Directorate General of Foreign Trade
(PRC Cell)

Minutes of the Policy Relaxation Committee Meeting held under the Chairmanship of DGFT, Shri Anup Wadhawan, on 20.09.2016

Meeting No. 18/AM17 held on 20.09.2016 at 10:00 AM

The following Members were present in the meeting:

1.	Shri Darshan Singh	Addl. DGFT
2.	Shri J.V. Patil	Addl.DGFT
3.	Shri S.B.S. Reddy	Addl.DGFT
4.	Shri Jay Karan Singh	Jt. DGFT
5.	Shri S.P. Roy	Jt. DGFT
6.	Shri S.K. Mohapatra	Dy. DGFT
7.	Shri Divya S. Iyer	Asstt. Secretary

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

Case No.1: M/s. Alstom T & D India Ltd., Vadodara. P.H. Case

F.No. 01/60/162/637/AM15/ PRC

PRC Meeting No. 18/AM17 dated 20.09.2016

Subject:- Request for extension of EO period and waiver of composition fee against Advance Authorization No.3410034815 dt. 07.08.2012.

Decision:

The representatives of the company appeared before the committee and made the following submissions:

1. They had obtained the Advance Authorisation No 3410034815 dt. 07.08.2012 for export of 330 MVA, 420/16.5 KV, 3-PH Transformers with tank to M/s Rattan India, Nashik Power Ltd. Co-developer of multi product SEZ, Nashik.
2. The contract awarded by Rattan India was of turnkey nature where Alstom's sole responsibility to ensure designing, engineering, manufacturing, testing, erection and commissioning and serving of transformers.
3. They have manufactured all 5 Transformers and 2 transformers have been supplied to the buyers.
4. Due to delay on the part of Government on the following issues, buyer stop acceptance of goods.
    i. Right of way for land acquisition towards railway sliding.
    ii. Supreme Court ruling on stopping of coal blocks.
    iii. Transmission line constraints.
    iv. Water pipe line delay.
    v. Sand-mining issue in Maharashtra.
    vi. Non-availability of power purchase agreement with state Government.
    vii. Delay in fuel supply agreement with concerned Authorities.
5. The power ministry has now approved commissioning date upto 31.03.2017 for this project.
6. They had tried to find other potential buyers, both locally and outside India during the validity of EOP but due to the following reasons it could not metalized:
    i. Tailor made Transformer requirement made it impossible to find compatible project requirements outside market.
    ii. After award of LOP, no other project has been ordered with a rating of 270 MW in the country.

7. Force Majeure in their case did not involve an act of God, but their situation deserve equal merit as the circumstances were beyond their control that also amount to force majeure.
8. They have submitted letter from M/s Ratan India for giving their consent for extension of project till the commissioning of all supplies and services.
9. They, therefore requested for grant of EOP extension upto 31.03.2017.

Decision:

The committee discussed the case at length. From the submissions made by the applicant, it was noted that the applicant has made all efforts to fulfill its export obligation within the prescribed time. However, the situations were not in his favour to complete balance export within the stipulated time. Hurdles from Government agencies have been main reasons for not completing exports in time. The committee, taken into consideration the facts and circumstances, decided the following:

i. Export obligation period be extended upto **31.03.2017**.
ii. The applicant shall execute a bank guarantee valid till 30.09.2017 for an amount equal to duty saved plus simple interest, as per rate notified by DoR, from the date of import and till 31.03.2017 in proportion to remaining 3 Transformers.
iii. If the applicant fails to discharge 100% export obligation within this extended period, RA shall forfeit the said BG after following the due procedure.

(Action: Applicant/RA, Vadodara)

Case No.2: M/s. Sun Pharmaceuticals Industries Ltd., Mumbai.

F.No. 01/60/162/620/AM17/ PRC

PRC Meeting No. 18/AM17 dated 20.09.2016

Subject:- Request for EOP extension of Advance Authorization No.0310788873 dt. 09.09.2014 issued under PC-9 condition.

