Directorate General of Foreign Trade
(PRC Section)

Minutes of the Policy Relaxation Committee Meeting held on 19.06.2018 under the Chairmanship of Shri Alok Vardhan Chaturvedi, Director General of Foreign Trade

Meeting No. 05/AM19 held on 19.06.2018 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 N.K.Srivastava	Addl. DGFT
5.	Shri Akash Taneja	Jt. DGFT
6.	Shri S.P. Roy	Jt. DGFT
7.	Shri Rajbir Sharma	Jt. DGFT

The following cases were discussed in the meeting and decisions taken on the individual cases are as under:-

PH Case No.01: M/s. Kancor Ingredients Ltd., Kerala
F. No. 01/60/162/551/AM18/PRC
PRC Meeting No. 05/AM19 dated 19.06.2018

Subject: Clubbing of two Advance authorizations No. (i) 1010058726 dated 11.08.2014 and (ii) 1010059110 dated 13.04.2015.

Shri K.C. Babu, Group Leader and Shri Jinoj Kurian, Associate Head of the firm appeared before the Committee and made the following submissions in support of firm's request:

They are a 3 star Export House in Cochin, facing a problem of paying 35 lacs duty with interest, for delay in making exports one month after the EO expiry period. One of their products developed under the advance license scheme, namely chlorophyll Extract Isolate, took some additional time to be completed. However, when the finished products were ready for export, before the expiry of the license, customer delayed the last 3 shipments, which were exported just after one month of expiry (2nd EO Extension). RA, Cochin has communicated to them that these 3 exports beyond EO expiry, cannot be considered for clubbing, and hence they need to pay duty and interest thereon. Firm submitted the following facts for re-consideration:

a. Last 3 exports excluded by RA, Cochin, done within a month of expiry of license.
b. Their 3 exports cover 83% of EO for the 2 license (upon clubbing).
c. Duty + interest for the last 3 exports will be more than 35 lacs, which will be a huge burden for the company and will affect their entire business.

Decision: The Committee noted that the case was considered earlier in its meeting held on 07.11.2017 in which the applicant was directed to approach RA concerned within a month from the date of uploading of the minutes, for availing the facility extended to them and that no further relaxation will be allowed if the case does not fall under the purview of amended provisions. However, having heard the applicant during the PH, Committee noted that the firm is sole manufacturer of a proprietary item, which does not have much domestic demand and caters only to the external market. Considering this fact, and having noted that the exports are beyond the extended validity period, Committee decided to allow clubbing of two AAs Nos. 1010058726 dated 11.08.2014 and 1010059110 dated 13.04.2015 subject to the condition that the firms pays composition fee etc, as applicable under para 4.38 of HBP (2015-20).
(Action: Applicant/RA)

PH Case No.02. M/s Apex Exports, Kolkata
F. No. 01/60/162/385/AM17/PRC
PRC Meeting No. 05/AM19 dated 19.06.2018

Subject: Revalidation against DFIA No.0210094428 dated 16.10.2006.

Shri Rajeev Daga, Director and Shri Sunil Kumar Jain, Proprietor of the firm appeared before the Committee and made the following submissions in support of firm's request:

The R.A. on its own reduced the quantity of the imported fabric without referring the matter to them. But, subsequently the reduced period was restored by the R.A though it did not restore the reduced quantity even after suitable clarification in the matter by DGFT HQ. Due to the above reason, as the original quantity was not restored by RA, they could not utilize the authorization within the extended validity period.

Decision: The Committee having heard the matter decided that PC-4 Division may examine the entire issue and submit their report/comments within 15 days.
(Action: PC-4)

PH Case No.3: M/s. Indian Writing Instruments (P) Ltd., Mumbai
F. No. 01/60/162/82/AM18 (PRC)
PRC Meeting No. 05/AM19 dated 19.06.2018

Subject: Condonation of delay beyond 3 years in submission of application for TED refund for an amount of Rs. 17,45,261/- against purchase of EPCG Goods against EPCG Authorization no. 03300031429 dated 26.12.2011 claimed from RA, Mumbai.

Shri Dashrath Kondaskar, General Manager of the firm appeared before the Committee and made the following submissions in support of firm's request:

Against their EPCG Authorization No. 03300031429 dated 26.12.2011 they procured EPCG goods against invalidation letters from various domestic suppliers. The period of supply of goods by domestic suppliers to them was between 31/12/2011 to 18/10/2012. They made payments to the domestic suppliers between 20/10/2011 to 19/10/2012. They submitted application for TED refund to the office Addl. DGFT, Mumbai on 17/12/2015. In terms of Para 9.02 of HBP, an application filed up to 2 years from the prescribed date can be considered subject to a late cut (for total 10%). In their case taking into account the date of last payment i.e 19/10/2012 they could have filed application up to 18/10/2013 (original period) and subject to delayed cut up to 18/10/2015 (up to 2 years under Para 9.02 of HBP). Their application having been submitted to RA, Mumbai on 04.04.2016 is delayed by 5 months 16 days beyond the admissible period of submission of application with late cut.

They have completed the export obligation against the said EPCG license well within the EOP and the said file is already redeemed. Though their supplier's banks had first issued manual BRC's, due to introduction of mandatory e-BRC's w.e.f. 17/08/2012, they could finally manage the e-BRC's lastly on 29/12/2015 i.e. more than 3 years from the date of payments due to which there was a delay in submission of TED refund claim.

