Minutes of the Policy Relaxation Committee Meeting held under the Chairmanship of DGFT, Shri Anup Wadhawan, IAS on 10.05.2016

Meeting No. 05/AM17 held on 10.05.2016 at 9:30 AM

List of members present in the meeting is given below:

1. Shri D. K. Singh	Addl. DGFT
2. Shri K.C. Rout	Addl. DGFT
3. Shri Jaikant Singh	Addl. DGFT
4. Shri Darshan Singh	Addl. DGFT
5. Shri S. K. Samal	Jt. DGFT
6. Shri Jay Karan Singh	Jt. DGFT
7. Shri AkashTaneja	Jt. DGFT
8. Shri J. M. Gupta	Jt. DGFT
9. Dr. S. K. Bansal	Jt. DGFT
10. Shri S.K. Mohapatra	Dy. DGFT
11. Shri Sudhir Kumar Sharma	FTDO

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

Case No 1: M/s. Gland Pharma Ltd., Hyderabad.

F.No. 01/94/180/348/AM08/PC-4/PRC

PRC Meeting No. 05/AM17 dated 10.05.2016

Subject:- Request for revalidation & EOP extension against Advance Authorization No.0910011982 dt. 13.11.2002.

Decision:

It was noted that the Authorisation was obtained on 13.11.2002 under self-declaration scheme being no norms for the resultant product were available. The applicant has imported partially against four inputs and fulfilled 5.2% export obligation within the initial obligation period of 18 months. The norms committee considered the request of the applicant and fixed the ad-hoc norms on 08.04.2003. The applicant, however, requested for revision of the said norms on 21.05.2003 being not satisfied. The applicant had option of availing two extensions of six months each, as per the prevailing procedure. The applicant had submitted application for extension of EOP and revalidation of the licence on 26.05.2004 to RA. However, RA did not consider the request because the applicant did not submit proof of export made and copy of norms fixed by the ALC. The applicant, however, submitted these documents only on 14.06.2006. In the meantime 18 months extendable period got expired.

The applicant had approached the PRC on 24.07.2006 for policy relaxation. The committee discussed the case in its meeting dated 31.08.2007. However, the request was rejected considering no merit in the case, as export obligation fulfilled within the initial obligation period was only 5.2%.

The case was deliberated at length. The committee was of the view that the Authorisation was obtained on the basis of export order confirming the quantity and value of the resultant product to be exported. Hence, exports and imports should had been completed within the initial validity of the Authorisation and contractual duration of export order. The Authorisation was obtained under self-declaration scheme because norms for the export product were not available. As per the declaration and undertaking given by the applicant, while submitting application for obtaining the Authorisation, the applicant was under obligation to accept and abide by the norms fixed by the committee.

The committee further noted that extension in EOP beyond 48 months is not considered by the PRC. In this case, from the date of issue of the Authorisation, almost 14 years have already passed. Hence, no merit to allow extension at this juncture. The committee also noted that the Government has issued Public Notice No 22 dated 12.08.2013 giving facility for closing of default cases on payment of customs duty and interest not exceeding the amount of customs duty payable for this default. However, the applicant did not avail the said facility. The committee, therefore, does not see any merit in the case. Hence, the request was rejected. However, as the applicant has submitted a certificate from the Excise Authority certifying that the raw materials imported duty free are in the possession of the applicant, the committee, therefore, considered the case as of bonafide default. Hence, the applicant is hereby directed to get the case regularised in terms of Para 4.49 of HBP, 2015-2020.

(Action: Applicant/RA, Hyderabad: if the applicant fails to get the case regularised within a month from the date of uploading of these minutes on the Directorate website, action as per the provisions of FT(DR)Act, 1992, as amended shall be initiated.)

Case No 2: M/s. Gland Pharma Ltd., Hyderabad.
F.No. 01/60/162/823/AM14/EFGC(PRC)
PRC Meeting No. 05/AM17 dated 10.05.2016
Subject: - Request for revalidation & EOP extension against Advance Authorization No.0910014856 dt. 27.06.2003.

<u>Decision:</u>

It was noted that the Authorisation was obtained on 27.06.2003 under self-declaration scheme being norms for the resultant product were not fixed at that pint of time. The applicant has imported partially four items and fulfilled partial (65% in quantity terms and 11.39% in value terms) export obligation within the initial obligation period of 24 months. The norms committee rejected the case for fixation of norms on 09.03.2007. Accordingly, RA issued demand notice dated 13.07.2007 requesting the applicant to pay duty and interest against import of duty free raw material. Thereafter, RA issued SCN also on 28.11.2007. The applicant had approached Hqrs on 28.04.2008 for amending import and export items; and extension of EOP and revalidation of Authorisation. The case was, however, rejected on 10.10.2008 and the applicant was advised to get the case regularised as per the procedure. The applicant again approached the Norms committee for amending the export product and the norms committee finally allowed change in description on 29.07.2010.

