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. 17/AM19 held on 25.09.2018 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.	Shri Satyan Sharda	Addl. DGFT
4.	Shri N. K. Srivastava	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:-

PH Case No.01: M/s Shree Ganesh Metals, Sirmour (HP)
F. No. 01/60/162/366/AM16/PRC
PRC Meeting No. 17/AM19 dated 25.09.2018

Subject: Revalidation of Advance Authorization No.3310026241 dated 22.05.2014.

The applicant had sought personal hearing, which was afforded on 25.09.2018, Shri Sanjay Aggarwal, Director, appeared before the committee on behalf of the firm and made the following submissions:

1. They have been issued Advance Authorization no. 3310026241 dated 22.05.2013 CIF Value Rs. 6659219 of 50000.00 kgs on self-declaration basis from the Jt. DGFT Panipat.
2. They have fulfilled the 100 % Export Obligation in time and submit the redemption documents to O/o Jt. DGFT Panipat for discharge of EO against the above mentioned their Advance Authorization.
3. The norms Committee has taken decision and approved their case on fixation of norms on dt. 10.12.2014 and the same was submitted to RA Panipat on 19.12.2014.
4. In the meantime, their Advance Authorization no. 3310026241 dt. 22.05.2013 has expired on 31.05.2014.
5. Since they have fulfilled the EO 100 % and not completed the imports and that Zinc is in very short supply in whole world for last one year.
6. They tried very hard for last 6 months but couldn't get a deal yet and have therefore requested to grant them six months more time to get use of this authorization.
7. They have further submitted that this was their first advance license and they were not known of the fact that import can be made without EODC.

Decision: The Committee deliberated on the facts of the case and the statements made by the firm, and noted that the firm had not taken due diligence for making imports within the validity period/extended period under the provision of FTP/HBP. The Committee found no grounds of genuine hardship and therefore, did not accede to the request of the firm for grant of revalidation.

(Action: Applicant)

PH Case No.02: M/s Anand Merchandising Corporation, New Delhi
F. No. 01/60/162/399/AM19/PRC
PRC Meeting No. 17/AM19 dated 25.09.2018
Subject: Redemption of Annual Advance Authorization No.0510394464 dated 08.06.2015

The applicant had sought personal hearing which was afforded on 25.09.2018, Shri A. K. Pandey, General Manager appeared before the committee on behalf of the firm and made the following submissions:

1. The buyer / Importer selected the cloth as per their market choice for the manufacture of the garments at this end against the above said Annual advance License received by them from the Regional Licensing Authority (CLA), New Delhi.
2. They exported woven ladies shirt **without sleeve** without Norms and consumed size S-1.31 + M 1.60 + L 1.97 AS on average 1.63 SQM per piece whereas the SION unde t which the authorisation was obtained J-270 pertained to Ladies Shirt **full Sleeve** 2.75 SQM I Piece and J-271 Half Sleeve 2.20 SQM 1 Piece..
3. They have requested for Redemption of Annual Advance Authorization No.0510394464 dated 08.06.2015

Decision: The Committee examined the statements made by the firm and noted that the case pertains to exports made after obtaining the advance authorization under a particular SION, but their product is different from the export product specified in the said SION. The Committee was of the view that the issue does not pertain to relaxation of policy provision, but concerned with fixation of norms for the particular product exported by the firm. The committee therefore decided that the firm shall approach the relevant Norms Committee since norms is not available for one of the import item till now.

(Action:Applicant/NC)

PH Case No.03: M/s Healthcaps India Ltd., Chandigarh
F. No. 01/60/162/404/AM19/PRC
PRC Meeting No. 17/AM19 dated 25.09.2018

Subject: Grant MEIS benefit against their shipping bill containing different ITC code other than the ITCHS code Mentioned in the MEIS Schedule.

Decision:

The committee went though the statements made by the firm and decided to allow the benefit of MEIS to the firm in respect of the relevant shipping bills subject to submission of amendment certificate for the relevant shipping bills from the Customs Authorities.

PH Case No.04: M/s Micro Labs Limited Bangalore

F. No. 01/60/162/423/AM19/PRC

PRC Meeting No. 17/AM19 dated 25.09.2018

Subject: Relaxation in pre-import condition and approve redemption of the advance authorization No.0710108105 dated 27.04.2015 with excess exports made using the Advance Authorization no. 0710100791 dated 23.12.2013.

