Directorate General of Foreign Trade
(PRC-section)

Minutes of the Policy Relaxation Committee Meeting held under the Chairmanship of Shri Alok Vardhan Chaturvedi, Director General of Foreign Trade

Meeting No. 02/AM19 held on 24.04.2018 at 11:00 AM

The following members were present in the meeting:

1.	Shri N. P. S. Monga	Addl. DGFT
2.	Shri K. C. Rout	Addl. DGFT
3.	Shri J. V. Patil	Addl. DGFT
4.	Shri S. B. S. Reddy	Addl. DGFT
5.	Shri N. K. Srivastava	Addl. DGFT
6.	Shri Jay Karan Singh	Jt. DGFT
7.	Shri Akash Taneja	Jt. DGFT

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

PH Case No.1: M/s. Shiva Pharmachem Ltd., Vadodara
F. No. 01/60/162/903/AM16/PRC
PRC Meeting No. 02/AM19 dated 24.04.2018

Subject: Request for condoning the procedural lapse in obtaining the Bill of Exports pertaining to supplies effected to SEZ units against Advance Authorization no.3410031726 dt. 27.09.2011 and 3410035378 dated 31.10.2012.

Decision: No one appeared for PH though it was sought by them. Hence, the committee decided to defer the case. The applicant may seek fresh date.

PH Case No.2: M/s. GKN Sinter Metals Private Ltd., Mumbai
F. No. 01/60/162/317/AM16/PRC
PRC Meeting No. 02/AM19 dated 24.04.2018

Subject: Request the requirement of consumption certificate attested by customs and direct JDGFT, Pune to redeem the Annual Advance Authorization 3110002492 dated 10.11.2000 on the basis of SION fixed at the time of applying for license.

Dr.Kamalesh Nair, Vice President and Shri Sagar Phulphagar, Manager Exim of the firm appeared before the Committee and made the submissions stating inter alia that:

They had obtained Annual Advance Authorisation No.311002492 dated 10.11.2000 issued from Jt DGFT Pune under the then para 7.4 A for export of Sintered Iron Parts and Bushes of various grades for which the SION were already fixed. Further, they have fulfilled the value wise Export obligation to the extent of 82.19% under the licence. Since further exports could not be done under this advance licence, they would like to pay the duty with interest for the imports made for the unfulfilled exports and have also requested JDGFT Pune to confirm the excess quantity for payment of duty and interest while applying for redemption.

2. All the shipment pertain to the 2000-2001 & 2001-2002 and most of the shipping bill are in manual form for which they have already done the customs audit verification. At the time of filing the shipping bill in customs they used to submit a list for the exempted material used in the export product; for which unfortunately they do not have copies the list. After submitting the file for redemption RA Pune has raised a query asking them to get the consumption attested by the Customs. It is practically impossible to attest the consumption of input as the data was in manual form and presently not traceable in Customs. In lieu of the Customs attestation, they have submitted Chartered Engineer Certificate certifying the consumption and also for the said export product, SION was already fixed.

3. In-spite of the fact that the SION were already fixed and also submitted chartered engineer certificate for the inputs used in the exports product; the RA Pune, insisting them to pay the duty with interest on the entire import made under the license vide their letter dated 21.,11.2014, the copy of the same is attached. This will put them into financial hardship and practical difficulties in carrying on with their business.

4. Since this is an old case the Customs have issued them letters for non-submission of Export obligation Discharge Certificate. As per Para 2.5 of the FTP relaxation of Policy and or procedure, on the grounds of genuine hard ship adverse impact on trade, can be granted.

5. Hence they have requested to grant them relaxation on the grounds of genuine hardship faced by them to close the subject license and condone/waive the requirement for consumption certificate attested by them customs and direct RA Pune to redeem the Advance License on the basis SION fixed at the time of applying for the license.

Decision: It was noted that the Authorisation was issued on 10.11.2000 under EXIM Policy,1997-2020 along with DEEC import and export Books. As per prevalent procedure, Green Audit of DEEC book of export and import was carried out by Group-VII of Customs Authority. No additional document was required to redeem such Authorisation to prove consumption of duty free inputs. The committee was of the considered view that Authorisation should have been redeemed on the basis of prescribed documents under HBP, 1997-2002. Present provisions are not applicable on such cases unless documents prescribed under prevalent procedure are not submitted. The committee, therefore, decided to allow redemption of the case, if otherwise in order.

(Action: RA, Pune)

PH Case No.3: M/s. Kalyani Carpenter Special Steel, Pune
F. No. 01/60/162/680/AM18/PRC
PRC Meeting No. 02/AM19 dated 24.04.2018
Subject: Refund of Terminal Excise Duty (TED) on supply of Special Grade stainless Steel for making critical components in Nuclear Power Equipment of NPCIL.

Shri Sanjay Agarwal, Chief Commercial & Sourcing Head of the firm appeared before the Committee and made the following submissions stating inter alia that:

1. The firm had been awarded a contract for supply of 245 MT of Steel of precipitation Hardening SS17-4) stainless Steel Round Bards by NPCI, a Public Sector under taking under the Administrative Control of Department of Atomic Energy for its 1400 MW Mega Power Project viz. Rajsthan Atomic Power Project, Rajasthan and Kakrapar Atomic Power Project Gujarat.

2. The above said project was under competitive bidding and supply of special grade steel for manufacture of critical components of the Nuclear Reactor.

3. These power project have been accorded Mega power Project status as per Customs Notification No.21/2002 dated 01/03/2002 amended to read as 12/2012 dated 17.03.2012 and are subject to Nil Cutoms Duty as per FTP provision 2009-14 and are eligible for deemed export status which includes refund of Terminal Excise duty.

4. The firm draw this office attention Minutes of PIC Meeting No.11/AM11 dated 15.3.2011 took view of denial of TED benefits for steel mainly related to the construction industry and not for the supply of their products viz supply for making cirtical components of the Reactor for producing power (Confirmed by NPCIL vide letter dated 8.05.2014, copy enclosed)

5. Hence they have requested for refund of Terminal Excise Duty (TED) on supply of Sepcial Grade Stainless Steel for making critical components in Nuclear Power Equipment of NPCIL.

