Minutes of the Policy Relaxation Committee Meeting held under the Chairmanship of DGFT, Shri Anup Wadhawan, IAS on 24.05.2016

Meeting No. 07/AM17 held on 24.05.2016 at 9:30 AM

List of officers present in the meeting is given below:

1.	Shri K.C. Rout	Addl. DGFT
2.	Shri Jaikant Singh	Addl. DGFT
3.	Shri Darshan Singh	Addl. DGFT
4.	Shri S.K. Samal	Jt. DGFT
5.	Dr. S. K. Bansal	Jt. DGFT
6.	Shri Jay Karan Singh	Jt. DGFT
7.	Shri Arunoday Goswami	Jt. DGFT
8.	Shri S.K. Mohapatra	Dy. DGFT
9.	Shri Sudhir Kumar Sharma	FTDO

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

Case No 1: M/s. Prachi Pharmaceuticals Pvt. Ltd., Mumbai (PH Case)

F.No. 01/60/162/445/AM16/EFGC(PRC)

PRC Meeting No. 07/AM17 dated 24.05.2016

Subject: -Request for Clubbing of 4 Advance Authorization nos. 0310190733 dt. 27.03.2003, 0310319122 dt. 28.02.2005, 0310333936 dt. 10.06.2005 and 0310338369 dt. 08.07.2005

The applicant, in terms of Para 2.59 of FTP, sought Personal Hearing, which was afforded to them on 24.05.2016. Accordingly, Shri Pankaj Shah, Managing Director and Shri M. R. Pota, Representative of the company appeared before the committee and made the following submissions:

1. They had obtained 4 Authorisations during 2003 to 2005. They were new in the export business, therefore, proper procedure for closing of Authorisation could not be followed in time.
2. They have fulfilled more than 100% export obligation against three Authorisations but there was shortfall in one Authorisation. They, therefore, requested for clubbing of four Authorisations.
3. The committee, in its meeting dated 17.11.2015 had allowed clubbing of three Authorisation issued in 2005 but did not allow clubbing of Authorisation issued in 2003 in which exports were surplus.
4. They, therefore, requested to allow extension of EOP upto 48 months in Authorisation dated 27.03.2003 and accounting of exports made in subsequent

Authorisation but within 48 months of the first Authorisation and allow clubbing of all four Authorisations.

Having heard to the applicant, the committee informed Shri Pankaj Shah, Managing Director that the Authorisation dated 27.03.2003 was issued having initial export obligation period of 18 months and he has completed 100% exports against the Authorisation within the initial obligation period. Therefore, granting EOP extension against such Authorisation has no logic. Extension is allowed where shortfall in fulfillment of E.O. or exports against Authorisation were made outside the EOP. However, the committee gave two options to them: (i) Accept the decision of committee meeting dated 17.11.2015 or (ii) make a request for clubbing of Authorisations issued within 36 months and at the same time EO were also completed within 36 months from earliest issued Authorisation.

Accordingly, the applicant has requested to allow clubbing of Authorisation No 0310190733 dt. 27.03.2003 with Authorisation No 0310333936 dt. 10.06.2005, and Authorisation No 0310319122 dt. 28.02.2005 with Authorisation No 0310338369 dt. 08.07.2005, as Authorisations were issued within 36 months and exports were also completed within 36 months.

Decision:

The case was deliberated at length. It was observed that the applicant has now requested to allow clubbing of Authorisations in two sets where Authorisations were issued within 36 months and exports were also completed within 36 months from the earliest issued Authorisation. The committee, therefore, decided the following:

I. Clubbing of Authorisations No 0310190733 dt. 27.03.2003 with the Authorisation No 0310333936 dt. 10.06.2005 be allowed.
II. The Export obligation period be extended upto 36 months against Authorisation No 0310190733 dt. 27.03.2003 i.e. **upto 31.03.2006**.
III. This will, however, be subject to payment of composition fee on FOB value of clubbed Authorisations @ 0.5% of FOB value of exports made after 18^{th} month but upto 24^{th} month and @ 0.5% per month of FOB value of exports made after 24^{th} month but upto 30^{th} month and @ 1% per month of FOB value of exports made after 30^{th} month but upto 36^{th} month.
IV. Exports made after **31.03.2006** shall not be taken into account.
V. Inputs shall be accounted as per the norms.
VI. Value addition of 15% shall be maintained of clubbed CIF and FOB value of Authorisations.
VII. Clubbing of Authorisation No 0310319122 dt. 28.02.2005 with the Authorisation No 0310338369 dt. 08.07.2005 would not serve any purpose, as more than 100% exports have been competed against each

Authorisation. Therefore, the applicant is directed to get these Authorisations redeemed independently.

(Action: RA, Mumbai)

Case No 2: M/s. jubilant Life Sciences Ltd., Noida
F.No. 01/60/162/151/AM17/EFGC(PRC)
PRC Meeting No. 07/AM17 dated 24.05.2016
Subject: -Request for Grant (i) E.O. extension of additional 14 months from the date of the decision to follow PN.16 dt. 04.06.2015 and (ii) Co License was on part of DGFT against Advance Authorization No. 0510365511 dt. 13.09.2013.

