Minutes of the Policy Relaxation Committee Meeting held under the Chairmanship of DGFT, Shri Anup Wadhawan, on 02.08.2016

Meeting No. 14/AM17 held on 02.08.2016 at 9:30 AM

The following Members were present in the meeting:

1.	Shri D.K. Singh	Addl. DGFT
2.	Shri K.C. Rout	Addl. DGFT
3.	Shri Darshan Singh	Addl. DGFT
4.	Shri J.V. Patil	Addl.DGFT
5.	Shri S.B.S. Reddy	Addl.DGFT
6.	Shri Jay Karan Singh	Jt. DGFT
7.	Shri AkashTaneja	Jt. DGFT
8.	Shri S.K. Mohapatra	Dy. DGFT
9.	Ms. Nivedita Roy Choudhury	FTDO

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

Case No.1: M/s. Torrent Pharmaceuticals Ltd., Ahmedabad.

F.No. 001/60/162/443/AM17/ PRC

PRC Meeting No. 14/AM17 dated 02.08.2016

Subject:- Request for EOP extension of Advance Authorization No.0810098788 dt. 29.04.2011 issued under PC 9 condition.

Decision:

The Committee noted that the Authorization No. 0810098788 dt. 29.04.2011 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 12.07.2011. Accordingly, initial obligation period was upto 31.07.2012. The applicant has fulfilled 69.29% export obligation during the initial export obligation period and remaining obligation thereafter. Taking all these facts into account, the Committee decided the following:

I. Export obligation period be extended from 12 months to 18 months i.e. upto **31.01.2013**
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 on unfulfilled FOB.
V. The minimum value addition of 15% as prescribed under Para 4.09 of FTP(2015-2020) shall be maintained.

(Action: RA, Ahmedabad)

Case No. 2: M/s. Airen Metals Pvt. Ltd., Jaipur.

F.No. 01/60/162/451/AM17/ PRC

PRC Meeting No. 14/AM17 dated 02.08.2016

Subject:- Request for revalidation of four Advance Authorizations No.(i) 0510374375 dt. 24.12.2013; (ii) 0510377259 dt. 28.01.2014; (iii) 0510377260 dt. 28.01.2014 and (iv) 0510391138 dt. 16.09.2014.

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Decision:

The committee noted that the Authorisations were issued having validity of 12 months. RA is empowered to allow further revalidation for six months in continuation. However, the applicant has not availed the facility. The Authorisations have been expired on 31.12.2014, 31.01.2015, 31.01.2015 & 30.09.2015, respectively. However, the applicant has approached the PRC only on 27.06.2016 i.e. after expiry of six months extendable period. There is no cogent reason of genuine hardship established. Hence, the committee did not accede to the request.

Case No.3: M/s. Pharmachem, Delhi.

F.No. 01/60/162/809/AM16/ PRC

PRC Meeting No. 14/AM17 dated 02.08.2016

Subject:- Request for clubbing of six Advance Authorizations No.(i) 0510216423 dt. 14.02.2008; (ii) 0510217600 dt. 10.03.2008; (iii) 0510218493 dt. 26.03.2008; (iv) 0510218494 dt. 26.03.2008; (v) 0510233061 dt. 19.12.2008 and (vi) 0510239034 dt. 27.03.2009.

Decision:

The Committee noted that all the Authorisation were issued in 2008-2009 having initial obligation period of 24 months and exports in the subsequent Authorizations are made within the initial/extendable export obligation period of the first Authorization. The Committee, therefore, decided the following:

I. Export obligation period be extended from 24 months to 30 months that is upto 31.08.2010 against the Authorisation No 0510216423 dt. 14.02.2008.

II. This will be subject to payment of composition fee @ 0.5% of FOB value of exports made after 28.02.2010.

III. Clubbing of 6 Advance Authorizations, as referred above, be allowed.

IV. Exports made upto **31.08.2010** shall only be taken into account towards clubbing and discharge of EO.

V. 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.

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

VII. This will, however, be allowed subject to the condition that no case has been redeemed and no adjudication order has been passed either by RA or Customs Authority.

(Action: RA, CLA, New Delhi)

Case No.4: M/s. Pharmachem, Delhi.

F.No. 01/60/162/810/AM16/ PRC

PRC Meeting No. 14/AM17 dated 02.08.2016

Subject:- Request for clubbing of four Advance Authorizations No.(i) 0510205418 dt. 27.06.2007; (ii) 0510215890 dt. 05.02.2008; (iii) 0510216422 dt. 14.02.2008 and (iv) 0510245159 dt. 03.07.2009.

