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Directorate General of Foreign Trade
(PRC Section)

Minutes of the Policy Relaxation Committee Meeting Held on 07.08.2021 under the Chairmanship of Shri Amit Yadav, Director General of Foreign Trade

Meeting No.08/AM22 held on 07.08.2021

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. Mother Dairy Fruit and Vegetable Pvt. Ltd., Delhi	1&2
2.	M/s. Majestic Overseas, Delhi	3
3.	M/s. Taj Kerala Hotels and Resorts Ltd., Delhi	4
4.	M/s. Aaacorp Exim India Pvt. Ltd., Mumbai	5
5.	M/s. Gupta Enterprises, Andhra Pradesh	6
6.	M/s. Winsome Textile Industries Limited, Chandigarh	7
7.	M/s. Indauto Filters, Bengaluru	8
8.	M/s. Chiripal Poly film Limited, Ahmedabad	9
9.	M/s. Genesys Biologics Pvt. Ltd., Telangana	10
10.	M/s. Healthy Life Pharma Private, Boisar	11
11.	M/s. Hony Aqua Sea Foods, Andhra Pradesh	12
12.	M/s. SKC Industries LLP., Gandhidham	13
13.	M/s. Aakanksha Distributors Pvt. Ltd., Bangalore	14
14.	M/s. Eastern Traders, Kolkata	15
15.	M/s. Technova Imaging Systems Pvt. Ltd., Mumbai	16
16.	M/s. Raman Polymers, Andheri	17
17.	M/s. Olam Enterprises India Pvt. Ltd., Gurgaon	18
18.	M/s. Prayag PolytechPvt. Ltd., Gurgaon, HR	19
19.	M/s. Ziva Jewellery Pvt. Ltd, Mumbai	20
20.	M/s. Star Gold , Mumbai	21
21.	M/s. Mulchand R. Shah, Mumbai	22
22.	M/s. Vijendra Surendra Exports Pvt. Ltd., New Delhi	23
23.	M/s. Manoj Ornaments Pvt. Ltd., Mumbai	24
24.	M/s. Pon Pure Chemical India Pvt. Ltd., Chennai	25

Case No. 01 M/s. Mother Dairy Fruit and Vegetable Pvt. Ltd., Delhi
F. No. HQRPRCAPPLY00116723AM22
PRC Meeting No.08/AM22 dated 07.08.2021

Subject: To allow TMA Application for the period 01.07.2019 to 30.09.2019.

The applicant stated that they have prepared two TMA applications against ECO Ref. No.50203159000010149319 dated 21.01.2020 for the period 01.07.2019 to 30.09.2019. But while trying to submit the said application, an error occurred as 'submission date exceed'. They further clarify that due to lockdown and current situation of pandemic corona virus staff are not coming to office and doing the work from home and all documents are lying in office and also travelling are allowed only essential services in the city. Therefore, they are could not finalise the application before due date. Still they have problem of staff as they are not willing to come to office in fear of spread of Covid-19. Hence, requested to allow the delay for filing the TMA applications for the above mentioned period.

Decision: The Committee went through the submission made by the firm 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 01.07.2019 to 30.09.2019. The firm shall approach RA concerned within 60 days of the uploading of the minutes of meeting.

(Action: Applicant/ CLA-New Delhi/EDI/NIC for necessary updation in the System)

Case No. 02 M/s. Mother Dairy Fruit and Vegetable Pvt. Ltd., Delhi
F. No. HQRPRCAPPLY00116752AM22
PRC Meeting No.08/AM22 dated 07.08.2021

Subject: To allow TMA Application for the period 01.10.2019 to 31.12.2019.

The applicant stated that they have prepared TMA application against Ecom Ref. No.05020315900010148980 dated 18.01.2021 for the period 01.10.2019 to 31.12.2020. But while trying to submit the said application error occurred as 'submission date exceed'. They further clarify that due to lockdown and current situation of pandemic corona virus staff are not coming to office and doing the work from home and all documents are lying in office and also travelling are allowed only essential services in the city. Therefore, they could not finalise the application before due date. Still they have problem of staff as they are not willing to come to office in fear of spread of COVID-19. Hence, requested to allow the delay for filling the TMA application for the above mentioned period.

Decision: The Committee went through the submission made by the firm 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 01.10.2019 to 31.12.2019. The firm shall approach RA concerned within 60 days of the uploading of the minutes of meeting.

(Action: Applicant/ CLA-New Delhi/EDI/NIC for necessary updation in the System)

Case No. 03 M/s. Majestic Overseas, Delhi
F. No. HQRPRCAPPLY00115082AM22
PRC Meeting No.08/AM22 dated 07.08.2021

Subject: Revalidation of 13 MEIS Authorization No.(i) 0519083111 dated 29.06.2017, (ii) 0519093445 dated 24.10.2017, (iii) 0519094077 dated 27.10.2017, (iv) 0519096551 dated 16.11.2017, (v) 0519098363 dated 04.12.2017, (vi) 0519105861 dated 07.02.2018, (vii) 0519106586 dated 12.02.2018, (viii) 0519108272 dated 28.02.2018, (ix) 0519110942 dated 20.03.2018, (x) 0519111788 dated 26.03.2018, (xi) 0519115951 dated 26.04.2018, (xii) 0519121564 dated 04.06.2018 and (xiii) 0519113924 dated 09.04.2018.

The applicant stated that they could not register their MEIS Scripts due to DRI Alert vide Letter No.DRI/DZU/23/Enq-53/2017/2866 dated 19/06/2017 to Customs ICD-Tughlakabad, New Delhi, due to which their MEIS Scripts have been expired. Now, SIIB Alert has been removed on 03/06/2021 vide File No. C.No. VIII/ICD/6/TKD/SIIB-Exp./DRI-Delhi/131/2019/1304 dated 03/06/2021. In view of above they have requested to allow extension in validity of period (as the same in not possible to get the extension from RA as per policy provision), so that, they can utilize the 13 MEIS Authorization No.(i) 0519083111 dated 29.06.2017, (ii) 0519093445 dated 24.10.2017, (iii) 0519094077 dated 27.10.2017, (iv) 0519096551 dated 16.11.2017, (v) 0519098363 dated 04.12.2017, (vi) 0519105861 dated 07.02.2018, (vii) 0519106586 dated 12.02.2018, (viii) 0519108272 dated 28.02.2018, (ix) 0519110942 dated 20.03.2018, (x) 0519111788 dated 26.03.2018, (xi) 0519115951 dated 26.04.2018, (xii) 0519121564 dated 04.06.2018 and (xiii) 0519113924 dated 09.04.2018.

Decision: The Committee after discussing the matter on the basis of justification submitted by the applicant, decided to defer the case and seek a detailed report from JS (DBK) in the matter enclosing relevant papers. It needs to be specifically ascertained if MEIS can be registered and used, when firm is under DRI alert.

After receipt of necessary report, case would again be considered by the PRC.

