Directorate General of Foreign Trade
(PRC Section)

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

Meeting No. 04/AM19 held on 05.06.2018 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 Jay Karan Singh	Jt. DGFT
6.	Shri AkashTaneja	Jt. DGFT
7.	Shri S. P. Roy	Jt. DGFT
8.	Shri Lokesh H. D	Jt. DGFT

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

PH Case No.01: M/s. Schwing Stetter (India) Pvt. Ltd., KancheepuramTamilnadu

F. No. 01/60/162/165/AM18/EFGC (PRC)
PRC Meeting No. 04/AM19 dated 05.06.2018

Subject: Request for consideration of Terminal Excise Duty Claim against supplies made under EPCG Authorisation No.0830002852 dated 20.03.2009.

Decision: No one appeared for PH on behalf of the firm. The Committee, however, decided to give one more chance to the applicant and deferred the case.

(Action: Applicant)

PH Case No.02.M/s. Tata Consultancy Services Ltd., Mumbai

F. No. 01/60/162/638/AM18/PRC
PRC Meeting No. 04/AM19 dated 05.06.2018

Subject: Policy Relaxation for Services Exports from India Scheme (SEIS) for FY 2015-16; FY 2016-17 and FY 2017-18.

Decision: No one appeared for PH on behalf of the firm. The Committee, however, decided to give one more final chance to the applicant and deferred the case.

(Action: Applicant)

PH Case No.3: M/s. Wockhardt Limited, Aurangabad

F. No. 01/60/162/264/AM18/PRC
PRC Meeting No. 04/AM19 dated 05.06.2018

Subject: 2nd EOP extension of Advance Authorization No.0310800112 dated 06.11.2015 issued under PC-9 condition.

Decision: No one appeared for PH on behalf of the firm. The Committee, however, decided to give one more final chance to the applicant and deferred the case.

(Action: Applicant)

PH Case No.4: M/s Concord Exotic Voyages India Pvt. Ltd., Cochin

F. No. 01/160/162/722 & 742/AM18/PRC
PRC Meeting No. 04/AM19 dated 05.06.2018

Subject: **Review of PRC decision to delete the actual user conditions and allow the transferability as per FTP Para 3.02 of the FTP-2009-14 against Scrip no:-**
(1) 1710006547 dated 25.01.2017 (2) 1710006548 dated 25.01.2017 (3) 1710006549 dated 25.01.2017 (4) 1710006550 dated 25.01.2017 (5 1710006551 dated 25.01.2017 (6) 1710006552 dated 25.01.2017 (7) 1710006553 dated 25.01.2017 (8) 1710006554 dated 30.01.2017 (9) 1710006555 dated 30.1.2017 (10) 1710006556 dated 30.01.2017 (11)1710006557dated 30.01.2017 (12) 1710006558 dated 30.01.2017 (13)1710006559 dated 30.01.2017 and (14) 1710006560 dated 30.01.2017.

Shri James Kodianthara, Executive Director of the firm along with his associate appeared before the Committee and stated that the firm has obtained above SFIS duty credit scrips against the Foreign Exchange earned for the relevant Years 2013-14 and 2014-15. Unfortunately their operations being principally in "inbound tourism", they are not in a position to effectively utilize the duty credit scrips. In-bound tour operators like them do not have the requirement for office equipment, office furniture's and consumables particularly to the huge extent of credit that they have earned. However if the credit is allowed to be transferred as in the case of other similar schemes, such transferee including Hotels/Other export houses etc. will be in a position to effectively use the credit and will also simultaneously get the benefit of the credit legally earned by them through export of service effected by them. Unfortunately, as Para 3.12.7 of the FTP during the relevant period has rendered these scrip's non-transferable, hence, they have requested that the entitlement of their scrips be scheduled as per current rate and policy, so that they can get the benefits by transferring the scrips to utilize the same as per FTP in force.

Decision: The committee deliberated the issue at length. It was noted that the applicant was fully aware of the benefits available under FTP, 2009-2014. He was also aware that Scrip issued under SFIS is not freely transferable. This was up to the service provider to avail benefit or not. If no requirement of import was there, the applicant should have not obtained the duty credit scrip. Benefit of present FTP, 2015-2020 cannot be extended on services rendered during earlier Policy. The committee, therefore, did not accede to the request.

PH Case No.5: M/s. Dhanush Exports, Bangalore

F. No. 01/60/162/905/AM17/PRC
PRC Meeting No. 04/AM19 dated 05.06.2018

Subject: Review and grant of relaxation in pre-import condition in the Advance Authorization No. 0710108376 dated 16.06.2015, (2) 0710108895 dated 14.10.2015 and (3) 0710109516 dated 11.03.2016.

Shri Pradeep Palavalasa, Executive of the firm appeared before the Committee and submitted that they had obtained three advance authorizations wherein the import items were Mulberry Raw Silk of any grade and export item was natural silk. They have completed their 100% export obligations, without making imports against the Authorizations. When they realized their mistake, they approached PRC (in advance authorization No. 0710108376 dated 16.06.2015) and which in its meeting No.29/AM17 dated 17.01.2017 decided not to accede to request. However, it had opined that the applicant can get such shipping bills converted into drawback shipping bills and avail DBK from the Customs Authority.

The firm accordingly approached Customs (Bangalore Air Cargo Complex) to convert the shipping bills but Commissioner of Customs vide their letter dated 04.05.2017 rejected their request by counting 3 months from the shipping bill let export orders, on the ground that the conversion of 18 shipping bills from Advance Licensing Scheme to DBK Scheme is hit by the limitation of time as prescribed by the Circular No.36/2010 dated 23.09.2010, and as such could not be considered.

