

**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 06.06.2017**

Meeting No. 08/AM18 held on 06.06.2017 at 03:15 PM

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 S.B.S Reddy | Addl. DGFT |
| 5. Shri Jay Karan Singh | Jt. DGFT |
| 6. Shri AkashTaneja | Jt. DGFT |
| 7. Shri Rakesh Kumar | Jt. DGFT |
| 8. 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. Sunlord Apparels Mfg. Co. Pvt. Ltd., Noida. (P.H. Case).

F.No. 01/60/162/785/AM17/PRC

PRC Meeting No. 08/AM18 dated 06.06.2017

Subject: Request for waiver of clerical mistake in consumption data mentioned in Sq. Mtrs. in S/Bills instead of Meters towards fulfillment of E.O of Advance Authorization No.0510337932 dt. 31.10.2012.

The case was discussed in the meeting No. 13/AM 17 dated 26.07.2016 (case NO. 17). It was decided that if there was mistake in mentioning wrong quantity in shipping bills, the applicant should have approached the Customs Authority for correcting it under the provisions of Customs Act.

Aggrieved by the decision of the committee, the applicant sought personal hearing in terms of Para 2.59 of FTP, 2015-2020, which was afforded to them. Mr A.K. Kharbanda, Director of M/s. Sunlord Apparels Mfg. Co. Pvt. Ltd. appeared before the committee on 06.06.2017 and requested that either consumption as per their record in Appendix 4H or net weight of Exports as per General Note 19 of Public Notice No. 174/2008 or Chartered Engineer Certificate may be accepted in support of their request. The mistake of mentioning Sq. Meters in S/Bill instead of Meters was not intentional but a clerical mistake. Hence he requested to accept the same towards discharge of export obligation.

Decision: After hearing the applicant, the case was discussed at length. It was noted that the resultant products exported are made ups which were exported in numbers. As per para 4.12 of FTP, 2015-2020, exporter is required to declare the consumption of duty free inputs in the shipping bills. The applicant was fully aware of it. In case of any mistake occurring while filing of shipping bills, section 149 of Customs Act, 1962 empowers the Customs Authority to allow amendment. Therefore, the applicant should

have had approached the Customs Authority for rectification of mistakes. The applicant is not an ordinary exporter but is an Export House and regular exporter since long and they are professional in the field. Therefore, such mistakes are not expected from such exporter. If it happens due to any reason, the shipping Bill should have been got rectified from the Customs Authority by the applicant.

The committee was of the view that requirement of working out consumption cannot be waived in cases of Advance Authorisation. Therefore, the committee reiterated the decision taken in meeting 33/AM17 dated 21.03.2017(case No.17).

(Action: RA, New Delhi/Applicant)

Case No.2: M/s. Oracle Trading Company P. Ltd., Chennai. (P.H. Case)

F.No. 01/60/162/434/AM17/PRC

PRC Meeting No. 08/AM18 dated 06.06.2017

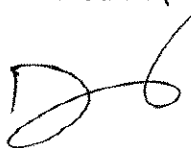
Subject: Request for restoration of Disallowed Shipping Bills for MEIS.

This case was discussed in the PRC meeting No. 13/AM 17 dated 26.7.2016 (case No. 28). PRC rejected case stating that the applicant while filing shipping bills had selected option "N" which stand for "No incentive" under Chapter-3 and also did not declare intent in shipping bills to claim benefit under incentive scheme. Hence, incentive against such shipping bills cannot be considered.

Aggrieved by the decision of the committee, the applicant sought personal hearing in terms of Para 2.59 of FTP, 2015-2020, which was afforded to them. Mr Gurpur Prasad, Advisor –Logistics & Exports of M/s. Oracle Trading Company Pvt. Ltd. appeared before the committee on 06.06.2017 and stated that they had inadvertently mentioned "N" in the Shipping Bills dated 02.06.2015 and 29.06.2015 and also not mentioned declaration of intent to claim MEIS benefits at the time of filing of Shipping Bills. However, they have realised payments and shipments were made prior to 30.09.2015. Exports made prior to 30.09.2015 have been considered vide PN 40 dated 09.10.2015 and PN 47 dated 08.12.2015.

Decision: Committee heard the averments by the applicant and the case was discussed at length. It was noted that in terms of Para 3.14 of HBP, 2015-2020 it is mandatory for exporters to declare intent of claiming MEIS benefits on shipping bills. CBEC has also issued a circular no. 14/2015 dated April 20, 2015, which requires mandatory declaration of intent from 1.6.2015 onwards. Therefore, vide PN 40 dated 09.10.2015, one time facility was allowed to transfer such shipping bills from ICEGATE to DGFT server, where exports were effected between 01.04.2015 to 31.05.2015 even though exporter ticked "N". Taking into consideration the genuine hardship being faced by exporters, this facility was extended for exports made upto 30.09.2015, vide PN 47 dated 08.12.2015. However, this facility was available to the exporters who have declared intent on shipping bills but had ticked "N" inadvertently. In the present case under consideration, exports were made under free shipping bills without declaring intent and also applicant ticked the option "N". Valuation of such shipping bills are not done by the Customs Authority. The committee, therefore, decided to re-iterate the decision of rejection taken Meeting No. 13/AM 17.

