they are searching for the international market and have some export enquiries in their hand and would be able to fulfil the entire EO in coming period. Hence, requested to allow them further extension for 4 years along with addition of new products and waiver of block-wise fulfilment of EO.

Decision: The Committee heard and examined the statement made by the firm and observed that their request has been discussed in detail by the EPCG Committee in 3rd Meeting dated 11.08.2020,and has been rejected giving detailed reasons. After discussing the matter at length, the Committee found no merit in it. Hence, decided to reject the request of the firm.

(Action: Applicant)

PH Case No. 17 M/s. MPD Industries Pvt. Ltd., Indore
F. No. 01/60/162/420/AM21/PRC
PRC Meeting No.03/AM22 dated 16.06.2021

Subject: Amendment of following conditions against Advance Authorization No.5610005792 dated 20.01.2020 imposed by Norms Committee. (i) To amend the import item no. 1 from "Crude Degummed Soyabean Oil –EDIBLE Grade (FFA 1.00-1.25 %) to Crude Degummed Soyabean Oil – EDIBLE grade. (ii) To remove the condition no.1 : Import item are required to comply with all requirement of Food safety and standard Act 2006 and rules and regulation made there under and (iii) Clarify that the condition no. 4 is required for import item of Export item.

The applicant had sought personal hearing in terms of Para 2.59 of FTP, 2015-2020, which was afforded on 16.06.2021. Shri Vishal Dubey, Export Manager, appeared on behalf of the firm and made the following submissions:

The applicant stated that the import item is imported in bulk quantities i.e.5000 to 10000 MT by the bulk importers with standard description given by suppliers i.e. Crude Degummed Soyabean Oil – Edible Grade. Initially importer imports the item and keep it in Tanks in their bonded warehouse and then they sale minimum 250 MT quantity with the same description. Due to the nature of trade import item is coming in bulk and no one supplier is ready to give small quantity like 150 MT to 250 MT. Since, the above import item comes in bulk quantity with different FFA percentage ranging between 0.10% to 2.00% maximum therefore in their case bill of entry cannot be filed with specific description as per the approved norms i.e. Crude Degummed Soyabean Oil – Edible Grade (FFA 1.00 – 1.25%). Moreover inedible grade is not available in the international market. Therefore they are bound to import edible grade of crude degummed soyabean oil. The final product Soya Long Oil ALKYD Resin of 70% Oil length having solid content 100% will be used in Ink Industry and not for human consumption; hence FFA of any % upto 2% maximum is acceptable for their product. Since, the final product will never be used for any edible product preparation, therefore criteria of FFA content is not applicable to them. Hence, requested to remove FFA 1.00 – 1.25% from the description part of import item no.1 or allow FFA 2% maximum.

Decision: The Committee after detailed discussions in the meeting observed that this is not a case of Policy Relaxation. Accordingly, this case stands withdrawn from PRC and applicant is directed to apply to concerned Norms Committee (NC-6) Division in the matter.

(Action: Applicant)

PH Case No. 18 M/s. MPD Industries Pvt. Ltd., Indore
F. No. 01/60/162/421/AM21/PRC
PRC Meeting No.03/AM22 dated 16.06.2021

Subject: Amendment of following condition against Advance Authorization No.5610005978 dated 05.11.2020 imposed by Norms Committee. (i) To amend the import item no. 1 from "Crude Degummed Soyabean Oil –EDIBLE Grade (FFA 1.00-1.25 %) to Crude Degummed Soyabean Oil – EDIBLE grade and (ii) To remove the condition no.1 : Import item are required to comply with all requirement of Food safety and standard Act 2006 and rules and regulation made there under.

The applicant had sought personal hearing in terms of Para 2.59 of FTP, 2015-2020, which was afforded on 16.06.2021, Shri Vishal Dubey, Export Manager, appeared on behalf of the firmand made the following submissions:

The applicant stated that the import item is imported in bulk quantities i.e.5000 to 10000 MT by the bulk importers with standard description given by suppliers i.e. Crude Degummed Soyabean Oil – Edible Grade. Initially importer imports the item and keep it in Tanks in their bonded warehouse and then they sell minimum 250 MT quantity with the same description. Due to the nature of trade import item is coming in bulk and no one supplier is ready to give small quantity like 150 MT to 250 MT. Since, the above import item comes in bulk quantity with different FFA percentage ranging between 0.10% to 2.00% maximum therefore in their case bill of entry cannot be filed with specific description as per the approved norms i.e. Crude Degummed Soyabean Oil – Edible Grade (FFA 1.00 – 1.25%). Moreover inedible grade is not available in the international market. Therefore they are bound to import edible grade of crude degummed soyabean oil. The final product Soya Long Oil ALKYD Resin of 70% Oil length having solid content 100% will used in Ink Industry and not for human consumption hence FFA of any % upto 2% maximum is acceptable for their product. Since, the final product will never be used for any edible product preparation, therefore criteria of FFA content is not applicable to them. Hence, requested to remove FFA 1.00 – 1.25% from the description part of import item no.1 or allow FFA 2% maximum.

Decision: The Committee after detailed discussions in the meeting observed that this is not a case of Policy Relaxation. Accordingly, this case stands withdrawn from PRC and applicant is directed to apply in concerned Norms Committee (NC-6) division in the matter.

