Directorate General of Foreign Trade
(PRC Section)

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

Meeting No. 16/AM19 held on 18.09.2018 at 10:30 AM

The following members were present in the meeting:

1.	Shri K. C. Rout	Addl. DGFT
2.	Shri Vijay Kumar	Addl. DGFT
3.	Sri N. K. Srivastava	Addl. DGFT
4.	Shri Satyan Sharda	Addl. DGFT
5.	Shri Jay Karan Singh	Jt. DGFT
6.	Shri Rajbir Sharma	Jt. DGFT
7.	Shri Lokesh H. D.	Jt. DGFT

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

Case No.01: M/s. Hildose, Mumbai
F. No. 01/60/162/832/AM18/PRC
PRC Meeting No.16/AM19 dated 18.09.2018

Subject: Revalidation of Advance Authorization No. 0310806839 dated 03.08.2016.

Justification provided by the firm:

1. The main reason for seeking revalidation is due to the fact that circumstances have gone beyond their control.

2. The reason being that there is a serious shortage & upward price pressure, therefore the supplier did not fulfil the supply contract. Off Late, this has been witnessed in case of several products in the International market.

3. Advance Authorization No. 0310815276 dated 21.08.2018 under which the import quantity of 5 MT had to be cleared as the imported iodine could not be cleared under the AA No. 0310806839 dated 03.08.2016 since the same had expired. They also placed on record the copy of the shipping documents pertaining to this supply as well as the copy of the relevant B/E.

4. It is evident that the exporter had placed order for supply of 15 MT Iodine out of which only 5 MT was supplied by M/s. Sinopharm & that too had to be cleared by the exporter under a different Advance Authorization issued subsequently because of the expiry of the Advance Authorization No. 0310806839 dated 03.08.2016 as evident form the documents & self-explanatory.

5.The said amendment could be carried out only on 07.12.2017. The Advance Authorization had expired & they were not in a position to clear the imported 5 MT Iodine under the 0310806839 as they needed the imported Iodine to continue the export production as already explained. This decision was implemented because the balance quantity of 10 MT Iodine was to be shipped & that would have been cleared under Advance Authorization No. 0310806839 dated 03.08.2016. However, they supplier viz. M/s. Sinopharm failed to fulfil the contract & this was beyond their control.

6. Since M/s. Sinopharm reneged the contract for supply, they are compelled to sign a fresh Contract. From the said contract, the new contract is at a price of US$ 25.25/Kg. whereas the old contract with M/s. Sinopharm was at a price of US$ 21/kg. Thus M/s. Sinopharm reneged that contract because of the sharp upward movement in the price of Iodine. All these factors were beyond the control of the exporter.

7. In this case also, from the 2nd revalidation application it is evident that exports were completed well in time. However, due to scarcity of Iodine in the International market & upward sharp movement in the price, the supplier reneged the control & the imports could not be completed for the reasons beyond their control. Therefore, they have to pray that 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 firm requested PRC to consider the case in a rational manner & permit the 2nd revalidation.

Decision: The Committee considered the case in detail on the circumstances specified by the applicant. The Committee noted that the firm has not taken due diligence in making imports within the validity period/extendable period under the provisions of the FTP/HBP. The Committee found no grounds of genuine hardship and therefore, the did not accede to the request of the firm for grant of revalidation.

(Action: Applicant)

Case No.02: M/s. Autotech Industries (India) Pvt. Ltd., Chennai
F. No. 01/60/162/418/AM19/PRC
PRC Meeting No.16/AM19 dated 18.09.2018

Subject: Transferring of shipping bills from one unutilized advance license No. 0410125099 dated 17.06.2011 to another Advance Authorization 0410152254 dated 26.11.2013 for redemption purpose (Total 29 Shipping bills)

Justification provided by the firm:

1. The firm applied for advance license under no norms category. Subsequently they realized that the norms fixed were far from reality. Therefore they approached for re-fixation of norms vide their letter dated 23.06.2015.
2. They applied to PRC for clubbing of all 10 license and PRC approved to club in 2 groups with clubbing 5 advance licenses vide PRC Meeting minutes 23/AM18 dt. 17.11.2017.
3. They redeemed the first set of 5 advance licenses by clubbing and the copy of redemption letter has been attached for reference.
4. To complete the redemption of next set of 5 advance license they need unutilized 29 Shipping be transferred from Advance Authorization 0410125099 dated 17.06.2011(clubbed with others in the first set of 5 authorizations) to Advance Authorization 0410152254 dated 26.11.2013(one of the authorizations in the second set of 5 authorizations) and hence requested PRC to consider their request.

Decision: The Committee, after going through the statements made by the firm noted that the Committee had already granted approval of clubbing of 10 authorizations in two sets (5 authorizations in each set) but clubbing of second set could not be completed and benefit availed by the exporter because of non-transfer of 29 shipping bills from Advance Authorization 0410125099 dated 17.06.2011 to Advance Authorization 0410152254 dated 26.11.2013. The Committee deliberated on the request of the firm and decided to allow transfer of 29 s/bills subject to

i. Payment of Rs. 200/- per shipping bill.
ii. That the exports in the shipping bills pertaining to the authorization no. 0410125099 dated 17.06.2011 are within the export obligation period of the Authorization 0410152254 dated 26.11.2013 as well as other authorizations being clubbed with authorization no Authorization 0410152254 dated 26.11.2013
iii. Firm shall submit an affidavit to the RA that such shipping bills have not been utilized/will not be utilized in any advance authorization.
iv. The firm shall also submit an indemnity bond undertaking to indemnify any loss caused to the Government on account of such shipping bills being used transferred to the authorization no. Authorization 0410152254 dated 26.11.2013.
v. RA shall ensure the accountability of the inputs imported and used in the export products.