Action (RA, RA, Chennai/Applicant)



Case No.3 M/s. Chelsea Mills, Gurgaon.(P.H. Case)

F.No. 01/60/162/312/AM17/PRC

PRC Meeting No. 08/AM18 dated 06.06.2017

Subject: Request for clubbing of 3 Annual Advance Authorizations No.(i) 0510323823 dt. 02.05.2012; (ii) 0510340469 dt. 10.12.2012 & (iii) 0510361798 dt. 02.08.2013 for redemption / regularization purpose.

The case was discussed in the PRC meeting No. 28/AM 17 dated 03.1.2017 (case No. 15). Since RA is empowered to allow clubbing of Authorisation, it was decided that the applicant may approach the concerned RA in accordance with PN No. 24/2015-16 dated 4/8/2016. RA shall allow clubbing provided inputs imported duty free are accounted for as per SION and Minimum Value Addition of 15% achieved by applicant.

Aggrieved by the decision of the committee, the applicant has sought personal hearing in terms of Para 2.59 of FTP, 2015-2020, which was afforded to them. Mr. M.K. Jain, Designated Partner of M/s. Chelsea Mills LLP appeared before the committee on 06.06.2017 and stated that the Annual Advance authorisations sought to be clubbed were issued before 08.08.2013 and Norms for some items were not fixed. However, norms have now been fixed by the Norms Committee in their cases. RA therefore did not allow clubbing and advised to approach the PRC.

Decision: Having heard to the applicant, the case was discussed at length. The Committee decided the following:

- i. Clubbing of 3 Annual Advance Authorization Nos. (i) 0510323823 dt. 02.05.2012 (ii) 0510340469 dt 10.12.2012 and (iii) 0510361798 dt. 02.08.2013 be allowed for redemption /regularization purpose.
- ii. RA shall allow clubbing provided inputs imported duty free are accounted for as per SION/Norms fixed by the Norms Committee.
- iii. Minimum Value Addition of 15% shall be maintained on clubbing.
- iv. Exports made against subsequent Authorisations but within initial export obligation period of first Authorisation shall only be accounted for.

(Action: RA, CLA, New Delhi)

Case No.4 M/s. Shashi Cables Ltd., Kanpur. (P.H. Case)

F.No. 01/60/162/806/AM16/PRC

PRC Meeting No. 08/AM18 dated 06.06.2017

Subject: Request for 2nd revalidation of Duty Free Import Advance Authorization No.0610029174 dt. 28.09.2012.

Decision: The applicant had sought personal hearing in terms of Para 2.59 of FTP, 2015-2020, which was afforded on 06.06.2017. They were informed about the same, through e-mail. However, no one turned up for PH nor requested for postponement of date. The committee, however, in the interest of natural justice decided to defer the case. The applicant may seek next date.

(Action: Applicant)

Subject: Request to allow transferability of post export two DFIA's No.(i) 1210008382 dt. 17.10.2012 & (ii) 1210008416 dt. 21.11.2012 issued under FTP, 2009-14 according to FTP-2015-20 and applying late cut provisions as per Para 9.03 of HBP, 2015-20.

This case was considered earlier in PRC Meeting No. 21/AM 17 dated 26.10.2016 (case No. 5). It was noted that both authorisations were valid till 31.3.2014. Whereas, documents for EODC were submitted on 9.9.2014 that is after expiry of validity period. Therefore, the committee did not find merit in the case. Hence, committee decided not to accede to the request.

Aggrieved by the decision of the committee, the applicant has sought personal hearing in terms of Para 2.59 of FTP, 2015-2020, which was afforded to them. Mr. Pardeep Tayal, Chartered Accountants of M/s. D.D. International (P) Ltd., Amritsar appeared before the committee on 06.06.2017 and stated that the RA was empowered to grant 6 months' revalidation till 31.10.2016. They had submitted documents for EODC and revalidation to RA on 09.09.2014. They could have managed to utilise the said DFIA's if the RA had allowed revalidation and EODC in time. They therefore requested to allow at least period which was lost by delay of RA.

Decision: Having heard to the applicant, the case was discussed at length. The Committee decided to revalidate both the Authorizations (i) 1210008382 dt. 17.10.2012 and (ii) 1210008416 dt. 21.11.2012 for one month from the date of endorsement. The applicant shall submit Authorisations to RA concerned for necessary endorsement on it, within a month from the date of uploading of these minutes on the Directorate website.

