Directorate General of Foreign Trade
(PRC-section)

<u>Minutes of the Policy Relaxation Committee Meeting held under the Chairmanship of DGFT Shri A.K. Bhalla, Director General of Foreign Trade</u>

Meeting No. 04/AM18 held on 04.05.2017 at 10:00 AM

The following members were present in the meeting:

1.	Shri Jaikant Singh	Addl. DGFT
2.	Shri J.V. Patil	Addl. DGFT
3.	Shri S.B.S Reddy	Addl. DGFT
4.	Shri N. K. Srivastava	Addl. DGFT
5.	Shri Jay Karan Singh	Jt. DGFT
6.	Shri AkashTaneja	Jt. DGFT
7.	Shri S. P. Roy	Jt. DGFT
8.	Shri Rakesh Kumar	Jt. DGFT
9.	Shri Lokesh H.D	Jt. DGFT

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

Case No.1: M/s. Elfa Laboratories Ltd., New Delhi. (P.H. Case)
F.No. 01/60/162/311/AM15/PRC
PRC Meeting No. 04/AM18 dated 04.05.2017

Subject: Request for waiver of composition fee against already extended E.O. period of Two Advance Authorizations No.0510215792 dt. 04.02.2008 & 0510216928 dt. 25.02.2008 issued under PC-9 condition for regularization purpose.

In terms of Para 2.59 of FTP, 2015-2020, the applicant had sought personal hearing, which was afforded to them. Mr. R. S. Arora, Partner, of M/s. Elfa Laboratories Ltd., New Delhi appeared before the committee on 04.05.2017 and made the following submissions:

(i) They had fulfilled export obligation and no unconsumed input material is left with them.
(ii) After completion of EO they applied for redemption of both authorizations. However, RA directed to pay Custom duty + interest on entire import in the terms of PC-9.
(iii) Their entire investment of a newly constituted firm is hold with Bond against the Bank Guarantee to customs as 100% margin and by virtue of it they not able to run their business.
(iv) They requested that favourable orders be passed so that their funds from the bank be released and they could continue with their business.
(v) Hence, they requested for exemption from payment of composition fee.

<u>Decision:</u> Having hard to the applicant, the case was discussed at length. It was

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noted that the committee has already relaxed the policy by allowing extension in export obligation period from 12 to 18 months. In terms of Para 2.58 of FTP, Policy relaxation is considered with certain conditions as deemed fit by the committee. There is no provision of EOP extension under Para 4.42 of HBP in case Authorisation is issued with pre-import condition and with restricted export obligation period as per Appendix-4J. However, considering genuine hardship, the committee allows extension subject to a composition fee and that has been considered in this case. The waiver of composition fee is not allowed unless a case of force majeure is established. And, that is not the case here.

The committee, therefore, did not accede to the request.

(Action: Applicant / RA, CLA)

Case No.2: M/s. Mann Tourist Transport Service P. Ltd., New Delhi. (P.H. Case)
F.No. 01/89/180/30/AM-13/PC-2(A)
PRC Meeting No. 04/AM18 dated 04.05.2017

Subject: Request for seeking relaxation for import of 9 Nos. of Mercedes Benz (V Class 7 – 8 seater) Vans with 2143 CC Engine capacity from United Kingdom.

In terms of Para 2.59 of FTP, 2015-2020, the applicant had sought personal hearing, which was afforded to them. Mr Amrit Mann, Director of M/s. Mann Tourist Transport Service P. Ltd, New Delhi appeared before the committee on 04.05.2017 and stated that they intending to import 9 Mercedes Benz for providing service to foreign tourists. Import of car less than 2500CC is not allowed and V class vans are not available either internationally or in the domestic market. The cars they intending to import have a special feature of 7-8 passengers face to face seating capacity. In order to make fuel efficient vehicle, capacity of engine has been reduced worldwide. Therefore, they have requested for policy relaxation.

<u>**Decision:**</u> Having heard to the applicant, the case was discussed at length. It was noted that import policy categorically restrict import of car less than 2500CC capacity engine, which are available in our country. The objective of the restriction is to protect domestic industries. The vehicles which are not manufactured in India are only allowed to be imported. The committee, therefore, did not accede to the request.

However, the committee suggested that the firm may move their proposal through respective Association to amend policy provisions for allowing import of vehicles having engine capacity of less than 2500 CC for personal/commercial use. Amendment in Policy could be considered in public interest on recommendation of respective Ministry/department.

(Action: Applicant)

Case No.3: M/s. Jindal Saw Ltd., New Delhi.
F.No. 01/60/162/830/AM17/PRC
PRC Meeting No. 04/AM18 dated 04.05.2017

Subject: Request for 2nd revalidation of Advance Authorization No.0510392998 dt. 28.01.2015.

