Directorate General of Foreign Trade
(PRC Cell)

Minutes of the Policy Relaxation Committee Meeting held under the Chairmanship of DGFT, Shri Anup Wadhawan, on 27.09.2016.

Meeting No. 19/AM17 held on 27.09.2016 at 11:00 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 Jaikant Singh	Addl. DGFT
4. Shri Darshan Singh	Addl. DGFT
5. Shri J.V. Patil	Addl.DGFT
6. Shri S.B.S. Reddy	Addl.DGFT
7. Shri Jay Karan Singh	Jt. DGFT
8. Shri AkashTaneja	Jt. DGFT
9. Shri S.P.Roy	Jt. DGFT
10. Shri S. K. Mohapatra	Dy. DGFT
11. Shri Rakesh Kumar	Dy. DGFT
12. Ms. Divya S. Iyer	Asstt. Secretary

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

Case No.1: M/s. Unichem Laboratories Ltd., Mumbai.
F.No. 01/60/162/570/AM17/ PRC
PRC Meeting No. 19/AM17 dated 27.09.2016
Subject:- Request for extension of EO period and waiver of PC-18 condition of Advance Authorization No.0310793384 dt. 29.01.2015 issued under PC-9 condition for regularization.

Decision:

The Committee noted that the Authorization No. 0310793384 dt. 29.01.2015 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 13.03.2015 and 07.04.2015. Accordingly, initial obligation period was upto 31.03.2016 and 30.04.2016, respectively. As per statement submitted by the applicant, they 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 **30.09.2016 & 31.10.2016** 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 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. 2: M/s. Unichem Laboratories Ltd., Mumbai.
F.No. 01/60/162/560/AM17/ PRC
PRC Meeting No. 19/AM17 dated 27.09.2016

Subject:- Request for extension of EO period and waiver of PC-18 condition of Advance Authorization No.0310793003 dt. 16.01.2015 issued under under PC-9 condition for regularization.

Decision:

The Committee noted that the Authorization No. 0310793003 dt. 16.01.2015 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 31.01.2015. Accordingly, initial obligation period was upto 31.01.2016. As per statement submitted by the applicant, they 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 **31.07.2016,** 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% 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, Mumbai)

Case No.3: M/s. Unichem Laboratories Ltd., Mumbai.

F.No. 01/60/162/557/AM17/ PRC

PRC Meeting No. 19/AM17 dated 27.09.2016

Subject:- Request for extension of EO period and waiver of PC-18 condition of Advance Authorization No.0310794283 dt. 02.03.2015 issued under PC-9 condition for regularization.

Decision:

The Committee noted that the Authorization No. 0310794283 dt. 02.03.2015 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 18.04.2015, 29.04.2015, 15.05.2015, 17.06.2015 and 12.10.2015. Accordingly, initial obligation period was upto 30.04.2016, 30.04.2016, 31.05.2016, 30.06.2016 & 31.10.2016, respectively. As per statement submitted by the applicant, they 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 **31.10.2016, 31.10.2016, 30.11.2016, 31.12.2016, 30.04.2017,** 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 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.4: M/s. ETG Agro Pvt. Ltd., Mumbai.

F.No. 01/60/162/137/AM17/ PRC

PRC Meeting No. 19/AM17 dated 27.09.2016

Subject:- Request for EOP extension against Advance Authorization No. 0310721578 dt. 21.01.2013 for regularization purpose.

Decision:

The Committee observed that the export within the extended Export Obligation Period of 24 months is 'Nil', while the applicant has fulfilled 84.82% of its stipulated export obligation beyond the extend export obligation period allowed by the RA. Hence, the Committee decided the following:

I. Export obligation period be extended from 24 months to 36 months i.e. upto 31.01.2016.
II. This will, however, be on payment of composition fee @ 0.5% per month of FOB value of exports made after 24th month but upto 30th month and @ 1% per month of FOB value of exports made after 30th month but upto 36th month.
III. This is only for accounting and regularization of exports already effected.
IV. The minimum value addition of 15% as prescribed under Para 4.09 of FTP(2015-2020) shall be maintained.
V. Shortfall, if any, shall be regularised in terms of Para 4.49 of HBP, 2015-2020.

(Action: RA, Mumbai)

Case No.5: M/s. Hetero Labs Ltd., Hyderabad.

