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Directorate General of Foreign Trade
(PRC Section)

Minutes of the Policy Relaxation Committee Meeting Held on 28.01.2020&11.02.2020 under the Chairmanship of Shri Amit Yadav, Director General of Foreign Trade

Meeting No.29/AM20 held on 28.01.2020 and 11.02.2020

The following members were present in the meeting:

1.	Shri K.C. Rout	Addl. DGFT
2.	Shri R. P. Goyal	Addl. DGFT
3.	Shri Vijay Kumar	Addl. DGFT
4.	Shri Satyan Sharda	Addl. DGFT
5.	Shri Hardeep Singh	Addl. DGFT
6.	Shri Anil Aggarwal	Addl. DGFT
7.	Shri Rajbir Sharma	Jt. DGFT

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

S. No	Name of the firm	Case No.
1.	M/s. Anchor Health & Beauty Care Pvt. Ltd., Mumbai	1
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PH Case No. 01 M/s. Anchor Health & Beauty Care Pvt. Ltd., Mumbai
F. No. 01/60/162/332/AM20/PRC
PRC Meeting No. 29/AM20 dated 28.01.2020

Subject: Extension in EOP of EPCG License No.0330025156 dated 09.02.2010.

The applicant had sought personal hearing in terms of Para 2.59 of FTP, 2015-2020, which was afforded on 28.01.2020. Shri Navin Patel, Company Secretary, GM-Finance & Accounts appeared on behalf of the firm and made the following submissions:

The applicant stated that the specific facts and situation under which they could complete only 52.58% EO is due to (i) Higher Raw Material Prices - The prices of these raw materials had gone high during the year April, 2011 to March, 2018 and as such they could not complete with the multinational in the international market, whereas the multinationals have directly exported toilet soaps to the international market from Indonesia / Malaysia and Thailand i.e. from the countries which are the producers of the aforesaid raw material. Further, these multinationals manufacture grade 2 & 3 soaps wherein they use stone powders as fillers in the toilet soaps which lower their product cost. Besides all these they had exported in the year 2016-17, 2017-18, 2018-19 and current year i.e. 2019-20 respectively by incurring losses just to try fulfill the EO. (ii) Cut Throat Competition from Multinationals - Trade Tactic Colgate Palmolive had filed several cases on them with the Supreme Court, Delhi high court & other courts. The cases filed are mainly towards color combination trademarks & product pattern trademarks. Due to which they were hesitant to export their product for all these years anticipating any legal issues in foreign jurisdiction high and high legal cost and compensation / penalty etc. They have hired some good lawyers for these cases who have filed criminal cases on Colgate Palmolive on their behalf. Due to these they are now confident enough to export their products. They are trying to complete the EO. However, due to the above mentioned specific reasons they could not fulfill the EO within the EOP i.e. February, 2018. Now, they are in position to export the product. They have been exporting their products to UAE (Dubai), Oman and Kuwait. They are manufacturing and marketing the products i.e. toothpaste, tooth brush, toilet soap, etc. Till date total exports stands at US$ 535,467/- which is 52.58% of the actual EO in the view of their current exports trends.

__Decision__: The Committee heard the submission made by the firm and discussed the matter at length. It observed that the applicant's request had been discussed in detail by the EPCG Committee and has been rejected giving detailed reasons. After discussing the matter at length, the Committee found no merit in its application. Hence, decided to reject the request of the firm.

(Action: Applicant)

PH Case No. 02 M/s. Anchor Health & Beauty Care Pvt. Ltd., Mumbai
F. No. 01/60/162/333/AM20/PRC
PRC Meeting No. 29/AM20 dated 28.01.2020

Subject: Extension in EOP of EPCG License No.0330025187 dated 11.02.2010.