Decision:

The Committee noted that all the Authorisations were issued in 2007-2009 having initial obligation period of 24 months and exports in the subsequent Authorizations are made within the initial/extendable export obligation period of the first Authorization. The Committee, therefore, decided the following:

I. Export obligation period be extended from 24 months to 30 months that is upto 31.12.2009 against Authorization No 0510205418 dt. 27.06.2007.
II. This will be subject to payment of composition fee @ 0.5% of FOB value of exports made after 30.06.2009.
III. Clubbing of the 4 Advance Authorizations, as referred above, be allowed.
IV. Exports made upto **31.12.2009** shall only be taken into account towards clubbing and discharge of EO.
V. 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.
VI. 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 in terms of Para 4.49 of HBP, 2015-2020.
VII. This will, however, be allowed subject to the condition that no case has been redeemed and no adjudication order has been passed either by RA or Customs Authority.

(Action: RA, CLA, New Delhi)

Case No.5: M/s. Piramal Enterprises Ltd., Mumbai.

F.No. 01/60/162/446/AM17/ PRC

PRC Meeting No. 14/AM17 dated 02.08.2016

Subject:- Request for accounting the export of S/Bill No.7781593 dt.28.02.2012 and waiver of PC-18 condition and grant of EOP extension against Advance Authorization No.0310641444 dt. 11.07.2011.

Decision:

The Committee noted that the Authorization No. 0310641444 dt. 11.07.2011 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 01.08.2011, 02.07.2013. Accordingly, initial obligation period was upto 01.08.2012 and 31.07.2014, respectively. The applicant has fulfilled 55.75% export obligation during the initial export obligation period. However, remaining 34.71% (293.67Kgs) exports were made through S/b No 7781593 dated 28.02.2012 indicating Authorisation No 0310612554 dated 25.01.2011. The applicant has claimed that the said shipping has not been accounted towards discharge of the said AA, which can be verified from the statement along with redemption letter issued by the RA. Further, they destroyed the balance raw materials in the presence of the Excise Authority i.e. 84.84kgs. Taking all these facts into account, the Committee decided the following:

I. Export obligation period be extended from 12 months to 18 months i.e. upto **28.02.2013 and 31.01.2015**, respectively for each consignment.
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 on unfulfilled FOB.
V. The minimum value addition of 15% as prescribed under Para 4.09 of FTP(2015-2020) shall be maintained.
VI. Shipping bill 7781593 dated 28.02.2012 shall be taken into account towards discharge of export obligation provided RA shall ensure that the same has not been accounted against Advance Authorisation 0310612554 dated 25.01.2011.
VII. This will be subject to payment of Rs.200/- as composition fee.

(Action: RA, Mumbai)

Case No.6: M/s. Honda Motorcycle & Scooter India, New Delhi

F.No. 01/60/162/468/AM17/ PRC

PRC Meeting No. 14/AM17 dated 02.08.2016

Subject:- Request for policy relaxation for FMS authorization against Shipping Bill No.3257720 & 3633383.

Decision:

The committee noted that the applicant has submitted 46 shipping bills for issuance of Duty Credit Scrip under FMS. RA has issued scrip against 44 shipping bills and reasons for not accepting remaining two Shipping Bills are not clear. Therefore the case is deferred for seeking a report from RA in this matter.

(Action: RA, CLA)

Case No.7: M/s. Prachi Pharmaceuticals P. Ltd., Mumbai.

F.No. 01/60/162/452/AM17/ PRC

PRC Meeting No. 14/AM17 dated 02.08.2016

Subject:- Request for clubbing of three Advance Authorizations No.(i) 0310538255 dt. 17.09.2009; (ii) 0310664592 dt. 14.11.2011 and (iii) 0310668353 dt. 01.12.2011.

Decision:

The Committee noted that the above mentioned three Advance Authorizations were issued within 36 months of first Authorisation. The Committee, therefore, decided the following:

I. Clubbing of the 3 Advance Authorizations, as referred above, be allowed.

II. Export obligation period against Authorization No 0310538255 dt. 17.09.2009 be extended from 36 months to 48 months that is upto 30.09.2013.

III. This will be allowed subject to payment of composition fee @ 0.5% of FOB value of exports made in clubbed Authorisations after 36th month but upto 42nd month and @ 0.5% per month of FOB value of export made after 36th month but upto 48th month.