(Action: Applicant, RA)

Case No.03: Uttam Value Steels Limited, Mumbai
F. No. 01/60/162/388/AM19/PRC
PRC Meeting No.16/AM19 dated 18.09.2018
Subject: Revalidation of Advance Authorization No. 0310810211 dated 30.12.2016.

Justification provided by the firm:

1. They have not been able to utilize the imports in full due to global recession and economic slowdown. For which there was scarcity of the material in the international market and they could book their imports specifically for the grade and sizes required.

2. The firm has submitted that they propose, intend and prioritize to import only Hot Rolled Steel under above authorization to the extent of Export Obligation completed, hence there would not be any lapse in the obligation thereafter. Further, the Export Obligation for the authorizations are valid, and if any excess import, they would obligate with exports within the validity. They also undertake to regularize the case for any excess imports, by payment of Custom Duty with interest as applicable. Also their Bond with Customs is valid as on date.

Decision: The Committee examined the statements made by the applicant and noted that the firm has not been able to complete the imports within the available validity period/extendable validity period as per the FTP/HBP provisions. The reasons cited by the firm do not indicate any grounds of hardship. Hence, the Committee did not accede to the request of the firm.

(Action: Applicant)

Case No.04: M/s. Uttam Galva Steels Limited, Mumbai
F. No. 01/60/162/389 (A)/AM19/PRC
PRC Meeting No.16/AM19 dated 18.09.2018
Subject: Revalidation of Advance Authorization No. 0310809235 dated 22.11.2016.

Justification provided by the firm:

1. They have not been able to utilize the imports in full due to global recession and economic slowdown. For which there was scarcity of the material in the international

market and they could book their imports specifically for the grade and sizes required.

2. The firm has submitted that they propose, intend and prioritize to import only Hot Rolled Steel under above authorization to the extent of Export Obligation completed, hence there would not be any lapse in the obligation thereafter. Further, the Export Obligation for the authorizations are valid, and if any excess import, they would obligate with exports within the validity. They also undertake to regularize the case for any excess imports, by payment of Custom Duty with interest as applicable. Also their Bond with Customs is valid as on date.

Decision: The Committee examined the statements made by the applicant and noted that the firm has not been able to complete the imports within the available validity period/extendable validity period as per the FTP/HBP provisions. The reasons cited by the firm do not indicate any grounds of hardship. Hence, the Committee did not accede to the request of the firm.

(Action: Applicant)

Case No.05: M/s. Uttam Galva Steels Limited, Mumbai
F. No. 01/60/162/389/AM19/PRC
PRC Meeting No.16/AM19 dated 18.09.2018
Subject: Revalidation of Advance Authorization no. 0310809121 dated 10.11.2016.

Justification provided by the firm:

1. They have not been able to utilize the imports in full due to global recession and economic slowdown. For which there was scarcity of the material in the international market and they could book their imports specifically for the grade and sizes required.

2. The firm has submitted that they propose, intend and prioritize to import only Hot Rolled Steel under above authorization to the extent of Export Obligation completed, hence there would not be any lapse in the obligation thereafter. Further, the Export Obligation for the authorizations are valid, and if any excess import, they would obligate with exports within the validity. They also undertake to regularize the case for any excess imports, by payment of Custom Duty with interest as applicable. Also their Bond with Customs is valid as on date.

Decision: The Committee examined the statements made by the applicant and noted that the firm has not been able to complete the imports within the available validity period/extendable validity period as per the FTP/HBP provisions. The reasons cited by the firm do not indicate any grounds of hardship. Hence, the Committee did not accede to the request of the firm.

(Action: Applicant)

Case No.06: M/s. Uttam Galva Metallics Limited, Mumbai
F. No. 01/60/162/387/AM19/PRC
PRC Meeting No.16/AM19 dated 18.09.2018
Subject: Revalidation of Advance Authorization No. 0310807610 dated 06.09.2016.

Justification provided by the firm:

1. They have not been able to utilize the imports in full due to global recession and economic slowdown. For which there was scarcity of the material in the international market and they could book their imports specifically for the grade and sizes required.

2. The firm has submitted that they propose, intend and prioritize to import only Hot Rolled Steel under above authorization to the extent of Export Obligation completed, hence there would not be any lapse in the obligation thereafter. Further, the Export Obligation for the authorizations are valid, and if any excess import, they would obligate with exports within the validity. They also undertake to regularize the case for any excess imports, by payment of Custom Duty with interest as applicable. Also their Bond with Customs is valid as on date.

Decision: The Committee examined the statements made by the applicant and noted that the firm has not been able to complete the imports within the available validity period/extendable validity period as per the FTP/HBP provisions. The reasons cited by the firm do not indicate any grounds of hardship. Hence, the Committee did not accede to the request of the firm.

(Action: Applicant)

Case No.07: M/s. Ferozson Exports Pvt. Ltd., Srinagar
F. No. 01/60/162/391/AM19/PRC

PRC Meeting No.16/AM19 dated 18.09.2018

Subject: Condonation of delay in claim of chapter 3 benefit for the shipping bill no. 00132 dated 06.07.2012 applied under RA file no. 05/50/87/80201/AM17

Justification provided by the firm:

The Shipping bills no. 0000132 dated 06.07.2012 was used by another exporter M/s. Kabir Industries and subsequently the EDI released the shipping bill on 29.02.2016 and the firm filed claim in two months on 30.04.2016. But CLA, New Delhi rejected their case and issued deficiency letter stating that the shipping bill has become time barred and cannot be considered for claim.