The applicant had sought personal hearing, which was afforded on 25.09.2018, Shri Suresh Mogra, Executive Vice President, appeared before the committee on behalf of the firm and made the following submissions:

1. They are regularly applying for advance authorization for export products of Flucloxacillin capsules & dry syrup as well as fulcloxacillin + Amoxicilin capsules / Dry syrup where import item Flucloxacillin is common.
2. Since they already have this material in stock as imported from the unregistered sources against various authorisations valid during the relevant period, depending on the export orders made available to them, this material Flucloxacillin is utilized either for individual Flucloxacillin capsules / dry syrup or combination product of Flucloxacillin + Amoxicillin Capsules / dry syrup.
3. Hence imported bulk drug materials from one authorization are used for the export of another authorization without violation the pre-import condition as overall and also the 12 months EOP from the date of clearance of the consignments.
4. They have statements of all the advance authorizations pertaining to Flucloxacillin sodium with complete imports, which is said to indicate that they have fulfilled the pre-import condition for Flucloxacillin Sodium and exported with 12 months from the date of import in various Advance Authorization.
5. Though they obtain the Advance Authorization on export order basis, sometimes their buyer changes their shipment schedule and as a practice in the pharma industry, raw material consumption will be made on first in first out basis.
6. Due to this, raw material imported in one license might get exported against another license by their plant.
7. However, stock of the Flucloxacillin sodium will never be negative.
8. In case of their advance authorization no. 0710100791, dated 23.12.2013 which was for combination products their exports against this authorization was before any imports under this authorization. However the material utilized was from another authorization which was active at that time of import during the validity period of Advance Authorization no. 0710100791 dt. 23.12.2013.
9. So factually pre-import condition was not violated.

10. Further their total export against this license was 3101.07 KGS against actual imports of 550 KGS.
11. While applying for closure of the authorization they had shown less export matching it with import quantity. Hence the balance exports of 2422.53 KGS were not mentioned in the said application for issue of Redemption letter.
12. While applying for closure of another Advance Authorization No. 0710108105 they have taken into account the excess exports of 2422.53 KG of Flucloxacillin in the Authorization no. 0710100791.
13. But they can assure that at any given point they have not violated the pre-import condition.
14. The firm has stated that they have intermixed the imports/exports under six authorizations as stated below:

S.No.	Adv. Authorization No	Date
1	0710096020	18.06.2013
2	0710100791	23.12.2013
3	0710102668	06.03.2014
4	0710106334	08.08.2014
5	0710107559	05.02.2015
6	0710108105	27.04.2015

15. The firm has therefore requested for waiver of the pre-import condition against individual authorisations and to treat the fulfilment of the bulk drug conditions for the above 6 authorisations as a whole.

Decision: The Committee went through the statements made by the firm and deliberated on the issue in detail. The committee noted that the firm was having the accountability problem for the above six advance authorizations obtained during the relevant periods since they had made exports depending upon the customer's schedules, out of the imported drug material already available with them from unregistered sources. However, they have not been able to ensure that the stipulated exports under each authorization are fulfilled according to relevant imports made. Hence they have made excess exports in one authorization while in the other authorization, there has been shortfall when individual authorizations are considered. However the entire raw materials imported from the unregistered source is said to have been exported under one or the other authorization. Since the firm is already said to have fulfilled the stipulated export obligation proportionate to the imports made across the above six authorizations, the Committee decided the following:

i. The exports made out of the excess imports of drug materials from unregistered sources in one authorization shall be allowed to be accounted for fulfillment of EO in the other authorization among the six advance authorizations shown in table above.

ii. The conditions for maintaining accountability within each authorization is relaxed subject to condition that the exports shall be made within the stipulated EO period of each consignment of imports of drug material from unregistered sources across the 6 authorizations.

iii. The excess of imported drug material from unregistered sources unaccounted outside the above six authorizations, shall be subject to the conditions of drugs material from unregistered sources as specified in the FTP/HBP.

iv. The applicant would submit a declaration in order to **indemnify to the Government for any diversion of unregistered materials to the domestic market that may be detected in future** to Regional Authority.

(Action: Applicant/RA)

PH Case No.05: M/s Raghav Exports, Ludhiana
F. No. 01/60/162/360/AM17/PRC
PRC Meeting No. 17/AM19 dated 25.09.2018

Subject: Extension in E.O. period upto 31.08.2016 and amend the export products.

Decision: The applicant had sought personal hearing, which was afforded on 25.09.2018, but no one appeared on behalf of the firm. The Committee, in the interest of natural justice, decided to defer the case.

(Action: Applicant)

PH Case No.06-08: M/s Cords Cable Industries Ltd., New Delhi
F. No. 01/60/162/400(A)/AM19/PRC
PRC Meeting No. 17/AM19 dated 25.09.2018

Subject: Revalidation of Advance Authorizations (No.0510401620 dated 14.02.2017, No.0510401657 dated 15.02.2017 and No.0510401619 dated 14.02.2017).