Decision: having heard to the applicant it was decided to refer the case to Policy-6 for examination.

(Action: Policy-6)

PH Case No.4: M/s. Mittal Technopack Pvt. Ltd., Kolkata
F. No. 01/60/162/267/AM18/PRC
PRC Meeting No. 02/AM19 dated 24.04.2018
Subject: Condonation of delay in submission of Deemed Export Drawback claim.

Shri Rohit Patwari, Director of the firm appeared before the Committee and made the following submissions stating inter alia that:

They have stated that allow admittance of their claim for the period April to June 2009 (1st Quarter 2009-10) as because the rejection of the impugned claim by relevant authority i.e. O/o Development Commissioner, Falta Special Economic Zone was not proper and within ambit of FT Policy.

It is because the claim for 1st Quarter 2009-10 was submitted on 22.06.2012 and deadline for submission as per Policy was 30.06.2012. Hence the rejection of the claim by jurisdictional Authority was not in accordance with terms of policy and as per the terms the claim was acceptable upto 30.06.2012 with late cut of 10%. Hence it is established that disallowance by jurisdictional authority was irregular.

The firm vide their e mail dated 09.03.2018 has submitted (i) supply period (ii) supply category as per FTP (iii) Date of realisation and Date of submission of application to RA.

Period of claim	File No.	Key No.	Category of supply	Last date of payment in each quarter	Date of submission of application to Development Commissioner
April 2009 – June 2009	01/63/162/0392/AM18	829159	As per para 8.2.(b) of FTP supply of goods to EOU	30.06.2009	22.06.2009

They have requested to PRC to allow this claim and advice to Jurisdiction Development Commissioner's office to process the claim for the above period of 1st quarter 2009-10 as their submission was well within 3 years from prescribed.

Hence they have requested for condonation of delay in submission of deemed export drawback claim.

<u>Decision:</u> It was noted that in terms of Para 8.3.1(ii) of HBP, 2009-2014 read with Para 9.3 of said HBP, claim could be made within 12 months from the date of payment received or supplies made in case of advance payment) without any cut or upto 36 months from the date of receipt of payment with 10% late cut. The committee noted that in the instant case supplies were made during January 2010-March, 2010 quarter and payments were realized by 30.03.2009. Therefore, claim could be filed by 31st March, 2013 whereas application is submitted by the applicant on 04.03.2013 which is within the prescribed time. Hence, no policy relaxation is required.

DC should allow the claim with applicable late cut, as per policy, if otherwise in order.

(Action: DC, Falta SEZ)

PH Case No.5: M/s. Mittal Technopack Pvt. Ltd., Kolkata
F. No. 01/60/162/267/AM18/PRC
PRC Meeting No. 02/AM19 dated 24.04.2018
Subject: Condonation of delay in submission of Deemed Export Drawback claim.

Shri Rohit Patwari, Director of the company appeared before the Committee and explained the following submissions stating inter alia that:

They have stated that allow admittance of their claim for the period April to June 2009 (1st Quarter 2009-10)as because the rejection of the impugned claim by relevant authority i.e. O/o Development Commissioner, Falta Special Economic Zone was not proper and within ambit of FT Policy.

It is because the claim for 1st Quarter 2009-10 was submitted on 22.06.2012 and deadline for submission as per Policy was 30.06.2012. Hence the rejection of the claim by jurisdictional Authority was not in accordance with terms of policy and as per the terms the claim was acceptable upto 30.06.2012 with late cut of 10%. Hence it is established that disallowance by jurisdictional authority was irregular.

The firm vide their e mail dated 09.03.2018 has submitted (i) supply period (ii) supply category as per FTP (iii) Date of realisation and Date of submission of application to RA.

Period of claim	File No.	Key No.	Category of supply	Last date of payment in each quarter	Date of submission of application to Development Commissioner
April 2009 – June 2009	01/63/162/0392/AM18	829160	As per para 8.2.(b) of FTP supply of goods to EOU	30.6.2009	22.6.2012

They have requested to PRC to allow this claim and advice to Jurisdiction Development Commissioner's office to process the claim for the above period of 1st quarter 2009-10 as their submission was well within 3 years from prescribed.

Hence they have requested for condonation of delay in submission of deemed export drawback claim.

Decision: It was noted that in terms of Para 8.3.1(ii) of HBP, 2009-2014 read with Para 9.3 of said HBP, claim could be made within 12 months from the date of payment received or supplies made in case of advance payment) without any cut or upto 36 months from the date of receipt of payment with 10% late cut. The committee noted that in the instant case supplies were made during April 2009-June 2009 quarter and payments were realized by 30.06.2009. Therefore, claim could be filed by 30th June 2012 whereas application is submitted by the applicant on 22.06.2012 which is within the prescribed time. Hence, no policy relaxation is required.

DC should allow the claim with applicable late cut, as per policy, if otherwise in order.

(Action: DC, Falta SEZ)

PH Case No.6: M/s. Economic Traders (GUJ) Pvt. Ltd., Rajkot
F. No. 01/60/162/642/AM18/PRC
PRC Meeting No. 02/AM19 dated 24.04.2018
Subject: Revalidation of DEPB License no. 2410029109 dt. 22.07.2010 which was not verified by Mundra Port Customs due to technical error 02 & 97.

Decision: No one appeared for PH. The committee, therefore, decided to defer the case. The applicant may seek fresh date.

(Action: Applicant)

PH Case No.7: M/s. Innovative Cuisine (P) Ltd., Vadodara
F. No. 01/60/162/05/AM17/PRC
PRC Meeting No. 02/AM19 dated 24.04.2018
Subject: **Request for clubbing of 6 Advance Authorization nos.**

1. **0810096975 Dated: 08.03.2011**

2. **0810112496 Dated: 14.06.2012**
3. **0810120378 Dated: 19.04.2013**
4. **0810132269 Dated: 10.06.2014**
5. 0810134319 Dated: 13.01.2015
6. 0810135710 Dated: 21.07.2015.