IV. However, exports made upto **30.09.2013** shall only be taken into account towards clubbing and discharge of EO.

V. 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.

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

(Action: RA, Mumbai)

Case No.8: M/s. Intas Pharmaceuticals Ltd., Ahmedabad.

F.No. 01/60/162/518/AM17/ PRC

PRC Meeting No. 14/AM17 dated 02.08.2016

Subject:- Request for EOP extension of Advance Authorization No.0810134495 dt. 04.02.2015 issued under PC-9 condition.

Decision:

The Committee noted that the Authorization No. 0810134495 dt. 04.02.2015 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 24.02.2015. Accordingly, initial obligation period was upto 28.02.2016. The applicant has fulfilled more than 50% 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 i.e. upto **31.08.2016**.
II. This will be 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 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, Ahmedabad)

Case No.9: M/s. Intas Pharmaceuticals Ltd., Ahmedabad.

F.No. 01/60/162/516/AM17/ PRC

PRC Meeting No. 14/AM17 dated 02.08.2016

Subject:- Request for EOP extension of Advance Authorization No.0810134883 dt. 24.03.2015 issued under PC-9 condition.

Decision:

The Committee noted that the Authorization No. 0810134883 dt. 24.03.2015 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 09.04.2015. Accordingly, initial obligation period was upto 30.04.2016. The applicant had made no exports during the initial export obligation period however fulfilled 100% obligation thereafter. Taking all these facts into account, the Committee decided the following:

I. Export obligation period be extended from 12 months to 18 months i.e. upto **31.10.2016**.
II. This will be subject to a payment of composition fee @ 0.5% per month on FOB value of export 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.

(Action: RA, Ahmedabad)

Case No.10: M/s. Gupta Synthetics Ltd., Surat.

F.No. 01/60/162/644/AM16/ PRC

PRC Meeting No. 14/AM17 dated 02.08.2016

Subject:- Request for EOP extension & Clubbing of 9 Advance Authorizations No.(i) 5210020954 dt. 11.01.2007; (ii) 5210021422 dt. 09.04.2007; (iii) 5210026437 dt. 06.05.2009; (iv) 5210026446 dt. 06.05.2009; (v) 5210028178 dt. 11.09.2009; (vi) 5210030156 dt. 31.03.2010; (vii) 5210029637 dt. 11.02.2010; (viii) 520030939 dt. 03.06.2010 and (ix) 5210031369 dt. 15.07.2010 for redemption purpose.

Decision:

This case was discussed in the meeting it is observed that import items are not common. Therefore PRC decided to ask the applicant on what basis they are requesting for clubbing.

Case No.11: M/s. Cadila Healthcare Ltd., Ahmedabad.

F.No. 01/60/162/481/AM17/ PRC

PRC Meeting No. 14/AM17 dated 02.08.2016

Subject:- Request for condonation of delay in claim of benefits of DEPB Scheme against 8 S/Bills claimed under File No.08/91/51/14/AM15 from RA, Ahmedabad.

Decision:

The committee noted that in terms of Para 4.46 of HBP, 2009-2015 read with Para 9.3 of said HBP, application for DEPB claim could be filed within 36 months from the date of exports or

30 months from the date of realization of payments or 27 months from the date of release of Shipping Bills, whichever is later. Exports in this case were effected in August, 2010 to February, 2011. Accordingly, claim could had been filed by August, 2013 whereas claim has been filed in September, 2014. There is no justification for not filing claim within long duration of 3 years. The committee, therefore, did not consider it a case of genuine hardship. Hence, did not accede to the request.

Case No.12: M/s. Cadila Healthcare Ltd., Ahmedabad.

F.No. 01/60/162/507/AM17/ PRC

PRC Meeting No. 14/AM17 dated 02.08.2016

Subject:- Request for condonation of delay in claim of benefits of DEPB Scheme against 2 S/Bills claimed under File No.08/91/51/017/AM15 from RA, Ahmedabad.

Decision:

The committee noted that in terms of Para 4.46 of HBP, 2009-2015 read with Para 9.3 of said HBP, application for DEPB claim could be filed within 36 months from the date of exports or 30 months from the date of realization of payments or 27 months from the date of release of Shipping Bills, whichever is later. Exports in this case were effected in November, 2010 to Jun, 2011. Accordingly, claim could had been filed by November, 2013 whereas claim has been filed in September, 2014. There is no justification for not filing claim within long duration of 3 years. The committee, therefore, did not consider it a case of genuine hardship. Hence, did not accede to the request.

