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Directorate General of Foreign Trade
(PRC Section)

Minutes of the Policy Relaxation Committee Meeting
Held on 28.06.2022 under the Chairmanship of Shri Santosh Kumar Sarangi, Director General of Foreign Trade

Meeting No.08/AM23 held on 28.06.2022

The following members were present in the meeting:

1. Shri Vijay Kumar Addl. DGFT
2. Shri Hardeep Singh Addl. DGFT
3. Shri AkashTaneja Addl. DGFT
4. Shri Amiya Chandra Addl. DGFT
5. Shri Randeep Thakur Jt. DGFT

Following cases were discussed. The decision taken on the individual cases are as under:-

S. No	Name of the firm	Case No.
1.	M/s. HexaganPharmaInd., Mumbai	1
2.	M/s. Honda Motorcycle & Scooter India Pvt. Ltd., Haryana	2
3.	M/s. Dalas Biotech Ltd., New Delhi	3
4.	M/s. Indian Products Pvt. Ltd., Bangalore	4
5.	M/s. Shiva Pharmachem Ltd., Vadodara	5
6.	M/s.Goel Enterprises, Secunderabad	6
7.	M/s. Surya Roshni Ltd., New Delhi	7
8.	M/s. HIC-ABF Special Foods Pvt. Ltd., Kerala	8
9.	M/s. Abis Exports (India) Pvt. Ltd., Chhattisgarh	9
10.	M/s. Vedanta Ltd., Odisha	10
11.	M/s. Violet Exim, Delhi	11
12.	M/s. Harish Exporter, Mumbai	12
13.	M/s. ELGI Equipments Ltd., Coimbatore	13
14.	M/s. Hyundai Motor India Ltd., Kanchipuram	14&15
15.	M/s. Appu Hotels Limited, Chennai	16
16.	M/s. Loyal Textile Mills Ltd., Kovilpatti	17
17.	M/s. Thermosol Glass Private Limited, Ahmedabad	18 to 20
18.	M/s. Cella Space Ltd., (Formerly known as M/s. Shree Sakthi Paper Mills Ltd.,) Kerala	21
19.	M/s.RampalScientic Dyers Ludhiana	22
20.	M/s. Orbit Textiles Mills Pvt. Ltd., Tirupur	23

PH Case No. 01 M/s. Hexagan Pharma Ind., Mumbai
F. No.HQRPRCAPPLY00156033AM22
Meeting No.08/AM23 held on 28.06.2022

Subject: Extension in EOP against Advance Authorization No.0310794068 dated 23.02.2015 issued under PC-9 Condition.

The applicant had sought personal hearing in terms of Para 2.59 of FTP-2015-2020, which was afforded on 28.06.2022. Shri Tapan Sanghvi, C.E.O., Shri Kamlesh Agaskar, Export Manager appeared on behalf of the firm and made the following submissions:

This is review case of PRC Meeting No.23/AM17 dated 08.11.2016 (Case No.17), wherein the Committee extended the EOP from 12 months to 18 months i.e. up to 31.10.2016. The applicant stated that as per the PRC decision they are unable to export their resultant product on or before 31.10.2016, because of approval received on 08.11.2016. They have requested for extension of EOP on 09.02.2017 as their product were ready to export and lying at the port CFS. Now, they are requesting to allow EOP extension for further 6 months i.e. up to 30.04.2017 for regularization and closure of subjected advance authorization. They have huge loss due to this shipment their supporting manufacturer has not provided the goods in time and now also loss due to Covid-19 situation.

Decision: The Committee heard and examined the case on the basis of the statement made by the applicant and discussed the matter at length and it decided to accede to the request of the firm and allowed EOP extension up to 30.04.2017 against Advance Authorization No.0310794068 dated 23.02.2015 only for regularization purpose subject to payment of composition fee @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 within 30 days from the date of uploading of the minutes of meeting.

(Action: Applicant/RA-Mumbai)

PH Case No. 02 M/s. Honda Motorcycle & Scooter India Pvt. Ltd., Haryana
F. No.HQRPRCAPPLY00292018AM22
Meeting No.08/AM23 held on 28.06.2022

Subject: Relaxation in 3rd condition imposed by PRC in its Meeting No.04/AM19 dated 05.06.2018 & Meeting No.11/AM20 dated 09.07.2019 and allows extension of minimum of additional 5 years for fulfillment of condition of re-export /dismantles /scraps of customized motorcycles as against 3 years imposed by PRC.

Ujjwal

The applicant had sought personal hearing in terms of Para 2.59 of FTP-2015-2020, which was afforded on 28.06.2022, Shri Ruchit Jain and Shri Saran Yadav, Authorised Representatives appeared on behalf of the firm and made the following submissions:

This is review case of PRC Meeting No.04/AM19 dated 05.06.2018 (Case No.06) and 11/AM20 dated 09.07.2019 (Case No.10), wherein the Committee allowed with the condition that after completion of facing events within 3 years, the vehicles shall be re-exported or dismantled /scrapped, before the Customs Authorities. The applicant stated that they had a roadmap to conduct multiple racing events in between the period 2019-2021. However, owing to the outbreak of Covid-19 pandemic and subsequent country wide lockdown, the day-to-day operations were stalled and the applicant was prevented from conducting the planned racing events. Thus, the imported motorcycles have not been put to requisite use and have been lying in their warehouse. Needless to state, these factors were beyond their control and no intentional non-compliance can be attributed to them. They have already suffered cost plus duty on the import of the said customized motorcycles, nonetheless was prevented from putting it to effective use. These motorcycles are extremely costly and their cost maintenance is also very high. They have spent about Rs.23.22 million for import the subject motorcycles and spent about Rs.10 million for their maintenance. Re-export /Scrapping of these motorcycles before their shelf-life of 8 years, not only poses logistical difficulties but adds to the cost of re-importation. Despite investing a substantial amount, they have not been able to use the subject motorcycles for the intended purposes owing the Covid-19.
Hence, they are requesting to grant following reliefs:
(i) Grant extension of minimum of additional 5 years for fulfillment of condition of re-export /dismantle /scrap of customized motorcycles (Model NSF 250 & CRF-250 as against 3 years imposed by the PRC vide above mentioned meetings. (ii) Grant an opportunity of PH to represent their case before the Committee and (iii) Any other suitable measure which PRC may deem fit.

