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 31.05.2017

Meeting No. 07/AM18 held on 31.05.2017 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 AkashTaneja	Jt. DGFT
9.	Shri Rakesh Kumar	Jt.DGFT
10.	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. Mahesh Weaving Factory, Bangalore.(P.H. Case.)
F.No.01/60/162/721/AM17/PRC
PRC Meeting no. 07/AM18 held on 31.05.2017

Subject: Request for revalidation and enhancement of Advance Authorization No.0710108557 dt. 24.07.2015.

PRC in its meeting No. 22/AM 17 dated 2.11.2016 had noted that the Advance Authorisation in question was for import of Mulberry Raw silk. As per Appendix-4J, Mulberry Silk is allowed with pre-import condition and 9 months' export obligation period. However, applicant has exported without importing, which violates the pre-import condition. Therefore, committee did not accede to the request.

Aggrieved by the decision of PRC, the applicant had sought personal hearing in terms of Para 2.59 of FTP, 2015-2020. Accordingly, Personal Hearing was allowed on 31/5/2017. Shri R.V Shetty, Advocate representing the applicant and Shri Harish Dhananjay, Partner appeared for Personal Hearing. Basic averment made by them was that the Advance Authorisation issued to them had no such condition on it, which mandate prior import and fulfilment of export obligation thereafter.

Decision: The Committee noted that the condition sheet clearly mention that export obligation shall be fulfilled by the authorisation holder as per terms and conditions specified in the Foreign Trade Policy 2015-20 and HBP Vol-I 2015-20 and other guidelines issued by DGFT from time to time. In this case, as per Appendix-4J of HBP 2015-20, Mulberry Silk is allowed with pre-import condition and 9 months' export obligation period. However, applicant has exported resultant products using raw materials procured domestically, which violated the pre-import condition. The applicant was aware of the facts that replenishment of such raw materials are not allowed in view of the Appendix 4-J. Therefore, the committee did not accede to the request.

However, the applicant if so desire, may approach the Customs Authority for getting concerned shipping Bills converted into DBK after surrendering the Authorisation to the RA concerned.

(Action: RA, Bangalore/Applicant)

Case No.2: M/s. Renault Nissan Technology & Business Centre India P. Ltd., Tamil Nadu.(P.H. Case)
F.No. 01/60/162/677/AM17/PRC
PRC Meeting no. 07/AM18 held on 31.05.2017

Subject: Request for seeking relaxation in Para 2.29 of the FTP, 2015-2020 for import of second hand Automobiles Parts/Components of Automobiles for Contract Research. RA, Chennai.

The committee in its meeting No. 22/AM 17 dated 2.11.2016 had observed that the import items mentioned in application are neither prototypes nor samples. Hence, the committee was of the view that the applicant has to obtain import authorization for importing these items.

Aggrieved by the decision of the committee, the applicant had sought personal hearing in terms of Para 2.59 of FTP, 2015-2020, which was afforded on 31/5/2017. Shri Anandhram G.V and Shri Shri Hari Sudaan appeared for Personal Hearing and stated that they have a new project in which they will import various new/used prototypes/parts/samples of automobile for undertaking research and analysis as per the instruction of the overseas company and in the process they will get service charges in Forex. It will be difficult to get import license as the lead time is very short, only 1-2 weeks and research will take place for 4-6 weeks. They stated further that imported items would either be re-exported back or destroyed on completion of research work. They therefore, requested for allow of such items without an Authorisation.

It was ascertained from them whether they have a license for R&D from Dept of S&T. They informed that since theirs is only an incremental research and not innovative research, they only have a service tax registration and do have registration with Department Scientific & Industrial Research (DSIR).

Decision: After discussing the case at length, the committee decided the following:

i. The prototypes/parts/samples may be imported with full import duty & be subject to AU condition.
ii. After research work is over, items so imported shall either be exported back or scrapped/ destroyed.
iii. No item shall be sold in the domestic market.

iv. The applicant shall execute an affidavit cum undertaking to the Policy-2 section of DGFT affirming therein that no items shall be sold in the domestic market.

v. Policy-2 shall issue permission on receipt of the same.

vi. The Applicant shall submit a report along with Chattered Engineer's certificate indicating re-export/scrap to Policy-2 section of DGFT by end of June 2018 to make an assessment for future course of action.

(Action: Policy-2 Section/Applicant)

Case No.3: M/s. Larsen & Toubro Ltd., Mumbai.(P.H. Case)
F.No. 01/60/162/1013/AM17/PRC
PRC Meeting no. 07/AM18 held on 31.05.2017

Subject: Request for waiver in policy and granting extension in validity of SCOMET License No.0075448 dt. 28.01.2015. RA, Mumbai.