The case was deliberated at length. The committee was of the view that the Authorisation was obtained under self-declaration scheme because norms for the resultant products were not available at that point of time. As per the declaration and undertaking given by the applicant, while submitting application for obtaining the Authorisation, the applicant was under obligation to accept and abide by the norms fixed by the committee. In this case fixation of norms were rejected by the norms committee. Therefore, the applicant should had immediately paid duty plus interest on unutilised imported goods, as demanded by the RA.

The committee further observed that extension in EOP beyond 48 months is not considered by the PRC. In this case, from the date of issue of the Authorisation, almost 13 years have already passed. Hence, no merit to allow extension at this juncture. It was also noticed that the Government has issued Public Notice No 22 dated 12.08.2013 giving facility for closing of default cases on payment of customs duty and interest not exceeding the amount of customs duty payable for this default. However, the applicant did not avail the said facility. The committee, therefore, does not see any merit in the case. Hence, the request was rejected. However, as the applicant has submitted a certificate from the Excise Authority certifying that the raw materials imported duty free are in the possession of the applicant, the committee, therefore, considered the case as of bonafide default. Hence, the applicant is hereby directed to get the case regularised in terms of Para 4.49 of HBP, 2015-2020.

(Action: Applicant/RA, Hyderabad: if the applicant fails to get the case regularised within a month from the date of uploading of these minutes on the Directorate website, action as per the provisions of FT(DR)Act, 1992, as amended shall be initiated.)

Case No 3: M/s. Gland Pharma Ltd., Hyderabad.
F.No. 01/60/162/106/AM17/EFGC(PRC)
PRC Meeting No. 05/AM17 dated 10.05.2016
Subject: - Request for EOP extension of Advance Authorization No.0910061525 dt. 12.01.2015 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- 30A, which prescribes 12 months period for EO fulfillment from import of each consignment. The imports against the Authorisation were made on 27.01.2015 and 08.12.2015. Accordingly, initial obligation period was upto 31.01.2016 and 31.12.2016 respectively. Within the initial obligation period, the applicant fulfilled 72.74% of the stipulated export obligation. Taking into consideration all these facts, the Committee decided the following:

I. Export obligation period be extended from 12 months to 18 months against each consignment, i.e. upto **31.07.2016 and 30.06.2017** respectively.
II. This will, however, be subject to payment of a composition fee @ 0.5% of FOB value of exports made after initial obligation period.
III. RA shall check that 50% exports against import consignment were made within the initial export obligation period. If not, composition fee will be charged @ 0.5% per month on unfulfilled FOB.
IV. The minimum value addition of 15% as prescribed under Para 4.09 of FTP

(2015-2020) shall be maintained.

(Action: RA, Hyderabad)

Case No 4: M/s. Classic Marble Co. P. Ltd., Mumbai.
F.No. 01/60/162/832/AM16/EFGC(PRC)
PRC Meeting No. 05/AM17 dated10.05.2016
Subject:- Clubbing of 2 of Advance Authorization No.(i) 0310508020 dt. 18.02.2009 and (ii) 0310529907 dt. 21.07.2009.

Decision:

The committee noted that the Advance Authorisation No. 0310529907 dt. 21.07.2009 has been issued within 36 months from the date of issue of the Authorisation No. 0310508020 dt. 18.02.2009. The committee also observed that the date of last export against Advance Authorisation No. 0310529907 dt. 21.07.2009 is within 36 months from the date of issue of the first Authorisation No. 0310508020 dt. 18.02.2009. The Committee, therefore, decided the following:

I. Clubbing of above referred Authorisations be allowed.
II. The minimum Value Addition of 15% shall be maintained on clubbing of Authorisation.
III. RA shall ensure accounting of inputs as per norms.
IV. Shortfall, if any, shall be regularised on payment of Customs Duty plus interest as per Para 4.49 of HBP, 2015-2020.

(Action: RA, Mumbai)

Case No 5: M/s. Chhajed Foods P. Ltd., Ahmedabad.
F.No. 01/60/162/096/AM17/EFGC(PRC)
PRC Meeting No. 05/AM17 dated 05.05.2016
Subject: - Request for EOP extension of Advance Authorization No.0810106487 dt. 12.12.2011.