Decision:

The Committee noted that the Authorization No. 0310788873 dt. 09.09.2014 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 14.10.2014. Accordingly, initial obligation period was upto 14.10.2015. The applicant has stated that they have fulfilled 40.21% export obligation during the initial export obligation period and 59.79% 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 **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% 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.3: M/s. Jodas Expoim Pvt. Ltd., New Delhi

F.No. 01/60/162/619/AM17/ PRC

PRC Meeting No. 18/AM17 dated 20.09.2016

Subject:- Request for EOP extension of Advance Authorization No.*0910061791 dt. 30.03.2015 issued under PC-9 condition.*

Decision:

The Committee *noted* that the Authorization No. 0910061791 dt. 30.03.2015 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 08.06.2015.

Accordingly, initial obligation period was upto 07.06.2016. The applicant has stated that they have fulfilled 56.93% 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 **31.12.2016**.
II. This will, however, 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, CLA, New Delhi)

Case No.4: M/s. MPD Industries P. Ltd., Indore.

F.No. 01/60/162/195/AM15/ PRC

PRC Meeting No. 18/AM17 dated 20.09.2016

Subject:- Request for condonation the procedural lapse of not generating Bill of Exports against 5 Advance Authorizations No.(i) 111026700 dt. 24.01.2012; (ii) 1110026719 dt/ 30.01.2012; (iii) 1110047256 dt. 11.09.2012; (iv) 5610002192 dt. 23.05.2013 & (v) 5610002193 dt. 23.05.2013 for regularization purpose.

Decision:

The committee noted that application for redemption of Advance Authorisation is submitted in ANF-4F. In the ANF-4F under Para (a) (ii) of guidelines for application (HBP, 2009-2014 Vol-I), it was categorically mentioned that exporter shall submit 'Bill of Export' along with other prescribed documents for redemption. And, in terms of Para 4.12 of FTP, exporter shall indicate consumption of inputs in the export documents. Further, for getting incentive on supply of goods to SEZ, Bill of Export is prescribed document under Rule 30 of SEZ, Rule, 2006. The committee was of the view that requirement of 'Bill of Export' as stipulated in the SEZ Rules, in addition to the FTP, cannot be dispensed with by PRC. The applicant is hereby directed to get the case regularised as per the provisions in Para 4.29 of HBP, 2009-2014.

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

Case No.5: M/s. Enzal Chemical India Ltd., Mumbai.

F.No. 01/60/162/645/AM17/ PRC

PRC Meeting No. 18/AM17 dated 20.09.2016

Subject:- Request for extension of EOP against Advance Authorization No.0310045699 dt. 18.07.2000.

Decision:

The committee noted that the Authorisation in question was issued in the year 2000 and the case has not been closed despite laps of 16 years. The committee, therefore, deferred the case for seeking report from RA. Report from RA should also specifically give reason for failure to monitor EO for the last 14 years.

(Action: RA, Mumbai)

Case No.6: M/s. HLL Lifecare Ltd., Trivandrum.

F.No. 01/60/162/267/AM17/ PRC

PRC Meeting No. 18/AM17 dated 20.09.2016

Subject:- Request for waiver of procedural requirement of HBP/Condonation of procedural lapse of not mentioning Advance Authorization No.5310010501 dt. 26.05.2010 in the S/Bills submitted towards fulfillment of Export Obligation.

Decision:

Shipping bill filed without mentioning details of Authorisation or any incentive schemes are treated as "free shipping bills". The procedure for clearance goods under of scheme shipping bills are different from the procedure for clearance of goods under free Shipping bills. Therefore, such shipping bill cannot be taken in to account towards discharge of export obligation against Advance Authorisation. 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: Applicant/RA, Trivandrum; 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 per the provisions of F.T.(D&R)Act, 1992, as amended shall be initiated)

Case No.7: M/s. HLL Lifecare Ltd., Trivandrum.

F.No. 01/60/162/271/AM17/ PRC

PRC Meeting No. 18/AM17 dated 20.09.2016

Subject:- Request for waiver of procedural requirement of HBP/Condonation of procedural lapse of not mentioning Advance Authorization No.5310013562 dt. 05.09.2011 in the S/Bills submitted towards fulfillment of Export Obligation.