The committee in its earlier meeting No. 22/AM 17 dated 2.11.2016 had observed that the SCOMET Licence No. 0075448 dated 28.1.2015 was issued with initial validity upto 28.1.2016. RA has allowed extension upto 31.1.2017 with approval of Hqrs. Therefore, the committee did not agree to allow further extension. The applicant was directed to obtain fresh Authorization.

Aggrieved by the decision of PRC, the applicant had sought personal hearing in terms of Para 2.59 of FTP, 2015-2020, which was afforded on 31/5/2017. Shri Shailesh Agrawal, Sr. Deputy General Manager appeared for Personal Hearing and stated that Authorisation was obtained to export goods for fitting with strategic hardware required for Indian Armed force and delay in obtaining the fresh licence will adversely affect the time schedule.

Decision: The committee decided to extend the validity of the Authorisation for six months from the date of endorsement. The applicant is directed to submit the Authorisation to RA concerned for necessary amendment within a month from the date of uploading of these minutes on the Directorate website.

(Action: Applicant/RA, Mumbai)

Case No.4: M/s. Reliance Communications Ltd., Mumbai.
F.No. 01/60/162/1252/AM17/PRC
PRC Meeting no. 07/AM18 held on 31.05.2017

Subject: Request for revalidation of SFIS Scrip Nos.0310444782; 0310444784; 0310444790 dt. 01.10.2007; and 0310454992 to 0310454996; 0310454998, 0310455000; 0310455001 and 0310455003 dt. 20.12.2007 for six months from date of endorsement. RA, Chennai.

Decision: The committee noted that the above referred 12 Duty Credit Scrips were issued under Served from India Scheme of FTP, 2004-2009. These scrips were remained valid for a period of 24 months. In terms of Para 3.6.4.5 of FTP, 2004-2009, *Duty Credit scrip may be used for import of any capital goods including spares, office* *equipment and professional equipment, office furniture and consumables; that are otherwise freely importable under ITC (HS). Imports shall relate to any service sector business of applicant. And, in terms of Para 3.6.4.6 of said Policy, entitlement / goods (imported / procured) shall be non-transferable (except within group company and managed hotels) and be subject to Actual User condition.* Therefore, the applicant was free to import capital goods with AU condition for them or for their group companies.

The applicant's contention that they could not utilise these scrips due to slowdown in economy was not found convincing by the committee because all these Scrips were valid for imports even before global slowdown.

The committee considers policy relaxation on the ground of genuine hardship and adverse impact on trade. In the case under consideration, no case of genuine hardship is observed and the applicant is coming with a request for revalidation after about 9 years from issue of the Scrips. The committee, therefore, did not accede to the request.

Case No.5: M/s. Derik Monofil (P) Ltd., Madurai.
F.No. 01/60/162/1262/AM17/PRC
PRC Meeting no. 07/AM18 held on 31.05.2017

Subject: Request to condone the delay in EO fulfilment and grant extension of Advance Authorization No.3510041792 dt. 07.08.2013.

Decision: The committee noted that the Authorisation was issued to allow imports of inputs without payments of applicable duties with export obligation to be fulfilled within 18 months. The applicant has stated to have completed almost 90 % imports but did not make any exports towards discharge of export obligation. RA is empowered to allow two extension of six months each on merit of the case but on payment of composition fee in terms of Para 4.42 of HBP 2015-20. However, the applicant did not avail of this facility. There is no ground or reason which establish a case of genuine hardship in the instant case. 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 the provisions of FT(DR) Act, 1992, as amended.

(Action: Applicant/ RA, Madurai)

Case No.6: M/s. P.A. Footwear P. Ltd., Chennai.
F.No. 01/60/162/1286/AM17/PRC

Subject: Request to condone lapse of not mentioning declaration of intent in the Shipping Bills for claims under MEIS.

Decision: It was noted that in terms of Para 3.14 of HBP, 2015-2020 amended vide PN 9/2015-20 dated 16.05.2016 "(a) (i) **EDI Shipping Bills**: Marking/ ticking of "Y' (for Yes) in "Reward" column of shipping bills against each item, which is mandatory, would be sufficient to declare intent to claim rewards under the scheme. In case the exporter does not intend to claim the benefit of reward under Chapter 3 of FTP exporter shall tick "N' (for No). Such marking/ticking shall be required even for export shipments under any of the schemes of Chapter 4 (including drawback), Chapter 5 or Chapter 6 of FTP. (ii) **Non-EDI Shipping Bills**: In the case of non-EDI Shipping Bills, Export shipments would need the following declaration on the Shipping Bills in order to be eligible for claiming rewards under MEIS: "**We intend to claim rewards under Merchandise Exports From India Scheme (MEIS)**". Such declaration shall be required even for export shipments under any of the schemes of Chapter 4 (including drawback), Chapter 5 or Chapter 6 of FTP."