The applicant had sought personal hearing in terms of Para 2.59 of FTP, 2015-2020, which was afforded on 28.01.2020. Shri Navin Patel, Company Secretary, GM-Finance & Accounts appeared on behalf of the firm and made the following submissions:

The applicant stated that the specific facts and situation under which they could complete only 52.58% is EO due to (i) Higher Raw Material Prices - The prices of these raw materials had gone high during the year April, 2011 to March, 2018 and as such they could not complete with the multinational in the international market, whereas the multinationals have directly exported toilet soaps to the international market from Indonesia / Malaysia and Thailand i.e. from the countries which are the producers of the aforesaid raw material. Further, these multinationals manufacture grade 2 & 3 soaps wherein they use stone powders as fillers in the toilet soaps which lower their product cost. Besides all these they had exported in the year 2016-17, 2017-18, 2018-19 and current year i.e. 2019-20 respectively by incurring losses just to try fulfill the EO. (ii) Cut Throat Competition from Multinationals - Trade Tactic Colgate Palmolive had filed several cases on them with the Supreme Court, Delhi high court & other courts. The cases filed are mainly towards color combination trademarks & product pattern trademarks. Due to which they were hesitant to export their product for all these years anticipating any legal issues in foreign jurisdiction high and high legal cost and compensation / penalty etc. They have hired some good lawyers for these cases who have filed criminal cases on Colgate Palmolive on their behalf. Due to these they are now confident enough to export their products. They are trying to complete the EO. However, due to the above mentioned specific reasons they could not fulfill the EO within the EOP i.e. February, 2018. Now, they are in position to export the product. They have been exporting their products to UAE (Dubai), Oman and Kuwait. They are manufacturing and marketing the products i.e. toothpaste, tooth brush, toilet soap, etc. Till date total exports stands at US$ 535,467/- which is 52.58% of the actual EO in the view of their current exports trends.

Decision: The Committee heard the submission made by the firm and discussed the matter at length. It observed that the applicant's request had been discussed in detail by the EPCG Committee and has been rejected giving detailed reasons. After discussing the matter at length, the Committee found no merit in its application. Hence, decided to reject the request of the firm.

(Action: Applicant)

PH Case No. 03 M/s. Unicharm India Pvt. Ltd., Gurugram

F. No. 01/60/162/670/AM20/PRC

PRC Meeting No. 29/AM20 dated 28.01.2020

Subject: Acceptance of Export proceeds in INR from Nepal towards fulfillment of EO against EPCG Authorization No.1330003145 dated 21.09.2011, 1330003496 dated 26.07.2012 and 1330002902 dated 03.02.2011.

The applicant had sought personal hearing in terms of Para 2.59 of FTP, 2015-2020, which was afforded on 28.01.2020. Shri Vijay Chaudhary, Executive Director appeared on behalf of the firm and made the following submissions:

The applicant stated that they are aware that India has a porous border with Nepal, monitoring export / realization against INR may be different. However, this scenario is not possible, as import/export of baby diaper cannot be done, as it is very expensive proposition as logistics cost are very high and large in volume. Moreover, whenever they export baby diaper to Nepal, it complies with all the applicable provisions of the Customs Act 1962, for every export. They receive "Bill of Export for duty free goods" from the Customs Authorities of Nepal wherein the quantity, description and value of the exported goods are clearly mentioned. The import duty in Nepal on this item is fixed at Nepalese Rs.48.00 (which is approx. INR 30.00). Additionally, there is VAT rate of 15% and Customs Duty 13% on the value of goods imported. Total duties are approx. 30% or above value of goods and logistics cost. Further stated that a product where such a large amount of Customs Duty has been paid to Nepal's Customs, cannot come back for Circular Trading as cost will be prohibitive, which may be a question or point of worry for the Government and Department, therefore, there is no possibility of export goods being brought back into India by smuggling nor by paying duties back in India, as duties when imported same product in India as basis duty is 10% GST is 12%. Their request is to discharge EPCG obligation by accepting export proceeds in INR for exports made to Nepal.

Decision: The Committee went through the submission made by the firm and noted that policy provisions are very clear in this regard and export proceeds realized in INR for exports to Nepal cannot be considered for discharge of EO against EPCG authorisations. After detailed discussions, it found no merit or hardship in their case. Hence, it decided to reject the request of the firm.

(Action: Applicant)

PH Case No. 04 M/s. Cosmo Films Limited, Aurangabad
F. No. 01/60/162/687/AM20/PRC
PRC Meeting No. 29/AM20 dated 28.01.2020

Subject: To allow MEIS benefit against 73 S/bills pertains to the year 2016-17 in which 'N' has been mentioned in reward column for claiming benefit by the Customs due to mistake.