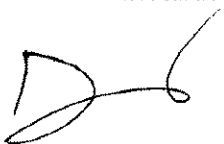
(Action: Applicant/RA, Amritsar)

Case No.6 M/s. Kairav Chemofarbe Industries Ltd., Mumbai. (P.H. Case)
F.No. 01/60/162/254/AM16/PRC
PRC Meeting No. 08/AM18 dated 06.06.2017

Subject: Request for 2nd revalidation of 2 Advance Authorizations No.0310724053 dt. 14.02.2013 & 0310724054 dt. 14.02.2013.

The case was earlier discussed in the PRC Meeting No. 09/AM 17 dated 24.06.2016 (case No. 2). It was decided not to accede to the request.

Aggrieved by the decision of the committee, the applicant sought personal hearing in terms of Para 2.59 of FTP, 2015-2020, which was afforded to them. Mr. Arun M. Doshi, Managing Director, of M/s. Kairav Chemofarbe Industries Ltd. Mumbai. appeared before the committee on 06.06.2017 and submitted that they had obtained two Authorisations for export of 1,4 Dioxane and import of Diethylend Glycol. They have fulfilled export obligation to the extent of 100% and got the Authorisations Invalidated for procuring raw materials from M/s Reliance Industries Ltd instead of



direct import. However, M/s Reliance Industry was not supplying goods without payment of Excise duty though exempted under Excise Notification if it is supplied to Advance Authorisation holder. Therefore, they had to procure the goods on payment of Excise duty and availed CENVAT credit. However, Excise Authority issued SCN for alleged violation and demanded refund of CENVAT credit of Rs. 10,689,295/- which was in another case. Because of these reasons they stopped procurement of goods from domestic sources due to ongoing questions raised by Excise Authority in the SCN. Under these circumstances they could not utilise Authorisation during 2013-June, 2014. Now, M/s Reliance Industries Ltd agreed to change their practice and started supplying the said goods to them without payment of duty against invalidation of the authorisation. They therefore, requested to allow 2nd revalidation.

Decision: Having heard to the applicant, the case was discussed at length. Taking into consideration the genuine hardship, the Committee decided the following:

- i. Advance Authorizations No.0310724053 dt. 14.02.2013 & 0310724054 dt. 14.02.2013 be revalidated for a period of 3 months from the date of endorsement.
- ii. This will, however, be subject to the condition that Authorisations in question were Invalidated for direct import in favour of M/s Reliance Industries within the initial validity of the Authorisations;
- iii. The applicant shall submit the Authorisations to the RA concerned for endorsement within a month from the date of uploading of these minutes on the Directorate website.

(Action: Applicant/RA, Mumbai.)

Case No.7 M/s. Kairav Chemofarbe Industries Ltd., Mumbai. (P.H. Case)

F.No. 01/60/162/238/AM16/PRC

PRC Meeting No. 08/AM18 dated 06.06.2017

Subject: Request for 2nd revalidation of 2 Advance Authorizations No.0310753117 dated 10.10.2013.

Same submission as in the Case No. 6

Decision: as decided in the case No 6 above.

Case No.8 M/s. Eastman International, Ludhiana.

F.No. 01/60/162/630/AM17/PRC

PRC Meeting No. 08/AM18 dated 06.06.2017

Subject: Request for revalidation of DFIA No.3010050922 dt. 21.02.2007.

Decision: The Committee noted that the DFIA under question was issued in 2007 as per FTP, 2004-2009 and remained valid for 24 months from the date of issue. The Authorisation was freely transferable after fulfillment of export obligation. No system of EDI registration was in place during that period. The applicant pleaded that they could not utilize the said DFIA due to change of Customs software from ICES 1 to 1.5 version in the beginning of January 2010.

However, the committee noted that the Authorisation had lost its initial validity in 2009. However, vide P.N. No 13 dated 22.09.2009, all DFIA's issued during 01.05.2006 till 31.03.2008 were allowed to be revalidated for further 6 months from the date of endorsement even if endorsed with transferability. Accordingly, the validity of the DFIA under consideration was extended upto 39 months. Despite that the applicant could not utilize the Authorisation in full. The committee also noted that out of permitted 16 inputs, the applicant has imported 7 items fully and one item partially. The committee also noted that all the DFIA's issued before 1.04.2009 were not transmitted to Customs through EDI mode and therefore exports made against such DFIA's, whether through EDI or Non-EDI mode, were not coming in way of utilisation of such DFIA's. Hence Committee decided not to accede to the request of the applicant.

(Action:RA,Ludhana/Applicant)

Case No.9 M/s. Eastman International, Ludhiana.

F.No. 01/60/162/631/AM17/PRC

PRC Meeting No. 08/AM18 dated 06.06.2017

Subject: Request for revalidation of DFIA No.3010053834 dt. 08.11.2007.

Decision: Decision at case No 8 is reiterated.

Case No.10 M/s. Eastman International, Ludhiana.