Shri Riyaz Devani, Accounts Head and Shri Niriv Jha, Head International Market of the firm appeared before the Committee and made the following submissions stating inter alia that:

1. Para 4.38 Modified to the disadvantage of Applicants. Their first authorization is issued with 36 months export obligation period and exports within 48 months may be accepted.

2. But their request is for accepting the exports effected till 24.02.2016 which is a total of five years period from the date of first authorization.

3. Their products are Edible food products which vegetable constitutes main contents. Vegetables are much depends on climate and agriculture. When the farm does not give the yield, they have to depend on readymade markets of packed vegetables. These vegetables are mostly harmful to the human health. Since the products are for human consumption, utmost case has to be taken while selecting the ingredients. As and when the ingredients are available with lesser contamination, they select do exports. To sync with the demand and production and to have a smooth functioning of production program they obtained separate Authorisations.

Hence, they have requested for clubbing of above 6 advance authorizations.

Decision: Having heard to the applicant, the case was discussed at length. It was noted that the applicant has exported 292.08% under first Authorisation number 0810096975 Dated: 08.03.2011 and shortfall is under subsequent Authorisations. Clubbing of such Authorisations is not allowed as per procedure. Further, accounting of exports made before issue of Authorisation is also not allowed as per Para 4.27 of HBP. Therefore, request of clubbing was not considered. However, the applicant if so wish, may approach the RA concerned to get clubbing of Authorisation by making two or more sets of applications, as per Para 4.38 of HBP, 2015-2020, as amended.

(Action: Applicant/RA Vadodara)

PH Case No.8: M/s. Pokarna Engineered Stone Ltd., Secunderabad
F. No. 01/60/162/22/AM19/PRC
PRC Meeting No. 02/AM19 dated 24.04.2018

Subject: Waiver of **value cap on domestic sales of their Quartz Surfaces in the domestic market from their SEZ unit in APSEZ Atchutapur, Visakhapatnam.**

Shri Gautam Chand Jain, Managing Director of the firm appeared before the Committee and made the following submissions stating inter alia that:

The firm is SEZ unit, as per the FTP rules, clear the goods in domestic market the custom duty on sales is appended below:-

"Import policy in heading 6810 Free- However, import rough blocks and slabs of agglomerated/artificial stones shall be restricted. Import of processed Tiles/Slabs of agglomerated/artificial stone shall be permitted freely, provided CIF value is US $ 50 and above per square meter"

This product is developed by R & D team for Asthetic looks and colours and all the developed colours do not have ready acceptance, and has to be sold at whatever price they can fetch.

As on 31st March they have accumulated 30624 slabs (61% of total stocks indifferent thicknesses and second and substandard grade material and due to the value cap, they are unable to clear this 71% Stock.

The firm has stated that quartz surfaces is a man-made product comprises majorly of quartz, one of nature's strongest material and a mix of bonding agent, pigment and additives. Similar in appearance of natural stone, quartz enjoy certain innate benefits not available with natural granite namely durability, strength and stain and heat resistant qualities. Further, natural stone are also porous which leaves room for bacteria to get into fissures and pores where it can be tough to eradicate, while on the other hand Engineered Stone does not absorb liquids resulting in easier cleaning and more effective than natural stone. Owing to such factors, engineered stone has been rates as most preferred material for countertop by consumer report magazine scoring over other material like granite, ceramic tile, stainless steel, laminate, marble, limestone, and concrete. Further engineered stone's texture can be fine or coarse depending on how it is processed, and can be combined with glass and other reflective materials for a sparkling finish. They are also NSF certified food grade. Engineered stone is also the fastest growing material to be used in the counter top industry. Rapid growth of the product has been driven by the material's superior physical attributes relative to other counter top materials, its attractive relave value, as well as broad array of colours and ease of fabrication. The growth is expected to remain strong as it gains further awareness and acceptance in several existing and newer international markets.

Due to encouraging market for said product they have set up a SEZ Unit in 2008 and commenced commercial production in 2009 and till now they had achieved total export turnover of Rs.8478.62 Crores from the said unit in these nine years.

It is submitted that they are sourcing raw material and consumables 77% indigenously and 23% by the way of imports. Their export turnover is 91%and Domestic sale is 9% during these 9 years period. However, during the production process nearly 15% - 20% of product is second choice/export surplus or rejects apart from their regular R & D trial productions and remnants from cut –to size orders. There is no export market for second choice/export surplus or reject and remnants. Only option is to explore selling in the domestic market has become a major constraint due to the special condition set under import policy for their product, which is currently classified under CTH68109990. The special condition is as under:-

> "Import Policy heading 6810 Free – However, iport of rought blcks and slabs of agglomerated/artificial stones shall be restricted. Import of processed tiles/slabs of agglomerated/artificial stone shall be permitted freely, provided cif value is US $ 50 and above per Square meter".

In view of above they are unable to liquidate the material accumulated (As on 31st March 2018 they have accumulated 30624 slabs in different thicknesses of seconds and substandard grade) in the domestic market for the last nine years. Due to higher tariff including value cap they cannot sell second choice and irregular quality product in international market as explained above.

Hence they have requested for exemption of Customs duty including value cap norms on existing and non-saleable inventory on domestic tariff area sales and they also request for relaxation of value norms on domestic sales permanently.

Decision: Having heard to the applicant, the case was discussed at length. The committee noted that resultant product Quartz Surfaces tiles are manufactured by use of domestically sourced inputs, which do not attract any duty. As per Policy, import of processed Tiles/slabs of agglomerated/artificial stone are permitted freely, provided the CIF value is US$ 50 per square meter and above. However, the committee was of the considered view that since the goods in the instant case are manufactured in India though in SEZ, the condition of MIP should not be made applicable. Further, defective goods cannot be exported out of the country, as it would result trade dispute with buyer in future. Therefore, the committee decided to waive MIP on accumulated 30624 slabs of different thickness of second and substandard grade provided a certificate from independent Chartered Engineer of respective field, who will certify that these Slabs/Tiles are defective /substandard, is submitted to DC.