The applicant had sought personal hearing in terms of Para 2.59 of FTP, 2015-2020, which was afforded on 28.01.2020. Shri N. Sridhar, Manager - Commercial appeared on behalf of the firm and made the following submissions:

The applicant stated that their export turnover is over 800Cr. and they are exporting their products to all over globe. During the year 2016-17 they had exported shipments from JNPT (INNSA1), Petrapole (INPTPB) and Bombay Air Cargo (INBOM4). However, in some of the shipping bills at the time of filing EDI shipping bills, Customs has mistakenly mentioned MEIS intent as "N" instead of "Y". In all their checklists which were given by their CHA at the time of approving shipping bill intent was given as "Y".

Decision: The Committee examined the case on the basis of justification furnished by the firm and discussed the matter at length. The Committee observed that the Shipping Bills where 'No' is ticked (for any reason, whatsoever) do not get electronically transmitted on-line in the automated environment. Accordingly, it decided to reject the case.

(Action: Applicant)

PH Case No. 05 M/s. Wakeel Ahmad, Sitapur (UP)
F. No. 01/60/162/772/AM19/PRC
PRC Meeting No. 29/AM20 dated 28.01.2020

Subject: To allow FPS/VKGUY and MEIS benefit against shipping bills pertain to 2014-15which payments have been realized on time but the e BRC have been uploaded by the bank in 2017, 2018.

The applicant had sought personal hearing in terms of Para 2.59 of FTP, 2015-2020, which was afforded on 28.01.2020. Shri Sanjeev Sharma, Authorised Representative appeared on behalf of the firm and made the following submissions:

The applicant stated that their claim benefit for the Shipping bills pertain to 2014-15 for which payment have been realized on time but the BRCs have been uploaded by the bank in 2017, 2018 and still uploading. Now when they are submitting the application for claim the software itself is imposing the cut or RA has rejected mentioning case is time barred.

Decision: The Committee went through the statement made by the applicant and discussed the matter at length. The Committee observed that due to delay in uploading of BRC by the banker in DGFT Portal, the firm has faced the problem which was beyond their control and accordingly decided to accede to the request of the firm for grant of Chapter-3 benefits for the shipping bills pertaining to 2014-15without any late cut for which payments have been realized on time but the e BRC have been uploaded by the bank after the expiry of three years from the date of let export. All BRCs uploaded till 31.12.2019 would be covered. The firm shall approach RA within 30 days from the date of uploading of the minutes of meeting.

(Action: Applicant/RA-Kanpur)

PH Case No. 06 M/s. Mahindra Electric Mobility Ltd., Mumbai
F. No. 01/60/162/483/AM20/PRC
PRC Meeting No. 29/AM20 dated 28.01.2020

Subject: Condonation of Procedural Lapse of not generating the bill of Export towards fulfillment of EO against Advance Authorization No.0710044184 dated 04.04.2006.

The applicant had sought personal hearing in terms of Para 2.59 of FTP, 2015-2020, which was afforded on 28.01.2020. Shri P. Deep, GM Export/Import/IP appeared on behalf of the firm and made the following submissions:

The applicant stated that they had obtained the subject authorization for export of 100 Cars to Nepal. They have imported the inputs and manufactured 100 Cars and exported it. They have received the payments for all 100 Cars from their foreign buyers. Out of 100 Cars, while at the time of removal goods from their factory for 8 Cars, the Excise Authority has certified all their export documents for export clearance of 8 Cars under various invoices. However, at the time of Customs clearance at Indian border, Customs have not generated the Bill of Export for the same. Hence, requested for condonation of procedural lapse of not generating the Bill of Exports.

Decision: The Committee having heard the case on the basis of justification furnished by the firm, deferred the case and asked the firm to deposit all documents related to the EO fulfillment for further examination.

(Action: Applicant)

PH Case No. 07 M/s. Aquarelle India Pvt. Ltd., Mumbai
F. No. 01/60/162/1148/AM17/PRC
PRC Meeting No. 29/AM20 dated 28.01.2020

Subject: Extension in EOP Extension of 5 Advance Authorization Nos. 0710092791 dated 31.12.2012, 0710092002 dated 19.11.2012, 0710091482 dated 19.10.2012, 07100946581 dated 10.07.2013 and 0710090725 dated 14.09.2012.