(Action: PRC-Division /Applicant)

Case No. 04 M/s. Taj Kerala Hotels and Resorts Ltd., New Delhi
F. No. HQRPRCAPPLY00117748AM22
PRC Meeting No.08/AM22 dated 07.08.2021

Subject: Revalidation of 4 SEIS Scrip No.(i) 0519132273 dated 21.08.2018, (ii) 0519132274 dated 21.08.2018, (iii) 0519132275 dated 21.08.2018 & (iv) 0519132276 dated 21.08.2018.

The applicant stated that they have obtained the above mentioned SEIS Licenses from CLA, New Delhi and registered the same with Cochin Air Cargo for clearance of Goods under the SEIS Scheme. They have partly utilized these licenses till November, 2019 as per their requirement. Utilization values and Balance values are as below.

Sl. No.	Script number & date	Value (IN inr)	Utilized Value (in INR)	Balance value (in INR)
1.	0519132273 dated 21.08.2018	500,000.00	67,743.68	432,256.32
2.	0519132274 dated 21.08.2018	500,000.00	93,088.70	406,911.30
3.	0519132275 dated 21.08.2018	500,000.00	366,183.53	133,816.47
4.	0519132276 dated 21.08.2018	701,236.00	75,188.00	626,048.00

The above mentioned Licenses were valid till 20.08.2020, but they could not fully utilize the same within validity period. In this regard, they further submitted that (1) Due to lock down imposed from 23.03.2020 and spread of the pandemic, there was an atmosphere of fear and the hotel industry was worst affected in this pandemic. (2) Disaster management Act 2005 enforced by Authority and their hotels were shut down during the period and all activities came to a standstill. (3) They suffered huge monetary losses during this period due to complete/partial lock down of our hotels. While hotels were shut or partially operating, they were still incurring salary expenses as per Tata company norms. (4) They have opened their hotel with fewer work forces and have faced many challenges to maintain the quality of our services. They have faced many problems due to COVID-19 which were beyond their control. Hence, requested to revalidate above mentioned SEIS for 12 months from the date of endorsement.

Decision: The Committee discussed the case at length and observed that SEIS scrips are transferable. It found no merit or hardship in the arguments made by the firm and hence decided to reject the request of the firm.

(Action: Applicant)

Case No. 05 M/s. Aaacorp Exim India Pvt. Ltd., Mumbai
F. No. HQRPRCAPPLY00100717AM21
PRC Meeting No.08/AM22 dated 07.08.2021

Subject: Revalidation of Advance Authorization No.0310825007 dated 13.11.2018.

The applicant stated that all the exports are duly completed within validity period and payments are realised in time. The gap in receipt of payments and bank realisation certification is a lacuna due to COVID pandemic. After completion of exports against said licence and realization of payments, on receipt of BRC's, they have submitted the said licence physically to RA, Mumbai on 22.12.2020 for amendment in quantity and value and for revalidation along with all the required documents. After continuous follow-up they have been informed by RA, that for amendment and revalidation they have to submit application through online new portal of DGFT system as they have discontinued issuing manual amendment and revalidation in the licence. They need to first submit application for amendment i.e. quantity & value of their licence and get online approval from RA and thereafter they may proceed to the next step of revalidation. Hence, they first applied for amendment on 16.01.2021, against which they have received online approval on 19.01.2021. On receipt of online approval for Amendment in quantity and value, they have tried to apply for revalidation through online new portal of DGFT system. While applying for revalidation they are getting error message on the online portal that "they are not allowed to apply for revalidation, as import validity period is already expired". As per the issue date of licence which is 13.11.2018, their licence validity is till 13.11.2020. They have duly completed exports using duty paid raw material, while import of raw material is stranded and direct losses in the said license. All their export realisations are duly complete within the original validity of the license, but owing to COVID; BRCs were unattainable, and hence application for re-validation of 06 months is necessary. They are a 100% export based MSME and have faced severe struggles in the economic downturn coupled with COVID situation. They plead to consider their plea in line with the notification PN 67/ 2015-20 dated 31/01/2020 valid up to 31/03/2021.

Decision: The Committee examined the case on the basis of submission made by the firm and discussed the matter at length. It is observed that there is merit in the case and accordingly decided to accede to the request and allowed revalidation of Advance Authorization No.0310825007 dated 13.11.2018 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. 06 M/s. Gupta Enterprises, Andhra Pradesh
F. No. HQRPRCAPPLY001120643M22
PRC Meeting No.08/AM22 dated 07.08.2021

Subject: Revalidation of Import License No.2650000073 dated 04.12.2018.

The applicant stated that they have obtained the aforesaid import license from RA, Vishakhapatnam for import of Sandal Sapwood. The validity of license was up to 03.06.2020. However, they could not utilized because seller could not be obtained permission for shipment from their government due to the Covid-19 pandemic scenario of their country at that time. There they immediately approached to RA for revalidation vide letter dated 12.05.2020 before the expiry of the license. Subsequently they reminded RA vide letter dated 13.07.2020. However, RA, could not revalidate due to unavoidable reasons They have applied to RA in time and expressed the reasons for not utilize the authorisation since the Pandemic Covid-19 issue all over the world include the exported country. Further stated that the Sandalwood Sapwood acts as good alternative source of raw material for many small scale industry units in unorganized sector because it is not commercially available in India therefore, they import and after processing the same supplied to the MSME Sector industries so that they can also earn their livelihood. They

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continuously in touch with the seller, who has assured them that they will get permission very soon for supply of sandalwood sapwood. They assured that after revalidation they will import the entire quantity from the seller because they sufficient stock to fulfill their ordered quantity. Hence, requested to grant revalidation for 6 months from the date of approval so that the entire quantity could be imported.

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 of the firm.

(Action: Applicant)

Case No. 07 M/s. Winsome Textile Industries Limited, Chandigarh
F. No. HQRPRCAPPLY00112423AM22
PRC Meeting No.08/AM22 dated 07.08.2021

Subject: Revalidation of 2 DEPB No.2210015792 dated 14.11.2017 and 2210015793 dated 14.11.2017.

The applicant stated that they struggle and follow ups with concerned departments, through for 2 years continuously before the Pandemic and the inability of the System to get the above said DEPB license registered at concern port as licenses not received online to ports and in the due course to rectify the issue license got expired. They are presenting their case to make an exception for them and allow extension in validity of the DEPB license. Also, if necessary please give the guideline to/for the concerned team to get the license registered/transmitted on Customs sever. They had been doing efforts to present their case but the COVID got everything at halt, so does the proceeding of this matter. In the light of above and understand the genuine hardship of their case would make an exception for them and allow revalidation of above DEPB authorisations.

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

(Action: Applicant)

Case No. 08 M/s. Indauto Filters, Bengaluru
F. No. HQRPRCAPPLY00116616AM22
PRC Meeting No.08/AM22 dated 07.08.2021

Subject: Extension of EOP against Advance Authorization No.0710113599 dated 17.07.2018.