F.No. 01/60/162/136/AM18/PRC

PRC Meeting No. 08/AM18 dated 06.06.2017

Subject: Request for revalidation of DFIA No.3010059422 dt. 26.12.2008.

Decision: The Committee noted that the DFIA under question was issued in 2008 as per FTP, 2004-2009 and was remain valid for 24 months from the date of issue. The Authorisation was freely transferable after fulfillment of export obligation. No system of EDI registration was in place during that period. The applicant pleaded that they could not utilize the said DFIA due to change of Customs software from ICES 1 to 1.5 version in the beginning of January 2010.

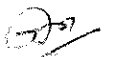
However, the committee noted that the Authorisation remained valid till December, 2010. Despite that the applicant could not utilized the Authorisation in full. The committee also noted that out of permitted 3 inputs, the applicant has imported 2 items fully leaving one item unutilised. The committee also noted that all the DFIA's issued before 1.04.2009 were not transmitted to Customs through EDI mode and therefore exports made against such DFIA's, whether through EDI or Non-EDI mode, were not coming in way of utilisation of such DFIA's. Hence Committee decided not to accede to the request of the applicant.

Case No.11 M/s. Eastman International, Ludhiana.

F.No. 01/60/162/100/AM18/PRC

PRC Meeting No. 08/AM18 dated 06.06.2017

Subject: Request for revalidation of DFIA No.3010051130 dt. 08.03.2007.



Decision: The Committee noted that the DFIA under question was issued in 2007 as per FTP, 2004-2009 and was remain valid for 24 months from the date of issue. The Authorisation was freely transferable after fulfillment of export obligation. No system of EDI registration was in place during that period. The applicant pleaded that they could not utilize the said DFIA due to change of Customs software from ICES 1 to 1.5 version in the beginning of January 2010.

The committee, however, noted that the Authorisation was remained valid till March,2009. However, vide P.N. No 13 dated 22.09.2009, all DFIA issued during 01.05.2006 till 31.03.2008 were allowed to be revalidated for further 6 months from the date of endorsement even if endorsed with transferability. Accordingly, the validity of the DFIA under consideration was extended upto 38 months. Despite that the applicant could not utilize the Authorisation in full. The committee also noted that all the DFIA's issued before 1.04.2009 were not transmitted to Customs through EDI mode and therefore exports made against such DFIA's, whether through EDI or Non-EDI mode, were not coming in way of utilisation of such DFIA's. Hence Committee decided not to accede to the request of the applicant.

Case No.12 M/s. Eastman International, Ludhiana.

F.No. 01/60/162/632/AM17/PRC

PRC Meeting No. 08/AM18 dated 06.06.2017

Subject: Request for revalidation of DFIA No.3010050772 dt. 07.02.2007.

Decision: The decision taken in case No. 8 is re-iterated.

Case No.13 M/s. Eastman International, Ludhiana.

F.No. 01/60/162/634/AM17/PRC

PRC Meeting No. 08/AM18 dated 06.06.2017

Subject: Request for revalidation of DFIA No.3010050734 dt. 07.02.2007.

Decision: The decision taken in case No. 8 is re-iterated.

Case No.14 M/s. Eastman International, Ludhiana.

F.No. 01/60/162/633/AM17/PRC

PRC Meeting No. 08/AM18 dated 06.06.2017

Subject: Request for revalidation of DFIA No.3010050096 dt. 14.12.2006.

Decision: The Committee noted that the DFIA under question was issued in 2006 as per FTP, 2004-2009 and was remain valid for 24 months from the date of issue. The Authorisation was freely transferable after fulfillment of export obligation. No system of EDI registration was in place during that period. The applicant pleaded that they could not utilize the said DFIA due to change of Customs software from ICES 1 to 1.5 version in the beginning of January 2010.

The committee further noted that the Authorisation was lost its initial validity in December, 2008. However, vide P.N. No 13 dated 22.09.2009, all DFIA issued during 01.05.2006 till 31.03.2008 were allowed to be revalidated for further 6 months from the date of endorsement even if endorsed with transferability. Accordingly, the validity of the DFIA under consideration was extended upto 40 months. Despite that the



applicant could not utilized the Authorisation in full. The committee also noted that out of permitted 12 inputs, the applicant has imported 4 items fully. The committee also noted that all the DFIA's issued before 1.04.2009 were not transmitted to Customs through EDI mode and therefore exports made against such DFIA's, whether through EDI or Non-EDI mode, were not coming in way of utilisation of such DFIA's. Hence Committee decided not to accede to the request of the applicant.

Case No.15 M/s. Eastman International, Ludhiana.

F.No. 01/60/162/629/AM17/PRC

PRC Meeting No. 08/AM18 dated 06.06.2017

Subject: Request for revalidation of DFIA No.3010053323 dt. 04.10.2007.

Decision: The decision taken in case No. 8 is re-iterated.