Decision:

The Committee observed that the Authorisation was issued having initial obligation period of 36 months. Hence, it was valid for export upto 11.12.2014. RA, Ahmedabad has allowed extension in Export Obligation Period by 6 months i.e. upto 11.06.2015 (42 months). As per P.N. 16 dated 04.06.2015 read with P.N. 20 dated 09.06.2015 RA has been empowered to allow second extension of 6 months provided minimum 50% exports are made. The applicant has fulfilled more than 50% exports, on pro-rata basis in proportion to imports made, within the extended period. The applicant has sought extension of EO for further 6 months. The Committee, therefore, decided the following:

I. Export obligation period be extended upto 48 months from the date of issue of the Advance Authorisation i.e. upto 31.12.2015.

II. This is only for accounting and regularization of exports already effected.
III. The applicant has to pay a composition fee @ 0.5% per month of FOB value of exports made after 42nd months but up to 48th month i.e. upto 31.12.2015.
IV. The minimum value addition of 15% as prescribed under Para 4.09 of FTP (2015-2020) shall be maintained.

(Action: RA, Ahmedabad)

Case No 6: M/s. Lupin Ltd., Mumbai.
F.No. 01/60/162/101/AM17/EFGC(PRC)
PRC Meeting No. 05/AM17 dated10.05.2016
Subject: - Request for EOP extension of Advance Authorization No.0310743240 dt. 29.07.2013 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- 30A, which prescribes 12 months period for EO fulfillment from import of each consignment. The import against the Authorisation was made on 19.09.2013. Accordingly, initial export obligation period was upto 19.09.2014. The applicant has fulfilled only 11% of its stipulated export obligation within the initial export obligation period and 82% beyond that. Taking into consideration all these facts, the Committee decided the following:

I. Export obligation period be extended from 12 months to 18 months from the date of first import consignment, i.e. upto **31.03.2015**.
II. This is only for accounting and regularization of exports already effected.
III. This is subject to payment of a composition fee @ 0.5% per month of FOB value of exports made after initial obligation period.
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 regularised in terms of Para 4.49 of HBP, 2015-2020 following the conditions of Policy Circular No 18 dated 30.10.2007.

(Action: RA, Mumbai)

Case No 7: M/s. Sabic Innovative Plastics India P. Ltd., Vadodara.
F.No. 01/60/162/091/AM17/EFGC(PRC)
PRC Meeting No. 05/AM17 dated 10.05.2016
Subject: -Clubbing of 2 of Advance Authorization No.(i) 3410019441 dt. 16.08.2007 and (ii) 3410024135 dt. 08.05.2009.

Decision:

The committee noted that the above two Authorisations were issued within a period of 36 months from the date of issue of first Authorisation and exports

against the second Authorisation were effected within 48 months of first Authorisation. The Committee, therefore, decided the following:

I. Clubbing of above referred Authorisations be allowed.
II. Export obligation period against Authorisation No 3410019441 dt. 16.08.2007 be extended upto 48 months i.e. upto 31.08.2011.
III. This will, however, be subject to payment of composition fee @ 0.5% of FOB value of exports made after 36th month but upto 42nd months and @ 0.5% per month of FOB value of exports made after 42nd month but upto 48th month.
IV. Exports made upto 31.08.2011 shall only be accounted for clubbing.
V. RA shall ensure accounting of inputs as per norms.
VI. The minimum Value Addition of 15% shall be maintained of clubbed Authorisation.
VII. Shortfall, if any, shall be regularised on payment of Customs Duty plus interest as per Para 4.49 of HBP, 2015-2020.

(Action: RA, Vadodara)

Case No 8: M/s. Sabic Innovative Plastics India P. Ltd., Vadodara.
F.No. 01/60/162/90/AM17/EFGC(PRC)
PRC Meeting No. 05/AM17 dated 10.05.2016
Subject: -Clubbing of 2 of Advance Authorization No.(i) 3410029113 dt. 20.01.2011 and (ii) 3410034966 dt. 24.08.2012.

<u>**Decision:**</u>

The committee noted that the Advance Authorisation No. 3410034966 dt. 24.08.2012 was issued within 36 months from the date of issue of Advance Authorisation No. 3410029113 dt. 20.01.2011 and exports against second Authorisation were also completed within the initial obligation period of first Authorisation i.e. within 36 months. The Committee, therefore, decided the following:

I. Clubbing of above referred Authorisations be allowed.
II. The minimum Value Addition of 15% shall be maintained of clubbed Authorisations.
III. RA shall ensure accounting of inputs as per norms.
IV. Shortfall, if any, shall be regularised on payment of Customs Duty plus interest as per Para 4.49 of HBP, 2015-2020.