In the case under consideration, the applicant has neither marked 'Yes' in the reward item box nor declared intent for claiming rewards. No cogent ground of establishing genuine hardship has been given by the applicant. Hence, the committee did not accede to the request.

Case No.7: M/s. P.A. Footwear P. Ltd., Chennai.
F.No. 01/60/162/1284/AM17/PRC
PRC Meeting no. 07/AM18 held on 31.05.2017

Subject: Request to condone lapse of not mentioning declaration of intent in the Shipping for claims under MEIS.

Decision: Decision taken in case No. 6 is re-iterated

Case No.8: M/s. Nutrivita Foods P. Ltd., Pune.
F.No. 01/60/162/1293/AM17/PRC
PRC Meeting no. 07/AM18 held on 31.05.2017
Subject: Request for 3rd extension of E.O. period against Advance Authorization No.0310784289 dt. 04.06.2014 for regularization.

Decision: The Committee noted that the Authorisation in question was issued having initial export obligation period of 18 months. The applicant has obtained two extension of six months each from RA concerned and has stated to have fulfilled 53.35% against itm No 1 and 28.11% against item No 2. The firm was confident to fulfil the balance export obligation hence, requested for extension for 6 months. Taking all these facts into account, the Committee decided the following:

(i) Export obligation period be extended for further six months in continuity.
(ii) This will, however, be subject to payment of composition fee @ 1% per month of FOB value of exports made/to be made after extended validity of 30 months.
(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.

Case No.9: M/s. Saibaba Surfactants (P) Ltd., Ahmedabad.
F.No. 01/60/162/1033/AM17/PRC
PRC Meeting no. 07/AM18 held on 31.05.2017

Subject: Request for 2nd revalidation of Advance Authorization No.0810135345 dt.22.05.2015.

Decision: The committee noted that the Authorisation in question was issued having initial validity of 12 months. RA has allowed revalidation for a period of six months. Despite that the applicant could not complete its imports. The plea that due to shutdown of DGFT server for more than 12 days, they could not file online request for Authorisation. However, the committee was of the view that the server was down only for 12 days and the applicant had 6 months' time for getting revalidation. They had 12 months clear in hands but did not make any imports. Therefore, the plea taken was not acceptable to the committee. Therefore, request was rejected as it was not found to be a case of genuine hardship.

Case No.10: M/s. Aangan Agrotech Exports, Ahmedabad.
F.No. 01/60/162/1203/AM17/PRC
PRC Meeting no. 07/AM18 held on 31.05.2017

Subject: Request for clubbing of 3 Advance Authorizations No.0810102876 dt. 29.08.2011; 0810102894 dt. 29.08.2011 and 0810133655 dt. 21.10.2014.

Decision: The committee noted that out of three the above referred Authorisations, two were issued having initial validity of 24 months to import and 36 months to discharge export obligation. The last Authorisation was issued having initial validity of 12 months to import and 18 months to discharge export obligation. The applicant has exported 57.70% and 53.40% against Authorisations dated 29.08.201. Whereas no exports are made against Authorisation dated 21.10.2014 but 100% imports have been made under this Authorisation. The Authorisations dated 29.08.2011 were valid till 31.08.2013. No imports could be made after expiry of the validity of these two Authorisations. The applicant had obtained the Authorisation dated 21.10.2014 and imported without effecting any exports. These facts prove that that the Authorisation dated 21.10.2014 was obtained only to get duty free imports with no intention to fulfill any export obligation which is not the spirit of clubbing. Clubbing of such Authorisations are not allowed because it defeats the basic objective of clubbing facility.

The committee, therefore, did not accede to the request. The applicant is hereby directed to get the Authorisation dated 21.10.2014 regularised in terms of Para 4.49 of HBP, 2015-2020.

(Action: RA/applicant)

Case No.11: M/s. Torrent Pharmaceuticals Ltd., Ahmedabad.
F.No. 01/60/162/1267/AM17/PRC
PRC Meeting no. 07/AM18 held on 31.05.2017

Subject: Request for EOP extension of Advance Authorization No.0810135149 dt. 28.04.2015 issued under PC-9 conditions.

