## Directorate General of Foreign Trade
## (PRC-section)

**Minutes of the Policy Relaxation Committee Meeting held under the Chairmanship of DGFT Shri A.K. Bhalla, Director General of Foreign Trade on 16.05.2017**

### Meeting No. 05/AM18 held on 16.05.2017 at 10:00 AM

The following members were present in the meeting:

| | | |
|---|---|---|
| 1. | Shri K. C. Rout | Addl. DGFT |
| 2. | Shri Jaikant Singh | Addl. DGFT |
| 3. | Shri Darshan Singh | Addl. DGFT |
| 4. | Shri J.V. Patil | Addl. DGFT |
| 5. | Shri S.B.S Reddy | Addl. DGFT |
| 6. | Shri N. K. Srivastava | Addl. DGFT |
| 7. | Shri Jay Karan Singh | Jt. DGFT |
| 8. | Shri Akash Taneja | Jt. DGFT |
| 9. | Shri S. P. Roy | Jt. DGFT |
| 10. | Shri Rakesh Kumar | Jt. DGFT |

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

**Case No.1: M/s. Kairav Chemofarbe Industries Ltd., Mumbai. (PH Case)**
**F.No.** 01/60/162/238/AM17/PRC
**PRC Meeting No. 05/AM18 dated 16.05.2017**

**Subject:** Request for 2nd Revalidation of Advance Authorization no. 0310753117 dt. 10.10.2013. **RA, Mumbai**

**Decision:** The applicant had sought personal hearing in terms of Para 2.59 of FTP, 2015-2020, which was afforded on 16.05.2017. They were informed about the same, through e-mail dated 01.05.2017and 12.05.2017, at the e-mail address provided by them. However, no one turned up for PH nor any request for fixing another hearing was received. The committee, however, in the interest of natural justice decided to defer the case. The applicant may seek next date.

**(Action: Applicant)**

**Case No.2: M/s. Swiss Parenterals P. Ltd., Gujarat.**
**F.No.** 01/60/162/511/AM17/PRC
**PRC Meeting No. 05/AM18 dated 16.05.2017**

**Subject:** Request for EOP extension in case of Advance Authorization No.0810100429 dt. 14.06.2011 issued under PC-9 condition.

**Decision:** The Committee noted that the Authorization No. 0810100429 dt. 14.06.2011 was issued with conditions stipulated under PC-9 dated 30.06.2003 read with

Appendix-30A of 2009-14 FTP, which allows 12 months period for EO fulfilment from import of each consignment. The import under this Authorisation was made on 21.12.2011. Accordingly, initial obligation period was upto 31.12.2012. The applicant has stated to have fulfilled 100% export (96.71% within EOP and 3.28% outside EOP) obligation during the initial export obligation period and remaining thereafter. 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 30.06.2013.
II. This is only for accounting and regularization of exports already effected.
III. This will, however, be subject to a payment of composition fee @ 0.5% per month on FOB value of export made after initial obligation period;
IV. RA shall check that minimum 50% exports were made within initial export obligation period, against each consignments. If not, composition fee will be charged @ 1% per month;
V. The minimum value addition of 15% as prescribed under Para 4.09 of FTP(2015-2020) shall be maintained.

**(Action: Applicant/RA, Ahmedabad)**

**Case No.3: M/s. Sartorius Stedim India P. Ld., Bengaluru.**
**F.No.** 01/60/162/425/AM17/PRC
**PRC Meeting No. 05/AM18 dated 16.05.2017**

**Subject:** Request for condonation of non-mentioning the Advance Authorization No.0710056247 dt. 05.03.2008 details in the S/Bills.

**Decision:** The Committee noted the contents of the submission made, for review of decision taken in meeting No 12/AM17 dated 19.07.2017 and discussed the case at length. The committee noted that in terms of Para 4.12 of FTP the exporter is required to mention the details of consumption of duty free inputs imported under the Authorisation. Para 4.27 of HBP 2015-20 provided that export made after generating of EDI File number or issue of the Authorisation shall only be taken into account for discharge of export obligation. Therefore, the exporter is required to indicate Authorisation / File details in the shipping Bill, while making shipment. In free shipping bills, these details are not indicated and consequently, valuation of such free shipping bills is not done by the Customs Authority. Therefore, such shipping bills cannot be taken into account towards discharge of export obligation.

The applicant's submissions are that the Customs House Agent in their case was appointed by the buyer and that he (CHA) did not indicate the details of Authorisation in the shipping bills. The committee, after deliberations was of the view that every applicant has the option of getting the shipping bills amended under the provisions of Customs Act but the applicant did not avail of this option.

Further, it is pertinent to state that in case of shipment towards fulfillment of EO against an Advance Authorisation, it is an essential requirement to indicate the Advance Authorisation Number in the Shipping Bills for the purpose of accounting of the quantities of inputs allowed duty free to ensure that the applicant imports and exports as per conditions of the Advance Authorisation. This being the essential for operationalisation and verification of the Duty Free Scheme, the request for condonation of non-mentioning of Advance Authorization on the Shipping Bills cannot be considered. The committee therefore, decided to maintain the decision taken in its meeting dated 19.07.2016.

