Minutes of the Policy Relaxation Committee Meeting held under the Chairmanship of DGFT, Shri A.K. Bhalla, IAS on 24.06.2016

Meeting No. 09/AM17 held on 24.06.2016 at 11:30 pm in the room no 11, Udyog Bhawan, New Delhi

List of officers 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 A. K. Srivastava	Jt. DGFT
6.	Shri Jay Karan Singh	Jt. DGFT
7.	Shri Rakesh Kumar	Dy.GFT

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

Case No 1: M/s. Indoco Remedies Ltd., Mumbai
F.No. 01/60/162/160/AM17/EFGC(PRC)
PRC Meeting No. 09/AM17dated 24.06.2016
Subject: - Request for EOP extension of Advance Authorization No. 0310792262 dt. 22.12.2014 issued under PC-9 Conditions.

Decision:

The Committee noted that the Authorization No. 0310792262 dt. 22.12.2014 was issued with conditions stipulated under PC-9 dated 30.06.2003 which allows 12 months period for EO fulfillment from import of each consignment. The imports were made on 05.02.2015. Accordingly, initial obligation period was upto 28.02.2016. The applicant has made 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 import consignment dated 05.02.2015 i.e. upto 28.08.2016
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 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.

(Action: RA, Mumbai)

Case No 2 : M/s. Kairav Chemofarbe Industries Ltd., Mumbai
F.No. 01/60/162/238/AM17/EFGC(PRC)
PRC Meeting No. 09/AM17dated 24.06.2016

Subject: - Request for Revalidation of Advance Authorization No. 0310753117 dt. 10.10.2013.

Decision:

The Committee noted the submissions made by the applicant that they had obtained Invalidation letter against the Advance Authorisation and procured goods from M/s Reliance Industries on payment of duties. Subsequently, they availed CENVAT credit on those duty paid inputs. Therefore, Excise Authority issued SCN demanding huge duty.

The committee was of the view that goods procure against Invalidation letter issued against Advance Authorisation does not attract levy of any duty. The applicant has to procure goods without payment of duty. However, they have paid duty intentionally, while procuring goods, and availed CENVAT credit, which was wrong, as purpose of allowing duty free import against Advance Authorisation is defeated. Replenishment of such items as duty free under Advance Authorization scheme is not allowed where CENVAT credit was availed on inputs. There is no case of genuine hardship. Therefore, the Committee did not accede to the request.

Case No 3 : M/s. M/s. Unimark Remedies Ltd., Mumbai
F.No. 01/60/162/200/AM17/EFGC(PRC)
PRC Meeting No. 09/AM17dated 24.06.2016
Subject: - Request for clubbing & Redemption of Advance Authorization 0310408079 dt. 15.11.2006 and 0310454775 dt. 20.12.2007

Decision:

Deferred for examination of Pre-import condition for import of Penicillin G at the relevant policy period.

(Action: PRC)

Case No 4 : M/s. Ferro Alloys Corporation Ltd., Odisha
F.No. 01/60/162/241/AM17/EFGC(PRC)
PRC Meeting No. 09/AM17dated 24.06.2016
Subject: - Request for issue of supplementary duty credit against shipping Bill no. 3309526 dt. 02.01.2013.

Decision:

The applicant has informed that the Bank has issued one e-BRC against two S/bs. They have obtained FPS benefit against one S/B. However, system does not allow use of same e-BRC against left out S/b. The case was therefore deferred for seeking report from RA and EDI section.

Action: Jt.DGFT (AS)/RA, Cuttack

Case No 5: M/s. Unimark Remedies Ltd., Mumbai
F.No. 01/60/162/208/AM17/EFGC(PRC)

PRC Meeting No. 09/AM17dated 24.06.2016

Subject: - Request for clubbing & Redemption of Advance Authorization 0310370754 dt. 09.03.2006 and 0310384752 dt. 15.06.2006

Decision:

Deferred for examination of Pre-import condition for import of Penicillin G at the relevant policy period.

(Action: PRC)

Case No 6: M/s. Himdri Chemical and Industries Ltd., Kolkata

F.No. 01/60/162/350/AM17/EFGC(PRC)

PRC Meeting No. 09/AM17dated 24.06.2016

Subject: - Request for EOP extension of Advance Authorization no. 0210124481 dtd. 18.03.2009 for regularization purposes.