Decision: The applicant had sought personal hearing in terms of Para 2.59 of FTP, 2015-2020, which was afforded on 28.01.2020, but no one appeared on behalf of the firm. The Committee decided to defer the case.

(Action: Applicant)

PH Case No. 08 M/s. Dhirendra International Pvt. Ltd., Neemuch (MP)
F. No. 01/60/162/938/AM17/PRC
PRC Meeting No. 29/AM20 dated 28.01.2020

Subject: Extension in EOP against Advance Authorization No.5610004907 dated 17.05.2016 for regularisation purpose only.

The applicant had sought personal hearing in terms of Para 2.59 of FTP, 2015-2020, which was afforded on 28.01.2020. Shri Mahendra Garg, Assistant Director and Shri Rishi Jaithlia, Accountant appeared on behalf of the firm and made the following submissions:

The applicant stated that they had made imports against the subject authorisation and made full exports against the same but due to some unavoidable conditions, export made were beyond the EO expiry date. They have their factory established in village Kanawati, Near Neemuch District of Madhya Pradesh. They are working in a backward area of Madhya Pradesh where transportation is the biggest problem. They had made imports in Monsoon Season and due to roads get flooded by rain transport vehicles were not available to transport goods from factory to ports.

Further, stated that due to continuous raining, moisture content also increased in the seeds which resulted in powder sticking to machines while grinding the seeds and it led to machine damage. It took 3 weeks to repair the machine and make it ready to work again. They had processed some quantity of goods and quality prepared but does not meet with the requirements as asked by the buyer of United Kingdom. After consultation with the experts they had reached to the conclusion that they had to wait till the end of Monsoon Season so that contents and quality of the goods meet the desired requirements as asked by the buyer from United Kingdom.

Decision: The Committee examined the case in detail and in view of justification provided by the firm it decided to accede to the request and allowed EOP extension up to 16.01.2017, as requested, only for regularization purpose subject to the payment of composition fees @0.5% per month on the unfulfilled FOB Value in case export are effected more than 50% within the initial/extended EOP and @1% per month if the export within the initial/extended EOP are less than 50%. The firm shall approach RA within 30 days from the date of uploading of the minutes of meeting.

(Action: Applicant/RA-Indore)

PH Case No. 09 M/s. House of Tuhina, New Delhi
F. No. 01/60/162/454/AM20/PRC
PRC Meeting No. 29/AM20 dated 28.01.2020

Subject: Condonation of delay in filing Chapter 3 benefit against RA File No. 05/51/087/50075/AM19 (8 S/bills).

The applicant had sought personal hearing in terms of Para 2.59 of FTP, 2015-2020, which was afforded on 28.01.2020. Shri Nasir M. Shamsi, Authorised Representative appeared on behalf of the firm and made the following submissions:

The applicant stated that for the first time they had applied FPS claim on 20.03.2019 in CLA, Delhi against 8 shipping bills, after BRCs reflected on e-com portal on 05.06.2018 and 12.09.2018. RA had rejected their case stating as time barred, though they had applied for the same within one month of uploading.

Decision: The Committee heard the submission made by the firm and discussed the matter at length and the Committee observed that due to delay in uploading of BRC by the banker in DGFT Portal, the firm has faced the problem which was beyond their control and accordingly decided to accede to the request of the firm for grant of FPS benefit against 8 shipping bills applied under File No.05/51/087/50075/AM19 without any late cut. The firm shall approach RA within 30 days from the date of uploading of the minutes of meeting.

(Action: Applicant/CLA-New Delhi)

PH Case No.10 M/s. Trident Forgings (P) Ltd., Chennai
F. No. 01/60/162/213/AM20/PRC
PRC Meeting No. 29/AM20 dated 28.01.2020

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Subject: 2nd Extension in EOP of EPCG Authorization No.0430009333 dated 27.12.2010.

The applicant had sought personal hearing in terms of Para 2.59 of FTP, 2015-2020, which was afforded on 28.01.2020. Shri A. Suresh, Director - Sales appeared on behalf of the firm and made the following submissions:

The applicant stated that they had obtained the subject authorisation under Zero Duty EPCG Scheme. They had completed 87% of EO and balance of 13% could not be fulfilled within the stipulated time, due to international market lean season. Hence, requested for extension in EOP to complete the balance 13% EO. Firm also produced an order dated 10.12.2019 from HC Madras wherein PRC has been asked to pass a detailed reasoned order on the request of the firm.