Decision: The Committee noted that the case was considered earlier in its meeting held on 31.05.2017 in which the applicant's request was rejected as no cogent reason or ground for genuine hardship could be established. However, having heard the applicant during, the PH Committee felt that the applicant's case is genuine as firm is suffering for none of their fault. It accordingly decided to accede to the request of the firm by deciding the date of obtaining the e-

BRC .i.e 29.12.2015 as the date of realization and this case be finalized by RA, accordingly.
(Action: Applicant and RA)

PH Case No.4-9 : M/s. Raymond Ltd., Mumbai

(i) F. No. 01/60/162/43/AM19/PRC
(ii) F. No. 01/60/162/45/AM19/PRC
(iii) F. No. **01/60/162/761/AM18/PRC**
(iv) F. No. 01/60/162/46/AM19/PRC
(v) F. No. 01/60/162/47/AM19/PRC
(vi) F.No. 01/60/162/44/AM19/PRC

PRC Meeting No. 05/AM19 dated 19.06.2018

Decision: No one appeared for PH on behalf of the firm. The committee, however, in the interest of natural justice decided to defer the above cases.

PH Case No.10: M/s Glasstech Industries (India) Pvt. Ltd., Mumbai

F. No. 01/60/162/ 422/AM12/Pt.(PRC)
PRC Meeting No. 05/AM19 dated 19.06.2018

Subject: Request for EOP extension of Advance Authorization No. 0310360666 dated 23.12.2005.

Shri C.A. Sanjay Maharugade, Finance Controller of the firm appeared before the committee and made the following submissions in support of his request:

The firm has stated that PRC granted extension for 12 months beyond the permitted 36 months for purposes of regularization and closure, but for closure of said authorization they need to extension of 4 more months i.e. 16 months instead of 12 months to cover all exports made up to 16.04.2010. They have completed the 100% export obligation but not in valid EOP and therefore they requested to consider their export made up to 16.04.2010 for the regularization and closure of the said authorization. Hence they have requested for EOP extension up to April, 2010 of above Advance Authorization.

Decision: The Committee observed that the case was considered earlier in its meeting held on 01.08.2017 wherein the Committee had noted that in this case the extension has already been allowed for 12 months to regularize exports made up to 48th month and extension beyond 48th month is not allowed except in cases of force majeure.

After hearing the applicant's submissions during the PH, the Committee noted that the export product could not have been exported to any other Customer or sold domestically other firm, as the product was custom built as per customer's project specifications. By virtue of it being a specialized product (Stopsol bronze tempered glass) it could only be exported to the firm whenever the said firm was ready for the shipment. Since this is a project based export and the time line for delivery of the product was being postponed by the customer, firm had no choice but to wait. Further, the shipment took place within the next 4 months after the extended EOP had expired.

Considering the circumstances of the case, Committee decided to grant further extension of 4 months beyond the 48 months of EO period i.e. till 16.04.2010 subject to payment of composition fee at 1% per month of unfulfilled FOB value of exports, made after 48th month.
(Action: Applicant and RA)

PH Case No.11: M/s Finolex Cables Limited, Pune
F. No. 01/60/162/406/AM18/PRC
PRC Meeting No. 05/AM19 dated 19.06.2018

Subject: Second Revalidation of Advance Authorization No.3110065886 dated 25.01.2016.

Shri B.K. Sethi, President (Exports) and Shri Antony V. Joseph, Executive of the firm appeared before the Committee and made the following submissions in support of firm's request:

Chinese exporters are dumping cables and wires into international market, while the Indian exporters are struggling to get some orders from the International market. The international trade is skewed in favour of China, as Indian manufacturing ability is limited and because of these reasons, they have to work hard to get an export order and then they are forced to sell at a very low margin. They calculate the pricing and arrive at low margin, based on the import of duty free material and if that is denied, exports become a great loss. They stated that if they are not granted the request for enhancement and revalidation and import the balance quantity, they will meet with great loss and entire hard work made to obtain these orders will become fruitless. The firm stated that the license had been issued with 12 months validity, which ended on 25.1.2017 and the validity, was extended for another 6 months i.e till 25.7.2017, but as RA had kept the original authorization in their custody from 24.03.2017 to 14.07.2017, when they received the license in their hand, there was hardly 5 days of validity left. Hence, they have requested for revalidation of the above Advance Authorization for further 6 months i.e. up to 31.12.2017.

Decision: The committee noted that the case was considered earlier in its meeting held on 09.01.2018 in which the committee did not accede to the request as no cogent reason of genuine hardship was given for not importing within 18 months. However, having heard the applicant during PH, the Committee felt that the applicant faced genuine hardship since the Original authorization was in RA's custody from 24.03.2017 to 14.07.2017, the extension of initial validity period, by 6 months beyond 25.01.2017 i.e till 25.7.2017 had not much practical utility. The Committee accordingly recommended extension of the validity period in the Advance Authorization for further 6 months from the date of endorsement.
(Action: Applicant /RA)

PH Case No.12: M/s Ripple Fragrances Exports Pvt. Ltd., Mysore
F. No. 01/60/162/947/AM17/PRC
PRC Meeting No. 05/AM19 dated 19.06.2018

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

Shri Ganesh K.U., Manager and Shri R.R. Padmanabhan, Legal Adviser of the firm appeared before the Committee and informed that they had submitted their application on 5th August, 2016 to RA Bangalore along with all original Duty Credit Scrips for refund of 4% SAD by way of re-credit and revalidation of the scrips. Their said application was based on the Order-in-Original No.48644/16 dated 15.07.2016 issued by Commissioner of Customs (Refund), Chennai sanctioning Rs.80,71,416/- as refund of 4% SAD paid for import of raw agarbatties. The said Order-in original was issued based on the Order of Hon'ble High Court of Delhi vide W.P. © No.4665/2014 and CM No.9309/2014 in Allen Diesels V/s the Union of India, quashing the Customs Notification, which had stopped the re-credit of SAD.