Aggrieved by this, the firm requested PRC to condone the delay in filing claim of chapter 3 benefit for the shipping bill no. 00132 dated 06.07.2012 applied under RA file no. 05/50/87/80201/AM17as the circumstance was beyond their control.

Decision: The Committee went through the statements made by the firm and noted that there was no fault in the firm since the shipping bill was used by another exporter and this had prevented the firm from filing its claim within the period allowed for filing the chapter 3 claims. The Para 3.11.9 of the HBP 2009-14, application for obtaining Duty Credit Scrip shall be filed within a period of twelve months from the date of export or within six months from the date of realization or **three months from the date of printing / release of shipping bill, whichever is later. The Committee** after detailed deliberations concluded that the firm has indeed suffered genuine hardship and hence decided that CLA, New Delhi shall consider the case of the firm for the above shipping bill for grant of chapter 3 benefits subject to other eligibility conditions.

(Action: Applicant/RA)

Case No.08: M/s. Mangalam Drugs & Organics Limited, Mumbai

F. No. 01/60/162/411/AM19/PRC

PRC Meeting No.16/AM19 dated 18.09.2018

Subject: Accepting of payment realized from Normal account of the SEZ unit against Advance Authorization no. 0310808016 dated 23.09.2016.

Justification provided by the firm:

1. They have completed 100 % export obligation and submitted Advance Authorization for redemption but it is pending for documentary evidence in terms of para 4.21 (ii) of FTP 2015 -20 that payment received from foreign currency account as supplies are made to SEZ.

2. They have exported goods to Cipla Ltd., Pithampur SEZ unit under Advance Authorization but the payment is not realized from foreign currency account of the SEZ unit. This is their unintentional mistake and their buyer has also seems to have overlooked this requirement unintentionally.

Decision: The Committee went though the statements made by the firm and noted that the that realization of payments from foreign currency account are mandatory in case of supplies made to SEZ as per Para 4.21 (ii) of FTP 2015 -20. Hence, the Committee did not accede to the request of the firm.

(Action: Applicant)

Case No.09: M/s. Mangalam Drugs & Organics Limited, Mumbai
F. No. 01/60/162/408/AM19/PRC
PRC Meeting No.16/AM19 dated 18.09.2018
Subject: Accepting of payment realized from Normal account of the SEZ unit against Advance Authorization no. 0310800977 dated 14.12.2015.

Justification provided by the firm:

1. They have completed 100 % export obligation and submitted Advance Authorization for redemption but it is pending for documentary evidence in terms of para 4.21 (ii) of FTP 2015 -20 that payment received from foreign currency account as supplies are made to SEZ.

2. They have exported goods to Cipla Ltd., Pithampur SEZ unit under Advance Authorization but the payment is not realized from foreign currency account of the SEZ unit. This is their unintentional mistake and their buyer has also seems to have overlooked this requirement unintentionally.

Decision: The Committee went though the statements made by the firm and noted that the that realization of payments from foreign currency account are mandatory in case of supplies made to SEZ as per Para 4.21 (ii) of FTP 2015 -20. Hence, the Committee did not accede to the request of the firm.

(Action: Applicant)

Case No.10: M/s. Mangalam Drugs & Organics Limited, Mumbai

F. No. 01/60/162/409/AM19/PRC

PRC Meeting No.16/AM19 dated 18.09.2018

Subject: Accepting of payment realized from Normal account of the SEZ unit against Advance Authorization no. 0310808020 dated 23.09.2016.

Justification provided by the firm:

1. They have completed 100 % export obligation and submitted Advance Authorization for redemption but it is pending for documentary evidence in terms of para 4.21 (ii) of FTP 2015 -20 that payment received from foreign currency account as supplies are made to SEZ.

2. They have exported goods to Cipla Ltd., Pithampur SEZ unit under Advance Authorization but the payment is not realized from foreign currency account of the SEZ unit. This is their unintentional mistake and their buyer has also seems to have overlooked this requirement unintentionally.

Decision: The Committee went though the statements made by the firm and noted that the that realization of payments from foreign currency account are mandatory in case of supplies made to SEZ as per Para 4.21 (ii) of FTP 2015 -20. Hence, the Committee did not accede to the request of the firm.

(Action: Applicant)

Case No.11: M/s. Mangalam Drugs & Organics Limited, Mumbai

F. No. 01/60/162/410/AM19/PRC

PRC Meeting No.16/AM19 dated 18.09.2018

Subject: Accepting of payment realized from Normal account of the SEZ unit against Advance Authorization no. 0310810458 dated 11.01.2017.

Justification provided by the firm:

1. They have completed 100 % export obligation and submitted Advance Authorization for redemption but it is pending for documentary evidence in terms of para 4.21 (ii) of FTP 2015 -20 that payment received from foreign currency account as supplies are made to SEZ.

2. They have exported goods to Cipla Ltd., Pithampur SEZ unit under Advance Authorization but the payment is not realized from foreign currency account of the SEZ unit. This is their unintentional mistake and their buyer has also seems to have overlooked this requirement unintentionally.

Decision: The Committee went though the statements made by the firm and noted that the that realization of payments from foreign currency account are mandatory in case of supplies made to SEZ as per Para 4.21 (ii) of FTP 2015 -20. Hence, the Committee did not accede to the request of the firm.

(Action: Applicant)

Case No.12: M/s. K. Mohan & Company (Exports) Private Limited, Bangalore
F. No. 01/60/162/803/AM18/PRC
PRC Meeting No.16/AM19 dated 18.09.2018
Subject: Relaxation to consider free shipping bill for closure and issuance of EODC against Advance Authorization no. 0710110531 dated 19.10.2016 (ARO No. 0744004866 dated 19.10.2016)

Justification provided by the firm:

1. At the time of export shipment transmission error was shown in ÏCE GATE". The firm though that the delay in customs clearance will lead to cancellation of order.