(Action: DC, APSEZ/Applicant)

PH Case No.9: M/s. NICO Extrusions Limited, Mumbai
F. No. 01/60/162/474/AM18/PRC
PRC Meeting No. 02/AM19 dated 24.04.2018

Subject: Request for EOP Extension for Advance Authorization no. 0310490685 dated 16.10.2008.

Shri Vijay Porwal, Promoter of the firm appeared before the Committee and made the following submissions:

1. They imported raw material against export order in hand during 2008-2009 just prior to the beginning of global meltdown and stating exporting from June 2009 onwards, but due to slumped prices (almost 40% of the previous values), the customers started cancelling their orders. They also tried to re-export the RM back to the suppliers as the material by and large was found to be very small size making it is possible to sort the impurities out manually but as the market had already collapsed by over 50-60%, the suppliers did not agree to take back, citing the reasons they were trying to prevent their commercial losses by rejection their material.

2. The market started packing up a bit only in 2010-11 but the tragedy happened in their factory when due to torrential rains their factory shed collapsed on 25.08.2011 injuring several workers with hospitalizations their melting furnace severely damaged, thereby office of Chief Inspector of Factory and Boiler stopping their unit completely.

3. It is submitted that as per the direction of O/o Chief Inspector Factory and Boiler, the structure had to be reconstructed, furnace reconditioned and reinstated and after submitting compliance only they could restart the operations which took almost 1 ½ years after the collapse. The accident was also widely published in local newspapers, copies were enclosed with their letter dated 03.10.2011 with the request for export obligation extension Copy of FIR dated 25.08.2011 under Section 154 CRPC is also enclosed.

4. Unutilised inventories of the RM were lying in the factory and Yard, increasing the inventory interest costs to the Banks against working capital lines availed by the Company.

5 All these factors compounded into a huge financial loss and total net worth of company was wiped off and they were left without working capital as the bank withdrew their lines.

6. They were BIFR company under Case No.39/2014 dated 01.08.2014 until 9th May, 2016 when the SICA Act was repealed.

7. With Market condition improving now, they already have export order for supply of Aluminium Alloys JIS standards ADC12 to Japan for 240 MT. The firm has stated in the past DGFT PRC have been considered where the EOP was extended without any composition fees in the Case No.33 of Meeting No.40/AM14 held on 11.03.2014 and case No.1 and PRC Meeting No.18/AM17 held on 20.9.2016.

8. Now vide their letter dated 20.2.2018 they has submitted with the modified request to review their case that since re-export request is not acceptable, they have requested to allow extension in E.O. period for one year without composition fee as they are not in position to pay the same at all being a NPA company, and therefore, requested to accord them once in life time opportunity to fulfill their E.O. for revival.

Decision: Having heard to the applicant, the case was discussed again at length. It was conspired from the submissions made by the applicant that the applicant has made efforts to fulfill the stipulated export obligation and completed almost 50% EO. However, situations have not been in his favour to complete balance export. The firm has now revived from a sick unit on payments of dues. Therefore, taking into consideration the genuine hardship and since, the applicant has confirmed export order in hands and willing to fulfil balance export obligation, the committee decided the following:

1. Export obligation period be extended for 12 months from the date of endorsement.
2. This will, however, be subject to payment of a composition fee @ 0.5% of unfulfilled FOB value of export in proportion to imports made;
3. The applicant shall submit a Legal under taking duly Notarized affirming therein that he will export at least 240 MT each month.
4. Export obligation shall be fulfilled by 31.05.2019 and documents for discharge of EO shall be submitted by 31.07.2019 without fail;
5. In case of failure, he will pay duty plus applicable interest to the customs Authority without any further demand Notice.

(Action: Applicant/RA, Mumbai)

PH Case No.10: M/s. NICO Extrusions Limited, Mumbai
F. No. 01/60/162/952/AM17/PRC
PRC Meeting No. 02/AM19 dated 24.04.2018
Subject: Request for EOP Extension for Advance Authorization no. 0310492661 dated 03.11.2008.

Shri Vijay Porwal, Promoter of the firm appeared before the Committee and made the following submissions stating the same facts as per case number 9 above.

Decisions: Decision as per case no 9 above is reiterated.

Case No.11: M/s. Vedanta Ltd., New Delhi
F. No. 01/60/162/647/AM17/PRC
PRC Meeting No. 02/AM19 dated 24.04.2018

Subject: Utilisation of 10 shipping bills 7129589 dated 09.01.2015, 7129534, dated 09.1.2015, 7129608 dated 09.01.2015, 7129315 dated 09.01.2015, 7146556 dated 10.01.2015, 6977679 dated 01.01.2015, 6977679 dated 01.01.2015, 6977510 dated 01.01.2015 6941447 dated 30.12.2014 and 6941415 dated 30.12.2014 filed under under chapter 3 & 4 for claiming FMS as well as DFIA where the same Shipping bill have been Utilizes for FMS benefit, but could not uitlised for DFIA No.0510391948 dated 12.11.2014 as the same has been frozen by the system.

Decision: It was noted that the policy allows export of goods under multiple scheme against same shipping Bill means exporter can avail MEIS as well as Advance Authorisation/DFIA/EPCG against same shipping bill. The applicant has availed FPS benefits against the above mentioned shipping bills and system has locked the shipping bills for further use. Therefore, the applicant could not avail facility of EODC and transferability of Authorisation. The committee, therefore, decided the following:

1. NIC will defreeze the said Shipping Bill from the system.
2. The applicant shall submit online application for EODC within a month from refreezing of said shipping bills by NIC.
3. RA shall allow EODC and transferability of the Authorisation and revalidate the same for six months from the date of endorsement.