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

The committee noted that the above referred Authorisation was issued having initial obligation period of 18 months. The applicant has obtained six months extension from the RA. Meanwhile, M/s Jubilant Life Science Ltd. has created a separate subsidiary by name of M/s Jubilant Generics Ltd. through a business transfer agreement on 20.06.2014. Under this plan, they have transferred all assets and liabilities relating to Pharma/API business including 41 Advance Authorisations obtained in the name of M/s Jubilant Life Science Ltd. They, therefore, approached the RA, CLA for incorporating the name of M/s Jubilant Generics Ltd. as a co-Licensee. However, RA, CLA referred the case to this Directorate for clarification. Policy-4 has examined the issue and allowed endorsement of co-licensee in the Authorisations. However, due to delay in decision, the applicant could not discharge its stipulated export obligation within the prescribed time.

Taking into consideration all these facts, the committee decided the following:

i. Export obligation be extended from 24 months to 36 months.
ii. This will, however, be subject to payment of composition fee @ 0.5% per month on unfulfilled FOB of exports made after 24th month but upto 30th month and @ 1% per month of FOB value of exports made after 30th month but upto 36th month.
iii. No further extension beyond 36th month shall be allowed.
iv. Shortfall, if any, shall be regularised in terms of Para 4.49 of HBP, 2015-2020.
v. Minimum 15% value Addition shall be maintained.

(Action: RA, CLA)

Case No 3: M/s. jubilant Life Sciences Ltd., Noida
F.No. 01/60/162/150/AM17/EFGC(PRC)

PRC Meeting No. 07/AM17 dated 24.05.2016

Subject: -Request for Grant (i) E.O. extension of additional 14 months from the date of the decision to follow PN.16 dt. 04.06.2015 and (ii) Co License was on part of DGFT against Advance Authorization No. 0510373213 dt. 11.12.2013.

Decision:

The committee noted that the above referred Authorisation was issued having initial obligation period of 18 months. The applicant has obtained six months extension from the RA. Meanwhile, M/s Jubilant Life Science Ltd. has created a separate subsidiary by name of M/s Jubilant Generics Ltd. through a business transfer agreement on 20.06.2014. Under this plan, they have transferred all assets and liabilities relating to Pharma/API business including 41 Advance Authorisations obtained in the name of M/s Jubilant Life Science Ltd. They, therefore, approached the RA, CLA for incorporating the name of M/s Jubilant Generics Ltd. as a co-Licensee. However, RA, CLA referred the case to this Directorate for clarification. Policy-4 has examined the issue and allowed endorsement of co-licensee in the Authorisations. However, due to delay in decision, the applicant could not discharge its stipulated export obligation within the prescribed time.

Taking into consideration all these facts, the committee decided the following:

i. Export obligation be extended from 24 months to 36 months.
ii. This will, however, be subject to payment of composition fee @ 0.5% per month on unfulfilled FOB of exports made after 24th month but upto 30th month and @ 1% per month of FOB value of exports made after 30th month but upto 36th month.
iii. No further extension beyond 36th month shall be allowed.
iv. Shortfall, if any, shall be regularised in terms of Para 4.49 of HBP, 2015-2020.
v. Minimum 15% value Addition shall be maintained.

(Action: RA, CLA)

Case No 4: M/s. jubilant Life Sciences Ltd., Noida

F.No. 01/60/162/149/AM17/EFGC(PRC)

PRC Meeting No. 07/AM17 dated 24.05.2016

Subject: - Request for Grant (i) E.O. extension of additional 14 months from the date of the decision to follow PN.16 dt. 04.06.2015 and (ii) Co License was on part of DGFT against Advance Authorization No. 0510370398 dt. 06.11.2013.

Decision:

The committee noted that the above referred Authorisation was issued having initial obligation period of 18 months. The RA is empowered to allow two extensions of six months each, in terms of Para 4.42 of HBP. However, the applicant did not avail the facility. Meanwhile, M/s Jubilant Life Science Ltd. has created a separate subsidiary by name of M/s Jubilant Generics Ltd. through a business transfer agreement on 20.06.2014. Under this plan, they have transferred all assets and liabilities relating to Pharma/API business including 41 Advance Authorisations obtained in the name of M/s Jubilant Life Science Ltd. They therefore approached the RA, CLA for incorporating the name of M/s Jubilant Generics Ltd. as a co-Licensee. However, RA, CLA referred the case to this Directorate for clarification. Policy-4 has examined the issue and allowed endorsement of co-licensee in the Authorisations. However, due to delay in decision, the applicant could not discharge its stipulated export obligation within the prescribed time.

Taking into consideration all these facts, the committee decided the following:

i. Export obligation be extended from 18 months to 36 months.
ii. This will, however, be subject to payment of composition fee @ 0.5% of unfulfilled FOB value of exports made after 18th month but upto 24th month and @ 0.5% per month on unfulfilled FOB of exports made after 24th month but upto 30th month and @ 1% per month of unfulfilled FOB value of exports made after 30th month but upto 36th month.
iii. No further extension beyond 36th month shall be allowed.
iv. Shortfall, if any, shall be regularised in terms of Para 4.49 of HBP, 2015-2020.
v. Minimum 15% value Addition shall be maintained.