Decision:

Shipping bill filed without mentioning details of Authorisation or any incentive schemes are treated as "free shipping bills". The procedure for clearance goods under of scheme shipping bills are different from the procedure for clearance of goods under free Shipping bills. Therefore, such shipping bill cannot be taken in to account towards discharge of export obligation against Advance Authorisation.

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: Applicant/RA, Trivandrum; 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 per the provisions of F.T.(D&R)Act, 1992, as amended shall be initiated)

Case No.8: M/s. HLL Lifecare Ltd., Trivandrum.

F.No. 01/60/162/270/AM17/ PRC

PRC Meeting No. 18/AM17 dated 20.09.2016

Subject:- Request for waiver of procedural requirement of HBP/Condonation of procedural lapse of not mentioning Advance Authorization No.5310015321 dt. 06.07.2012 in the S/Bills submitted towards fulfillment of Export Obligation.

Decision:

Shipping bill filed without mentioning details of Authorisation or any incentive schemes are treated as "free shipping bills". The procedure for clearance goods under of scheme shipping bills are different from the procedure for clearance of goods under free Shipping bills. Therefore, such shipping bill cannot be taken in to account towards discharge of export obligation against Advance Authorisation. The committee, therefore, did not accede to the request. The applicant is hereby directed to get the case regularized in terms of Para 4.49 of HBP, 2015-2020.

(Action: Applicant/RA, Trivandrum; 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 per the provisions of F.T.(D&R)Act, 1992, as amended shall be initiated)

Case No.9: M/s. Cadila Healthcare Ltd., Ahmedabad.

F.No. 01/60/162/309/AM17/ PRC

PRC Meeting No. 18/AM17 dated 20.09.2016

Subject:- Request for EOP extension of Advance Authorization No.0810132791 dt. 23.07.2014 issued under PC-9 conditions.

Decision:

The committee noted that the Authorisation in question was issued under PC-9 condition, which prescribes pre-import condition and shorter export obligation period in order to avoid possibility of diversion of inferior quality drug in the domestic market. The case was earlier considered in PRC Meeting No. 10/AM17 dated 06.07.2016 and export obligation period was extended upto 30.04.2016 subject to payment of composition fee @ 0.5% per month on unfulfilled FOB value of exports. Despite that the applicant did not make any efforts to discharge export obligation against the Authorisation. The committee, therefore, did not accede to the request of the applicant for further extension.

The applicant is hereby directed to get the case regularized in terms of Para 4.49 of HBP, 2015-2020 following the procedure stipulated in PC-18 dated 30.10.2007.

(Action: Applicant/RA, Ahmedabad; 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 penal action per the provisions of F.T.(D&R)Act, 1992, as amended shall be initiated)

Case No.10: M/s. ITCO Industries Ltd, Bengaluru.

F.No. 01/60/162/616/AM17/ PRC

PRC Meeting No. 18/AM17 dated 20.09.2016

Subject:- Request for Revalidation of DFIA License No.0710103950 dt. 06.05.2014.

Decision:

The Committee noted the request of the company and decided to reject the request, as the reasons cited are only in nature of commercial risk and not genuine hardship warranting policy relaxation under Para 2.58 of FTP(2015-20).

Case No.11: M/s. Pitambra Books Pvt. Ltd.,Kanpur.

F.No. 01/60/162/054/AM16/ PRC

PRC Meeting No. 18/AM17 dated 20.09.2016

Subject:- Request for EOP extension against Advance Authorization No.0610015106 dt. 10.02.2009.

Decision:

The committee noted that the Authorisation in question was issued having initial obligation period of 36 months. Despite that the applicant did not make any exports. Paper is not such product which could not be used for manufacture of alternative resultant products. The applicant did not disclose as to why they did not make export to any other buyers during the long period of 36 months?

It was therefore decided to give applicant an opportunity to clarify and/or seek a personal hearing in this matter.