(Action: RA, Vadodara)

Case No 9: M/s. Medreich Ltd., Bangalore.
F.No. 01/60/162/112/AM17/EFGC(PRC)
PRC Meeting No. 05/AM17 dated 10.05.2016
Subject: - Request for EOP extension of Advance Authorization No.0710104977 dt. 11.06.2014 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-30A, which prescribes 12 months period for EO fulfillment from import of each consignment. The applicant has imported inputs through a consignment on 22.08.2014. Accordingly, initial obligation period was upto 31.08.2015. The applicant has completed more than 50% of its stipulated export obligation during the initial export obligation period. Taking into consideration all these facts, the Committee decided the following:

I. Export obligation period be extended from 12 months to 18 months, i.e. upto **29.02.2016**.
II. This is only for accounting and regularization of exports already effected.
III. This is subject to payment of a composition fee @ 0.5% of FOB value of exports made after initial obligation period.
IV. RA shall check that 50% exports against each consignment were made within initial export obligation period. If not, composition fee will be charged @ 0.5% per month of unfulfilled FOB value.
V. The minimum value addition of 15% as prescribed under Para 4.09 of FTP (2015-2020) shall be maintained.
VI. Shortfall, if any, shall be regularised in terms of Para 4.49 of HBP, 2015-2020.
VII. PC-18 dated 30.10.2007 conditions to be followed.

(Action: RA, Bangalore)

Case No 10: M/s. Medreich Ltd., Bangalore.
F.No. 01/60/162/111/AM17/EFGC(PRC)
PRC Meeting No. 05/AM17 dated 10.05.2016
Subject: - Request for EOP extension of Advance Authorization No.0710101782 dt. 30.01.2014 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-30A, which prescribes 12 months period for EO fulfillment from import of each consignment. The applicant has imported inputs through a consignment on 07.02.2014. Accordingly, initial obligation period was upto 28.02.2015. The applicant has completed 48.42% of its stipulated export obligation during the initial export obligation period. Taking into consideration all these facts, the Committee decided the following:

I. Export obligation period be extended from 12 months to 18 months, i.e. upto **31.08.2015**.
II. This is only for accounting and regularization of exports already effected.
III. This is subject to payment of a composition fee @ 0.5% per month of FOB value of exports made after initial obligation period.
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 regularised in terms of Para 4.49 of HBP, 2015-2020.

VI. PC-18 dated 30.10.2007 conditions to be followed.

(Action: RA, Bangalore)

Case No 11: M/s. Medreich Ltd., Bangalore.
F.No. 01/60/162/104/AM17/EFGC(PRC)
PRC Meeting No. 05/AM17 dated 10.05.2016
Subject: - Request for EOP extension of Advance Authorization No.0710099665 dt. 18.11.2013 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-30A, which prescribes 12 months period for EO fulfillment from import of each consignment. The applicant has imported inputs through a consignment on 19.06.2014. Accordingly, initial obligation period was upto 30.06.2015. The applicant has made no export within initial obligation period but effected 66.76% thereafter. Taking into consideration all these facts, the Committee decided the following:

I. Export obligation period be extended from 12 months to 18 months, i.e. upto **31.12.2015**.

II. This is only for accounting and regularization of exports already effected.

III. This is subject to payment of a composition fee @ 0.5% per month of FOB value of exports made after initial obligation period.

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 regularised in terms of Para 4.49 of HBP, 2015-2020.

VI. PC-18 dated 30.10.2007 condition to be followed.

(Action: RA, Bangalore)

Case No 12: M/s. Medreich Ltd., Bangalore.
F.No. 01/60/162/113/AM17/EFGC(PRC)
PRC Meeting No. 05/AM17 dated 10.05.2016
Subject: - Request for EOP extension of Advance Authorization No.0710098976 dt. 14.10.2013 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-30A, which prescribes 12 months period for EO fulfillment from import of each consignment. The applicant has imported inputs through a consignment on 17.06.2014. Accordingly, initial obligation period was upto 30.06.2015. The applicant has completed 98.01% exports within initial obligation period and

remaining 1.99% thereafter. Taking into consideration all these facts, the Committee decided the following:

I. Export obligation period be extended from 12 months to 18 months, i.e. upto **31.12.2015.**
II. This is only for accounting and regularization of exports already effected.
III. This is subject to payment of a composition fee @ 0.5% of FOB value of exports made after initial obligation period.
IV. RA shall check that 50% exports against each consignment were made within initial export obligation period. If not, composition fee will be charged @ 0.5% per month of unfulfilled FOB value.
V. The minimum value addition of 15% as prescribed under Para 4.09 of FTP (2015-2020) shall be maintained.
VI. Shortfall, if any, shall be regularised in terms of Para 4.49 of HBP, 2015-2020.
VII. PC-18 dated 30.10.2007 condition stands waived.