Decision: The committee noted that the Authorisation in question was obtained for import of duty free goods and supply of resultant product to JICA funded turnkey project. However, Para 7.02 was amended on 01.04.2015 and supply to JICA was made ineligible for deemed export benefits. Therefore, issue of Authorisation or renew of expired Authorisation for supply of goods to JICA funded project, towards discharge of export obligation, is not allowed after 01.04.2015. Taking into consideration these facts, the committee did not accede to the request for revalidation of the Authorisation.

Case No.4: M/s. Ashish Life Science P. Ltd., Mumbai.
F.No. 01/60/162/1040/AM17/PRC
PRC Meeting No. 04/AM18 dated 04.05.2017

Subject: Request to consider total import/export made under 2Advance Authorizations No.0310764699 dt. 06.01.2014 & 0310774750 dt. 18.03.2014) issued for identical import/export product regularization and waiver from submission of Destruction Certificate as per PC-18.

Decision: The committee noted that the Authorisations in question were issued with pre-import and Actual User condition. Therefore, exports made prior to import cannot be taken into account for discharge of export obligation. Further, Authorisation No 0310764699 has already been redeemed. Re-open of such cases is not allowed for clubbing with other Authorisation. The applicant should had approached the committee before getting such Authorisation redeemed. The committee, therefore, did not accede to the request.

The applicant is hereby directed to follow the procedure as prescribed under Policy Circular 18 dated 30.10.2007 read with Para 4.49 of HBP, 2015-2020 for regularization. If the applicant fails to do so, RA shall initiate action under FT(DR)Act, 1992, as amended.

(Action: RA, Mumbai)

Case No.5: M/s. Rama Steel Tubes Ltd., New Delhi.
F.No. 01/60/162/1153/AM17/PRC
PRC Meeting No. 04/AM18 dated 04.05.2017

Subject: Request for revalidation of DFIA No.0510392780 dt. 09.01.2015.

Decision: The committee noted that the Authorisation in question was issued having initial validity of 12 months. RA has allowed revalidation for further six months i.e. upto 08.07.2016. The applicant submitted request for EODC/enhancement/transferability on 15.03.2016. However, raised D/L asking the applicant to submit CENVAT non-availment certificate, which is not required, as the importer is liable for payment of CVD at the time of import. EODC was grated on 09.06.2016 without enhancement. And, request was rejected on the ground that no provision of enhancement in the new FTP. However, RA did not consider the facts that except EOP extension and Clubbing, rest of provisions of old Policy will apply. The committee was, therefore, of the views that RA has raised unwarranted queries. Hence, it was decided to revalidate the Authorisation for six months from the date of endorsement.

The applicant is hereby directed to submit the Authorisation to RA concerned within a month from the date of uploading of these minutes on the Directorate website for necessary amendment.

(Action: RA CLA/Applicant)

Case No.6: M/s. Medchl Chemicals & Pharmaceuticals P. Ltd., Secunderabad.
F.No. 01/60/162/1152/AM17/PRC
PRC Meeting No. 04/AM18 dated 04.05.2017

Subject: Request to count the supply of 22 Invoices towards fulfillment of E.O. against Advance Authorization No.0910038968 dt. 14.08.2009.

Decision: The committee noted that in terms of Para 4.12 of FTP read with Para 4.27 and 4.42 of HBP, export / supplies made from the date of generation of EDI File number or issue of Authorisation shall only be taken into account towards discharge of export obligation. Export/ supply made without indicating File number/Authorisation number/consumption of duty free inputs is not accepted under Advance Authorisation. This is just to ensure and protect double accounting and use of same shipping bills under more than one Authorisation. The committee, therefore, decided to reject the request for accounting of 22 invoices towards fulfillment of Export Obligation because these Invoices does not bear the reference of any Authorisation against which supplies were made.

The applicant is hereby directed to get the case regularized in terms of Para 4.49 of HBP, 2015-2020.

(Action: RA, Secunderabad)

Case No.7: M/s. Intas Pharmaceuticals P. Ltd., Ahmedabad.
F.No. 01/60/162/1188/AM17/PRC
PRC Meeting No. 04/AM18 dated 04.05.2017

Subject: Request for EOP extension of Advance Authorization No.0810136177 dt. 06.10.2015 issued under PC-9 conditions.