(Action: Applicant)

Case No.12: M/s. Dynamatic Technologies Ltd., Bengaluru

F.No. 01/60/162/535/AM17/ PRC

PRC Meeting No. 18/AM17 dated 20.09.2016

Subject:- Request for revalidation and E.O. extension in respect of Advance Authorization No.0710107548 dt. 04.02.2015 related to Bell 407 Helicopters as a special case due to International Helicopter market downturn.

Decision:

The committee noted that the Authorisation in question was issued having initial validity of 12 months to import. RA has allowed six months validity in terms of Para 4.41 of HBP. The applicant stated to have imported 32.03% and has completed export obligation only 4% on prorate basis. Hence, no merit in the case to allow revalidation.

However, in terms of Para 4.22 (iii) of FTP, export obligation period shall be co-terminus with contractual duration for aerospace and nuclear energy project. Accordingly, the committee decided to remand the case back to RA, Bengaluru. RA may examine the case under the above para for EOP extension till contractual duration to fulfill export obligation on pro rata basis provided conditions of above para are met.

(Action: RA Bengaluru)

Case No.13: M/s. Dynamatic Technologies Ltd., Bengaluru.

F.No. 01/60/162/536/AM17/ PRC

PRC Meeting No. 18/AM17 dated 20.09.2016

Subject:- Request for revalidation and E.O. extension in respect of Advance Authorization No.0710108017 dt. 15.04.2014 related to Bell 407 Helicopters as a special case due to International Helicopter market downturn.

Decision:

The committee noted that the Authorisation in question was issued having initial validity of 12 months to import. RA has allowed six months validity in terms of Para 4.41 of HBP. The applicant stated to have imported 45% and has made no exports so far. Hence, no merit in the case to allow revalidation.

However, in terms of Para 4.22 (iii) of FTP, export obligation period shall be co-terminus with contractual duration for aerospace and nuclear energy project. Accordingly, the committee decided to remand the case back to RA, Bengaluru. RA may examine the case under the above para for EOP extension till contractual duration to fulfill export obligation on pro rata basis provided conditions of above para are met.

(Action: RA Bengaluru)

Case No.14: M/s. Dynamatic Technologies Ltd., Bengaluru.

F.No. 01/60/162/537/AM17/ PRC

PRC Meeting No. 18/AM17 dated 20.09.2016

Subject:- Request for revalidation and E.O. extension in respect of Advance Authorization No.0710107930 dt. 25.03.2015 related to Bell 407 Helicopters as a special case due to International Helicopter market downturn.

Decision:

The committee noted that the Authorisation in question was issued having initial validity of 12 months to import. RA has allowed six months validity in terms of Para 4.41 of HBP. The applicant stated to have imported 42.33% and has completed export obligation only 15.71% on prorate basis. Hence, no merit in the case to allow revalidation.

However, in terms of Para 4.22 (iii) of FTP, export obligation period shall be co-terminus with contractual duration for aerospace and nuclear energy project. Accordingly, the committee decided to remand the case back to RA, Bengaluru. RA may examine the case under the above para for EOP extension till contractual duration to fulfill export obligation on pro rata basis provided conditions of above para are met.

(Action: RA Bengaluru)

Case No.15: M/s. Dynamatic Technologies Ltd., Bengaluru.

F.No. 01/60/162/534/AM17/PRC

PRC Meeting No. 18/AM17 dated 20.09.2016

Subject:- Request for revalidation and E.O. extension in respect of Advance Authorization No.0710107705 dt. 25.02.2015 related to Bell 407 Helicopters as a special case due to International Helicopter market downturn.

Decision:

The committee noted that the Authorisation in question was issued having initial validity of 12 months to import. RA has allowed six months validity in terms of Para 4.41 of HBP. The applicant stated to have imported 50.11% and has completed no exports obligation so far. Hence, no merit in the case to allow revalidation.

However, in terms of Para 4.22 (iii) of FTP, export obligation period shall be co-terminus with contractual duration for aerospace and nuclear energy project. Accordingly, the committee decided to remand the case back to RA, Bengaluru. RA may examine the case under the above para for EOP extension till contractual duration to fulfill export obligation on pro rata basis provided conditions of above para are met.

(Action: RA Bengaluru)

Case No.16: M/s. Bhandari Foils & Tubes Ltd., Mumbai.