The applicant is hereby directed to get the case regularised in terms of Para 4.49 of HBP, 2015-2020 within month of publishing these minutes on the Directorate website. In case of failure, RA shall initiate action under the provisions of FT(D&R)Act, 1992, as amended.

**(Action: Applicant/RA, Bangalore)**

**Case No.4: M/s. Jindal Drugs P. Ltd., Mumbai.**
**F.No.** 01/60/162/932/AM16/PRC
**PRC Meeting No. 05/AM18 dated 16.05.2017**

**Subject:** Request for 2nd revalidation of Advance Authorization No.0310782145 dt. 20.05.2014. **RA, Mumbai.**

**Decision**: The committee noted the submissions made by the applicant for review of the decision taken by the committee in its meeting No 02/AM17 dated 22.04.2016. The case was deliberated at length. It was noted that the Authorisation in question was issued having initial validity of 12 months to import. On request of the applicant, RA had allowed one revalidation for six months. So the Authorisation remained valid for 18 months for import. The applicant has imported 75% imports goods permitted in the Authorisation. Therefore, the plea that they could not complete balance import due to non-availability of raw materials in the international market, is not tenable. Further, there is also a provision for procuring the inputs from indigenous sources and nothing prevented the applicant from procuring the inputs from indigenous sources during validity of the licence. The committee, therefore, did not consider the request being no case of genuine hardship.

**Case No.5: M/s. GIC Insu-Flex Conductors P. Ltd., Mumbai.**
**F.No.** 01/60/162/224/AM17/PRC
**PRC Meeting No. 05/AM18 dated 16.05.2017**

**Subject:** Request for fulfillments of E.O. with different export products in three Shipping Bills in which same import item is used against Advance Authorization No.0310716291 dt. 04.12.2012.

**Decision:** The committee noted the submissions of the applicant that they have exported un-plated Copper Conductors (SION No. 61/338) in some of their shipping bills instead of Paper Covered copper Conductors (SION No. 61/252) for which they have used same imported raw materials towards discharge of export obligation against the above mentioned Advance Authorisation. This was done due to urgent need of customer without getting the Authorisation amended. Hence, requested for accounting of that shipping Bills.

The committee decided the following:

i. Accounting of shipping Bills which have indicated resultant product as unplated coper conductors and the Authorisation No 0310716291 dated 04.12.2012 shall be allowed.

ii. This will, however, be subject to the condition that entitlement of inputs shall be calculated as per SION 61/338.

iii. Shortfall, if any, shall be regularized in terms of Para 4.49 of HBP 2015-20.

**(Action: RA, Mumbai)**

Case No.6: M/s. Net Matrix Crop Care Ltd., Hyderabad.
**F.No.** 01/60/162/686/AM17/PRC
**PRC Meeting No. 05/AM18 dated 16.05.2017**

**Subject:** Request for EOP extension against Advance Authorization No.0910058440 dt. 04.12.2013.

**Decision:** The committee noted that the Authorisation in question was issued having initial export obligation period of 18 months. The applicant could affect only 56.66 % exports towards discharge of export obligation. RA is empowered to allow two extension of six months each on payment of composition fee, in terms of Para 4.42 of HBP 2015-20. However, this facility was not availed by the applicant. Extension beyond 36 months is not allowed unless in exceptional case like force majeure. The 36 months' period was up to 04.12.2016. 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 F.T.(DR) Act, 1992, as amended.

**Case No.7: M/s. Krystal Steel Manufacturing P. Ltd., Gujarat.**
**F.No.** 01/60/162/1245/AM17/PRC
**PRC Meeting No. 05/AM18 dated 16.05.2017**

**Subject:** Request for revalidation of Advance Authorization No.3410040881 dt. 19.01.2015.

**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 on the request of the applicant. Despite allowing the revalidation by RA, applicant did not complete imports permitted in the Authorisation. The applicants' plea that Customs did not allow to register Authorisation without EODC was not acceptable, as import can be made against LUT/BG in case of import prior to exports. Further, no cogent reason which establishes genuine hardship has been submitted by the applicant. The committee, therefore, did not accede to the request.

**Case No.8: M/s. Sun Pharmaceuticals Industries Ltd., Mumbai.**
**F.No.** 01/60/162/569/AM17/PRC
**PRC Meeting No. 05/AM18 dated 16.05.2017**

**Subject:** Request for EOP extension of Advance Authorization No.0310790931 dt. 11.11.2014 issued under PC-9 conditions.

**Decision:** The Committee noted that the Authorization in question was issued with conditions stipulated under PC-9 dated 30.06.2003 read with Appendix-30A of 2009-14 FTP, which allows 12 months period for EO fulfilment from import of each consignment. The import under this Authorisation was made on 24.07.2015 and 28.04.2016. Accordingly, initial obligation period was upto 23.07.2016 and 27.04.2017, respectively. The applicant has stated to have fulfilled 22.97% export obligation during the initial export obligation period. 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 a payment of composition fee @ 1% per month on FOB value of export made/to be made after initial obligation period;
III. Minimum value addition of 15% as prescribed under Para 4.09 of FTP 2015-2020, shall be maintained.

**(Action: Applicant/RA, Mumbai)**

**Case No.9: M/s. Sun Pharmaceuticals Industries Ltd., Mumbai.**
**F.No.** 01/60/162/833/AM17/PRC
**PRC Meeting No. 05/AM18 dated 16.05.2017**

**Subject:** Request for EOP extension of Advance Authorization No.0310793988 dt. 19.02.2015 issued under PC-9 conditions.