Decision: The Committee heard the submission made by the firm and discussed the matter at length and in view of reasoning made by the firm, decided to accede to the request of the firm for extension in EOP against EPCG Authorization No.0430009333 dated 27.12.2010 for a period of 2 years from the date of expiry of extended EO period subject to payment of composition fee equal to 2% of proportionate duty saved amount on the unfulfilled export obligation for each year of extension. The firm shall approach RA within 30 days from the date of uploading of the minutes of meeting.

(Action: Applicant/RA-Chennai)

Case No. 11 M/s. Sharma Export, Malda
F. No. 01/60/162/754/AM20/PRC
PRC Meeting No. 29/AM20 dated 28.01.2020

Subject: To allow MEIS benefit against 17 shipping bills in which 'No' has been ticked in reward column instead of 'Yes'.

The applicant stated that during 2018-19 they have exported several consignments through LCS Ranaghat, which is currently functioning as EDI Port. However, while filing the bill of export for 17 Shipping bills, due to oversight / inadvertence on part of their CHA, the reward column was left as Blank/NO, though it was mentioned in all the 17 BoEs that exports made under claim of MEIS. Further, stated that since introduction of EDI system at Ranaghat LCS w.e.f 04.10.2018, there was lot of confusion in filling up the columns, as informed by the CHA. As a result of the above inadvertence, none of the bill of export in 17 shipping bills are being reflected in the Customs Systems / not transmitted to DGFT Server. In reply to their letter dated 26.07.2019, Customs, Ranaghat RS, LCS issued a letter No. VII (48) 05/ Amend / Ran /Cus /2019/185 dated 27.09.2019 informing that the matter had been examined and opined that they may approach to higher forum for resolving the issue. Although they ran from pillar to post for amendment of the aforesaid shipping bills, yet they regret, Customs did not amend the same. Under the circumstances, they are unable to apply for appropriate post export benefits of Rs.5.59 crores (appx.), resultantly they are suffering heavy loss and the interest burden is mounting every day.

Decision: The Committee went through the statements made by the firm and discussed the matter at length. The Committee observed that the Shipping Bills where 'No' is ticked (for any reason, whatsoever) do not get electronically transmitted on-line in the automated environment. Accordingly, it decided to reject the case.

(Action: Applicant)

Case No. 12 M/s. Danopharma Chemicals Pvt. Ltd., Mumbai
F. No. 01/60/162/114/AM19/PRC
PRC Meeting No. 29/AM20 dated 28.01.2020

Subject: Extension of EOP against Advance Authorization No.0310796676 dated 17.06.2015.

The applicant stated that they had exported 18900 kgs and fulfilled100% EO upto 31.03.2018. As they received EOP extension upto 16.03.2018 only by PRC, against 2Shipping Bill No.3563733 and 3854482 they shipped goods on 17.03.2018 and 29.03.2018. They have submitted their application to RA, Mumbai for regularization and redemption with all the necessary documents. However, the RA, Mumbai stating that the export will be considered up to 16.03.2018 only as per advance authorization date, has returned the application. Hence, their request is to consider the 2 shipments which are made after 16.03.2018 (1000 kgs on 17.03.2018 and 1480 kgs on 29.03.2018) respectively for regularization and redemption.

Decision: The Committee examined the case in detail and in view of justification provided by the firm, it decided to accede to the request and allowed EOP extension up to 31.03.2018 only for regularization purpose. The firm shall approach RA within 30 days from the date of uploading of the minutes of meeting.

(Action: Applicant/RA-Mumbai)

Case No. 13 M/s. Magnolia Martinique Clothing Pvt. Ltd., New Delhi
F. No. 01/60/162/552/AM20/PRC
PRC Meeting No. 29/AM20 dated 28.01.2020

Subject: Request for availability of used E-BRC for amendment by the Bank to avail MEIS benefit.