(Action: RA, CLA)

Case No 5: M/s. jubilant Life Sciences Ltd., Noida
F.No. 01/60/162/152/AM17/EFGC(PRC)
PRC Meeting No. 07/AM17 dated 24.05.2016
Subject: - Request for Grant (i) E.O. extension of additional 14 months from the date of the decision to follow PN.16 dt. 04.06.2015 and (ii) Co License was on part of DGFT against Advance Authorization No. 0510379194 dated 12.02.2014.

Decision:

The committee noted that the above referred Authorisation was issued having initial obligation period of 18 months. The applicant has obtained six months extension from RA. Meanwhile, M/s Jubilant Life Science Ltd. has created a separate subsidiary by name of M/s Jubilant Generics Ltd. through a business transfer agreement on 20.06.2014. Under this plan, they have transferred all assets and liabilities relating to Pharma/API business including 41 Advance Authorisations obtained in the name of

M/s Jubilant Life Science Ltd. They, therefore, approached the RA, CLA for incorporating the name of M/s Jubilant Generics Ltd. as a co-Licensee. However, RA, CLA referred the case to this Directorate for clarification. Policy-4 has examined the issue and allowed endorsement of co-licensee in the Authorisations. However, due to delay in decision, the applicant could not discharge its stipulated export obligation within the prescribed time.

Taking into consideration all these facts, the committee decided the following:

i. Export obligation be extended from 24 months to 36 months.
ii. This will, however, be subject to payment of composition fee @ 0.5% per month on unfulfilled FOB of exports made after 24th month but upto 30th month and @ 1% per month of unfulfilled FOB value of exports made after 30th month but upto 36th month.
iii. No further extension beyond 36th month shall be allowed.
iv. Shortfall, if any, shall be regularised in terms of Para 4.49 of HBP, 2015-2020.
v. Minimum 15% value Addition shall be maintained.

(Action: RA, CLA)

Case No 6: M/s. jubilant Life Sciences Ltd., Noida
F.No. 01/60/162/153/AM17/EFGC(PRC)
PRC Meeting No. 07/AM17 dated 24.05.2016
Subject: -Request for Grant (i) E.O. extension of additional 14 months from the date of the decision to follow PN.16 dt. 04.06.2015 and (ii) Co License was on part of DGFT against Advance Authorization No. 0510370486 dt. 07.11.2013.

Decision:

The committee noted that the above referred Authorisation was issued having initial obligation period of 18 months. The applicant has obtained six months extension from RA. Meanwhile, M/s Jubilant Life Science Ltd. has created a separate subsidiary by name of M/s Jubilant Generics Ltd. through a business transfer agreement on 20.06.2014. Under this plan, they have transferred all assets and liabilities relating to Pharma/API business including 41 Advance Authorisations obtained in the name of M/s Jubilant Life Science Ltd. They therefore approached the RA, CLA for incorporating the name of M/s Jubilant Generics Ltd. as a co-Licensee. However, RA, CLA referred the case to this Directorate for clarification. Policy-4 has examined the issue and allowed endorsement of co-licensee in the Authorisations. However, due to delay in decision, the applicant could not discharge its stipulated export obligation within the prescribed time.

Taking into consideration all these facts, the committee decided the following:

i. Export obligation be extended from 24 months to 36 months.
ii. This will, however, be subject to payment of composition fee @ 0.5% per month on unfulfilled FOB of exports made after 24th month but upto 30th month and @ 1% per month of unfulfilled FOB value of exports made after 30th month but upto 36th month.
iii. No further extension beyond 36th month shall be allowed.
iv. Shortfall, if any, shall be regularised in terms of Para 4.49 of HBP, 2015-2020.
v. Minimum 15% value Addition shall be maintained.

(Action: RA, CLA)

Case No 7: M/s. jubilant Life Sciences Ltd., Noida
F.No. 01/60/162/118/AM17/EFGC(PRC)
PRC Meeting No. 07/AM17 dated 24.05.2016
Subject: - Request for waiver of non-mentioning complete description as minimum 99 % in Shipping Bills for closure of DFIA no. 0510244131 dt. 22.06.2009.

Decision:

The Committee noted that entitlement of inputs are allowed on the basis of purity of the resultant product exported. Hence, shipping Bills in which purity was not mentioned cannot be accepted towards discharge of export obligation, notwithstanding the facts that the buyer has certified and accepted the goods considering 99% purity of the resultant product. The applicant is hereby directed to get the case regularised as bonafide default in terms of Para 4.49 of HBP.

(Action: RA, CLA)

Case No 8: M/s. Sai Flexi Bag Pvt. Ltd., Madurai
F.No. 01/60/162/165/AM17/EFGC(PRC)
PRC Meeting No. 07/AM17 dated 24.05.2016
Subject: -Request for acceptance of wrong ITC HS Code for issue of EODC / Redemption Certificate against Advance License no. 3510027590 dt. 28.08.2009.