Decision:

The committee noted that the above mentioned Authorisation was issued having initial export obligation period of 36 months. No further extension in EOP was allowed under the prevalent procedure. After 05.06.2012, export obligation period has been reduced to 18 months and RA is empowered to allow two extensions of six months each. However, in terms of para 4.42 of HBP, 2015-2020, second extension in EOP is allowed provided the applicant approaches RA after fulfilling minimum 50% export obligation. The applicant, in this case, has imported 100%, however, no export has been made during the initial obligation period or even extendable period of 48 months, which PRC considers in such cases. Exports made after 48 months cannot be taken into account towards discharge of export obligation. Therefore, there is no merit in the case. The committee, therefore, did not accede to the request. The applicant is hereby directed to get the case regularised in terms of Para 4.49 of HBP, 2015-2020.

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

Case No 7 : M/s. Pondy Oxides and chemicals Ltd., Puducherry

F.No. 01/60/162/246/AM17/EFGC(PRC)

PRC Meeting No. 09/AM17dated 24.06.2016

Subject: - Request for waiver of interest levied by Customs on Excess Import made by them against advance authorization:- 2510003689 dt. 08.06.2012, 2510003836 dt. 19.12.2012, 2510003837 dt. 19.12.2012, 2510003752 dt. 24.08.2012, 2510004045 dt. 05.07.2013, 2510004001 dt. 08.05.2013 and 2510003794 dt. 28.09.2012

Decision:

The Committee observed that the applicant has requested for waiver of interest levied by the Customs Authorities on excess import made by them against the above mentioned Advance Authorisations. Since duty and interest is levied / collected by the Customs Authorities under the provisions of Customs Act, it would beyond the jurisdiction of the Committee to consider such request. Hence, the request is rejected.

Case No 8: M/s. Jodas Expoim Pvt. Ltd., Hyderabad
F.No. 01/60/162/253/AM17/EFGC(PRC)
PRC Meeting No. 09/AM17dated 24.06.2016
Subject: - Request for EOP extension of advance authorization no. 0910061603 dt. 10.02.2015 issued under PC-9 condition.

Decision:

The Committee noted that the Authorization No. 0910061603 dt. 10.02.2015 was issued with conditions stipulated under PC-9 dated 30.06.2003, which allows 12 months period for EO fulfillment from import of each consignment. The imports were made on 18.02.2015. Accordingly, initial export obligation period was upto 28.02.2016. The applicant has fulfilled 91.67% 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 import consignment dated 18.02.2015 i.e. upto **31.08.2016**
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 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 initial export obligation period. If not, composition fee will be charged @ 0.5% per month of unfulfilled FOB value.

(Action: RA, Hyderabad)

Case No 9: M/s. Sun Pharmaceutical Industries Ltd, Mumbai
F.No. 01/60/162/266/AM17/EFGC(PRC)
PRC Meeting No. 09/AM17dated 24.06.2016
Subject: - Request for EOP extension of advance authorization no. 0310785151 dt. 11.06.2014 issued under PC-9 conditions.
Decision:

The Committee noted that the Authorization No. 0310785151 dt. 11.06.2014 was issued with conditions stipulated under PC-9 dated 30.06.2003, which allows 12 months period for EO fulfillment from import of each consignment. The imports were made on 05.08.2014, 05.01.2015 & 06.02.2015. Accordingly, initial export obligation period was upto 31.08.2015, 31.01.2016 & 28.02.2016 against each import consignment, respectively. The applicant has fulfilled 44.74% 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 each import consignments i.e. upto **28.02.2016, 31.07.2016 & 31.08.2016**, respectively.
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 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.

(Action: RA, Mumbai)

Case No 10: M/s. Nutrivita Foods Pvt. Ltd., Pune
F.No. 01/60/162/174/AM17/EFGC(PRC)
PRC Meeting No. 09/AM17dated 24.06.2016
Subject: -Request for extension of EOP for discharge of export obligation against Advance authorization No. 3110051583 dt. 22.11.2011.