Case No.16 M/s. Eastman International, Ludhiana.

F.No. 01/60/162/059/AM18/PRC

PRC Meeting No. 08/AM18 dated 06.06.2017

Subject: Request for revalidation of DFIA No.3010050276 dt. 29.12.2006.

Decision: The Committee noted that the DFIA under question was issued in 2006 as per FTP, 2004-2009 and was remain valid for 24 months from the date of issue. The Authorisation was freely transferable after fulfillment of export obligation. No system of EDI registration was in place during that period. The applicant pleaded that they could not utilize the said DFIA due to change of Customs software from ICES 1 to 1.5 version in the beginning of January 2010.

The committee, however, noted that the Authorisation was lost its initial validity in December, 2008. However, vide P.N. No 13 dated 22.09.2009, all DFIA issued during 01.05.2006 till 31.03.2008 were allowed to be revalidated for further 6 months from the date of endorsement even if endorsed with transferability. Accordingly, the validity of the DFIA under consideration was extended upto 41 months. Despite that the applicant could not utilized the Authorisation in full. The committee also noted that all the DFIA's issued before 1.04.2009 were not transmitted to Customs through EDI mode and therefore exports made against such DFIA's, whether through EDI or Non-EDI mode, were not coming in way of utilisation of such DFIA's. Hence Committee decided not to accede to the request of the applicant.

Case No.17 M/s. Maxwell Inc., Ludhiana.

F.No. 01/60/162/635/AM17/PRC

PRC Meeting No. 08/AM18 dated 06.06.2017

Subject: Request for revalidation of DFIA No.3010050580 dt. 23.01.2007.

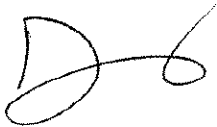
Decision: The Committee decided to re-iterate the decision taken in case No.8.

Case No.18 M/s. Maxwell Inc., Ludhiana.

F.No. 01/60/162/083/AM17/PRC

PRC Meeting No. 08/AM18 dated 06.06.2017

Subject: Request for revalidation of DFIA No.3010049867 dt. 27.11.2006.



Decision: The Committee decided to re-iterate the decision taken in case No.16.

Case No.19 M/s. Maxwell Inc., Ludhiana.

F.No. 01/60/162/636/AM17/PRC

PRC Meeting No. 08/AM18 dated 06.06.2017

Subject: Request for revalidation of DFIA No.3010050080 dt. 12.12.2006.

Decision: The Committee noted that the DFIA under question was issued in 2006 as per FTP, 2004-2009 and was remain valid for 24 months from the date of issue. The Authorisation was freely transferable after fulfillment of export obligation. No system of EDI registration was in place during that period. The applicant pleaded that they could not utilize the said DFIA due to change of Customs software from ICES 1 to 1.5 version in the beginning of January 2010.

The committee, however, noted that the Authorisation was lost its initial validity in December, 2008. However, vide P.N. No 13 dated 22.09.2009, all DFIA issued during 01.05.2006 till 31.03.2008 were allowed to be revalidated for further 6 months from the date of endorsement even if endorsed with transferability. Accordingly, the validity of the DFIA under consideration was extended upto 41 months. Despite that the applicant could not utilized the Authorisation in full. The committee also noted that all the DFIA's issued before 1.04.2009 were not transmitted to Customs through EDI mode and therefore exports made against such DFIA's, whether through EDI or Non-EDI mode, were not coming in way of utilisation of such DFIA's. Hence Committee decided not to accede to the request of the applicant.

Case No.20 M/s. Jindal Saw Ltd., Pune.

F.No. 01/60/162/664/AM17/PRC

PRC Meeting No. 08/AM18 dated 06.06.2017

Subject: Request for condonation of procedural lapse against Advance Authorization No.3110016495 dt. 20.07.2004.

Decision: The applicant has stated that due to oversight, in three shipping Bills No. 5358694, 5358762 and 5358695 dated 8.10.2004 quantity of consumption is not multiplied by the actual exported quantity as per norm given in SION C-797. Committee noted that in present case question of policy relaxation does not arise. If there was mistake in mentioning wrong consumption in shipping bill, the applicant should have approached the Customs Authority for correcting it. The committee cannot accept consumption which were not declared in the shipping bills. Hence the committee did not accede to the request.

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

(Action: RA, Concerned/Applicant)

Case No.21 M/s. Cadila Healthcare Ltd., Ahmedabad.

F.No. 01/60/162/1314/AM17/PRC

PRC Meeting No. 08/AM18 dated 06.06.2017



Subject: Request for EOP extension of Advance Authorization No.0810136746 dt. 17.12.2015 issued under PC-9 conditions.

Decision: The Committee noted that the Authorization 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 made import on 29.12.2015. Accordingly, the export obligation period was upto 28.12.2016. The applicant has stated to have fulfilled 75.12% within EOP and 25% outside EOP and hence requested for EOP extension. Taking all these facts 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 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: RA, Ahmedabad/Applicant)

Case No.22 M/s. Rajapalaiyam Spintex (A Division of Rajapalayam Mills Ltd.,) Rajapalayam.