The applicant stated that the Advance Authorisation is for the export product of PP Woven Fabrics for SION H 240 for import item of PP Granules. They have completed EO for 40.57% in terms of quantity and 39.75% in terms of value within original EOP up to 15-01 2020. Thereafter due to their foreign buyer has stopped their orders. They have now obtained confirmed orders for their regular & another export product of SION H 97 which permits import of same raw material of PP Granules and the FTP permits fulfillment of EO where imported inputs are same. Further stated that due to Corona Pandemic they could not complete balance order and requested to permit 6 months EOP from the approval / endorsement by which they shall be fulfilling the balance EO in terms of quantity and value both with minimum 15% value addition.

Decision: The Committee went through the submission made by the firm and discussed the matter at length. The Committee observed that due to COVID-19 Pandemic firm has faced the problem which was beyond their control. Accordingly, the Committee decided to allow EOP extension of Advance Authorization No.0710113599 dated 17.07.2018 for a further period of 6 months from the date of endorsement 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 firm shall approach RA concerned within 30 days of the uploading of the minutes of meeting.

(Action: Applicant/RA-Bangalore)

Case No. 09 M/s. Chiripal Poly Films Limited, Ahmedabad
F. No. HQRPRCAPPLY00105802AM22
PRC Meeting No.08/AM22 dated 07.08.2021

Subject: Extension of EOP against Advance Authorization No.0810146753 dated 13.12.2019.

The applicant stated that they are manufacturing and exporting different kinds of packing films namely BOPP Film, Polyester Film, Coated Film and Polyester (PET) Chips (High pressure moulding grade/Bottle grade). During the situation of Corona all over India, their company was under lockdown with effect from 19th April, 2021 to 31st May, 2021 considering the norms given by State Government of Gujarat. Under this pandemic situation, Corona Second wave and shortage of employees' staff, their manufacturing plant of Polyester (PET) Chips was in almost 60% shut down position. So, they are unable to complete their export orders during these days. The Situation is well after 01st June, 2021. Normally their Export of Polyester (PET) Chips Avg. to 3000 MT in a month. Their export of Finished Goods Polyester (PET) Chips start now on 04th June, 2021 and the subject authorization has been expired on 12.06.2021 due to pandemic situation of corona. They are unable to complete the export obligation. Considering the pandemic situation, they requested to grant them the EO extension for period of 6 months' without composition fee.

Decision: The Committee having examined the statement made by the applicant in its application decided to defer the case as the matter is under consideration and a general policy is being framed in such cases.

(Action: Applicant)

Case No. 10 M/s. Genesys Biologics Pvt. Ltd., Telangana
F. No. HQRPRCAPPLY00112106AM21

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PRC Meeting No.08/AM22 dated 07.08.2021

Subject: Extension of EOP against Advance Authorization No.0910066932 dated 03.12.2018.

The applicant stated that they have obtained the subject authorization for importing the required inputs under Para 4.07 of the HBP 2015-2020. Therefore, the GMP compliance was in place prior to receiving the advance authorization. Accordingly, the Drug Inspectors from DCA, Telangana& CDSCO, Hyderabad have jointly inspected their plant on July, 15 & 16, 2019. The imported raw material was intended to be utilized for manufacturing of their resultant export product i.e. Insulin Glargine& Insulin biosimilar. As per the regulations, they must send the samples for testing to National Institute of Biologicals, Noida ("N18"). Pursuant to successful Inspection, & test reports (File No.N.4-69/2019-20-SARD/RPL D1.5/10/2019) by NIBL, they have received approval letter No.360002059/Stores/2019 dated 26/09/2020 from the Drugs Controller General of India (DCGI) & the CDSCO according license to manufacture of the final resultant product for export. However, before they could manufacture the final resultant export product, against the export order No.IND/2019/21 dated 14.03.2019 from Bangladesh, Pandemic broke out, forcing the nations to place embargo on movement of goods into their countries. The lock-down totally disrupted their production and exports. These unforeseen circumstances completely derailed their exports till the embargo on the cross border movements existed. Their customer based at Europe & elsewhere, are still reeling under Impact of COVID Pandemic and their international trade activities still remain disrupted in an unprecedented manner, and, consequently affecting their exports. Hence, requested to grant them the extension of 1 year from 02.12.2020, namely up to December 02, 2021.

Decision: The Committee went through the submission made by the firm and discussed the matter at length and observed that there is merit in the case and accordingly decided to accede the request and allowed EOP extension of Advance Authorization No.0910066932 dated 03.12.2018 for a further period of 6 months from the date of endorsement 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 firm shall approach RA concerned within 30 days of the uploading of the minutes of meeting.

(Action: Applicant/RA-Hyderabad)

Case No. 11 M/s. Healthy Life Pharma Private, Boisar
F. No. HQRPRCAPPLY00118675AM22
PRC Meeting No.08/AM22 dated 07.08.2021

Subject: Relaxation / waiver of condition no.5 of PC-9 Condition against Advance Authorization No.0310316162 dated 10.02.2005.

The applicant stated that they are a manufacturer exporter of Pharmaceutical products and export to countries world over. They have been regularly taking various export incentives, Advance Licenses, DEPB, from their Regional Office at Mumbai

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for the last many years and have been fulfilling/complying all the conditions without any default. After submission of all export related documents and Imports for redemption of above Advance Licence with the RA. However, DL letter dated 18/03/2009 was received wherein the following query was raised: (i) You are required to clarify as the pre-import condition has been violated since licence issued is as per PC 9 dated 30/06/2003." (ii) "If imports done through registered source, you are requested to submit copies of all B/Entries and Form 10/Form 41." On 23.07.2014, RA, Mumbai issued a SCN wherein it is alleged that: "You had obtained a Licence. One of the Conditions governing the licence was that you would first import the raw material/ import item and export under six months as per authorization under PC 9 dated 30.06.2003. In the instant case the import was affected from unregistered source viz. M/S HEBEI JIHENG (GROUP) PHARMACY CO LTD at. 368 Jianshe street Hengsh UI City Hebei 053000 CHINA. This was done through ignorance, inadvertently by their Importing Agent and the items were imported vide B/E No. 874354 dated 24.05.2005. After realizing the mistake, the said Indenting Agent made an Application dated 17.11.2005 to the Drugs Controller General (India) for registering the said Chinese manufacturer for import of drugs etc. who vide Letter Application date 17.11.2005 & issued Registration Certificate No. BD-628 dated 08.11.2006.

Thus it is observed that the manufacturer of China from whom they imported the input was approved subsequent to import. Hence, requested to condone the delay in submitting their application and relaxation/ waiver of Policy Circular No. 9(RE-2003) 2002-2007 dated 30.06.2003 read with Policy Circular No. 15(RE-2003) 2002-2007 dated 17.09.2003 of above mentioned authorization and allowed redemption.

Decision: The Committee examined the case based on the submission made by the applicant and discussed the matter at length and decided to defer the case to seek a detailed report from RA, Mumbai, in chronological order, of the events from the date of filing of redemption request till today, before taking the final decision. RA may also specifically inform if any adjudication order has also been passed in this case.

(Action: Applicant/RA-Mumbai)

Case No. 12 M/s. Hony Aqua Sea Foods, Andhra Pradesh
F. No. HQRPRCAPPLY00115522AM22 & HQRPRCAPPLY001100882AM21
PRC Meeting No.08/AM22 dated 07.08.2021

Subject: To allow MEIS benefit against 2 Shipping Bill No.1749752 dated 20.10.2016 and 9376725 dated 10.08.2016.