It was further submitted that non compliance of pre import condition was noticed by them only after their application of redemption and revalidation was made, which was more than 3 months from the shipping bill let exports orders. Under another two Advance Authorizations No.0710108895 dated 14.10.2015 and 0710109516 dated 11.03.2016 also then pre-import condition as per appendix 4J of the FTP 2015-20 was not followed due to lack of awareness on pre-import condition.

Since duty liabilities under these Advance Authorization are very high for a small firm like them, they requested for a lenient view and relax the pre-import condition on the above 3 AAs .

Decision: The Committee observed that under Appendix-30A export obligation period was restricted to 9 months from import of each consignment. However, it was not mentioned that import has to be made first. Para 4.26 of HBP, 2009-2014 allows waiver of bond condition where exports are made prior to import. And there was no mention under the said Para that this facility is not available to cases where Authorizations are issued with Appendix-30A condition. The committee, therefore, decided the following:

i. Export and imports made under two Authorisations No 0710108895 dated 14.10.2015 and No 0710109516 dated 11.03.2016 will be regularised provided;
ii. Exports and imports were made within the initial EOP and validity of these Authorisations;
iii. Other conditions of FTP/HBP are adhered to.
iv. However, since exports were made without any import under AA No 0710108376 dated 16.06.2015, request for further revalidation is not allowed.

(Action: Applicant/ RA Bangalore)

PH Case No.6: M/s Honda Motorcycle and Scooter India Pvt. Ltd., Gurugram

F. No. 01/60/162/720/AM/18/PRC
PRC Meeting No. 04/AM19 dated 05.06.2018

Subject: Relaxation of Policy of Condition No. 10 (e) of chapter 87 to the ITC (HS) in schedule 1- import policy, for import of motorcycles for racing event.

Shri S.C. Jain, Advocate and Shri Naveen Kumar, Division Head (Taxation) of the firm appeared before the Committee and stated that the Company has been conducting "Motorsport Activities" and the said racing events are being organized in association with Federation of Motor Sports Club of India and Madras Motors sports club in racing circuits at Chennai, Coimbatore and Greater Noida. As a part of rider development, company is sponsoring Indian Riders to represent India at international racing championships (i.e. Asia Road Racing Championship, The Talent Cup, and Asian Dream Cup). These races are run on Honda CBR150R and Honda CBR250R motorcycles which are also sold as domestic vehicle through Honda dealerships. Due to the fact that the highest capacity of modified bike racing in Indian National Championship is 165cc, whereas the level of competition at Asian Championship starts at 250cc, the company believes that Indian riders are unable to adjust on fast modified bikes at International level. With a view to foster the Indian talent, their company is desirous of importing Honda NSF 250 bikes (hereinafter referred to as the "NSF 250 bikes") from Honda Racing Corporation, Japan for the twenty racing events to be held from June 2018 to October 2021, only for racing purpose and not for commercial sale. They intend to import approximately 20 nos. of Honda NSF 250 bike for racing and training purpose of riders for a minimum period of 4-5 years.

They accordingly requested for relaxing and waiving -off the Policy Condition No. 10 (E) of Chapter 87 to the ITC (HS) in Schedule 1 – Import Policy to the extent that the imported bikes after import be not required to be re-exported.

Decision: The Committee, after hearing submissions, acceded to the request of the firm with the following conditions:
(i) the vehicles shall not ply on public roads;
(ii) the vehicles shall be used only for approved racing events at racing tracks and (iii) after completion of 20 racing events within 3 years, the vehicles shall be re-exported or dismantled/scrapped, before the Customs authorities.

(Action: Applicant)

PH Case No.7: M/s. Zaveri& Co. Pvt. Ltd., Ahmedabad

F. No. 01/60/162/619/AM17/PRC
PRC Meeting No. 04/AM19 dated 05.06.2018

Subject: Extension in EOP of Advance Authorization No. 0810140247 dated 05.05.2017.

Decision: No one appeared for PH on behalf of the firm. The Committee accordingly decided to defer the case.

(Action: Applicant)

PH Case No.8: M/s Golden Tobacco Ltd., Vadodara

F. No. 01/60/162/147/AM18/PRC
PRC Meeting No. 04/AM19 dated 05.06.2018

Subject: EOP extension of Advance Authorization No.3410027451 dated 07.07.2010.

Decision: The firm has requested to allow PH in the month of July 2018 .The Committee, therefore decided to defer the case.

(Action: Applicant)

Case No.9: M/s GDJD Exports, Chennai.

F.No. 01/60/162/520/AM18/PRC
PRC Meeting No. 04/AM19 dated 05.06.2018

Subject: Inability to file MEIS application due to wrong HS code in 8 shipping bills [(1) 9896354 dated 06.09.2016 ; (2) 9198149 dated 18.07.2016; (3) 8908740 dated 18.07.2016; (4) 8908741 dated 18.07.2016; (5) 8771814 dated 11.07.2016; (6) 8254285 dated 24.06.2016; (7) 9420842 dated 12.08.2016; and (8) 9430909 dated 12.08.2016]

The firm has submitted that they had shipped 100% Viscose Yarns from India to Iran. During filling of the shipping bill at Customs by oversight they had mentioned the HS Code as 55109090 instead of 55109010 after which immediately a clarification was sought from customs and they have manually issued a NOC for amendment of the HS code in the shipping bill. However, they are unable to attach their shipping bill in the MEIS software as it sill reads HS code as 55109090. Accordingly, they have requested to permit and allow them to file MEIS for eight of their shipping bills with changed HS Code No.55109010 instead of 55109090 and allow manual amendment.

Decision: The Committee noted that MEIS is available on both ITC HS code at the same rate. The Customs Authority has allowed amendment manually, as online correction facility is not available. Therefore, it was decided to allow duty credit considering ITC HS 55109090.