2. Hence, they decided to file free shipping bill as they can't claim duty DBK against advance license materials also they declared the license details and the quantity of the fabric used in the shipment in the first page of the shipping bill.

3. They have requested to consider these shipping bills against their advance license export obligation as they had done their best under the given circumstances (Transmission issue of license is not in their hand).

Decision: The Committee went through the statements made by the firm and noted that the firm has indeed indicated the authorization details on the face of the shipping bills. Therefore, after detailed deliberations the committee was of the view that since the technical error was beyond the control of the firm had compelled the firm to file the free shipping bills, but by indicating the details of the authorization on the face of the shipping bills. Therefore, the Committee decided to consider such shipping bills which indicate the authorization number on the face of the shipping bills subject to fulfillment of other conditions.

(Action: Applicant/RA)

Case No.13: M/s. Vital Healthcare Pvt. Ltd., Mumbai

F. No. 01/60/162/402/AM19/PRC

PRC Meeting No.16/AM19 dated 18.09.2018

Subject: Waiver of PC-18 Condition against Advance Authorization no. 0310621191 dated 15.03.2011.

Justification provided by the firm:

1. Due to cancelation of export order, the firm could not utilize import within time period.
2. Then they requested the excise authorities of destroying the bulk drugs. Certain deficiencies were raised by the excise authorities and nothing happened may be due change of concerned excise officer.
3. The firm has not followed up the issue for a year and subsequently when they realized the issue, there are no such authorities to allow the destruction certificate.

Decision: The Committee discussed the case in detail and decided that destruction shall be carried out by the firm in the presence of the RA who shall certify such destruction.

(Action: Applicant/RA)

Case No.14: M/s. Nutrivita Foods Pvt. Ltd., Mumbai

F. No. 01/60/162/405/AM19/PRC

PRC Meeting No.16/AM19 dated 18.09.2018

Subject: Extension in EOP against Advance Authorization no. 0310798407 dated 24.08.2015 and condone the delay of non-fulfillment of 50% export obligation within first EOP extended period.

Justification provided by the firm:

Their export supplies depends 100 % on various United Nations organizations namely UNICEF, WORDS FOODS PROGRMME., MSF, WHO, INTERNATIONAL RED CROSS, ACF etc. against their Export orders.

2. United Nation agencies preferred to import their product "Plumpy nut" which is suitable for the treatment of Severe Acute Malnutrition.
3. To meet urgent requirement of "Plumpy nut' from Unicef, they could not produce required quantities of "Plumpy Sup" during 24.02.2017 to 24.08.2017 period to fulfil of more than 50 % of export obligation under advance license number 0310798407. However they pushed their marketing team and able to receive order for 134.411 Mts. i.e. 24.29 % from United Nations organization and overseas customers against 1st EOP Extension Period. They further pushed their sales and able to receive orders and fulfilled export obligation upto 47.03 % after expiry the 1st extension of extended EOP Period.
4. As on 24.08.2018 they fulfilled export obligation of 87.73 % in terms of quantity wise and 74 % in terms of value wise (within 36 Months) from date of issuance of advance license no. 0310798407 dated 24.08.2015.

Decision: The Committee deliberated the case in detail and noted that the firm has not complete the export obligation within the original/extended obligation period and further no genuine hardship could be seen. Hence, the Committee did not accede to the request of the firm.

(Action: Applicant)

Case No.15: M/s. Lactose (India) Limited, Mumbai
F. No. 01/60/162/420/AM19/PRC
PRC Meeting No.16/AM19 dated 18.09.2018

Subject: Extension of Export Obligation Period against Advance Authorization no. 0310799561 dated 20.10.2015.

Justification provided by the firm:

1. The export item i.e Lactulose is an altogether new item to be manufactured in India. Ours is the first Lactulose manufacturing project in the whole of India. Like any other Pioneer project, they also faced lot of hick-ups as they have to compete with manufacturing giants from Europe and in maintaining consistent final specification of the product. As the product is very sensitive to geographical temperature of their country and quantity of water, It took considerable time to overcome the above obstacles. As a result, importing of raw material as well as export of final product was delayed.

2. Unless all the teething problems were overcome, they did not want to imports the raw materials, though they were holding the valid advance license. They started their import only on 17.04.2014, even though they were holding the valid license since 20.10.2015 this was much later than as planned while applying for the advance authorization.

3. Since they were new in the LACTUOSE production, foreign buyers wanted credit. They were not prepared to take the risk of exporting the product on credit basis for many reasons. This compelled them to forgo many export orders, which they got initially. Now they are exporting only against advance payment / L.C.

4. Though they lost lot of time initially because of the above reasons, now they established in the foreign market and their quality and payment terms are acceptable to the foreign buyers. They are getting more and more export orders and can fulfill the export obligation within 3 months i.e. within October 2018.

5. As on date they have fulfilled and EO value wise 117.14 % (Rs. 12033119/-). In terms of foreign currency it is 123.25 % (US$186204.37) and quantity wise 57.84 % (68.80 M. T). As on date they hold genuine export enquiry worth US$ 1,52,00 for 46.480 M.T. These enquiries are on hold only because of price factor. Now they have decided to compromise to some extent in the price, hence these will get finalized very soon.

6. Throug their advance authorization was for import of 500 M,T., they utilized it only for 130 MT, after realizing the time- bound export on hand and the initial problem faced by the project on the other hand. Their intention were very clear and genuine and never wanted to misuse the advance authorization.