The applicant had sought personal hearing which was afforded on 25.09.2018. Shri K. Ishwar Kumar, AGM-Sourcing appeared before the committee on behalf of the firm and made the following submissions:

1. They got the above advance authorisations invalidated in favor of indigenous supplier M/s. Vedanta Limited.
2. However, the Tamil Nadu Government vide their Order Dt. 23.05.2018 directed the mother Plant of M/s. Vedanta ltd. to shut down operations due to pollution issues.
3. As the indigenous supplier was not in a position to make supplies against the invalidation letter and in the meantime the validity of their advance authorization expired, they propose to make direct imports from alternate supplier.
4. They request for revalidation of 6 months from the date of endorsement in order to source the raw material from alternate suppliers.

Decision: The Committee examined the case in detail and noted that the circumstances stated by the firm above were beyond the control of the firm and therefore decided to allow revalidation of the above advance authorizations for a period of 6 months from the date of issue.

(Action: Applicant)

PH Case No.09: M/s Mangalam Drugs & Organics Limited, Mumbai
F. No. 01/60/162/407/AM19/PRC
PRC Meeting No. 17/AM19 dated 25.09.2018

Subject: Accepting of payment realized from normal account of the SEZ units against Advance Authorization No.0310803128 dated 08.03.2016.

Decision: The applicant had sought personal hearing in terms of Para 2.59 of FTP, 2015-2020, which was afforded on 09.10.2018, but no one appeared on behalf of the firm. The Committee, in the interest of natural justice, decided to defer the case and give the firm second and final opportunity of Personal Hearing. In case the applicant does not appear, the case would be rejected.

(Action: Applicant)

PH Case No.10-11: M/s Garware Wall Ropes Ltd., Pune
F. No. 01/60/162/116/AM18/PRC
PRC Meeting No. 17/AM19 dated 25.09.2018

Subject: Revalidation, pro-rata enhancement of FOB value, quantity of export, CIF value import quantity and issue of EODC of advance authorization No.3110065736 dated 30.10.2015 and No.3110063305 dated 03.03.2015.

The applicant had sought personal hearing, which was afforded on 25.09.2018, Shri C. K. Hande, DGM-Commercial appeared before the committee on behalf of the firm and made the following submissions:

1. Considering the receipt of excessive of export order from overseas buyer, they had having no option but to continue export against the advance license in hand, even when no duty free imported material was available.
2. Further as there was sizable volatile input prices in the internarial market they were unable to import at higher prices & prefer to wait to prices go down during the initial validity period of the authorisation.
3. They had applied to the RA for first revalidation of the above advance authorisation which is still pending for approval.

Decision: The Committee went through the statements made by the firm and noted that the firm had applied for first revalidation to the RA within the time period. However, the same was not accepted by the RA till date. After detailed deliberations the Committee decided to accept the request of the firm and allow revalidation for a period of 6 months from the date of endorsement.

(Action: Applicant/RA)

PH Case No.12: M/s Hemmo Pharmaceuticals Pvt. Ltd., Mumbai
F. No. 01/60/162/75/AM19/PRC
PRC Meeting No. 17/AM19 dated 25.09.2018

Subject: Extension in Export Obligation Period against Advance Authorization No.0310793763 dated 11.02.2015.

The applicant had sought personal hearing, which was afforded on 25.09.2018, Shri Suresh Vazirani, General Manager, appeared before the Committee on behalf of the firm and made the following submissions:

1. They have obtained advance License under no norms for export of 4 Kgs of Leuprolide with FOB Rs. 3,39,12,000/- (in US $ 5,40,000/-) out of which validity period they have exported 3 Kgs quantity wise i.e. 75 % of EO fixed & value wise Rs. 3,41,70,567/- (in US$ 5,38,115/-), ie 100 % value wise.
2. They are MSME Registered Manufacturer – Exporter exporting specialised Pharmaceutical Peptides – Bulk Drugs (known as API's i.e. Active Pharmaceutical Ingredients) such as Leuprolide, Desmopressin, Oxytocin, etc) under Drug manufacturing License. Their manufacturing unit is US FDA, EU GMP and Korean MFDS approved.
3. They have stated that their export contributes about 75 % of their total turnover.
4. Export resultant product 'Leuprolide' is a peptide, used in the treatment of Prostate cancer, Breast cancer, Endometriosis, Precocious puberty and other related conditions.
5. Said product is manufactured on the order basis from overseas customer, manufacturing cycle has a relatively longer period of 12 to 15 weeks and thus longer delivery period.
6. Their product is specialised and is made to order basis, they do not manufacture on day to day basis and keep it is stock.
7. They have obtained this license for 4 Kgs under anticipation of the Purchase order, based on forecast from overseas customer.
8. However, they have procured the Purchases order for 3 kgs within the validity period and accordingly completed export as referred above.
9. They have now been able to procure the Purchase order for export of balance quantity of 1 kg for which they are already having raw materials in hand failure for non-extension of EO would result in substantial financial loss to them.
10. They could not complete rate wise / Pricewise for export business with china & various other overseas manufactures. Hence they are able to compete & obtain the order on technical terms, quality, and compliances with pharmaceuticals compliances with pharmacopeia standards.

