Directorate General of Foreign Trade
(PRC-section)

Minutes of the Policy Relaxation Committee Meeting held under the Chairmanship of DGFT Shri Alok Vardhan Chaturvedi, Director General of Foreign Trade on 05.09.2017

Meeting No. 16/AM18 held on 05.09.2017 at 10:00 AM

The following members were present in the meeting:

1.	Shri K. C. Rout	Addl. DGFT
2.	Shri Darshan Singh	Addl. DGFT
3.	Shri J. V. Patil	Addl. DGFT
4.	Shri S. B. S. Reddy	Addl. DGFT
5.	Shri Jay Karan Singh	Jt. DGFT
6.	Shri Akash Taneja	Jt. DGFT
7.	Shri Lokesh H.D	Jt. DGFT
8.	Shri Dr. Praveen Kumar	Dy. DGFT

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

Case No.1: M/s. IFB Industries Ltd., Kolkata (PH Case)
F. No. 01/60/162/837/AM14/PRC
PRC Meeting No. 16/AM18 dated 05.09.2017
Subject: Request for:

1. Clubbing of 11 Advance Authorizations issued during the period 1991 to 1993 under similar customs notification.
2. Condonation of procedural lapse for non-mentioning the details of the advance license no. in the shipping bill for shipment made (based on BIFR package) during the period 2006-07 to 2014 -15 on account of difficulties made for implementation of new EDI system (mismatch 11 digit Advance authorization) &
3. To count all shipment made during the original validity period, extended period considering all Export /Deemed Export made by the Company only for regularization & closure purpose to be read with para 4.1.9 A of FTP under BIFR provision and not for any further import / export.

Aggrieved by the committee's decision dated 08.07.2014, 09.06.2015 and 13.10.2015, the applicant filled WP(c) No 11198 of 2015 before hon'ble high court, Delhi. Hon'ble Delhi High Court in its order dated 04.04.2017 held, *"the writ petition is allowed. The impugned decision is set aside. The PRC is directed to reconsider its order dated 13.10.2015 in the light of the observation made above. The PRC may call for documents to satisfy itself that the export related to finished goods manufactured by incorporation of raw materials and inputs imported against Advance Licences. If it is found that the exports during five year period are related to import Licences, clubbing of Licences for the purpose of redemption and/or relaxation shall be allowed"*. Accordingly, in terms of Para 2.59 of FTP, 2015-2020, the applicant was afforded personal hearing before the committee on 05.09.2017. Shri S.K.Ghosh, vice president accompanied by two other employees of the company appeared before the committee and made the following submissions stating inter alia that:

1. They are grateful to the Policy Relaxation Committee (PRC) for allowing a Personal Hearing on 05.09.2017 in pursuance of the Hon'ble High Court of Delhi order dated 03.04.2017 in Writ Petition (C) No 11198 of 2015.
2. It may kindly be recalled that they have explained earlier about the problems faced by them in respect of 11 Advance Licences obtained in past primarily due to the fact that these licences were issued during the period 1989 to 1993 and during the said period the Advance Licences used to be issued with alphanumeric codes. The EDI transmission of Shipping Bills between DGFT and Customs started in 2009 and therefore evidently the EDI transmission of these Shipping Bills could not have taken place in the earlier licences as only numeric codes of Advance Licences were accepted. Therefore, it was beyond their control to ensure transmission of Shipping Bills. Thus the Shipping Bills do not bear the Advance Licence Number vide which the exports were effected and these exports are not being considered for fulfilment of export obligation.
3. This problem has arisen due to the EDI System. However, they have documentary evidence to establish the fact that the exports were made against the licences as ARE1 was countersigned by Central Excise Authority and the export invoices were attested by Customs. Keeping in view this technical problem, we request you to allow exports made against these shipping bills for fulfilment of export obligation.

The committee heard them patiently and directed them to explain the issue in details to Member secretary and Joint DGFT, PRC the status of exports made against each Authorisation and supporting documents. They may furnish revised representation also if so wish. Accordingly, they explained status of EO against each Authorisation and submitted detailed representation vide e-mail dated 11.09.2017 stating therein that;

i. It may kindly be recalled that as per the direction of PRC, they met the concerned Jt.DGFT, PRC to explain the case in further on 05.09.2017. During the discussion, he advised us to submit a revised request summarizing the issues involved.
ii. Our prayer was as per the direction of Hon'ble High Court Delhi in terms of para 56 which inter alia includes:

> *" The writ petition is allowed. The impugned decision is set aside. The PRC is directed to reconsider its order dated 13.10.2015 in the light of the observations made above (Para 37 to Para 55). The PRC may call for documents to satisfy itself that the export related to finished goods manufactured by incorporation of raw materials and inputs imported against Advance Licences. If it is found that the exports during fiveyear period are relatable to the import licences, clubbing of licence for the purpose of redemption and / or relaxation shall be allowed"*

iii. In this connection they would like to draw kind attention of the committee that in response to the letter dated 24th May 2017 they have furnished the necessary C/A Certificate and complied the condition which has been duly acknowledged by DGFT office on 4th July 2017 vide diary no. 01/63/162/446/AM18, copy enclosed for your ready reference and marked as **Annexure - A**.

iv. Consequent to becoming a sick company, it may please be noted that Hon'ble BIFR had granted us further five year's extension in terms of para 4.1.9A of Foreign Trade Policy 2009-14. On the basis of the said direction of Hon'ble BIFR, DGFT Kolkata granted 5 year's extension. However, DGFT Kolkata issued the extension letter after a lapse of one and half years resulting in extension period of only three and half years and not five years as directed by Hon'ble BIFR.

v. However, it should be appreciated that despite this lesser period they have fulfilled export obligations in respect of all the 10 licences and in one Licence No P/L/3327432/C dated 29.09.1992, there is a marginal shortfall of around 4% in quantity though fulfilled in value term.

Accordingly, they made the following requests:

1) To allow exports made against the shipping bills for fulfilment of export obligation which could not be transmitted on the EDI System indicating Authorisation details and which was beyond their control on the basis of the documentary evidence to establish the fact that the exports were made against the licences as indicated in ARE-1 which was countersigned by Central Excise Authority and the export invoices which were attested by Customs.