(Action: RA, Bangalore)

Case No 13: M/s. Medreich Ltd., Bangalore.
F.No. 01/60/162/114/AM17/EFGC(PRC)
PRC Meeting No. 05/AM17 dated 10.05.2016
Subject: - Request for EOP extension of Advance Authorization No.0710105375 dt. 25.06.2014 issued under PC-9 condition.

<u>Decision:</u>

The Committee noted that the Authorisation was issued with conditions stipulated under PC-9 dated 30.06.2003 read with Appendix-30A, which prescribes 12 months period for EO fulfillment from import of each consignment. The applicant has imported inputs through a consignment on 03.07.2014. Accordingly, initial obligation period was upto 31.07.2015. The applicant has completed 79.28% exports within initial obligation period and remaining 20.72% thereafter. Taking into consideration all these facts, the Committee decided the following:

I. Export obligation period be extended from 12 months to 18 months, i.e. upto **31.01.2016**.
II. This is only for accounting and regularization of exports already effected.
III. This is subject to payment of a composition fee @ 0.5% of FOB value of exports made after initial obligation period.
IV. RA shall check that 50% exports against each consignment were made within initial export obligation period. If not, composition fee will be charged @ 0.5% per month of unfulfilled FOB value.
V. The minimum value addition of 15% as prescribed under Para 4.09 of FTP (2015-2020) shall be maintained.
VI. Shortfall, if any, shall be regularised in terms of Para 4.49 of HBP, 2015-2020.
VII. PC-18 dated 30.10.2007 condition stands waived.

(Action: RA, Bangalore)

Case No 14: M/s. Vital Health Care P. Ltd., Mumbai.
F.No. 01/60/162/99/AM17/EFGC(PRC)
PRC Meeting No. 05/AM17 dated 10.05.2016
Subject:- Request for revalidation of Advance Authorization No.0310696501 dt. 29.05.2012 for annual requirements.

Decision:

The Committee noted that the Annual Advance Authorisation was issued having initial validity of 24 months to import. The Authorisation is issued to meet the requirement of raw materials of exporter on annual basis. The applicant's plea that they could not make import as their name was under DEL. The plea was not accepted by the committee because DEL does not stop import against valid license issued earlier. DEL impacts only issuance of new Authorisation or renewal of expired Authorisation. The applicant should have imported goods within the validity of 24 months. Further, waiver of bond is facility, which provides exemption from execution of BG before import provided exports are effected prior to imports. However, this facility could be avail within the validity of Authorisation and not thereafter. There is no case of genuine hardship. Hence, the committee did not accede to the request of the applicant.

Case No 15: M/s. Vilas Transcore Ltd., Vadodara.
F.No. 01/60/162/110/AM17/EFGC(PRC)
PRC Meeting No. 05/AM17 dated 10.05.2016
Subject:- Request for EOP extension of Advance Authorization No.3410032408 dt. 07.12.2011.

Decision:

The Committee noted that the applicant has effected exports only to the extent of 14.51 % within initial obligation period of 36 months. The committee allows extension upto 48 months and that period has lapsed on 31.12.2015. No exports are made after initial obligation period. There is no case of genuine hardship. The committee, therefore, did not accede to the request. The applicant is hereby directed to get the case regularized in terms of Para 4.49 of HBP, 2015-2020.

(Action: Applicant/RA, Vadodara; if the applicant fails to get the case regularised within a month from the date of uploading of these minutes on the Directorate website, action as per the provisions of FT(DR)Act, 1992, as amended shall be initiated.)

Case No 16: M/s. Krishi Rasayan, Kolkata.
F.No. 01/60/162/105/AM17/EFGC(PRC)
PRC Meeting No. 05/AM17 dated 10.05.2016
Subject: - Request for revalidation of Advance Authorization No.0210197847 dt. 17.12.2013.

Decision:

The Committee observed that the applicant has already been granted one revalidation of six months by RA, despite that the applicant could not utilize the Authorization. The submissions made by the applicant do not establish the case of any genuine hardship on the part of the applicant. Therefore, the Committee did not accede to the request.