**Decision:** The Committee noted that the Authorization in question was issued with conditions stipulated under PC-9 dated 30.06.2003 read with Appendix-30A of 2009-14 HBP, which allows 12 months' period for EO fulfilment from import of each consignment. The import under this Authorisation was made on 12.05.2015. Accordingly, initial obligation period was upto 11.05.2016. The applicant has stated to have fulfilled 99.01% export obligation during the initial export obligation period and remaining thereafter. Taking all these facts into account, the Committee decided the following:

I. Export obligation period be extended by 6 months in continuity.
II. This will, however, be subject to a payment of composition fee @ 0.5% per month on FOB value of export made after initial obligation period;
III. RA shall check that minimum 50% exports were made within the initial export obligation period. If not, composition fee will be charged @ 1% per month of unfulfilled FOB value.
IV. Minimum value addition of 15% as prescribed under Para 4.09 of FTP 2015-2020, shall be maintained.

**(Action: Applicant/RA, Mumbai)**

**Case No.10: M/s. Ramsons Cycles (P) Ltd., Ludhiana.**
**F.No.** 01/60/162/193/AM17/PRC
**PRC Meeting No. 05/AM18 dated 16.05.2017**

**Subject:** Request for EOP extension of Advance Authorization No.3010088829 dt. 05.09.2012 for regularization purpose.

**Decision:** The committee noted that the Authorisation was issued having initial export obligation period of 18 months and RA had allowed six months extension as per request of the applicant. After fulfillment of 81% export obligation they applied for second extension to PRC on 12.10.2014. However, vide PN No 16 dated 04.06.2015, Para 4.22 of HBP 2015-20 was amended vide which RAs were empowered to allow two extensions of six months each on payment of composition fee, as prescribed in the said Public Notice. However, second extension was permitted subject to the condition that minimum 50% export are completed by the exporter. Therefore, this case was remanded back to RA on 27.05.2015 for considering the request as per the said amended provisions.

The committee, after the detailed deliberations found the case is one of the genuine hardship due changes effected in the HBP and the time taken by the RA in examining the request. Taking these facts in consideration, the committee decided the following:

i. Export obligation period be extended by 12 months in continuity.
ii. This will, however, be subject to payment of composition fee @ 0.5% per month of unfulfilled FOB value of exports made after 24th month but upto 30th month and @ 1% per month of unfulfilled FOB value of exports made after 30th month but upto 36th month;
iii. Minimum 15% value addition shall be maintained.

**(Action: RA, Ludhiana)**

**Case No.11: M/s. Gland Pharma Ltd., Hyderabad.**
**F.No.** 01/60/162/384/AM17/PRC
**PRC Meeting No. 05/AM18 dated 16.05.2017**

**Subject:** Request for EOP extension of Advance Authorization No.0910061931 dt. 24.04.2015 issued under PC-9 conditions.

**Decision:** The Committee noted that the Authorization No. 0910061931 dt. 24.04.2015 was issued with conditions stipulated under PC-9 dated 30.06.2003 read with Appendix-4J of FTP, 2015-2020, which allows 12 months' period for EO fulfilment from import of each consignment. The 1st import under this Authorisation was made on 29.04.2015 and last import was made on 04.02.2016. Accordingly, initial obligation period were 28.04.2016 and 03.02.2017, respectively. The applicant has stated to have fulfilled 53.45% export obligation. Taking all these facts into account, the Committee decided the following:

I. Export obligation period be extended by 6 months against each import consignments in continuity.
II. This will, however, be subject to a payment of composition fee @ 0.5% per month on 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 consignments. If not, composition fee will be charged @ 1% per month;
IV. Minimum value addition of 15% as prescribed under Para 4.09 of FTP (2015-2020) shall be maintained.

**(Action: Applicant/RA, Hyderabad**

**Case No.12: M/s. Gland Pharma Ltd., Hyderabad.**
**F.No.** 01/60/162/745/AM17/PRC
**PRC Meeting No. 05/AM18 dated 16.05.2017**

**Subject:** Request for EOP extension of Advance Authorization No.0910062225 dt. 19.06.2015 issued under PC-9 conditions.

**Decision:** The Committee noted that the Authorization No. 0910062225 dt. 19.06.2015 was issued with conditions stipulated under PC-9 dated 30.06.2003 read with Appendix-4J of FTP, 2015-20, which allows 12 months' period for EO fulfilment from import of each consignment. The 1st import under this Authorisation was made on 15.07.2015 and last import was made on 06.06.2016. Accordingly, initial obligation period were upto 14.07.2016 and 05.06.2017, respectively. The applicant has stated to have fulfilled 86.965% export obligation. Taking all these facts into account, the Committee decided the following:

I. Export obligation period be extended by 6 months against each import consignments in continuity.
II. This is only for accounting and regularization of exports already effected.
III. This will, however, be subject to a payment of composition fee @ 0.5% per month on FOB value of export made after initial obligation period.
IV. RA shall check that minimum 50% exports were made within initial export obligation period, against each consignments. If not, composition fee will be charged @ 1% per month.
V. The minimum value addition of 15% as prescribed under Para 4.09 of FTP (2015-2020) shall be maintained.