Decision: The Committee noted that the Authorization in question was issued with condition stipulated under PC-9 circular dated 30.06.2003 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 19.05.2015 accordingly export obligation period was upto 18.05.2016. The applicant has stated to have made 82.62 % export during initial validity and 18.36 % outside validity period. The applicant has requested for EOP extension. Taking the facts of the case into account, the Committee decided the following:

I. Export obligation period be extended by six months 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 consignment. If not, composition fee will be charged @ 1% per month;
V. RA shall ensure that shipments were effected indicating File number or Authorisation number in question.
VI. The minimum value addition of 15% as prescribed under Para 4.09 of FTP(2015-2020) shall be maintained.

(Action: RA, Ahmedabad)

Case No.12: M/s. Gujarat Borosil Ltd., Gujarat.
F.No. 01/60/162/553/AM15/PRC
PRC Meeting no. 07/AM18 held on 31.05.2017
Subject: Request for EOP extension due to non-transmission of amendment for additional export product for more than 9 months (9 amendments in total) in respect of Advance Authorization No.0310658104 dt. 05.10.2011.

Decision: The committee noted that the Authorisation was issued having initial obligation period of 36 months. The applicant has fulfilled 66.50% obligation. However due to change in technology they requested to RA concerned for amending the resultant product in 2013 but RA carried amendment in 2015. However, the same was not transmitted to Customs server despite nine amendments. Meanwhile, the applicant approached PRC for EOP extension. PRC in its meeting dated 13.02.2015 allowed 12 months' extension in continuity on payment of composition fee. However, as per NIC report, ninth amendment was rejected by the Custom's server with error Code: 02,33,53 & 58 on 27.10.2015. Therefore, extension granted by PRC could not be availed. In view of the circumstances of the case, committee, decided to grant further six months' extension from the date of endorsement.

The customs Authority is requested to allow export of 'Solar Glass Tempered' as additional resultant product under the above mentioned Authorisation. However, duty free imported inputs shall be accounted as per SION for both the resultant products.

(Action: RA, Mumbai/Customs Authority)

Case No.13: M/s. DSM Sinochem Pharmaceuticals India P. Ltd., Gurgaon.

F.No. 01/60/162/045/AM18/PRC
PRC Meeting no. 07/AM18 held on 31.05.2017

Subject: Request for clubbing of 3 Advance Authorizations No.2210007643 dt. 27.03.2008; 2210008208 dt. 25.09.2008 & 2210008188 dt. 22.09.2008 with EOP extension upto 12 months issued under PC-9 condition and (2) Waiver of PC-18 condition for closure purpose.

Decision: The committee noted that above referred 3 Authorisations were issued having initial export obligation period of 6 months being Pencillin G as one of the inputs. Import under first Authorisation was made on 07.07.2008. All three Authorisations were issued in 2008. The committee, decided the following:

i. Clubbing of all three Authorisations be allowed.
ii. Export obligation period be extended by 6 months in continuity against Authorisation No 2210007643 dated 27.03.2008.
iii. This will, however, be subject to payment of composition fee @ 1% per months of unfulfilled FOB value;
iv. Exports made till 31.07.2009 shall only be accounted for clubbing;
v. Duty free imported inputs shall be accounted as per SION;
vi. Minimum 15% value addition on clubbing shall be maintained;
vii. No adjudication order has been passed against any Authorisation under consideration by Customs Authority/RA.

(Action: RA, Chandigarh)

Case No.14: M/s. Sona Printers P. Ltd., New Delhi.
F.No. 01/60/162/925/AM17/PRC
PRC Meeting no. 07/AM18 held on 31.05.2017

Subject: Request for revalidation of DFIA No.0510393145 dt. 11.02.2015.

Decision: The committee noted that shipping Bill No. 1150803 dated 12.6.2015 was uploaded by IECEGAT on 3.8.2016 and shipping Bill No. 1598488 dated 7.4.2015 was uploaded on 17.8.2016. The Authorisation was valid till 28.02.2016 only. Therefore, they could not get EODC within validity of the Authorisation whereas request was submitted in July, 2015.

Therefore, based on report of EDI, it was decided to allow revalidation of Authorisation for three months from the date of endorsement. The applicant is hereby directed to submit the Authorisation to RA concerned, within a month from uploading of these minutes on the Directorate website, for necessary endorsement.

(Action: RA, New Delhi/Applicant)

Case No.15: M/s. Serum Institute of India P. Ltd., Pune.
F.No. 01/60/162/042/AM17/PRC
PRC Meeting no. 07/AM18 held on 31.05.2017

Subject: Request for extension of lapsed DTA sale entitlement accruing for the period 2001-2001 to 2007-2008 for the unutilized amount of Rs.750 Crores approximately.