The applicant stated that they obtained MEIS License regularly for their export of Sea Foods. One application related File No: 35/21/090/52494/AM19/ dated 28.11.2018 has been submitted wrongly to RA, Madurai and rejected on dated 30.11.2018 by RA, Madurai due to One Shipping Bill No.8688675 dated 5-7-2016 was claimed from RA, Cochin and further pending two Shipping Bills No.1749752 dated 20-10-2016 & 9376725 dated 10-8-2016 still not claimed from any RA. In this regards, after rejection letter issued from RA, Madurai, they are unable to generate application same time for further pending two Shipping Bills No. 1749752 dated 20.10.016 & 9376725 dated 10.8.2016, due to tick mark showed "Already claim" in Shipping Bill Repository history. So, they have sent mail to DGFT

Delhi/Coimbatore/Madurai offices for withdrawn of Tick mark from shipping bills repository. After query was rectified and Tick mark was withdrawn and generate online application again vide E.com reference No. 09/14/009/72900/0711/7264 for pending two Shipping Bills No. 1749752 dated 20.10.016 & 9376725 dated 10.08.2016 they are not able to submit any RA (Ra, Madurai merged with Coimbatore) within time period for filing of MEIS License. Recently their case has been rectified problem for submit to RA, Cochin after time barred. So, they are not able to submit application to RA, Cochin. Hence, requested to consider resubmit their pending aforesaid two shipping bills.

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

(Action: Applicant/PC-3 Division)

Case No. 13 M/s. SKC Industries LLP.,Gandhidham
F. No. HQRPRCAPPLY00117269AM22
PRC Meeting No.08/AM22 dated 07.08.2021

Subject: To allow MEIS benefit against 5 Shipping bills.

The applicant stated that at the time of filing Shipping Bill No(s).8001270 dated 03.10.2018, 9216790 dated 29.11.2018, 9515360 dated 10.12.2018, 9691515 dated 17.12.2018 and 1506395 dated 23.01.2019 CHA made inadvertent, non mala fide clerical error by selecting 'No' in reward column of shipping bills against each item. Further, In Shipping Bills mark & 'No' Column clearly mentioned the intent to claim MEIS Rewards which proves the genuineness of clerical error. They as a MSME exporter largely depends on MEIS Rewards, allowing relaxation will allow as much needed relief for their survival.

Decision: The Committee having discussed the case at length observed that conversion from 'N' to 'Y' as well as reflection of such manual amendments in the automated system is not possible. Accordingly, it found no merit in it and hence decided to reject the request of the firm.

(Action: Applicant)

Case No. 14 M/s. Aakanksha Distributors Pvt. Ltd., Bangalore
F. No. HQRPRCAPPLY00108756AM21
PRC Meeting No.08/AM22 dated 07.08.2021

Subject: To allow MEIS benefit against 12 Shipping bills.

Firm has stated they are engaged in trading of Mobile phones of various models. The Phones are procured from manufacturers or from distributors in India.

The applicant stated that during the month of January, 2020 they have exported Mobile phones, other than push button type, for a total value of Rs.16,29,29,484.36 and were eligible for incentive of Rs.65,17,179.37. In the Shipping Bills, they had mentioned the old HSN Item Number i.e. 85171290 as the ICEGATE system of the Customs Department accepting old HSN code 85171290 even after 01.01.2020. They have expressed their intent to claim rewards under the MEIS in the Shipping Bills and Export invoices as required under para 3.14 of the HBP. They have also realized Foreign exchange in respect of each of the Shipping Bills. The attempt to submit was made in February, 2020 to file application for MEIS reward in respect of the above exports made during the month of January, 2020 as stipulated in para 3.01 of HBP. However, the system did not accept the application on the ground that HSCN Code 85171290 was not eligible for MEIS. On the same day (21.02.2020), they sent a mail to DGFT helpdesk [Contact@DGFT] to overcome the difficulty in filing the application. They have submitted that they have mentioned in the Shipping Bills whereas the DGFT system states that this HSN code is not eligible for MEIS benefit. It was pointed out that in the GSTN portal, HSN code No.85171211 was shown as 'not valid'. Further, stated that on the DGFT system displayed the message that 'the matter has been resolved. Please apply now with reference to the complaint lodged on'. However, they were unable to file the application and the same error message was displayed. They raised another complaint (Reference 129373) dated 25.03.2020 to which it responded that the 'application for MEIS is not based on GSTN, it is based on the 8-digit HS Code from the shipping from 01.01.2020 mobile phones with HS Code 85171211 and 85171219 are only eligible. They had pursued the matter with DGFT officials. They also requested the customs department through ICEGATE Helpdesk to amend the Shipping Bills by changing the HSN code to and transmit the data to DGFT to enable them to file the application for MEIS rewards. However, they were instructed to contact the system manager at custom location for such amendment in Shipping Bills. In pursuance they requested the system manager at Airport &Aircargo complex at Bengaluru on 22.04.2020 to amend the HSN in the 12 Shipping Bills. The Assistant Commissioner (Exports), Airport and Air Cargo Commissionerate at Air India SATS Coolport, Bengaluru vide letter dated 06.2020 permitted amendment of the HS Code in the Shipping Bills from 85171290 to 85171211 vide letter dated 11.06.2020. However, the Customs Department had expressed that they are unable to amend the HS Code in the system online and accordingly they were unable to claim MEIS benefits. They have raised another request in the DGFT website to which 'Resolution Comments' of the DGFT system was that 'Amendment not possible in EDI SBs at DGFT'. They again approached Assistant Commissioner, Customs to amend the Shipping Bills online and enable them to claim the MEIS benefits. They also submitted the application for claiming MEIS benefit manually along with relevant documents since neither the Customs Department nor the DGFT could resolve the issue relating to amendment of Shipping Bills online.

They submitted that in spite of lapse of more than 14-months from the date of exports and more than 11-months since the date of first attempt to file the application and in spite of repeatedly pursuing the matter with the respondents and trade organizations also, they are unable to file the claim online. Hence, in such circumstances, having no other efficacious remedy, it is requested DGFT to enable amendment of the revised HSN in the Shipping Bills and accept the application online or to accept the application filed manually by them and grant eligible incentives / rewards under the Merchandise Exports from India Scheme.

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

(Action: Applicant/PC-3 Division)

Case No. 15 M/s. Eastern Traders, Kolkata
F. No. HQRPRCAPPLY00025253AM22
PRC Meeting No.08/AM22 dated 07.08.2021

Subject: To allow chapter 3 benefits (VKGUY) against 9 Shipping bills filed in RA vide File No.02/21/087/81667/AM17 (6 S/Bills No.(i) 0002890 dated 05.06.2013, (ii) 0002891 dated 05.06.2013, (iii) 0002892 dated 05.06.2013, (iv) 0002893 dated 05.06.2013, (v) 0002958 dated 08.06.2013 and (vi) 0005020 dated 31.08.2013) and 02/21/087/80012/AM18 (3 S/Bills No.(i) 0004829 dated 24.08.2013, (ii) 0005660 dated. 28.09.2013 and (iii) 0005661 dated 28.09.2013).