Decision:

The committee noted that the above mentioned Advance Authorisation was issued having initial export obligation period of 36 months. The applicant has fulfilled 31.80% stipulated obligation during initial obligation period and 68.20% thereafter. The Committee, therefore, decided the following:

I. Export obligation period be extended from 36 months to 48 months i.e. upto **30.11.2015** for regularisation of exports already effected.
II. This will be allowed subject to payment of composition fee @ 0.5% of FOB value of exports made after 36th month but upto 42nd month and @ 0.5% per month of FOB value of exports made after 42nd month but upto 48th month.
III. The minimum value addition of 15% shall be maintained.
IV. Shortfall, if any, shall be regularised in terms of Para 4.49 of HBP, 2015-2020.

Case No 11: M/s. Torrent Pharmaceuticals Ltd., Ahmedabad
F.No. 01/60/162/263/AM17/EFGC(PRC)
PRC Meeting No. 09/AM17dated 24.06.2016
Subject: -Request for extension of EOP against Advance authorization No. 0810133374 dt. 18.09.2014 issued under PC- 9 conditions.

Decision:

The Committee noted that the Authorization No. 0810133374 dt. 18.09.2014 was issued with conditions stipulated under PC-9 dated 30.06.2003, which allows 12 months period for EO fulfillment from import of each consignment. The imports were made on 10.10.2014. Accordingly, initial export obligation period was upto 31.10.2015. The applicant has fulfilled 54.98% export obligation during the initial obligation period and 28.56% 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 consignment dated 10.10.2014 i.e. upto **30.04.2016.**

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 FOB value of export 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. The applicant has to pay duty plus interest on inputs consumed and exported after 18 months from the date of import consignment.

VII. PC 18 condition to be followed on unutilised inputs.

(Action: RA, Ahmedabad)

Case No 12: M/s. Unimark Remedies Ltd., Mumbai
F.No. 01/60/162/195/AM17/EFGC(PRC)
PRC Meeting No. 09/AM17dated 24.06.2016
Subject:- Request for clubbing & Redemption of Advance Authorization No (1). 0310355180 dt. 10.11.2005, (2) 0310355236 dt. 11.11.2005 (3) 0310369964 dt. 03.03.2006 and (4) 0310381107 dt. 19.05.2006.

Decision:

Deferred for examination of Pre-import condition for import of Penicillin G at the relevant policy period.

(Action: PRC)

Case No 13: M/s. Nagel Special Machines Pvt. Ltd., Bangalore
F.No. 01/60/162/230/AM17/EFGC(PRC)
PRC Meeting No. 09/AM17dated 24.06.2016
Subject: -Request for relaxation for submitting the bill of export against Advance Authorization no. 0710079345 dt. 24.05.2011.

Decision:

The committee noted that the applicant has sought exemption from submission of "Bill of Export" for the purpose of regularization and redemption of the Advance Authorization. However, the committee observed that the exports were made to a SEZ unit without generation Bill of export and without indicating details of Advance Authorisation in ARE-1 while removing the goods from the factory. Para 4.12 of FTP categorically provides indicating of inputs consumed in the resultant product in the export documents. Hence, requirement of such documents cannot be waived, as no other way of evidencing consumption of duty free inputs imported against the Authorisation. Hence, the request was rejected. The applicant has to get the case regularized in terms of Para 4.49 of HBP, 2015-2020.

(Action: RA, Bangalore: if the applicant fails to get the case regularized within a month from the date of uploading of these minutes on the Directorate website, necessary action as per the provisions of F.T. (DR) Act, shall be initiated)

Case No 14: M/s. Torrent Pharmaceuticals Ltd., Ahmedabad
F.No. 01/60/162/250/AM17/EFGC(PRC)
PRC Meeting No. 09/AM17dated 24.06.2016
Subject: - Request for EOP extension of Advance Authorization no. 0810132141 dt. 04.06.2014 issued under PC-9 conditions

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

The Committee noted that the Authorization No. 0810132141 dt. 04.06.2014 was issued with conditions stipulated under PC-9 dated 30.06.2003, which allows 12 months period for EO fulfillment from import of each consignment. The imports were made on 05.07.2014. Accordingly, initial export obligation period was upto 31.07.2015. The applicant has fulfilled 68% export obligation during the initial obligation period and 15.8% 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 consignment dated 05.07.2014 i.e. upto **31.01.2016**.
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 FOB value of export 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. The applicant has to pay duty plus interest on inputs consumed and exported after 18 months from the date of import consignment.
VII. PC 18 condition to be followed.