Case No 17: M/s. Premier Industrial Corporation Ltd., Mumbai.
F.No. 01/60/162/098/AM17/EFGC(PRC)
PRC Meeting No. 05/AM17 dated 10.05.2016
Subject: - Request for revalidation of Advance Authorization No.0310787779 dt. 07.08.2014.

Decision:

The Committee observed that the applicant has already been granted one revalidation of six months by RA, despite that the applicant could not utilize the Authorization. The submissions made by the applicant are purely business decisions and do not establish the case of any genuine hardship on the part of the applicant. Therefore, the Committee did not accede to the request.

Case No 18: M/s. Premier Industrial Corporation Ltd., Mumbai.
F.No. 01/60/162/97/AM17/EFGC(PRC)
PRC Meeting No. 05/AM17 dated 10.05.2016
Subject:- Request for revalidation of Advance Authorization No.0310787723 dt. 06.08.2014.

Decision:

The Committee observed that the applicant has already been granted one revalidation of six months by RA, despite that the applicant could not utilize the Authorization. The submissions made by the applicant are purely business decisions and do not establish the case of any genuine hardship on the part of the applicant. Therefore, the Committee did not accede to the request.

Case No 19: M/s. Premier Industrial Corporation Ltd., Mumbai.
F.No. 01/60/162/094/AM17/EFGC(PRC)
PRC Meeting No. 05/AM17 dated 10.05.2016
Subject:- Request for revalidation of Advance Authorization No.0310787781 dt. 07.08.2014.

Decision:

The Committee observed that the applicant has already been granted one revalidation of six months by RA, despite that the applicant could not utilize the Authorization. The submissions made by the applicant are purely business decisions and do not establish the case of genuine hardship. Therefore, the Committee did not accede to the request.

Case No 20: M/s. Cadila Healthcare Ltd., Ahmedabad.
F.No. 01/60/162/123/AM17/EFGC(PRC)
PRC Meeting No. 05/AM17 dated 10.05.2016

Subject: - Request for EOP extension of Advance Authorization No.0810132705 dt. 15.07.2014 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-30A, which prescribes 12 months period for EO fulfillment from import of each consignment. The applicant has imported inputs through multiple consignments on 18.09.2014, 29.09.2014, 14.10.2014, 11.11.2014, 24.11.2014, 15.12.2014, 23.02.2015, 03.03.2015. Accordingly, initial obligation period was upto 30.09.2015, 30.09.2015, 31.10.2015, 30.11.2015, 30.11.2015, 31.12.2015, 29.02.2016 and 31.03.2016 respectively. The applicant has, however, completed 22.34% of its stipulated export obligation during the initial export obligation period. Taking into consideration all these facts, the Committee decided the following:

I. Export obligation period be extended from 12 months to 18 months, i.e. upto 31.03.2016, 31.03.2016, 30.04.2016, 31.05.2016, 31.05.2016, 30.06.2016, 31.08.2016, 30.09.2016, respectively.
II. This is only for accounting and regularization of exports already effected.
III. This is subject to payment of a composition fee @ 0.5% per month of FOB value of exports made after initial obligation period.
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 regularised in terms of Para 4.49 of HBP, 2015-2020.
VI. PC-18 dated 30.10.2007 condition to be followed.

(Action: RA, Ahmedabad)

Case No 21: M/s. Cadila Healthcare Ltd., Ahmedabad.
F.No. 01/60/162/122/AM17/EFGC(PRC)
PRC Meeting No. 05/AM17 dated 10.05.2016
Subject: - Request for EOP extension of Advance Authorization No.0810129080 dt. 21.02.2014 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-30A, which allows 12 months period for EO fulfillment from import of each consignment. The applicant has imported inputs through a consignment on 03.03.2014 & 04.02.2015. Accordingly, initial obligation period was upto 31.03.2015 & 28.02.2016 respectively. The applicant has completed 12.62% of its stipulated export obligation during the initial export obligation period. Taking into consideration all these facts, the Committee decided the following:

I. Export obligation period be extended from 12 months to 18 months, i.e. upto 30.09.2015 and 31.08.2016, respectively.
II. This is only for accounting and regularization of exports already effected.
III. This is subject to payment of a composition fee @ 0.5% per month of FOB value of exports made after initial obligation period.
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 regularised in terms of Para 4.49 of HBP, 2015-2020.
VI. PC-18 dated 30.10.2007 condition to be followed.