Decision: The Committee heard and reviewed the case based on the justifications submitted by the firm and discussed the matter at length. The Committee decided to accept the request of the firm and allowed extension of additional 3 years time to comply the condition of re-export/dismantle/scrap the vehicles before the Customs Authorities. Earlier 3 years condition was imposed by PRC in its meeting No. 04/AM19 dated 05.06.2018 and 11/AM20 dated 09.07.2019. The other terms and conditions imposed in the above mentioned meetings will remain same.

(Action: Applicant)

PH Case No. 03 M/s. Dalas Biotech Ltd., New Delhi
F. No.HQRPRCAPPLY00307329AM22
Meeting No.08/AM23 held on 28.06.2022

Subject: Extension of EOP against Advance Authorization No.0510396034 dated 28.10.2015 up to 06.01.2020 for regularization purpose.

The applicant had sought personal hearing in terms of Para 2.59 of FTP-2015-2020, which was afforded on 28.06.2022. Ms. Sangita Rajani, Director, Shri Suneet Gupta, EFO, Shri Kapil Mahai, and Shri Arun Khetan Authorised Representatives appeared on behalf of the firm and made the following submissions:

This is review case of PRC Meeting No.07/AM22 dated 23.07.2021 and 26.07.2021 (Case No.18), wherein the Committee allowed extension of EOP up to 27.10.2019 for regularization of export made within 48 months. The applicant stated that due to internet connectivity issues in the above PRC meeting, grounds could not be put forth completely. Death of Founder Director and Mr. Anil Rajani in December, 2014, Mrs. Lekha Rajani, his wife being diagnosed of leukemia in 2016-17 and her demise in 06.08.2018 completely crippled the company and impacted the export sale during the period 2016-17 to 2018-19. Under the leadership of its new active directors Ms. Sangita Rajani and Ms. Deepika Rajani, the company was able to procure more export order and completed the remaining export obligation. New Directors slowly took over and started handling day to day operations. Under their leadership, efforts and efficient decision policy, the company was able to procure export orders from its customers and completed its remaining EO by 06.01.2020 (48+2 months 10 days) for regularization purpose. The exports have been made and inputs consumed, asking for the Customs duty payment would cause great prejudice and financial hardship to the company.

Decision: The Committee having heard and examined the case on the basis of statement made by the applicant and discussed the matter at length. The Committee felt that this is a case of genuine hardship and accordingly it decided to allow EOP extension up to 06.01.2020 of Advance AuthorisationNo.0510396034 dated 28.10.2015 only for regularization purpose subject to payment of composition fee @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 within 30 days from the date of uploading of the minutes of meeting.

(Action: Applicant/CLA-New Delhi)

PH Case No. 04 M/s. Indian Products Pvt. Ltd., Bangalore
F. No.HQRPRCAPPLY00310883AM22
Meeting No.08/AM23 held on 28.06.2022

Subject: Extension of EOP for delay in export of finished goods in their 100% EOU in terms of para 6.06 (c) (ii) & (iii) of HBP.

The applicant had sought personal hearing in terms of Para 2.59 of FTP-2015-2020, which was afforded on 28.06.2022. Shri Rajiv Palicha, Commercial Head, Shri Tenzing Samuel and Shri Chandrasekhar B, Authorised Representatives appeared on behalf of the firm and made the following submissions:

This is review case of PRC Meeting No.13/AM22 dated 01.10.2021 (Case No.17), wherein the Committee rejected the case. The applicant stated that the unique products produced using modern technical production and packing processes to produce and deliver goods to the consumer in various sizes with optimum value addition to promote made in India Scheme. Further export obligation extension during pandemic period starting from March 2020 to December 2021 as extended for EPCG and advance licenses are also requested to be granted for EOUs falling under export obligation under Para 6.06 (c) (ii) (iii) of HBP. Hence, they are requesting for regularization of export made by them in EOU and further extension sought on few of the consignments /shipments made after due date for regularization. These shipments were earlier considered as fulfilled within time limit by mistakenly considering the extension notification No.67/2015-20 dated 31.03.2020 is covered for shipments made in EOU towards export obligation stipulated under Para 6.06 (c) (iii) of HBP.

Decision: The Committee heard and reviewed the case on the basis of justification furnished by the firm and observed that there is no merit in firm's contention. Accordingly it decided to maintain rejection of earlier decision of PRC in its Meeting No.13/AM22 dated 01.10.2021(Case no.17).

(Action: Applicant)

PH Case No. 05 M/s. Shiva Pharmachem Ltd., Vadodara
F. No.HQRPRCAPPLY00254241AM22
Meeting No.08/AM23 held on 28.06.2022

Subject: Clubbing of 4 Advance Authorization No.(i) 3410040395 dated 23.07.2014, (ii) 3410040489 dated 27.08.2014, (iii) 3410040669 dated 07.11.2014 and (iv) 3410041157 dated 22.04.2015for regularization purpose.