(Action: NIC/Applicant/RA, Mumbai)

Case No.12: M/s. Vedanta Ltd., New Delhi
F. No. 01/60/162/647/AM17/PRC
PRC Meeting No. 02/AM19 dated 24.04.2018

Subject: Utilisation of 4 shipping bills 6129552 dated 18.11.2014 ,6108001 dated 17.11.2014, 6228767 dated 24.11.2014 and 6228777 dated 24.11.2014 filed under chapter 3 and chapter 4 for claiming FMS as well as DFIA, where the shipping bills has been utilized for FMS benefit, but could not be utilized for DFIA No.0510391522 dated 09.10.2014.

Decision: Decision at case No 11 is reiterated.

(Action: NIC/Applicant/RA, Mumbai)

Case No.13: M/s. Honda Motorcycle and Scooter India Pvt. Ltd., Gurgaon
F. No. 01/60/162/720/AM18/PRC
PRC Meeting No. 02/AM19 dated 24.04.2018

Subject: Relaxation of Policy of Condition no 10 (e) of Chapter 87 to the ITC (HS) in Schedule 1 – import policy, for import policy, for import of motorcycles for racing event.

Decision: The committee did not accede to the request.

(Action: Applicant)

Case No.14: M/s. Ripple Fragrances Exports Pvt. Ltd., Mysore
F.No.01/60/162/947/AM17/PRC
PRC Meeting No.02/AM19 dated 24.04.2018

Subject: Refund of 4% SAD by way of re-credit and revalidation Duty Credit Scrips rejected by Addl. DGFT RA, Bangalore.

Decision: Vide PN No 6 dated 18.04.2013 it was categorically clarified that no further revalidation shall be allowed after 30.09.2013. SAD is states levy. It has to be paid in cash and refund of the same is allowed by customs Authority provided the same have been passed to the buyer of imported goods. Undue enrichment by charging the same from buyer of imported goods and getting refund from Govt. is not allowed. Further, the applicant did not submit credit Note and statement of Duty Credit Scrips from which SAD was paid and also the reason of payment of SAD from Duty Credit Scrip. The committee, therefore, did not accede to request.

(Action: Applicant)

Case No.15: M/s. Avik Pharmaceutical Ltd., Mumbai
F. No. 01/60/162/1658/AM11/PRC
PRC Meeting No. 02/AM19 dated 24.04.2018

Subject: Extension in EO of Advance Authorization no. 0310354496 dt. 31.10.2005 under package of relief and concession as approved by BIFR New Delhi under Case no. 162/2001.

Decision: It was noted that RA has allowed 18 months extension as per BIFR package in addition to normal 24 months export obligation period under the Authorisation was fixed. Therefore, the committee did not accede to the request.

The applicant is hereby directed to get the case regularized, in terms of Para 4.49 of HBP, 2015-2020, within a month from the date of uploading of these minutes on the Directorate website. Failing which, RA shall initiate action under the provisions of FT(DR)Act.

(Action: Applicant/RA, Mumbai)

Case No.16: M/s. Hindustan Granites, Bangalore
F. No. 01/60/162/728/AM17/PRC
PRC Meeting No. 02/AM19 dated 24.04.2018

Subject: Sale of unutilized material Into DTA – Regarding

Decision: It was noted that the committee already allowed DTA sale of unutilized marble Block/Slabs for exit from EOU subject to payment of applicable duties and interest to the Customs Authority. DC (CSEZ) has denied clearance on the ground that PRC has allowed marble and not Travertine. However, it was opined that Travertine is nothing but form of marble, which falls under same ITC HS. The committee, therefore, decided to allow sale of Travertine Block/Slab in DTA also subject to all other conditions as per PRC decisions dated 06.06.2017.

(Action: DC, CSEZ)

Case No.17: Manish International, Aligarh
F. No. 01/60/162/795/AM18/PRC
PRC Meeting No. 02/AM19 dated 24.04.2018

Subject: **Consideration of Focus Product Scheme application no. 06/21/087/81/250/AM15 dated 01.09.2014 submitted at Kanpur viz grant of time permission for filing time barred shipping bills.**

Decision: It was noted that the applicant has submitted application initially in time. Therefore his case cannot be rejected as time barred on the basis of clarification from Development Commissioner of Handicraft submitted after due date for claiming benefits. The committee, therefore, acceded to his request.

(Action: RA Kanpur)

Case No.18: M/s. Torrent Pharmaceuticals Ltd., Ahmedabad
F. No. 01/60/162/759/AM16/PRC
PRC Meeting No. 02/AM19 dated 24.04.2018

Subject: **Request for Revalidation DEPB License no. 0810115060 dt. 12.09.2012 for Rs. 9,08,021/- not utilized during the validity period due to Authorization details not reflecting in Customs server due to date error.**

Decision: It was noted that PRC in its meeting dated 01.03.2016 allowed revalidation of said DEPB for 12 months from the date of endorsement. However, inadvertently, date of validity was indicated upto 31.03.2016 instead of 31.03.2017. The applicant, therefore, could get effectively 3 days from date of uploading of minutes. Therefore, the committee decided to allow six months further validity from the date of endorsement. The applicant shall submit Scrip to the RA concern for endorsement within a month from the date of uploading of these minutes on the Directorate website.

(Action: Applicant/RA, Ahmedabad)

Case No.19: M/s. Marvel Vinyls Limited, New Delhi
F. No. 01/60/162/732/AM18/PRC
PRC Meeting No. 02/AM19 dated 24.04.2018

Subject: Grievance petition against rejection of their request by PRC in Meeting no. 30/AM18 dated 21.03.2018, for clubbing of imports and exports against two Advance Authorization no. 0510378456 dt. 05.02.2014 (having initial validity for export upto 31.08.2015 and for imports upto 28.02.2015 and Advance Authorization no. 0510395204 dated 13.08.2015 (Initial EOP upto 28.02.2017 and initial import upto 31.08.2016).