F.No. 01/60/162/163/AM17/ PRC

PRC Meeting No. 18/AM17 dated 20.09.2016

Subject:- Request for (i) acceptance of export product of SION No.61/837 exported against S/Bills No.8291119 dt. 31.03.2012; (2) 9187946 dt. 01.06.2012; (3) 9230610 dt. 04.06.2012; (4) 9381909 dt. 14.06.2012; (5) 9533899 dt. 23.06.2012; (6) 4687842 dt. 03.07.2012; (7) 9823529 dt. 12.07.2012; (8) 906904 dt. 18.07.2012 and (9) 1111060 dt. 31.07.2012 towards fulfillment of export obligation against Advance Authorization No.0310477163 dt. 02.07.2008 and (ii) EO Extension of for S/Bill exported beyond export obligation period.

Decision:

The committee noted that the Authorisation No 0310477163 dated 02.07.2008 was issued having initial obligation period of 24 months, which was extended to 36 months vide PN 151 dated 26.02.2009 read with Policy Circular No 80 dated 13.04.2009. The Authorisation was issued under SION SL No 61/526. The applicant has effected no export during this period. However, the applicant claimed to have completed 88% export obligation by exporting 21722kgs resultant product under SION SL No 61/526 and 178300kgs under SION 61/837 using the same raw materials. The committee, therefore decided the following:

i. Export obligation period be extended from 36 months to 48 months i.e. upto **31.07.2012**.
ii. This will, however, be subject to payment of composition fee @ 0.5% per month of unfulfilled FOB value of exports made after 36th month but upto 42nd month and @ 1% per month of unfulfilled FOB value of exports made after 42nd month but upto 48th month.
iii. Export shipments made indicating Authorisation No 0310477163 dated 02.07.2008 shall be taken into account provided the same were effected on or before 31.07.2012.
iv. RA shall examine the entitlement as per SION and ensure that thickness and Grade of steel used in the resultant product matches with the thickness and Grade of steel imported.
v. Minimum 15% VA is maintained.
vi. Shortfall, if any, shall be regularised in terms of Para 4.49 of HBP, 2015-2020.

(Action: RA, Mumbai)

Case No.17: M/s.Veerprabhu Export House, Mumbai.

F.No. 01/60/162/599/AM17/ PRC

PRC Meeting No. 18/AM17 dated 20.09.2016

Subject:- Request for revalidation of DFIA No.0310791724 dt. 05.12.2014.

Decision:

The Committee observed that the Authorization was issued having initial validity of 12 months. RA has allowed 6 months further validity as per request of the applicant. Despite that they could not utilize the Authorization. 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.18: M/s. Girdhars International P. Ltd., New Delhi.

F.No. 01/60/162/924/AM16/ PRC

PRC Meeting No. 18/AM17 dated 20.09.2016

Subject:- Request for Clubbing of two Advance Authorizations No.0510307338 dt. 04.11.2011 & 0510366380 dt. 20.09.2013.

Decision:

The Committee noted that exports in the subsequent Authorization are made within the initial export obligation period of the first Authorization. The Committee, therefore, decided the following:

I. Clubbing of the 2 Advance Authorizations, as referred above be allowed, provided all exports are made within 36 months EO period of first authorisation.
II. Exports made in both the Authorisations upto **30.11.2014** 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 in terms of Para 4.49 of HBP, 2015-2020.

(Action: RA, CLA, New Delhi)

Case No.19: M/s. Lubi Industries LLP, Ahmedabad.

F.No. 01/60/162/087/AM17/ PRC

PRC Meeting No. 18/AM17 dated 20.09.2016

Subject:- Request for Automatic extension of EOP under Para 4.42 (e) until the authorization is amended under Rule 8 of FT(R) Rules, 1993 and make it available in customs EDI with new IEC No.0812023862 against Advance Authorization No.0810086954 dt. 03.03.2010.