The applicant had sought personal hearing in terms of Para 2.59 of FTP-2015-2020, which was afforded on 28.06.2022. Shri Animon Nair, Senior Manager – Commercial appeared on behalf of the firm and made the following submissions:

The applicant stated that they have applied for revision of adhoc norms of above advance authorisations. NC-3 vide Meeting No.NC/3/MEET/OCT/202122/9 dated 15.10.2021 (Case No.A-16) decided to revise adhoc norms of 2 license stating that they have not applied for enhancement of quantity during the operational period of previous 2 licenses. Since the import and export items are same, they are requesting to revise quantity of all four licenses @1.868 Kg to club together and close these old licenses. These are inhouse developed new items and initially applied norms were on the basis of theoretical calculations. At the time of both production and bulk production the quantities are changed. Their export product is 3,5-Dimethylbenzoyl Chloride (DMBC) and actual consumption @ 2.226 KG of Mesitylene /1,3,5-Trimethyl Benzene /KG. This is entirely a new product for India. They manufacture this product first time in India. At the time of license application they were not aware about exact wastage of export product. So they had availed these two Advance license No.3410040395 dated 23.07.2014 and

3410040289 dated 27.08.2014 with theoretical consumption norms @ 1.262 KG Mesithylene /1,3,5-Trimethyl Benzene /KG but after making the final product they come to know the actual wastage is @ 2.226.
Due to ignorance their team did not filed the quantity enhancement application for these licenses. Norms Committee do not have power to allow beyond license quantity and Norms Committee agreed to actual consumption is @1.868 KG/KG. Hence, they are requesting to consider the consumption norms of 1.868 KG by clubbing all 4 licenses for closer /redemption.

Decision: The Committee heard and examined the statements made by the firm and observed that this case can be examined and resolved by concerned NC based on the reasons given by the firm. Accordingly it decided to refer the issue to NC-3 Division for its examination and resolution.

(Action: Applicant/NC-3 division)

PH Case No. 06 M/s. Goel Enterprises, Secunderabad
F. No.HQRPRCAPPLY00300769AM22
Meeting No.08/AM23 held on 28.06.2022

Subject: Revalidation of 6 DFIA No.(i) 3010091667 dated 06.02.2013, (ii) 3010093194 dated 09.04.2013, (iii) 3010093197 dated 09.04.2013, (iv) 3010093931 dated 17.05.2013, (v) 3010093932 dated 17.05.2013 and (vi) 3010093933 dated 17.05.2013.

The applicant had sought personal hearing in terms of Para 2.59 of FTP-2015-2020, which was afforded on 28.06.2022. Shri Avnish Goyal,Authorised Representative appeared on behalf of the firm and made the following submissions:

This is review of PRC Meeting No.16/AM22 held on 29.11.2021 (Case No.62), wherein the Committee rejected the case. The applicant stated that the validity of said DFIAs were extended up to 30.09.2019 under the provision of Para 2.12.1 of HBP 2009-14 by the RA. The said DFIAs were issued to M/s Bonn Food Industries, Ludhiana and they were transferred to their firm. They were in the process of import of goods under the subject DFIAs and unfortunately, the person who was dealing with this work of import-export fall sick in the month of July 2019 and died in the month of August 2019. These all 6 DFIAs were under his possession which they had recovered from his residence in the month of February-March, 2020. Afterwards the partner was detected Corona positive and hospitalized for 3-4 weeks. When the partner recovered from Corona, had inquired about unutilized above mentioned DFIAs which was recovered from the house of their staff who had expired on 30.09.2019 and that is why they could not utilize the said DFIAs. Since, they have purchased the DFIA on payment of premium to M/s Bonn Food Industries and they could not utilize the same for the reasons stated above, they will face a huge loss if validity for a reasonable period is not extended.

Decision: The Committee heard and reviewed the case on the basis of justification furnished by the firm and observed that there is no merit in firm's contention and hence it decided to maintain rejection of the earlier decision of PRC in its Meeting No.16/AM22 dated 29.11.2021(Case No. 62).

(Action: Applicant)

PH Case No. 07 M/s. Surya Roshni Ltd., New Delhi
F. No.HQRPRCAPPLY00277646AM22
Meeting No.08/AM23 held on 28.06.2022

Subject: Revalidation of 2 DFIA No.0510411152 dated 04.07.2019 and 0510411153 dated 04.07.2019.

The applicant had sought personal hearing in terms of Para 2.59 of FTP-2015-2020, which was afforded on 28.06.2022. Shri Pawan Jain, Senior Manager appeared on behalf of the firm and made the following submissions:

This is review case of PRC Meeting No.06/AM22 dated 13.07.2021 (Case No.19), wherein the Committee had rejected the case. The applicant stated that they were not in position to use /sell the above said license within its validity period due to lockdown restrictions imposed in view of Covid-19 pandemic, the industrial manufacturing activities came to grinding halt which resulted into recession in the economy and import of steel product were badly hit by the decline of demand. In such unprecedented situation, it had become impossible to use /sell the subjected license. The Industrial Manufacturing activities not only across the country but globally as well, abruptly came to grinding halt due to imposing lockdown and similar kinds of restrictions in many countries where the said products are being manufactured. Thus, leading to defaults in deliveries by the suppliers. This unprecedented situation caused a sharp decline in domestic demand from the manufacturing sector which eventually resulted into the acute recession in the economy activities and importation was also adversely hit by this reason. This has made them impossible to find any buyer to transfer the subjected license and as of now the demand of the DFIA is still subject to the restoration of the industrial manufacturing activities after relaxation in the lockdown restrictions. Most of the steel products are imported from People's Republic of China and hostile relationships with said country in the recent period deeply impacted the Indian importers who reluctantly reviewed the import orders and deferred the importation in view of uncertainty of the trade in future in such persisting adverse conditions.