Decision: The Committee went through the statements made by the firm in its application and during the personal hearing request and after detailed deliberations decided to accede to the request of the firm by granting extension in EO for a period of 3 months from the date of endorsement.

(Action: Applicant/RA)

PH Case No.13: M/s Reliance Industries Limited, Mumbai
F. No. 01/60/162/271/AM19/PRC
PRC Meeting No. 17/AM19 dated 25.09.2018

Subject: Grant of duty credit under Merchandise Export from India Scheme (MEIS) against six shipping bills wherein Customs reward scheme has been ticked as 'N' due to oversight.

The applicant had sought personal hearing which was afforded on 25.09.2018, Shri Ashutosh Verma, Vice President appeared before the committee on behalf of the firm and made the following submissions:

1. At the time of filing their shipping bills, they have declared the intent for claiming the reward scheme as "Y" in the scheme reward column of shipping bills.
2. But at the time of final assessment of these shipping bills in the EDI system, the customs authorities has inadvertently, selected "N" instead of ÿ" in reward column of shipping bills due to which these shipping bills become ineligible for MEIS benefit as per para 3.14(A) of HBP -2015-20.
3. On observing the above inadvertence on the part of the customs, they immediately took up the issue with them to rectify the same.
4. Subsequently, they have been advised by the customs authorities that they have sent a communication to the RLA, Mumbai, in the second week of May, 2018 admitting their oversight and requested to consider their shipping bills eligible for MIES rewards.
5. They have requested to allow them to claim MEIS benefit manually or allow the Sikka Customs to transmit the EDI data for these shipping bills to DGFT Server.

Decision: The Committee went through the statements made by the firm and decided to seek comments from the DG (Systems) and DoR.

(Action: PRC)

PH Case No.14-24 :M/s PCL Oil Solvents Ltd., New Delhi
PRC Meeting No. 17/AM19 dated 25.09.2018

Subject: Second revalidation of Advance Authorization Nos (0510397050 dated 23.12.2015, 0510396180 dated 02.11.2015, 0510396400 dated 23.11.2015, 0510400069 dated 07.10.2016, 0510396591 dated10.12.2015, 0510396585 dated10.12.2015, 0510396421 dated26.11.2015, 0510399584 dated 31.08.2016, 0510396592 dated 10.12.2015, 0510399586 dated 31.08.2016 and 0510396624 dated 16.12.2015)

The applicant firm had sought personal hearing, which was afforded on 25.09.2018. Shri P. K. Bahl, Senior Executive appeared before the Committee on behalf of the firm and made the following submissions:

1. They have stated that the above AA was issued with initial validity of 12 Months and have got it revalidated for another 6 Months from RA.
2. They have completed 100% Export Obligation within EOP and there is a Deemed exports and the registration of license is required for imports only.
3. They have received a show cause notice dated 28.06.2016 stating that the required documents have not been submitted for redemption against 12 licences and the copy of the same had been sent to Custom Authority, Kandla.
4. The customs have stopped registering their all licences.
5. They met Addl. DGFT, (CLA), New Delhi in this regards and requested her to advise Custom Authority not to stop the imports.
6. The Addl. DGFT (CLA) told them that this is the problem of Customs, and they have never told them to stop imports against valid licences and copy of SCN has been sent for information only.
7. Subsequently, as Customs had stopped the registration of licences, the firm got all the licences redeemed and submitted the copies of redemption letters to customs but by the time the licence had expired.
8. They have also stated that Custom Kandla do not issue and receipt for receiving and registration of licence.
9. They could not import the raw materials allowed in the licence thereby suffering a huge loss as they have used duty paid materials to fulfil the EO.
10. They are a One star Export House and exporting for several years and never been declared defaulters but due to certain technical reasons they could not get the licences redeemed earlier.
11. The Customs have issued a letter dated 06.09.2017 stating that the validity of licence is expired and to get the extension of licence
12. The firm has requested for revalidation of the above Advance Authorization up to six months

<u>Decision</u>: The Committee noted that the applicant had obtained the Advance Authorization Nos. 0510397050 dated 23.12.2015, 0510396180 dated 02.11.2015, 0510396400 dated 23.11.2015, 0510400069 dated 07.10.2016, 0510396591 dated10.12.2015, 0510396585 dated10.12.2015, 0510396421 dated26.11.2015, 0510399584 dated 31.08.2016, 0510396592 dated 10.12.2015, 0510399586 dated 31.08.2016 and 0510396624 dated 16.12.2015 and fulfilled 100% export obligation but could not make imports because the customs Authority had put the firm under alert, as the copy of SCN issued by RA CLA against the pending Authorizations was endorsed to the Customs Authority. The Committee, therefore, decided to allow revalidation of six months from the date of endorsement subject to submission of a letter from the relevant Customs

authorities that the firm had been placed under alert on the basis of the SCNs issued by CLA, New Delhi and that the alert has been removed after redemption of the said authorizations.