Decision: The Committee noted that the Authorization was issued with condition stipulated under PC-9 dated 10.11.2015 read with appendix-4J of FTP, 2015-2020, which allows 12 months for EO fulfilment from import of each consignment. The applicant has imported consignment on 19.10.2015. Accordingly, the export obligation period was up to 18.10.2016. The applicant has stated to have fulfilled 100% exports by 14.12.2016 and hence requested for EOP extension by 2 months i.e. upto 14.12.2016. Taking all these facts into account, the Committee decided the following:

(i) Export obligation period be extended from 12 to 14 months i.e. upto 31.12.2016 for regularisation of exports already effected against the Authorisation.

(ii) This will, however, be subject to payment of composition fee @ 1% per month of FOB value of export made after initial obligation period.

(iii) RA shall ensure that shipments were effected indicating File number or Authorisation number in question.

(iv) The minimum value addition of 15% as prescribed under para 4.09 of FTP (2015-20) shall be maintained.

(Action: RA, Ahmedabad.)

Case No.8: M/s. Wockhardt Ltd., Aurangabad.
F.No. 01/60/162/1200/AM17/PRC
PRC Meeting No. 04/AM18 dated 04.05.2017

Subject: Request for EOP extension of Advance Authorization No.0310800110 dt. 06.11.2015 issued under PC-9 conditions.

Decision: The Committee noted that the Authorization in question was issued with condition stipulated under PC-9 dated 10.11.2015 read with appendix-4J of FTP, 2015-2020, which allows 12 months for EO fulfilment from import of each consignment. The applicant has imported a consignment on 18.01.2016. Accordingly, the export obligation period was upto 17.01.2017. The applicant has stated to have made 0% export and hence requested for EOP extension upto 31.07.2017. Taking all these facts into account, the Committee decided the following:

(i) Export obligation period be extended from 12 to 18 months i.e. upto 31.07.2017.

(ii) This will, however, be subject to payment of composition fee @ 1% per month of FOB value of exports made/to be made after initial obligation period.

(iii) RA shall ensure that shipments were effected indicating File number or Authorisation number in question.

(iv) The minimum value addition of 15% as prescribed under para 4.09 of FTP (2015-20) shall be maintained.

(Action: RA, Mumbai)

Case No.9: M/s. Danopharm Chemicals P. Ltd., Mumbai.
F.No. 01/60/162/1175/AM17/PRC
PRC Meeting No. 04/AM18 dated 04.05.2017

Subject: Request for revalidation of Advance Authorization No.0310791453 dt. 26.11.2014.
RA, Mumbai.

Decision: The committee noted that the Authorisation was issued having initial validity of 12 months to import. The RA has allowed six months' further revalidation as per request of the applicant. Despite that they could not complete imports as permitted in the Authorisation. Their plea that due to non-availability of raw materials in the domestic market they could not import was not acceptable to the committee. No cogent reason which establish genuine hardship is submitted. The committee, therefore, did not accede to the request.

Case No.10: M/s. Cadila Healthcare Ltd., Ahmedabad.
F.No. 01/60/162/1158/AM17/PRC
PRC Meeting No. 04/AM18 dated 04.05.2017

Subject: Request for EOP extension of Advance Authorization No.0810135537 dt. 23.06.2015 issued under PC-9 conditions.

Decision: The Committee noted that the Authorization in question was issued with condition stipulated under PC-9 dated 10.11.2015 read with appendix-4J of FTP, 2015-2020, which allows 12 months for EO fulfilment from import of each consignment. The applicant has imported on 30.07.2015, 03.08.2015, 29.09.2015 and on 01.02.2016. Accordingly, the export obligation period was upto 29.07.2016, 02.08.2016, 28.09.2016 and 31.01.2017, respectively. The applicant has stated to have completed 37.38% export within initial obligation period and 18.44% thereafter. Hence, requested for EOP extension for 6 months for each import consignment. Taking all these facts into account, the Committee decided the following:

(i) Export obligation period be extended from 12 months to 18 months i.e. upto 31.01.2017, 01.01.2017, 27.03.2017 and 31.07.2017, respectively.
(ii) This will, however, be subject to payment of composition fee @ 1% per month of FOB value of export made after initial obligation period.
(iii) RA shall ensure that shipments were effected indicating File number or Authorisation number in question.
(iv) The minimum value addition of 15% as prescribed under para 4.09 of FTP (2015-20) shall be maintained.

(Action: RA, Ahmedabad)

Case No.11: M/s. Cadila Healthcare Ltd., Ahmedabad.
F.No. 01/60/162/1157/AM17/PRC
PRC Meeting No. 04/AM18 dated 04.05.2017

Subject: Request for EOP extension of Advance Authorization No.0810136806 dt. 29.12.2015 issued under PC-9 conditions.