Decision: The Committee heard and reviewed the case on the basis of statement made by the firm and discussed the matter at length. The Committee decided to accede to the request of the firm and allowed revalidation for a period of 6 months from the date of endorsement of 2 DFIA No.0510411152 dated 04.07.2019 and 0510411153 dated 04.07.2019. This is last and final revalidation. The firm shall approach RA within 30 days from the date of uploading of the minutes of meeting.

(Action: Applicant/CLA-New Delhi)

PH Case No. 08 M/s. HIC-ABF Special Foods Pvt. Ltd., Kerala
F. No.HQRPRCAPPLY00294055AM22
Meeting No.08/AM23 held on 28.06.2022

Subject: To allow DEPB / VKGUY / Chapter-3 benefit against 13 shipping bills No.(i) 1684745 dated 22.07.2010, (ii) 2060128 dated 23.12.2010, (iii) 2230087 dated 13.01.2011, (iv) 2073 dated 18.04.2011, (v) 4727589 dated 27.07.2011, (vi) 5373273 dated 12.09.2011, (vii) 5526517 dated 22.09.2011, (viii) 6095580 dated 03.11.2011, (ix) 7161880 dated 18.01.2012, (x) 4096519 dated 22.02.2013, (xi) 5723347 dated 31.05.2013, (xii) 6182584 dated 28.06.2013 and (xiii) 2489841 dated 02.05.2014 which are not reflecting in the DGFT server.

The applicant had sought personal hearing in terms of Para 2.59 of FTP-2015-2020, which was afforded on 28.06.2022. Shri Rony Pious, Manager (Admn) appeared on behalf of the firm and made the following submissions:

This is review case of PRC Meeting No.13/AM21 dated 06.10.2020 (Case No.19), wherein the Committee had rejected the case. The applicant stated that without getting the shipping bill number in the export incentive (DEPB/VKGUY/Chaper-3) module i.e. due to the technical issue with the module which was beyond their control they could not apply for the incentive. Also they were continuously following up the matter with the concerned RA for quite some time, but now they have received a communication from DGFT to submit their grievance with the PRC. Further, stated that due to Covid-19 pandemic situation, which was affected their exports thereby they are not in a position to withstand benefit of such a huge amount.
Hence, they are requesting to re-consider to allow DEPB / VKGUY / Chapter-3 benefit against 13 shipping bills which are not reflecting in the DGFT server.

Decision: The Committee heard the case based on the submission made by the applicant and discussed the matter at length and decided to defer the case and to seek a detailed report, from RA, Cochin before taking the final decision.

(Action: Applicant/RA-Cochin)

PH Case No. 09 M/s. Abis Exports (India) Pvt. Ltd., Chhattisgarh
F. No.HQRPRCAPPLY00154140AM22
Meeting No.08/AM23 held on 28.06.2022

Subject: To allow MEIS benefit against Shipping Bill No.8738413 dated 05.11.2018.

The applicant had sought personal hearing in terms of Para 2.59 of FTP-2015-2020, which was afforded on 28.06.2022. Shri Manoj Ahuja and Shri Koti Balasa,Authorised Representatives appeared on behalf of the firm and made the following submissions:

This is review case of PRC Meeting No.03/AM23 dated 22.04.2022& 05.05.2022 (Case No.01), wherein the Committee decided to call the firm for personal hearing. The applicant stated that they have inadvertently ticked "N" instead of "Y" in the reward column while filling of the EDI shipping bill, but they have declared the intent in the affirmative (in wordings) in the shipping bill. They have exported 2469.150 MT of Soyabean extraction to Bangladesh vide Gede through Ranaghat RS LCS vide above shipping bill. As they have realized that the shipping bill was missing the EPCG license details, they have applied for the post amendment of shipping bill to Customs Authorities. However, the same was rejected. They again sent another request for correction of shipping bill to the Assistant Commissioner of Customs, wherein it had passed an amendment order in favour of their company. The Assistant Commissioner has also confirmed that the goods have been exported to Bangladesh and that they have already claimed the duty drawback against the shipping bill as it was rightfully entitled to them.

It is clarified that on the 1st page of the shipping bill they had mentioned "We intend to claim Reward under MEIS System" and even the invoice they submitted to Customs at the time of filing shipping bill they had mentioned their intention to claim the MEIS benefit. Based on this evidence he affirmed that the page 2 of the shipping bill under the relevant column of reward was shown as "No" is indeed a human error and is justifiable. However, Customs Authorities has expressed their concern that in the EDI system, there is no mechanism to amend the expression from "No" to "Yes" after issuance of the Let Export Order. Therefore, the Customs has issued them an "instant order" in order to make the amendment in the shipping bills as requested.

Decision: The Committee heard and discussed the case on the basis of submission made by the firm and it decided to defer the case and to ask the firm to submit a copy of court order along with copy of WP No.425 of 2020 for taking final decision in the matter.

(Action: Applicant)

PH Case No. 10 M/s. Vedanta Ltd., Odisha
F. No.HQRPRCAPPLY00300729AM22
Meeting No.08/AM23 held on 28.06.2022

Subject: To allow MEIS benefit against 16 shipping bills.