(Action: Applicant)

PH Case No. 19 M/s. L&T Kobelco Machinery Private Limited., Tamil Nadu
F. No. 01/60/162/712/AM19/PRC
PRC Meeting No.03/AM22 dated 16.06.2021

Subject: To consider the non-generation of Bill of export as an unintentional procedural lapse and ARE-1 endorsed by SEZ customs as the proof of export for their supply made for fulfillment of export obligation against Advance Authorization No.0410161651 dated 25.02.2016.

Decision: The applicant had sought personal hearing in terms of Para 2.59 of FTP, 2015-2020, which was afforded on 16.06.2021, but no one appeared on behalf of the firm. The Committee decided to defer the case.

(Action: Applicant)

PH Case No. 20 M/s. Ethnic Silk Mills, Bangalore
F. No. 01/60/162/29/AM21/PRC
PRC Meeting No.03/AM22 dated 16.06.2021

Subject: To allow MEIS benefit against 74 time barred Shipping bills for the period 26.07.2016 to 23.02.2017.

The applicant had sought personal hearing in terms of Para 2.59 of FTP, 2015-2020, which was afforded on 16.06.2021. Shri Abdul, Authorised Representative, appeared on behalf of the firm and made the following submissions:

This is review case of PRC Meeting No.18/AM21 dated 16.12.2020 (Case No.20), wherein the Committee rejected the case. The applicant stated that DGFT has developed a system, wherein if an IEC is placed on the DEL list, then IEC holder is not permitted / denied to avail any chapter 3 benefits until the IEC is removed from DEL. As per para 9.02 of HBP of FTP 2015-20, the time limit to apply for MEIS is 3 years with applicable late cut from the date of LEO of the shipping bill. Since their IEC was placed under DEL during the period from 25.07.2019 to 23.02.2020. Hence, they were denied by the DGFT system to apply for MEIS benefits. The shipping bills covered during the period from 26.07.2016 to 23.02.2017, were deprived of the time of 3 years from LEO as mentioned in the para 9.2 of HBP of 2015-20 during the period of DEL. Their case is similar to a situation as mentioned in para 2.20© of HBP 2015-20, wherein it is permitted to extend the validity of the duty credit scrip, if it has expired in the custody of RA. Since they were not allowed by the system to apply for MEIS for the said 74 shipping bills covered during the period from 26.07.2016 to 23.02.2017, within the time limit specified under para 9.02 of HBP. Hence, requested to consider their case as a genuine hardship, because it is beyond the control of the IEC holder to apply for MEIS during DEL.

Decision: The Committee reviewed and heard the case on the basis of justification submitted by the applicant and noted that there is merit in the case and accordingly it decided to accede to the request and allowed MEIS benefit against 74 Shipping bills pertaining to the period 2016-17 with10% late cut. The firm shall approach RA within 90 days from the date of uploading of the minutes of meeting.

(Action: Applicant/RA-Bangalore/EDI/NIC for necessary updation in the System)

Case No. 21 M/s. Cipla Limited, Mumbai
F. No. HQRPRCAPPLY00040702AM22
PRC Meeting No.03/AM22 dated 16.06.2021

Subject: Relaxation in Para 6.14 of FTP /Sub-contracting of COVID-19 drugs by EOU.

This is defer case of PRC Meeting No.01/AM22 dated 25.05.2021 (Case No.31), wherein the Committee defer the case and directed PC-6 Division to seek a specific report from D/o Pharmaceuticals. The applicant stated that this has reference to the manufacture and supply of vital drug namely Remdesivir injection in the domestic market to combat prevailing COVID-19 pandemic situation in the country. They are holding regulatory permission for restricted emergency use of Remdesivir injection from the Drug Controller General of India and accordingly have been supplying the said drug since then. They have been granted manufacturing rights by M/s Gilead Sciences, a US based company, to manufacture Remdesivir injection for domestic sales in India. They are currently operating with the limited in house capacity of production of said drug and consequently, are unable to meet the projected demand of the country. As a measure of ramping and expansion of the production capacity of remdesivir injection, they proposed to manufacture the said drug on job work basis in export oriented unit (EOU) of M/s Aurobindo Pharma Ltd., Unit-IV, Telangana, in accordance with Chapter 6 of FTP and supply the same in domestic market. In other words, they intend to effect domestic tariff (DTA) clearance of Remdesivir injection manufactured under job work arrangement in 100% EOU. In terms of contractual agreement with M/s Gilead Sciences, they have to manufacture Remdesivir injection on its own account. License granted to them to manufacture cannot be sub-let to any other manufacturer. They therefore, cannot opt for principle to principle transactions for manufacturing injections, and necessary adopt job work/ Loan license route. In this context, attention is invited to Para 6.14 of FTP which governs subcontracting by EOU. This provision does not expressly provide for DTA clearance of goods by EOU manufactured on behalf of DTA unit. Further facility to manufacture voluminous capacity of Lyophilised injection is also limited in the country. Therefore, they have no option but to utilize the manufacturing facility available in EOU to ramp up the domestic market demand of Remdesivir injection. Remdesivir API is being manufactured by them in-house. Hence, requested to relax by permitting DTA clearance of goods (Remdesivir injection) manufactured in EOU under sub-contracting /job work basis on behalf of domestic manufacturer to fulfill the domestic market requirement of the country and ensure uninterrupted supply of Remdesivir injection.

Decision: The Committee went through the statements made by the firm along with comments received from Department of Pharmaceuticals. After thorough deliberation, the Committee noted that the applicant has not submitted any cogent reason/ justification in support of any genuine hardship faced by them warranting a policy relaxation. Accordingly, the Committee decided to reject the request of the firm.

(Action: Applicant)

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