7. There is Rs. 30 Crore project with a plant capacity of 2400 M.T per annum. This project is under "Make is India" Scheme which is meant to ensure 100 % import substitute.

Decision: The Committee examined the case in detail and noted that firm has not completed the stipulated export obligation within the original/extended obligation period and no genuine hardship was involved. Hence, the Committee did not accede to the request of the firm.

(Action: Applicant)

Case No.16: M/s. AGT Foods India Private Limited, Mumbai
F. No. 01/60/162/276/AM19/PRC

PRC Meeting No.16/AM19 dated 18.09.2018

Subject: Grant of re-store EO of 18 months in Advance Authorization No. 0310818233 dated 04.01.2018.

Justification provided by the firm:

1. As per Public Notice no. 38 dated 22.11.2017 export of pulses made free for exports and accordingly they made application for export of Pulses and received advance authorization no. 0310818233 dated 04.01.2018.

2. After issuance of advance authorization public notice no. 57 dated 25.01.2018 was issued and import product covered under chapter 07 shifted to appendix 4J of Exim Policy and export obligation period reduced to 90 days from 18 months. RA, Mumbai has made amendment in their advance authorization for export obligation period to 90 days form 18 months.

3. The above said advance authorization was issued prior to issue of Public notice no. 57 dated 25.01.2018 and in said public notice it is not mentioned that it is applicable to advance authorization issued to prior to the issue of said public notice. And normally when public notice issued by ministry of commerce it is applicable form the date of issue of notification or public notice as the case may be.

Decision: The Committee discussed the statements made by the firm in details and noted no genuine hardship was involved. Hence, the Committee did not accede to the request of the firm.

(Action: Applicant)

Case No.17: M/s. Bombardier Transportation India Pvt. Ltd., Gujarat
F. No. 01/60/162/419/AM19/PRC
PRC Meeting No.16/AM19 dated 18.09.2018

Subject: Revalidation of Advance Authorization no. 3410042477 dated 30.08.2016.

Justification provided by the firm:

Advance Authorization no. 3410042477 dated 30.08.2016 expired on 30.08.2017 and was thereafter revalidated vide amendment sheet no 2 dated 09.10.2017 for six months up to 28.02.2018.

But due to certain technical issue in transmission of Authorization, they were not able to utilize authorization even till 28.02.2018.

Further, RA Vadodara granted one more revalidation up to 31.08.2018 under para 2.20 of HBP 2015-20 for delayed transmission of said advance authorization vide amendment sheet no 06 dated 25.04.2018.

The firm submitted letter received from Nhava Sheva port regarding error shown at customs server. In this matter, they have also approached DG systems Customs, New Delhi to resolve transmission issue and concerned officials are still working on it with consultation of DGFT NIC team.

It is further submitted that since the expiry of initial validity period on 30.08.2017, they have not been able to utilize the said Advance Authorization as it was transmitted with error to ICEGATE server, error code appears on DGFT website is 02,00,62.

They wish to bring to notice that the said Advance Authorization is still 40 % unutilized and approx. customs duty impact to them will be INR 76.95 crore which will affect their entire project, if the validity of said advance authorization is not further revalidation.

Decision: The Committee went through the statements of the firm and noted that there has been a technical error in transmission of the authorization which has prevented the firm from utilizing the said authorization. The Committee therefore decided that the issue shall be referred to the NIC to resolve the issue after which RA shall examine the case for revalidation again in terms of Para 2.20 of the HBP.

(Action: Applicant/RA/NIC)

Case No.18: M/s. Jell Pharmaceutical Pvt. Ltd., Mumbai
F. No. 01/60/162/421/AM19/PRC
PRC Meeting No.16/AM19 dated 18.09.2018
Subject: Re Export of Polybutene RITC 39029000 FTP 2.46 II (b) – Shipping Bill no 6489737 dated 27.07.2018.

Justification provided by the firm:

1. They have exported the product Polybutene RITC 39029000 to IRAN as per Para 2.46 of FTP 2015-2020 under payment in Indian Rupees.

2. For the goods imported and exported to Iran, as per FTP 2.46 value addition should be minimum of 15 %, but they were not aware of the FTP and they have done value addition 10.30 %.

3. They have submitted the original documents to the UCO bank for claiming the export proceeds.

4. Documents was lying in the Bank form 31.07.2018 for the negotiation and now they have returned the document stating the reason that, as per DGFT notification no. 17 dt. 10.06.2013 & as per FTP para 2.46 and RBI guide lines there should be 15 % value addition, However as per their submitted document value addition is 10.30 %.

Decision: The Committee deliberated on the statements made by the firm decided to accede to the request of the firm subject to payment of composition fee equivalent to the FOB value of shortfall required to achieve the 15% value addition.

(Action: Applicant)

Case No.19: M/s. Balkrishna Industries Limited, Mumbai
F. No. 01/60/162/425/AM19/PRC
PRC Meeting No.16/AM19 dated 18.09.2018

Subject: Seeking relaxation in para 3.01(g) of HBP 2015-20 to allow manual feeding in order to claim MEIS reward against shipping bill pertaining to December 2016 (of which let exports Dates are falling January, 2017).

Justification provided by the firm:

1. The finance Act 2016 made editorial changes in the Harmonized system of Nomenclature (HSN) of chapter 40 covering their products. They are unable to claim MEIS reward against 57 shipping bills pertaining to Dec. 2016 (of which let export dates are falling in January, 2017).