(Action: Applicant/ RA Chennai)

Case No.10: M/s Century Pulp & Paper, Kolkata.

F. No. 01/60/162/42/AM18/PRC
PRC Meeting No. 04/AM19 dated 05.06.2018

Subject: EOP extension from the date of endorsement beyond 36 months under relaxation of FTP against Advance Authorization No.0210204815 dated 19.08.2014 to complete the balance export obligation.

The firm has sought further six months EOP extension from the date of endorsement, beyond 36 months, in order to complete the balance export obligation. It has completed 15.86% of export obligation (in quantity terms and 21.58% in value terms) within the initial period. Subsequently, it has completed a total 60.60% in terms of quantity and 103.06% in terms of value, based on actual cif value of imports within the extended period of 24 months. Thereafter; the firm received the NC decision reducing their input requirement 1.10Kg /1.00kg of the export product. As their application was for 1.39Kg/1.00kg, after reduction of their input requirement their E.O increased to 9084.973 MT from 7194.244 MT's. Thereafter, they fulfilled another 1206.966MT (almost 13.285 MT based on NC decision, within 30 months). Subsequently they filed an application to PRC to consider their request for EOP extension from 24 to 36 months and which was subsequently granted vide PRC Meeting No.12/AM18 dated 08.08.2017. Since, they still have a pending export obligation to export 3518.06 MT(38.724%), to fulfill the same they have sought one time further extension of six months to enable them to complete the aforesaid balance export obligation (38.724%) in terms of quantity.

Decision: It was noted that no exports were made within initial/extended export obligation period of 24 months by the applicant. He had option to make provisional exports against acknowledgement issued against application for EOP extension made to RA/PRC. However, no exports are made within 36 months from the date of issue of the Authorization. No ground of genuine hardship is given which could establish that the situations were beyond the control of the exporter. The committee, therefore, did not accede to the request.

Case No.11: M/s Ritika Private Limited, Kolkata.

F. No. 01/60/162/820/AM18/PRC
PRC Meeting No. 04/AM19 dated 05.06.2018

Subject: Request for acceptance of 3 shipping bills (9267994 dated 31.12.13; 1029817 dated 3.02.14 and 1029751 dated 13.02.14) manually attested by Customs towards fulfillment of EO of annual Advance Authorization No.0510364033 dated 30.08.2013.

The firm has applied for redemption of above AA, wherein above 3 shipping bills have been got amended by Customs, as the annual advance authorization no. mentioned in above shipping bills was wrong and Custom attested/modified the shipping bills under their seal & signature. However, RA is insisting that this attestation should be done online basis & not in manual manner. The firm contended that the S/bills pertain to January 2015, therefore, Customs have attested amendment of advance license on the S/bills, as per their prevailing practice in manual mode only. The annual advance license no. given by mistake on these 3 S/bills is 0510340434 dated 10.12.2014 is also an annual advance license of their sister concern M/s Kalamkari Designs Pvt. Ltd., Gurugram. Above 3 s/bills were not counted in the redemption of annual advance authorization of M/s Kalamkari Designs Pvt. Ltd for EODC discharge. License No 0510340434 dated 10.12.14 also stands redeemed by CLA. The amendment done by Customs was only deletion of the license no.0510340434 dated 10.12.2014 of M/S Kalamkari Designs Pvt. Ltd. & in its place mention of their annual advance license no.0510364033 dated 30.08.2013. Hence, they have requested to accept manual customs attestation on above three S/bills towards fulfillment of EO of above annual advance authorization.

Decision: It was noted that the Customs Authority has amended the shipping bill under the provisions of Customs Act. RA should have accepted such shipping bill for EODC. Anyhow, the committee, agreed to allow accounting of above mentioned three shipping bills towards discharge of EO against Authorization **0510364033 dated 30.08.2013** on payment of Rs. 200/- to RA. However, the RA shall ensure that these three shipping bills are not utilized towards discharge of export obligation against any other Authorization.

(Action: Applicant/ CLA)

Case No.12: M/s. Lupin Ltd., Mumbai

F. No. 01/60/162/57/AM18/PRC
PRC Meeting No. 04/AM19 dated 05.06.2018

Subject: Waiver of PC-18 condition in Advance Authorization No. 0310806180 dated 13.07.2016 issued under PC-9 Condition.

The firm has submitted that differential Quantity of 0.02 % is consumed towards sample quality / specification testing of each batch and wastage in production. Hence, they have requested for PC 18 Waiver (destruction of material).

Decision: After going through the contents of the request, the Committee noted that no case of genuine hardship has been made out and no relevant documents have been submitted. The Committee therefore decided to reject the case.

Case No.13: M/s Platinum Tie-up Pvt. Ltd., Ahmadabad

F. No. 01/60/162/827/AM18/PRC
PRC Meeting No. 04/AM19 dated 05.06.2018

Subject: Revalidation of Advance Authorization No.0810137686 dated 15.04.2016 to avail replenishment benefit of excess exports.

The firm has submitted that it had obtained above AA under Para 4.12, repeat norms. The above AA was obtained for 100MT export of AD star Block bottom bags made from polypropylene and 115MT import of PP granules. Watching the export market and its positive response, they had made an application for enhancement of import quantity and export quantity on 09.09.2016. RA, Ahmedabad denied their request with remarks that 300% enhancement cannot be considered. Initial validity of the authorization was up to 15.04.2017 counting 12 months. Their request was within 5 months and 7months before expiry. Thereafter they approached Norms Committee but their request was rejected by Norm's committee in its meeting held on 20.02.2017 with the remarks that "the description of export item is not clearly defined." This information was passed on very late vide DGFT letter dated 20.06.2017, by the time the validity for import had got expired. They furnished a reply that it is merely a spelling error and 'POLYPROPYLENE" was wrongly spelt as "Polypropylene"-error is an omission of "O" the second alphabet. Since the initial validity and further six months had expired while waiting for a favorable reply from the norms committee they once again approached RA, Ahmadabad by explaining the situation. As they too did not accede to their request, they have approached this Directorate for a relaxation to compensate the loss incurred in "no import" of eligible quantity in proportion to the exports quantity.