Decision: It was noted that the request is for clubbing of two Authorisations. Under AA dated 05.02.2014 the applicant has exported 200% and under AA dated 13.08.2015 only 50%. Exports under AA dated 05.02.2014 have been completed by 17.06.2014 that is before issue of second Authorisation. In terms of Para 4.27 of HBP, exports made from issue of EDI File number or Authorisation number can only be accepted towards discharge of EO. Further, in terms of Para 4.38 of HBP, clubbing is allowed where shortfall in first Authorisation and excess exports under subsequent Authorisation but within the EOP of first Authorisation. In the instant case both conditions are not met. The committee, therefore, did not accede to the request.

The applicant is hereby directed to get the second Authorisation regularized in terms of Para 4.49 of HBP, 2015-2020.

(Action: Applicant)

Case No.20: M/s. Remi Edelstahl Tubulars Ltd., Mumbai
F. No. 01/60/162/726/AM18/PRC
PRC Meeting No. 02/AM19 dated 24.04.2018
Subject: Acceptance of ARE-3a towards redemption of advance Authorization no. 0310356389 dt. 22.11.2005.

Decision: From RA report, it was noted that endorsement in ARE-3a seems to have been made subsequent to removal of goods, which is not acceptable. Record of 2005 is not verifiable at this stage. The committee, therefore, did not accede to the request.

The applicant is hereby directed to get the case regularized, in terms of Para 4.49 of HBP, within a month from the date of uploading of these minutes on the Directorate website failing which RA shall initiate action as per FT(DR)Act.

(Action: Applicant/RA, Mumbai)

Case No.21: M/s. Reliance Communication Ltd., Mumbai
F. No. 01/60/162/799/AM18/PRC
PRC Meeting No. 02/AM19 dated 24.04.2018
Subject: Revalidation of SFIS Scrip's in respect of SFIS Scrip No.

6. **0310542612 dt. 27.10.2009**
7. **0310542613 dt. 26.10.2011**
8. **0310542614 dt. 27.10.2009**
9. **0310542615 dt. 27.10.2009**
10. **0310542616 dt. 26.10.2011**
11. **0310542617 dt. 26.10.2011**

Decision: It was decided to refer the case to Policy-3 for examination.

(Action: Policy-3)

Case No.22: M/s. ABC Cotspin Private Ltd., Ahmedabad
F. No. 01/60/162/760/AM18/PRC
PRC Meeting No. 02/AM19 dated 24.04.2018

Subject: Grant of relaxation and allowing acceptance of their application no. 08/21/092/80026/AM17 for incremental Export Incentive Scheme, rejected on the grounds of time barring.

Decision: It was decided to refer the case to Policy-3 for examination

(Action: Policy-3)

Case No.23: M/s. Arvind Pipes & Fittings Industries Pvt. Ltd., Mumbai
F. No. 01/60/162/445/AM18/PRC
PRC Meeting No. 02/AM19 dated 24.04.2018

Subject: Request for clubbing of two Advance Authorization no. 0310732788 dated 29.04.2013 and 0310762752 dt. 20.12.2013.

Decision: It was noted that Authorisation No 0310732788 dated 29.04.2013 has already been redeemed and closed prior to request for clubbing made to RA. Clubbing of such Authorisation is not allowed.

(Action: Applicant)

Case No.24: M/s. Veer-O-Metals Private Ltd., Bangalore
F. No. 01/60/162/641/AM18/PRC
PRC Meeting No. 02/AM19 dated 24.04.2018

Subject: Review the decision of PRC Meeting No. 27/AM18 Accept the Bank realization Certificate in Appendix-22B for deemed exports in lieu of eBRC for Advance Authorization closures.

Decision: Considering genuine hardship and the fact that EODC time being issued manually, the committee decided to allow acceptance of BRC on appendix-22B subject to the condition that payments are realized through normal banking channel.

(Action: Applicant/RA, Bangalore)

Case No.25: M/s. Sarusilver Alloys Pvt. Ltd., Meerut
F. No. 01/60/162/629/AM18/PRC
PRC Meeting No. 02/AM19 dated 24.04.2018

Subject: Relaxation from not mentioning technical characteristics of input in seeking under policy provision of para 2.57 & 2.58 of FTP 2015-20 regularization of following Advance Authorizations.

1. **0510391262 dt. 22.09.2014**
2. **0510391261 dt. 22.09.2014**
3. **0510389702 dt. 17.07.2014**
4. **0510392025 dt. 17.11.2014**

Decision: It was noted that entitlement of inputs cannot be calculated without knowing the purity and % of consumption of inputs in the resultant products. The committee, therefore, did not accede to the request.
(Action: Applicant)

Case No.26: M/s. Haldia Petrochemical Ltd., Kolkata
F. No. 01/60/162/812/AM18/PRC
PRC Meeting No. 02/AM19 dated 24.04.2018

Subject: Inclusion of alternate export product Benzene against pending following Advance Authorizations.

1. **0210157412 dated 07.04.2011**
2. **0210158805 dated 12.05.2011**
3. **0210161207 dated 24.06.2011**
4. **0210161211 dated 24.06.2011**
5. **0210167257 dated 30.09.2011**
6. **0210167749 dated 19.10.2011**
7. **0210167881 dated 21.10.2011**
8. **0210167970 dated 24.10.2011**

Decision: It was noted that export obligation period against these Authorisations have been extended upto December, 2019 as per cabinet decision. And, in terms of Para 4.24 of HBP amendment in export and import item is allowed. In the instant case, there is no change in import item and in fact changed item will be manufactured by use of same imported raw materials. The Norms committee has fixed ad hoc norms for the requisite proposed item. The committee, therefore, decided to allow amendment/addition of said resultant product. Export of alternative products made by using same raw materials, from submissions of request to PRC for amendment, shall also be taken into account for EODC. The applicant shall submit above mentioned Authorisations to the RA concerned for necessary amendment immediately.