2. While filing MEIS applications against these shipping bills, pertaining to Dec. 2016 (of which let Export Date is falling in January 2017) on DGFT portal, they noticed that old ITC HS codes (i.e. 40116100 / 40119200 / 40116200 / 40116300 / 4011930040119400) are not accepted in e-com repository. For instance, while filing MEIS application against shipping bill no. 3102635 dated 28.12.2016, they are unable to file MEIS incentive against ITC HS code 40116100. The message is appearing as

'Shipping bill no. 3102635 could not be copied ITCHS Code / Country of Export is Not Eligible for MEIS Benefit'. Hence unable to claim MEIS reward.

3. They registered the complaint on DGFT portal against Ref. no. 7169 dated 25.0.2017 against which action taken reads as 'This notification is under updated on the website. Please bear with them till the update is completed.

Decision: The Committee went through the statements made by the firm and noted that the firm has not been able to file claims for the chapter 3 benefits for the old HS Codes which were existing prior to 01.01.2017 even though they were entitled for chapter 3 benefits on account of the changes in the HS Classification during the intervening period in which the LEO was issued. The same HS Codes had been subsequently changed for the said export products and incentivized with new HS Codes w.e.f 01.01.2017. Therefore, the Committee after detailed deliberations concluded that the firm is indeed suffering genuine hardship and hence acceded to the request of the firm.

(Action: Applicant)

Case No.20: M/s. Balkrishna Industries Limited, Mumbai

F. No. 01/60/162/424/AM19/PRC

PRC Meeting No.16/AM19 dated 18.09.2018

Subject: Seeking relaxation in accepting manual application for MEIS against EDI Shipping bill (5 number of shipping bills)

Justification provided by the firm:

1. They have filed three shipping bills during the licensing year 2015-16 and two shipping bills during the licensing year 2016-17. All these five shipping bills are EDI shipping bills filed at ICD Patli, Gurgaon.

2. Since, the subject shipping bills are EDI shipping bills; the same has to be transmitted from customs server to DGFT server for claiming MEIS benefit. However, despite doing regular follow ups with the concerned customs office, the said shipping bills could not be transmitted on DGFT sever.

3. In the due course, a letter is issued by Deputy Commissioner of Customs, I CD Patil, Gurgaon, to Deputy DGFT, Mumbai stating that, 'this office has tried to remove the errors in EDI but the same could not be removed'. Therefore, the subject shipping

bills are not transmitted on DGFT server and hence, they are unable to claim the benefit of MEIS.

4. The subject shipping bills are filed under advance authorization scheme. Further, scheme reward is also ticked as ýes' and declaration of intent is also mentioned in words on all the five shipping bills. However, Just because the said shipping bills are not transmitted from customs server to DGFT server they are being denied the benefit and hence their case fits under genuine hardship.

Decision: The Committee after going through the statements made by the firm decided that EDI/NIC shall allow the firm to file the application for MEIS benefit manually and transmit the date electronically to the ICEGATE.

(Action: Applicant/ EDI/ NIC)

Case No.21: M/s. M B Laminators, Mumbai
F. No. 01/60/162/04/AM19/PIC
PRC Meeting No.16/AM19 dated 18.09.2018
Subject: Clarification regarding revalidation of 6 months from the date of endorsement of Advance Authorization no. 0310806889 dated 08.08.2016.

Justification provided by the firm:

1. The request of the firm of revalidation of 6 months from the date of endorsement was rejected by Regional Authority, Mumbai on the basis of Para 4.47 (ii) of HBP 2015-20 read with PN 17 dated 08.06.2018.

2. The license was issued on 08.08.2016 under FTP 2015-2020 w.e.f. 30.06.2015, wherein Para 4.20 read as under:

   "Applicability of Policy & Procedures Authorization under this Chapter shall be issued in Accordance with the policy and Procedures in force on the date of issue of the Authorization".

3. Therefore, the request for revalidation of license is governed by Para 4.47 (a)(iii) of HBP 2015-20 w.e.f 04.08.2015 Which reads as under:

   "While allowing waiver of Bond, RA may revalidate and Authorization in continuation for further six months from the date of endorsement provided applicant has made a specific request and paid requisite fee for revalidation".

4. They informed that the restriction of total period for revalidation up to 24 months has been introduced w.e.f. 05.12.2017, and is not applicable in the present case.

5. They made a specific request for revalidation of license vide their letter dated 27.04.2018, 14.07.2018 and 10.08.2018 and paid the requisite fee for revalidation.

Decision: The Committee went through the statements made by the firm and noted that Para 4.47(a)(iv) of the HBP 2015-20 read with Para 4.41 of HBP 2015-20 means that an applicant will get one revalidation, either prior to the EODC or along with EODC subject to a ceiling of 24 months altogether. Since the applicant has already availed one revalidation prior to the EODC application, they are not entitled for further revalidation along with EODC. In view of the above, the Committee decided not to accede to the request of the firm.

Case No.22: M/s. M B Laminators, Mumbai
F. No. 01/60/162/03/AM19/PIC
PRC Meeting No.16/AM19 dated 18.09.2018

Subject: Clarification regarding revalidation of 6 months from the date of endorsement of Advance Authorization no. 0310809626 dated 06.12.2016.

Justification provided by the firm:

They had approached Addl. DGFT, Mumbai on the above subject matter, but Addl. DGFT has inadvertently stated that their request cannot be considered as per para 4.47 (ii) of HBP 2015-20.

It is to bring that the license has been issued on 06.12.2016 under FTP 2015-2020 w.e.f. 30.06.2015 wherein Para 4.20 read as under:

"Applicability of Policy & Procedures Authorization under this Chapter shall be issued in Accordance with the policy and Procedures in force on the date of issue of the Authorization".

While allowing waiver of Bond, RA may revalidate and Authorization in continuation for further six months from the date of endorsement provided applicant has made a specific request and paid requisite fee for revalidation.