Decision:

The committee observed that the case was deferred in PRC Meeting No. 04/AM17 dated 04.05.2016 for seeking report from RA as to why amendment in the above Authorization was not allowed when High Court had allowed amalgamation of two companies. On perusal of RA's report dated 09.06.2016 the committee noted that the Authorisation in question was obtained in the name of M/s Lubi Submersibles Ltd having initial export obligation period of 36 months. During this period of 36 months, the applicant could discharge only 7.78% export obligation. The merger with new company i.e. M/s Lubi Industrials LLP has took place after expiry of export obligation period. The IEC code of M/s Lubi submersible ltd has been surrendered on 14.03.2013. The applicant would not be able to file shipping bills in the new IEC for old Authorizations due to limitation of system software at ICEGATE Customs. Further, extension beyond 48 months is not considered and that period has lapsed in March, 2014. The applicant is hereby directed to get the case regularized in terms of Para 4.49 of HBP, 2015-2020.

(Action: Applicant/RA, Ahmadabad; 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 penal action per the provisions of F.T.(D&R)Act, 1992, as amended shall be initiated)

Case No.20: M/s. Autotech Industries (India) Pvt. Ltd., Chennai.

F.No. 01/60/162/652/AM17/ PRC

PRC Meeting No. 18/AM17 dated 20.09.2016

Subject:- Request for clubbing of 10 Advance Authorizations:

1. 0410101668 dt. 16.01.2009
2. 0410110480 dt. 31.12.2009
3. 0410114549 dt. 14.06.2010
4. 0410125099 dt. 17.06.2011
5. 0410130238 dt. 11.11.2011
6. 0410142832 dt. 23.01.2013
7. 0410147660 dt. 01.07.2013
8. 0410152254 dt. 26.11.2013
9. 0410156908 dt. 08.04.2014
10. 0410159109 dt. 28.07.2014

Decision:

The committee noted that Authorisations listed at Sl No 1 to 5 were issued having initial export obligation period of 36 months and Authorisation listed at Sl No 6 to 10 were issued having initial export obligation period of 18 months. The PRC has already allowed EOP extension from 36 months to 48 months against Authorisation dated 16.01.2009. Hence, this case has to be regularised independently. Further, clubbing is allowed where shortfall in fulfilment of export obligation is occurred in the earliest issued Authorisation and surplus exports are made in the subsequent Authorisations but within the initial/extendable export obligation period of first Authorisation. In this case no criteria are met. The committee, therefore, did not accede to the request. The applicant is hereby directed to get the case regularized in terms of Para 4.49 of HBP, 2015-2020.

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

Case No.21: M/s. Scott-Edil Advance Research Laboratories & Education Ltd., Chandigarh.

F.No. 01/60/162/076/AM17/ PRC

PRC Meeting No. 18/AM17 dated 20.09.2016

Subject:- Request for EO extension of Advance Authorization No.2210015070 dt. 27.08.2014 issued under PC-9 condition.

Decision:

The committee noted that the Authorisation in question was issued under PC-9 condition, which prescribes pre-import condition and shorter export obligation period in order to avoid possibility of diversion of inferior quality drug in the domestic market. The case was earlier considered in PRC Meeting No. **25/AM17 dated 08.03.2016** and export obligation period was extended from 12 to 18 months i.e. upto 31.03.2016 subject to payment of composition fee. Extension beyond 18 months is not considered in such cases. The committee, therefore, did not accede to the request of the applicant for further extension. The applicant is hereby directed to get the case regularized in terms of Para 4.49 of HBP, 2015-2020 following the procedure stipulated in PC-18 dated 30.10.2007.

(Action: RA Chandigarh : If the applicant fails to get the case regularized within a month from the date of publication of these minutes on the Directorate website,

necessary penal action as per provision under FT(DR) Act, 1992, as amended, should be initiated by the RA)

Case No.22: M/s. Scott-Edil Pharmacia Ltd., Chandigarh.

F.No. 01/60/162/841/AM16/PRC

PRC Meeting No.18/AM17 dated 20.09.2016

Subject:- Request for extension EOP and regularization of the export made after EO period against Advance Authorization No.2210014379 dt. 14.11.2013 issued under PC-9 condition.