Decision: It was noted that in terms of Para 6.08 of FTP, 2015-2020, EOU is entitled for sale of finished goods in DTA upto 50% of FOB value provided positive NFE is achieved. And, as per clause (d) of Appendix -6G of Appendices and Aayat Niryat Form, DTA shall entitlement can be availed within three years of accrual of entitlement. There is no provision to allow extension of such entitlement.

The Committee, however, considers request of policy relaxation on genuine hardship and adverse impact on trade. In the present case, no cogent reason of genuine hardship has been given by the applicant. Accrual of DTA sale entitlement due to lower demand in domestic market does not make a case of genuine hardship and the applicant was very well aware of the provisions of the FTP. The committee, therefore, did not accede to the request.

Case No.16: M/s. Pankaj Overseas, New Delhi.
F.No. 01/60/162/626/AM17/PRC
PRC Meeting no. 07/AM18 held on 31.05.2017

Subject: Request for redemption of Advance Authorization No.0510392703 dt. 06.01.2015.

Decision: It was noted that general Note for Textile and textile products categorically mentions that import of Silk under SION J 270 to J 296 is not allowed. Whereas, the applicant has imported silk fabrics under SION J-288, 290, 292. The provisions of the General note are very clear and applicant has violated the provisions by importing silk . 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: Applicant/ RA, New Delhi)

Case No.17: M/s. Autotech Industries (India) P. Ltd., Chennai.
F.No. 01/60/162/095/AM18/PRC
PRC Meeting no. 07/AM18 held on 31.05.2017

Subject: Request for clubbing of 3 Advance Authorizations No.0410101668 dt. 16.01.2009; 0410110480 dt. 31.12.2009 and 0410130238 dt. 11.11.2011 for regularization purpose.

Decision: The Committee noted that out of three authorizations as referred above, two were issued in 2009 and last Authorisation was issued in 2011. Clubbing of such Authorisations are normally allowed subject to the condition that exports under subsequent Authorisations are made within 48 months of earliest Authorisation.

In the case under consideration, Authorisation dated 16.01.2009 was issued having initial export obligation period of 36 months, which cannot be extended beyond 48 months. Whereas, exports under Authorisation dated 11.11.2011 are made after 48 months from first Authorisation. The committee, therefore, did not accede to the request.

However, the committee agreed to allow clubbing of two Authorisations dated 16.01.2009 and 31.12.2009 subject to the following conditions that:

i. Both the Authorisations were issued under same Customs Notification;
ii. Duty free inputs are accounted as per SION;
iii. Minimum 15% value addition is maintained;
iv. No adjudication order is issued by Customs/RA against the said Authorisations.

(Action: RA, Chennai.)

Case No.18: M/s. Bhawani Industries P. Ltd., Punjab.
F.No. 01/60/162/1154/AM17/PRC
PRC Meeting no. 07/AM18 held on 31.05.2017

Subject: Request for revalidation of DFIA No.3010103266 dt. 15.12.2014.

Decision: It was noted that the DFIA in question was issued having initial validity of 12 months to import and 18 months to fulfill stipulated export obligation. The applicant after completing 281% export obligation approached the RA concerned with request to allow enhancement, EODC and revalidation on 21.03.2016. The RA allowed revalidation upto 30.06.2016 but refused to allow enhancement quoting that there is no provisions in FTP, 2015-2020. The applicant could not utilize value and quantity on prorata basis for which they were entitled, as per FTP, 2009-2014. The committee, was of the view that DFIA issued prior to 01.04.2015 shall be entitled for the benefits as per FTP, 2009-2014. After 01.04.2015, the new FTP 2015-20 provides for issuance of DFIA after applicant makes exports and the same is issued with 12 months validity on basis of the exports made . Therefore, question of enhancement does not arise in case of DFIAs issued in the new FTP 2015-20. However, prior to 01.04.2015, DFIA were issued initially with AU condition and after fulfilment of EO, transferability was allowed. In case of excess exports, prorata enhancement in value and quantity was also allowed. Therefore, RA should had allowed enhancement on prorata basis.

Taking all these facts into consideration, the committee decided to allow 3 months' revalidation from the date of endorsement. The applicant is hereby directed to submit Authorisation to RA concerned within a month from the date of uploading of these minutes on the Directorate website for necessary endorsement.