Therefore, the request for revalidation of license is governed by Para 4.47 (a)(iii) of HBP 2015-20 w.e.f 04.08.2015 Which reads as under:

1. *"While allowing waiver of Bond, RA may revalidate and Authorization in continuation for further six months* The request of the firm of revalidation of 6 months from the date of endorsement was rejected by Regional Authority, Mumbai on the basis of Para 4.47 (ii) of HBP 2015-20 read with PN 17 dated 08.06.2018.

2. The license was issued on 08.08.2016 under FTP 2015-2020 w.e.f. 30.06.2015, wherein Para 4.20 read as under:

   "Applicability of Policy & Procedures Authorization under this Chapter shall be issued in Accordance with the policy and Procedures in force on the date of issue of the Authorization".

3. Therefore, the request for revalidation of license is governed by Para 4.47 (a)(iii) of HBP 2015-20 w.e.f 04.08.2015 Which reads as under:

   "While allowing waiver of Bond, RA may revalidate and Authorization in continuation for further six months from the date of endorsement provided applicant has made a specific request and paid requisite fee for revalidation".

4. They informed that the restriction of total period for revalidation up to 24 months has been introduced w.e.f. 05.12.2017, and is not applicable in the present case.

5. They made a specific request for revalidation of license vide their letter dated 27.04.2018, 14.07.2018 and 10.08.2018 and paid the requisite fee for revalidation.

Decision: The Committee went through the statements made by the firm and noted that Para 4.47(a)(iv) of the HBP 2015-20 read with Para 4.41 of HBP 2015-20 means that an applicant will get one revalidation, either prior to the EODC or along with EODC subject to a ceiling of 24 months altogether. Since the applicant has already availed one revalidation prior to the EODC application, they are not entitled for further revalidation along with EODC. In view of the above, the Committee decided not to accede to the request of the firm.

(Action: Applicant)

Case No.23: M/s. K.L.J. Plasticizers Limited, New Delhi
F. No. 01/60/162/137/AM19/PIC
PRC Meeting No.16/AM19 dated 18.09.2018

Subject:- Clarification regarding para 4.38 (viii) of HBP 2015-20 updated on 15.12.2017(A) Import validity of the authorization or (b) Exports validity of the authorization.

Justification provided by the firm:

1. The firm has stated that they are planning to go for clubbing of two advance authorization under Para 4.38 (viii) of HBP 2015-20, where the first advance authorization is Issued in May, 2011, having Export obligation period of 36 months and the subsequent advance authorization is Issued in March 2014 having export obligation period of 18 months.

2. They are fulfilling all the conditions mentioned in Para 4.38 of HBP 2015-20 for clubbing of advance authorization.

3. However, they have a doubt regarding the condition mentioned in last line of para 4.38 (viii) of HBP 2015-20 which reads as follows: "Subsequent Authorisation issued after expiry of validity of first authorization shall not allowed to be clubbed".

4. Under this (i.e. subsequent authorisation issued after expiry of validity of first authorization shall not be allowed to be clubbed), if word 'Validity' is interpreted for "import Validity" then clubbing above two advance authorization is not allowed as subsequent authorisation (i..e. issued in March 2014) was issued after 34 months (Approx.) (i.e. after the expiry of Import Validity of first advance authorisation) from the issuance of first authorisation (i.e. issued in may 2011).

5. But if word ' Validity' is Interpreted for " Export Validity' is then clubbing of above two advance authorisation is allowed, as subsequent authorization (i.e. issued in March 2014) is issued within 36 months (i.e. before the expiry of export validity of first advance authorisation) from the issuance of first authorization (i.e. issued in May,2011). The firm has emphasis that under Para 4.38 (viii) of HBP 2015-20 wherever, have mentioned word 'validity' we have used the Word 'For Import' which clarifies that the validity has to be checked with 'Import'. But under the last line of this para Nothing is mentioned with 'Word' under which Is creating doubt whether the above two advance authorisation can be clubbed or Not. Policy Para Hence they have requested to clarify on following points so that , they can proceed ahead accordingly (i.e. for clubbing):-

5. Word 'Validity' mentioned in the last line of para 4.38 (viii) of 2015-20, is for Import validity ' OR 'Export Validity' of the advance authorisation.

6. If it is for 'Import Validity' as Advance Authorisation are Issued with validity period of 12 months and with revalidation of six months, so, an Advance Authorisation, at Maximum for Import, can be valid for 18 months, It implies that subsequent advance authorisation, should have been issued within 18 months from the date of issue first authorisation which in their opinion, is a very short period.

Decision: The Committee went through the statements made by the firm and the inputs received from the Policy Division. The Committee decided to inform the firm that term "Validity" in last sentence of Para 4.38(viii) HBP 2015-20 { Subsequent Authorizations issued after expiry of validity of first Authorisation shall not be allowed to be clubbed} means "Validity for Import".

Case No.24-25: M/s. B. B. International, Karnal
PRC Meeting No.16/AM19 dated 18.09.2018

Subject: Extension in Export Obligation Period for EODC under EPCG Authorizations.

They have already deposited composition fee for 2 year for extension, but when they have submitted file for redemption in office in Joint DGFT Panipat office, RA has issued letter & again demanded the firm to pay custom duty + interest as per para 5.8 and 5.8.3 of HBP 2004-2009.

So, as they are not in position to pay the same and relaxation of custom duty + Interest as per Para 5.8 and 5.8.3 HBP 2004-2009.

Decision: After going through the statements made by the firm, the Committee decided to refer the matter to EPCG Division to examine the issue.