The applicant had sought personal hearing in terms of Para 2.59 of FTP-2015-2020, which was afforded on 28.06.2022. Shri Ashok Patro, General Manager – Finance appeared on behalf of the firm and made the following submissions:

This is review case of PRC Meeting No.16/AM22 dated 29.11.2021(Case No.48), wherein the Committee had rejected the case. The applicant stated that they had exported different aluminium products through various shipping bills through different ports. In this regard they have approached to respective Customs Authorities for amending the HSN code in the shipping bills. The item description and the ITCHS code of the item have been mentioned inconectly in the 16 shipping bills. Due to incorrect ITCHS codes and the description mentioned in the shipping bills, they were not able to claim the MEIS benefit. Since, their applications are pending with respective Customs Authorities, they are requesting to allow to issue MEIS license.

Decision: The Committee heard and discussed the case at length observed that amendments have not been done by concerned custom authorities as yet. Further reflection and transmission of any manual amendments in the automated system is also not possible. Accordingly, it decided to maintain rejection of the earlier decision of PRC in its Meeting No.16/AM22 dated 29.11.2021(Case No.48).

(Action: Applicant)

PH Case No. 11 M/s. Violet Exim, Delhi
F. No.HQRPRCAPPLY00163037AM22
Meeting No.08/AM23 held on 28.06.2022

Subject: To allow MEIS benefit against Shipping Bill No.1694904 dated 18.10.2016.

The applicant had sought personal hearing in terms of Para 2.59 of FTP-2015-2020, which was afforded on 28.06.2022. Shri Parveen Nayyar, Authorised Representative appeared on behalf of the firm and made the following submissions:

The applicant stated that they have exported their product on very competitive price and they have coated their price to the buyer while keeping in mind that premium of incremental license under Chapter 3 of FTP. The delays are on the part of bank. They have approached their various banks vide letter dated 23.08.2017, 27.11.2017, 16.10.2018, 15.11.2018, 18.12.2018, 30.12.2019, 10.09.2020 and 16.09.2020. After various personal visits to bank authority with so many hardships they issued the bank certificates after expiry of 3 years from the date of exports. Thus they could not apply for MEIS application. Hence, they are requesting to allow MEIS benefit against above mentioned shipping bill.

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

(Action: Applicant)

PH Case No. 12 M/s. Harish Exporter, Mumbai
F. No.HQRPRCAPPLY00228029AM22
Meeting No.08/AM23 held on 28.06.2022

Subject: To modify MEIS / ROSCTL e-com module to enable to file eligible claim of Duty Credit license wherein they have opted to claim MEIS instead of higher ROSCTL claim.

The applicant had sought personal hearing in terms of Para 2.59 of FTP-2015-2020, which was afforded on 28.06.2022. Shri Rajesh Shah, Partner appeared on behalf of the firm and made the following submissions:

The applicant stated that their export products are eligible for MEIS as well as RoSCTL. They intend to claim RoSCTL benefits for the exports made by them from 01.08.2019 onwards. Apparently they observed that while making online application for RoSCTL claim, MEIS benefit of Rs.9,74,741/- granted for 6 shipping bills filed for the exports made during the period from 07.03.2019 to 31.7.2019 is getting deducted. They submit that MEIS benefit alone was claimed in respect of the 6 shipping bills and did not claim RoSCTL benefit for the said exports. Therefore, there is no double benefit that has been claimed by them. They understand that since MEIS benefit has been withdrawn retrospectively vide PN No.58 dated 29.01.2020, the same is getting deducted from the RoCSTL of the subsequent shipping bills being claimed now. Had they known about withdrawal of MEIS benefit retrospectively they would have filed shipping bills claiming RoSCTL benefit instead of MEIS benefit. In that case they would have been sanctioned RoSCTL which would be of higher amount than and the same would not have been deducted from RoSCTL being claimed for subsequent period.
Further stated that with respect to the 10 of the 16 shipping bills, where they tried to apply MEIS benefit amounting to Rs.18,96,360/-, where they have claimed only MEIS benefit and no RoSCTL benefit, the online portal initially showed MEIS benefit as ZERO for ITC HS code pertaining to garments and made-ups. However, in May 2021, they have been granted the benefit of MEIS in respect of 5 shipping bills (out of 10 shipping bills) for the export of products other than garments and made-ups. Hence, they are requesting to modify MEIS/ROSCTL e-com module to enable to file eligible claim of Duty Credit license wherein they have opted to claim MEIS instead of higher RoSCTL claim.

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

(Action: Applicant/PC-3 Division)

PH Case No. 13 M/s. ELGI Equipments Ltd., Coimbatore
F. No.HQRPRCAPPLY00286016AM22
Meeting No.08/AM23 held on 28.06.2022

Subject: To allow MEIS benefit against 205 shipping bills without any late cut.

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The applicant had sought personal hearing in terms of Para 2.59 of FTP-2015-2020, which was afforded on 28.06.2022. Shri Sriram N., Head – Indirect Taxes appeared on behalf of the firm and made the following submissions:

This is review case of PRC Meeting No.03/AM23 dated 22.04.2022 & 05.05.2022 (Case No.31), wherein the Committee decided to call the firm for personal hearing. The applicant stated that they had exported to their subsidiary located at Brazil country by declaring the intent to claim the benefit under MEIS scheme. They filed shipping bill in Brazilian Currency. In all their export made to Brazil subsidiary, they have received the remittance in US Dollar. Their export invoices and shipping bills are made to Brazil Country are in Brazilian Real(BRL) currency whereas the remittance received in USD. Due to this mismatch they could not apply for MEISlicenses in respect of the subjected shipping bills in DGFT portal due to currency mismatch between shipping bill and the e-BRC.They had approached to technical team (NIC) at RA, Chennai and they have been informed to get the BRCs in Brazilian Read and then apply for the MEIS claims.
They have checked for the possibility with their AD bank and they have reply that it is not possible for them to convert the eBRC currency. They have also informed that they can generate eBRC as per data available for FIRC. They again checked from various directions and sources on how to sort out this requirement, after getting replies from both DGFT NIC team and AD banker but their efforts were in vain. Hence, they are requesting to allow MEIS benefit against 205 shipping bills without any late cut.