The firm's request for refund by way of re-credit was rejected by RA Bangalore citing reason that as per PN No. 6 dated 18.04.2013 exporter will be allowed to utilize 4% re-credited SAD till 30.09.2013 and endorsement from RA is not required for revalidation. They were given to understand that there is no mechanism to re-credit the duty credit scripts and that by doing the same manually RA Bangalore did not want to deviate from the procedures.

The firm has submitted order in original No.48644/16 and consolidated certificate No. S. Misc/590/2017-Gr7B 7H dated 30.1.2018 issued by Commissioner of Customs Chennai and details of the duty scrip which needs to be re-credited.

Decision: The Committee noted that the case was considered twice in its meetings held on 21.03.2017 and 24.04.2018. In the meeting held on 24.04.2018, the Committee did not accede to the request of the firm. However, during submissions made in PH, the Committee noted that the request is based on the Court Order, quashing the Customs circular which denied them the benefits of SAD re-credit. It further noted that details of the duty scrips which needed to be re-credited have been mentioned in the original order No. 48644/16 dated 15.07.2016 issued by the Customs, Chennai. Further, the Committee also noted that the firm has since submitted the list of duty scrips and the credit note was sent directly by Assistant Commissioner, Chennai.

Taking all the facts in view, the committee acceded to the request of the firm and directed RA Bangalore to re-credit and revalidate the duty credit scrips, as applied, enabling the firm to claim its 4% SAD refund.

(Action: Applicant/RA Bangalore)

PH Case No.13: M/s. JMG Corporation Ltd., New Delhi
F. No. 01/60/162/462/AM13/PRC
PRC Meeting No. 05/AM19 dated 19.06.2018

Subject: Relaxation regarding mentioning of license no. 0510176361 dated 14.02.2006 / File No. 05/24/40/00895/AM06/ dated 07.02.2006 on Shipping Bill No. 1843483 dated 28.04.2008 as a special case.

Decision: No one appeared for PH on behalf of the firm. The committee, however, in the interest of natural justice decided to defer the case.

PH Case No.14: M/s. Abdul Gaffar Siddick Khatri, Mumbai
F. No. 01/60/162/723/AM18/PRC
PRC Meeting No. 05/AM19 dated 19.06.2018

Subject: Request to accept their DFIA claim against File no.
1. 03/81/076/00028/AM16/27.02.2016
2. 03/81/076/00005/AM17/06.06.2016
3. 03/81/076/00022/AM17/21.09.2016

Decision: No one appeared for PH on behalf of the firm. The Committee, however, in the interest of natural justice decided to defer the case.

Case No.15: M/s Multifilms Plastics Pvt. Ltd., Mumbai
F. No. 01/60/162/682/AM/18/PRC
PRC Meeting No. 05/AM19 dated 19.06.2018

Subject: Condonation of delay in online filing of Post Export DFIA License beyond the period of three years from the opening of files as per Para 2.5(a) of FTP 2015-20

The firm generated 12 post export DFIA issuance file nos. and exported the goods within 1 month of file generation. Since at the period of time they did not have further orders of same item, they decided to wait and apply for DFIA license as late as possible so that they may get sufficient time for imports after issuance of the license. After declaration of FTP 2015-2010 DGFT software did not have provision to process & issue License for DFIA applications, for those cases where file no. had been generated under the earlier policy period(AM13 in their case).Therefore, DGFT was not issuing any license against files pertaining to old period. As such they could not file their application for issuance of DFIA license as per their plan though the last date of filing of their first application was May 2015 and for other files thereafter. They waited up to December 2015 for the issue to be sorted. After not getting a particular date from RA, Mumbai they decided to submit online application for the file generated under file no.03/86/76/0006/AM13 as a test case. This was first of their 12 files generated during the period AM13. When they visited RA, Mumbai to discuss their issue they were told that online filing of application will lead to blocking of relevant shipping bills and they were not sure as to when and if the software issue in hand will be sorted out. They subsequently submitted all DFIA applications in physical form on various dates between 23.12.2015 to 30.12.2015.This was done so that the EDI Shipping bills at DGFT portal remains in unused status so that in future they can be used in any other scheme as and when declared by DGFT.

They received a deficiency letter dated 04.01.2016 from RA, confirming that the system was not allowing to process their request since the file number generated in AM13 period and they may approach NIC at RA to sort out things. They replied to the above deficiency letter and again received another deficiency letter dated 11.04.2016 for few files from RA, Mumbai. They had made 1 online and 11 physical applications much before 22.01.2016 when the P.N. clarifying the resolution of the problem was issued. By the time the clarification came the period of three years allowed for filling the online application had expired. Thus they suffered due to no fault of theirs.

Decision: The Committee considered the points made in the request of the firm and also the comments of PC-4. The Committee observed that the exports were made in 2012, therefore the application should been filed by the end of FTP 2009-14. Though, there was no time limit prescribed for submission of applications for transferrable DFIAs under FTP 2009-14, however, Para 4.2.6 says that once the export obligation is fulfilled, request for transferability of Authorization or inputs imported against it may be made before RA concerned against the file generated. The Committee was surprised to note that applicant did not submit application till 31st March, 2015 and is blaming the policy change. The firm should have filed application within 3 years irrespective of RAs problem relating to change in Policy. Vide PN No. 6/2015-16 dated 22.01.2016, exporters were allowed to claim DFIA on post export basis only where exports were made prior to 31.03.2015. Therefore, no policy relaxation was required in this case. In view of the above, the Committee concluded that the case does not establish genuine hardship and therefore decided to reject it.