2) This request is being made in respect of all the eleven licences.

3) On the second issue for request for clubbing of 8 Advance Licences, they reiterated request for granting extension for further period of five years from the date of endorsement, in terms of Para 4.1.9A of FTP.

It shall not be out of place to mention here that in terms of Para 4.20.5 of HBP, 2004-2009, notwithstanding the provisions of Para 4.20.3 and 4.20.4, clubbing of all expired licences may also be permitted provided all the expired licences have been issued during the Exim Policy period of 1992-97 & 1997 -2002 i.e. 1st April 1992 to 31st March 2002 and IFB complied the conditions.

However, in case PRC doesn't find the issue to be feasible, then we will get all the 8 licences individually regularized.

<u>Decision:</u> It was noted that the applicant had obtained 11 Advance Licences during 1998 to 1993 under duty exemption scheme. The Authorisations were issued with certain conditions of fulfilment of stipulated export obligation within stipulated time period. However, they could not fulfill the stipulated export obligation within the prescribed time. Subsequently, the company was registered with BIFR. On the basis of rehabilitation package granted by BIFR, export obligation period was extended upto

31.01.2014. On the basis of extension granted by RA, Kolkata, the applicant started exports towards discharge of EO. However, the Customs Authority did not allow to indicate details of manual issued Authorisation on EDI shipping Bills. However, ARE-1 and Customs attested Invoices bear the details of Authorisation against which exports were affected. Position of EO fulfilment against each Authorisation is as under:

Sl No	Licence No	Date	EO fulfilled in %
1	P/L/3204038/c	21-07-1989	103
2	P/L/3204858/C	09-08-1989	116
3	P/w/3206667/C	01-11-1989	125
4	P/w/3262973/C	05.02.1991	109
5	P/W/3259424/C	09-11-1991	104
6	P/L/3327504/C	12-04-1992	716
7	P/L/3321963/C	30-04-1992	132
8	P/L/3321987/C	19-05-1992	102
9	P/L//3325249/C	30-06-1992	136
10	P/L/3327432/C	29-09-1992	96
11	P/L/3388496/C	30-03-1993	123

It was noted that export obligation has been fulfilled more than 100% against 10 Authorisations out of 11. There is only 4% shortfall against Authorisation at Sl No 10. Therefore, no clubbing is required where exports have been fulfilled more than 100%. Clubbing is required where there is shortfall in fulfilment of EO under an Authorisation and surplus export made under another Authorisation. However, in terms of Para 4.27 of HBP,2009-2014, except extension of EOP and Clubbing of Authorisations, all other provisions of the Policy and procedure shall be applicable under which the Authorisation is issued. Clubbing and extension of EOP is allowed as per the existing provisions. In this case, request for clubbing was submitted by the applicant to PRC on 11.04.2014. PRC allows clubbing of such Authorisations provided exports under subsequent Authorisations are completed within 48 months from issue of the first Authorisation. And, that is not the case here. The provisions of 2004-2009 HBP for clubbing quoted by the applicant is not relevant in this case.

However, keeping in mind the direction of Hon'ble high court, Delhi and taking into consideration the genuine hardship expressed in the revised representation given by the applicant, the committee decided the following:

i. No clubbing is required as more than 100% exports has been completed under 10 Authorisations and request for clubbing has been withdrawn.
ii. Request for accounting of exports made under EDI Shipping Bills without indicating Authorisation number shall be accepted by RA provided ARE-1 bears details of Licences in question and Invoices are counter signed by the Customs Authority certifying consumption of inputs;
iii. However, exports made within initial and/or extended export obligation period, as per rehabilitation package shall be taken into account towards discharge of export obligation;

iv. Export obligation shall be deemed to be extended for five years from the date of endorsement by RA against each Authorisation, in spirit of the decision of BIFR, instead of extension given by RA after one and half year from back date which enabled applicant a time of only 3.5 years.
v. Shortfall, if any, shall be regularised in terms of Para 4.49 of HBP, 2015-2020.
vi. Minimum 15% value addition shall be maintained.
vii. RA shall ensure that other requirement as per FTP/HBP are complied with.

(Action: Applicant/RA, Kolkata)

Case No.2: M/s. Prabhu Polycolor Limited, Chennai (PH Case)
F. No. 01/60/162/803/AM17/PRC
PRC Meeting No. 16/AM18 dated 05.09.2017

Subject: Request for EOP extension of Advance Authorization no. 0410130643 dated 21.11.2011.

Aggrieved by the committee's decision dated 29.11.2016 and 19.04.2017 the applicant sought personal hearing in terms of Para 2.59 of FTP, 2015-2020, which was afforded to them on 05.09.2017. Ms. Ritu Marda appeared before the committee and made the following submissions stating inter alia that:

1. Due to sudden demise of their Managing Director they had lost many orders and he was the one who was looking into the entire production process.
2. The EOP was extended for 6 months from the date of expiry of licence and they were in no position to further export the available imported goods.
3. They have imported 94.091 MT in the above authorization and out of which only 18.54 MT have been utilized and exported. The same was clearly being mentioned in ANF-2D. Balance 75.551 MT is still due with them whereas the approval of this office states that they have imported only 17.5%.
4. They have received a CRA Memo No.9 dt. 01.01.2016 and DL dt. 23.06.2016 which states that the Norms Committee rejected their application.
5. As per Para 4.12 (vi) of HBP, where Norms Committee has already ratified norms for same export and import products in respect of an authorization obtained under paragraph 4.07, such norms shall be valid for a period of two years reckoned from the date of ratification.
6. Due to sudden death of their Managing Director, they had lost all the order of the said export product and as he was the one who was handling the production process and formalities related to Advance Authorization there was a big time lag with understanding the entire case. Also lack of procedural knowledge led to such a delay in completing the E.O. and EODC. Apart from this, few natural disasters in the city caused havoc in their factory premises and thereby contributed towards delay in fulfillment of E.O. Now, they have fresh orders in hands to complete the E.O.
7. I was house wife and not aware with any activates of factory which was being run by my husband. On his demise, I took over the charge but person who was looking after the work of import and exports kept her in dark and did not tell about outstanding export obligation.