This is review case of PRC Meeting No.21/AM21 dated 12.01.2021 (Case No.05), wherein the Committee had rejected the case. The applicant stated that their appeal was dismissed last time but they want to review as bank has confirmed it that they made a delay in uploading the EBRC than the usual time. The delay was such that 3 years from export date passed and they could not do anything. They applied immediately once bank issued the EBRC. They had applied for the Chapter 3 benefit (VKGUY) immediately after issuance of eBRC. However, RA, Kolkata did not issue the benefit saying it as time barred. Payment against all these shipping bills have been received in advance before the date of export which is mentioned on the shipping bills and the same reflects on the eBRC issued by the bank. Due to reasons best known to bank, the eBRC have been uploaded by the bank post completion of 3 years and their application has been filed within 3 months from the date of uploaded of eBRC. Therefore, it is requested to consider their request and allow them benefit against those 9 shipping bills.

Decision: The Committee reviewed the case on the basis of justification furnished by the firm and found no merit in the request and hence decided to maintain rejection of the earlier decision of PRC in its Meeting No.21/AM21 dated 12.01.2021 (Case No.05).

(Action: Applicant)

Case No. 16 M/s. Technova Imaging Systems Pvt. Ltd., Mumbai
F. No. HQRPRCAPPLY00100098AM21
PRC Meeting No.08/AM22 dated 07.08.2021

Subject: To allow chapter 3 benefit against cancelled scrips.

The applicant stated that they had been issued FMS scrip No.0319120055 &0319120056 dated 06.07.2017 with error in total duty credit. The calculation of total credit was wrongly calculated and printed on the scrip for which they have approached RA. The RA informed them to get the scrips cancelled and make a fresh application. Accordingly, they surrendered the scrips. Now this whole exercise of

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surrendering and getting the shipping bills reactivated took lot of time and in fact the shipping bills are still showing as utilized. This was a system error and they had to surrender the scrip due to system error. They are perusing the matter with RA since 2018. Hence, requested to allow to (i) apply a fresh application with no cut as per Trade Notice No.36 dated 09.10.2019 since the shipping bills are time barred now and (ii) Also give instructions for reactivation of shipping bills.

Decision: The Committee examined the case on the basis of submission made by the applicant and discussed the matter at length and it decided to refer the issue to PC-3 Division for its examination and resolution.

(Action: Applicant/PC-3 Division)

Case No. 17 M/s. Raman Polymers, Mumbai
F. No. HQRPRCAPPLY00120568AM22
PRC Meeting No.08/AM22 dated 07.08.2021

Subject: Enhancement in CIF Value with keeping the minimum value addition against 2 DFIA No.0310839490 dated 11.11.2020 and 0310839489 dated 11.11.2020.

The applicant stated that they had obtained transferable DFIA and self utilized. However, due to the price hike of raw material in the overseas market, they could not utilize the full quantity of the DFIAs. They are manufacturer exporter of plastic item and obtained duty free import authorization as per para 4.54(C) of HBP 2015-20. Now, due to price hike in the overseas market the CIF value of above licensees are not meeting with the requirement of quantity in the authorisations. Hence, requested for enhancement of CIF value with keeping the minimum value addition required as policy.

Decision: The Committee went through the submission made by the firm and discussed the matter at length. The Committee decided to allow enhancement in CIF value of DFIA No.0310839490 dated 11.11.2020 and 0310839489 dated 11.11.2020 with the value addition of 21% subject to the condition that no transferability will be allowed against the above authorisations. The firm shall approach RA concerned within 30 days of the uploading of the minutes of meeting.

(Action: Applicant/RA-Mumbai)

Case No. 18 M/s. Olam Enterprises India Pvt. Ltd., Gurgaon
F. No. 01/60/162/319/AM18/PRC
PRC Meeting No.08/AM22 dated 07.08.2021

Subject: To allow simultaneous benefit of Zero Duty EPCG scheme and SHIS benefit in reference to PN No.30/2015-20 dated 08.09.2016, as the Zero Duty EPCG Authorization was taken exclusively for the purpose of De-Bonding of 100% EOU and to exit from EOU Scheme, whereas SHIS benefit was taken against exports of Textile and Jute.

The applicant stated that they have taken zero duty EPCG Authorisation No.0530161193 dated 12.07.2013 for import of Capital Goods required for manufacturing /processing of export item i.e. Cashew Kernels. They had applied for the benefit of SHIS under para 3.16 of FTP 2004-2009 for export of raw cotton covered under textile and jute sector made during the period 01.04.2012 to 31.03.2013. While availing SHIS benefit in FY 2013-14 they were asked to surrender the above mentioned EPCG license before issuing SHIS authorization. Accordingly they had surrendered the EPCG authorization and received the SHIS authorization no.0510366853 dated 25.09.2013. The said SHIS issued to them is not eligible for paying Custom duty /Excise duty for import of Capital Goods related with Agriculture Sector. Hence, they are not able to pay the excise duties with the said SHIS to excise authorities for de-bonding of 100% EOU unit. Hence, they had applied for zero duty EPCG authorization for the purpose of de-bonding of 100% EOU only and got the EPCG License No.0530161977 dated 11.12.2013 to exit from EOU. They had submitted a declaration along with the application for issuance of EPCG authorisation that, 'They have availed the benefit of SHIS under para 3.16 of FTP (2013-14) for export of raw cotton'. Hence, requested to allow simultaneous benefits of Zero Duty EPCG Scheme and SHIS benefit in reference to Public Notice No.30/2015-2020 dated 08th September 2016, as Zero Duty EPCG Authorisation was taken exclusively for the purpose of de-bonding of 100% EOU and to exit from the EOU scheme, whereas SHIS benefit was taken against exports of Cotton under Textiles and Jute Sector.

Decision: The Committee went through the statements made by the applicant and discussed the matter length. The Committee found no merit or hardship in the arguments made by the firm. Accordingly, the Committee decided to reject the request of the firm.

(Action: Applicant)

Case No. 19 M/s. Prayag Polytech Pvt. Ltd., Gurgaon, HR
F. No. 01/60/162/355/AM21/PRC
PRC Meeting No.08/AM22 dated 07.08.2021

Subject: To allow MEIS benefit against S/Bills pertain to the year 2015-16, 2016-17, 2017-18 and 2018-19.

The applicant stated that e-BRCs were not uploaded by Bank in these shipping bills due to their system fault. They have now provided information to Bank and asked them to upload all the BRCs. Few of the BRCs have been uploaded already and rest will be uploaded soon. The shipping bills were not available on DGFT Portal till now. The banker has delayed the same by more than 180 days due to the technical reason and same is beyond their scope of control. The delay is only by the banker in uploading of e-BRC. Moreover, since e-BRCs uploaded by the banker got late, they were not able to file the MEIS incentive and hence they were time barred. So, under such circumstances which are outside the purview or control of them, they should be allowed the MEIS incentive of all such shipping bills. They have shipping bills from FY 2015-16, 2016-17, 2017-18 and 2018-19 that needs to proceed for MEIS incentive. Hence, requested to allow MEIS benefit for shipping bills pertain for above financial years.