(Action:Applicant)

PH Case No.25-41: M/s Thermax Limited, Pune
PRC Meeting No. 17/AM19 dated 25.09.2018

Subject: To waive off the requirement of net content consumption of S/bills for redemption of Advance Authorization Nos (3110060492 dated 30.09.2013, 3110046140 dated 27.12.2010, 3110065389 dated 23.04.2015, 3110065257dated 05.02.2015, 3110065498 dated 22.06.2015, 3110065298 dated 24.02.2015, 3110065226 dated 27.01.2015, 3110065126 dated 05.12.2014, 3110064601 dated 24.07.2014, 3110065035 dated 10.11.2014, 3110064523 dated 03.07.2014, 3110064996 dated 21.10.2014, 3110046138 dated 27.12.2010, 3110065443 dated 21.05.2015, 31003360 dated 29.06.1999, 3110036393 dated 11.12.2008 and 311002596 dated 24.11.2000)

The applicant had sought personal hearing, which was afforded on 25.09.2018, Shri Jacob George, GM Exim & commercial and Shri Anil Borude, Deputy Manager appeared before the committee on behalf of the firm and made the following submissions:

1. The firm obtained above duty free advance License for import of duty free Raw materials and components for the manufacture of export product as per para 4.07 of HBP.
2. The Norms Committee has approved the Norms based the actual requirement of duty free material required for the manufacturing based on the drawing and calculation.
3. They have already completed the exports and realized the payment and submitted the documents to office of Jt. DGFT, Pune for EODC.
4. However the office of Jt. DGFT, Pune had asked them to furnish the details of Net consumption of duty free materials in the export products certified by Central Excise authority or from Customs.
5. They are manufacturers of large capital goods and the export products are shipped out in various lots.
6. The gross consumption including wastage of duty free material used for the manufacturing is shown on the shipping bills.
7. Further under the EDI system there is no provision to show gross consumption and net consumption separately.
8. They would like to make the submission that most of the licenses are old and customs have issued Demand Notice, invoking the Bank Guarantee furnished against the license.
9. If they are unable to produce the EODC their bank guarantees shall be invoked and this will put them in huge financial loss.
10. In view of the above they requested for waiver of the requirement of certification by Excise Authorities or customs authorities with regard to net content consumption and to consider the request for EODC on the basis of net consumption certificate issued by chartered Engineer.

Decision: The Committee went through the statements made by the firm in its application and during the personal hearing and noted that the authorization was obtained on customer specific export product. The shipments are large and go in lots (50-100 shipments) because of the size of the boiler/equipment. The firm is said to have indicated the gross weight of the inputs in the export documents. The Committee decided to accede to the request of the firm subject to condition that the firm shall submit a certificate from an independent chartered engineer indicating the net consumption on the basis of the stock and consumption register maintained by the firm.

(Action: Applicant/RA)

Case No.42: M/s Topsia Estates Pvt. Ltd., Kolkata
F. No. 01/61/180/27/AM19PC-3
PRC Meeting No. 17/AM19 dated 25.09.2018

Subject: Re-credit /Revalidation in licenses of M/s Topsia Estates Pvt. Ltd., Kolkata

1. The applicant imported some material against their two VKGUY licence issued by RLA, Kolkata.
2. At the time of import, the customs authorities assessed the Bills of Entries by Enhancing the C.I.F value. Due to enhancement in C.I.F value, the applicant had to pay unnecessary Excess Customs Duty.
3. To avoid delay and demurrage the applicant got cleared the goods by paying the Excess Customs Duty as per Custom enhanced valuation. Part of the Excess Duty was paid in cash and part was paid by way of debit of these two VKGUY scrips.
4. However, being aggrieved the Applicant filed Appeal before the Custom Authorities. The Commissioner of Customs (appeal), Kolkata set aside the said assessment done by Customs and directed refund of Excess Customs Duty by re-crediting the said two VKGUY licence under which the duty was paid.
5. In the order of Customs after appeal, Excess Custom Duty paid in cash was refunded by cheque and Excess Custom duty paid by way of debit of two VKGUY licence were ordered to be refunded by Re-credit of the said VKGUY licence.
6. Therefore, the firm has requested to revalidate the two VKGUY scrips for the purpose of revalidation and using the same.