Case No.26: M/s. Oriflame India Pvt. Ltd., New Delhi
F. No. 01/60/162/275 (A) /AM18/PRC
PRC Meeting No.16/AM19 dated 18.09.2018

Subject: Deletion clause No. (iii) which was imposed by PRC in its meeting no. 16/AM18 dated 05.09.2017 allowing the clubbing of four Advance Authorization No. (i) 0510201932

dated 30.03.2007, (ii) 0510206746 dated 25.07.2007, (iii) 0510210029 dated 04.10.2007 and (iv) 0510212232 dated 19.11.2007.

Justification provided by the firm:

The firm has referred to the condition at Sl.No. (iii) of decision in Case No.25 PRC meeting no. 16/AM18 dated 05.09.2017.They have informed that CLA has made objection about clause no (iii) of above decision on the grounds that the Advance Authorisation has been issued under the category of norms to be fixed by in norms category.

Decision: The Committee deliberated on the issue and decided to amend the Condition at Sl.No. (iii) of decision in Case No.25 PRC meeting no. 16/AM18 dated 05.09.2017 to read as Duty Free inputs shall be accounted as per SION/Ad-hoc Norms fixed.

(Action: Applicant)

Case No.27: M/s. Oriflame India Pvt. Ltd., New Delhi
F. No. 01/60/162/276 (A) /AM18/PRC
PRC Meeting No.16/AM19 dated 18.09.2018

Subject: Deletion clause No. (iii) and clause No. (vi) which was imposed by PRC in its meeting No. 15/AM18 dated 31.08.2017 allowing the two Advance Authorization No. (i) 0510201928 dated 30.03.2007, (ii) 0510204645 dated 07.06.2007.

The firm has referred to the conditions at Sl.No.(iii) and (vi) of decision in Case No.24 of the PRC Meeting no. 15/AM18 dated 31.08.2017. They have informed that CLA have objection about the said clause (iii) and (vi) above decision. Point no. (iii) Regarding "Duty fee inputs shall be accounted as per SION" but above mentioned Advance License issued under Norms to be fixed in norms committee and norms has been fixed. While the Clause (vi) specifies that "No adjudication order has been passed by Custom / RA against any of the Authorization in question" they had been issued demand notice from custom and case was remanded back to original authority i.e. Custom and pending due to EODC only. EODC can only be issued by DGFT – CLA if clause no (vi) is removed from the PRC order as this is contradicting with the requirement of DGFT – CLA and customs.

Decision: The Committee discussed the issues in detail in view of the facts stated by the firm and decided to amend the said clauses (iii) and (vi) of decision in Case No.24 of the PRC Meeting no. 15/AM18 dated 31.08.2017 to read as below:

(iii). Duty Free inputs shall be accounted as per SION/Ad-hoc Norms fixed.
(vi). No adjudication order has been passed by RA against any of the Authorization in question".

(Action: Applicant)

Case No.28: M/s. Oriflame India Pvt. Ltd., New Delhi
F. No. 01/60/162/277/AM18/PRC
PRC Meeting No.16/AM19 dated 18.09.2018

Subject: Deletion clause No. (iii) and clause No. (vi) which was imposed by PRC in its meeting No. 15/AM18 dated 31.08.2017 allowing the clubbing of five Advance

Authorization No. (i) 0510199599 dated 15.02.2007 (ii) 0510202960 dated 26.04.2007 (iii) 0510204728 dated 11.06.2007 (iv) 0510207007 dated 31.07.2007 and (v) 0510208251 dt. 29.08.2007.

The firm has referred to the conditions at Sl.No.(iii) and (vi) of decision in Case No.23 of the PRC Meeting no. 15/AM18 dated 31.08.2017. They have informed that CLA have objection about the said clause (iii) and (vi) above decision. Point no. (iii) Regarding "Duty fee inputs shall be accounted as per SION" but above mentioned Advance License issued under Norms to be fixed in norms committee and norms has been fixed. While the Clause (vi) specifies that "No adjudication order has been passed by Custom / RA against any of the Authorization in question" they had been issued demand notice from custom and case was remanded back to original authority i.e. Custom and pending due to EODC only. EODC can only be issued by DGFT – CLA if clause no (vi) is removed from the PRC order as this is contradicting with the requirement of DGFT – CLA and customs.

Decision: The Committee discussed the issues in detail in view of the facts stated by the firm and decided to amend the said clauses (iii) and (vi) of decision in Case No.23 of the PRC Meeting no. 15/AM18 dated 31.08.2017 to read as below:

(iii). Duty Free inputs shall be accounted as per SION/Ad-hoc Norms fixed.
(vi). No adjudication order has been passed by RA against any of the Authorization in question".

(Action: Applicant)

Case No.29:

The following cases were discussed in the meeting. The committee noted that communication have been received for the following firms without the prescribed application in ANF 2D and prescribed application fee as per Appendix 2K (fully / Partly) and therefore are to be treated as incomplete applications. Therefore, the committee decided to reject such case in terms of para 2.05 of the HBP 2015-20:

Sl No.	Name of firm	Subject of firm	Reasons for rejection
1	M/s Assure Minchem, Gujarat	Request for Relaxation in implementation of DGFT Notification no-26//2015-2020 dated 21.08.2018 regarding Policy	Fee proof not submitted

		of Export of Beach sand Minerals through IREL.	
2	M/s. Nirma Limited, Ahmedabad	Request for Second Revalidation of Advance Authorization No. 0810139509 dated 10.01.2017.	ANF 2D and Fee not submitted
3	M/s. Bihani Manufacturing Co. Pvt. Ltd., New Delhi	Advance Authorization no. 0510392226 dated 01.12.2014	ANF-2D not submitted