(Action RA, Ludhiana/Applicant)

Case No.19: M/s. J.B. Chemicals & Pharmaceuticals Ltd., Mumbai.
F.No. 01/60/162/1250/AM17/PRC
PRC Meeting no. 07/AM18 held on 31.05.2017

Subject: Request for EOP extension and revalidation of Advance Authorization No.0310801629 dt. 07.01.2016 issued under PC-9 dated 30.06.2003 conditions. R.A., Mumbai.

Decision: The Committee noted that the Authorization in question was issued with condition stipulated under PC-9 dated 30.06.2003 read with appendix-4J of FTP, 2015-2020, which allows 12 months for EO fulfilment from import of each consignment. The applicant made first import consignment on 20.01.2016 and last consignment on 21.06.2016. The applicant has stated to have fulfilled 33.15 %, zero % and 102% against item No 1, 2, and 3, respectively. Taking all these facts into account, the Committee decided the following:

(i) Export obligation period be extended by 6 months in continuity against each of the consignments.
(ii) This will, however, be subject to payment of composition fee @ 0.5% per month of FOB value of exports made/to be made after initial obligation period;
(iii) RA shall ensure that minimum 50% exports were made against each consignment within initial export obligation period. 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.
(vi) Request for further revalidation is rejected.

(Action: RA, Mumbai)

Case No.20: M/s. J.B. Chemicals & Pharmaceuticals Ltd., Mumbai.
F.No. 01/60/162/1252/AM17/PRC
Subject: Request for EOP extension and revalidation of Advance Authorization No.0310801604 dt 06.01.2016 issued under PC-9 conditions.

Decision: The Committee noted that the Authorization in question was issued with condition stipulated under PC-9 dated 30.06.2003 read with appendix-4J of FTP, 2015-2020, which allows 12 months for EO fulfilment from import of each consignment. The applicant made first import consignment on 20.01.2016 and last consignment on 23.05.2016. The applicant has stated to have fulfilled 31.68%, 8.49% and 104% against item No 1, 2, and 3, respectively. Taking all these facts into account, the Committee decided the following:

(i) Export obligation period be extended by 6 months in continuity against each of the consignments.
(ii) This will, however, be subject to payment of composition fee @ 0.5% per month of FOB value of exports made/to be made after initial obligation period;
(iii) RA shall ensure that minimum 50% exports were made against each consignment within initial export obligation period. 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.
(vi) Request for further revalidation is rejected.

(Action: RA, Mumbai)

Case No.21: M/s. Zenith Rubber P. Ltd., New Delhi.
F.No. 01/60/162/1319/AM17/PRC
PRC Meeting no. 07/AM18 held on 31.05.2017

Subject: Request for exemption from non-compliance of stipulated procedure against Advance Authorization No.0510260046 dt. 09.03.2010.

Decision: It was noted that the Authorisation in question was issued to allow imports of inputs without payment of applicable duties with stipulated export obligation to be fulfilled within 36 months. Duty free inputs were allowed to be incorporated physically in the resultant products. For that purpose, Authorisation holder is required to declare consumption of inputs in the shipping bills while making exports. In the instant case, exports were made under Free Shipping Bills. And, under free shipping bills, consumption of inputs is not declared. Further, valuation of such shipping bills are not carried out by the Customs authority. Therefore, such shipping cannot be accepted towards discharge of export obligation against Advance Authorisations. 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, 2015-2020.

(Action: Applicant/RA, New Delhi)

Case No.22: M/s. Agog Pharma Ltd., Thane.
F.No. 01/60/162/1282/AM17/PRC
PRC Meeting no. 07/AM18 held on 31.05.2017

Subject: Request for EOP extension of Advance Authorization No.0310795288 dt. 13.04.2015 issued under PC-9 conditions.

Decision: The Committee noted that the Authorization in question was issued with condition stipulated under PC-9 dated 30.06.2003 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 05.05.2015. Accordingly, the export obligation period was upto 04.05.2016. The applicant has stated to have made 52.52% export within the export obligation period and 47.49% outside the validity of EOP. Taking all these facts into account, the Committee decided the following:

(i) Export obligation period be extended by 6 months in continuity against each consignment.

(ii) This will, however, be subject to payment of composition fee @ 0.5% per month of FOB value of exports made/to be made after initial obligation period;
(iii) RA shall ensure that minimum 50% exports were made against each consignment within initial export obligation period. 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, Mumbai)

Case No.23: M/s. Cadila Healthcare Ltd., Ahmedabad.
F.No. 01/60/162/1278/AM17/PRC
PRC Meeting no. 07/AM18 held on 31.05.2017

Subject: Request for EOP extension of Advance Authorization No.0810135204 dt. 07.05.2015 issued under PC-9 conditions.