Decision: The Committee examined the case on the basis of submission made by the applicant and discussed the matter in detail and noted that policy is very clear in this regard. It was also observed that shipping bills are not available on the DGFT portal because of marking been done on s/bills as N instead of Y. Accordingly, the Committee found no merit in it and hence decided to reject the request of the firm.

(Action: Applicant)

Case No. 20 M/s. Ziva Jewellery Pvt. Ltd, Mumbai
F. No. 01/60/162/320/AM21/PRC
PRC Meeting No.08/AM22 dated 07.08.2021

Subject: One time relaxation to avail Replenishment scheme Gold exported vide S/Bill No.07206 dated 19.08.2013 and 08734 dated 24.09.2013 by waiver condition covered under para 4A.21.1, 4A.21.2 & 4A.21.3 of HBP 2009-2014.

The applicant stated that they used to procure Gold from Local Traders on payment of applicable taxes and export under Replenishment scheme in terms of Para 4A.9 of FTP & Para 4A21 of HBP 2009-2014. For availing replenishment scheme, they used to follow procedure i.e., after completion of export, they used to submit their application along with proof of exports for the replenishment of Gold to Nominated Agency (N.A.). Subsequently N.A. used to fix gold rate and deliver Gold Bars immediately. On 22nd July 2013 RBI announced 20:80 scheme vide RBI/2013-14/148 A.P. (DIR Series) Circular No.15 dated July 22, 2013. Post announcement of new guidelines 80:20 scheme for import of gold in the country. They had exported gold jewellery using gold from their own stock. The RBI has also issued another circular dated 14th August 2013 wherein clarification and procedural implementation were given. In both the RBI Circulars, the replenishment scheme was not covered. There was no clarity on the implementation of the said scheme across the country. In order to complete their export orders, we had no alternative but to utilize gold from their own stock in anticipating that equivalent exported quantity of gold may be received back as per said scheme under relevant FTP provisions. Accordingly, they have started claiming replenishment of gold through Nominated bank. The Nominated bank denied to issue Gold under replenishment scheme because according to bank, replenishment scheme is not covered under the RBI Circulars mentioned above. Further, vide RBI Circular AP (DIR Series) Circular No.103 dated 14.02.2014 wherein it is clearly mentioned that "The Nominated Banks/Agencies/Entities may make available gold to the exporters (other than AA/DFIA holders) operating under the Replenishment Scheme". In spite of the above RBI Circular, the Nominated Bank was not issuing Gold under Replenishment scheme on the ground that there is no clarity in operating the scheme. They made repetitive requests along with requisite documents to the Nominated Bank for issuing gold which also they have not considered. Thereafter Gems and Jewellery Export Promotion Council (GJEPC) made various representations on behalf of the exporters to the DGFT /CBEC/RB1 etc. Subsequently, DGFT was kind enough to issue a Public Notice No 29/2015.dated 08.09.2016.
Further stated that due to denial of the said benefit by the nominated Bank, they are facing the followings hardships;

1. They were exporting the jewellery by availing loans from the Financial institutions at heavy interest rate. They have paid till date an amount of Rs.2,85,600/ towards the interest incurred on the amount paid for payment of duty and taxes which is blocked in the replenishment scheme.
2. Due to blockage of Rs.6,25,600/- they are suffering with financial crisis which impacted their business operations
3. They were also unable to execute the export orders because of not getting the benefit under replenishment scheme due to which they cannot compete in international market. These policy changes demotivated us psychologically as well as financially as their capital got blocked. They decided to take a very conservative approach and reduced their export business by approximately Rs.12,00.000 annually. They are still facing the same kind of problem

Decision: The Committee went through the statements made by the firm and discussed the matter at length. The Committee noted that vide PN 29 dated 8.9.2016, a one time facility of 120 days was given to Gem and Jewellery exporters to claim replenishment of gold from nominated agencies. That period is already over about 5 years back. Further applicant has not submitted any cogent reason/ justification in support of any genuine hardship faced by them. Accordingly, it decided to reject the request of the firm.

(Action: Applicant)

Case No. 21 M/s. Star Gold , Mumbai
F. No. 01/60/162/357/AM21/PRC
PRC Meeting No.08/AM22 dated 07.08.2021

Subject: One time relaxation to avail Replenishment scheme Gold exported vide S/Bill No.00523 dated 03.02.2015 by waiver condition covered under para 4A.21.1, 4A.21.2 & 4A.21.3 of HBP 2009-2014.

The applicant stated that they used to procure Gold from Local Traders on payment of applicable taxes and export under Replenishment scheme in terms of Para 4A.9 of FTP & Para 4A21 of HBP 2009-2014. For availing replenishment scheme, they used to follow procedure i.e., after completion of export, they used to submit their application along with proof of exports for the replenishment of Gold to Nominated Agency (N.A.). Subsequently N.A. used to fix gold rate and deliver Gold Bars immediately. On 22nd July 2013 RBI announced 20:80 scheme vide RBI/2013-14/148 A.P. (DIR Series) Circular No.15 dated July 22, 2013. Post announcement of new guidelines 80:20 scheme for import of gold in the country. They had exported gold jewellery using gold from their own stock. The RBI has also issued another circular dated 14th August 2013 wherein clarification and procedural implementation were given. In both the RBI Circulars, the replenishment scheme was not covered. There was no clarity on the implementation of the said scheme across the country. In order to complete their export orders, we had no alternative but to utilize gold from their own stock in anticipating that equivalent exported quantity of gold may be received back as per said scheme under relevant FTP provisions. Accordingly, they have started claiming replenishment of gold through Nominated bank. The Nominated bank denied to issue Gold under replenishment scheme because according to bank, replenishment scheme is not covered under the RBI Circulars mentioned above. Further, vide RBI Circular AP (DIR Series) Circular No.103 dated 14.02.2014 wherein it is clearly mentioned that "The Nominated Banks/Agencies/Entities may make available gold to the exporters (other than AA/DFIA holders) operating under the Replenishment Scheme". In spite of the above RBI Circular, the Nominated Bank was not issuing Gold under Replenishment scheme on the ground that there is no clarity in operating the scheme. They made repetitive requests along with requisite documents to the Nominated Bank for issuing gold which also they have not considered. Thereafter Gems and Jewellery Export Promotion Council (GJEPC) made various representations on behalf of the exporters to the DGFT /CBEC/RB1 etc. Subsequently, DGFT was kind enough to issue a Public Notice No 29/2015.dated 08.09.2016.

Further stated that due to denial of the said benefit by the nominated Bank, they are facing the followings hardships;

1) They were exporting the jewellery by availing loans from the financial institutions at heavy interest rate. They have paid till date an amount of Rs.12,21,330/- towards the interest incurred on the amount paid for payment of duty and taxes which is blocked in the replenishment scheme.
2) Due to blockage of Rs.24,75,491/- they are suffering with financial crisis which impacted their business operations.
3) They were also unable to execute the export orders because of not getting the benefit under replenishment scheme due to which they cannot compete in international market. These policy changes demotivated them psychologically as well as financially as their capital got blocked. They decided to take a very conservative approach and reduced their export business by approximately Rs.18 crores. They are still facing the same kind of problem.