8. Hence, she requested for extension in EOP for 6 months to complete the EO.

Decision: The case was discussed at length. It was noted that the applicant had faced genuine problem but willing to discharge balance export obligation. The committee, therefore, decided the following:

i. Export obligation period be extended for six months from the date of endorsement.
ii. This will, however, be subject to payment of a composition fee @ 1% per month of unfulfilled FOB value;
iii. The applicant shall execute Bank Guarantee of an equal amount of duty saved in proportion to shortfall having validity of one year to RA;
iv. The applicant shall submit documents showing fulfillment of export obligation to RA, within two months from the date of expiry of extended EOP. In case of failure, RA shall forfeit B/G without any further intimation.

(Action: Applicant/RA, Chennai)

Case No.3: M/s. Raymond Ltd., Mumbai
F. No. 01/60/162/394/AM18/PRC
PRC Meeting No. 16/AM18 dated 05.09.2017

Subject: Request for regularization of Advance Authorization no. 0310801819 dt. 15.01.2016 obtained against ARO instead of Invalidation letter.

Decision: It was noted that the applicant has applied to obtained Advance Authorisation against ARO issued under Advance Authorisation obtained by the ultimate exporter that is M/s Silver Spark Apparel Ltd., Bangalore. The applicant has stated that neither they nor the recipient has obtained drawback on inputs and supplies of goods by them were made under Excise Notification No 30/2004 dated 09.07.2004, which provides exemption from payment of whole of excise duty leviable under Central Excise Act, provided no CENVAT credit either on inputs or capital goods have been availed. They have supplied goods to ultimate Advance Authorisation towards discharge of export obligation. Therefore, requested for regularisation of exports made against ARO instead of Invalidation.

Taking into consideration the genuine mistake, the committee, decided the following:

i. Export/supplies made indicating Advance Authorisation/File No on supply Invoices shall be taken into account towards discharge of export obligation.
ii. This will, however, be subject to the conditions that the supplies towards discharge of EO were made within the validity of Advance Authorisation under which ARO was issued;
iii. No CENVAT credit/Drawback was availed on inputs consumed in the resultant products. The applicant shall furnish a certificate from the concerned Excise Authority to that effect;

iv. RA shall ensure that no drawback was claimed either by supplier or recipient;

v. ARO shall be converted into Invalidation.

(Action: Applicant/RA, Mumbai)

Case No.4: M/s. Bharat tissue Pvt. Ltd., Bangalore
F. No. 01/60/162/1061/AM17/PRC
PRC Meeting No. 16/AM18 dated 05.09.2017

Subject: Request for clubbing of advance authorization no. 07190091408 dt. 16.10.2012 & 0710092328 dt. 06.12.2012 by relaxing policy.

Decision: It was noted that the Authorisation in question were issued with condition of Appendix-4J, which prescribes pre-import condition and 9 month's export obligation period for fulfilment of EO, being import of silk permitted under the Authorisation. Imports were made on same day under both the Authorisations and exports have been completed within initial export obligation period. The committee, therefore, decided the following:

i. Clubbing of both the Authorisations be allowed.

ii. This will, however, be subject to the condition that exports made by 14.09.2013 shall only be accounted for discharge of EO;

iii. Minimum 15% value additions are maintained on clubbed CIF/FOB value;

iv. Duty free inputs are accounted as per SION;

v. GSM of fabrics used in the resultant products, as per general conditions in SION book, are correlated.

(Action: Applicant/RA, Bangalore)

Case No.5: M/s. Balakrishna Industries Ltd., Mumbai
F. No. 01/60/162/374/AM18/PRC
PRC Meeting No. 16/AM18 dated 05.09.2017

Subject: Request for clubbing and redemption of two Advance Authorizations no. 0310798871 dt. 14.09.2015 and 0310798912 dt. 15.09.2015.

Decision: It was noted that the Authorisation in question were issued with condition of Appendix-4J, which prescribes pre-import condition and 6 month's export obligation period for fulfillment of EO, being import of natural rubber permitted under the Authorisation. Imports of first consignment was made on 28.11.2015. Accordingly, initial export obligation period was upto 28.05.2016. Whereas, exports have been completed by 02.06.2016. The committee, therefore, decided the following:

i. Clubbing of both the Authorisations be allowed.

ii. Export obligation period be extended from 6 months to 9 months against first import consignment i.e. upto 31.08.2016.

iii. This will, however, be subject to payment of composition fee @ 0.5% per month of FOB value of exports made after 28.05.2016 and to be accounted for;
iv. Exports affected till 31.08.2016 shall only be accounted;
v. Minimum 15% value additions are maintained on clubbed CIF/FOB value;
vi. RA shall ensure that duty free inputs are accounted as per SION.

(Action: Applicant/RA, Mumbai)

Case No.6: M/s. Bhagwanji & Co., Mumbai
F. No. 01/60/162/307/AM18/PRC
PRC Meeting No. 16/AM18 dated 05.09.2017

Subject: Request for Revalidation of DFIA no. 0310717723 dt. 20.12.2012.

Decision: It was noted that the Authorisation in question was issued having initial validity of 27 months to import. Despite that the applicant could not complete imports. So far as issue relating to PN 35 dated 30.10.2013 is concerned, the matter is sub-judice, as pending before Apex court. No case of genuine hardship is established which warrants policy relaxation. The committee, therefore, did not accede to the request.

Case No.7: M/s. Bhagwanji & Co., Mumbai
F. No. 01/60/162/231/AM18/PRC
PRC Meeting No. 16/AM18 dated 05.09.2017

Subject: Request for Revalidation of DFIA no. 0310766935 dt. 20.01.2014.