Case No.13: M/s. Cadila Healthcare Ltd., Ahmedabad.

F.No. 01/60/162/505/AM17/ PRC

PRC Meeting No. 14/AM17 dated 02.08.2016

Subject:- Request for condonation of delay in claim of benefits of DEPB Scheme against 5 S/Bills claimed under File No.08/91/51/15/AM15 from RA, Ahmedabad.

Decision:

The committee noted that in terms of Para 4.46 of HBP, 2009-2015 read with Para 9.3 of said HBP, application for DEPB claim could be filed within 36 months from the date of exports or 30 months from the date of realization of payments or 27 months from the date of release of Shipping Bills, whichever is later. Exports in this case were effected in June, 2011 to September, 2011. Accordingly, claim could had been filed by June, 2013 whereas claim has been filed in September, 2014. There is no justification for not filing claim within long duration of 3 years. The committee, therefore, did not consider it a case of genuine hardship. Hence, did not accede to the request.

Case No.14: M/s. Cadila Healthcare Ltd., Ahmedabad.

F.No. 01/60/162/506/AM17/ PRC

PRC Meeting No. 14/AM17 dated 02.08.2016

Subject:- Request for condonation of delay in claim of benefits of DEPB Scheme against 4 S/Bills claimed under File No.08/91/51/16/AM15 from RA, Ahmedabad.

Decision:

The committee noted that in terms of Para 4.46 of HBP, 2009-2015 read with Para 9.3 of said HBP, application for DEPB claim could be filed within 36 months from the date of exports or 30 months from the date of realization of payments or 27 months from the date of release of Shipping Bills, whichever is later. Exports in this case were effected in February, 2011 to August, 2011. Accordingly, claim could had been filed by February, 2013 whereas claim has been filed in September, 2014. There is no justification for not filing claim within long duration of 3 years. The committee, therefore, did not consider it a case of genuine hardship. Hence, did not accede to the request.

Case No.15: M/s. Jindal Aluminum, Bangalore.

F.No. 01/60/162/499/AM17/ PRC

PRC Meeting No. 14/AM17 dated 02.08.2016

Subject:- Request for revalidation of Advance Authorization No.0710103218 dt. 26.03.2014.

Decision:

The committee noted that the Authorisation was issued having validity of 12 months to import. RA has extended validity for further six months. The applicant has completed 100% imports against 12 items out of 16. There is no case of genuine hardship. The committee did not find any merit in the case. Hence, the request was rejected.

Case No.16: M/s. Qualit Agro Processors, Madurai.

F.No. 01/60/162/538/AM17/ PRC

PRC Meeting No. 14/AM17 dated 02.08.2016

Subject:- Request for EOP extension of Advance Authorization No.3510044884 dt. 24.02.2016.

Decision:

The committee noted that the Authorisation was issued for import of raw pulses-Peas and export of yellow split -Peas. Such Authorisations are with pre-import condition and 90 days period for fulfillment of export obligation. Export of domestic pules is prohibited. Knowing all these facts, the applicant has failed to fulfill 100% export obligation within the stipulated time period. However, since the applicant has fulfilled 90% export obligation, the committee decided to allow one month extension from the date of endorsement subject to payment of an amount equivalent to 20% of CIF value of unutilised imported raw pules. The applicant is hereby directed to get endorsement on the Authorisation within 15 days from the date of uploading of these minutes on the Directorate website.

(Action: Applicant/RA, Madurai)

Case No.17: M/s. Gujarat Borosil Ltd., Mumbai

F.No. 01/60/162/553/AM15/ PRC

PRC Meeting No. 14/AM17 dated 02.08.2016

Subject:- Request for EOP extension due to non-transmission of amendment for additional export product for more than 9 months (9 amendments in total) in respect of Advance Authorisation NO.0310658104 dt. 05.10.2011.

Decision:

The request of the party is not clear. party to explain the problem in detail with documentary evidence and thereafter case can be placed in PRC for resolution.

Case No.18: M/s. RPG Life Sciences Ltd., Mumbai.

F.No. 01/60/162/1099/AM11/ PRC

PRC Meeting No. 14/AM17 dated 02.08.2016

Subject:- Request for revalidation of two DEPB Scrip No.0310512830 dt. 23.03.2009 and 0310473624 dt. 09.06.2008 due to non-transmission of license on customs site.

Decision:

The committee noted that the DEPB scrip was issued on 23.03.2009 having validity of 24 months. However, it is represented that it could not be registered with Customs within its validity. As per report from EDI, the DEPB was rejected with error Code 30 and 93 on 15.07.2016 by customs server. The case was therefore deferred for seeking report from ICEGATE/EDI with instruction to resolve the issue and furnish report.