**(Action: Applicant/RA, Hyderabad**

**Case No.13: M/s. Alaska Multi Polymers P. Ltd., Greater Noida.**
**F.No.** 01/60/162/1239/AM17/PRC
**PRC Meeting No. 05/AM18 dated 16.05.2017**
**Subject:** Request for EOP extension of Advance Authorization No.0510391272 dt. 23.09.2014.

**Decision:** The committee noted that the Authorisation in question was issued having initial export obligation period of 18 months. In terms of Para 4.42 of HBP, RA is empowered to allow two extensions of six months each subject to payment of composition fee. However, second extension is allowed provided minimum 50% of stipulated EO is completed within 24 months from issue of the Authorisation. The facility, which was available to the applicant has not availed by them. No reason was given for not availing of the facility. The applicant has fulfilled only 3% export obligation against import of two items 100% and one item partially. Further they have not completed any exports outside the obligation period also. Further, no cogent reason of genuine hardship has been is given by the applicant.

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 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 F.T.(DR) Act, 1992, as amended.

**(Action: RA, New Delhi)**

**Case No.14: M/s. Shubhlaxmi Metals & Tubes P. Ltd., Mumbai.**
**F.No.** 01/60/162/1165/AM17/PRC
**PRC Meeting No. 05/AM18 dated 16.05.2017**

**Subject:** Request for revalidation of Advance Authorization No.0310796813 dt. 24.06.2015.

**Decision:** The committee noted that the Authorisation was issued having initial validity of 12 months to import. The RAs are empowered to allow six months' further revalidation on request of the applicant. However, the applicant did not avail the facility. No cogent reason which establish genuine hardship is submitted. The committee, therefore, did not accede to the request.

**Case No.15: M/s. Hindalco Industries Ltd., Bharuch.**
**F.No. 01/60/162/1235/AM17/PRC**
**PRC Meeting No. 05/AM18 dated 16.05.2017**

**Subject:** Request for revalidation of Advance Authorization No.3410039295 dt. 18.02.2014.

**Decision:** The applicant has stated that the Annual Advance Authorisation was issued with port of registration Dahej ICD. Due to EDI problem it could not be registered in time and finally the Authorisation was registered on 10.12.2014. Subsequently, the Authorisation had expired in the custody of the Customs Authority. It has been confirm by the said Authority vide letter No CH/DJ/MISC/HII/2016-17 dated 28.07.2016 but no copy of said letter was submitted.

The committee, therefore, directed the applicant to approach the RA concerned in terms of Para 2.13. of HBP, 2009-14 along with letter issued by the Customs Authority.

**(Action: Applicant/RA, Vadodara)**

**Case No.16: M/s. Itco Industries Ltd., Bengaluru.**
**F.No. 01/60/162/1217/AM17/PRC**
**PRC Meeting No. 05/AM18 dated 16.05.2017**

**Subject:** Request for issue of EODC along with revalidation of import of DFIA No.0710096440 dt. 03.07.2013.

**Decision:** The committee noted that the Authorisation in question was issued having 12 months validity to import. RA is empowered to allow six months further validity on request. However, the facility which was available to the applicant has not been availed and reason for not seeking revalidation from RA same has been given. No policy relaxation is required for getting EODC. The applicant should approach the RA concerned for the same. So far as request for revalidation of the Authorisation is concerned, no cogent reason of genuine hardship has been provided. The committee, therefore, did not accede to the request for allowing revalidation.

**Case No.17: M/s. Itco Industries Ltd., Bengaluru.**
**F.No. 01/60/162/1214/AM17/PRC**
**PRC Meeting No. 05/AM18 dated 16.05.2017**

**Subject:** Request for issue of EODC along with revalidation of import of DFIA No.0710102102 dt. 13.01.2014.

**Decision:** Decision of case No 16 is reiterated.

**Case No.18: M/s. Itco Industries Ltd., Bengaluru.**
**F.No. 01/60/162/1218/AM17/PRC**
**PRC Meeting No. 05/AM18 dated 16.05.2017**

**Subject:** Request for 2nd revalidation of DFIA No.0710107506 dt. 28.01.2015.

**Decision:** Decision of case No 16 is reiterated.

**Case No.19: M/s. Itco Industries Ltd., Bengaluru.**
**F.No. 01/60/162/1216/AM17/PRC**
**PRC Meeting No. 05/AM18 dated 16.05.2017**

**Subject:** Request for revalidation of DFIA No.0710088312 dt. 21.05.2012.

**Decision:** Decision of case No 16 is reiterated.

**Case No.20: M/s. Itco Industries Ltd., Bengaluru.**
**F.No. 01/60/162/1215/AM17/PRC**
**PRC Meeting No. 05/AM18 dated 16.05.2017**

**Subject:** Request for revalidation of DFIA No.0710107160 dt. 10.12.2014.

**Decision:** Decision of case No 16 is reiterated.

**Case No.21: M/s. Itco Industries Ltd., Bengaluru.**
**F.No. 01/60/162/1227/AM17/PRC**
**PRC Meeting No. 05/AM18 dated 16.05.2017**

**Subject:** Request for issue of EODC along with revalidation of import of DFIA No.0710106844 dt. 16.10.2014.

**Decision:** Decision of case No 16 is reiterated.

**Case No.22: M/s. Itco Industries Ltd., Bengaluru.**
**F.No. 01/60/162/1221/AM17/PRC**
**PRC Meeting No. 05/AM18 dated 16.05.2017**

**Subject:** Request for issue of EODC along with revalidation of import of DFIA No.0710083388 dt. 20.10.2011.

**Decision**: Decision of case No 16 is reiterated.

**Case No.23: M/s. Itco Industries Ltd., Bengaluru.**
**F.No. 01/60/162/1213/AM17/PRC**
**PRC Meeting No. 05/AM18 dated 16.05.2017**
**Subject:** Request for revalidation of DFIA No.0710097186 dt. 30.07.2013.