Decision:

The Committee observed that the Authorisation was issued for export of Jumbo bags made of Polypropylene Fabrics. Import items were permitted (i) Polypropylene Fabric (UV stabilized) and (ii) Polypropylene Yarn for stitching. The description of import and export items is matching in the Shipping bills. Hence, the Committee decided to allow accounting of Shipping Bills in which ITC HS code was mentioned inadvertently 6303200 instead of 6505300 for redemption of the Authorisation.

(Action: RA, Madurai)

Case No 9: M/s. Intas Pharmaceuticals Ltd., Ahmedabad
F.No. 01/60/162/117/AM17/EFGC(PRC)
PRC Meeting No. 07/AM17 dated 24.05.2016
Subject: -Request for EOP extension of Advance Authorization no. 0810134110 dt. 22.12.2014 issued under PC-9 condition.

Decision:

The Committee noted that the Authorization No. 0810134110 dt. 22.12.2014 was issued with conditions stipulated under PC-9 dated 30.06.2003, which provides 12 months period for EO fulfillment from import of each consignment. The imports were made on 07.01.2015. Accordingly, initial export obligation period was upto 31.01.2016. The applicant has fulfilled more than 50% of its stipulated export obligation during the initial export obligation period. Taking all these facts into account, the Committee decided the following:

I. Export obligation period be extended from 12 months to 18 months from the date of import i.e. upto **31.07.2016**
II. This will, however, be subject to a payment of composition fee @ 0.5% on FOB value of exports made after initial obligation period.
III. The minimum value addition of 15% as prescribed under Para 4.09 of FTP (2015-2020) shall be maintained.
IV. RA shall check that 50% exports against import consignment were made within initial export obligation period. If not, composition fee will be charged @ 0.5% per month on unfulfilled FOB.

(Action: RA, Ahmedabad)

Case No 10: M/s. Intas Pharmaceuticals Ltd., Ahmedabad
F.No. 01/60/162/179/AM17/EFGC(PRC)
PRC Meeting No. 07/AM17 dated 24.05.2016
Subject: - Request for EOP extension of Advance Authorization no. 0810134047 dt. 15.12.2014 issued under PC-9 condition.

Decision:

The Committee noted that the Authorization No. 0810134047 dt. 15.12.2014 was issued with conditions stipulated under PC-9 dated 30.06.2003 which provides 12 months period for EO fulfillment from import of each consignment. The imports were made on 30.12.2014. Accordingly, initial export obligation period was upto 31.12.2015. The applicant has fulfilled only 45.83% exports during the

initial export obligation period. Taking all these facts into account, the Committee decided the following:

I. Export obligation period be extended from 12 months to 18 months against the import consignment i.e. upto **30.06.2016.**
II. This is subject to a payment of composition fee @ 0.5% per month on unfulfilled FOB value of exports made after initial obligation period.
III. The minimum value addition of 15% as prescribed under Para 4.09 of FTP (2015-2020) shall be maintained.
IV. The applicant has to pay duty plus interest on inputs consumed and exported after 18 months from the date of import consignment.

(Action: RA, Ahmedabad)

Case No 11: M/s. Intas Pharmaceuticals Ltd., Ahmedabad
F.No. 01/60/162/178/AM17/EFGC(PRC)
PRC Meeting No. 07/AM17 dated 24.05.2016
Subject: - Request for EOP extension of Advance Authorization no. 0810132968 dt. 13.08.2014 issued under PC-9 condition.

Decision:

The Committee noted that the Authorization No. 0810132968 dt. 13.08.2014 was issued with conditions stipulated under PC-9 dated 30.06.2003 which provides 12 months period for EO fulfillment from import of each consignment. The imports were made on 01.09.2014. Accordingly, initial export obligation period was upto 30.09.2015. The applicant has fulfilled only 26.83% exports during the initial export obligation period and 73.17% thereafter. Taking all these facts into account, the Committee decided the following:

I. Export obligation period be extended from 12 months to 18 months against the import consignment i.e. upto **31.03.2016**
II. This is only for accounting and regularization of exports already effected.
III. This is subject to a payment of composition fee @ 0.5% per month on unfulfilled FOB value of export 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. The applicant has to pay duty plus interest on inputs consumed and exported after 18 months from the date of import consignment.
VI. PC-18 dated 30.10.2007 conditions has to be followed on unutilised inputs.

(Action: RA, Ahmedabad)

Case No 12: M/s. Aarti Drugs Ltd., Mumbai
F.No. 01/60/162/199/AM17/EFGC(PRC)
PRC Meeting No. 07/AM17 dated 24.05.2016
Subject: -Request for Revalidation of Advance Authorization no. 0310789053 dt. 11.09.2014.

Decision:

The Committee observed that the Authorisation was issued having initial validity of 12 months to import. RA has already granted one revalidation for six months. Hence the applicant had 18 months to import. Despite that the applicant could not utilize the Authorization. There is no case of genuine hardship established. Therefore, the Committee did not accede to the request.