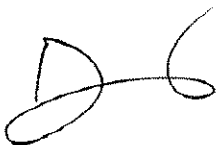
F.No. 01/60/162/1130/AM17/PRC

PRC Meeting No. 08/AM18 dated 06.06.2017

Subject: Request for EOP extension of Advance Authorization No.3510044517 dt. 18.07.2014.

Decision: The Committee noted that the Authorization in question was issued with condition stipulated under appendix-4J of FTP, 2015-2020, which allows 9 months for EO fulfilment from import of each consignment. The applicant has imported consignment on 6.8.2014. Accordingly, the export obligation period was up to 5.5.2015. The applicant has stated to have fulfilled 97.20% export within validity and 49.33% exports outside validity. Taking all these facts into account, the Committee decided the following:

- (i) Export obligation period be extended 4 and half 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 of 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) Exports made indicating file No/Authorisation No in question shall only be accounted for;
- (vi) The minimum value addition of 15% as prescribed under Para 4.09 of FTP (2015-2020) shall be maintained.



(Action: RA, Madurai/Applicant)

Case No.23 M/s. Gland Pharma Ltd., Hyderabad.

F.No. 01/60/162/1294/AM17/PRC

PRC Meeting No. 08/AM18 dated 06.06.2017

Subject: Request for EOP extension of Advance Authorization No.0910063265 dt. 15.02.2016 issued under PC-9 conditions.

Decision: The Committee noted that the Authorization 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 five consignments between 08.03.2016 to 19.01.2017. The applicant has stated to have fulfilled partial exports obligations and hence requested for EOP extension. Taking all these facts into account, the Committee decided the following:

- I. Export obligation period be extended by six months in continuity against import of each consignments.
- II. This will, however, be subject to a payment of composition fee @ 1% per month of FOB value of export made after initial obligation period.
- III. Exports made indicating file Number/Authorisation Number in question shall only be accounted for;
- IV. The minimum value addition of 15% as prescribed under Para 4.09 of FTP (2015-2020) shall be maintained.

(Action: R.A., Hyderabad/Applicant)

Case No.24. M/s. K.H. Exports P. Ltd., Chennai.

F.No. 01/60/162/1291/AM17/PRC

PRC Meeting No. 08/AM18 dated 06.06.2017

Subject: Request to accept country of destination as United States instead of Greenland in S/Bills No.1712842 dt. 10.07.2015 and 1301673 dt. 20.06.2015.

Decision: The applicant submitted that due to oversight, in the Shipping Bills No.1712842 dt. 10.07.2015 and 1301673 dt. 20.06.2015 country of Destination was mentioned as Greenland instead of United States by CHA. In fact, Greenland is a City in Northern Hemisphere in United State.

The Committee noted that change in EDI shipping bill is not allowed through system and manual amendment cannot be transmitted to DGFT server. However, from the shipping bills, it is established that goods were exported to USA and not Greenland island, which is a separate country. Hence, the applicant is eligible for MEIS benefits. Therefore, it was decided to allow issue of duty credit manually if not possible through EDI. However, the duty scrip shall be transmitted to ICEGAT with a special flag after obtaining the same from ICEGAT by EDI (NIC).

(Action: RA,Chennai/EDI)



Case No.25. M/s. Prabhat Elastomers P. Ltd., Mumbai.

F.No. 01/60/162/1311/AM17/PRC

PRC Meeting No. 08/AM18 dated 06.06.2017

Subject: Request for (i) revalidation of DFIA No.0310795229 dt. 10.04.2015; (ii) Issue of EODC to cancel the Bond with the Mumbai Customs and (iii) Issue a recommendatory letter to the Customs for release of Bond.

Decision: The Committee decided to defer the case and seek report from RA, as the applicant has stated that they applied for renewal / revalidation on 07.04.2016 and original license is lying with RA.

(Action: RA, Mumbai/Applicant)

Case No.26. M/s. Prabhat Elastomers P. Ltd., Mumbai.

F.No. 01/60/162/1309/AM17/PRC

PRC Meeting No. 08/AM18 dated 06.06.2017

Subject: Request for (i) revalidation of DFIA No.0310795228 dt. 10.04.2015; (ii) Issue of EODC to cancel the Bond with the Mumbai Customs and (iii) Issue a recommendatory letter to the Customs for release of Bond.

R.A., Mumbai.

Decision: Same as in Case No.25 above.

Case No.27. M/s. Prabhat Elastomers P. Ltd., Mumbai.

F.No. 01/60/162/1310/AM17/PRC

PRC Meeting No. 08/AM18 dated 06.06.2017

Subject: Request for (i) revalidation of DFIA No.0310795227 dt. 10.04.2015; (ii) Issue of EODC to cancel the Bond with the Mumbai Customs and (iii) Issue a recommendatory letter to the Customs for release of Bond.