Decision: It was noted that the Authorisation in question was issued having initial validity of 12 months to import, which was extended upto 17.11.201, on the request of the applicant. Despite that the applicant could not complete imports. So far as issue relating to PN 35 dated 30.10.2013 is concerned, the matter is sub-judice, as pending before Apex court. No case of genuine hardship is established which warrants policy relaxation. The committee, therefore, did not accede to the request.

Case No.8: M/s. Ashish Life Science Pvt. Ltd., Mumbai
F. No. 01/60/162/1305/AM17/PRC
PRC Meeting No. 16/AM18 dated 05.09.2017

Subject: Request for waiver from submission of documents as per PC-18 (destruction Certificate) for export under S/Bills no. 931653 dt. 03.01.2014 issued under PC-9 Condition. Advance Authorization no. 0310747954 dt. 03.09.2013.

Decision: It was noted that the Authorisation No 0310747954 dt. 03.09.2013 was issued with pre-import condition and having 12 month's period for fulfilment of EO being import of drug from unregistered sources. The applicant has exported 24kgs less quantity. In terms of Policy Circular No 18 dated 30.10.2007, such unutilised drug must either should be re-exported back or it should be destroyed in the presence of Excise Authority. The applicant has stated that by mistake they have exported 24kgs under S/b No 931653 dt. 03.01.2014 and availed duty drawback. However, they have paid customs duty with applicable interest to the Customs Authority on 23.69kgs on prorate shortfall in quantity. The committee, after deliberations , decided the following:

i. Requirement of PC-18 dated 30.10.2007 be condoned.
ii. This will, however, be subject to payment of Rs. 5000/-(Five thousands only) as a composition fee to RA;
iii. The applicant shall submit proof of duty and interest paid to Customs Authority against unutilised quantity under the Authorisation;
iv. The applicant shall furnish an affidavit duly Notarised and affirming therein that unutilised raw material have not been diverted into the local market and were consumed fully in the resultant product which were exported under DBK.

(Action: Applicant/RA, Mumbai)

Case No.9: M/s. Cadila Healthcre Limited, Ahmedabad
F. No. 01/60/162/414/AM18/PRC
PRC Meeting No. 16/AM18 dated 05.09.2017

Subject: Request for EOP extension of Advance Authorization no. 0810136805 dated 29.12.2015 issued under PC-9 condition.

Decision: The Committee noted that the Authorisation was issued with conditions stipulated under PC-9 dated 30.06.2003 read with Appendix-4J of FTP, 2015-20, which allows 12 month's period for fulfilment of EO from import of each consignment. The applicant has imported consignments of raw material between 01.01.2016 to 03.08.2016. Accordingly, initial obligation period was from 31.12.2016 to 02.08.2017. The applicant has stated to have completed 68.27% exports within validity period and 0.74% exports outside validity period so far. Taking into consideration the facts, the Committee decided the following:

i. Export obligation period be extended by six months in continuity against each consignment.
ii. This is subject to payment of a composition fee @ 0.5% per month of unfulfilled FOB value of export made after initial obligation period.
iii. RA shall check that minimum 50% exports were affected within initial export obligation period. If not, composition fee shall be levied @ 1% per month of unfulfilled FOB value.
iv. The minimum value addition of 15% as prescribed under Para 4.09 of FTP (2015-2020) shall be maintained.
v. Shortfall, if any, shall be regularized in terms of Para 4.49 of HBP, 2015-2020.
vi. PC-18 dated 30.10.2007 condition to be followed for unutilized raw materials.

(Action: Applicant/RA, Ahmedabad)

Case No.10: M/s. Cadila Healthcre Limited, Ahmedabad
F. No. 01/60/162/415/AM18/PRC
PRC Meeting No. 16/AM18 dated 05.09.2017

Subject: Request for EOP extension of Advance Authorization no. No. 0810137474 dt. 21.03.2016 issued under PC-9 conditions.

Decision: The Committee noted that the Authorisation was issued with conditions stipulated under PC-9 dated 30.06.2003 read with Appendix-4J of FTP, 2015-2020, which allows 12 month's period for EO fulfilment from import of each consignment. The applicant has imported consignments of raw material between 20.07.2016 to 04.08.2016. Accordingly, initial obligation period was from 19.07.2017 to 03.08.2017. The applicant has stated to have completed 78.02% exports within validity period so far. Taking into consideration the facts, the Committee decided the following:

i. Export obligation period be extended by six months in continuity against each consignment.
ii. This is subject to payment of a composition fee @ 0.5% per month of unfulfilled FOB value of export made after initial obligation period.
iii. RA shall check that minimum 50% exports were affected within initial export obligation period. If not, composition fee shall be levied @ 1% per month of unfulfilled FOB value.
iv. The minimum value addition of 15% as prescribed under Para 4.09 of FTP (2015-2020) shall be maintained.
v. Shortfall, if any, shall be regularized in terms of Para 4.49 of HBP, 2015-2020.
vi. PC-18 dated 30.10.2007 condition to be followed for unutilized raw materials.

(Action: Applicant/RA, Ahmedabad)

Case No.11: M/s. Spac Starch Products India ltd., TN.
F. No. 01/60/162/439/AM18/PRC
PRC Meeting No. 16/AM18 dated 05.09.2017

Subject: Request for extension of EO period for regularisation of exports already completed and payments realised under Advance Authorization no. 3210040260 dt. 24.04.2009.

Decision: Vide PN 151 dated 26.02.2009 the Export obligation period was amended to read as 24 months instead of 36 months. Thereafter Policy Circular No. 80 dated 13.04.2009 clarified that export obligation period shall be 36 months instead of 24 months even in cases of Advance Authorisations issued prior to 26.02.2009. Therefore, no extension is required for exports affected till 30.04.2012 in the instant case. The applicant has stated to have fulfilled 78% export obligation during this period and remaining 26% thereafter. The committee, therefore, decided the following:

i. Export obligation period be extended by 6 months more in continuity.

ii. This will, however, be subject to payment of a composition fee @ 0.5% per month of unfulfilled FOB value;

iii. Export made indicating EDI File Number/Authorisation number shall only be accounted for discharge of EO;

iv. Minimum 15% value addition shall be maintained.

