Minutes of the Policy Relaxation Committee Meeting held under the Chairmanship of DGFT, Shri Anup Wadhawan, IAS on 18.02.2016

Meeting No. 22/AM16 held on 16.02.2016 and 18.02.2016 at 11:00 AM in Room No 11, Udyog Bhawan, New Delhi.

The Meeting No. 22/AM16 was scheduled for 16.02.2016 at 11.00AM but was postponed to 17.02.2016 at 9.30AM. As the Chairman was unwell, the meeting was rescheduled and held on 18.02.2016 at 10.30AM

List of officers present in the meeting on 18.02.2016 are given below:

1. Shri D.K. Singh	**Addl.DGFT**
2. Shri K.C. Rout	**Addl.DGFT**
3. Shri Jaykant Singh	**Addl.DGFT**
4. Shri Darshan Singh	**Addl.DGFT**
5. Shri S.K. Samal	**Jt.DGFT**
6. Shri A. K. Srivastava	**Jt. DGFT**
7. Shri Jay Karan Singh	**Jt.DGFT**
8. Shri J.M. Gupta	**Jt.DGFT**
9. Dr. S.K. Bansal	**Jt.DGFT**
10. Shri S.K. Mohapatra	**Dy.DGFT**
11. Ms Nivedita Roy Choudhury	**FTDO**

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

Case No.1:M/s Jindal Poly Films Ltd, New Delhi
PH Cases, in terms of Para 2.59 of FTP
F.No. 01/60/162/730/AM11/EFGC(PRC)
PRC Meeting No.22/AM16 dated 16.2.2016
Subject:-Request for clubbing of 2 advance authorisations No. (i) P/L//0500649 dt. 17.02.1998 and (ii) 0510038908 dt. 22.1.2001

Mr. S. Ravi Shankar, GM Import from M/s. Jindal Poly Films Ltd., New Delhi appeared before the committee and made following submissions in support of his request for clubbing of two Authorisations:

1. He had submitted first request for clubbing of both Authorisations on 16.11.2010 in terms of Para 4.20.5 of HBP, 2009-2014.
2. PRC has rejected the case on 01.11.2011 saying that the gap between issuance of two Authorisations is substantial.
3. They approached RA, CLA for regularisation and payment of interest as per PN 22 dated 12.08.2013. However, RA, CLA has not taken any decision.

4. They also requested RA, CLA to allow clubbing as per PN 79 dated 13.10.2011, as they had submitted request before 31.03.2012. However, RA, CLA did not allow clubbing as per PN 79.
5. He therefore requested to allow clubbing as per PN 79 or waive the interest component.

Decision:

The committee deliberated the issue at length. It was observed that both Authorisations were issued under EXIM Policy, 1997-2002. The export obligation, in terms of Para 7.22 of HBP, 1997-2002 was 18 months against these Authorisations. As per the prevalent procedure, RA, was empowered to allow two extension of six months each subject to payment of composition fee @ 1% of unfulfilled FOB value for first extension and 5% of unfulfilled FOB value for second extension respectively. In terms of Para 7.20 of prevalent Hand Book of Procedure, clubbing of Advance licences was allowed provided exports were made within 30 months from the date of issue of the first licence. However, exports effected after 30 months/18 months under Advance Licence/Annual Advance Licence from issuance of the expired licence shall not be considered for clubbing. In this case, exports against second licence were made from June, 2001 to August, 2001 which are beyond 30 months from the date of issue of first licence. Hence, clubbing as per the prevalent procedure can't be considered.

The applicant had submitted application for clubbing of Authorisations on 16.11.2010 to RA in terms of Para 4.20.5 of prevalent HBP, 2009-2014 which says, *"Notwithstanding provisions of para 4.20.3 and 4.20.4 above, Clubbing of all expired Authorisations may also be permitted provided all expired Authorisations have been issued during Exim Policy period 1992-1997 & 1997-2002."* According to this provision, clubbing of all expired licences could be done irrespective of the facts whether they were issued within 36 months or not. However, accounting of exports made in the subsequent licences was allowed provided it was made within extended obligation period of first licence. In HBP, 2009-2014, procedure of export obligation period and extension thereof was changed. In terms of Para 4.22 of HBP, 2009-2014, the Authorisation was issued having initial obligation period of 36 months and no further extension was allowed. Accordingly, exports made within 36 months of first authorisation could only be accounted for. And, in this case exports against second Authorisation were made after 36 months from issuance of first Authorisation. Therefore, this case does not meet criteria of any policy/procedure for clubbing.