Decision: The Committee noted that the Authorization in question was issued with condition stipulated under PC-9 dated 10.11.2015 read with appendix-4J of FTP, 2015-2020, which allows 12 months for EO fulfilment from import of each consignment. The applicant has imported 1st consignment on 15.01.2016 and 2nd consignment on 10.02.2016. Accordingly, the export obligation period was till 14.01.2017 and 09.02.2017, respectively. The applicant has stated to have completed 97.63% exports within initial export obligation period. Taking all these facts into account, the Committee decided the following:

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(i) Export obligation period be extended by 6 months against each consignments i.e. upto 13.07.2017 and 08.08.2017, respectively.
(ii) This will, however, be subject to payment of composition fee @ 0.5% per month of FOB value of export made after initial obligation period;
(iii) RA shall check that minimum 50% exports were made within initial export obligation period against each consignment. If not, composition fee will be charged @1% per month of unfulfilled FOB value;
(iv) RA shall ensure that shipments were effected indicating File number or Authorisation number in question;
(v) The minimum value addition of 15% as prescribed under para 4.09 of FTP (2015-20) shall be maintained.

(Action: RA, Ahmedabad)

Case No.12: M/s. Cadila Healthcare Ltd., Ahmedabad.
F.No. 01/60/162/1156/AM17/PRC
PRC Meeting No. 04/AM18 dated 04.05.2017

Subject: Request for EOP extension of Advance Authorization No.0810133344 dt. 15.09.2014 issued under PC-9 conditions.

Decision: The Committee noted that the Authorization in question was issued with condition stipulated under PC-9 dated 10.11.2015 read with appendix-4J of FTP, 2015-2020, which allows 12 months for EO fulfilment from import of each consignment. The applicant has imported on 29.10.2014, 18.12.2014, 28.01.2015, 03.03.2015, 17.04.2015, 21.05.2015, 02.07.2015, 05.11.2015 and on 16.01.2016. Accordingly, the export obligation period was upto 28.10.2015, 17.12.2015, 27.01.2016, 02.03.2016, 16.04.2016, 20.05.2016, 01.07.2016, 04.11.2016 and 15.01.2017, respectively. The applicant has stated to have completed 97.66% exports within initial EOP. Taking all these facts into account, the Committee decided the following:

(i) Export obligation period be extended by 6 months against each consignments in continuity.
(ii) This will, however, be subject to payment of composition fee @ 0.5% per month of FOB value of export made after initial obligation period;
(iii) RA shall check that minimum 50% exports were made within initial export obligation period against each consignment. If not, composition fee will be charged @1% per month of unfulfilled FOB value;
(iv) RA shall ensure that shipments were effected indicating File number or Authorisation number in question;
(v) The minimum value addition of 15% as prescribed under para 4.09 of FTP (2015-20) shall be maintained.

(Action: RA, Ahmedabad)

Case No.13: M/s. Cadila Healthcare Ltd., Ahmedabad.
F.No. 01/60/162/1201/AM17/PRC
PRC Meeting No. 04/AM18 dated 04.05.2017
Subject: Request for EOP extension of Advance Authorization No.0810133334 dt. 15.09.2014 issued under PC-9 conditions.

<u>Decision:</u> The Committee noted that the Authorization in question was issued with condition stipulated under PC-9 dated 10.11.2015 read with appendix-4J of FTP, 2015-2020, which allows 12 months for EO fulfilment from import of each consignment. The applicant has imported on 02.02.2015, 18.06.2015, 26.09.2015 and last consignment on 23.01.2016. Accordingly, the export obligation period was upto 01.02.2016, 17.06.2016, 25.09.2016 and 22.01.2017, respectively. The applicant has stated to have completed 59.58% exports within initial EOP. Taking all these facts into account, the Committee decided the following:

(i) Export obligation period be extended by 6 months against each consignment in continuity.
(ii) This will, however, be subject to payment of composition fee @ 0.5% per month of FOB value of export made after initial obligation period;
(iii) RA shall check that minimum 50% exports were made within initial export obligation period against each consignment. If not, composition fee will be charged @1% per month of unfulfilled FOB value;
(iv) RA shall ensure that shipments were effected indicating File number or Authorisation number in question;
(v) The minimum value addition of 15% as prescribed under para 4.09 of FTP (2015-20) shall be maintained.

(Action: RA, Ahmedabad)

Case No.14: M/s. Gland Pharma Ltd., Hyderabad.
F.No. 01/60/162/280/AM17/PRC
PRC Meeting No. 04/AM18 dated 04.05.2017

Subject: Request for EOP extension of Advance Authorization No.0910061513 dt. 08.01.2015 issued under PC-9 conditions.