The application stated that the amount of realization against the subject shipping bills were uploaded in one consolidated E-BRC, due to which balance shipping bills are showing as pending for realization as well as closure of GRI & Issue of E-BRC. They have utilized these consolidated E-BRCs for claiming MEIS benefit to the extent of FOB value of some shipping bill, leaving other shipping bills unclaimed. As the amendment of E-BRCs is not possible in the used shipping bills, their request is to allow MEIS for unclaimed shipping bills by using already utilized BRCs.

Decision: The Committee examined the case in detail and in view of justification provided by the firm and comments/views received from NIC/PC-3 divisions the Committee observed that in the E-com module/MEIS framework at present, there is no mechanism to provide a solution to the mistake done by the firm/bank of the firm. Accordingly, it decided to reject the case.

(Action: Applicant)

Case No. 14 M/s. Janki Corp Limited, Karnataka
F. No. 01/60/162/677/AM20/PRC
PRC Meeting No. 29/AM20 dated 28.01.2020

Subject: Waiver of EO against 4 EPCG Authorization No.0730007504 dated 23.10.2008, 0730007831 dated 17.02.2009, 0730007864 dated 27.02.2009 & 0730007916 dated 24.03.2009.

The application stated that they had obtained the subject aurthorisations for export of iron ore pellets. However, after few months on 02.09.2011, Supreme Court imposed a ban on mining activities in Karnataka and export of iron ore pellet from Karnataka based on the report submitted by the Central Empowered Committee (CEC) dated 01.09.2011. The said ban is still in place till writing this application and in future when this ban will be uplifted or whether it will be ever uplifted or not is not known. While their whole project plant was for exports, they started procuring iron ore from e-auction and manufactured Iron Ore Pellets for domestic market as they were not allowed to export. This led them into a situation where they were not only unable to fulfill their export obligation but also forced to sell in the domestic market at significantly lower priced to run their business. This has resulted in a considerable loss to them due to the price differential in exports v/s domestic iron ore market. They had made an attempt to fulfill the export obligation, and had applied for first block extension and inclusion of additional products in the EPCG license to RA, Bangalore on 11.09.2015, however their request was not accepted on the grounds that they have not done any exports in the 6 years period (out of which roughly for 4 years the ban was in place).

Decision: The Committee went through the statements made by the firm and observed that it is not a case of relaxation of policy. As many other such EPCG authorization holders may also be facing similar problems, it decided to refer the issue to EPCG-Division for examining the matter afresh, in its entirety and put up the same on file to DG for a decision.

(Action: Applicant/EPCG-Division)

Case No. 15 M/s. Hariom Polypacks Limited, Kolkata
F. No. 01/60/162/718/AM20/PRC
PRC Meeting No. 29/AM20 dated 28.01.2020

Subject: Revalidation of Advance Authorization No.0210207728 dated 29.06.2017.

The applicant stated that inspite of they had completed EO within initial EOP, and took all necessary steps to utilize the authorization including timely revalidation, they failed to utilize due to the undue extra time taken by the release advise issuing authority at the Kolkata Sea Customs and the Reliance SEZ, Jamnagar Customs

Authority. Although the subject license was expired on 28.06.2018, but by mistake a Release Advise No.5039832 dated 17.07.2018 from Kolkata Customs House to INLPJ6 (Reliance SEZ) was issued for indigenous procurement of 100.00 MTs of Polypropylene Granules from Reliance industries Ltd, which was not accepted at the port of import, i.e, Reliance SEZ, Jamnagar Customs. The said release advice was required to be cancelled and fresh release advice issued after revalidation of the authorization. Although they got the authorization revalidated for six months up to 28.12.2018, but during the intervening period, the release advise so wrongly issued could not get cancelled, due to undue extra time taken to complete formalities for cancellation by the two Customs Authorities. They Again got the authorization revalidation for 2nd time for six months up to 27.06.2019, by the time, the previous release advise got cancelled in May, 2019 and a fresh release advise issued but again the same confirmation formalities took enough time between the two Customs, that the authorization got expired again. At the outset, the authorization could not be utilized by them inspite of their best efforts, due to involvement of two Customs Authorities and the formalities between them.

Decision: The committee went through the statement made by the firm in its 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 all documents in support of their justification.