Decision: The Committee went to through the statements made by the firm and noted that the Customs authority has ordered re-credit of the excess duty debited against the subject VKGUY Scrips. However, the same was not able to be re-credited into the respective VKGUY scrips due to expiry of the validity of the Duty Credit Scrips. The Committee noted that there is no other option available to the firm to make use of the re-credit ordered by the customs authorities than through re-credit of the same to the relevant VKGUY Scrips. Therefore, the Committee decided to revalidate the two VKGUY Scrips for a period of 6 months from the date of endorsement within which the firm shall get the re-credit done and also utilize the scrips.

(Action: RA)

Case No.43: M/s. Radhika International, Moradabad
F. No. 01/61/180/428/AM19/PRC
PRC Meeting No. 17/AM19 dated 25.09.2018

Subject: Relaxation in the matter of claiming MEIS benefit for 12 numbers of shipping bills under online filling mode.

1. They have exported goods under 12 shipping bills from ICD, Moradabad, UP & while filing the shipping bills, their CHA had mentioned incorrect ITS No. 94038100 in the Shipping Bills and the LEO was given by the Customs.
2. It is however, on verifying the Shipping bills form their end. they found that the said shipping bills with incorrect ITS classification. Correct ITS classification No. for the enclosed 12 shipping bills in 94038200.
3. They respectfully submit that they immediately took up to matter before Customs authorities for endorsement of correct ITS No. in their said export item.
4. They submit the Customs authorities has considered their request vide their letter dated 12.07.2018, whereby the customs authorities has pleased to allowed the amendment in said 12 Shipping Bills duly incorporating the correct ITS classification of their exporting item i.e., 94038200.
5. Now, they are getting difficulty in filing the MEIS claim with RLS, Moradabad, as Shipping Bills containing incorrect ITS Nos is already sent by Customs to DGFT website & the amended Shipping bills with correct ITS classification no. 94038200 can't be re-sent by customs to DGFT website for claiming MEIS.

Decision: The Committee went through the statements made by the firm and decided to refer the issue to Chapter 3 Policy Division/EDI division to examine the issue.

(Action: PC-3/EDI)

Case No.44: M/s Eage Electronis Pvt. Ltd., Gurugram
F. No. 01/60/162/436/AM19/PRC
PRC Meeting No. 17/AM19 dated 25.09.2018

Subject: Import under Advance Authorization for export without BIS certification

1. They are a company regularly exporting LED Luminaries to Europe.
2. They had placed a new order for 2075 units using Zigbee Drivers from Harvard Technology UK. The model no. required of the Driver is CLS90-700S2Z-240-B-NI, item no.-F00024076.
3. They are also applying for an advance authorisation for import of this item for exports only. The advance authorisation application file number is 05/25/040/00201/AM19. The purchase order is for US$281058.75.

4. They have requested to waive off the BIS regulation for import of Harvard Driver CLS90-700S2Z-240-B-NI against advance authorisation application file number 05/25/040/00201/AM19 as the total quantity of Drivers imported in India will be exported to Europe against their P.O. Ref no:MTI20356 and none of the imported Drivers will be used/sold in India.

DECISION: The Committee went through the statements made by the firm and noted that the firm is making imports only for the purposes of exports against the particular advance authorisation. The Committee decided to waive the requirement of the BIS regulation in the instant case subject to pre-import condition. The Policy divisions of Advance Authorization Scheme and the General Provisions shall also examine the issue for suitable amendments of the relevant provisions for export purposes subject to pre-import condition.

Case No.45: M/s SAS International, Chennai
F. No. 01/60/162/427/AM19/PRC
PRC Meeting No. 17/AM19 dated 25.09.2018

Subject: Clubbing of our Advance Authorization Annual requirement no.(1) 0510390018 dated 30.07.2014 (2) 0510392102 dated 21.11.2014 (3) 0510395575 dated 24.04.2015 and (4)0510393955 dated 10.09.2015 and Relaxation of Norms for discharging of EO.

Decision: The Committee went through the statement made by the firm in their application and noted that the facts of the case have not been clearly specified by the firm and hence decided to call the firm for personal hearing along with details of imports /exports and statement of accountability.

(Action: Applicant)

Case No.46: M/s Ashish Life Science Pvt. Limited, Mumbai
F. No. 01/60/162/427/AM19/PRC
PRC Meeting No. 17/AM19 dated 25.09.2018

Subject: Waiver from submission of documents as per PC-18 (Destruction Certificate) against Advance Authorization No.0310799043 dated 24.09.2015

1. The import has been made up to 4.00 KGs. as per authorization.
2. However while processing the raw material for manufacturing finished goods, owing to inefficient equipment resultant product has been affected adversely.
3. The quantity of resultant product was reduced by 13969 nos. of capsules which is equivalent to 0.855 Kgs. The equipment is malfunctioning / faulty / out of order was not known while the batch was under production.
4. It has come to the notice only after completion of batch production. On other hand, raw material which was in power form, actually vaporized / vanished. It is not possible to

recover the same and / or reuse for manufacturing purpose. It has thus resulted in shortfall in Export obligation and hence requirement of destruction certificate arose.