(Action: Applicant/RA, Kolkata)

Case No.27: M/s. R. P. Industries, New Delhi
F. No. 01/60/162/823/AM18/PRC
PRC Meeting No. 02/AM19 dated 24.04.2018

Subject: Regularization of Export Obligation fulfilled after the Export Obligation Period of Advance Authorization no. 0510392318 dt. 08.12.2014.

Decision: The committee noted that there was no case of any genuine hardship. Hence exports made beyond 30 months cannot be accounted towards discharge of EO. The committee, therefore, did not accede to the request.

(Action: Applicant)

Case No.28: M/s. R. P. Industries, New Delhi
F. No. 01/60/162/823/AM18/PRC
PRC Meeting No. 02/AM19 dated 24.04.2018

Subject: Regularization of Export Obligation fulfilled after the Export Obligation Period of Advance Authorization no. 0510388189 dt. 04.06.2014.

Decision: The committee noted that there was no case of any genuine hardship. Hence exports made beyond 30 months cannot be accounted towards discharge of EO. The committee, therefore, did not accede to the request.

(Action: Applicant)

Case No.29: M/s. Mahindra & Mahindra Ltd., Mumbai
F. No. 01/89/180/17/AM-12/PC-2(A) / E-1469
PRC Meeting No. 02/AM19 dated 24.04.2018

Subject: Request for amendment of decision of PRC and allow import of two used motorcycles from Mumbai Airport as the import items are being transported by air.

Decision: Considering genuine hardship, the committee decided to allow import of two used motorcycles through Mumbai Airport for research and development purpose.

(Action: Applicant/Policy-2)

Case No.30: M/s. Thriveni Earthmovers P. Ltd; Bhubaneswar
F. No. 01/89/180/67/AM-09/PC-2[A]/ /Part-II / [E-4206]
PRC Meeting No. 02/AM19 dated 24.04.2018

Subject: Relaxation of condition in rule 126 of CMVR 1989 read with clause 1 (II) (a) (b) (i) (ii) & (iii), (c) (d) (iv) of Chapter 87 of ITC (HS) 2012 for the proposed import of 02 Nos of Used Komatasu 830 E AC/DC (Year of Manufacturing: 2001, that is 17 years old, Residual life: 7 Years left) Dump Truck as per enclosed purchase order and other related documents.

Decision: The committee decided the following:

1. Import of two Nos used Dump Truck of make: Komatsu, Model 830E AC/DC be allowed.
2. The imported truck shall not ply on public road except mobilization.
3. It will be used in the captive mining area only.
4. Sale/transfer of imported vehicles shall not be allowed.

(Action: Policy-2)

Case No.31: M/s. Thriveni Earthmovers P. Ltd; Bhubaneswar
F. No. 01/89/180/67/AM-09/PC-2[A]/ /Part-II / [E-4206]
PRC Meeting No. 02/AM19 dated 24.04.2018

Subject: (1) Relaxation of condition in rule 126 of CMVR 1989 read with clause 1 (II) (a) (b) (i) (ii) & (iii), (c) (d) (iv) of Chapter 87 of ITC (HS) 2012 for the proposed import of 01 No. of of Used Hitachi EH 4500 (YOM: 2001, Residual life : 7 Years) (2) 01 No. of Used Hitachi EH 4500 (formerly EUCLID R280, YOM : 1999, Residual life : 7 Years) Dump Trucks as per enclosed purchase order and other related documents.

Decision: The committee decided the following:

1. Import of one used dump truck Hitachi EH 4500(YOM 2001) be allowed.
2. The imported truck shall not ply on public road except mobilization.
3. It will be used in the captive mining area only.
4. Sale/transfer of imported vehicles shall not be allowed.

(Action: Policy-2)

Case No.32: M/s Devprabha Construction Pvt. Ltd., Jharkhand
F. No. 01/89/180/MISC-14/AM-10/PC-2(A)/Part-I/Vol.II / [E-1865]
PRC Meeting No. 02/AM19 dated 24.04.2018

Subject: Request for policy relaxation in para 2(II) (a) (b) (c) of Chapter 87 of ITC (HS) 2017 to allow import of 3 units of Sinotruk 70 ton Minning Truck of Sinotruk make from China for mining purpose.

Decision: The committee decided the following:

1. Import of 3unit of mining truck be allowed.
2. The imported trucks shall not ply on public road except mobilization.
3. It will be used in the captive mining area only.
4. Sale/transfer of imported vehicles shall not be allowed.

(Action: Policy-2)

Case No.33: M/s Toyota Kirloskar Motor Private Limited, Karnataka
F. No. 01/89/180/39/AM-11/PC-2(A)/Part-II/ [E-5921]
PRC Meeting No. 02/AM19 dated 24.04.2018

Subject: Request for policy relaxation in para 2(II) (f) of Chapter 87 to allow import of 10 used electric vehicles for Research & Development (R&D) purpose.

Decision: The committee decided the following:

1. Import of 10 used electric vehicles be allowed for R&D purpose.
2. The imported vehicle shall not ply on public road except mobilization.
3. It will be used in the captive factory area only.
4. Sale/transfer of imported vehicles shall not be allowed.

(Action: Policy-2)

Case No.34: M/s Hindustan Zinc Ltd, Udaipur.
F. No. 01/89/180/67/AM-09/PC-2(A)/Part-I / [E-1474]

PRC Meeting No. 02/AM19 dated 24.04.2018
Subject: Grant of relaxation in provision of CMVR 1989 and Rules 126 of CMVR 1989 and Clause 2 (II) (a) (i) (ii) & (iii) (b), (c) (i) (ii) (iii) and Clause 7 of Chapter 87 of ITC (HS), 2017 for Import of following Underground mining equipment.