(Action: Applicant/RA, Coimbatore)

Case No.12: M/s. Spark Electrodedes Pvt. Ltd., New Delhi
F. No. 01/60/162/433/AM18/PRC
PRC Meeting No. 16/AM18 dated 05.09.2017

Subject: - Request for second Revalidation of advance authorization no. 0510397760 dt. 01.03.2016.

Decision: Deferred for seeking report from RA.

(Action: RA, CLA)

Case No.13: M/s. Finolex Cables limited, Pune
F. No. 01/60/162/406/AM18/PRC
PRC Meeting No. 16/AM18 dated 05.09.2017

Subject: Request for second Revalidation of advance authorization no. 3110065886 dt. 25.06.2016.

Decision: Deferred for seeking report from RA.

(Action: RA, Pune)

Case No.14: M/s. Glanmark Pharmaceutical Ltd., Mumbai
F. No. 01/60/162/435/AM18/PRC
PRC Meeting No. 16/AM18 dated 05.09.2017

Subject: - Request for EOP extension of Advance Authorization no. 0310798718 dt. 08.09.2015 issued under PC-9 Condition.

Decision: The Committee noted that the Authorisation was issued with conditions stipulated under PC-9 dated 30.06.2003 read with Appendix-4J, FTP, 2015-2020, which allows 12 month's period for fulfilment of EO from import of each consignment. The applicant has imported consignments of raw material between 27.04.2016 to 28.06.2016. Accordingly, initial obligation period was from 27.042017 to 28.06.2017. The applicant has stated to have completed 75.89% of EO against 1st import item and 61.947% EO against second import item. Taking into consideration the facts, the Committee decided the following:

i. Export obligation period be extended by six months in continuity against each consignment.

ii. This is subject to payment of a composition fee @ 0.5% per month of unfulfilled FOB value of export made after initial obligation period;

iii. RA shall check that minimum 50% exports were affected within initial export obligation period. If not, composition fee shall be levied @ 1% per month of unfulfilled FOB value;

iv. The minimum value addition of 15% as prescribed under Para 4.09 of FTP (2015-2020) shall be maintained;

v. Shortfall, if any, shall be regularized in terms of Para 4.49 of HBP, 2015-2020.

vi. PC-18 dated 30.10.2007 condition to be followed for unutilized raw materials.

(Action: Applicant/RA, Ahmedabad)

Case No.15: M/s. Vedanta Ltd., New Delhi

F. No. 01/60/162/706/AM17/PRC

PRC Meeting No. 16/AM18 dated 05.09.2017

Subject: Request for EODC, Revalidation & Transferability of DFIA No. 0510391395 dt. 26.09.2014.

Decision: The Committee noted that the shipments in this case were effected indicating two DFIAs numbers. However, resultant product is only one. On perusal of report of NIC, it was observed that bifurcation of value and quantity for using the same shipping bill under two or more DFIAs was not possible in case of single resultant product. The committee, therefore, decided the following:

i. The applicant may use such complete shipping bills against any of DFIA for EODC/enhancement/transferability purpose.

ii. RA shall allow revalidation of such DFIA for six months from the date of endorsement if balance imports are available after enhancement.

iii. The applicant shall get the other DFIA regularized on payment of duty and applicable interest in which imports are made in excess.

(Action: RA, CLA, New Delhi/Applicant)

Case No.16: M/s. Vedanta Ltd., New Delhi
F. No. 01/60/162/712/AM17/PRC
PRC Meeting No. 16/AM18 dated 05.09.2017

Subject: - Request for EODC, Revalidation & Transferability of DFIA No. 0510391922 dt. 11.11.2014 and grant of Pro-rata enhancement in terms of para 4.21.1 of HBP of FTP 2009-14.

Decision: The Committee noted that the shipments in this case were effected indicating two DFIAs numbers. However, resultant product is only one. On perusal of report of NIC, it was observed that bifurcation of value and quantity for using the same shipping bill under two or more DFIAs was not possible in case of single resultant product. The committee, therefore, decided the following:

i. The applicant may use such complete shipping bills against any of DFIA for EODC/enhancement/transferability purpose.
ii. RA shall allow revalidation of such DFIA for six months from the date of endorsement if balance imports are available after enhancement.
iii. The applicant shall get the other DFIA regularized on payment of duty and applicable interest in which imports are made in excess.

(Action: RA, CLA, New Delhi/Applicant)

Case No.17: M/s. Mukand Ltd., Thane
F. No. 01/60/162/926/AM17/PRC
PRC Meeting No. 16/AM18 dated 05.09.2017

Subject: Request for relaxation from applicability of provisions of FTP & HBP requiring prior surrendered the benefits availed under the SHIS Scrip No. 0310676389 dt. 12.01.2012 to obtain zero duty EPCG Authorization No. 0330029911 dt. 04.07.2011; 0330030084 dt. 21.07.2011; 0330031704 dt. 24.01.2012 and 0330032236 dt. 26.03.2012.

Decision: It was noted that the applicant had obtained duty credit scrip on 12.01.2012 under Status Holder Incentive Scheme(SHIS) under Paragraph 3.16 of FTP during 2011-2012. During the same financial year, they have also obtained four EPCG Authorisations under zero duty scheme in the month of July, 2011 to March, 2012, which was not allowed under Para 5.1(f) of FTP, 2009-2014, read with corresponding customs Notification No 102/2009 dated 18.09.2009. There was ambiguity in the provisions of chapter -3 and chapter-5. Therefore, PN 30/2015-20 dated 08.09.2016 came to be issued. Accordingly, the applicant had opted for to surrendered the duty credit scrip. However, since the scrip has been utilized, they paid customs duty with applicable interest to the Customs Authority on 25.05.2017. The committee, therefore, decided to allow regularization of the case considering bona-fide mistake. RA shall ensure that an amount equal to Duty Credit Scrip with applicable interest has been paid to the Customs Authority.