Decision: Same as in Case No.25 above.

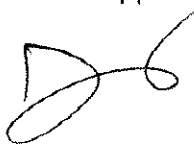
Case No.28. M/s. Emami Ltd., Kolkata. (RA, Kolkata.)

F.No. 01/60/162/1316/AM17/PRC

PRC Meeting No. 08/AM18 dated 06.06.2017

Subject: Request for condonation of delay in reply in time against benefit of refund of TED.

Decision: The Committee noted that in terms of para 8.3.1 read with Para 9.3 of HBP,2009-2014 application for refund of TED could be made within 36 months from the date of realisation with 10% late cut. No cogent and justified reasons establishing genuine hardship for not making application within three years has been given for seeking Policy Relaxation under para 2.5 of FTP. Arrest of a person or even all directors cannot be taken as ground for not making application during three years being a limited company. Limited company usually have other senior officials like president/vice president/ company secretary who could be Authorised for making application. Therefore, the committee did not accede to the request.



(Action: RA, Kolkata/Applicant)

Case No.29. M/s. Natroyal Industries P. Ltd., Mumbai. (RA, Vadodara)

F.No. 01/60/162/1260/AM17/PRC

PRC Meeting No. 08/AM18 dated 06.06.2017

Subject: Request for 2nd extension of import period for further 6 months of Advance Authorization No.3410041350 dt. 02.07.2015.

Decision: The Committee noted that the Authorisation was valid initially for 12 months to import i.e. till 2.7.2016, which was extended by 6 months by RA till 31.1.2017. There is no ground of genuine hardship which warrants Policy Relaxation. The applicant should have indicated correct ITC(HS) while filing of B/E and if customs did not allow the ITC code as per their declaration, they should have approached higher authorities for correction in the B/Therefore, the committee decided not to accede to the request.

Action (RA, Vadodara/Applicant)

Case No.30. M/s. Jindal Aluminium Ltd., Bangalore.

F.No. 01/60/162/1306/AM17/PRC

PRC Meeting No. 08/AM18 dated 06.06.2017

Subject: Request for change of port of registration from Deemed to Chennai Sea (INMAA1) in Deemed Advance Authorization No.0710110748 dt. 08.12.2016.

Decision: The Committee noted that Authorisation once issued indicating a particular port cannot be changed subsequently. However, in case Authorisation is obtained by declaring wrong port, the applicant has option to file fresh application with correct port of registration. In such cases the applicant is required to pay only Rupees 200/- as application fee and fee paid in earlier application is adjusted. The committee, was of view that no policy relaxation is required in such cases, as the provision in this regards are already in place under Para 7 of Appendix-2K. The applicant may approach RA by opting for this provision adding that the exports made against the already issued Advance Authorisation may be taken in account towards fulfilment of EO.

Action (RA, Concerned/Applicant)

Case No.31. M/s. DSM Sinochem Pharmaceuticals India P. Ltd., Gurgaon.

F.No. 01/60/162/092/AM18/PRC

PRC Meeting No. 08/AM18 dated 06.06.2017

Subject: Request for clubbing of 2 Advance Authorizations No.2210010492 dt. 05.10.2010 & 2210010678 dt. 25.11.2010 for redemption/regularization purpose.

Decision: Applicant has informed that import of material namely Penicillin G is made from registered source against both the above authorisations. Hence treatment as applicable to normal Advance Authorisations needs to be accorded to the two Authorisations.

The Committee noted that both Authorisations were issued in 2010 and exports are completed by November, 2010. The committee, therefore, decided the following:



- i. Clubbing of above mentioned two Authorisations be allowed.
- ii. Exports made within initial export obligation period of first Authorisation shall only be accounted for.
- iii. Duty free inputs shall be accounted as per SION or norms fixed by NC.
- iv. Minimum 15% VA shall be maintained on clubbing.

Action (RA, Concerned/Applicant)

Case No.32. M/s. Agog Pharma Ltd., Thane.(RA, Mumbai.)

F.No. 01/60/162/1282/AM17/PRC

PRC Meeting No. 08/AM18 dated 06.06.2017

Subject: Request for EOP extension of Advance Authorization No.0310789951 dt. 07.10.2014 issued under PC-9 conditions.

Decision: The Committee noted that the Authorization 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 consignment on 27.10.2014. Accordingly, the export obligation period was up to 26.10.2015. The applicant has stated to have fulfilled 97.80% export within validity and 2.20% exports outside validity 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 by 6 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 consignments. If not, composition fee will be charged @ 1% per month;
- V. Exports made indicating File No/Authorisation number in question shall only be accounted.
- VI. The minimum value addition of 15% as prescribed under Para 4.09 of FTP(2015-2020) shall be maintained.