Case No 13: M/s. Cadila Healthcare Ltd., Ahmedabad
F.No. 01/60/162/182/AM17/EFGC(PRC)
PRC Meeting No. 07/AM17 dated 24.05.2016
Subject: - Request for Extension EOP of Advance Authorization no. 0810121780 dt. 07.06.20123 issued under PC-9 condition.

Decision:

The Committee noted that the Authorization No. 0810121780 dt. 07.06.2013 was issued with conditions stipulated under PC-9 dated 30.06.2003 which provides 12 months period for EO fulfillment from import of each consignment. The imports were made on 28.10.2013, 22.03.2014, 19.07.2014 & 18.09.2014. Accordingly, initial export obligation period, against each import consignment, was upto 31.10.2014, 31.03.2015, 31.07.2015 & 30.09.2015 respectively. The applicant has fulfilled 94.01% exports during the initial export obligation period and remaining 5.99% thereafter. Taking all these facts into account, the Committee decided the following:

I. Export obligation period be extended from 12 months to 18 months against import of each consignments i.e. upto **30.04.2015, 30.09.2015, 31.01.2016 & 31.03.2016,** respectively.
II. This is only for accounting and regularization of exports already effected.
III. This will, however, be subject to payment of composition fee @ 0.5% on FOB value of export 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. RA shall check that 50% exports against each consignment were made within the initial export obligation period. If not, composition fee will be charged @ 0.5% per month on unfulfilled FOB.

(Action: RA, Ahmedabad)

Case No 14: M/s. Cadila Healthcare Ltd., Ahmedabad
F.No. 01/60/162/181/AM17/EFGC(PRC)
PRC Meeting No. 07/AM17 dated 24.05.2016
Subject: -Request for regularization the exports of 4 Shipping Bills no. 4750292, 4760251, 5251931 & 5553452 to be allowed for fulfillment of EO against Advance Authorization no. 0810115094 dt. 13.09.2012 instead of AA 0810092151 dt. 15.09.2010.

Decision:

The committee noted that the above mentioned 4 Shipments were made against Authorisation No 0810092151 dt. 15.09.2010. However, it was noted that these shipments were effected during the Export Obligation Period of the Advance Authorization No. 0810115094 dt. 13.09.2012. The applicant has requested to allow accounting of the above 4 shipping Bills against the Authorization No. 0810115094 dt. 13.09.2012 instead of Advance Authorisation No 0810092151 dt. 15.09.2010 for regularization purpose.

The committee, therefore, decided the following:

I. The accounting of Shipping Bills Nos (1) 4750292, (2) 4760251, (3) 5251931 & (4) 5553452 be allowed towards discharge of export obligation against Advance Authorisation 0810115094 dt. 13.09.2012.
II. This will, however, be subject to payment of composition fee of Rs.200/- for accounting of each shipping bill to RA.
III. RA shall ensure that these 4 Shipping Bills have not been taken into account towards discharge of export obligation against Authorisation No 0810092151 dt. 15.09.2010.
IV. The applicant shall furnish an indemnity-cum-affidavit duly Notorised affirming therein that in case any loss/demurrage to the exchequer is noticed in future, they shall pay immediately equal amount with applicable interest without any protest or raising any dispute.

(Action: RA, Ahmedabad)

Case No 15: M/s. Bhandari Foils and Tubes Ltd., Mumbai
F.No. 01/60/162/164/AM17/EFGC(PRC)
PRC Meeting No. 07/AM17 dated 24.05.2016
Subject: -Request for Extension EOP of Advance Authorization no. 0310459176 dt. 25.01.2008 for S/Bill exported beyond EOP.

Decision:

The committee noted that the above mentioned Authorisation was issued having initial export obligation period of 36 months. The applicant has fulfilled 19% exports within the initial export obligation period of 36 months and balance 81% thereafter. The committee, therefore, decided the following:

I. Export obligation period be extended from 36 months to 48 months i.e. upto 31.01.2012

II. This will, however, be 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 export made after 42nd month but upto 48th month.

III. No extension beyond 48 months shall be allowed.

IV. Inputs shall be accounted as per SION.

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

(Action: Applicant/RA, Mumbai)

Case No 16: M/s. River Engineering Pvt. Ltd., New Delhi
F.No. 01/60/162/171/AM17/EFGC(PRC)
PRC Meeting No. 07/AM17 dated 24.05.2016
Subject: -Request to Allow TED Refund for supplies made till august 2012 to 100 % EOU which is prior to PIC Decision and not. No 4 DT. 18.04.2013. Para 4.23 of HBP 2009-14

Decision:

The committee noted that Para 2.58 allows policy relaxation only on the ground of genuine hardship and adverse impact on trade. In this case, the applicant did not indicate any reason as to why they paid excise duty while removing the goods for supply of the same to EUO. Under Excise Notification No 22/2003CE dated 31.03.2003 read with DGEP Circular No 851/9/2007 dated 03.05.2007, an Export Oriented Unit may procure goods from DTA unit without payment of duty against CT-3. When the facility from payment of Excise duty was available to the applicant against CT-3, under what circumstances he had paid duty is not disclosed. The committee, therefore, did not accede to the request.