(Action: PRC/EDI)

Case No.19: M/s. Rossari Biotech Ltd., Mumbai.

F.No. 01/60/162/397/AM17/ PRC

PRC Meeting No. 14/AM17 dated 02.08.2016

Subject:- Request for 2nd revalidation of Advance Authorization No.0310789473 dt. 19.09.2014.

Decision:

The committee noted that initially the Authorisation was accepted after a delay of two months and the amendment sheet no. 2 revalidation for six months has not been transmitted to DGFT server so far. Hence, the committee decided to remand the case to RA with instruction to resolve the issue and report to PRC.

(Action: RA, Mumbai)

Case No.20: M/s. Emerson Climate Technologies (India) P. Ltd., Pune.

F.No. 01/60/162/874/AM16/ PRC

PRC Meeting No. 14/AM17 dated 02.08.2016

Subject:- Request for 2nd revalidation of two Advance Authorization No.3110060490 dt. 30.09.2013 and 3110060422 dt. 24.09.2013.

Decision:

The committee noted that both the DEPB were rejected by the Customs server with error Code No 93 on 12.02.2016 and 15.07.2016. The case was therefore deferred for seeking report from ICEGATE/EDI with instruction to resolve the issue and furnish report.

(Action: ICEGATE/EDI)

Case No.21: M/s. B.S. Industries, Mumbai.

F.No. 01/60/162/888/AM16/ PRC

PRC Meeting No. 14/AM17 dated 02.08.2016

Subject:- Request for revalidation of DFIA No.0310760341 dt. 03.12.2013.

Decision:

It is observed from the EDI report that the DFIA was issued having 12 months validity which was accepted by customs server on 09.12.2013. Third amendment was accepted on 01.07.2015. Fourth amendment was accepted on 06.07.2015. The fifth amendment was accepted on 17.7.2015. Whereas the said DFIA was remain valid till 31.12.2015. There is sufficient time for utilization.

However, the case was deferred for seeking report from RA. RA shall furnish report about all events that is date of submission of request, request for what and date of amendment carried out.

(Action: RA, Mumbai)

Case No.22: M/s. Waman Products P. Ltd., New Delhi.

F.No. 01/60/162/581/AM16/ PRC

PRC Meeting No. 14/AM17 dated 02.08.2016

Subject:- Request for revalidation/transferability against DFIA No.0510321670 dt. 03.04.2012.

Decision:

The committee noted that the DFIA was issued on 03.04.2012 valid for 24 months, which was accepted by Custom server on 03.04.2012. The said DFIA was issued with AU condition until transferability is obtained on fulfillment of stipulated export obligation. The applicant was aware that transferability could be obtained within its validity only. However, he was free to import duty free goods within its validity. Hence, no merit in this case. Therefore, the committee did not accede to the request.

Case No.23: M/s. Greenplay Industries Ltd., Kolkata.

F.No. 01/60/162/388/AM17/ PRC

PRC Meeting No. 14/AM17 dated 02.08.2016

Subject:- Request for revalidation of Advance Authorization No.0210193053 dt. 14.08.2013.

Decision:

The committee noted that the Authorisation was issued on 14.08.2013 having initial validity of 12 months to import. However, from EDI report, it is established that due to technical problem, it was accepted by Customs server on 15.01.2015. The committee, therefore, decided to allow six months revalidation from the date of endorsement. The applicant is hereby directed to produce the Authorisation to RA concerned for necessary endorsement within a month from the date of uploading of these minutes on the Directorate website.

(Action: Applicant/RA, Kolkata)

Case No.24: Al Nafees Proteins Pvt. Ltd., Delhi

F.No. 01/60/162/910/AM16/ PRC

PRC Meeting No. 14/AM17 dated 02.08.2016

Subject:- Request for revalidation of DEPB License No. 0510350395 dt. 28.03.2013 after correcting the error Code 13,02,38.

Decision:

The committee noted that the above referred DEPB was issued on 28.03.2013 having validity of 18 months to import. However, from EDI report, it is established that the said scrip was accepted by the Custom server with error code 13, 02, 38. The applicant, due to that reason, could not utilise the said DEPB. The committee, therefore, deferred the case for seeking report from ICEGATE. EDI section is instructed to take up issue with ICEGATE and submit report after resolving the same.

(Action: PRC/EDI)

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

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