(Action: RA, Ahmedabad)

Case No 15: M/s. Unichem Laboratories Ltd., Mumbai
F.No. 01/60/162/256/AM17/EFGC(PRC)
PRC Meeting No. 09/AM17dated 24.06.2016
Subject: -Request for EOP extension & waiver of PC-18 condition of Advance Authorization no. 0310784928 dt. 10.06.2014 issued under PC-9 Condition.

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

The Committee noted that the Authorization No. 0310784928 dt. 10.06.2014 was issued with conditions stipulated under PC-9 dated 30.06.2003, which allows 12 months period for EO fulfillment from import of each consignment. The imports were made on 07.07.2014, 07.02.2015. Accordingly, initial export obligation period was upto 31.07.2015 and 28.02.2016, respectively. The applicant has fulfilled 98.22% export obligation during the initial obligation period and 1.78% 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 each import consignment i.e. upto **31.01.2016 and 31.08.2016,** respectively.
ii. This is subject to a payment of composition fee @ 0.5% on FOB value of export made after initial obligation period.
iii. 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.
iv. The minimum value addition of 15% as prescribed under Para 4.09 of FTP (2015-2020) shall be maintained. There shall be no PC-18 waiver.

(Action: RA, Mumbai)

Case No 16: M/s. Torrent Pharmaceuticals Ltd., Ahmedabad
F.No. 01/60/162/248/AM17/EFGC(PRC)
PRC Meeting No. 09/AM17dated 24.06.2016
Subject: - Request for EOP extension of Advance Authorization no. 0810133078 dt. 22.08.2014 issued under PC-9 conditions.

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

The Committee noted that the Authorization No. 0810133078 dt. 22.08.2014 was issued with conditions stipulated under PC-9 dated 30.06.2003, which allows 12 months period for EO fulfillment from import of each consignment. The imports were made on 08.09.2014. Accordingly, initial export obligation period was upto 30.09.2015. The applicant has fulfilled 63.29% export obligation during the initial obligation period and 28.20% 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 consignment dated 08.09.2014 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% on FOB value of export 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. The applicant has to pay duty plus interest on inputs consumed and exported after 18 months from the date of import consignment.
VII. PC 18 condition on unutilised inputs shall be followed.

(Action: RA, Ahmedabad)

Case No 17: M/s. Jodas Expoim Pvt. Ltd., New Delhi
F.No. 01/60/162/249/AM17/EFGC(PRC)
PRC Meeting No. 09/AM17dated 24.06.2016

Subject: - Request for EOP extension of Advance Authorization no. 0510391568 dt. 13.10.2014 issued under PC-9 condition.

Decision:

The Committee noted that the Authorization No. 0510391568 dt. 13.10.2014 was issued with conditions stipulated under PC-9 dated 30.06.2003, which allows 12 months period for EO fulfillment from import of each consignment. The imports were made on 13.11.2014. Accordingly, initial export obligation period was upto 30.11.2015. The applicant has fulfilled 73.48% export obligation during the initial 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 import consignment dated 13.11.2014 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 FOB value of export 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. The applicant has to pay duty plus interest on inputs consumed and exported after 18 months from the date of import consignment.
VII. PC-18 condition on unutilised inputs shall be followed.

(Action: RA, CLA, New Delhi)

Case No 18: M/s. J. Duncan Healthcare Pvt. Ltd., Thane
F.No. 01/60/162/258/AM17/EFGC(PRC)
PRC Meeting No. 09/AM17dated 24.06.2016
Subject: -Request for waiver of PC-18 condition requiring destruction certificate of alleged excess imported quantity of raw materials. Advance Authorization no. 0310696563 dt. 29.05.2012.