(Action: PRC/Applicant)

Case No. 16 M/s. Subhalakshmi Polyesters Limited, Gujarat
F. No. 01/60/162/746/AM20/PRC
PRC Meeting No. 29/AM20 dated 28.01.2020

Subject: Clubbing of 3 Advance Authorization No.(i) 5210042233 dated 17.04.2017, (ii) 5210043025 dated 05.04.2019 and (iii) 5210043097 dated 01.07.2019.

The applicant stated that due to slowdown/decline in exports and compelling competition in international market, they have not imported full quantity even though they were eligible to do so due to the poor market conditions. They have also not fulfilled EO as per advance authorizations quantity-wise, however in case if it is clubbed, 105% EO fulfilled is observed instead of 100%. They are willing to pay duty on excess material imported against the said authorizations. In the first license they have imported 53% only. However, they have done export of 3525 MTs of eligible of 3400 MTs as per SION. In the second license they have done import to the tune of 80% and exported 5000 MTs against 5000 MTs (100% EO). And in the third license, they have imports to the tune of 24% and exported 2120 MTs out of 1668 MTS (as per SION) and export period is yet not over for export.

Decision: The Committee went through the submission made by the firm and noted that policy provisions on clubbing of advance authorizations are very clear. Accordingly, discussed the matter at length and found no merit in their case. Hence, the Committee decided to reject the request of the firm.

(Action: Applicant)

Case No. 17 M/s. Jindal Aluminum Limited, Bengaluru
F. No. 01/60/162/749/AM20/PRC
PRC Meeting No. 29/AM20 dated 28.01.2020

Subject: Revalidation of Advance Authorization No.0710112654 dated 08.01.2018.

The applicant stated that they had completed 100% EO within the stipulated time period of 12 months but partial import for Tool and Die steel against actual export done already not yet completed due to non-appearance of the license at ICEGATE & DGFT Websites during 2nd validity or at the time of arrival of shipments at port their 2ndrevalidation was granted by RA, Bengaluru on 14.08.2019 for import from 08.07.2019 to 08.01.2020. License was transmitted by DGFT to IECGATE on 17.08.2019 but when they applied for registration of 2nd revalidation with Customs then they were informed by the Customs that subject license is not reflecting in ICEGATE, so they immediately informed to DGFT EDI – New Delhi who asked them to lodge online complaint which was done vide Complaint No.101171 dated 22.08.2019. On 3rd September, 2019 they sent e-mail to DGFT EDI informing that Custom did not receive re-transmission and even on the DGFT website date for the last transmission done was shown as 17.08.2019. On 18th September, 2019 DGFT EDI sent e-mail informing that license has been accepted by the Customs and DGFT Website, shows that license was re-transmitted on 12.09.2019 and again on 30.09.2019, but it was integrated with the Customs System on 23.10.2019.Due to the above mentioned reasons this license was not available for use for the period from 08.07.2019 to 23.10.2019 (about 3 and a half months time) but shipments of Die Steel came during this time which they had to clear in other advance license so they could not utilize this license. All shipments were planned for clearance in subject license to complete the pending import against export already done, but they could not do it because of the reasons explained hereinabove.

Decision: The Committee examined the case in detail in view of justification provided by the firm. The Committee observed that there is merit in the case and accordingly decided to accede to the request and allowed revalidation of Authorization No.0710112654 dated 08.01.2018 for a further period of 4months from the date of endorsement (i.e. time period lost due to transmission problems). The firm shall approach RA within 30 days from the date of uploading of the minutes of meeting.

(Action: Applicant/RA-Bengaluru)

Case No. 18 M/s. Viswateja Spinning Mills (P) Ltd., Guntur
F. No. 01/60/162/494/AM20/PRC
PRC Meeting No. 29/AM20 dated 28.01.2020

Subject: To consider the supplies made to SEZ unit in the year 2015-16 towards fulfillment of EO against 7 EPCG Authorization Nos. 0930003114 dated 25.04.2007, 0930003343 dated 19.07.2007, 0930003402 dated 21.08.2007, 0930003512 dated 04.10.2007, 0930003604 dated 06.11.2007, 0930003647 dated

21.11.2007 and 0930003717 dated 20.12.2007, wherein export proceeds were realized in INR not through Foreign Currency Account of the SEZ Unit.