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

(Action: Applicant/PC-3 Division)

PH Case No. 14 M/s. Hyundai Motor India Limited, Kanchipuram
F. No.HQRPRCAPPLY00219416AM22
Meeting No.08/AM23 held on 28.06.2022

Subject: To condone the delay in filing MEIS application and to refund late cut fees deducted against 32 shipping bills.

The applicant had sought personal hearing in terms of Para 2.59 of FTP-2015-2020, which was afforded on 28.06.2022. Shri K. Mohanasundaram and Shri S. Sathish, Authorised Representatives appeared on behalf of the firm and made the following submissions:

This is review case of PRC Meeting No.02/AM22 dated 04.06.2021 (Case No.34), wherein the Committee rejected the case. The applicant stated that the export proceeds were realised on time by the AD bank, however they could not file the MEIS application for the shipping bills within the time limit as the e-BRC data was not updated in the DGFT systems as the repository screen shows "No e-BRC Data found in DGFT system. Further there was delay in uploading the e-BRC data by the bankers. Shipping bill

numbers and dates are as follows:(i) 2545080 dated 31.01.2018, (ii) 6980422 dated 26.06.2017, (iii) 7837375 dated 05.08.2017, (iv) 6056881 dated 06.07.2018, (v) 6030345 dated 05.07.2018, (vi) 6079207 dated 07.07.2018, (vii) 6379068 dated 21.07.2018, (viii) 9011631 dated 29.09.2017, (ix) 8702677 dated 16.09.2017, (x) 6877053 dated 21.06.2017, (xi) 9621256 dated 01.11.2017, (xii) 8830964 dated 22.09.2017, (xiii) 8830890 dated 22.09.2017, (xiv) 5968467 dated 02.07.2018, (xv) 7565651 dated 14.09.2018, (xvi) 5405104 dated 07.06.2018, (xvii) 8224868 dated 24.08.2017, (xviii) 7831133 dated 26.09.2018, (xix) 2275388 dated 18.01.2018, (xx) 7818915 dated 25.09.2018, (xxi) 5217668 dated 30.05.2018, (xxii) 7792485 dated 24.09.2018, (xxiii) 7792483 dated 24.09.2018, (xxiv) 8793288 dated 21.09.2017, (xxv) 8847579 dated 23.09.2017, (xxvi) 5745708 dated 28.04.2017, (xxvii) 9016970 dated 30.09.2017, (xxviii) 9010926 dated 29.09.2017, (xxix) 9315966 dated 03.12.2018.Against the Shipping bills No.(i) 5615164 dated 24.04.2017, (ii) 8073719 dated 18.08.2017&(iii) 6847432 dated 20.06.2017.
There was a delay in transmission of S/B data from Customs to DGFT Server, screen shows which Record not found in DGFT system. This is purely system related issues and are beyond their control. Hence they are requesting to condone delay in filing the MEIS application and request to grant approval to refund late cut fee deducted in the relevant shipping bills.

Decision: The Committee reviewed the case in detail and in view of justification provided by the firm, it found no merit in the case as there is no provision of filing supplementary claims in MEIS Scheme. Accordingly, the Committee decided to maintain rejection as in earlier decision in the PRC Meeting No.02/AM22 dated 04.06.2021 (Case No.34).

(Action: Applicant)

PH Case No. 15 M/s. Hyundai Motor India Ltd., Kanchipuram
F. No.HQRPRCAPPLY00164335AM22
Meeting No.08/AM23 held on 28.06.2022

Subject: To allow MEIS benefit against 07 Shipping Bill No.(i) 4075885 dated 13.02.2017, (ii) 4076531 dated 13.02.2017, (iii) 4172328 dated 16.02.2017, (iv) 4172334 dated 16.02.2017, (v) 4172337 dated 16.02.2017, (vi) 4941904 dated 23.03.2017 and (vii) 4891481 dated 21.03.2017.

The applicant had sought personal hearing in terms of Para 2.59 of FTP-2015-2020, which was afforded on 28.06.2022. Shri K. Mohanasundaram and Shri S. Sathish, Authorised Representatives appeared on behalf of the firm and made the following submissions:

This is review case of PRC Meeting No.05/AM22 dated 09.07.2021 (Case No.06), wherein the Committee rejected the case. The applicant stated that there was a delay in interfacing the shipping bills data from Customs – EDI system to DGFT System. Due to this they are not able to file MEIS application on time. With this interface was possible after their constant and continuous follow-up with Customs. The delay in interface of shipping bills was also informed to RA, Chennai. However, as the shipping bills are not available in the DGFT system, they could not file the application on time in the period March 2017 to December 2017. As per Para 9.02 of HBP 2015-20 they are eligible for the MEIS with 10% late cut. Hence, requested to allow MEIS benefit against the said 7 shipping bills without late cut.