Decision:

The committee noted that the applicant has imported 91Kgs drug from unregistered sources. As per Shipping Bills, he has utilised 80 Kgs of it in the resultant product and exported the same. Justification for excess consumption beyond permitted norms given by the applicant was not acceptable to the committee. The committee, therefore, decided the following:

i. The applicant shall pay to the Customs Authority duty and interest on unutilised inputs i.e. on 11kgs and submit proof thereof to RA.
ii. Production of destruction certificate in terms of PC-18 condition stands waived for 11kgs subject to payment of composition fee of Rupees Ten Thousand (Rs.10000/-) to RA.

Case No 19: M/s. Unimark Remedies Ltd., Mumbai
F.No. 01/60/162/209/AM17/EFGC(PRC)
PRC Meeting No. 09/AM17dated 24.06.2016
Subject: -Request for clubbing of 2 advance authorization no. 0310380611 dt. 16.05.2006 and 0310435644 dt. 10.07.2007 for regularization purpose.

Decision:

Deferred for examination of Pre-import condition for import of Penicillin G at the relevant policy period.

(Action: PRC)

Case No 20: M/s. Arti Drugs Ltd., Mumbai
F.No. 01/60/162/229/AM17/EFGC(PRC)
PRC Meeting No. 09/AM17dated 24.06.2016
Subject: - Request for Second Revalidation of Advance Authorization no. 0310787616 dt. 05.08.2014.

Decision:

The Committee observed that the applicant has already been granted one revalidation of six months by the RA, despite that the applicant could not utilize the Authorization. No case of genuine hardship established. Therefore, the Committee did not accede to the request.

Case No 21: M/s. Abdos Lamitubes Pvt. Ltd., Guwahati
F.No. 01/60/162/262/AM17/EFGC(PRC)
PRC Meeting No. 09/AM17dated 24.06.2016
Subject: - Request for revalidation and transferability of DFIA no. 1410000569 dated 20.08.2014 on account of expiry of transferable license due to non-transmission of data at custom portal.

Decision:

The committee noted that Authorisation was made transferable on 08.02.2016 and it was remain valid till 28.02.2016. However, as per screen shot provided by the applicant, it was showing in the Customs sever not transferable till 23.02.2016. The committee, therefore, deferred the case for seeking report from EDI.

(Action: EDI/JDG, AS)

Case No 22: M/s. Unimark Remedies Ltd., Mumbai
F.No. 01/60/162/210/AM17/EFGC(PRC)
PRC Meeting No. 09/AM17dated 24.06.2016
Subject: - Request for clubbing of 3 Advance Authorization no. 0310436317 dt. 16.07.2007, 0310435661 dt. 10.07.2007 and 0310437317 dt.. 24.07.2007.

Decision:

The Committee noted that all the 3 above referred Advance Authorisations were issued in 2007. Initial export obligation was 24 months in all Authorisations. Exports in the subsequent Authorisations are made within the initial export obligation period of the first Authorisation i.e. before 31.07.2009. The Committee, therefore, decided the following:

I. Clubbing of the 3 Advance Authorizations, as referred above be allowed.
II. Exports made upto 31.07.2009 shall only be taken into account towards clubbing and discharge of EO.
III. RA shall examine the case in terms of Para 4.09 of FTP (2015-2020) and ensure value addition of minimum 15%. The 15% value addition for evaluating entitlement shall be applied on the clubbed FOB and CIF of the Authorizations.
IV. RA shall ensure proper accounting of the duty free inputs with reference to the export product while clubbing the Authorizations. On clubbing, shortfall if any, shall be regularized on payment of Customs Duty and applicable Interest to the Customs Authority, in terms of Para 4.49 of HBP, 2015-2020.

(Action: RA, Mumbai)

Case No 23: M/s. Unimark Remedies Ltd., Mumbai
F.No. 01/60/162/207/AM17/EFGC(PRC)
PRC Meeting No. 09/AM17dated 24.06.2016
Subject: -Request for clubbing of 3 Advance Authorization no. (1) 0310360462 dt. 22.12.2005, (2). 0310365254 dt. 31.01.2006 and (3). 0310365479 dt. 01.02.2006.

Decision:

Deferred for examination of EO Period against import of Penicillin G at the relevant policy period.