(Action: Applicant/RA, Mumbai)

Case No.18: M/s. ETG Agro pvt. Ltd., Mumbai
F. No. 01/60/162/410/AM18/PRC
PRC Meeting No. 16/AM18 dated 05.09.2017

Subject: Request for considering the shortfall in FOB value of Advance Authorization no. 0310721837 dated 23.01.2013 under Para 4.49(b) of HBP, 2015-2020.

Decision: Deferred to seek report from RA seeking reasons for not allowing regularisation allowed under Para 4.49(b) of HBP, 2015-2020.

(Action: RA/Mumbai)

Case No.19: M/s. Amelco Kabel pvt. Ltd., Noida
F. No. 01/60/162/1302/AM17/PRC
PRC Meeting No. 16/AM18 dated 05.09.2017

Subject: Request for EOP Extension against Advance License Nos. 0510350635 dt. 03.04.2013 and 0510350889 dt. 08.04.2013 for a period of 6 months upto 31.03.2016 (beyond 30 months but upto 36 months from the date of issue of first license) for clubbing.

Decision: It was noted that the applicant has obtained two Authorisations for same resultant product in the month of April, 2013. The committee, after deliberations decided the following:

i. Clubbing of both the Authorisations be allowed.
ii. Export obligation period be extended by 18 months in continuity against first Authorisation.
iii. This will, however, be subject to payment of a composition fee @ 0.5% of unfulfilled clubbed FOB value of exports made after initial 18th month but upto 24th month and @ 0.5% per months of unfulfilled FOB value for 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 months;
iv. Exports affected indicating EDI File No/Authorisation No on shipping bills shall only be taken into account;
v. Inputs shall be accounted as per SION;
vi. Minimum 15% VA shall be maintained on clubbing.

(Action: Applicant/RA,CLA)

Case No.20: M/s. Laxmi Organic industries Ltd., Mumbai
F. No. 01/60/162/413/AM18/PRC
PRC Meeting No. 16/AM18 dated 05.09.2017

Subject: Request for condonation of Procedural Lapse for not mentioning declaration of intend for claim under MEIS Benefits.

Decision: Deferred for examination by Policy-3 section.

(Action: Policy-3)

Case No.21: M/s. Jindal Aluminium Ltd., Bangalore
F. No. 01/60/162/274/AM17/PRC
PRC Meeting No. 16/AM18 dated 05.09.2017

Subject: Request for 2nd Revalidation of Advance Authorization no. 0710095343 dated 10.05.2013.

Decision: It was noted from the RA, Bangalore report that the applicant had submitted request for revalidation on 29.09.2014. However, revalidation was allowed for six months on 21.04.2015 giving validity till 30.09.2014, which was of no use to the applicant . The committee, therefore, decided to allow three months revalidation from the date of endorsement. The applicant is hereby directed to submit the Authorisation to RA for necessary endorsement within a month from the date of uploading of these minutes on the Directorate website.

(Action: Applicant/RA, Bangalore)

Case No.22: M/s. Prama Exports Mumbai
F. No. 01/60/162/270/AM18/PRC
PRC Meeting No. 16/AM18 dated 05.09.2017

Subject: Request for Revalidation of DFIA No. 0310794655 dated 18.03.2015.

Decision: Deferred to seek reports from EDI, DGFT(HQrs.)

Case No.23: M/s Shalina Laboratories Pvt. Ltd., Mumbai.
F. No. 01/60/162/282/AM18/PRC
PRC Meeting No. 16/AM18 dated 05.09.2017

Subject: Request for Clubbing of three Advance authorizations No. (i) 0310768367 dt. 29.01.2014 (ii) 0310778501 dt.16.04.2014 and (iii) 0310783257 dt. 28.05.2014 issued under PC-9 Conditions.

Decision: It was noted that all three Authorisations in question were issued to allow import of drugs from unregistered sources. Such Authorisations are issued with pre-import condition and 12 month's export obligation period from import of each consignment, as per Appendix-30A. The committee, therefore, decided the following:

i. Clubbing of three Authorisations be allowed.
ii. This will, however, be subject to the condition that exports made under subsequent Authorisations but within 18 months from the date of import of first consignment under earliest issued Authorisation shall only be accounted for;
iii. Export obligation period be extended by six months in continuity against first import consignment on payment of a composition fee @ 0.5% per month of FOB value of exports made after initial export obligation period of 12 months of first import consignment i.e. upto 31.07.2015;
iv. Composition fee will be charged on entire clubbed FOB value to be accounted for after 12 months;
v. Inputs shall be accounted as per SION;
vi. Minimum 15% VA shall be maintained on clubbed CIF and FOB value.
vii. Shortfall, if any, shall be regularised in terms of Para 4.49 of HBP, 2015-2020 read with PC-18 dated 30.10.2007.

(Action: Applicant/RA, Mumbai)

Case No.24: M/s Shalina Laboratories Pvt. Ltd., Mumbai.
F. No. 01/60/162/279/AM18/PRC
PRC Meeting No. 16/AM18 dated 05.09.2017

Subject: Request for Clubbing of two Advance authorizations No. (i) 0310785449 dt. 17.06.2014 and (ii) 0310786795 dt. 14.07.2014 issued under PC-9 Conditions.

Decision: It was noted that both the Authorisations in question were issued to allow import of drugs from unregistered sources. Such Authorisations are issued with pre-import condition and 12 month's export obligation period from import of each consignment, as per Appendix-30A . The committee, therefore, decided the following:

i. Clubbing of both the Authorisations be allowed.
ii. This will, however, be subject to the condition that exports made under subsequent Authorisation but within 18 months from the date of import of first consignment under the first Authorisation shall only be accounted for;
iii. Export obligation period be extended by six months in continuity against first import consignment on payment of a composition fee @ 0.5% per month of FOB value of exports made after initial export obligation period of 12 months of first import consignment i.e. upto 31.03.2016;
iv. Composition fee will be charged on entire clubbed FOB value to be accounted for after 12 months;
v. Inputs shall be accounted as per SION;
vi. Minimum 15% VA shall be maintained on clubbed CIF and FOB value.
vii. Shortfall, if any, shall be regularised in terms of Para 4.49 of HBP, 2015-2020 read with PC-18 dated 30.10.2007.