<u>Decision:</u> The Committee noted that the Authorization in question was issued with condition stipulated under PC-9 dated 10.11.2015 read with appendix-4J of FTP, 2015-2020, which allows 12 months for EO fulfilment from import of each consignment. The applicant has imported 1st consignment on 18.04.2015 and last consignment on 13.05.2016. Accordingly, the export obligation period was upto 17.04.2016 and 12.05.2017, respectively. The applicant has already made 100% (item 1) and 80% (item 2) export and hence requested for EOP extension for 6 months for each consignment. Taking all these facts into account, the Committee decided the following:

(i) Export obligation period be extended by 6 months against each consignments in continuity.
(ii) This will, however, be subject to payment of composition fee @ 0.5% per month of FOB value of export made after initial obligation period;
(iii) RA shall check that minimum 50% exports were made within initial export obligation period against each consignment. If not, composition fee will be charged @1% per month of unfulfilled FOB value;
(iv) RA shall ensure that shipments were effected indicating File number or Authorisation number in question;

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(v) The minimum value addition of 15% as prescribed under para 4.09 of FTP (2015-20) shall be maintained.

(Action: RA, Secunderabad.)

Case No.15: M/s. Al-Hussain Frozen Foods, New Delhi.
F.No. 01/60/162/1163/AM17/PRC
PRC Meeting No. 04/AM18 dated 04.05.2017

Subject: Request for revalidation of DEPB No.0510245464 dt. 09.07.2009 for Rs.5, 98,432/-.

Decision: The committee noted the contents of DRI letter dated 23.11.2016 that the DEPB in question was expired in their possession. And, in terms of Para 2.13.2 of HBP, 2009-2014, RA is empowered to allow revalidation of transferable scrip for equal period for which valid scrip was in the custody. DRI is an intelligence and investigation wing of Customs and Central Excise Authority. The Applicant may, therefore, approach the Regional Authority concerned for the same. No policy relaxation is required in such cases.

(Action: R.A., CLA, New Delhi)

Case No.16: M/s. Al-Hussain Frozen Foods, New Delhi.
F.No. 01/60/162/1321/AM17/PRC
PRC Meeting No. 04/AM18 dated 04.05.2017

Subject: Request for revalidation of DEPB No.0510245637 dt. 13.07.2009 for Rs.7,47,732/-.

Decision: The committee noted the contents of DRI letter dated 23.11.2016 that the DEPB in question was expired in their possession. And, in terms of Para 2.13.2 of HBP, 2009-2014, RA is empowered to allow revalidation of transferable scrip for equal period for which valid scrip was in the custody. DRI is an intelligence and investigation wing of Customs and Central Excise Authority. The Applicant may, therefore, approach the Regional Authority concerned for the same. No policy relaxation is required in such cases.

(Action: RA, CLA, New Delhi)

Case No.17: M/s. Al-Hussain Frozen Foods, New Delhi.
F.No. 01/60/162/1320/AM17/PRC
PRC Meeting No. 04/AM18 dated 04.05.2017
Subject: Request for revalidation of DEPB No.0510245470 dt. 09.07.2009 for Rs.35,336/-.

Decision: The committee noted the contents of DRI letter dated 23.11.2016 that the DEPB in question was expired in their possession. And, in terms of Para 2.13.2 of HBP, 2009-2014, RA is empowered to allow revalidation of transferable scrip for equal period for which valid scrip was in the custody. DRI is an intelligence and investigation wing of Customs and Central Excise Authority. The Applicant may, therefore, approach the Regional Authority concerned for the same. No policy relaxation is required in such cases.

(Action: R.A., CLA, New Delhi)

Case No.18: M/s. J.B. Chemicals Pharmaceuticals Ltd., Mumbai.
F.No. 01/60/162/1173/AM17/PRC
PRC Meeting No. 04/AM18 dated 04.05.2017

Subject: Request for EOP extension of Advance Authorization No.0310801603 dt. 06.01.2016 issued under PC-9 condition.

Decision: The Committee noted that the Authorization in question was issued with condition stipulated under PC-9 dated 10.11.2015 read with appendix-4J of FTP, 2015-2020, which allows 12 months for EO fulfilment from import of each consignment. The applicant has imported on 20.01.2016, 10.02.2016, 15.04.2016, 20.04.2016 and on 22.04.2016. Accordingly, the export obligation period was upto 19.01.2017, 09.02.2017, 14.04.2017, 19.04.2017 and 21.04.2017, respectively. The applicant has already made 37.52% (item 1) and 66.46% (item 2) exports. Taking all these facts into account, the Committee decided the following:

(i) Export obligation period be extended by 6 months against each consignments in continuity.
(ii) This will, however, be subject to payment of composition fee @ 0.5% per month of FOB value of export made after initial obligation period;
(iii) RA shall check that minimum 50% exports were made within initial export obligation period against each consignment. If not, composition fee will be charged @1% per month of unfulfilled FOB value;
(iv) RA shall ensure that shipments were effected indicating File number or Authorisation number in question;
(v) The minimum value addition of 15% as prescribed under para 4.09 of FTP (2015-20) shall be maintained.