Case No 17: M/s. Nazareth Metals, Mumbai
F.No. 01/60/162/116/AM17/EFGC (PRC)
PRC Meeting No. 07/AM17 dated 24.05.2016

Subject: - Request for clubbing of two Advance Authorizations No. 0310198235 date 28.04.2003 and No 0310252789 dated 12.02.2004 for regularization purpose.

Decision:

The Committee observed that the applicant has requested for clubbing of two Advance Authorisations. However, the Authorisation No.0310252789 dated 12.02.2004 has already been redeemed and bond has been released/cancelled by the Customs Authority. The Advance Authorisation once redeemed cannot be reopened for clubbing or any other purpose, as the redemption letter cannot be issued against the same shipping bills twice. Hence, the Committee decided to reject the request. The applicant is hereby directed to get the case regularised in terms of Para 4.49 of HBP, 2015-2020.

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

Case No 18: M/s. Astral Steritech Pvt. Ltd., Gujarat
F.No. 01/60/162/124/AM17/EFGC(PRC)
PRC Meeting No. 07/AM17 dated 24.05.2016
Subject: - Request for EO Extension of Advance Authorization no. 3410040955 dt. 12.02.2015 issued under PC-9 condition.

Decision:

The Committee noted that the Authorization No. 3410040955 dt. 12.02.2015 was issued with conditions stipulated under PC-9 dated 30.06.2003, which provides 12 months period for EO fulfillment from import of each consignment. The imports were made on 20.02.2015 & 12.05.2015. Accordingly, initial export obligation period, against each import consignment, was upto 20.02.2016 & 12.05.2016, respectively. Taking into consideration the weighted average of the exports effected so far, the applicant has fulfilled less than 50% exports during the initial export obligation period. Considering all these facts, the Committee decided the following:

I. Export obligation period be extended from 12 months to 18 months against import of each consignments i.e. upto **31.08.2016 & 30.11.2016,** respectively.
II. This will, however, be subject to the payment of composition fee @ 0.5% per month on FOB value of exports made after initial obligation period against each consignment.

III. The minimum value addition of 15% as prescribed under Para 4.09 of FTP (2015-2020) shall be maintained.
IV. The applicant has to pay duty plus interest on inputs consumed and exported after 18 months from the date of import consignment.

(Action: RA, Ahmedabad)

Case No 19: M/s. Lupin Ltd., Mumbai
F.No. 01/60/162/175/AM17/EFGC (PRC)
PRC Meeting No. 07/AM17 dated 24.05.2016
Subject: - Request for EO Extension of Advance Authorization no. 0310789257 dt. 16.09.2014 issued under PC-9 condition.

Decision:

The Committee noted that the Authorization No. 0310789257 dt. 16.09.2014 was issued with conditions stipulated under PC-9 dated 30.06.2003, which provides 12 months period for EO fulfillment from import of each consignment. The imports were made on 11.10.2014 & 02.12.2014. Accordingly, initial export obligation period, against each import consignment, was upto 31.10.2015 & 31.12.2015 respectively. The applicant has made NIL export during the initial export obligation period and 12% thereafter. Taking all these facts into account, the Committee decided the following:

I. Export obligation period be extended from 12 months to 18 months against import of each consignments i.e. upto **30.04.2016 & 30.06.2016** respectively.
II. This will, however, be subject to the payment of composition fee @ 0.5% per month on FOB value of exports made after initial obligation period.
III. The minimum value addition of 15% as prescribed under Para 4.09 of FTP(2015-2020) shall be maintained.
IV. The applicant has to pay duty plus interest on unutilised inputs and follow the conditions of PC-18 dated 30.10.2007.

(Action: RA, Mumbai)

Case No 20: M/s. Formulated Polymers Ltd, Chennai
F.No. 01/60/162/228/AM17/EFGC(PRC)
PRC Meeting No. 07/AM17 dated 24.05.2016
Subject: - Request for Second Revalidation of Advance Authorization no. 0410157295 dt. 22.04.2014.

Decision:

The Committee observed that the Authorisation was issued having initial validity of 12 months. RA has allowed 6 months extension as per request of the applicant. Despite that they could not utilise the Authorisation. From the submissions made by the applicant, no case of genuine hardship is established. Hence, the Committee did not accede to the request.

Case No 21: M/s. Euro Expo, Noida
F.No. 01/60/162/190/AM17/EFGC(PRC)
PRC Meeting No. 07/AM17 dated 24.05.2016
Subject: - Request for EOP extension of Advance Authorization no. 0510343298 dt. 15.01.2013.

Decision:

The committee noted that the above mentioned Authorisation was issued having initial obligation period of 18 months. The applicant has obtained extension upto 30 months from the RA. The applicant has fulfilled 89% of its stipulated obligation within the extended export obligation period. The committee, therefore, decided the following:

I. Export obligation period be extended from 30 months to 36 months.
II. This will, however, be allowed subject to payment of composition fee @ 1% per month of FOB value of exports made after 30th month but upto 36th month.
III. No extension beyond 36 months shall be allowed.
IV. Shortfall, if any, shall be regularised in terms of Para 4.49 of HBP, 2015-2020.