F.No. 01/60/162/625/AM17/ PRC

PRC Meeting No. 19/AM17 dated 27.09.2016

Subject:- Request for extension of EOP and clubbing of against Advance Authorization No.0910044272 dt. 16.11.2010 and 0910050157 dt. 12.12.2011 with 0910051149 dt. 07.02.2012 for regularization purpose.

Decision:

The committee noted that the all three Authorisations were issued within 36 months of first Authorisation. Hence, decided the following;

i. Clubbing of above mentioned three Advance Authorisations be allowed.
ii. Extension in export obligation period against first Authorisation be allowed from 36 months to 48 months i.e. upto **30.11.2014**.
iii. This will, however, be subject to payment of composition fee @ 0.5% of FOB value of exports made after 30.11.2013 but up to 31.05.2014 in clubbed Authorisation and @ 0.5% per month of FOB value of exports made after 01.06.2014 but upto 30.11.2014.
iv. Exports effected till 30.11.2014 shall only be taken into account for clubbing.
v. Minimum Value Addition of 15% of clubbed Authorisations shall be maintained.
vi. RA shall ensure proper accounting of duty free inputs as per norms.
vii. Shortfall, if any, shall be regularised in terms of Para 4.49 of HBP, 2015-2020.

(Action: RA, Hyderabad)

Case No.6: M/s. Power Wind Ltd., New Delhi

F.No. 01/60/162/420/AM17/ PRC

PRC Meeting No. 19/AM17 dated 27.09.2016

Subject:- Request for 2nd extension of E.O. period against 3 Advance Authorizations No.(i) 0510344091 dt. 24.01.2013; (ii) 0510342425 dt 03.01.2013 and (iii) 0510343992 dt. 23.01.2013.

Decision:

The committee noted that the applicant did not submit any documentary evidence regarding installation place was effected with flood. Further, no confirmed copy of export order/LC is submitted, which could prove that the importer is now willing to accept the material. The case was therefore deferred for seeking the same.

(Action: applicant)

Case No.7: M/s. Toshi Chemicals, New Delhi.

F.No. 01/60/162/529/AM17/ PRC

PRC Meeting No. 19/AM17 dated 27.09.2016

Subject:- Request for EOP extension of Advance Authorization No.0510381900 dt. 14.03.2014.

Decision:

The committee decided to defer the case to seek report from the RA, CLA whether the imports are being made from registered source or unregistered source, being a pharmaceutical item.
(Action: RA, CLA)

Case No.8: M/s. Toyota Kirloskar Motor Pvt. Ltd., Bangalore.

F.No. 01/60/162/479/AM17/ PRC

PRC Meeting No. 19/AM17 dated 27.09.2016

Subject:- Request for revalidation of Advance Authorization No.0710107362 dt,. 05.01.2015.

Decision:

The Committee observed that the Authorization was issued having initial validity of 12 months to import. RA has already granted one revalidation for six months. However, as per EDI report amendments were rejected with error code, as one item was invalidated for direct import. Despite best efforts from RA, Customs & NIC/DGFT, registration of the authorization procedure could not be completed and the authorization was expired on 04.07.2016. Hence, the Committee decided to revalidate the aforesaid Advance Authorization for 6 months from the date of endorsement. The applicant is directed to get the endorsement from RA within one month from the date of uploading of PRC minutes on the Directorate website. RA shall amend CIF value of the Authorisation while endorsing validity.
(Action: Applicant/RA, Bangalore)

Case No.9: M/s. Universal Oleoresins, Cochin.

F.No. 01/60/162/368/AM17/ PRC

PRC Meeting No. 19/AM17 dated 27.09.2016

Subject:- Request for regularization of EO period for products covered under Appendix-30A (old) 4J (new) against Advance Authorization No.1010046448 dt. 14.11.2011.

Decision:

The committee noted that Authorisation was issued having initial export obligation period of 120 days from import of each consignment. The applicant stated to have fulfilled 92.51% export obligation within initial obligation period and remaining 7.48% thereafter. Taking these facts into consideration the committee decided the following:

i. Export obligation period be extended from 120 days to 240 days from import of each consignment.
ii. This will, however, be subject to payment of composition fee @ 0.5% of FOB value of exports made after initial export 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 value.

(Action: RA, Cochin)

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

F.No. 01/60/162/649/AM17/ PRC

PRC Meeting No. 19/AM17 dated 27.09.2016

Subject:- Request for DFIA Licence No.0710106881 dt. 22.10.2014.