(Action:RA, Mumbai/Applicant)

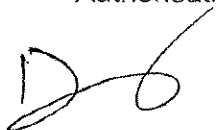
Case No.33. M/s. Ashish Life Science P. Ltd., Mumbai.

F.No. 01/60/162/1258/AM17/PRC

PRC Meeting No. 08/AM18 dated 06.06.2017

Subject: Request to consider export made vide S/Bill No.5524479 dt. 28.01.2016 for 0.800 Kgs. against Advance Authorization No.0310791736 dt. 05.12.2014 issued under PC-9 conditions and balance quantity against AA No.0310800385 dt. 24.11.2015 towards discharge of EO and waiver from submission of destruction certificate as per PC-18.

Decision: The Committee noted that one shipping bill cannot be accepted for discharge of export obligation against two Authorisations unless details of both the Authorisations were indicated in the shipping bill. This is not the case here. Further,



exports made after expiry of export obligation cannot be accepted for discharge of export obligation. The Authorisation in question was issued under PC-9 condition for importing drugs from unregistered sources. The applicant was fully aware of these facts. Therefore, exports should have been completed within stipulated period against each consignment. The committee, therefore, did not accede to the request.

(Action: RA, Mumbai/Application)

Case No.34. M/s. PA Footwear P. Ltd., Chennai.

F.No. 01/60/162/1285/AM17/PRC

PRC Meeting No. 08/AM18 dated 06.06.2017

Subject: Request to condoning non mentioning of declaration of intent in the Shipping bills to claims under MEIS.

Decision: The circumstances of this case are similar to case No. 2. The decision taken in case No..2 is re-iterated.

Action (RA, Chennai/Applicant)

Case No.35. M/s. Indian Ceramic House, Agra. (RA, Kanpur)

F.No. 01/60/162/1287/AM17/PRC

PRC Meeting No. 08/AM18 dated 06.06.2017

Subject: Request for EOP extension of Advance Authorization No.0610038217 dt. 08.09.2015.

Decision: The committee noted that the applicant is seeking extension of EO against Advance Authorisation giving reason that in one of the EP copies of shipping Bills the CHA made a mistake and the said export was not accepted by MMTC for the purpose of accepting the shipments towards discharge of EO and replenishment of gold and in the meantime the initial period of export obligation against the said Advance Authorisation got expired.

Case was deferred for seeking details from the applicant to explain the chronological details of initial expiry date of EO and specific shipping Bill in lieu of which they want to make further exports and exact date up to which they are seeking extension of EO.

(Action: Applicant)

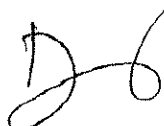
Case No.36. M/s. Kronox Lab Sciences P. Ltd., Vadodara.

F.No. 01/91/171/58/AM-15/EC

PRC Meeting No. 08/AM18 dated 06.06.2017

Subject: Request for grant of extension of EOP against Export License No.3450000211 dt. 08.09.2015.

Decision: It was noted that the Export Licence in question was issued for export of Potassium Chloride (HS 3104200) for export to USA. The Authorisation was issued having initial validity of 12 months for export. However, the applicant could export only 03% within its validity. RAs, in terms of Para 2.20 of HBP, are empowered to allow six



months' extension but the same was not availed. Therefore, they have requested PRC to allow six months' extension from the date of endorsement.

The committee, after deliberations decided to allow 12 months' extension in continuity. 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.

(Action: RA, Vadodara/Applicant)

Case No.37. M/s. Hindustan Granite, Bangalore.

F.No. 01/53/162/Misc/AM-17/ Marble-12/IC/PC-VI.

PRC Meeting No. 08/AM18 dated 06.06.2017

Subject: Clarification for Sale of unutilized material (marble blocks/slabs).

Decision: It was noted that in terms of Para 6.08 of FTP, 2015-2020, sale of finished products/rejects/waste/scrap/remnants upto 50% of FOB vale on payment of concessional duties by EOU is permitted subject to achievement of positive NFE. However, in terms of sub-Para (h) of 6.08 of FTP, selling of finished products, except pepper and pepper products and marble, is allowed.

It was further noted that the party is an 100% EOU functioning under CSEZ and has claimed to have achieved positive NFE and that they had sought permission from the concerned DC to de-bond. DC allowed de-bonding of capital goods on payment of appropriate duties which the party has already paid. Now they are left with unutilised material, marble blocks/slabs, which are lying in premises for which they have sought relaxation from the provision 6.08(h) of FTP.

The Committee discussed the matter and observed that vide Notification No. 27 dtd. 17.9.2016, import of marble by DTA units has been made free subject to MIP and Customs Duty. Import of marble slabs is also free subject to MIP. It was, therefore, decided to permit sale of the left over material into DTA subject to payment of duty along with applicable interest. This is, however, subject to approval of DC, CSEZ for de-bonding.

The meeting ended with a vote of thank to chair.