Case No.19: M/s. Danopharm Chemicals P. Ltd., Mumbai.
F.No. 01/60/162/1168/AM17/PRC
PRC Meeting No. 04/AM18 dated 04.05.2017

Subject: Request for 2nd revalidation of Advance Authorization No.0310793505 dt. 03.02.2015.

Decision: The committee noted that the Authorisation was issued having initial validity of 12 months to import. The RA has allowed six months' further revalidation as per request of the applicant. Despite that they could not complete imports as permitted in the Authorisation. The plea that due to non-availability of raw materials in the domestic market they could not import was not acceptable to the committee. No cogent reason which establish genuine hardship is submitted. The committee, therefore, did not accede to the request.

Case No.20: M/s. Prachi Pharmacuticals P. Ltd., Mumbai.

F.No. 01/60/162/452/AM17/PRC
PRC Meeting No. 04/AM18 dated 04.05.2017

Subject: Request for allow for use of Shipping Bills No.9141086 dt. 14.12.2010; 9395725 dt. 23.02.2011; 4575215 dt. 21.03.2013; 4966101 dt. 15.04.2013 & 4966101 dt. 15.04.2013 against Advance Authorizations No.0310538255 dt. 17.09.2009; 0310664592 dt. 14.11.2011 and 0310668353 dt. 01.12.2011 for clubbing purpose.

Decision: The committee noted that the committee has already allowed request for clubbing of three Advance Authorization No. 0310538255 dated 17.9.2009, 0310664592 dated 14.11.2011 and 0310668353 dated 01.12.2011 in its meeting No. 14/AM17 dated 02.08.2016 (Case No. 7). Therefore, no further relaxation can be granted.

The applicant is hereby directed to follow the procedure prescribed under PC-18 dated 30.10.2007 read with Para 4.49 of HBP, 2015-2020 for regularisation of shortfall.

(Action: RA, Mumbai)

Case No.21: M/s. Amara Raja Batteries Ltd., Chennai.
F.No. 01/60/162/1177/AM17/PRC
PRC Meeting No. 04/AM18 dated 04.05.2017

Subject: Request for revalidation of Advance Authorization No.0410160437 dt. 24.04.2015.

Decision: The committee noted that the applicant is status holder. Hence, the applicant is exempted from execution of B/G before import. They can import on execution of LUT. The plea that due to delay in getting e-BRC, they could not submit their application for revalidation and enhancement was not acceptable to the committee because BRC is not a required document for revalidation and enhancement. RA is empowered to allow six months' revalidation in continuation but the facility provided has not been availed by the applicant. The committee, therefore, did not accede to the request.

Case No.22: M/s. Amara Raja Batteries Ltd., Chennai.
F.No. 01/60/162/1178/AM17/PRC
PRC Meeting No. 04/AM18 dated 04.05.2017

Subject: Request for revalidation of Advance Authorization No.0410160723 dt. 29.06.2015.

Decision: The committee noted that the applicant is status holder. Hence, the applicant is exempted from execution of B/G before import. They can import on execution of LUT. The plea that due to delay in getting e-BRC, they could not submit their application for revalidation and enhancement was not acceptable to the committee because BRC is not a required document for revalidation and enhancement. RA is empowered to allow six months' revalidation in continuation but the facility provided has not been availed by the applicant. The committee, therefore, did not accede to the request.

Case No.23: M/s. Remi Edelstahi Tubulars Ltd., Mumbai.
F.No. 01/60/162/073/AM17/PRC
PRC Meeting No. 04/AM18 dated 04.05.2017

Subject: Request for clubbing of 2 Advance Authoriztions No.0310455601 dt. 28.12.2007 & 0310455422 dt. 27.12.2007 for redemption purpose.

Decision: The committee noted that the Authorisations in question were issued in the same year and exports have been completed within initial export obligation period. Hence, the committee decided the following:

i. Clubbing of above referred two Authorisations be allowed.
ii. This will, however, be subject to the condition that both Authorisations were issued under same Customs Notification;
iii. RA, shall ensure accounting of duty free inputs as per SION.
iv. Minimum 15% value addition on clubbed FOB is achieved.
v. No adjudication order is issued under Customs, Act /F.T.(DR)Act.