Decision: The Committee heard and went through the statement made by the applicant and discussed the matter at length. Data was finally transmitted by customs on 6.8.2021 and by that time the period for filing of MEIS applications was already over. The Committee observed that due to delay in transmission of shipping bills data from customs to DGFT Portal, the firm has faced the problem which was beyond their control. Accordingly it decided to allow MEIS benefit against 7 Shipping Bill No.(i) 4075885 dated 13.02.2017, (ii) 4076531 dated 13.02.2017, (iii) 4172328 dated 16.02.2017, (iv) 4172334 dated 16.02.2017, (v) 4172337 dated 16.02.2017, (vi) 4941904 dated 23.03.2017 and (vii) 4891481 dated 21.03.2017. It also decided that no cut would be imposed on the entitlement. The firm shall approach RA within 30 days from the date of uploading of the minutes of meeting.

(Action: Applicant/RA-Chennai /PC-3 for necessary updation in the System)

PH Case No. 16 M/s. Appu Hotels Limited, Chennai
F. No.HQRPRCAPPLY00149572AM22
Meeting No.08/AM23 held on 28.06.2022

Subject: EOP Extension of 2 year to fulfill the remaining EO and re-fixation of Annual Average Export Obligation against 78 EPCG Authorizations.

Decision: The applicant had sought personal hearing in terms of Para 2.59 of FTP-2015-2020, which was afforded on 28.06.2022. However, firm vide mail dated 28.06.2022 informed that they are unable to attend the PH and requested to grant them for some more time. Accordingly, the Committee decided to defer the case.

(Action: Applicant)

PH Case No. 17 M/s. Loyal Textile Mills Ltd., Kovilpatti
F. No.HQRPRCAPPLY00278930AM22
Meeting No.08/AM23 held on 28.06.2022

Subject: Condonation for non-maintenance of AEO in respect of 28 EPCG Authorizations.

The applicant had sought personal hearing in terms of Para 2.59 of FTP-2015-2020, which was afforded on 28.06.2022. Shri M.E. Manivannan, Senior Vice President (Operations) & Whole Time Director appeared on behalf of the firm and made the following submissions:

The applicant stated that they have been regularly importing capital goods under EPCG scheme and all along they have been fulfilling the EO without any hitch. During 2015-16 they got 56 EPCG authorisations and imported many capital goods. While fixing the EO the previous 3 years trading turnover was also considered. There was a sudden crash in the textile trading export from the year 2015-16 onwards, especially after China shrunk its imports of yarn and fabrics from India. As a result while they are able to fulfill the EO in terms of exporting 6 times of the import duty saved, the condition of fulfilling the EO greater than the previous 3 years average export turnover became impossible for 28 authorisations (out of 56 authorisations). However, if trading turnover is not considered both during the previous 3 years and also during the EO period, the EO gets fulfilled for these 28 authorisations as well. They have requested to EPCG Committee but unfortunately the Committee also rejected their request in the 7th Meeting held on 27.10.2021. Hence, they are requesting to relax the condition and amend the 3 years average export turnover as requested above, so that they can redeem the 28 EPCG authorisations.

Decision: The Committee went through the submission made by the firm and discussed the matter at length and remanded the case back to RA, Coimbatore for its examination and finalization in terms of policy provisions contained in the FTP/HBP read with Public Notices issued by DGFT in this regard.

(Action: Applicant/RA-Coimbatore)

PH Case No. 18 M/s. Thermosol Glass Private Limited, Ahmedabad
F. No.HQRPRCAPPLY00133329AM22
Meeting No.08/AM23 held on 28.06.2022

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 28.06.2022. Shri Ravi Suri, Shri R.K. Khanna and Shri Shankar Prasad, Authorised Representative appeared on behalf of the firm and made the following submissions:

This is review case of PRC Meeting No.03/AM22 dated 16.06.2021 (Case No.15), wherein the Committee rejected the case. 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 fulfill 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 fulfillment of EO.

Decision: The Committee heard and reviewed the case on the basis of justification furnished by the firm and observed that there is no merit in firm's contention. Accordingly it decided to maintain rejection as in the earlier decision of PRC in its Meeting No.03/AM22 dated 16.06.2021(Case no.15).

(Action: Applicant)

PH Case No. 19 M/s. Thermosol Glass Private Limited, Ahmedabad
F. No.HQRPRCAPPLY00133336AM22
Meeting No.08/AM23 held on 28.06.2022

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

The applicant had sought personal hearing in terms of Para 2.59 of FTP-2015-2020, which was afforded on 28.06.2022. Shri Ravi Suri, Shri R.K. Khanna and Shri Shankar Prasad, Authorised Representative appeared on behalf of the firm and made the following submissions:

This is review case of PRC Meeting No.03/AM22 dated 16.06.2021 (Case No.16), wherein the Committee rejected the case. 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 fulfill 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 fulfillment of EO.

Decision: The Committee heard and reviewed the case on the basis of justification furnished by the firm and observed that there is no merit in firm's contention. Accordingly it decided to maintain rejection as in the earlier decision of PRC in its Meeting No.03/AM22 dated 16.06.2021(Case no.16).

(Action: Applicant)

PH Case No. 20 M/s. Thermosol Glass Private Limited, Ahmedabad
F. No.HQRPRCAPPLY00133346AM22
Meeting No.08/AM23 held on 28.06.2022

Subject: Extension in EOP against EPCG AuthorisationNo.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 28.06.2022. Shri Ravi Suri, Shri R.K. Khanna and ShriShankar Prasad, Authorised Representative appeared on behalf of the firm and made the following submissions:

This is review case of PRC Meeting No.03/AM22 dated 16.06.2021 (Case No.14), wherein the Committee rejected the case. 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 fulfillment of EO.

<u>Decision</u>: The Committee heard and reviewed the case on the basis of justification furnished by the firm and observed that there is no merit in firm's contention. Accordingly it decided to maintain rejection as in the earlier decision of PRC in its Meeting No.03/AM22 dated 16.06.2021(Case no.14).