Decision:

The committee observed that the applicant has imported one of the three items fully and the submissions / justification furnished by the applicant do not establish any case for genuine hardship. Hence, the Committee did not accede to the request of the applicant.

Case No.11: M/s. T.A.S. Marine Traders, Cochin.

F.No. 01/60/162/566/AM17/ PRC

PRC Meeting No. 19/AM17 dated 27.09.2016

Subject:- Request for one time permission to export Dried Shark Fin to fulfill prior EO created before the change in category.

Decision:

The committee noted that consequent on imposition of ban on export of shark fins on 06.02.2015 any pending EO can be covered only under Para 1.5 of FTP 2009-14 which provides transitional arrangements. The case does not fall under that category. The ban has already been upheld by the Hon'ble High Courts. Hence, no relaxation to allow export in individual cases can be granted for prohibited item. The committee, therefore, did not accede to the request of the applicant.

Case No.12: M/s. Pidilite Industries Ltd., Mumbai.

F.No. 01/60/162/657/AM17/ PRC

PRC Meeting No. 19/AM17 dated 27.09.2016

Subject:- Request for condonation of delay in obtaining Duty Credit under Focus Market Scheme.

Decision:

The committee noted that in terms of Para 3.11.9 of HBP, 2009-2014 read with Para 9.3 of said HBP, application for duty credit scrip under FMS could be filed within 36 months from the date of export with 10% late cut. The committee did not find the case of any genuine hardship. Hence, the request was not acceded to.

Case No.13: M/s. Koshambh Multitred Pvt. Ltd., Vadodara

F.No. 01/60/162/639/AM17/ PRC

PRC Meeting No. 19/AM17 dated 27.09.2016

Subject:- Request for revalidation of Duty Credit Scrip (FMS) No.3410037547 dt. 31.07.2013.

Decision:

The committee observed that the submissions made by the applicant do not establish the fact that there was any delay on the part of the concerned Regional Authority or any other Government Department in issuance of documents for issue of duplicate scrip. Duty credit scrip is a freely transferable instrument. The Committee, therefore, did not accede to the request.

Case No.14: M/s. Parijat Industries (India) P. Ltd., Ambala.

F.No. 01/60/162/648/AM17/ PRC

PRC Meeting No. 19/AM17 dated 27.09.2016

Subject:- Request for EOP extension of Advance Authorization No.3310026309 dt. 30.05.2013 issued under PC-9 conditions.

Decision:

The committee noted that the Authorisation in question was issued having initial obligation period of 18 months from the date of issue. RA is empowered to allow two extensions of six months each but they did not avail the facility. The applicant did not effect any export during this period but make part exports thereafter. The committee, therefore, decided the following:

i. Export obligation period be extended from 18 months to 24 months.
ii. This will, however, be subject to a composition fee @ 0.5% of unfulfilled FOB value.
iii. Value addition of 15% shall be maintained.
iv. Shortfall, if any, shall be regularised in terms of Para 4.49 of HBP.

(Action: RA, Panipat)

Case No.15: M/s. Gland Pharma Ltd., Hyderabad.

F.No. 01/60/162/640/AM17/ PRC

PRC Meeting No. 19/AM17 dated 27.09.2016

Subject:- Request for EOP extension of Advance Authorization No.010062375dt. 23.07.2015 issued under PC-9 conditions.

Decision:

The Committee noted that the Authorization No. 010062375 dt. 23.07.2015 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 13.08.2015. Accordingly, initial obligation period was upto 31.08.2016. As per statement submitted by the applicant, they have fulfilled less 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 **28.02.2017**.
II. This is 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, Hyderabad)

Case No.16: M/s. Nutrivita Foods Pvt. Ltd.

F.No. 01/85/50/152/AM15/DES-VI

PRC Meeting No. 19/AM17 dated 27.09.2016

Subject:- NC has fixed the wastage norms of against Advance Authorization No.0310789919 dt. 01.10.2014 issued under Para 4.7 of HBP, Vol.I, 2009-4, AA is required to be regularized under Para-4.4.2 of HBP, Vol.I (2009-14) for which PRC approval is to be obtained.

Decision:

The committee noted that the Advance Authorisation in question was issued wrong ab-initio. Under Para 4.7 of HBP, Advance Authorisation cannot be issued on self-declaration basis where input falls under ineligible category. Ad-hoc norms under Para 4.7 cannot be fixed for such items. The committee, therefore, did not agree to regularize the norms under Para 4.4.2 of HBP. The applicant is hereby directed to get the case regularised in terms of Para 4.49 of HBP, 2015-2020.