Decision: The Committee found no merits in the request as no imports in one of the two items were made within the prescribed period. Further, drawback suffered due to proposed business decisions is not within the genuine grievance clause, which the Committee can consider. Accordingly, the Committee observed that it is not a case of undue hardship and therefore decided to reject the case.

Case No.14: M/s. Toyota Kirloskar Motor Pvt. Ltd., Karnataka

F. No. 01/60/162/835/AM18/PRC
PRC Meeting No. 04/AM19 dated 05.06.2018

Subject: Permission to file MEIS claim manually for Shipping Bill No. 9118773 dated 21.04.2015.

The firm has submitted that it is regularly exporting passenger Cars (Toyota Etios Vehicles) to South Africa and claiming Chapter-3 benefit (MEIS) as per eligibility. In this case, they had filed the Shipping Bill No. 9118773 dated 21.04.2015 by marking "Y" in the "reward item box" to claim MEIS benefit and declaration to this affect was also indicated in the said shipping bill. The "Let Export Order" was obtained on 22.04.2015 and cargo was shipped on 23.04.2015. 'Exchange Control' copy was subsequently obtained from Customs & submitted to their AD bank for which full export proceeds was realized through banking channels. However, at the time of applying for MEIS benefit, they noticed that the online SB data was not appearing in DGFT portal. On detailed checking & follow-up, they came to know from Customs that the SBs were inadvertently cancelled in the Customs portal and had moved to 'History Status' due to systems error. The SBs accordingly had become in-active in Customs system and EGM linking did not happen and thus they were not able to take printout of SB Export Promotion copy or for data transmission to DGFT portal and file for MEIS claim benefits. The matter was taken up with the Customs and they have finally issued Éxport Certificate as a proof of exports in-lieu of Export Promotion copy. Under the circumstances, they have approached PRC to consider their genuine issue and accord approval to file manual application with DGFT to claim MEIS benefit & issue of scrip as a special case.

Decision: The Committee noted that the exports were made under S/B No 9118773 dated 21.04.2015 selecting "Y" to claim MEIS incentive. However, the said SBs were inadvertently cancelled in the Customs portal and had moved to 'History Status' due to systems error. The applicant is not in position to claim benefit against the said s/b. The committee was of the considered views that benefits cannot be denied for system error. The applicant has obtained shipment certificate from the Customs Authority, therefore, following was decided:

i. The applicant will make online application considering Non-EDI shipping Bill as manual mode.
ii. RA shall ensure that no Duty Credit Scrip has been issued against the said S/b. And after satisfying himself will issue duty credit scrip manually.
iii. The Customs Authority shall allow debit of said DCS manually.

(Action: Applicant/ RA Concerned/Customs Authority)

Case No.15:M/s RPL Industries Limited, Ghaziabad

F. No. 01/60/162/634/AM14/PRC
PRC Meeting No. 04/AM19 dated 05.06.2018

Subject: Extension in E.O. period of Advance Authorization No.0510247397 dated 20.08.2009.

The firm submitted that it was originally named as M/s Radhu Private Limited. Subsequently, it converted into RPL Industries Pvt. Ltd .After conversion in firm's name, it applied for advance licenses, which were issued under the name Radhu Pvt. Ltd. As a result, Advance license could not registered at Custom port for export purpose because the name of the company was different. Thereafter it tried to change its name in the Government and Semi Government Departments i.e. change of IEC, RCMC Pan No. sale Tax Vat Registration Tin Registration, Incorporation certificate in the Registrar of Company Excise Deptt. Etc. So the license expired and export could not made. Hence, the firm has requested for extension in E.O. period of Advance Authorization No.05102467397 dated 20.08.2009.

Decision: The Committee noted that the Authorization under consideration was issued on 20.08.2009 under FTP, 2009-2014 having 24 months validity to import and 36 months to fulfill export obligation. The applicant has imported one item fully and other items partially. However, no exports were made within the 36 months period allowed. The applicant did not disclose when the name of Company was changed from Radhu Pvt Ltd to RPL Industries Pvt Ltd. Further, no exports were also made in the name of new entity. It was duty of the Authorization holder to get the Authorization amended immediately after change in the name of the company was carried out. The committee, therefore, reiterated its decision dated 12.11.2013.

Case No.16:M/s Nirmal Fibres (Pvt.) Ltd., Moradabad

F.No.01/60/162/794/AM18/PRC
PRC Meeting No. 04/AM19 dated 05.06.2018

Subject: Revalidation of four Advance Authorization No.2910025241 dated 04.02.2016, 2910025248 dated 04.05.2016, 2910025254 dated 23.06.2016 and 2910025258 dated 18.07.2016.

The firm is a leading manufacturer and exporter of various kinds of polyester stable fiber. They had obtained above four AA from RA, Moradabad. The above authorizations were issued under SION 62/1841 and by decision of MOEF dated, the major input i.e. Pet Bottle Scrap was not allowed for import. They have fulfilled 100% export obligation in aforementioned authorizations. Since a similar input i.e. pet chip/Flakes is allowed under Plastic product SION no.63/463 they submitted an application before RA, Moradabad to consider the said SION's input for their exports product but their request was not considered by said RA and consequently, the validity period of the authorized expired .On the basis of above facts, they have requested to (i) grant revalidation of above four Advance Authorizations and (ii) consider the input as mentioned at SION 63/463 for pet chips/Flakes as Pet Bottle Scrap under SION sl.no.62/1841not permitted by MOEF.