(Action: PRC)

Case No 24: M/s. Sentiss Pharma Pvt. Ltd.,
F.No. 01/60/162/136/AM16/EFGC(PRC)
PRC Meeting No. 09/AM17dated 24.06.2016
Subject: - Request for waiver from Destruction certificate as per PC-18 in respect of imported drugs form unregistered sources against Advance Authorization no. 0510267953 dt. 12.07.2010 issued under PC-9 condition for regularization / closure purpose.

Decision:

The committee noted that the applicant has imported 48.44kgs drug of CIF value of Rs. 55,42,614/-. The export obligation period against the Authorisation was 12 months from the date of import. However, the applicant did not make any export within the initial obligation period. The applicant has claimed that they have exported 38.291kgs under free Shipping Bills and 2.295kgs against three Advance Authorisations, which has been redeemed. There was process loss on account of testing of FG etc. to the extent of

7.854kgs. They have, however, paid duty plus interest against entire imported quantity of 48.44kgs. Hence, sought waiver of PC-18 conditions.

The committee was of the view that the applicant has failed to establish co-relation between goods imported from unregistered sources and export of the same. Justification given by the applicant was not acceptable to the committee. Therefore, taking into account considerable quantity, which could harm health of Indian Citizens, the committee decided not to accede to the request. RA is hereby directed to take action as per the provisions of FT(DR)Act, 1992, as amended.

Since, import of sub-standard or misbranded drug is an offence under section 10 of Drugs and Cosmetic Act, 1940, the matter shall, therefore, also be referred to the Drug Controller General of India for necessary action at their end.

(Action: RA, CLA)

Case No 25: M/s. Ramsons Cycles (P) Ludhiana
F.No. 01/60/162/193/AM17/EFGC(PRC)
PRC Meeting No. 09/AM17dated 24.06.2016
Subject: -Request for EOP extension of DFIA no. 3010088829 dt. 05.09.2012 for regularization purpose.

Decision:

The committee noted that the above mentioned Authorisation was issued having initial obligation period of 18 months. The RA has extended obligation period by six months i.e. upto 24 months on the request of the applicant. The applicant has imported 100% and exported 81% within extended obligation period. RA is empowered to allow one more extension of six months but the applicant did not avail the facility. PRC, on merit of the case, normally considers six months further extension. So effectively EO period could be extended upto 36 months, which has lasted on 30.09.2015. Whereas, the applicant has approached the PRC on 07.04.2016 and no exports are made after extension granted by the RA. The committee therefore, did not accede to the request. The applicant has to get the case regularized in terms of Para 4.49 of HBP, 2015-2020.

(Action: RA, Ludhiana: if the applicant fails to get the case regularized within a month from the date of uploading of these minutes on the Directorate website, necessary action as per the provisions of F.T.(DR)Act, shall be initiated)

Case No 26: M/s. Aarti Drugs Ltd., Mumbai
F.No. 01/60/162/251/AM16/EFGC(PRC)
PRC Meeting No. 09/AM17dated 24.06.2016
Subject: -Request for revalidation of Advance Authorization no. 0310786512 dt. 08.07.2014.

Decision:

The committee observed that the applicant has imported item No one 100%, second item 92.52% and third NIL. RAs are empowered to allow six months revalidation on the request of the applicant. However, the applicant did not avail that facility. No cogent reason of genuine hardship is given. Hence, no merit in the case. The committee, therefore, did not accede to the request.

Case No 27: M/s. Jodas Expoim Pvt. Ltd., Hyderabad
F.No. 01/60/162/259/AM17/EFGC(PRC)
PRC Meeting No. 09/AM17dated 24.06.2016
Subject: - Request for EOP extension of Advance Authorization no. 0910061522 dt. 09.01.2015 issued under PC-9 conditions.

Decision:

The Committee noted that the Authorization No. 0910061522 dt. 09.01.2015 was issued with conditions stipulated under PC-9 dated 30.06.2003, which allows 12 months period for EO fulfillment from import of each consignment. The imports were made on 03.02.2015. Accordingly, initial export obligation period was upto 28.02.2016. The applicant has fulfilled 85.80% export obligation during the initial 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 import consignment dated 03.02.2015 i.e. upto **31.08.2016**
II. This is subject to a payment of composition fee @ 0.5% on FOB value of export made after initial obligation period.
III. 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.
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 28: M/s. Finolex Cables Ltd., Pune
F.No. 01/60/162/184/AM17/EFGC(PRC)
PRC Meeting No. 09/AM17dated 24.06.2016
Subject:- Request for extension of export obligation period against Advance Authorization no. 3110020955 dt 27.06.2005 for regularisation and redemption purpose as per para 2.58 of FTP.