5. However as the raw material is vaporized / vanished, question of destruction does not arise and so was not possible to follow the procedure prescribed as per PC-18.
6. As Directed by RA Mumbai Import Duty with applicable interest of Rs. 37,016/- and Rs. 5,133/- has been paid vide TR challan No. HC-72 & HCH 419 dt.19.09.2019 respectively. They hereby declare that raw material imported under said authorization is consumed fully for export item and no imported raw material lying with them and / or diverted in to domestic market.
7. As the raw material imported is fully consumed, exported as well and no import raw material is lying with them, they request for waiver from submission of destruction certificate.

Decision: The Committee went through the statements made by the firm and noted that the firm is said to have used excess imports for the purposes of manufacturing. The committee decided to waive the requirement of destruction certificate with the condition that the applicant would submit a declaration in order to **indemnify to the Government for any diversion of unregistered materials to the domestic market that may be detected in future** to Regional Authority.

(Action: Applicant)

Case No.47: M/s Scigenics (India) Pvt. Ltd., Chennai
F. No. 01/60/162/432/AM19/PRC
PRC Meeting No. 17/AM19 dated 25.09.2018

Subject: Second extension in E.O. period of Advance Authorization No.0410162152 dated 01.08.2016 from 24 months to 30 months

1. They are manufactures exporter of "Fermenter" and their export items are order specific which needs to be worked mechanically and electrically as per the requirement of their buyers and has to be inspected by the buyer before dispatch to match his requirement.
2. Due to which their project go delayed and they could not be able to fulfil export obligation against above authorization within the specified time period of 24 months (original 18 months +6 months extension given by RA, Chennai.
3. As per HBP 2015-20, they need to fulfil minimum 50 % of Export Obligation to obtain further 6 months EOP extension which could not be maintained in their case.

Decision: The Committee deliberated the case in detail and noted that the firm has not completed 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.48: M/s Jonson Rubber Industries Limited, New Delhi
F. No. 01/60/162/429/AM19/PRC
PRC Meeting No. 17/AM19 dated 25.09.2018

Subject: Relaxation in Policy under the condition of minimum of 50 % fulfillment of export obligation both in quantity and value for availing 2nd extension in EOP of advance authorization No.0510399458 dated 12.08.2016 under para 4.42(F) of HBP 2015-20.

1. After imports made the Price of their export Product fallen Down in international markets and despite their repeated Negotiations with Foreign buyers they had cancelled all their export orders and Hence they made 17.76% of their exports.
2. Since Starting of 2018 the markets corrected and they made the imports procurement to further produce and make exports.
3. Till the time they could manage to get fresh export orders and manufacture the goods the time period for availing the first EO extension lapsed.
4. Since while getting the second EO Extension there is a condition of minimum 50 % of export obligation fulfilment, which they had not achieved and hence they are requesting in relaxation of the said condition and allow them the extension in EOP for twelve months till 12.02.2019

Decision: The Committee went through the statement made by the firm in their application and noted that the firm has not completed the stipulated export obligation of 50% within the original/extended obligation period in order to make them eligible for the second EOP extension As no grounds of genuine hardship could be seen, the Committee did not accede to the request of the firm.

(Action: Applicant)

Case No.49: M/s Shakti Pumps (India) Ltd., MP
F. No. 01/60/162/272/AM19/PRC
PRC Meeting No. 17/AM19 dated 25.09.2018

Subject: Allowing benefit of FPS under Chapter 3 and para 2.58 of FTP against file no. 56/21/87/80180/AM17, file no. 56/21/87/80001/AM18 and file no. 56/21/87/80172/AM17

1. **File No. 56/21/87/80180/AM17:** The application is made for Rs. 2,56,586.00 and has been rejected by Regional license Authority, Indore stating claim time barred. Due to some technical reasons their banker could not lodge the documents and close the same in their EDPMS system as the shipping bill was not getting fetched. However, they matter was resolved by their bankers State Bank of India, Indore and the BRC was uploaded on 24.02.2017. Moreover, the DGFT website takes 3-4 days to make the e-BRC's available for getting uploaded in the application after which they could file the application online on 27.03.2017.