**Decision**: Decision of case No 16 is reiterated.

**Case No.24: M/s. Itco Industries Ltd., Bengaluru.**
**F.No. 01/60/162/1226/AM17/PRC**
**PRC Meeting No. 05/AM18 dated 16.05.2017**

**Subject:** Request for revalidation of DFIA No.0710107161 dt. 10.12.2014.

**Decision**: Decision of case No 16 is reiterated.

**Case No.25: M/s. Itco Industries Ltd., Bengaluru.**
**F.No. 01/60/162/1220/AM17/PRC**
**PRC Meeting No. 05/AM18 dated 16.05.2017**

**Subject:** Request for revalidation of DFIA No.0710105164 dt. 18.06.2014.

**Decision**: Decision of case No 16 is reiterated.

**Case No.26: M/s. Itco Industries Ltd., Bengaluru.**
**F.No. 01/60/162/1222/AM17/PRC**
**PRC Meeting No. 05/AM18 dated 16.05.2017**

**Subject:** Request for issue of EODC along with revalidation of import of DFIA No.0710107662 dt. 19.02.2015.

**Decision**: Decision of case No 16 is reiterated.

**Case No.27: M/s. Itco Industries Ltd., Bengaluru.**
**F.No. 01/60/162/1228/AM17/PRC**
**PRC Meeting No. 05/AM18 dated 16.05.2017**

**Subject:** Request for revalidation of DFIA No.0710094498 dt. 27.03.2013.

**Decision**: Decision of case No 16 is reiterated.

**Case No.28: M/s. Magnum Lubricants (India) P. Ltd., Mumbai.**
**F.No. 01/60/162/1241/AM17/PRC**
**PRC Meeting No. 05/AM18 dated 16.05.2017**

**Subject:** Request for revalidation of Focus Market Scheme Authorization No.0310785494 dt. 17.06.2014.

**Decision:** The committee noted that applicant has submitted that the subject Duty Credit Scrip could not be utilized as it was kept lying in their office due to oversight and mistake of their employee. This is clearly not a case of genuine hardship for policy relaxation. Therefore, the Committee did not acceded to the request of applicant.

**Case No.29: M/s. Shibu Enterprises, Jagadhri, Haryana.**
**F.No. 01/60/162/006(A)/AM16/PRC**
**PRC Meeting No. 05/AM18 dated 16.05.2017**

**Subject:** Request for clubbing of 3 Advance Authorizations No.(i) 3310013913 dt. 11.09.2009; (ii) 3310024898 dt. 28.12.2012 & (iii) 3310027455 dt. 29.08.2013.

**Decision:** The applicant submitted that they had approached the RA, Panipat for clubbing of the three licences but RA has informed that only two Advance Authorisations could be clubbed as per PN No. 16 dated 4.6.2015 read with PN No. 20 dated 9.6.2015. They have requested for clubbing of three Authorisations.

The Committee observed that Para 4.38 of HBP, 2015-2020 allows clubbing of Authorisations issued within 18 months. Authorisations in question are issued beyond the prescribed period. Further, Authorisation dated 11.09.2009 was issued having initial export obligation period of 36 months whereas remaining two Authorisations were issued having initial export obligation period of 18 months. Clubbing of such Authorisation is allowed provided exports under subsequent Authorisations are completed within the initial export obligation period of earliest Authorisation. Such criteria are not met in this case. The committee, therefore, did not accede to the request.

The applicant is hereby directed to get the cases redeemed individually after regularising in terms of Para 4.49 of HBP.

**(Action: Applicant/RA, Panipat)**

**Case No.30: M/s. Penam Laboratories Ltd., New Delhi.**
**F.No.** 01/60/162/796/AM17/PRC
**PRC Meeting No. 05/AM18 dated 16.05.2017**

**Subject:** Request for counting the supply of Invoice No.602 dt. 05.02.2014 towards fulfillment of E.O. against Advance Authorization No.0510290713 dt. 16.05.2011.

**Decision:** The committee observed that the validity of Invalidation letter is always co-terminus with the validity of Advance Authorisation/EPCG Authorisation in respect of which Invalidation letter has been issued. The Authorisation holder can import / procure duty free goods within the validity of Authorisation. Similarly, supplier of goods can account only such supplies towards discharge of his obligation, which were made within the validity of Invalidation letter of recipient.

In the present case supplies were made after expiry of validity of Invalidation letter issued to the recipient of goods. Acceptance of such supply would tantamount to extending validity of expired Advance Authorisation obtained by the recipient. For these reasons, the committee, did not accede to the request.