Decision:

The Committee observed that the Authorisation was issued having initial obligation period of 24 months. As per the prevalent procedure, RA was empowered to allow two extension of six months each on payment of composition fee. However, vide PN 151 dated 26.02.2009 read with PC 80 dated 13.04.2009, export obligation period was extended upto 36 months without payment of any composition fee. However, the applicant did not avail such facility extended by DGFT.

In terms of Para 4.24 of HBP, 2004-2009, the Authorisation holder was under obligation to submit documents towards discharge of export obligation within two months from the date of expiry of obligation period. The applicant did not give any reason of not submitting prescribed documents in the prescribed time to RA for redemption of BG/LUT. The applicant has fulfilled only 15.61% of its stipulated export obligation within the initial export obligation period of 24 months i.e. upto 30.06.2007 and 74.89% after 36 months. Normally, the Committee, on merit of the case, allows extension upto 36 months from the date of issue of the Authorisation, for regularization purpose where applicant has fulfilled 100% export obligation. However, in this case, since the applicant has not fulfilled the stipulated export obligation even within the maximum extendable period of 36 months, from the date of issue of the Authorisation, the Committee did not accede to the request. The applicant is hereby directed to get the case regularised in terms of Para 4.49 of HBP, 2015-2020.

(Action: RA, Pune: if the applicant fails to get the case regularized within a month from the date of uploading of these minutes on the Directorate website, necessary action as per the provisions of F.T. (D&R) Act, 1992, as amended shall be initiated)

Case No 29: M/s. Jodas Expoim Pvt. Ltd., Hyderabad
F.No. 01/60/162/254/AM17/EFGC(PRC)
PRC Meeting No. 09/AM17dated 24.06.2016
Subject: - Request for EOP extension of Advance Authorization no. 0910061562 dt. 27.01.2015 issued under PC-9 condition.

Decision:

The Committee noted that the Authorization No. 0910061562 dt. 27.01.2015 was issued with conditions stipulated under PC-9 dated 30.06.2003, which allows 12 months period for EO fulfillment from import of each consignment. The imports were made on 17.02.2015. Accordingly, initial export obligation period was upto 28.02.2016. The applicant has fulfilled 81.82% export obligation during the initial 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 import consignment dated 17.02.2015 i.e. upto **31.08.2016**
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 FOB value of export 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.

(Action: RA, Hyderabad)

Case No 30: M/s. Aarti Drugs Ltd., Mumbai
F.No. 01/60/162/252/AM17/EFGC(PRC)
PRC Meeting No. 09/AM17dated 24.06.2016
Subject: -Request for Revalidation / EOP extension against Advance Authorization No. 0310785674 dt. 19.06.2014 issued under PC-9 condition.

Decision:

The Committee noted that the Authorization No. 0310785674 dt. 19.06.2014 was issued with conditions stipulated under PC-9 dated 30.06.2003, which allows 12 months period for EO fulfillment from import of each consignment. The imports were made on 25.08.2014. Accordingly, initial export obligation period was upto 31.08.2015. The applicant has imported four items fully and claims to have fulfilled 100% export obligation during the initial obligation period. However, it was observed that some shipments were effected prior to imports made against the Authorisation. Whereas, in case import of drugs from unregistered sources are made, exports in such cases should be effected from resultant products manufactured out of imported drugs from unregistered sources only. Appendix-4J stipulates pre-import conditions in such cases. DTA sale of such drug or products manufactured out of it is not allowed, as per Section 10 of Drugs and Cosmetic Act, 1940. Taking all these facts into account, the Committee decided the following:

I. Exports made prior to imports shall not be taken into account towards discharge of export obligation.
II. Obligation period be extended from 12 months to 18 months against import consignment dated 25.08.2014 i.e. upto **28.02.2016**
III. This will be subject to a payment of composition fee @ 0.5% on 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. Request for revalidation of Authorisation to make further import be rejected.

(Action: RA, Mumbai)

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

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