S. No.	Description of Goods	Quantity	Supplier

1.	Low Profile Dumper [LPDT 63 MT Model TH663i] alongwith associated accessories	8 Nos.	M/s Sandvik Mining & Construction Oy, Turku, Finland
2.	Low Profile Dumper [LPDT 30 MT Model TH430] alongwith associated accessories	8 Nos.	
3.	Mining Utility Equipment Model RBO with associated accessories	3 Nos.	M/s Normet Oy, Finland
4.	Utility Equipment Base Carrier SF 060 alongwith Associated Accessories	4 Nos.	
5.	Low Profile Dumper LPDT 65 MT (MT65) alongwith associated accessories	8 Nos.	M/s Epiroc Rock Drills AB, Sweden
6.	Low Profile Dumper (LPDT 60 MT Model AD60) alongwith associated accessories	3 Nos.	Caterpillar S.A.R.L.-Singapore BRA7 Tractor Road, 627968, Singapore

Decision: The committee decided the following:

1. Import of above mentioned mining equipment be allowed.
2. The imported truck/dumper shall not ply on public road except mobilization.
3. It will be used in the captive mining area only.
4. Sale/transfer of imported vehicles shall not be allowed.

(Action: Policy-2)

Case No.35: M/s Desai Brothers Ltd, Pune and M/s Heemankshi Bakers Private Limited, Hyderabad
F. No. 01/94/180/343/AM18/PC-4
PRC Meeting No. 02/AM19 dated 24.04.2018

Subject: M/s Desai Brothers Ltd (p/1/ 21183/2018) has stated the following:-

i. They are one of the most renowned pickles, chutneys, culinary curry pastes and sauces manufacturers in the country and their products are highly popular among the consumers spread over continents.
ii. They manufacture many types of pickles using advance pickling techniques, in accordance to the regional changes of tastes of the consumers.
iii. The products thus prepared are marketed in Indian markets, and are exported to several international markets.
iv. In lieu of their exports, they were granted certain incentives in the form of DFIA licenses by which they were permitted to import certain duty free inputs against SION E-126 which was a tremendous help in maintaining the cost effectiveness of their products.
v. However, sudden amendment in FTP by inserting Para 4.1.15 vide Notification No 31 dated 1.8.2013 (p/4/ 21183/2018) and subsequent clarification vide PN No.35 dated 30.10.2013 has put them in complete quandary and has jeopardized their exports.
vi. PN 35 dated 30.10.3013 (p/5/21183/2018) retrospectively implements the restrictions of Notification 31 dated 01.08.2013 even on DFIA that are issued prior to 01.08.2013.
vii. Since then, all DFIA are held up & expired unutilized due to insistence by customs authorities on implementation of Notification 31.
viii. This is putting tremendous pressure on their export activities by diverting their attention towards administrative work from the other creative activities.

M/s Desai Brothers Ltd have requested to allow revalidation of all DFIA that are issued during the year 2012-2013 for 2 years as they could not be utilized due to the dreaded notifications.

(2) M/s Heemankshi Bakers Private Limited (p/6/21183/2018) has stated the following:-

i. They are engaged in manufacturing and export of various varieties of Biscuits. They are sufferings because of Public Notice No. 35 dated 30.10.2013.

ii. Notification No 31 dated 01.08.2013 had injected certain restrictions and conditions on DFIA scheme which has made it highly tedious and impossible for them to continue exports under the scheme. In absence of the cushion provided by export incentive DFIA, they started re-negotiating the prices and terms with foreign buyers.

iv. PN No. 35 dated 30.10.2013 ridiculed the bar of promissory estoppel and retrospectively implemented the new conditions and restrictions of Notification 31 dated 01.08.2013 even on such cases where the DFIA was previously issued which is directly contradicting the provisions of FTP & HBP. It enforces the conditions of Notification No. 31 dated 01.08.2013 even on DFIA Licences issued prior to 01.08.2013.

v. Implementing any condition with retrospect will not only hamper exports but will also impact the exporter's credibility adversely, in turn impacting the country's credibility in the international markets.

vi. The Hon'ble High Court of Chennai in the case of Hoewitzer Organic Chemical Co. Versus DGFT & Ministry of Commerce and others (W.P. No. 24371 of 2012) and Hon'ble Delhi High Court in the case of Malik Tanning Industries, M/s. Kavish Impex Pvt. Ltd. Versus UOI and Ors [W.P.(C) 6387/2012 & CM No. 17030/2012, W.P.(C) 4754/2014 & CM 9467/2014] has ruled against implementation of policy with retrospective effect.

vii. It has been more than four years since their exports have suffered because of the said Public Notice and Notification, and since then all DFIA has been held up either prior to EODC or where EODC is done have expired due to unjust enforcement of the above mentioned public notice by customs authorities, hence it is imperative to allow revalidation of such DFIA for a period of 2 years.

M/s Heemankshi Bakers Private Limited has requested to amend Public Notice No. 35 dated 30.10.2013 to allow all DFIA issued prior to Notification No. 31 dated 01.08.2013 be exempted from its scope and allow revalidation for a period of 2 years to all such DFIA. Party represented for revalidation of DFIA affected due to retrospective implementation of notification-31 dated 1.8.2013.

Decision: Deferred for examination by Policy-4.

(Action:Policy-4)

Case No.36: M/s. Ambigai Poly Sack, Tamil Nadu
F. No. 01/60/162/980/AM17/EFGC/PRC

PRC Meeting No. 02/AM19 dated 24.04.2018
Subject: Seeking Policy relaxation towards the redemption of Advance Authorization No. 3210077375 dated 24.12.2014 and Authorisation No 3210067523 dated 19.09.2013.

Decision: It was noted that import and use of duty free raw materials under backward integration is allowed provided Norms for all the resultant products are fixed. In the instant case import item is HDPE Granules and export item is bags/fabrics/Articles. Therefore, exporter can export either fabrics made out of HDPE Granules or articles made out of fabrics made from HDPE granules. As long as the exporter is accounting inputs through a published Norms/ad hoc norms, RA should accept them for redemption purpose.

(Action: RA, Coimbatore)

The meeting ended with a vote of thanks to the Chair.

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