(Action: Applicant and RA)

Case No.16: M/s. Bharat Heavy Electrical Limited., Bhopal

F.No. 01/60/162/25/AM19/PRC
PRC Meeting No. 05/AM19 dated 19.06.2018

Subject: EOP extension for IL No. 1110025821 dated 30.09.2011.

As per AA 1110025821 dated 30.09.2011 for Abhijit Infra Power Project expired on 30.09.2011. Due to litigation at CJM Court, Alipoor M/s Abhijit is unable to provide extension letter for revalidation of the license. Hence under force majeure condition, the firm has requested to waive off the condition for submission of EODC documents with the condition for submission of EODC documents within 2 months as per FTP clause 4.44 (b).

Decision: The Committee noted that details of the case are not available in the application. Therefore, applicant was directed to submit full details of the case with documentary evidence.

(Action:Applicant)

Case No.17: M/s Bharat Heavy Electricals Limited, Bhopal

F. No. 01/60/162/826/AM18/PRC.
PRC Meeting No. 05/AM19 dated 19.06.2018

Subject: Request for EOP extension of Advance Authorization No.1110027163 dated 06.07.2012.

The above license was issued for M/s Tishreen Thermal Power Project, Syria. Due to the disturbed political condition at Syria the firm has invoked force majeure clause for safety& security reasons. After advisory issued by the Indian Embassy, all operations including exports to Syria came to a grinding halt due to civil unrest. In view of these facts, the firm has requested for extension of EOP up to March 2019, for the above advance authorization.

Decision: The Committee, after going through the request, observed that the initial validity of the license was for 18 months which ended on 31.01.2014. However, considering the conditions in Syria, it decided to relax the provisions and allow EOP extension till March 2019, subject to furnishing of documents i.e advisory issued by the Indian Embassy and payment of composition fee @ 0.5% per month of unfulfilled FOB value of export after 18 months but up to 24th month and 1% per month of unfulfilled FOB value of export after 24th month **and up to March, 2019.**

(Action: Applicant/ RA)

Case No.18: M/s. Steelman Industries, Ludhiana

F. No. 01/60/162/436/AM17/PRC
PRC Meeting No. 05/AM19 dated 19.06.2018

Subject: Request for Revalidation of DFIA No.3010103058 dated 01.08.2014.

The firm vide their letter dated 16.5.2017 has stated that the license got revalidated by RA Ludhiana on 30.1.2017 for validity period up to 26.4.2017 as per decision of PRC in Meeting No.28/AM17 dated 3.1.2017. The firm has stated that they seek relaxation because the above DFIA got expired during the process of transferability with RA Ludhiana. The validity of the said license expired on the same date of 26.04.2017 when they received license from RA hence they could not get the opportune time to sell/transfer this license. They had applied for the first time for DFIA. Hence they have requested for relaxation in shape of revalidation for further 6 months enabling them to transfer/sell their license as the earlier expiry happened due to time involved in the transferability process with RA Ludhiana.

Decision: Considering the points made in the request, the committee decided to hear the applicant and decided to grant Personal Hearing (PH).

(Action: Applicant)

Case No.19: M/s. Hildose, Mumbai
F. No. 01/60/162/818/AM18/PRC
PRC Meeting No. 05/AM19 dated 19.06.2018

Subject: 2nd Revalidation of Advance Authorization no. 0310806839 dated 03.08.2016.

The firm has submitted that their request for revalidation is due to the fact that circumstances have gone beyond their control. Against the contract for purchase of 15 MT Crude Iodine dated. 13.09.2017 the firm could only supply 5 MT against the said contract. The reason being that there is a serious shortage & upward price pressure therefore the supplier did not fulfill the supply contract and the imports could not be completed for reasons beyond their control. Therefore, since this loss of imports by way of denial would inflict a financial loss to the SSI much beyond its capacity & for reasons beyond their control, therefore the request before PRC is that it may consider the facts & circumstances of the case on merit & permit the 2nd revalidation. Since the facts are crystal clear & well supported by the documents on record, they don't deem it essential to appear for PH before the PRC & also for the reason that it would delay the matters further.

Decision: After going through the request, the committee observed that the AA has definite time frame for import/export. Playing around the market situation and demanding more time for import cannot be a ground for seeking relaxation. The Committee decided to reject the request.

Case No.20: M/s. Armor Plast Ltd., Bangalore
F. No. 01/60/162/131/AM19/PRC
PRC Meeting No. 05/AM19 dated 19.06.2018

Subject: EOP extension of Advance Authorization no. 0710108171 dt. 08.05.2015

The firm has imported RTP 1499 P X 138511 NS EC – 804637 Black Plastic Pes Resin Compound of 1000 kgs under advance License no: 0710108171 dated 08.05.2015 for export of Articles made of Polyethersulfone (PES). They have also obtained first EO Period extension up to 07.05.2017 in anticipation of completion of manufacturing and exporting the same. However, they could not complete the production and 50 % exports within the first EO extension due the problem of Mould, Materila Validation and Hot Runner system issue. In light of this, they could export only 149 kgs (i.e 15.64 %) within the first extension granted by RA. Since, the balance production is ready for dispatch, they have requested to condone the policy condition of Para 4.42 (c) of HBP 2015-20 and grant permission for 2nd extension urgently as to earn the foreign exchange and complete the export obligation.