In terms of para 7.24 of HBP, 1997-2002, the licence holder was required to submit documents as prescribed in Para 7.25 of HBP, 1997-2002 within two months from the expiry of export obligation period for discharge of export obligation. However, the applicant did not bother almost for 10 years until the Bank issued notice for encashment of B/G. As per the statement of Mr. Shankar, he submitted documents in 2010 against the Licence issued in 1998. However, he could not give any satisfactory reason/justification for not submitting documents as per the provisions of Policy/Procedure in time.

The committee further noted that the Government has allowed one time option for closure of old pending cases on payment of duty and equal amount as an interest for one time settlement, vide PN 22 dated 12.08.2013 which was valid only upto 31.03.2014. However, the applicant did not avail the facility of said Notification.

Taking into consideration all these aspects, the committee was of the view that there is no merit to consider the case. Hence, did not accede to the request.

The applicant was directed to get the case regularised in terms of Para 7.28 of HBP, 1997-2002 within a month.

(Action: Applicant/RA, CLA, if the applicant fails to get the case regularised within one month from the date of publication of these minutes on the Directorate website, shall initiate action as per the provisions of FT(D&R)Act, 1992, as amended.)

Case No.2 :M/s Narendra Plastic (P) Ltd, Mumbai –Review Case
F.No. 01/60/162/742/AM16/EFGC(PRC)
PRC Meeting No.22/AM16 dated 16.2.2016
Subject:-Revalidation of Advance Authorization No.0310752321 dt. 4.10.2013

Decision:
The committee noted that the Authorization was issued for import of three inputs having total quantity of 5173.43 kgs. The validity of said Authorization was 12 months for import i.e. upto 04.10.2014. He approached the Customs in February, 2014 for clearance of goods. However, as per screen shot of IECEGAT, total quantity were appearing 6138.11. He was therefore directed by the Customs to get the quantity amended from DGFT. The applicant, accordingly, approached to RA, Mumbai. RA, Mumbai finally deleted two items on 25.11.2014 and transmitted Authorization to the customs. Meanwhile, the Authorization has lost its validity.

The committee was of the view that the applicant is victim of computer system, as data could not be transmitted in time. Considering the case of genuine hardship, it was decided to allow revalidation of the Authorization of six months form the date of endorsement. The applicant is directed to submit the Authorization to RA for necessary endorsement within one month from the date of uploading of these minutes on the Directorate website.

(Action: RA, Mumbai)

Case No.3: **M/s Gland Pharma Ltd, Hyderabad**
F.No. 01/94/180/348/AM08/PC-4/PRC
PRC Meeting No.22/AM16 dated 16.2.2016

Subject:-Extension in EOP for Advance Authorization No.0910014856 dt. 27.06.2003

Decision:

The committee noted that the Authorisation was obtained on 27.06.2003 and failed to fulfill export obligation within stipulated export obligation period. He did not inform the status of availability of raw materials imported duty free against the Authorisation. The case was, therefore, deferred to seek details from the applicant. The applicant may also inform if new product has been exported?

(Action: applicant shall submit a certificate from the Excise Authority that imported raw materials are intact and available with the applicant.)

Case No.4 :M/s Gland Pharma Ltd, Hyderabad
F.No. 01/94/180/223/AM08/PC-4/PRC
PRC Meeting No.22/AM16 dated 16.2.2016
Subject:-Request for revalidation & EOP extension against Advance Authorization No. 0910011982 dt. 13.11.2002

Decision:

The committee noted that the Authorisation was obtained on 13.11.2003 and failed to fulfill export obligation within stipulated export obligation period. He did not inform the status of availability of raw materials imported duty free against the Authorisation. The case was, therefore, deferred to seek details from the applicant. The applicant may also inform if new product has been exported?