(Action: Applicant/RA, CLA Delhi)

Case No 22: M/s. Wockhardt Ltd., Mumbai
F.No. 01/60/162/185/AM17/EFGC(PRC)
PRC Meeting No. 07/AM17 dated 24.05.2016
Subject: - Request for EOP extension of Advance Authorization no. 0310791071 dt. 14.11.2014 issued under PC-9 condition.

Decision:

The Committee noted that the Authorization No. 0310791071 dt. 14.11.2014 was issued with conditions stipulated under PC-9 dated 30.06.2003, which provides 12 months period for EO fulfillment from import of each consignment. The imports were made on 20.11.2014. Accordingly, initial export obligation period was upto 30.11.2015. The applicant has effected 89% exports during the initial

export obligation period. Taking all these facts into account, the Committee decided the following:

I. Export obligation period be extended from 12 months to 18 months against the import consignment i.e. upto **31.05.2016.**
II. This is only for accounting and regularization of exports already effected.
III. This is subject to a payment of composition fee @ 0.5% on unfulfilled FOB value of export 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. The applicant has to pay duty plus interest on inputs consumed and exported after 18 months from the date of import consignment.
VI. 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.

(Action: RA, Mumbai)

Case No 23: M/s. Wockhardt Ltd., Mumbai
F.No. 01/60/162/186/AM17/EFGC(PRC)
PRC Meeting No. 07/AM17 dated 24.05.2016
Subject: - Request for EOP extension of Advance Authorization no. 0310790952 dt. 12.11.2014 issued under PC-9 condition.

<u>Decision:</u>

The Committee noted that the Authorization No. 0310790952 dt. 12.11.2014 was issued with conditions stipulated under PC-9 dated 30.06.2003, which provides 12 months period for EO fulfillment from import of each consignment. The imports were made on 08.12.2014. Accordingly, initial export obligation period was upto 31.12.2015.The applicant has effected NIL export during the initial export obligation period. Taking all these facts into account, the Committee decided the following:

I. Export obligation period be extended from 12 months to 18 months against the import consignment i.e. upto **30.06.2016**
II. This will, however, be subject to the payment of composition fee @ 0.5% per month on unfulfilled FOB value of exports made after initial obligation period.
III. The minimum value addition of 15% as prescribed under Para 4.09 of FTP (2015-2020) shall be maintained.
IV. The applicant has to pay duty plus interest on unutilised inputs and follow the condition of PC-18 dated 30.10.2007.

(Action: RA, Mumbai)

Case No 24: M/s. P. C. Kannan & Co., Indore
F.No. 01/60/162/227/AM17/EFGC(PRC)
PRC Meeting No. 07/AM17 dated 24.05.2016
Subject: -Request for EOP extension of Advance Authorization no. 5610004634 dated 26.06.2015.

Decision:

The Committee noted that the import item against Authorization No. 5610004634 dated 26.06.2015 is 'Raw Coriander Seed whole / splits' and as per Appendix 4-J of the FTP, 2015-2020 the initial export obligation period for this item was 90 days from the date of clearance of each consignment by Customs Authority. The date of first import is 28.07.2015 and accordingly, initial export obligation period was upto 27.10.2015.The applicant has effected NIL export during the initial export obligation period but has fulfilled 100% export obligation thereafter. Taking all these facts into account, the Committee decided the following:

I. Export obligation period be extended from 90 days to 180 days against the import consignment i.e. upto **25.01.2016**
II. This is only for accounting and regularization of exports already effected.
III. This will, however, be subject to the payment of composition fee @ 0.5% per month on 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.

(Action: RA, Indore)

Case No 25: M/s. Euro Expo, Noida
F.No. 01/60/162/189/AM17/EFGC(PRC)
PRC Meeting No. 07/AM17 dated 24.05.2016
Subject: - Request for EOP extension of Advance Authorization no. 0510343297 dt. 15.01.2013.

Decision:

The committee noted that the above mentioned Authorisation was issued having initial obligation period of 18 months. The applicant has obtained extension from RA upto 30 months. The applicant has fulfilled 82% of it stipulated export obligation within extended period. The committee, therefore, decided the following:

I. Export obligation period be extended further from 30 months to 36 months.
II. This will, however, be subject to payment of composition fee @ 1% per month of unfulfilled FOB value of exports made after 30th month but upto 36th month.
III. No extension beyond 36 months shall be allowed.
IV. Shortfall, if any, shall be regularised in terms of Para 4.49 of HBP, 2015-2020.

(Action: Applicant /RA, CLA Delhi)

Case No 26: M/s. Cadila Healthcare Ltd., Ahmedabad
F.No. 01/60/162/223/AM17/EFGC(PRC)
PRC Meeting No. 07/AM17 dated 24.05.2016
Subject: - Request for Extension EOP of Advance Authorization no. 0810134730 dt. 04.03.2015 issued under PC-9 condition.