2. **File No. 56/21/87/80001/AM18:** The application is made for Rs. 3,85,387.00 and rejected by Regional Licensing Authority, Indore stating claim time barred. There was a considerable delay in uploading the e-BRC's by the bank. The bank has upload the e-BRC's by wrong dates of realisation. There was a bit delay in uploading the amended e-BRC's. They had submitted their banker State Bank of India, Commercial Branch, Indore for lodgement of the documents. The document was returned as they denied to lodge the document pertaining the shipments made to Iraq. They had to lodge the document with Axis Bank Limited and the document were lodged and the e-BRC's were uploaded by Axis Bank Limited on 13.12.2016. Upon verification of the same they had observed that the e-BRC's were wrongly uploaded any they had taken up for amending the same. After long follow up with the bankers, the amended e-BRC's were re-uploaded by bank. The e-BRC's were amended within the time frame of applicable late cut but the e-BRC's were showing ÜSED" on the DGFT, website and they had again approached their bankers for amendment. They had advised them to take up with DGFT, Authorities and accordingly they had taken up and it was made available for attachment on 25.01.2017. however, even after getting all the corrections, due to ongoing regular updating of the DGFT website the application could not be prepared and the amended e-BRC's were also not getting attached to the application. They has approached DGFT, EDI team through e-mails, lodged the complaint on website of complaint resolution system of DGFT and taken up the issue on the official twitter handle of DGFT, which took a bit of time and after which they could finally submit their online application on 14.04.2017. The uploading of e-BRC's their amendment and the site updations and e-BRC's not getting attached to the application were one of the prime reasons due to which they were unable to submit the their application even after applicability of late cut.

3. **File No. 56/21/87/80172/AM17:** The application is made for Rs. 5,04,286.00 and rejected by Regional Licensing Authority, Indore stating claim time barred for 3 shipping bill no. 8378525, 8378490 and 7162851 are time bard shipping bills. They would like to bring to notice that e-BRC's were uploaded and summited for amendment to the Bank. The e-BRC was not getting attached to the application and due to the site updations the online application was not made in time by them.

4. The reasons mentioned above may be taken into consideration which were beyond their control and they could not avail the benefit even during the period of late cut and could be able to submit the same within the prescribed limit of Foreign Trade Policy and Procedure 2009-2014 and the application are now rejected by the their Regional Licensing Authority, Joint Director General of Foreign Trade, Indore. They hereby confirm that they shall also pay any addition fees required for obtaining the same.

<u>Decision</u>: The Committee went through the statements made by the firm and noted that the firm was having a period of 3 years from the date of exports to file the FPS claims which they have not done due to their own negligence. The Committee decided not to accede to the request of the firm.

(Action: Applicant)

Case No.50: M/s Bharat Heavy Electricals Limited, Hardwar
F. No. 01/80/50/00572/AM12/DES-I
PRC Meeting No. 17/AM19 dated 25.09.2018

Subject: Request for revision/amendment of norms Advance Authorization No.6110000728 dated 27.12.2011.

Decision: The Committee went thought the statements made by the firm in its application and decided to refer the issue to the Policy division 4 for examination and comments.

(Action: Policy Division 4)

Case No. 51 F. No. 01/89/180/40/AM09/PC-2(A)/E-1312
PRC Meeting No. 17/AM19 dated 25.09.2018

Subject: Relaxation of Policy under Para 2.58 of FTP on the mandatory requirement of import of 19 automotive equipments/used trucks through port of Krishnapatnam port.

Decision: The Committee noted that the import of the said vehicles are allowed only through the customs port at Mumbai as per Para 1(II)(d)(iv) of chapter 87 of the ITC HS 2017. The Committee also noted that the imports are being made by the port authorities themselves and are only for the purpose of the port operations. Therefore the Committee decided to relax the said clause to allow import clearance for the above import items at Krishnapatnam port subject to conditions that the said import items shall be used solely for the purposes of operations within the port premises.

Case No.52: (Incomplete Cases):
The following cases were discussed in the meeting. The committee noted that communications 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. Wintac Limited, Bengaluru	Application for the transfer of following Advance Authorizations along with the unutilized raw materials imported under the said advance authorization in terms of para 2.58 of the FTP 2015-20. 1. 710112304 dated 25.10.2017	The firm has not given ANF 2D for each license no and not fee paid only 2000/-

		2. 710113020 dated 23.03.2018 3. 710112960 dated 13.03.2018 4. 710112959 dated 13.03.2018	
2.	M/s. Ostern Private Limited.	Relaxation of condition of accounting for export under provision of clubbing vide para 4.38 of the HBP, Adv. Authorization no. 0210205103 dated 29.10.2014 and 0210206033 dated 31.07.2015.	ANF 2D and proof of Fee not submitted
3.	M/s. Best value chem Private Limited Vadodara	Request for Policy / Procedure Relaxation in terms of para 2.58 of FTP of 7 Advance authorization.	Short payment of fees
4.	M/s. Hetero Labs Limited, Hyderabad	Request for allowing of manual filing of MIES incentive	ANF 2D and Fee not submitted
5.	M/s. Lark Non-Ferrous Metals Ltd., Jammu	Request for consideration of their request for rectification of error or revalidation & extension of time of Advance Authorization no. 181004322 dt. 20.08.2015 issued in the name of M/s. Lark Non Ferrous Metals Ltd.	ANF 2D and Fee not submitted