Decision: The committee noted that the Authorizations under consideration were issued to allow import of Pet Bottle Scrap. However, as MOE&F prohibited import of plastic scrap, the applicant, therefore, could not import the permitted raw material but has fulfilled 100% export obligation. Now the applicant has requested to allow import of Pet Chip/Flakes which is alternative inputs for Polyester Staple Fibre. Taking into consideration the genuine hardship imposed by Government, the following was decided:

i. RA shall examine that SION 64/403 allows same wastage for import of pet chip/flakes against export of Polyester Staple Fibre. If not, entitlement shall be calculated on the basis of actual exports of Polyester Staple Fibre made by the applicant.
ii. The Authorisation shall be revalidated for six months from the date issue of EODC with amended inputs.

(Action: RA, Moradabad)

Case No.17:M/s PCL Oil Solvents Ltd., New Delhi

F. No. 01/60/162/753/AM18/PRC,
PRC Meeting No. 04/AM19 dated 05.06.2018

Subject:2nd Revalidation of 15 Advance Authorization Nos.

(1) 0510398061 dated 30.03.2016, (2) 0510398063 dated 30.03.2016
(3) 0510398915 dated 27.06.2016, (4) 0510397947 dated 16.03.2016
(5) 0510398060 dated 30.03.2016, (6) 0510397946 dated 16.03.2016
(7) 0510398913 dated 27.06.2016, (8) 0510398358 dated 03.05.2016
(9) 0510398940 dated 30.06.2016, (10) 0510397740 dated 26.02.2016
(11) 0510397469 dated 02.02.2016, (12) 0510397496 dated 03.02.2016
(13) 0510397479 dated 03.02.2016, (14) 0510397470 dated 02.02.2016
(15) 0510397493 dated 03.02.2016

The firm has stated that the above AAs were issued with initial validity of 12 Months and have got it revalidated for another 6 Months from RA. They have completed 100% Export Obligation in all the above advance authorization within EOP and theirs is a Deemed exports also and the registration of license is required for imports only. However, they received a show cause notice dated 28.06.2016 stating that the required documents have not been submitted for redemption against 12 licenses and the copy of the SCN had been sent to Custom Authority, Kandla. The customs accordingly, have stopped registering all their licenses. Subsequently, having met Addl. DGFT, (CLA), New Delhi in this regard, they got all the licenses redeemed and submitted the copies of redemption letters to customs but by that time the license had expired. They, thus could not import the raw materials allowed in the license thereby suffering a huge loss as they have used duty paid materials to fulfill the EO. Customs have issued a letter dated 06.09.2017 stating that the validity of license has expired and to get the extension of license. In view of circumstances stated above, they have requested for revalidation of the above Advance Authorization up to six months.

Decision: The Committee noted that the applicant has obtained 15 Advance Authorizations during 2016-2017. The applicant fulfilled 100% export obligation but could not import because the Customs Authority had put the firm under alert, as the copy of SCN issued by RA CLA against pending Authorizations for redemption was endorse to the Customs Authority. Therefore, the customs Authority did not allowed registration of said Authorization. The committee, therefore, decided the following;

i. Revalidation of six months from the date of endorsement be allowed against all 14 AA provided;
ii. Authorisations were not registered with the customs Authority.
iii. Under AA dated 03.02.2016, validity shall not exceed to six month including present validity from the date of endorsement. In other word, extended validity will subsume the current validity available against the Authorisation.

(Action: Applicant/RA)

Case No.18: M/s **Euro Expo, New Delhi**

F. No. 01/60/162/653/AM18/PRC
PRC Meeting No. 04/AM19 dated 05.06.2018

Subject: EO Extension and Modification in Advance Authorization No. 0510392768 dated 08.01.2015.

The firm has taken up the issue with CLA on 03.01.2017 and subsequently in December 2017 for EO Extension and subsequently, they took up the issue with DGFT in August and December 2017. The firm in turn was requested to take up the issue with RA in terms of PN 32 on 30.01.2018. The firm has informed that they have confirmed orders in hand also have the products to be exported. Due to slow down in international market they could not export in time, earlier and now they have orders in hand to export. Hence they requested for extension in E.O. period and modification of above Advance Authorization.

Decision: The Committee observed that they have already exported 72% hence show down in international market could not be construed to be the ground of genuine hardship. Therefore, the committee did not accede to the request.

Case No.19:M/s Euro Expo, New Delhi

F. No. 01/60/162/654/AM18/PRC
PRC Meeting No. 04/AM19 dated 05.06.2018

Subject: EO Extension and Modification in Advance Authorization No. 0510390982 dated 04.09.2014.

The firm has stated that they applied for E.O. extension for the first for six months which was not granted due to some correspondence being made. They completed all the documents as desired by the RA time to time. They took up the issue with RA on 02.03.2016 and subsequently in 20.06.2016, August, 2017 and October, 2017. CLA vide letter dated 01.09.2016 sent D/L in one of the firm's letter dated 26.08.2016. They took up the issue with DGFT in December, 2017 and March 2018. Due to slow down in international market they could not export in time now they have orders in hand hope to exports before this date. The matter had been referred back by this office, request the firm to take up with RA in January, 2018. However, they have come back to DGFT requesting for extension in E.O. period and modification of above Advance Authorization.

Decision: Decision at case No 18 is reiterated.