(Action: RA, Mumbai)

Case No.24: M/s. Remi Edelstahi Tubulars Ltd., Mumbai.
F.No. 01/60/162/072/AM17/PRC
PRC Meeting No. 04/AM18 dated 04.05.2017

Subject: Request for clubbing of 3 Advance Authorisations No.0310424290 dt. 23.02.2007; 0310422971 dt. 13.03.2007 & 0310458131 dt. 17.01.2008 for redemption / regularization purpose.

Decision: The committee noted that the Authorisations in question were issued within the validity of the first Authorisation and exports have also been completed within initial export obligation period. Hence, the committee decided the following:

i. Clubbing of above referred Authorisations be allowed.
ii. This will, however, be subject to the condition that all three Authorisations were issued under same Customs Notification;
iii. RA, shall ensure accounting of duty free inputs as per SION;
iv. Minimum 15% value addition on clubbed FOB is achieved;
v. No adjudication order is issued under Customs, Act /F.T.(DR)Act.

(Action: RA, Mumbai)

Case No.25: M/s. Emerson Climate Technologies (India) P. Ltd., Pune.
F.No. 01/60/162/874/AM16/PRC
PRC Meeting No. 04/AM18 dated 04.05.2017
Subject: Request for revalidation of two DEPB scrips Nos. 3110060490 dt. 30.09.2013 & 3110060422 dt. 24.09.2013.

Decision: The committee noted that export shipments were claimed to have been made from JNPT which is EDI enabled Customs port. Xerox copy of S/bs furnished by the applicant of the same year do not match, particularly font style and stationary used. Further, as per EDI report, the same shipping bills are not available in the depository. The committee, therefore, decided to seek report from RA as to how DEPB was issued? Further, RA, Pune shall furnish report after confirming genuineness of shipping bills, against which DEPB were issued, from Customs, JNPT.

(Action: RA, Pune)

Case No.26: M/s. Vedanta Ltd. (Formerly M/s. Vedanta Aluminium Ltd.), Jharsuguda, Odhisha.
F.No. 01/60/162/450/AM14/PRC (Part file)
PRC Meeting No. 04/AM18 dated 04.05.2017

Subject: Request for issuance of DEPB on Post export basis in respect of Two S/Bills No.1919241 dt. 04.12.2010 & 1614909 dt. 01.10.2010.

Decision: as per case no 25 above.

Case No.27: M/s. United Chloro-paraffins P. Ltd., Hooghly.
F.No. 01/60/162/1205/AM17/PRC
PRC Meeting No. 04/AM18 dated 04.05.2017

Subject: Request for EOP extension of Advance Authorization NO.0210197464 dt. 06.12.2013.

Decision: The committee noted that the Authorisation in question was issued having initial export obligation period of 18 months. The applicant has been granted six months' extension by RA. However, they could affect only 75% exports towards discharge of EO. In any case, extension beyond 36 months is not allowed unless force majeure. The 36 months' period has lasted on 05.12.2016 whereas the applicant has approached to the committee on 07.02.2017. It indicates their non- seriousness. No document is submitted evidencing that raw materials imported duty free are available intact with them. The committee, therefore, did not accede to the request.

The applicant is hereby directed to get the case regularised in terms of Para 4.49 of HBP, 2015-2020 within a month from the date of uploading of these minutes on the Directorate website. In case of failure, RA shall initiate action as per provisions of FT(DR) Act, 1992, as amended.

(Action: RA, Kolkata)

Case No.28: M/s. Marudhar Tanchem P. Ltd., Chennai.
F.No. 01/60/162/1170/AM17/PRC
PRC Meeting No. 04/AM18 dated 04.05.2017

Subject: Request for consideration of Custom Attested Invoice for EO Discharge of Advance Authorization No.0410143431 dt. 18.02.2013.

Decision: The committee noted that in terms of Para 4.12 of FTP, exporter is required to declare the quantities and consumption of inputs in export documents which is 'Shipping bill' in case of export by sea and in 'Bill of Export' in case export by land customs station towards discharge of export obligation against an Advance Authorisation. In this case exports were made to SEZ against ARE-1 without generating Bill of Export. In ARE-1, neither the consumption of inputs is certified nor valuation of goods is carried out by the Customs Authority. Therefore, such document cannot be accepted towards discharge of export obligation. Further, for getting incentives on exports to SEZ, Bill of Export is a mandatory prescribed document under Rule, 30 of SEZ Rules, 2006. Taking these facts in to consideration, the committee did not accede to the request.

The applicant is hereby directed to get the case regularised in terms of Para 4.49 of HBP, 2015-2020.

(Action: RA, Chennai)

Case No.29: M/s. Feelwell Garments & Accessories P. Ltd., Mumbai.
F.No. 01/60/162/1240/AM17/PRC
PRC Meeting No. 04/AM18 dated 04.05.2017

Subject: Request for EOP extension of Advance Authorization No.0310753122 dt. 10.10.2013 for six months from date of endorsement.