Decision:

The Committee noted that the Authorization No. 0810134730 dt. 04.03.2015 was issued with conditions stipulated under PC-9 dated 30.06.2003, which provides 12 months period for EO fulfillment from import of each consignment. The imports were made on 26.03.2015. Accordingly, initial export obligation period was upto 31.03.2016. The applicant has effected 26.12% exports during the initial export obligation period. Taking all these facts into account, the Committee decided the following:

I. Export obligation period be extended from 12 months to 18 months against the import consignment i.e. upto **30.09.2016**
II. This will, however, be subject to the payment of composition fee @ 0.5% per month on FOB value of exports made after initial obligation period.
III. The minimum value addition of 15% as prescribed under Para 4.09 of FTP (2015-2020) shall be maintained.
IV. The applicant has to pay duty plus interest on inputs consumed and exported after 18 months from the date of import consignment.

(Action: RA, Ahmedabad)

Case No 27: M/s. Cadila Healthcare Ltd., Ahmedabad
F.No. 01/60/162/221/AM17/EFGC(PRC)
PRC Meeting No. 07/AM17 dated 24.05.2016
Subject: - Request for Extension EOP of Advance Authorization no. 0810133572 dt. 13.10.2014 issued under PC-9 condition.

Decision:

The Committee noted that the Authorization No. 0810133572 dt. 13.10.2014 was issued with conditions stipulated under PC-9 dated 30.06.2003, which provides 12 months period for EO fulfillment from import of each consignment. The imports were made on 29.10.2014, 16.12.2014 & 04.03.2015. Accordingly, initial export obligation period, from the date of import of each consignment, was upto 31.10.2015, 31.12.2015 & 31.03.2016 respectively. The applicant has effected only 20.27% exports during the initial export obligation period. Taking all these facts into account, the Committee decided the following:

I. Export obligation period be extended from 12 months to 18 months against the import consignments i.e. upto **30.04.2016, 30.06.2016 & 30.09.2016,** respectively.
II. This will, however, be subject to the payment of composition fee @ 0.5% per month on FOB value of exports made after initial obligation period.
III. The minimum value addition of 15% as prescribed under Para 4.09 of FTP(2015-2020) shall be maintained.
IV. The applicant has to pay duty plus interest on unutilised inputs and follow the condition of PC-18 dated 30.10.2007.

(Action: RA, Ahmedabad)

Case No 28: M/s. Jupiter Solar Power Ltd., Kolkata (JSPL)
F.No. 01/94/180/240/AM15/PC-4(B)
PRC Meeting No. 07/AM17 dated 24.05.2016
Subject: -To extend the validity of DEPB Licenses no. 0210186121 dt. 5.2.2013 and 0210186157 dt. 6.2.2013 which expired on 31.08.2014, while under process with Customs, Surat SEZ. The party has requested for extension of validity against the period from 02.07.2014 to 22.09.2014 (82 days), the licenses were in the custody of Surat, SEZ.

Decision:

The Committee noted that the Applicant was issued DEPB Scrip No 0210186121 dt. 5.2.2013 and No 0210186157 dt. 6.2.2013 against export of goods to a unit in SEZ, Surat, without generating Bill of export. On a request made by the applicant, the requirement of Bill of export was relaxed by DGFT. However, in the first instance, the Customs Authority did not allow registration of the said DEPB in the absence of Bill of export. However, subsequently, Surat SEZ accepted the DEPB but referred the case to RA, Kolkata and the concerned Bank for verification of genuiness of DEPB scrip and payment realization certificate, respectively. By the time the confirmation was received from the RA and the concerned Bank, the said scrip lost its validity.

Taking into consideration these facts, the Committee decided to revalidate the aforesaid DEPBs for 3 months from the date of endorsement. The applicant is hereby directed to submit these two scrips to RA, Kolkata, within a month from the date of uploading of these minutes on the Directorate website, for necessary endorsement.

(Action: RA, Kolkata/Applicant)

Case 29 : M/s. Force Motors Ltd., Pune

F.No. 01/94/180/330/AM15/PC-4(B)

PRC Meeting No. 07/AM17 dated 24.05.2016

Subject: -To extend the DEPB license no. 3110048796 dated 22.06.2011 of Rs. 696839/- which expired on 22.06.2013 for 1 year from the date of revalidating in order to complete the procedure of Transfer release Advice (TRA) at Petrapole Customs (Indian Border for Bangladesh) and registration of license at JNPT Customs, Mumbai.

Decision:

The committee noted that the said DEPB scrip was issued having validity of two years i.e. upto 22.06.2013 against the goods exported to Bangladesh through Petrapole, Customs Station. The applicant had obtained TRA against the said DEPB on 22.09.2011 to clear imports from JNPT. However, the original TRA copy posted to JNPT custom did not reach. The JNPT Customs did not allow clearance in the absence of original TRA. The applicant then approached the Petrapole Customs for issue of duplicate TRA. The Petrapole Customs, however, asked the applicant to submit non utilisation certificate from JNPT Customs. In the meantime the said DEPB lost its validity.

The case was discussed at length and it was decided to defer the case for seeking non-utilisation certificate, issued by the Customs JNPT, from the applicant.

(Action: Applicant)

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

****