Case No.20:M/s Filatex India Ltd. New Delhi

F. No. 01/60/162/34/AM19/PRC
PRC Meeting No. 04/AM19 dated 05.06.2018

Subject: Revalidation of Advance Authorization No. 0510399326 dated 02.08.2016.

They are exporter of polyester partially oriented yarn/polyester chips, synthetic filament/Mono filament yarn. Their Dahej plant is based on continuous polymerization of polyester to produce the PTY using melt direct from the reactor as input materials. Chips cannot be used at their plant as there is no extruder or any other equipment to convert chips into melt for the further processing. As they now propose to send the chips to their Dadra plant on job work, they have requested for second six months revalidation of above AA.

Decision: The applicant's submissions that they could not utilize the Authorization because inputs cannot be used at their plant and now they would dispatch input at their Dadra Plant, which could have been done earlier also. Hence, no case of genuine hardship established. The committee, therefore, did not accede to the request.

Case No.21:M/s Pinnacle Clothing Co., New Delhi.

F. No. 01/60/162/32/AM19/PRC
PRC Meeting No. 04/AM19 dated 05.06.2018

Subject: Regularization of export already affected against Advance Authorization No.0510393798 dated 31.03.2015.

The firm imported 100% against above AA and completed 66.45% export obligation within Export Obligation Period i.e. up to 30 Months. They had orders in hand which were supposed to be dispatched within EOP but they could not dispatch as their customers had cancelled the orders. Their customers told to dispatch the goods in the month of October 2017 which they have already dispatched on 30.10.2017 vide shipping No.95861780. Thus due to the reason as stated above they could not completed 100% EO within EOP (30Months).

The sequence of exports already affected under above AA is given us under:-

Particulars	Exports completion %
Export done with in 30th months	66.45%

(i.e. up to 30.09.2017)	
Exports done by the 31st months (i.e. up to 01.11.2017)	99.90%

Hence, they have requested for extension in EOP for a period of one month and one day i.e. up to 01.11.2017 for regularization of exports already affected under above Advance Authorization.

Decision: The Committee noted that the firm has made 100% imports and made 66.45% exports within 30 months and 99.90% exports by 31st month. The committee therefore concluded that the firm made genuine efforts to fulfill export obligation within extended period but could not do so for reasons beyond its control. The Committee therefore decided to allow regularization of exports made by 01.11.2017 subject to payment of 1% composition fee of FOB value of exports made after 30.09.2017. Shortfall shall be regularized in terms of Para 4.49 of HBP, 2015-2020.

(Action: Applicant /RA concerned)

Case No.22: M/s Kalpataru Power Transmission Limited, Ghandhinagar.

F. No. 01/60/162/32/AM/19/PRC
PRC Meeting No. 04/AM19 dated 05.06.2018

Subject: Granting relaxation from submission of e-BRC to obtain benefit of FPS.

(1) 318577 dated 25.12.2012 (2) 3220091 dated 17.12.2012
(3)3219705 dated 27.12.2012 (4)3238837 dated 18.12.2012
(5)3236508 dated 28.12.2012 (6)3236508 dated 28.12.2012
(7)3254068 dated 29.12.2012 (8)3274212 dated 31.12.2012
(9)3272878 dated 31.12.2012 (10)3273155 dated 31.12.2012
(11)3279077 dated 31.12.2012 (12)3289977 dated 31.12.2012
(13)3613396 dated 23.01.2013 (14)3696899 dated 29.01.2013
(15)3692806 dated 19.01.2013 (16)3541038 dated 18.01.2013
(17)3559428 dated 19.01.2013 (18)3597081 dated 22.01.2013
(19)3521133 dated 17.01.2013 (20)3892793 dated 29.01.2013

The firm has stated that they are not able to obtain e-BRC against some SBs from their banker SBI, as they are not able to generate it, despite their best efforts. They have also tried to take help of RBI in this regard, however they still failed to generate the e-BRC for some of shipping bills. SBI has issued a self-explanatory letter dated 11.05.2016 in this regard. They have exported under 20S/bills with their express intention to apply for FPS benefit. Due to technical reason in banking channel, they are unable to get e-BRC though they have realized the convertible foreign currency against above exports. The bank, having technical problem in their IT System, explored all possibilities to issue e-BRC; but it failed to do so. Hence bank has issued the manual BRCs. Under the above circumstances the legitimate benefit under Exim Policy should not be denied on the technical grounds. In the light of above, they have requested to grant relaxation from submission of e-BRC against 20 shipping bills as per annexure "A" for claiming FPS benefit under Chapter-3.

Decision: The Committee noted that exports were made in 2012-2013 and payments against all shipments were realized in 2013 only. However, since documents were discounted with HSBC Bank, SBI (the exporter bank) diverted bills to HSBC for reversal of amount discounted by them on request of the applicant. Since outstanding bills were closed by SBI, they were unable to issue eBRC. Now they have issued manual BRC on 11.05.2016. Since the FPS scheme was operated manually by filing shipping bills details in the online application, the committee decided the following:

i. Applications for FPS shall be accepted by RA provided it were submitted within prescribed period as per Para 3.11.9 of HBP, 2009-2014 considering date of issue of BRC, as date of receipt of payment.
ii. Late cut shall apply as per Para 9.3 of HBP if applications were submitted after six months from 11.05.2016.

(Action: Applicant/RA Concerned)

Case No.23:M/s. Prudential Rubber Private Limited, Kerala
(F. No. 01/60/162/35/AM19/PRC- Advance Authorization No.1010059518 dated 23.06.2016 and 1010059632 dated 21.10.2016)

Case No.24.M/s Midas Rubber (P) Ltd, Kerala.
(F. No. 01/60/162/54/AM19/PRC- Advance Authorization No. 1010059497 dated 31.05.2016.)