The applicant stated that they have not taken any new EPCG authorization in 2015-16 before completing EO. They are not aware of change in HBP. As such DGFT has issued circular clarifying the position only in Trade Notice No.10 dated 20.07.2016. They have completed their export obligation in October 2015 itself. Further, stated that many exporters supplying to SEZ unit were unaware of change in Policy effective from 01.04.2015 in regard to currency of realization which is evident from the fact that said Trade Notice was issued clarifying that supplies up to 31.03.2015 can be realized in Indian Rupees. Their supplies were completed in 2015-16 i.e. before the issue of said Trade Notice, thus they did not have any knowledge of the policy change at the time of supplies. Even the new amended Para in regard to realization for supply to SEZ has not been absolutely without ambiguity (Para 5.11 of HBP of FTP 2015-20) .As per SEZ act and rules, they followed all the procedure and filed bill of exports. If recipient is not following any rules, same is not in their control and they should not be penalized for the same as they don't have any say in affairs of SEZ unit, who procured goods from them.

Decision: The Committee having examined the statement made by the firm found no merit in their case and decided to reject it.

(Action: Applicant)

Case No. 19 M/s. Mathura Polypack Pvt. Ltd., Mathura
F. No. 01/60/162/512/AM20/PRC
PRC Meeting No. 29/AM20 dated 28.01.2020

Subject: Addition of additional export products in EPCG License No.0630003055 dated 04.10.2011.

The applicant stated that they had been granted above subject license for export of Wood Plastic composites and PVC plastic Product. However inadvertently they did not mention the other item to be exported from the capital goods to be imported. They have approached RA but refused to add the item in the license on the grounds that there is no nexus between the capital goods imported and the goods to be exported. Even though they have given all the necessary proof regarding the goods to be manufactured from the capital goods installed in the factory, but still not convinced and hence not endorsed the product on the license. In lieu of above export product not added in the license they are unable to complete the export obligation through third party. They want the export product to be included in the license as Customs Authorities would not endorse the EPCG license on the shipping bills.

Decision: The Committee went through the statements made by the firm and noted that the applicant has not submitted any cogent reason/ justification in support of any genuine hardship being faced by them. Accordingly, the Committee decided to reject the request.

(Action: Applicant)

Case No. 20 M/s. MPD Industries Pvt. Ltd., Indore
F. No. 01/60/162/133/AM20/PRC
PRC Meeting No. 29/AM20 dated 28.01.2020

Subject: To add Import item No.3 "CRUDE DEGUMMED SOYABEAN OIL OR REFINDED SOYABEAN OIL" in Advance Authorization No.5610005399 dated14.05.2018 which was deleted by RA, Indore after completion of exports.

The applicant stated that they had completed 100% exports on 02.06.2018 by considering price benefit to their export customer of duty free import of raw material against the 3 import items allowed to them otherwise they would not be able to get the export order due to price competitiveness. On 06.08.2018RA, Indore has issued a letter stating that one of pre import item applied by falls under ineligible category. Hence, advised to surrender the above advance authorization immediately for necessary action. On their request they submitted the original advance authorization to RA. Meantime, they had made 100% exports against the said advance authorization before receiving the said letter from RA, Indore. RA, Indore has deleted the import item no.3 Crude Degummed Soyabean Oil or Refinded Soyabeen Oil and retuned them the original advance authorization mentioning import item no.1 i.e.Isophthalic Acid and import item no.2 i.e.Pentaerythritol for import. Crude Degummed Soyabean Oil or Refinded Soyabean Oil is the major (input) raw material used in preparation of their export product namely "Soya Long Oil Alkyd Resin of 70% Oil Length Having Solid Content 100%". Further, stated that as they had applied the advance authorization including the import item no.3 i.e.Crude Degummed Soyabean Oil or Refined Soyabean Oil, and deleting the item no.3 will be a huge financial loss to them because they have quoted the price for export order considering cost benefit of duty free import of raw material against all three import items to fulfill the desired quality/standards of export orders from customers, otherwise they would not be able to get the export order due to price competitiveness and quality required.

Decision: The Committee went through the statements made by the firm and decided to refer the issue to concerned NC-7for its examination and resolution.

(Action: NC-7 Division/Applicant)

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