(Action: RA, Ahmedabad)

Case No 22: M/s. Cadila Healthcare Ltd., Ahmedabad.
F.No. 01/60/162/119/AM17/EFGC(PRC)
PRC Meeting No. 05/AM17 dated 10.05.2016
Subject: - Request for EOP extension of Advance Authorization No. 0810098436 dt. 25.04.2011 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-30A, which allows 12 months period for EO fulfillment from import of each consignment. The applicant has imported inputs through a consignment on 03.05.2012 & 15.09.2012. Accordingly, initial obligation period was upto 31.05.2013 & 30.09.2013, respectively. The applicant has completed 67% of its stipulated export obligation during the initial export obligation period and remaining 33% thereafter. Taking into consideration all these facts, the Committee decided the following:

I. Export obligation period be extended from 12 months to 18 months, i.e. upto 30.11.2013 & 31.03.2014 respectively.
II. This is only for accounting and regularization of exports already effected.
III. This is subject to payment of a composition fee @ 0.5% of FOB value of exports made after initial obligation period.
IV. RA shall check that 50% exports against each consignment were made within initial export obligation period. If not, composition fee will be charged @ 0.5% per month of unfulfilled FOB value.
V. The minimum value addition of 15% as prescribed under Para 4.09 of FTP (2015-2020) shall be maintained.
VI. Shortfall, if any, shall be regularised in terms of Para 4.49 of HBP, 2015-2020.
VII. PC-18 dated 30.10.2007 condition to be followed.

(Action: RA, Ahmedabad)

Case No 23: M/s. Bayer Vapi P. Ltd., Gujarat.
F.No. 01/60/162/93/AM17/EFGC(PRC)
PRC Meeting No. 05/AM17 dated 10.05.2016

Subject: - Request for 2nd EOP extension of Advance Authorization No. 0310757577 dt. 12.11.2013.

Decision:

The committee noted that the Authorisation was issued having initial obligation period of 36 months. The applicant has completed its imports but effected only 10.04% exports towards discharge of export obligation. Hence, the committee did not find any merit to allow further extension. However, if the applicant completes its obligation within 48 months from the date of issue of the Authorisation, RA shall allow regularization subject to payment of composition fee @ 0.5% of unfulfilled FOB value for exports made after 36th month but within 42nd month and @ 0.5% per month of FOB value of exports made after 42nd month but upto 48th month.

(Action: Applicant/RA, Vadodara)

Case No 24: M/s. Natroyal Industries P. Ltd., Gujarat.
F.No. 01/60/162/117/AM17/EFGC(PRC)
PRC Meeting No. 05/AM17 dated 10.05.2016
Subject: - Request for revalidation of Advance Authorization No. 3410040543 dt. 15.09.2014.

Decision:

The committee noted that the amendments made to the Authorisation were rejected by the Customs server saying CIF value is more than FOB. The case was, therefore, deferred for seeking report from RA, Vadodara, as to how CIF value was enhanced without pro-rata enhancement in FOB value and was there any request from exporter to enhance FOB.

(Action: RA, Vadodara shall submit report within 10 days of uploading of these minutes)

Case No 25: M/s. Eurolife Healthcare P. Ltd., Mumbai.
F.No. 01/60/162/107/AM17/EFGC(PRC)
PRC Meeting No. 05/AM17 dated 10.05.2016
Subject: - Request for EOP extension of Advance Authorization No. 0310783101 dt. 27.05.2014 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-30A, which prescribes 12 months period for EO fulfillment from import of each consignment. The applicant has imported inputs through a consignment on 09.07.2014. Accordingly, initial obligation period was upto 31.07.2015. The applicant has completed 0.033% of its stipulated export obligation during the initial export obligation period and 99.96% thereafter. Taking into consideration all these facts, the Committee decided the following:

I. Export obligation period be extended from 12 months to 18 months, i.e. upto **31.01.2016**.
II. This is only for accounting and regularization of exports already effected.
III. This is subject to payment of a composition fee @ 0.5% per month of FOB value of exports made after initial obligation period.
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 regularised in terms of Para 4.49 of HBP, 2015-2020.
VI. PC-18 dated 30.10.2007 condition to be followed.

(Action: RA, Mumbai)

Case No 26: M/s. Lupin Ltd., Mumbai.
F.No. 01/60/162/109/AM17/EFGC(PRC)
PRC Meeting No. 05/AM17 dated 10.05.2016
Subject: - Request for EOP extension of Advance Authorization No. 0310788346 dt. 25.08.2014 issued under PC-9 condition.