Decision:

The committee noted that the Authorisation in question was issued under PC-9 condition, which prescribes pre-import condition and shorter export obligation period in order to avoid possibility of diversion of inferior quality drug in the domestic market. The case was earlier considered in PRC Meeting No. **25/AM17 dated 08.03.2016** and export obligation period was extended from 12 to 18 months i.e. upto 30.06.2015 subject to payment of composition fee. Extension beyond 18 months is not considered in such cases. The committee, therefore, did not accede to the request of the applicant for further extension. The applicant is hereby directed to get the case regularized in terms of Para 4.49 of HBP, 2015-2020 following the procedure stipulated in PC-18 dated 30.10.2007.

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

Case No.23: M/s. Cadila Healthcare Ltd., Ahmedabad.

F.No. 01/60/162/689/AM16/ PRC

PRC Meeting No. 18/AM17 dated 20.09.2016

Subject:- Request for EOP extension of Advance Authorization No.0810129188 dt. 25.02.2014 issued under PC-9 conditions.

Decision:

The committee noted that the Authorisation in question was issued under PC-9 condition, which prescribes pre-import condition and shorter export obligation period in order to avoid possibility of diversion of inferior quality drug in the domestic market. The case was earlier considered in PRC Meeting No. **24/AM16 dated 01.03.2016** and export obligation period was extended from 12 to 18 months i.e. upto 31.05.2016 subject to payment of composition fee. Extension beyond 18 months is not considered in such cases. The committee, therefore, did not accede to the request of the applicant for further extension. The applicant is hereby directed to get the case regularized in terms of Para 4.49 of HBP, 2015-2020 following the procedure stipulated in PC-18 dated 30.10.2007.

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

Case No.24: M/s. B. R. Traders, Chennai.

F.No. 01/60/162/614/AM17/ PRC

PRC Meeting No. 18/AM17 dated 20.09.2016

Subject:- Request for policy relaxation for not mentioning 'Ý' in the Scheme rewards column in the Shipping Bill.

Decision:

The committee noted that in terms of Para 3.14(a) of HBP, 2015-2020, in order to claim rewards under MEIS, exporters were required to declare the in export shipment filed under all categories of shipping bills as : *"we intend to claim rewards under Merchandise Export* *from India Scheme."* Such declaration was required even for export shipment under any of the scheme of Chapter-4 (including drawback), Chapter-5 and 6 of FTP. In the case of shipping bills (other than free shipping bills), such declaration was mandatory with effect from 1st June, 2015. Grace period of two months (from 01.04.2015 to 31.05.2015) was given.

It was brought to the notice of this directorate that many exporters even though they declare intend in the shipping bills but marked "N" inadvertently in rewards box, such shipping bills were not transmitted to DGFT server. Para 30.1(g) of HBP 2015-2020 does not allow manual feeding of EDI shipping bills details, filing of MEIS claim was not possible. In order to address such type of grievance, this Directorate had issued P.N. 40 dated 09.10.2015 specifying the procedure to be followed for obtaining the benefits under the MEIS scheme for exports made between 01.04.2015 to 31.05.2015.

This benefits was further extended vide P.N. 47 dated 0.02.2015 for EDI shipping bills filed between 01.06.2015 to 30.09.2015 where intension was declared interms of para 3.14(a) of HBP, 2015-2020, but "N" was marked in the reward box in customs software. However, in the instance case, exports were made between 01.06.2015 to 30.09.2015. However, the applicant has neither marked "Y" in the rewards box nor declare intension interms of para 3.14(a) of HBP, 2015-2020 in the affirmation.

Hence, the committee decided not to accede to the request of the applicant.

Case No.25: M/s. D.R. Coats Ink & Resins P. Ltd., Mumbai.

F.No. 01/60/162/642/AM17/ PRC

PRC Meeting No. 18/AM17 dated 20.09.2016

Subject:- Request for revalidation of Advance Authorization No.0310786181 dt. 30.06.2014.

Decision:

The Committee noted the request of the company and decided to reject the request as the reasons cited are only commercial risk and not genuine hardship warranting policy relaxation under Para 2.58 of FTP(2015-20). Moreover, RA has allowed one revalidation of six months despite that the applicant could not complete imports.