(Action: Applicant/RA, Mumbai)

Case No.25: M/s Oriflame India Pvt. Ltd., New Delhi.
F. No. 01/60/162/275A/AM18/PRC
PRC Meeting No. 16/AM18 dated 05.09.2017

Subject: Request for Clubbing of four Advance authorizations No. (i) 0510201932 dt. 30.03.2007, (ii) 0510206746 dt. 25.07.2007, (iii) 0510210029 dt. 04.10.2007 and (iv) 0510212232 dt. 19.11.2007.

Decision: It was noted that all four Authorisations were issued in the year 2007 and exports have been completed within 36 months of first Authorisation. The committee, therefore, decided the following:

i. Clubbing of four Authorisation in question be allowed.
ii. This will, however, be subject to the condition that exports affected by 31.03.2010 shall only be accounted for;

iii. Duty free inputs shall be accounted as per SION;
iv. Minimum 15% VA shall be maintained on entire clubbed CIF and FOB value;
v. No adjudication order against any Authorisation has been issued either by Customs or RA.

(Action: Applicant/RA, CLA)

Case No.26: M/s. Reliance Industries Ltd., Thane
F. No. 01/60/162/278/AM18/PRC
PRC Meeting No. 16/AM18 dated 05.09.2017

Subject: Permission to dispose of Material DMF, imported under Advance Authorisation without payment of duty. Total 15 Authorization nos.

4. 3410010065 dt. 23.03.2004
5. 3410010572 dt. 26.05.2004
6. 3410009918 dt. 10.03.2004
7. 3410009789 dt. 23.02.2004
8. 3410010387 dt. 06.05.2004
9. 3410010569 dt. 26.05.2004
10. 3410010386 dt. 06.05.2004
11. 3410011862 dt. 28.10.2004
12. 3410012618 dt. 08.02.2005
13. 3410011861 dt. 28.10.2004
14. 3410012644 dt. 10.02.2005
15. 3410013264 dt. 28.04.2005
16. 3410011776 dt. 15.10.2004
17. 3410012227 dt. 21.12.2004
18. 3410011775 dt. 15.10.2004

Decision: Deferred for examination by Policy-4 section being issue related to replenishment of duty free goods.

(Action: Policy-4)

Case No.27: M/s. Mittal technopack Pvt. Ltd., Kolkata
F. No. 01/60/162/209/AM17/PRC
PRC Meeting No. 16/AM18 dated 05.09.2017

Subject: Request for condonation of delay in filling Deemed exports drawback claim due to “Force majeure”

Decision: Deferred for seeking report from DC, FALTA.

(Action: DC, FSEZ)

Case No.28: M/s. Bharat Heavy Electricals Ltd., Bhopal
F. No. 01/60/162/471/AM18/PRC

PRC Meeting No. 16/AM18 dated 05.09.2017

Subject: Request for Clubbing and redemption of three Advance authorizations No. (1).1110016857 dt. 26.02.2008, (2). 1110018793 dt. 27.10.2008 (3). 1110016892 dt. 28.02.2008

Decision: It was noted that all the three Advance Authorisations were issued in the year 2008 having initial export obligation period of 36 months and exports have been completed within 36 months of first Authorisation. The committee, therefore, decided the following:

i. Clubbing of all three Authorisations be allowed.
ii. This will, however, be subject to the condition that exports affected by 28.02.20122 shall only be accounted for;
iii. Duty free inputs shall be accounted as per SION;
iv. Minimum 15% VA shall be maintained on clubbed CIF and FOB value;
v. No adjudication order against any Authorisation has been passed either by Customs or RA.

(Action: Applicant/RA, Bhopal)

Case No.29: M/s. Al-Hussain frozen foods, New Delhi
F. No. 01/60/162/1163/AM17/PRC
PRC Meeting No. 16/AM18 dated 05.09.2017

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

Decision: It was noted that in the PRC meeting No 04/AM18 dated 04.05.2017, RA was directed to allow revalidation in terms of Para 2.13.2 of HBP, 2009-2014, as the validity of the scrip was expired in the custody of DRI. However, RA allowed revalidation for six months from 24.11.2016 to 23.05.2017 vide amendment sheet dated 06.04.2017 giving validity from back date. The committee noted this lapse seriously directing the RA to be careful in future.

The committee, at the same time, decided to allow three months revalidation of the scrip from the date of endorsement. The applicant is hereby directed to submit the Scrip to the RA concerned for necessary endorsement within a month from the date of uploading of these minutes on the Directorate website.

(Action: Applicant/RA, CLA)

Case No.30: M/s. Al-Hussain frozen foods, New Delhi
F. No. 01/60/162/1321/AM17/PRC
PRC Meeting No. 16/AM18 dated 05.09.2017

Subject: Request for revalidation of DEPB no. 0510245637 dt. 13.07.2009 for Rs7,47,732/-

Decision: Decision at case No 29 is reiterated.

Case No.31: M/s. Al-Hussain frozen foods, New Delhi
F. No. 01/60/162/1320/AM17/PRC
PRC Meeting No. 16/AM18 dated 05.09.2017

Subject: Request for revalidation of DEPB no. 0510245470 dt. 09.07.2009 for Rs. 35,336/-

Decision: Decision at case No 29 is reiterated.

Case No.32: M/s. Cadila Healthcare Limited, Ahmedabad.
F. No. 01/60/162/436/AM17/PRC
PRC Meeting No. 16/AM18 dated 05.09.2017

Subject: Request for EOP extension of Advance Authorization no. 0810135070 dated 20.04.2015 issued under PC-9 Conditions.