Decision: The Committee noted that the Authorization in question was issued with condition stipulated under PC-9 dated 30.06.2003 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 14.05.2015, 30.07.2015 and 26.03.2016. Accordingly, the export obligation period was upto 13.05.2016, 29.07.2016 and 25.03.2017, respectively. The applicant has stated to have made 92.04%, 0%and 7.4% export against three imports consignment within export obligation period. Taking all these facts into account, the Committee decided the following:

(i) Export obligation period be extended by 6 months in continuity against each consignment.
(ii) This will, however, be subject to payment of composition fee @ 0.5% per month of FOB value of exports made/to be made after initial obligation period;
(iii) RA shall ensure that minimum 50% exports were made against each consignment within initial export obligation period. 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.24: M/s. Arvind Pipes & Fittings Industries P. Ltd., Mumbai.
F.No. 01/60/162/1256/AM17/PRC
PRC Meeting no. 07/AM18 held on 31.05.2017

Subject: Request for 2nd EOP extension of Advance Authorization No.0310781419 dt. 13.05.2014.

Decision: They committee noted that the Authorisation in question was issued to allow duty free import of inputs with stipulated export obligation to be fulfilled within 18 months. However, they have completed 100% import but no export within initial validity. RA has allowed extension for six months i.e. upto 31.05.2016. Despite that the applicant has failed fulfil stipulated export obligation. The plea that they could not export due to heavy rain and flood in 2014 in Mumbai, which affected their production, was not found to be convincing because the applicant has obtained EOP extension upto 31.05.2016 which was a reasonably sufficient time for the applicant to get the machinery in working condition and fulfil their export obligation. 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: Applicant/RA)

Case No.25: M/s. Arvind Pipes & Fittings Industries P. Ltd., Mumbai.
F.No. 01/60/162/1315/AM17/PRC
PRC Meeting no. 07/AM18 held on 31.05.2017

Subject: Request for EOP extension of Advance Authorization No.0310787328 dt. 25.07.2014.

Decision: The decision taken in case No. 24 is re-iterated.

(Action: Applicant/RA)

Case No.26: M/s. Indian Writing Instruments (P) Ltd., Mumbai.
F.No. 01/60/162/082/AM18/PRC
PRC Meeting no. 07/AM18 held on 31.05.2017

Subject: Request for condonation of delay beyond 3 years in submission of application for TED refund for an amount of Rs.174526/- against purchase of EPCG Goods against EPCG Authorization No.03300031429 dt. 26.12.2011 claimed from RA, Mumbai.

Decision: It was noted that request for refund of TED can be made within 12 months from the date of realisation of payments and within 36 months with 10 % late cut. There is no justification for not filing claim within 36 months. The applicants' plea that they could not file claim because supplier did not provide Installation certificate and excise Invoices is not convincing, as installation certificate is required to be submitted by the applicant itself being recipient of the capital goods. The goods were procured against payment of duty by the applicant therefore these documents must in the possession of the Applicant. In any case the HBP 2009-14 [para 9.3] and 2015-20[Para 9.02] provides a very long and reasonable time of 36 months to file claims with late cut.

The committee noted that the applicant had sufficient time to submit the applicant. No cogent reason and ground of genuine hardship is submitted. Hence, the committee decided to reject the request of the applicant.

Case No.27: M/s. J.K. Fabrics Pvt. Ltd., Bangalore.
F.No. 01/60/162/737/AM17/PRC
PRC Meeting no. 07/AM18 held on 31.05.2017

Subject: Request for EOP extension of Advance Authorization No.0710089707 dt. 16.07.2012 for further 12 months.

Decision: It was noted that the Authorisation in question was issued to allow duty free import of inputs with stipulated export obligation which has to be fulfilled within 9 months from the date of import of each consignment. The applicant has imported almost 98% and fulfilled only 84.03% export obligation. Export obligation period has expired on 31.08.2014 and no exports are made after initial export obligation period. The request for extension is submitted to PRC in 2016 without giving any reason for not seeking extension immediately after expiry of EOP. Maximum 4 and half months' further extension is allowed in such cases that period has also lapsed. The committee, therefore, did not accede to the request.

The applicant is hereby directed to get the case regularised in terms of relevant Para FTP/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 FT(DR) Act, 1992, as amended.

(Action: Applicant/RA, Bangalore)

Case No.28: M/s. Jans Copper (P) Ltd., Mumbai.
F.No. 01/60/162/1239/AM17/PRC

Subject: Request to condone/consider minor difference in description towards discharge of EO against Advance Authorization No.0310738123 dt. 19.06.2013.