Case No.25: M/s Midas Treads (India) Private Limited, Kerala
(F. No. 01/160/162/60/AM19/PRC - Advance Authorization No. (1)1010059277 dated 23.09.2015, (2)1010059322 dated 24.11.2015 and (3)1010059464 dated 25.04.2016.)

PRC Meeting No. 04/AM19 dated 05.06.2018
(Case No. 23, 24 and 25)

Subject: Relaxation in the operation in the EO restriction as per appendix 4J for import of Natural Rubber against Advance Authorisations (as mentioned above against each case no.)

The firms have submitted that they had fulfilled the export obligation but it was not within 6 months from the date of import. Therefore, their application for EODC was not considered by RA, Cochin on the ground that Natural Rubber is covered under appendix 4J with pre-import condition. Since the export was made prior to import of Natural Rubber, the request for re-validation was not approved. They have accordingly sought policy relaxation for this purpose on the following grounds and reasons:-

(a) The pre-import condition and the special EOP incorporated in appendix 4J was not known to them;

(b) The pre-import and EOP Condition was not endorsed on the authorization. Further, the relevant entries in the SION also did not indicate about the pre-import condition or special EOP.

(c) The exports have been completely fulfilled and the inputs imported after exports were used only for production of their finished goods and sold in domestic market on payment of appropriate taxes.

(d) If relaxation sought for is not granted and exports consequently not taken for the purpose of fulfillment of exports against above authorization, they will be required to pay the customs duty foregone on the imports together with applicable interest. This will be a very big financial burden, almost impossible for them to bear.Hence, they have requested for Policy relaxation to consider the exports towards the fulfillment of export obligation against above Advance Authorization.

Decision: The Committee decided that PC-4 shall examine the case.

(Action: PC-4)

Case No.26: M/s SRV Synthetics, Mumbai

F. No. 01/60/162/675/AM18/PRC
PRC Meeting No. 04/AM19 dated 05.06.2018

Subject: Request for second Revalidation of advance authorization no. 0310804271 dt.29.04.2016.

In PRC Meeting No.01/AM19 dated 03.04.2018, the Committee observed that the representative was not able to clarify the queries raised by the members of the Committee during Personal Hearing (PH). It had accordingly decided that the company be advised to present their case with clarity through e mail before a decision could be taken. The Committee would decide thereafter. The case was deferred pending clarifications from the firm.The firm vide their e mail dated 09.05.2018 has made their submissions

Decision: After considering the request, the Committee observed that the case lacks clarity. It accordingly decided to seek a report from RA along with copies of invalidation. The Committee also advised the applicant to seek PH and depute an official who is well versed with facts of the case along with all relevant documents.

(Action: RA/Applicant- Case deferred)

Case No.27:M/s. Tata Global Beverages Ltd., Bangalore

F. No. 01/60/162/662/AM16/EFGC(PRC)
PRC Meeting No. 04/AM19 dated 05.06.2018

Subject: Request for waiver of procedural requirement as per HBP.

DGEP office vide e mail dated 21.05.2018 forwarded copy of the letter dated 26.08.2015 from DC(CSEZ) regarding extension of the shipment period of the imported tea by the firm along with the list of details of extension of export period issued to M/s Tata Global Beverages ltd . DC (CSEZ) had granted permission to the unit subject to the condition that the imported tea being re-exported shall confirm to the quality standard and proposal was sent to the Ministry for placing the matter for approval of Policy Relaxation Committee. EOU division had earlier taken up the issue with DGFT on 15.9.2015. DGEP has requested to regularize this past permission granted by DC (CSEZ) to the unit, so that the present DAP is settled.

Decision The committee recalled that the case was earlier considered in its meeting held on 15.12.2015 in which it had allowed extension of EOP up to 31.03.2016 in five cases with the following conditions:-

I. Export obligation export of 16044 kgs tea be extended upto 31.03.2016.
II. The unit has to pay composition fee @ 0.5% of cif value of imported tea in their possession to DC concerned.
III. The unit shall submit a certificate from tea board that tea so imported is hygiene and fit for human consumption.

IV. The unit shall ensure the image of the country but not exported inferior quantity or unhygienic tea.

V. DC shall ensure compliance of the above conditions.

The committee now considered the request for ratification of the extensions of the shipment period for the imported tea by TATA Global Beverages, as per details furnished by DC (CSEZ) vide file no 24/36/92/EOU/ KL/CSEZ/Vol.VIII dated 25.9.2013 and 26.8.2015 and forwarded by EOU Division (82313/2017/EOU-DoC), as per the list attached (Annexure-I). The committee therefore accorded its approval to the extensions granted by DC (CSEZ) as in the list at Annexure-I, as per the conditions laid therein.

The meeting ended with vote of thanks to the Chair.

****

ANNEXURE-I

ANNEXURE-II

DETAILS OF EXTENSION OF EXPORT PERIOD ESUED TO M/S.TATA GLOBAL BEVERAGES LTD. (TATA TETLEY DIVIONS)