Case No.26: M/s. BDH Industries Ltd., Mumbai.

F.No. 01/60/162/646/AM17/ PRC

PRC Meeting No. 18/AM17 dated 20.09.2016

Subject:- Request for EOP extension of Advance Authorization No.0310763116 dt. 23.12.2013 issued under PC-9 condition.

Decision:

The Committee noted that the Authorization No. 0310763116 dt. 23.12.2013 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 13.07.2015. Accordingly, initial obligation period was upto 13.07.2016. The applicant has stated to have 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 against import of each consignments i.e. upto **31.01.2017**.
II. This will, however, 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, Mumbai)

Case No.27: M/s. Steelman Industries, Ludhiana.

F.No. 01/60/162/436/AM17/ PRC

PRC Meeting No. 18/AM17 dated 20.09.2016

Subject:- Request for revalidation of DFIA No.3010103058 dt. 01.08.2014.

Decision:

Deferred for seeking copy of shipping bills.

(Action: Applicant)

Case No.28: M/s. Force Motors Ltd., Pune.

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

PRC Meeting No. 18/AM17 dated 20.09.2016

Subject:- Request for extend the DEPB License No.3110048796 dt. 22.06.2011 of Rs.696839/- which expired on 22.06.2013 for I year from the date of revalidation 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 was obtained with Port of registration Petrapole Customs. However, TRA was issued by Petrapole customs to clear the goods from JNPT customs. The said TRA could not be verified during the validity of said DEPB. The Dy. Commissioner of Customs, JNPT has now confirmed that TRA issued by Petrapole Customs has not been registered so far with JNPT customs. Taking these facts into consideration, the committee decided the following:

i. The above mentioned DEPB be revalidated for 3 months from the date of endorsement.

ii. The applicant shall submit the said DEPB to RA for endorsement within month from the date of uploading of these minutes on the Directorate website.

iii. Clearance of goods shall be allowed from JNPT Customs only.

iv. JNPT customs shall ensure before allowing clearance of goods that the said DEPB scrip has not been utilised from any other port.

(Action: RA, Pune/ Customs, JNPT)

Case No.29: M/s. ONGC, New Delhi.

F.No. 01/89/180/Misc.14/AM10/ PC-2(A)

PRC Meeting No. 18/AM17 dated 20.09.2016

Subject:- Request for waiver to the provision of Para 2 II (a), (b), (c) and Para 7 of the Import Licensing Notes under Chapter 87 of ITC(HS) Classification of Export & Import items) for (i) Hot Oil Circulation unit imported from M/s. Rush Sales, Texas, USA and (ii) Two Mobile Work Over Rigs of 100 Ton and 150 Ton of Work Over imported from M/s. SICHHUAN HONGHUA PETROLEUM EQUIPMENT, CHENGUDU City, China.

Decision:

The Committee decided to relax the provisions under Para 2 II (a), (b), (c) and para 7 of the Import Licensing Notes under Chapter 87 of ITC (HS), 2012, Schedule – I (Import Policy). This will, however, be subject to the condition that:

I. Import should be made through the authorized ports only.

II. Vehicles shall not ply on public roads except at the time of mobilization and de-mobilization and that the equipment would be used only at the project site.

(Action: Policy-2).

Case No.30:

F.No. 01/80/162/00663/AM13/DES-I

PRC Meeting No. 18/AM17 dated 20.09.2016

Subject:- Request for regularisation of representation made for amendment/revision of norms beyond 3 months in respect of 5 cases.

i) **M/s. BHEL, Chennai.**
ii) **M/s. BHEL, Chennai.**
iii) **M/s. Bliss Anand P. Ltd., Haryana.**
iv) **Force Motors Ltd., Pune.**
v) **Larsen & Toubro Ltd**

Decision:

The committee noted that in terms of Para 4.17 of HBP, 2015-2020, representation for fixation of norms beyond 90 days shall be subject to payment of composition fee of Rs. 5000/-. The committee was of the views that no policy relaxation is required is required if requisite fee is paid by the applicant.

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

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