Decision: After going through the request, the Committee saw no merit in the case as no point of genuine hardship has been noticed and therefore decided to reject it. 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)

Case No.21: M/s. Indo Rama, Nagpur
F. No. 01/60/162/832/AM18/PRC
PRC Meeting No. 05/AM19 dated 19.06.2018

Subject: Request to allow discharging of EO in Clubbing of 05 nos. Advance Authorization (3Nos RA Nagpur & 2 RA Bhopal)

(1) 1110021612 dated 14.01.2010 (2) 1110021656 dated 25.01.2010 (3) 5010001351 dated 04.06.2012 (4) 5010001384 dated 21.06.2012 and (5) 5010001412 dated 09.07.2012

They are manufacturing five final products (POY, PSF, DTY, FDY and PET Chips) and advance Authorization taken for each final product separately. Raw materials for all final products are common (PTA, MEG, SB2O3, TIO2 & SFO). EO completed within extended period of initial Advance Authorization. However, market trend for export of final products declined from 2012 and w.e.f. 05.06.2012 and EOP of Advance Authorization was reduced to 18 months from 36 months which caused hardship to close outstanding Advance Authorization individually. In spite of all possible efforts including installed capacity to export; they could not cover up as planned based on FTP during 2010-11 versus changed FTP on 05.06.2012. Hence, they have request to allow clubbing of 2 Advance Authorization relating to RA Bhopal & 3 Advance Authorization relating to RA Nagpur and discharge export obligation in clubbing and EOP extension of base Advance Authorization having initial EOP of 36 Months.

Decision: The Committee decided that PC-4 Division would examine the case in detail.

(Action:PC-4)

Case No.22: M/s. Indo Rama, Nagpur
F. No. 01/60/162/09/AM19/PRC
PRC Meeting No. 05/AM19 dated 19.06.2018

Subject: Request to allow discharging of EO in Clubbing of 10 nos. Advance Authorization (9 Nos RA Nagpur & 1 no RA Bhopal)

(1) 1110021473 dated 22.12.2009, (2) 5010001267 dated 09.04.2012, (3) 5010001352 dated 04.06.2012, (4) 5010001415 dated 09.07.2012, (5) 5010001416 dated 09.07.2012,
(6) 5010001594 dated 23.10.2012, (7) 5010001595 dated 17.10.2012, (8) 5010001597 dated 20.09.2012, (9) 5010002118 dated 04.12.2012, and (10) 5010002123 dated 05.11.2012.

Decision: The Committee decided that PC-4 Division would examine the case in detail.

Case No.23: M/s. Fine Automotive & Industrial Radiators Pvt. Ltd., Pondicherry
F. No. 01/60/162/640/AM18/PRC
PRC Meeting No. 05/AM19 dated 19.06.2018

Subject: Acceptance of following shipping Bills / purchase order number for the purpose of redemption of Advance Authorization No. 2510002630 dated 30.10.2009.
(1) 3691719 dated 25.03.2010, (2) 3912126 dated 29.09.2010, (3) 3001970 dated 28.03.2011,
(4) 3001888 dated 28.03.2011, (5) 5924822 dated 20.11.2011, (6) 5997437 dated 25.10.2011,
(7) 8218999 dated 28.03.2012, (8) 9397823 dated 15.06.2012, (9) 5046508 dated 20.04.2013

The firm has indicated that Export Executive and CHA have forgotten to mention the Advance Authorization no. 2510002630 dated 30.10.2009 on the shipping bills filed at the time of submission with the concerned Custom Authorities. They have stated that all shipping bills/ ARE- 1, Export Invoices/ BRCs etc. are co-related with each other, showing the finished goods were manufactured and supplied/exported by them. The firm further submitted that since finished goods were under testing level, there was delay in shipping the consignment within the EO Period. They exported the finished good against export Invoices along with its related export documents.

Decision: After going through the request, the committee saw no merit in the case as no point of genuine hardship has been noticed and therefore decided to reject it. The firm shall regularize the case in terms of 4.49 of HBP 2015-20.

(Action: Applicant)

Case No.24. M/s. Z.A. Sea Foods Pvt. Ltd., Kolkata
F. No. 01/60/162/164/AM18/PRC
PRC Meeting No. 05/AM19 dated 19.06.2018

Subject: Enhancement of Duty credit scrip No. 0219025910 dated 11.08.2016 under MEIS Scheme.

The firm has submitted that there were two e-BRC against Shipping Bill No. 8228962 dated 13.06.2016. But due to oversight on their part, they have attached only one e-BRC along-with their above e-Com application due to which FOB value has come down by USD 50,000.00 (Rs. 33,30,000) and also the MEIS benefit of Rs. 1,66,500/-Due to the above problem, they are incurring financial loss, which their firm cannot afford at this juncture. Marine product market is very much competitive and they are simply depending on the incentive.

Decision: The Committee decided that EDI Division would examine the case in consultation with PC-3.

(Action:EDI and PC-3)

Case No.25: M/s Sukaso Ceracolors Pvt. Ltd., Hyderabad
F. No. 01/60/162/41/AM19/PRC & 01/60/162/42/AM19/PRC
PRC Meeting No. 05/AM19 dated 19.06.2018

Subject: Rectify the exports made against Advance Authorization No.0910046089 and 0910046088 dated 25.03.2011.