Component	Pkgs	Kgs	Batch no	Date of warehousing	180 days expiring on	Extension granted upto	CSEZ Approval Ref.No Date
5SGFCHI	68	1904	I14810	14/01/10	13/07/10	Further 6 months	No 3843 dt 15.07.2010
5SGFCHI	108	3024	I14812	14/01/10	13/07/10		
2SEO3O	8	440	I27580	19/01/10	18/07/10		
1BO IKO	91	2002	I14817	03/03/10	30/08/10		
6SGFCHI	180	5040	I14818	03/03/10	30/08/10	Further 6 months	No 4733 dt 01.09.2010
5SGFDC	100	2800	I12816	20/04/10	17/10/10		
IFRI	220	12100	J14316	04/05/10	31/10/10	Further 6 months	No 5453 dt 19.10.2010
3GL	57	2565	I14823	28/05/10	24/11/10	Further 6 months	No 6112 dt 26.11.2010
5SGFKEN	1	50	I28364	14/09/10	13/03/11	12/09/11	No 1135 dt 10.03.2011
5SGFKEN	16	800	I28370	16/09/10	15/03/11	14/09/11	
3GL	13	585	I14835	28/01/11	27/07/11	27/01/12	No 3673 dt 04.08.2011
5SGFCHI	45	1260	I14828	18/10/10	16/04/11	13/10/11	No 1723 dt 20.04.2011
4BY44B	12	744	I28447	11/11/10	10/05/11	Further 6 months	No 2280 dt 25.05.11
3PO3O	6	360	I27965	22/12/10	20/06/11		
4PY44	7	325	I28552	24/12/10	22/06/11		
4EY4OLK	1	50	I32440	27/12/10	25/06/11		
4FY4OLK	46	2668	I32441	27/12/10	25/06/11		
1BO IKO	47	1034	I14832	06/01/11	05/07/11		
2SWVY 20 LKB	10	380	I32443	12/10/11	11/07/11	Further 6 months	No 3390 A dt 18.07.11
3GL	13	585	I14835	28/01/11	27/07/11	27/01/12	No 3673 dt 04.08.2011
5SFY44	4	232	I34695	14/02/11	13/08/11	13/02/12	No 4199 dt 05.09.2011
3GL	48	2160	I14837	06/04/11	03/10/11	02/04/12	No 4619 dt 04.10.2011
5KF	20	1000	I26575	07/04/11	04/10/11	03/06/12	
5KF	17	850	I26580	07/04/11	04/10/11	03/04/12	
5KF	20	1000	I26581	07/04/11	04/10/11	03/04/12	
5KF	20	1000	I26582	07/04/11	04/10/11	03/04/12	
5KF	20	1000	I26583	07/04/11	04/10/11	03/04/12	
5KF	20	1000	I26584	07/04/11	04/10/11	03/04/12	
5KF	20	1000	I26585	07/04/11	04/10/11	03/04/12	
2SWVY20LKB	40	1520	I32446	08/04/11	05/10/11	04/04/12	
2SWVY20LKB	40	1520	I32447	04/05/11	31/10/11	30/05/12	
5SFY44	25	1500	I34745	16/06/11	13/12/11	12/06/12	No 5768 dt 14.12.2011
5SGFKEN	17	850	I28863	25/06/11	20/12/11	19/06/12	
3SFVRA	11	638	I34732	20/05/11	15/11/11	Further 6 months	No 5480 dt 21.11.2011
3BO3	1	54	I28812	20/05/11	15/11/11	Further 6 months	

Component	Pkgs	Kgs	Batch no	Date of warehousing	180 days expiring on	Extension granted upto	CSEZ Approval Ref.No Date
3GL	67	3015	I14841	25/06/11	22/12/11	21/06/12	No 5897 dt 23.12.2011
2SWVY20LKB	60	2280	I32448	26/07/11	22/01/12	21/07/12	No 126 dt 11.01.2012
2SWVY20LKB	60	2280	I32449	26/07/11	22/01/12	21/07/12	
5SFY44	36	2160	I34749	29/07/11	25/01/12	24/07/12	
5SGFCHI	131	3668	I14845	12/08/11	08/02/11	07/08/12	
IBO1KO	20	1100	I37410	26/08/11	22/02/12	21/08/12	
3GF	52	2860	I37411	26/08/11	22/02/12	22/08/12	No 645 dt 14.02.2012
5SGFKEN	18	900	I28895	01/09/11	28/02/12	26/08/12	
IBO1KO	58	3190	I37412	11/10/11	08/04/12	07/10/12	No 24/36/1992:EOU:KL:CSEZ/1365 dt 02.04.2012
3GF	162	8910	I37413	11/10/11	08/04/12	07/10/12	
5SGFDC	432	12096	I12826	05/11/11	03/05/12	02/11/12	No: 1978 dt 15.05.2012
5SGFCHI	200	11000	I37414	31/12/11	28/06/12	27/12/12	No: 1978A dt 15.05.2012
IBO1KO	30	1650	I37416	24/01/12	22/07/12	18/01/13	No: 2853 dt 30.07.2012
5SGFDC	240	6720	I12827	01/13/12	28/08/12	28/02/13	No: 3647 dt 26.09.2012
3GL	50	2250	I14847	25/06/12	22/12/12	22/06/13	No 188 dt 10.01.2013
3GF	163	8965	I37420	05/07/12	01/01/13	01/07/13	
3GL	22	1012	I37419	05/07/12	01/01/13	01/07/13	
4SFY44	30	1740	I34792	04/08/12	31/01/12	30/07/13	No 681 dt 06.02.2013
4SFY44	44	2552	I34795	04/08/12	31/01/13	30/07/13	
3GL	35	1575	I14852	21/09/12	20/03/13	29/09/13	No 1333 dt 22.03.2013
2SWVY20LKB	67	2479	I32457	20/11/12	19/05/13	18/11/13	No 3002 dt 14.05.2013
3GL	22	1012	I37422	09/11/12	08/05/13	07/11/13	
5SGFCHI	1	55	I37423	09/11/12	08/05/13	07/11/13	
4BYSSB	1	62	I42734	06/11/12	05/05/13	04/11/13	
4MVY40LKRA	44	2024	132490	04/09/2014	03/03/2015	20/09/2015	No.1942 dated 16.04.2015
4MVY40LKRA	55	2530	132496	01/10/2014	30/03/2015	29/09/2015	