<u>**Decision:**</u>

The Committee noted that the Authorisation was issued with conditions stipulated under PC-9 dated 30.06.2003 read with Appendix-30A, which prescribes 12 months period for EO fulfillment from import of each consignment. The applicant has imported inputs through a consignment on 18.09.2014 & 11.10.2014. Accordingly, initial obligation period was upto 30.09.2015 & 31.10.2015, respectively. The applicant has completed 79% export obligation during the initial export obligation period and remaining thereafter. Taking into consideration all these facts, the Committee decided the following:

I. Export obligation period be extended from 12 months to 18 months, i.e. upto 31.03.2016 & 30.04.2016 respectively for each consignment.
II. This is only for accounting and regularization of exports already effected.
III. This is subject to payment of a composition fee @ 0.5% of FOB value of exports made after initial obligation period.
IV. RA shall check that 50% exports against each consignment were made within initial export obligation period. If not, composition fee will be charged @ 0.5% per month of unfulfilled FOB value.
V. The minimum value addition of 15% as prescribed under Para 4.09 of FTP (2015-2020) shall be maintained.
VI. Shortfall, if any, shall be regularised in terms of Para 4.49 of HBP, 2015-2020.
VII. PC-18 dated 30.10.2007 condition to be followed.

(Action: RA, Mumbai)

Case No 27: M/s. RMG Polyvinyl India Ltd., New Delhi.
F.No. 01/60/162/78/AM17/EFGC(PRC)
PRC Meeting No. 05/AM17 dated 10.05.2016
Subject:- Request for revalidation of Advance Authorization No. 0510293595 dt. 16.06.2011.

Decision:

The Committee considered the request vis-à-vis NIC Report. It was observed that the submission of the applicant that the Amendment Sheet No.1 issued against the Advance Authorization No. 0510293595 dt. 16.06.2011 was not accepted by the ICEGATE, is not found to be correct since the first amendment was made on 19.10.2012, which was accepted by ICEGATE on the same date. Hence, the Committee did not accede to the request.

Case No 28: M/s. BSL Ltd., Rajasthan.
F.No. 01/60/162/92/AM17/EFGC(PRC)
PRC Meeting No. 05/AM17 dated 10.05.2016
Subject: - Request for clubbing of 3 Advance Authorizations No.1310033893 dt. 26.11.2010; 1310045988 dt. 30.01.2014 and 1310047610 dt. 05.09.2014.

Decision:

The Committee noted that export obligation period against fist Authorisation was 6 months from the date of import. Imports in this Authorisation was made on 10.07.2011. Accordingly, obligation period was upto 09.01.2012. The committee allows clubbing where exports in the subsequent Authorisations are made within the extended obligation period of the earliest Authorisation. This benchmark does not meet here. The export obligation period for import of silk can be extended further for six months only. Therefore, export obligation period in the Authorisation dated 26.11.2010 could be extended upto 31.07.2012. However, export in the subsequent Authorisations were made after that date. Therefore, the committee did not accede to the request. The applicant is hereby directed to get the cases regularised in terms of Para 4.49 of HBP, 2015-2020.

(Action: RA, Jaipur : If the applicant fails to get the case regularized within a month from the date of publication of these minutes on the Directorate website, necessary penal action as per provision under FT(DR) Act, 1992, as amended, should be initiated by the RA)

Case No 29: M/s. Suvikram Plastex P. Ltd., Bangalore.
F.No. 01/60/162/125/AM17/EFGC(PRC)
PRC Meeting No. 05/AM17 dated 10.05.2016
Subject: - Request for revalidation of Advance Authorization No. 0710091183 dt. 05.12.2012.

Decision:

The Committee observed that the applicant has already been granted one revalidation of six months by RA, despite that the applicant could not utilize the Authorization. The submissions made by the applicant are purely business decisions and do not establish any genuine hardship on the part of the applicant. Therefore, the Committee did not accede to the request.

Case No 30: M/s. JSW Steel Ltd., Mumbai.
F.No. 01/60/162/130/AM17/EFGC(PRC)
PRC Meeting No. 05/AM17 dated 10.05.2016
Subject: - Request for revalidation of Advance Authorization No. 0310474531 dt. 13.06.2008.

Decision:

The Committee noted that the Authorisation in question was issued on 13.06.2008, when the Electronic Data Interchange (EDI) system was not in operation for transmitting Advance Authorisation electronically. This came into operation only on 01.04.2009. Hence, the question of online registration of such Authorisation does not arise, as the plea taken by the applicant in his support. The applicant has imported two items 40% and 73% respectively. Hence, it goes contrary to the stand taken by the applicant. The applicant should have filed manual B/E for remaining items too. Hence, the Committee did not accede to the request of the applicant.

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

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