The firm has obtained **Advance Authorization** under No Norms Category and subsequently norms was fixed by the ALC. They have exported "Micronized Zircon Flour" under ITC (HS) Code No.25059000. While issuing the above AA, RA imposed the following condition on the face of the authorizations: "The firm shall obtain separate export license for the exports, and the **Advance Authorizations** are subject to all conditionality or requirements of exports, authorization or permission, as may be required under schedule 2 of ITC (HS).

In this case, for ITC(HS) Code 25059000 the policy is "Restricted" for the product under export; and the nature of restriction is such that "Exports permitted under license." As they had taken **Advance Authorization** for import of duty free material (either free or restricted) and Customs had allowed exports for both the authorizations for which norms were also fixed subsequently by the DGFT. Now, RA, Hyderabad is insisting on export license. Albeit, the item is restricted for exports under the Policy and exports are permitted under license but Advance Authorization itself is a license to make import/export. The customs concerned had cleared their consignments without insisting on specific export license as it not SCOMET item. They had obtained **Advance Authorization** /License to import duty free raw material with the permission to export the finished product.

Decision: The Committee directed that the matter may in the first instance be examined by the Export Cell (SCOMET) and submit their report/comments within 15 days.

(Action: Export Cell)

Case No.26: M/s. Supreme Petrochem Ltd., Mumbai
F. No. 01/60/162/65/AM19/PRC
PRC Meeting No. 05/AM19 dated 19.06.2018

Subject: Regularization of negative value addition of Advance Authorization No. 0310803180 dated 09.03.2016.

The firm has indicated that they are manufacturer exporter of polystyrene and master batches in India and have been exporting their product to several countries for the last 2 decades. They had taken the Advance Authorization for filler Master batch (polystyrene Base) and had exported 20.000 MT of product and had imported 5 raw materials worth USD 12348 resulting inadvertently into negative value addition. They have submitted all their export documents and have submitted their authorization for redemption. All the deficiencies were complied/ addressed and they have also made the payment of 1% of shortfall in value addition.

__Decision:__ The Committee observed that there is no Policy relaxation involved and directed the RA to examine the case.

(Action: RA, Mumbai)

Case No.27: M/s Ratan Aluminum Recycling Pvt. Ltd., Faridabad
F. No. 01/60/162/06/AM19/PRC
PRC Meeting No. 05/AM19 dated 19.06.2018

Subject: Revalidation of Import License No. 0550003522 dated 31.12.2015.

The firm has submitted that re-validation is sought by them due to delay in release for import shipment. The same was with Custom Deptt. for long and was cleared after long correspondence /clarifications. They have stated that their first BE was filed on 10.03.2016 and same was released on 05.10.2016 from Customs. Their case was referred to SVB, Custom Appeal Section and further was adjudicated in Allahabad High Court. The Customs authorities were imposing duty so they had to approach High court to resolve the issue. It took them 6 months to get their first consignment cleared resulting in the loss of recoverable % from their import product as there are few articles which get oxidized, if not used in stipulated time frame. Since they had their authorization with them, they paid advance to their supplier for the import of aluminum dross and asked them to ship the goods without having any idea of difficulty to be faced at the time of clearance. All their 36 containers kept on reaching the port in due course and got piled up as they were unable to clear the same due to above circumstances, incurring heavy demurrages. RA has however refused to give further extension in this case vide letter dated 09.02.2018 and accordingly they have requested for second 12 months revalidation of above Import license.

__Decision:__ The Committee having considered the matter decided that it was indeed a case of genuine hardship and allowed revalidation of further 12 months of Import License No. 0550003522 dated 31.12.2015 from the date of endorsement.

(Action: Applicant and RA)

Case No.28: M/s Diabu Diamond Tools (India) Pvt. Ltd., Bangalore

F. No. 01/60/162/52/AM19/PRC
PRC Meeting No. 05/AM19 dated 19.06.2018

Subject: 2nd EOP extension of 12 months against Advance Authorization No. 0710108608 dated 14.08.2015.

The firm has submitted that they are manufacturer and supplier of Diamond tools to all the major 100% EOU under deemed exports category and claim the benefits under advance authorization and EPCG licenses. They could not apply for 2nd EOP extension on time, since during the introductory period of GST, the deemed exports supply and subsequent benefits were withdrawn and between October 2017 the same has been re-introduced with not much clarity on the procedural part of supply to EOUs under deemed export category. The same has been clarified vide P.N.No.63/2015 dated 22.02.2018 and accordingly they have requested for EOP extension up to 12.08.2018 against above Advance Authorization.

Decision: The Committee decided that the matter be examined by PC-4 and EOU Division.

(Action: PC-4 and EOU Division)

Case No.29: M/s K. Mohan & Company (Exports) Private Ltd., Bangalore

F. No. 01/60/162/803/AM/18/PRC
PRC Meeting No. 05/AM19 dated 19.06.2018

Subject: Relaxation to consider free shipping bill for closure and issuance of EODC. (Advance Authorization No. 0710110531 dated 19.10.2016 (ARO No.0711004866 dated 19.10.2016

The firm has submitted that they have obtained Advance Authorization No.0710110531 dated 19.10.2016 for export of Men's Full Sleeve Shirt made of 55% Polyester 45% Wool Blended worsted fabrics GSM232. They have stated that at the time of export shipment transmission error was shown in "ICE Gate". The delay in Customs Clearance will lead to air prepaid shipment (for which they have to pay the air freight) or cancellation of order. Hence they decided to file Free shipping bill as they cannot claim duty DBK against advance authorization materials. Hence they declared the license details and the quantity of the fabrics used in the shipment in the first page of the shipping bill.