**Case No.31: M/s. Indeutsch Industries Pvt. Ltd., Noida**
**F.No.** 01/60/162/469/AM17/PRC
**PRC Meeting No. 05/AM18 dated 16.05.2017**

**Subject:** Request for waiver / condoning procedural lapse for not making the declaration of intend claim reward under MEIS on the Shipping Bills as per Para 3.14 of HBP for MEIS benefits.

Decision: The case was deferred for seeking report from DC, NSEZ.

**Case No.32: M/s. Kav Exports, Bhadohi, U.P.**
**F.No.** 01/60/162/1224/AM17/PRC
**PRC Meeting No. 05/AM18 dated 16.05.2017**

**Subject:** Request for manually amended 25 Shipping Bills by Customs, for benefit of MEIS Script.

**Decision:** The case was discussed at length. It was noted that Indian Handwoven Jute Carpet is eligible for MEIS benefits. However, ITC (HS) code was declared wrongly though the said ITC (HS) code also eligible for MEIS benefit. The Customs Authority has corrected the HS code manually. However, system does not facilitate transmission of such correction electronically. As per Para 3.01 (g) of FTP, for EDI shipping bill, no manual feeding of shipping bill data is allowed/ permitted.

Since the customs Authority has corrected shipping bill and product description is eligible for MEIS benefit, the committee decided the following:

i. EDI (NIC) at H.Q. shall correct the ITC(HS) code in the shipping bills, as corrected manually by the Customs Authority.
ii. RA shall issue scrip accordingly.
iii. NIC shall transmit Duty Credit Scrip with special flag after obtaining the same from ICEGAT, in case of any problem in transmission.

**(Action: EDI (NIC)/RA, Varanasi)**

**Case No.33: M/s. Hindalco Industries Ltd., Bharuch**
**F.No.** 01/60/162/1236/AM17/PRC
**PRC Meeting No. 05/AM18 dated 16.05.2017**
**Subject:** Request for Revalidation of Annual Authorization no. 3410035017 dt. 29.08.2012, (RA, Vadodara)

**Decision:** The committee noted that in terms of Para 2.13.2 of HBP, 2009-2014, RA is empowered to allow revalidation of transferable scrip/Authorisation for equal period for which valid scrip/Authorisation was in the custody of DGFT/Customs Authority. The Applicant has claimed that their Authorisation could not be registered with Customs due to EDI issue at Customs House, Dahej and meanwhile the Authorisation lost its validity. The committee was of the view that no policy relaxation is required in such cases. The applicant should approach the RA concerned along with certificate issued by the Customs Authority and RA may decide matter on merits and facts of the matter.

**(Action: Applicant)**

**Case No.34: M/s. Cadila Healthcare Limited, Ahmedabad**
**F.No.** 01/60/162/915/AM17/PRC
**PRC Meeting No. 05/AM18 dated 16.05.2017**

**Subject:** Request for (i) EOP extension of Advance Authorization no. 0810094647 dt. 15.12.2010 issued with PC-9 conditions and (ii) counting of three S/Bills no. 4877051 dt. 05.08.2011, 5894641 dt. 18.10.2011 & 6369152 dt. 23.11.2011 towards fulfillment of EO against Advance Authorization no. 0810094647 dt. 15.12.2010 instead of AA No. 0810094648 dt. 15.12.2010.

**Decision:** The committee decided to defer the case for seeking more information from RA/applicant and examination of the same by PRC section.

**(Action: PRC)**

**Case No.35: M/s. Ashish Life Science pvt. Ltd., Mumbai**
**F.No.** 01/60/162/1041/AM17/PRC
**PRC Meeting No. 05/AM18 dated 16.05.2017**

**Subject:** Request for considering total import / export made under three authorizations (1). 0310629757 dt. 05.05.2011, (ii) 0310682425 dt. 17.02.2012 and 0310703813 dt. 01.08.2013) issued for identical import / export product for regularization and for waiver from submission of Destruction Certificate as per PC 18. RA, Mumbai

**Decision:** The committee noted that the above mentioned Authorisation were issued to import drugs from unregistered sources. Such Authorisations are issued with pre-import and actual user condition under PC-9 dated 30.06.2003. Export obligation period is fixed at 12 months from the date of import of each consignment. The applicant was well aware with these provisions. Advance Authorisations at Sl. No 1 and 2 have already been redeemed. Re-opening of such Authorisation for accounting purpose will cause administrative problems at DGFT as well as at Customs end. Further, since pre-import is one of the mandatory conditions in PC-9 cases counting of surplus exports made prior to import ( in subsequent licenses/ authorisations ) will be against the mandatory conditions laid down. The committee, therefore, did not accede to the request.

The applicant is hereby directed to get the cases regularized in terms of Para 4.49 of HBP, 2015-2020 read with provisions of PC-18 dated 30.10.2007 within a month from the date of uploading of these minutes on the directorate website. In case of failure, RA shall initiate action under the provisions of F.T.(DR)Act, 1992 as amended.

**(Action: Applicant/RA, Mumbai)**

**Case No.36: M/s. Evonik Catalysts India Pvt. Ltd., Thane**
**F.No.** 01/60/162/1159/AM17/PRC
**PRC Meeting No. 05/AM18 dated 16.05.2017**

**Subject:** Request for waiver of requirement of Bill of Export and acceptance of ARE-1 towards discharge of export obligation against Advance Authorization no. 0310737332 dt. 28.08.2013.