Decision: The Committee noted that the Authorisation was issued with conditions stipulated under PC-9 dated 30.06.2003 read with Appendix-4J of FTP, 2015-2020, which allows 12 month's period for fulfilment of EO from import of each consignment. The applicant has imported consignments of raw material between 11.05.2015 to 20.07.2016. Accordingly, initial obligation period was from 10.05.2016 to 19.07.2017. The applicant has stated to have completed 34.81% exports within validity period and 32.96% exports outside validity period so far. Taking into consideration the facts, the Committee decided the following:

i. Export obligation period be extended by six months in continuity against each consignment.
ii. This is subject to payment of a composition fee @ 1% per month of unfulfilled FOB value of export made after initial obligation period.
iii. Exports affected indicating EDI File No/Authorisation No on shipping Bills 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.
v. Shortfall, if any, shall be regularized in terms of Para 4.49 of HBP, 2015-2020.
vi. PC-18 dated 30.10.2007 condition to be followed for unutilized raw materials.

(Action: Applicant/RA, Ahmedabad)

Case No.33: M/s. GVN Fuels Limited, Gurugaon
F. No. 01/60/162/444/AM17/PRC
PRC Meeting No. 16/AM18 dated 05.09.2017

Subject: Issuance of Duty Credit Entitlement Certificate under Focus Market Scheme (FMS) for the period of 01.04.2011 to 31.03.2012.

Decision: It was noted that the applicant could not file applicant due to non-issuance of e-BRC against advance payment received through FIRC. In spite of their best effort, they could not get BRC from M/s Kotak Mahendra Bank till October, 2016. There was correspondence with RBI also in the instant case. The committee, after deliberations decided the following:

i. RA shall check that amount in free foreign exchange declared in Shipping Bills was equal to amount realised in Advance through FIRC.
ii. Duty credit be issued accepting FIRC in lieu of BRC if value matches.
iii. Duty Credit shall be issued if the applicant is otherwise eligible for FMS, as per policy

(Action: Applicant/RA, CLA)

Case No.34: M/s. Garware Wall Ropes Ltd., Pune
F. No. 01/60/162/77/AM18/PRC
PRC Meeting No. 16/AM18 dated 05.09.2017

Subject: Request for revalidation, Pro-rata enhancement of FOB value, Quantity of export, CIF value, import quantity and issue of EODC of advance authorization no. 3110065305 dt. 03.03.2015.

Decision: On the basis of report received from RA, Pune, there was no delay at the end of RA. The applicant did not submit complete documents in time. The committee, therefore, did not accede to the request considering no case of genuine hardship.

Case No.35: M/s. Garware Wall Ropes Ltd., Pune
F. No. 01/60/162/116/AM18/PRC
PRC Meeting No. 16/AM18 dated 05.09.2017

Subject: Request for revalidation, Pro-rata enhancement of FOB value, Quantity of export, CIF value, import quantity and issue of EODC of advance authorization no. 3110065736 dt. 30.10.2016.

Decision: On the basis of report received from RA, Pune, there was no delay at the end of RA. The applicant did not submit complete documents in time. The committee, therefore, did not accede to the request considering no case of genuine hardship.

Case No.36: M/s. Ultramarine and pigments Limited, Ranipet (RA, Chennai)
F. No. 01/60/162/371/AM18/PRC
PRC Meeting No. 16/AM18 dated 05.09.2017

Subject: Request for relaxation of the requirement to mention the advance authorization no. in the four shipping bills 6323289 dt. 21.11.2011, 6450911 dt. 29.11.2011, 6677438 dt. 15.12.2011 and 6977705 dt. 04.01.2012 and issue redemption letter against advance authorization no. 0410129406 dt. 18.10.2011.

Decision: It was noted that consumption of duty free inputs are not declared in the Free Shipping Bills and valuation of such shipping Bills are not carried out by the Customs Authority. Therefore, accounting of such shipping bills are not allowed towards discharge of export obligation against Advance Authorisation.

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

(Action: Applicant/RA, Chennai)

Case No.37: M/s. Vivimed Labs Ltd., Hyderabad
F. No. 01/60/162/118/AM18/PRC
PRC Meeting No. 16/AM18 dated 05.09.2017

Subject: Request for clubbing of two Advance Authorization no. 0910036138 dt. 01.12.2008 and 0910015588 dt. 18.02.2 011.

Decision: It was noted that both the Authorisation in question were issued within over lapping period of 36 and exports were completed within 48 months of first Authorisation. The committee, therefore, decided the following:

i. Clubbing of both the Authorisations be allowed.
ii. This will, however, be subject to the condition that exports affected within 48 months of first Authorisation shall only be accounted for i.e upto 31.12.2012;
iii. Export obligation period be extended from 36 to 48 months against first Authorisation subject to payment of composition fee @ 0.5% per month of FOB value of exports made after 36th month but upto 42nd month and @1% per month of FOB value of exports made after 42nd month but upto 48th month.
iv. Duty free inputs shall be accounted as per SION;
v. Minimum 15% VA on clubbed CIF and FOB value shall be maintained;
vi. No adjudication order either by Customs Authority or RA has been issued against any of the Authorisation.

(Action: Applicant/RA, Hyderabad)

Case No.38: M/s. Emcure Pharmaceuticals Limited, Pune
F. No. 01/60/162/315/AM18/PRC
PRC Meeting No. 16/AM18 dated 05.09.2017

Subject: Request for EOP extension of Advance Authorization no. 3110066279 dated 05.08.2016 issued under PC-9 conditions.

Decision: The Committee noted that the Authorisation was issued with conditions stipulated under PC-9 dated 30.06.2003 read with Appendix-4J of FTP, 2015-2020, which allows 12 month's period for fulfilment of EO from import of each consignment. The applicant has imported a consignment on 03.09.2016. Accordingly, initial obligation period was upto 02.09.2017. The applicant has stated to have completed 46% exports so far. Taking into consideration the facts, the Committee decided the following:

i. Export obligation period be extended by six months in continuity.
ii. This will, however, be subject to payment of a composition fee @ 1% per month of unfulfilled FOB value of export made/to be made after initial obligation period.
iii. Exports effected indicating EDI File No/Authorisation No on shipping bill shall only accounted.
iv. The minimum value addition of 15% as prescribed under Para 4.09 of FTP (2015-2020) shall be maintained.

(Action: Applicant/RA, Pune)

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

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