Decision: The committee noted that the Authorisation in question was issued having initial export obligation period of 18 months. However, they could not affect any exports towards discharge of EO. In any case, extension beyond 36 months is not allowed unless force majeure. The 36 months' period has lasted on 09.10.2016 whereas the applicant has approached to the committee on 27.02.2017. It indicates their non-seriousness. Goods imported duty free cannot be used for export under drawback scheme, which the applicant has stated to have done. This amounts violation of DBK rules. The committee, therefore, did not accede to the request.

The applicant is hereby directed to get the case regularised in terms of Para 4.49 of HBP, 2015-2020 within a month from the date of uploading of these minutes on the Directorate website. In case of failure, RA shall initiate action as per provisions of FT(DR) Act, 1992, as amended.

(Action: RA, Kolkata)

Case No.30: M/s. Nazeer Industries, Chittoor, A.P.
F.No. 01/60/162/768/AM17/PRC
PRC Meeting No. 04/AM18 dated 04.05.2017

Subject: Request for condonation of delay in submission of claim for refund of TED for indigenous supply made against EPCG Authorization No.05310152037 dt. 07.05.2010 issued to M/s. SMGK Agro Products, Krishnagiri.

Decision: The committee noted that in terms of Para 8.3.1(ii) of HBP, 2009-2014 read with Para 9.3 of said HBP, claim of TED refund could be filed within 36 months from the date of realization of payment with 10% late cut. In the case in hands, supplies were made during May 2010 to July, 2010 and payment were received during October, 2009 to June, 2010. However, the application for claim was submitted on 10.12.2014 i.e beyond 36 months from the date of payments.

The applicant has submitted that on account of gruesome accident of the Proprietor followed by prolonged hospitalization and therapies, claim for TED refund could not be filed in time. Taking in to consideration the FIR copy and hospital's report and the applicant being proprietary firm, the committee was of the view that since the applicant was bedridden from 13.11.2011 to 31.12.2013, it was not possible for him to file the claim during this period. Considering the case of genuine hardship, the committee decided to condone the delay in submitting the application.

RA, Hyderabad shall ensure that no CENVAT credit has been availed by the recipient of goods and allow refund of TED by imposing 10% late cut.

(Action: RA, Hyderabad)

Case No.31: M/s. Nazeer Industries, Chittoor, A.P.
F.No. 01/60/162/800/AM17/PRC
PRC Meeting No. 04/AM18 dated 04.05.2017
Subject: Request for condonation of delay in submission of claim for refund of TED for indigenous supply made against EPCG Authorization No.04310007103 dt. 04.02.2009 issued to M/s. Kanderi Fruit Pack P. Ltd., Chittoor.

Decision: The committee noted that in terms of Para 8.3.1(ii) of HBP, 2009-2014 read with Para 9.3 of said HBP, claim of TED refund could be filed within 36 months from the date of realization of payment with 10% late cut. In the case in hands, the application for claim was submitted beyond 36 months from the date of payments.

The applicant has submitted that on account of gruesome accident of the Proprietor followed by prolonged hospitalization and therapies, claim for TED refund could not be filed in time. Taking in to consideration the FIR copy and hospital's report and the applicant being proprietary firm, the committee was of the view that since the applicant was bedridden from 13.11.2011 to 31.12.2013, it was not possible for him to file the claim during this period. Considering the case of genuine hardship, the committee decided to condone the delay in submitting the application.

RA, Hyderabad shall ensure that no CENVAT credit has been availed by the recipient of goods and allow refund of TED by imposing 10% late cut.

(Action: RA, Hyderabad)

Case No.32: M/s. Tata Elxsi Ltd., Bangalore.
F.No. 01/93/180/06/AM-13/PC-2(A)/Part
PRC Meeting No. 04/AM18 dated 04.05.2017

Subject: Request for relaxation of policy condition I[II][d][iv] for import of 1 used/second hand Land Rover Discovery car for R&D purpose and policy conditions 2[II][f] for importing Cars as a Developer/ Service provider.

<u>Decision:</u> The committee decided to relax the condition of Para I[II][d][iv] for import of 1 used/second hand Land Rover Discovery car for R&D purpose and policy conditions 2[II][f] with following conditions:

I. Import should be made through the designated ports only.
II. Vehicles shall not ply on public roads except at the time of mobilization and de-mobilization and that the equipment would be used only at the project site.
III. The vehicle will be re-exported after completion of work.

(Action: PC-2(A) Section)

The meeting ended with a vote of thanks to the Chair.

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