**Decision:** The Committee noted that in terms of Para 4.12 of FTP, 2015-20, exporter is required to indicate actual consumption of duty free inputs in the 'Shipping bill' (in case of export by ship) /'Bill of export' (in case export by land customs) towards discharge of export obligation against Advance Authorization. In the instant case, exports were made to SEZ unit without generating Bill of Export. ARE-1 does not bear such information and valuation of ARE-1 is not done by the Customs Authority. Further, in terms of Rule 30 of SEZ Rules, 2006, Bill of Export is a mandatory document for claiming incentives on such export. Hence, requirement of Bill of Export cannot be dispensed with for discharge of export obligation against Advance Authorisation. The committee, therefore, did not accede to the request.

The applicant is hereby directed to get the case regularized in terms of Para 4.49 of HBP, 2015-20.

**(Action: Applicant/RA, Mumbai)**

**Case No.37: M/s. Unimark Remedies Ltd, Mumbai**
**F.No.** 01/60/162/1167/AM17/PRC
**PRC Meeting No. 05/AM18 dated 16.05.2017**

**Subject:** Request for clubbing & Redemption of Advance Authorization nos. 0310312067 dt. 13.01.2005 and 0310321619 dt. 16.03.2005.

**Decision:** The committee noted that the Authorisations in questions were issued having initial export obligation period of 24 months. Most of inputs are common in both the Authorisation. Exports have been completed with initial export obligation period. The committee, therefore, decided the following:

i. Clubbing of Authorisations be allowed.
ii. This will, however, be subject to the condition that both the Authorisations were issued under same Customs Notification;
iii. RA shall ensure accounting of inputs as per SION;
iv. The applicant shall pay duty plus applicable interest to the Customs Authority on unutilized/unaccounted duty free inputs;
v. Minimum 15% value addition shall be maintained on clubbing;
vi. No adjudication order under Customs Act / FT(DR) Act is issued.

**(Action: Applicant/RA, Mumbai)**

**Case No.38: M/s. Shri P.S. Patwalia, Additional Solicitor General of India, Supreme Court of India**
**F.No.** 01/89/180/Misc-14/AM10/PC-2[A]/Part -A
**PRC Meeting No. 05/AM18 dated 16.05.2017**

**Subject:** Request for relaxation of Policy condition 1 [II] [a], [d] and part [e] of Schedule I of the Import Policy for import a used / second hand 1981 Model Mercedes Benz 380 SL with automatic transmission car from the United Kingdom (UK) which is a

**Decision:** This being a request is for import of old car of 1981 make, the committee decided to defer the case for seeking NOC from Ministry of Heavy Industries and State Road Transport Department

**(Action: Policy-2)**

**Case No.39: M/s. Ford India Private Limited, Gurgaon**
**F.No.** 01/89/180/01/AM13/PC-2(A)
**PRC Meeting No. 05/AM18 dated 16.05.2017**

**Subject:** Request for relaxation of Policy condition 2(II) (f) of Chapter 87 of ITC (HS), 2017, schedule-I (import policy) for temporary import of new model registered cars (Ford Fiesta & Ford S-Max) for testing at ARAI Emissions Testing Laboratory, Pune

**Decision:** The committee decided to relax the condition of Para 2(ii)(f) of Chapter 87 of import policy for import of one Ford Fiesta and one Ford S-Max from Ford Motor company, UK 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 demobilization and that the equipment would be used only at the project site.
III. The vehicle will be re-exported after completion of project.

**(Action: PC-2(A) Section)**

**Case No.40: M/s. Taj Velvet & Silk Mills, Agra**
**F.No.** 01/60/162/423/AM15/PRC
**PRC Meeting No. 05/AM18 dated 16.05.2017**

**Subject:** Request for Redemption of Advance Authorization no. 0610018586 dated 26.07.2010.

**Decision:** The applicant has requested for counting of export made through two Shipping Bills No. 2615008 dated 21/9/2010 and 2615018 dated 21/9/2010 without endorsement of Authorisation number towards discharge of Export Obligation against the above mentioned Advance Authorisation. The applicant has stated that they could not indicate Authorisation details in shipping bills because the Authorisation was issued having two inputs but in the Customs server it was showing only one input. However, report provided by EDI indicate that the Authorisation in question was accepted by Customs server on 30.07.2010 with two inputs. Therefore, averment of the applicant is not acceptable.

Shipments made without indicating Authorisation number/scheme intent are covered under Free Shipping Bill category. It is basic principle laid down in the Duty Exemption Scheme ( for Advance Authorisations) that the shipments made towards fulfillment of export obligation against the Authorisations must bear details of the Authorisation. Further, in terms of Para 4.12 of FTP, consumption of duty free inputs is required to be indicated in the shipping Bill so that the quantity and consumptions of the inputs as well as quantity of the export product will enable the DGFT/RA to account for the inputs used in the shipping Bill so that case is redeemed after checking the particulars from Shipping Bills. Free shipping Bills do not bear such information. Valuation of free shipping bills is also not done by the Customs Authority. Therefore, free shipping bills cannot be taken into account towards discharge of export obligation against an Advance Authorisation. The Committee, therefore, did not accede to the request.