(Action: NC-/RA/Applicant)

Case No.17: M/s. Maruti Zuzuki India Ltd., Gurgaon.

F.No. 01/89/180/51/AM-09/PC-2(A)/Part

PRC Meeting No. 19/AM17 dated 27.09.2016

Subject:- Review the PRC decision in PRC Meeting No.06/AM17 dt. 17.05.2016 for further relaxing port of import from Mumbai port to ICD Garhi Harsaru by relaxing condition under Para 1[2][d][iv] of Chapter 87 of ITC [HS] 2012.

Decision:

The Committee observed that the applicant has sought review of decision of the Committee taken in the Meeting No.06/AM17 held on 17.05.2016 by further relaxing the condition under Para 1(II) (d) (iv) which prescribes that "*Import of these vehicles shall be allowed only through the customs port at Mumbai*", on the ground that the vehicle has already reached ICD Garhi Harasu. The applicant was aware fully that such vehicles could be imported from designated ports only. The applicant, however, has not furnished any reason as to why the vehicle reached ICG Garhi Harasu, in violation of the import policy. Hence, the Committee decided to seek specific reasons from the applicant as to under which circumstances the vehicle reached ICD Garhi Harasu in violation of Para 1(II) (d) (iv) of Chapter 87 of ITC [HS] 2012, Schedule – I (Import Policy).
(Action: Policy-2)

Case No.18: M/s. Unichem Laboratories Ltd., Mumbai.

F.No. 01/60/162/556/AM17/ PRC

PRC Meeting No. 19/AM17 dated 27.09.2016

Subject:- Request for extension of EO period and waiver of PC-18 condition of Advance Authorization No.0310794284 dt. 02.03.2015 issued under under PC-9 condition for regularization.

Decision:

The Committee noted that the Authorization No. 0310794284 dt. 02.03.2015 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 07.04.2015 & 18.04.2015. Accordingly, initial obligation period was upto 30.04.2016 & 30.04.2016, respectively. As per statement submitted by the applicant, they 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 **31.10.2016 & 31.10.2016, respectively**.
II. This will, however, 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, Mumbai)

Case No.19: M/s. Unichem Laboratories Ltd., Mumbai.

F.No. 01/60/162/561/AM17/ PRC

PRC Meeting No. 19/AM17 dated 27.09.2016

Subject:- Request for extension of EO period and waiver of PC-18 condition of Advance Authorization No.0310793002 dt. 16.01.2015 issued under PC-9 condition for regularization.

Decision:

The Committee noted that the Authorization No. 0310793002 dt. 16.01.2015 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 31.01.2015, 20.02.2015 & 13.03.2015. Accordingly, initial obligation period was upto 31.01.2016, 28.02.2016 & 31.03.2016, respectively. As per statement submitted by the applicant, they 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 **31.07.2016, 31.08.2016 & 30.09.2016, respectively**.
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.20: M/s. Mahalaxmi Polypack P. Ltd., New Delhi.

F.No. 01/60/162/399/AM17/ PRC

PRC Meeting No. 19/AM17 dated 27.09.2016

Subject:- Request for revalidation of Advance Authorization No.0510391635 dt. 17.10.2014.

Decision:

The committee noted that there was no delay on the part of the RA in taking action. The applicant could have imported goods within the validity of the Authorisation. The committee, therefore, did not accede to the request.

Case No.21: M/s. Maruti Zuzuki India Ltd., Gurgaon.

F.No. 01/89/180/51/AM-09/PC-2(A)

PRC Meeting No. 19/AM17 dated 27.09.2016

Subject:- Review to relax Para I (II) (b), (c), (d) & (e) under Chapter 87 of ITC (HS), 2012 and allow the import of 16 Nos. of Second Hand vehicles under R&D certification.

Decision:

The Committee decided to relax the provisions of Policy Conditions under Para I (II) (b), (c), (d) (i), (ii), (iii) & (e) of chapter 87 of ITC (HS), 2012, for import of 16 Numbers of CBU's – 4 Numbers of Model, Toyota Agya 4 Numbers of Model Toyota Calya, 4 Numbers Daihatsu Ayla and 4 Numbers of Daihatsu Sigra under R&D certification. 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)

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

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