Decision: The Committee went through the statements made by the firm and discussed the matter at length. The Committee noted that vide PN 29 dated 8.9.2016, a one time facility of 120 days was given to Gem and Jewellery exporters to claim replenishment of gold from nominated agencies. That period is already over about 5 years back. Further applicant has not submitted any cogent reason/ justification in support of any genuine hardship faced by them. Accordingly, it decided to reject the request of the firm.

(Action: Applicant)

Case No. 22 M/s. Mulchand R. Shah, Mumbai

F. No. 01/60/162/427/AM21/PRC

PRC Meeting No.08/AM22 dated 07.08.2021

Subject: One time relaxation to avail replenishment of gold exported during the period from 16.03.2013 to 05.07.2013 by waiving condition covered under para 4A.21.1, 4A.21.2 & 4A.21.3 of HBP 2009-2014.

The applicant stated that they used to procure Gold from Local Traders on payment of applicable taxes and export under Replenishment scheme in terms of Para 4A.9 of FTP & Para 4A21 of HBP 2009-2014. For availing replenishment scheme, they used to follow procedure i.e., after completion of export, they used to submit their application along with proof of exports for the replenishment of Gold to Nominated

Agency (N.A.). Subsequently N.A. used to fix gold rate and deliver Gold Bars immediately. On 22nd July 2013 RBI announced 20:80 scheme vide RBI/2013-14/148 A.P. (DIR Series) Circular No.15 dated July 22, 2013. Post announcement of new guidelines 80:20 scheme for import of gold in the country. They had exported gold jewellery using gold from their own stock. The RBI has also issued another circular dated 14th August 2013 wherein clarification and procedural implementation were given. In both the RBI Circulars, the replenishment scheme was not covered. There was no clarity on the implementation of the said scheme across the country. In order to complete their export orders, we had no alternative but to utilize gold from their own stock in anticipating that equivalent exported quantity of gold may be received back as per said scheme under relevant FTP provisions. Accordingly, they have started claiming replenishment of gold through Nominated bank. The Nominated bank denied to issue Gold under replenishment scheme because according to bank, replenishment scheme is not covered under the RBI Circulars mentioned above. Further, vide RBI Circular AP (DIR Series) Circular No.103 dated 14.02.2014 wherein it is clearly mentioned that "The Nominated Banks/Agencies/Entities may make available gold to the exporters (other than AA/DFIA holders) operating under the Replenishment Scheme". In spite of the above RBI Circular, the Nominated Bank was not issuing Gold under Replenishment scheme on the ground that there is no clarity in operating the scheme. They made repetitive requests along with requisite documents to the Nominated Bank for issuing gold which also they have not considered. Thereafter Gems and Jewellery Export Promotion Council (GJEPC) made various representations on behalf of the exporters to the DGFT /CBEC/RB1 etc. Subsequently, DGFT was kind enough to issue a Public Notice No 29/2015.dated 08.09.2016.
Further stated that due to denial of the said benefit by the nominated Bank, they are facing the followings hardships;

1) They were exporting the jewellery by availing loans from the financial institutions at heavy interest rate. They have paid till date an amount of Rs.1,37,25,835 towards the interest incurred on the amount paid for payment of duty and taxes which is blocked in the replenishment scheme.
2) Due to blockage of Rs.2,46,19,355 they are suffering with financial crisis which impacted their business operations.
3) They were also unable to execute the export orders because of not getting the benefit under replenishment scheme due to which they cannot compete in international market.
4) These Policy changes demotivated them psychologically as well as financially as their capital got blocked. They decided to take a very conservative approach and reduced their export business by approximately Rs.50 crore annually. They are still facing the same kind of problem.
5) Since the scheme was not functioning from 2013 when they made the export and now they have to procure an equivalent quantity of gold exported in 2013 at the current market rates, they will have an additional burden to the extent of Rs.6,67,68,715.00 on account of increase in gold price and foreign xchange rate in the past 7 years. Also, they will have to incur additional interest cost to arrange for the additional funds required to procure the gold.

Decision: The Committee went through the statements made by the firm and discussed the matter at length. The Committee noted that vide PN 29 dated

8.9.2016, a one time facility of 120 days was given to Gem and Jewellery exporters to claim replenishment of gold from nominated agencies. That period is already over about 5 years back. Further applicant has not submitted any cogent reason/ justification in support of any genuine hardship faced by them. Accordingly, it decided to reject the request of the firm.

(Action: Applicant)

Case No. 23 M/s. Vijendra Surendra Exports Pvt. Ltd., New Delhi
F. No. 01/60/162/433/AM21/PRC
PRC Meeting No.08/AM22 dated 07.08.2021

Subject: One time relaxation to avail replenishment of Gold exported during the period 01.04.2014 to 31.07.2014 by waiving condition covered 4A.18(a)(i)(b) of HBP 2009-2014.

The applicant stated that they used to procure Gold from Local Traders on payment of applicable taxes and export under Replenishment scheme in terms of Para 4A.9 of FTP & Para 4A21 of HBP 2009-2014. For availing replenishment scheme, they used to follow procedure i.e., after completion of export, they used to submit their application along with proof of exports for the replenishment of Gold to Nominated Agency (N.A.). Subsequently N.A. used to fix gold rate and deliver Gold Bars immediately. On 22nd July 2013 RBI announced 20:80 scheme vide RBI/2013-14/148 A.P. (DIR Series) Circular No.15 dated July 22, 2013. Post announcement of new guidelines 80:20 scheme for import of gold in the country. They had exported gold jewellery using gold from their own stock. The RBI has also issued another circular dated 14th August 2013 wherein clarification and procedural implementation were given. In both the RBI Circulars, the replenishment scheme was not covered. There was no clarity on the implementation of the said scheme across the country. In order to complete their export orders, we had no alternative but to utilize gold from their own stock in anticipating that equivalent exported quantity of gold may be received back as per said scheme under relevant FTP provisions. Accordingly, they have started claiming replenishment of gold through Nominated bank. The Nominated bank denied to issue Gold under replenishment scheme because according to bank, replenishment scheme is not covered under the RBI Circulars mentioned above. Further, vide RBI Circular AP (DIR Series) Circular No.103 dated 14.02.2014 wherein it is clearly mentioned that "The Nominated Banks/Agencies/Entities may make available gold to the exporters (other than AA/DFIA holders) operating under the Replenishment Scheme". In spite of the above RBI Circular, the Nominated Bank was not issuing Gold under Replenishment scheme on the ground that there is no clarity in operating the scheme. They made repetitive requests along with requisite documents to the Nominated Bank for issuing gold which also they have not considered. Thereafter Gems and Jewellery Export Promotion Council (GJEPC) made various representations on behalf of the exporters to the DGFT /CBEC/RB1 etc. Subsequently, DGFT was kind enough to issue a Public Notice No 29/2015.dated 08.09.2016.
Further stated that due to denial of the said benefit by the nominated Bank, they are facing the followings hardships;

1) They were exporting the jewellery by availing loans from the financial institutions at heavy interest rate.