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

**(Action: RA, Kanpur)**

**Case No.41: M/s. Mahalaxmi Infracontract P. Ltd., Ahmedabad**
**F.No.** 01/89/18014/AM10/PC-2(A)
**PRC Meeting No. 05/AM18 dated 16.05.2017**

**Subject:** Relaxation in provision of CMVR 1989 and rules 126 of CMVR 1989 and Import Licensing Note SL no. [2] [II] a, b & c of Chapter 87 of ITC [HS], 2017 and issue NOC for importing 6 (six) Units of LGMG made Rigid Truck Model MT86C from the manufacturer M/s. Lingone Group Jinan Heavy Machinery Co Ltd, China.
**Decision:** The committee decided the following:

I. Import of six unit of LGMG made Rigid Truck Model MT86C from China be allowed.
II. Import should be made through the designated ports only.
III. Vehicles shall not ply on public roads except at the time of mobilization and demobilization and that the equipment would be used only at the project site.
IV. The vehicle will be re-exported back after completion of project.
V. The applicant shall execute LUT/bond with the Customs Authority for that purpose.

**(Action: PC-2(A) Section)**

**Case No.42: M/s. Hindustan Zinc Ltd., Udaipur**
**F.No.** 01/89/180/67/AM09/PC2(A)/vol-V/Part-1
**PRC Meeting No. 05/AM18 dated 16.05.2017**

**Subject:** Grant of relaxation in provision of CMVR 1989 and Rules 126 of CMVR 1989 and clause 2 (II) (a) (i) (ii) & (iii) (b), (c) (i) (ii) (iii) and clause 7 of Chapter 87 of ITC (HS), 2012 for import of following underground mining equipments.

(i) 2nos Low profile dumper (LPTD 20MT Model TH 320) from M/s Sandvik Mining construction, Finland
(ii) 2nos Low profile dumper (LPTD 63 MT Model TH 663) from M/s Sandvik Mining construction, Finland

(iii) 3nos Low profile dumper (LPTD 65MT) from M/s Atlas Copco Rock Dril, Sweden.
(iv) 2nos Low profile dumper (LPTD 60MT model AD60) from M/s caterpillar, Singapore.
(v) 2nos Utility equipment base carrier Model No MF100 with relevant accessories from M/s Normet OY, Finland.
(vi) 1Utility equipment base carrier Model No MF328 with relevant accessories from M/s Normet OY, Finland.
(vii) 1Mining Utility equipment Model RBO with relevant accessories from M/s Normet OY, Finland.
(viii) 1Utility vehicle MF540 with relevant accessories from M/s Normet OY, Finland.
(ix) 1Mining Utility equipment scaler model scamec 2000M with relevant accessories from M/s Normet OY, Finland.
(x) 1Mining Utility equipment Model utimac LF1000 with relevant accessories from M/s Normet OY, Finland.
(xi) 1Mining Utility equipment base carrier JPV3-33 with relevant accessories from M/s Jacon Technology,Silverwater
(xii) 1Mining Utility equipment Transmix TMX-6000 agitator with relevant accessories from M/s Jacon Technology,Silverwater.
(xiii) 1Mining Utility equipment water sprinkler cum fire tender (model JWJ6-12) with relevant accessories from M/s NSW, Australia.
(xiv) 1under ground Mining Utility equipment Model MVU80D-PT with relevant accessories from M/s GHH Fahrezeuge, Gelsenhrishen.

**Decision:** The committee decided the following:

I. Import of above mentioned dumper and accessories be allowed.
II. Import should be made through the designated ports only.
III. Vehicles shall not ply on public roads except at the time of mobilization and demobilization and that the equipment would be used only at the project site.
IV. The vehicle will be re-exported back after completion of project.
V. The applicant shall execute LUT/bond with the Customs Authority for that purpose.

**(Action: PC-2(A) Section)**

**Case No.42: M/s. Tata Power SED, Bengalure**
**F.No.** 01/89/180/Mise.72/AM-16/PC-2 (B) / Part
**PRC Meeting No. 05/AM18 dated 16.05.2017**

**Subject:** Request for relaxation of Para 2.13 of Foreign Trade Policy, 2015-2020 for clearance of restricted item imported before issuance of Authorization.

**Decision:** The committee noted that in terms of Para 2.13 of FTP, goods already imported/shipped/arrived, in advance, but not cleared from Customs may also be cleared against an Authorisation issued subsequently. This facility will, however, be not available to restricted items or item traded through STEs. In the instant case, restricted goods were imported by the applicant without Authorisation, which was placed in the bonded warehouse. Taking into consideration that goods so imported will be supplied to Air Force Station, Sirsa, the committee decided to waive the condition of Para 2.13 of FTP. Accordingly, goods cleared and placed under bonded warehouse against B/Es filed before issue of Authorisation shall be allowed to be cleared against Authorisation No 0750001020 dated 30.03.2017.

This relaxation, however, will be allowed by RA on payment of application fee of Rs. 2000/- to RA, as prescribed under Appendix-2k.

**(Action: Applicant/RA, Bangalore/Customs)**

**The meeting ended with a vote of thank to the Chair.**

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