Decision: The committee decided to refer the case to Norms Committee concerned.

(Action: Norms Committee-II)

Case No.29: M/s. Ashish Life Science P. Ltd., Mumbai.
F.No. 01/60/162/1304/AM17/PRC
PRC Meeting no. 07/AM18 held on 31.05.2017

Subject: Request for waiver from submission of documents as per PC-18 (Destruction certificate) for 55.12 Kgs. as directed by RA, Mumbai against Advance Authorization No.0310748320 dt. 04.09.2013.

Decision: It was noted that the applicant has imported drugs from unregistered sources under the Authorisation. However, 67.09 kgs were exported under drawback for that they have paid duty plus interest to the Customs Authority. The committee, therefore, decided the following:

i. Waiver from destruction of 67.09kgs be allowed.
ii. This will, however, be subject to condition that exports made under DBK shipping bill was after the date of import of goods under the Authorisation in question;
iii. Rs. 5000/- (Rupees Five Thousand only) as composition fee is paid to RA.

(Action: RA, Mumbai)

Case No.30: M/s. Nitta Gelatin India Ltd., Kerala.
F.No. 01/60/162/1292/AM17/PRC
PRC Meeting no. 07/AM18 held on 31.05.2017

Subject: Request for EOP extension of Advance Authorization No.1010059005 dt. 05.02.2015.

Decision: The case was deferred for seeking report from RA, Cochin as Show Cause Notice has been issued by Office of Commissioner of Customs to the applicant.

(Action: RA, Cochin)

Case No.31: M/s. Parle Products P. Ltd., Mumbai.
F.No. 01/60/162/112/AM18/PRC
PRC Meeting no. 07/AM18 held on 31.05.2017

Subject: Request for E.O. extension and revalidation of 3 DFIAs No.0310776850 dt. 02.04.2014; 0310776851 dt. 02.04.2014 & 0310776854 dt. 03.04.2014.

Decision: The applicant has stated that the above mentioned three DFIAs were issued having initial validity of 12 months to import and 18 months for discharge of export obligation. The validity of DFIAs were expired on 30.04.2015. The applicant has fulfilled more than 100% exports against all three Authorisations. As per policy, while making exports, they were required to declare flavour and ingredients of each items consumed in the resultant product. However, due to lack of provision in the customs software, they could not file shipping bills under DFIA. Finally, they had no option but to export goods under DBK. However, they approached the Customs Authority concerned for conversion of DBK shipping Bills to DFIA shipping Bills. The commissioner of Customs, Mumbai rejected their request. Thereafter, they filled appeal before CESTAT. And, vide order No A/86189-86190/17/CB dated 06.02.2017, CESTAT has set aside the order of Commissioner of Customs directing them to allow conversion of Shipping Bills from DBK to DFIA Scheme by customs. The applicant has sought relaxation to allow EOP extension, EODC and revalidation of said DFIA for utilisation.

Taking into consideration the fact that the exporter was forced to file DBK shipping bills instead of DFIA due to lack of space in the application software, and the fact that the shipping Bills for exports effected up to 30.04.2016 have been converted to DFIA scheme by customs as per CESTAT order, it is a case of genuine hardship., the committee decided the following:

i. Export obligation period be extended by six months in continuity against each Authorisation.
ii. This will, however, be subject to payment of composition fee @ 0.5% of FOB value of exports made after initial obligation period and which will be accounted for EODC;
iii. Enhancement in quantity and value be allowed after charging requisite fee if maximum required fee is not paid.
iv. EODC shall be issued after ensuring compliance of all relevant provisions of FTP/HBP, 2009-2014;
v. Revalidation for six months be allowed from the date of endorsement;
vi. The applicant shall submit all required documents to RA, within one month from the date of uploading of these minutes on the Directorate website, for necessary amendment in the Authorisations.

(Action: RA, Mumbai/Applicant)

Case No.32: M/s. Tata Elxsi Ltd., Bangalore.
F.No. 01/93/180/06/AM-13/PC-2(A)/Part
PRC Meeting no. 07/AM18 held on 31.05.2017

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.

Decision: This case was discussed in meeting No 04/AM18 dated 04.05.2017 at case No 32. It was brought to the notice of the committee by Policy-2 that the request of the applicant was for waiver of port restriction, which was inadvertently imposed in the minutes recorded for the said meeting. It was therefore decided to modify the condition number one. Accordingly, revised decision will be read as under:

I. Import of one used/second hand land Rover Discovery car be allowed to be imported from Air Cargo Complex Sahar, Mumbai for R&D purpose.
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 chair.

******