2) Due to blockage of Rs 41,00,000 they are suffering with financial crisis which impacted their business operations.
3) They were also unable to participate in more exhibitions because of not getting the benefit under replenishment scheme due to which they cannot promote their business in other international market.
4) These Policy changes demotivated the psychologically as well as financially as their capital got blocked. They decided to take a very conservative approach and reduced their export business by approximately Rs 4 crore annually. They are still facing the same kind of problem
5) Since the scheme was not functioning, the quantity of gold exported during the year 2014 against which replenishment of gold not received now the same quantity of gold exported they have to procure at the current market rates, they will have an additional burden to the extent of Rs 41,00,000 on account of increase in gold price and foreign exchange rate in the past 6 years. Also, they will have to incur additional interest cost to arrange for the additional funds required to procure the gold

Decision: The Committee went through the statements made by the firm and discussed the matter at length. The Committee noted that vide PN 29 dated 8.9.2016, a one time facility of 120 days was given to Gem and Jewellery exporters to claim replenishment of gold from nominated agencies. That period is already over about 5 years back. Further applicant has not submitted any cogent reason/ justification in support of any genuine hardship faced by them. Accordingly, it decided to reject the request of the firm.

(Action: Applicant)

Case No. 24 M/s. Manoj Ornaments Pvt. Ltd., Mumbai
F. No. 01/60/162/419/AM21/PRC
PRC Meeting No.08/AM22 dated 07.08.2021

Subject: One time relaxation to avail replenishment scheme Gold export made during the period 01.04.2011 to 31.03.2016 by waiving condition covered under para 4A.21.1, 4A.21.2, 4A.21.3 & 4A.18(a)(i)(b) of HBP 2009-14 and Para 4.82 Para 4.80 C(b) HBP 2015-2020.

The applicant stated that they used to procure Gold from Local Traders on payment of applicable taxes and export under Replenishment scheme in terms of Para 4A.9 of FTP & Para 4A21 of HBP 2009-2014. For availing replenishment scheme, they used to follow procedure i.e., after completion of export, they used to submit their application along with proof of exports for the replenishment of Gold to Nominated Agency (N.A.). Subsequently N.A. used to fix gold rate and deliver Gold Bars immediately. On 22nd July 2013 RBI announced 20:80 scheme vide RBI/2013-14/148 A.P. (DIR Series) Circular No.15 dated July 22, 2013. Post announcement of new guidelines 80:20 scheme for import of gold in the country. They had exported gold jewellery using gold from their own stock. The RBI has also issued another circular dated 14th August 2013 wherein clarification and procedural implementation were given. In both the RBI Circulars, the replenishment scheme was not covered. There was no clarity on the implementation of the said scheme across the country. In order to complete their export orders, we had no alternative but to utilize gold from their own stock in anticipating that equivalent exported quantity of gold may be received back as per said scheme under relevant FTP provisions. Accordingly, they have started claiming replenishment of gold through Nominated bank. The Nominated bank denied to issue Gold under replenishment scheme because according to bank, replenishment scheme is not covered under the RBI Circulars mentioned above. Further, vide RBI Circular AP (DIR Series) Circular No.103 dated 14.02.2014 wherein it is clearly mentioned that "The Nominated Banks/Agencies/Entities may make available gold to the exporters (other than AA/DFIA holders) operating under the Replenishment Scheme". In spite of the above RBI Circular, the Nominated Bank was not issuing Gold under Replenishment scheme on the ground that there is no clarity in operating the scheme. They made repetitive requests along with requisite documents to the Nominated Bank for issuing gold which also they have not considered. Thereafter Gems and Jewellery Export Promotion Council (GJEPC) made various representations on behalf of the exporters to the DGFT /CBEC/RB1 etc. Subsequently, DGFT was kind enough to issue a Public Notice No 29/2015.dated 08.09.2016.

Further stated that due to denial of the said benefit by the nominated Bank, they are facing the followings hardships;

1) They were exporting the jewellery by availing loans from the financial institutions at heavy interest rate. They have paid till date an amount of Rs.101, 16.665.00 towards the interest incurred on the amount paid for payment of duty and taxes which is blocked in the replenishment scheme.

2) Due to blockage of 1, 54,09,66.00 they are suffering with financial crisis which impacted their business operations

3) They were also unable to execute the export orders because of not getting the benefit under replenishment scheme due to which they cannot compete in international market

4) These Policy changes demotivated them psychologically as well as financially as their capital got blocked. They decided to take a very conservative approach and reduced their export business by approximately Rs. 2.00 crore annually. They are still facing the same kind of problem.

5) Since the scheme was not functioning, the quantity of gold exported during the year 2011-2016 against which replenishment of gold not received now the same quantity of gold exported they have to procure at the current market rates, they will have an additional burden to the extent of Rs. 1,64,09,665.00 on account of increase in gold price and foreign exchange rate in the past 8 years. Also, they will have to incur additional interest cost to arrange for the additional funds required to procure the gold.

Decision: The Committee went through the statements made by the firm and discussed the matter at length. The Committee noted that vide PN 29 dated 8.9.2016, a one time facility of 120 days was given to Gem and Jewellery exporters to claim replenishment of gold from nominated agencies. That period is already over about 5 years back. Further applicant has not submitted any cogent reason/ justification in support of any genuine hardship faced by them. Accordingly, it decided to reject the request of the firm.

(Action: Applicant)

Case No. 25 M/s. Pon Pure Chemical India Pvt. Ltd., Chennai
F. No. HQRPRCAPPLY00022143AM22
PRC Meeting No.08/AM22 dated 07.08.2021

Subject: Permission to import restricted item ISOPAR-L (1000 M.T.) with supply to Actual User Condition.

The applicant stated that they have applied on 08.01.2021 for grant of import authorization to import restricted item ISOPAR–L of 1000 MTs of value USD 900000 (INR 6,57,18,000/-) with supply to actual user conditions. In this regard Petroleum and Natural Gas Department issued NOC and application for ISOPAR-L was approved by Exim Facilitation Committee on 26.02.2021, subject to approval by the Competent Authority. This product of ISOPAR-L will be used as a reaction medium/cleaning solvents due to its inertness and zero odor, hence it becomes very critical component in the manufacturing process of their customers. For most of their customers, the requirement is very small to the tune of 50 Kgs to 500 Kgs, so they cannot import such small quantities directly as the freight cost will be nearly triple the cost of the bulk import. Further, these products are not manufactured in India and they have been obtaining the licence with supply to actual user conditions for the last 5 years and their customers are in need of the product immediately for their production. Kindly consider their request and issue the approved Licence with supply to actual user condition.

Decision: The Committee went through the submission made by the applicant and discussed the matter at length and decided to grant permission to import restricted item ISOPAR-L of 1000 MTs of value USD 900000 to the applicant against a License with a condition to supply the same to actual user manufacturers.

(Action: Applicant/ILS-Division)

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