Decision: After going through the request, the committee observed that Free Shipping Bill cannot be taken into account for fulfillment of EO against the Advance Authorisation under any circumstances. Therefore, the Committee decided to reject it.

(Action:Applicant)

Case No.30 -31: M/s Jainson Cables India Pvt. Ltd., Ahmedabad
(i) F. No. 01/60/162/48/AM19/PRC &
(ii) F. No. 01/60/162/51/AM19/PRC
PRC Meeting No. 05/AM19 dated 19.06.2018

Subject: Enhancement with Revalidation of
(i) Advance Authorization no.0810136970 dated 06.01.2016 (case No-30)
(ii) Advance Authorizations No. (1) 0810133370 dated 17.09.2014, (2) 0810135610 dated 03.07.2015 and (3) 0810135611 dated 03.07.2015 (Case No - 31)

The applicant has submitted that they have around 10 advance authorizations issued under Norms and No norms categories. Out of this they found four authorizations which have exceeded the stipulated quantity of exports. This also affected them in the matter of raw materials and its duty advantage as they had to purchase from domestic sources. Since they have already exported and hold proof of exports and payment realization, the firm has requested that may be given enhancement in the quantity and its proportionate imports. They are availing of bank finance to fill the gap of funds, but the gap of raw material i.e. scarcity of raw material can be mitigated only by this office by granting the enhancement with revalidation. They have exported 615.810 MTS in Quantity, which is in excess by 227.316 MTS of stipulated exports of 388.494 MTS.

Decision: After deliberating on the request, the Committee saw no merit in the case as at no point genuine hardship has been noticed and Committee therefore decided to reject the request.
(Action: Applicant)

Case No.32: M/s. Polysil Irrigation System Pvt. Ltd., Mumbai
F. No. 01/60/162/633/AM18/PRC
PRC Meeting No. 05/AM19 dated 19.06.2018

Subject: Request for Revalidation of Advance Authorization No. 0310804732 dated 17.05.2016.

The firm vide letter dated 16.04.2018 have stated that they have applied for revalidation with RA Mumbai and RA Mumbai has disallowed their 2nd revalidation. They have completed 100% export against above advance authorization and they need revalidation of license for next 6 months to complete the import. Hence, they have requested for 2nd revalidation for 6 months as early as possible.

Decision: After going the request, the Committee saw no merit in the case as no point of genuine hardship has been noticed and therefore decided to reject it.
(Action: Applicant)

Case No.33: M/s Multibase India Limited, Daman (UT)
F. No. 01/60/162/53/AM19/PRC
PRC Meeting No. 05/AM19 dated 19.06.2018

Subject: Relaxation in submission of bill of exports for supplies to SEZ against Advance Authorization No.0310791703 dated 04.12.2014.

The firm has submitted an application for redemption of above Advance Authorization. RA issued deficiency letter dated 30.01.2018 asking the bill of exports for the supplies made to SEZ unit. They have stated that they have received supply order from SEZ units i.e. Noida, Falta and Surat. They had prepared supply documents for these orders such as Tax Invoices, ARE- 1 which has been signed by C.E. officer while taking the goods from their factory premises and also the bond office at the SEZ unit has signed the ARE-1 showing the goods received by the SEZ units. In place of the Bill of Exports the ARE-1 has been signed by the Govt. officer from both the ends. They have received the payments from the SEZ units. Since this was their first supply, they had not prepared Bill of Exports as required by the FTP.

Decision: After deliberating on the request, the Committee noted that Bill of Export is a requirement under SEZ Act which cannot be relaxed under FTP and it therefore decided to reject the request.
(Action:Applicant)

Case No.34: M/s. Sarhadi and Company, Chandigarh
F. No. 01/60/162/679/AM18/PRC
PRC Meeting No. 05/AM19 dated 19.06.2018

Subject: Revalidation of Import License for 6 months from the date of approval of Import License No. 2250000260 dated 31.03.2016.

This case had been referred back with the directions to approach RA concerned in terms of P.N. No. 38 dated 09.11.2017.RA vide e mail dated 14.03.2018 has intimated that import license for Ammunition was issued under Para 2.46 of HBP to the firm and is a stock & sale license which issued based on past sales as certified CA. As per Para 2.20 of HBP, revalidation of stock and sale authorization is not permitted unless validity has expired in Custody of RA. In the present case import validity has not expired in RA and license holder is claiming change of Arms Rules which led to delay in the process of importation.

Decision: The Committee noted that Government of India (MHA) introduced the new Arms Rules, 2016 on 16.07.2016 according to which all arms dealership licenses were to be re-applied for as per new rules and are to be issued in new format in Form VIII. In case of the applicant, their dealership license was valid until 31.12.2017. However they applied for form conversion of their licenses to new format through their application dated 07.09.2016 but it took time complying with new rules. Hence, the request for Revalidation of the import License is based on circumstances which were beyond their control. The Committee accordingly approved Revalidation of the import License for 6 months from the date of endorsement by RA.
(Action: RA/Applicant)

Case No.35: M/s. Primex Clothing Private Limited, Tirupur
F. No. 01/60/162/724/AM18/PRC
PRC Meeting No. 05/AM19 dated 19.06.2018

Subject: Acceptance & Exempt from paying full Scrip value with interest.