(Action: Applicant)

PH Case No. 21 M/s. Cella Space Ltd., (Formerly known as M/s. Shree Sakthi Paper Mills Ltd.,) Kerala
F.
No.01/60/162/49/AM21/PRC

Meeting No.08/AM23 held on 28.06.2022

Subject: Waiver for Partial Annual Average EO (AAEO) against EPCG Authorization No.1030001844 dated 19.11.2010 for issue of EODC and redemption.

The applicant had sought personal hearing in terms of Para 2.59 of FTP-2015-2020, which was afforded on 28.06.2022. Shri S. Rajkumar, Managing Director, Shri Visakh Rajkumar, Executive Director and Shri Vinod Kumar, General Manager appeared on behalf of the firm and made the following submissions:

The applicant stated that M/s Sree Sakthi Paper Mills Ltd. was a limited listed company manufacturing Kraft paper situated at Industrial Development Area, Ernakulam, Kerala. It was a recycling unit using waste paper as the main raw material. They had imported a machinery for manufacturing Kraft paper from Sweden for the purpose of exporting quality paper. The imported machine Krima Dispersing System was cleared against the subject EPCG authorization and was issued to fulfillment of conditions of EO. The duty saved amount was Rs.43,82,298/-. The EO was fixed at 8 times of the duty saved which works out to Rs.3,50,58,368/-. The specific EO was fully fulfilled well within the EOP during the first block ending 19.11.2014, but Annual Average Export Obligation (AAEO) could not be fulfilled due to reasons beyond their control and closure of the paper mill before the allotted period of exemptions. They have diligently performed the majority of the conditions stipulated in EPCG authorization but for the Force Majeure condition. They could not manufacture the end product and export further for maintaining the AAEO due to (i) Power cut in Kerala (ii) Labour issues raised by local and unions (iii) Pollution issues raised by the locals (iv) Decline of exports of Kraft paper due to international market slump and (v) Damage of the imported machinery for which the Customs duty exemption was taken. Thus finally they could not sustain the challenges and they had no other option but close the paper mill in June 2016. Further stated that out of the total duty payable of Rs.51,46,701/- they have paid Rs.7,64,403/-. They have availed a duty savings of Rs.43,82,298/- in which basic customs duty saved is Rs.12,28,778/- minus Rs.7,64,403/- i.e. Rs.4,64,375/- and countervailing duty of Rs.39,17,923/-. If they have paid the above countervailing duty at that point of time, they could have availed VAT credit within 2 months itself. Now during July 2017, GST was implemented and VAT was stopped, they may also be allowed a reduction in the countervailing duty as it cannot be set off on the GST regime.

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 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. 22 M/s. Rampal Scientic Dyers, Ludhiana
F. No.01/60/162/382/AM20/PRC
Meeting No.08/AM23 held on 28.06.2022

Subject: Condonation of procedure lapse not mentioning the supporting manufacturer's name on shipping bill filed under EPCG Authorisation No.3030004818 dated 17.12.2008.

Decision: The applicant had sought personal hearing in terms of Para 2.59 of FTP-2015-2020, which was afforded on 28.06.2022. However, firm vide mail dated 27.06.2022 intimated that they are unable to attend the PH due to health issue and requested for another date. The Committee decided to defer the case.

(Action: Applicant)

PH Case No. 23 M/s. Orbit Textiles Mills Pvt. Ltd., Tirupur
F. No.01/60/162/34/AM20/PRC
Meeting No.08/AM23 held on 28.06.2022

Subject: To allow 100% alternate export product of same sector i.e. cotton made-ups, cotton bags and fabrics to fulfill export obligation against 6 EPCG Authorization No.(i) 3230012599 dated 29.09.2008, (ii) 3230012601 dated 29.09.2008, (iii) 3230014582 dated 16.03.2010, (iv) 3230012600 dated 29.09.2008, (v) 3230014036 dated 24.11.2009 and (vi) 3230014983 dated 02.06.2010.

The applicant had sought personal hearing in terms of Para 2.59 of FTP-2015-2020, which was afforded on 28.06.2022. Shri V. Sasivarnan, Director appeared on behalf of the firm and made the following submissions:

This is defer case of PRC Meeting No.06/AM22 held on 13.07.2021 (Case No.05), wherein the Committee decided to defer the case as applicant could not attend for PH. The applicant stated that they are in the textile business and exporting textile fabrics and made ups for the past 10 years under the name of M/s Om Textiles. They had taken over the present company – a spinning mill unit manufacturing cotton yarn (which was sick unit as on that date) under the hope that their own manufactured yarn can be made use for the export of their final products Cotton Fabrics and Made-ups and on the other hand to give life to the mill which was under final stage of closure owing to perennial financial setback and Cotton /Yarn market fluctuation. They have taken over the spinning mill with an undertaking to fulfill EO for the above EPCG Authorisations, as a composite unit.
But after taking over, the yarn market had gone down further and the overseas market for cotton yarn supply has been worsening year after year. Thus they could not fulfill 50% EO value but fulfilled the same with 100% alternative products viz. Cotton Fabrics and Made-ups. They have requested to EPCG Committee but turned down their request. Hence, they are requesting to consider and grant permission on redemption of above EPCG Authorisations with alternative product.

<u>Decision</u>: The Committee heard and examined the statement made by the firm and observed that the firm has not submitted the complete details of the company who has taken over which company and who has fulfilled the export obligation. Accordingly, it decided to defer the case and ask the applicant to submit the above information before taking the final decision.

(Action: Applicant)

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