The firm has submitted that they have received the above SHIS license No.3210067013 on 06.09.2013 for a value Rs.47,26,653. This license was transferred by Jt. DGFT Coimbatore on 19.12.2013. And they had sold that license for Rs.11,10,763/- only against the scrip value of Rs.4726653/- During audit inspection, their license has been rejected. So they have made repayment of their sold value with interest beyond their capacity even though they are in heavy financial crises. They have surrendered their sold value of Rs.11,10.,763/- with interest Rs.8,00,000/- (Total 19,10,763/-).

Decision: After going through the request, Committee decided to seek a comprehensive report from RA.
(Action:RA, Coimbatore)

Case No.36: M/s. Arvind Pipes & Fittings Industries Pvt. Ltd., Mumbai
F. No. 01/60/162/108/AM19/PRC
PRC Meeting No. 05/AM19 dated 19.06.2018

Subject: Clubbing of three Advance authorizations No. (i) 0310781419 dated 13.05.2014 (ii) 0310794540 dated 12.03.2015 (iii) 0310799470 dated 16.10.2015.

The firm has submitted that matching of the item ITCHS code wise as asked by RA, Mumbai in the D/L dated 12.10.2017 is not relevant as FTP is nowhere asking for the same for clubbing provision. The Authorization for clubbing fulfills usual conditions like issuance within span of 18 months and issuance from same RA. Also the EOP of the earliest authorization is 31.05.2016

& for subsequent two authorizations the last date of export is 02.07.2015 and 18.01.2016 respectively which is well within the EOP of earliest issued Adv. Authorizations. This clubbing request is proposing to cover 91.62 % of unfulfilled E/O and for the balance they are prepared to pay the duty saved plus interest at RA, Mumbai to regularize the License as worked out in the clubbing application.

Decision: Committee decided that RA should examine the case afresh and submit a report for PRC's consideration.
(Action: RA, Mumbai)

Case No.37: M/s. Emerson Climate Technologies (India) Pvt. Ltd., Pune
F. No. 01/60/162/874/AM16/PRC
PRC Meeting No. 05/AM19 dated 19.06.2018

Subject: Request for revalidation of two DEPB License Nos.3110060490 dated 30.09.2013 and 3110060422 dated 24.09.2013.

The firm has submitted that both the DEPB Licenses could not be verified at JNPT Customs because of technical Error No.5. The error could not be rectified by RA, Pune or by DGFT, NIC, Delhi during the original validity even after regular requests and follow up. The license remained un-verified during its whole initial validity period and could not be used during the original validity. They have submitted self certified E.P. copies of Shipping Bills and Xerox copy of DEPB. Hence, they have requested for extension of the validity period and rectify the error No.5 so that their license can be verified and used by them

Decision: The Committee observed that the case was considered twice in its meetings held on 02.08.2016 and 27.12.2016 and noted that the report from ICEGATE is yet to come. Therefore, it was decided that EDI would seek report from ICEGATE as to whether DEPB has been revalidated at their end and take further action accordingly.
(Action: EDI/ ICEGATE)

Case No.38: M/s. UFLEX Limited, Noida
F. No. 01/60/162/700/AM18/PRC
PRC Meeting No. 05/AM19 dated 19.06.2018

Subject: Condonation of delay in claim of Chapter -3 Incentive FMS scheme filed vide RA file no. (1) 05/52/087/83762/AM-16 dated 01.09.2015, (2) 05/52/87/81224/AM17 dated 22.02.2017, and (3) 05/52/087/84724/AM16 dated 29.10.2015.

The firm has submitted that there was some delay in filling some of the shipping bills as there was delay in issuance of Bank Realization Certificate by the bank, however, the export proceeds was realized within the time limit prescribed by the Reserve Bank of India. Subsequently, due to slow data exchange system with DGFT e-Com, they could not claim chapter 3 incentives within stipulated time against some S/Bills. As a manufacture exporter, they have passed on the element of duty benefit on assumed inputs (in value terms) in their pricing to the overseas buyers (to make export competitive and) to book orders in view of severe international competition.

Decision: After deliberating, the committee saw no merit in the case as the claim of the applicant is not supported by evidence and therefore decided to reject the request.
(Action: Applicant)

Case No.39: M/s. Honda Cars India Limited, Rajasthan
F. No. 01/93/180/1483/AM-03/PC-2(A)/Vol.IV/[E-1868]
PRC Meeting No. 05/AM19 dated 19.06.2018

Subject: Import of one used Electric Vehicle for R&D by giving relaxation in Para 1 (II) (d) (iv) of Chapter 87, ITC HS 2017.

M/s Honda Cars India Limited, Rajasthan vide letter dated 30.04.2018 has requested for relaxation in Para (1) (II) (a), (b) (i) (iii), (d) (iv) and 2 (II) (f) of Chapter 87 to allow import of one Electric Vehicle for R&D purpose. In the meantime, this Directorate issued Notification No.07/2015-20 dated 08.05.2018 giving relaxation in above provisions for import of cars. After issuance of Notification, Honda Cars India Limited vide e-mail dated 09.05.2018 has stated that they want to import one used electric vehicle for R&D purpose by Air at Sahar Air Cargo, Mumbai, whereas Para 1(II) (d) (iv) of Chapter 87, ITC HS 2017 allows import of second hand or used vehicles only through the Customs Port at Mumbai.

Decision: Considering the points made in the request especially that imported vehicle will be used for R&D purposes, the Committee decided to accede to the request subject to the conditions that (i) the vehicle shall not ply on public roads, (ii) shall be scrapped/destroyed in the presence of Customs authorities after R&D purpose is over.

(Action: Applicant and RA, Jaipur)

The meeting ended with vote of thanks to the Chair.

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