(Action: applicant shall submit a certificate from the Excise Authority that imported raw materials are intact and available with the applicant.)

Case No.5:M/s Oil Country Tubular Ltd, Telengana
F.No. 01/60/162/569/AM16/PRC
PRC Meeting No.22/AM16 dated 16.2.2016
Subject:-Revalidation of Advance Authorization No.0910058092 dt. 31.10.2013

Decision:

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

Case No.6 :M/s Bharat Heavy Electricals Ltd, Hyderabad

F.No. 01/60/162/777/AM16/PRC

PRC Meeting No.22/AM16 dated 16.2.2016

Subject:-Request for EOP extension of Advance Authorization No.0410128602 dt. 29.7.2011

Decision:

The Committee noted that the Authorisation was obtained for export of Control and Instrumentation Package for Turbine and steam Generator to Syria under Govt. India Line of Credit. Due to disturbed Political condition in Syria, no shipping line was ready to lift the goods. Further, as per advice of Second Secretary, Embassy of India in Syria, the operation at project site was suspended. The item manufactured as per requirement of Syrian buyer cannot be exported to any other country. Taking into consideration the genuine hardship and force majeure, the committee decided the following:

i. Extension in export obligation period be allowed upto **31.03.2018** without any composition fee under force majeure.

ii. This will subject to the condition that the applicant shall submit a certificate from the Concerned Excise Authority that the duty free inputs imported against the Authorisation have been consumed fully in resultant product and the same are in the possession of the applicant.

(Action: Applicant/RA, Hyderabad)

Case No.7 :M/s Umedica Laboratories (P) Ltd, Mumbai

F.No. 01/60/162/98/AM16/PRC

PRC Meeting No.22/AM16 dated 16.2.2016

Subject:-Request for condone the delayed for 2 days in the shipment of S/Bill No.5741140 dt. 01/06/2013 against Advance Authorization No.0310657082 dt. 30.09.2011 issued under PC-9 and PC-15 for regularization purpose.

Decision:

The Committee noted that the PRC in its Meeting No. 07/AM16 dated 13.08.2015 has already granted EOP extension from 12 months to 18 months i.e. upto 30.05.2013 for the purpose of regularisation of exports already effected. However, the applicant is seeking further extension of two days beyond the extended period i.e. upto 01.06.2013 to cover the last shipment dated 01.06.2013. The Committee was of the view that there will be no end if request beyond 6 months is allowed. The committee, therefore did not accede to the request beyond six months, as being considered in such cases. The applicant is hereby directed to get the case regularised in terms of Para 4.49 of HBP, 2015-2020 read with PC-18 dated 30.10.2007.

(Action: RA Mumbai : 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.8 :M/s Kumaran Fishnets (P) Ltd, Tamil Nadu
F.No. 01/60/162/722/AM16/PRC
PRC Meeting No.22/AM16 dated 16.2.2016
Subject:-Request for EOP extension of Advance Authorization No.3510041073 dt. 21.05.2013

Decision:
The Committee noted that in terms of Para 4.42 of HBP, 2015-2020, second extension is allowed provided the applicant has fulfilled minimum 50% export obligation and submit proof that duty free imported raw materials are intact and available with the exporter. The applicant did not meet the said requirement. Hence, no merit to consider the request. 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 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.9: M/s Dona Apparels (P) Ltd, Gurgaon
F.No. 01/60/162/87/AM14/EFGC(PRC)
PRC Meeting No.22/AM16 dated 16.2.2016
Subject:-Request for EOP extension of Annual Advance Authorization No.0510257669 dt. 4.2.2010

Decision:

The Committee noted that in terms of Para 4.42 of HBP, 2015-2020 read with PN 16 dated 04.06.2015 RA is empowered to allow extension upto 48 months in such cases. It was, therefore, decided to remand the case to the Regional Authority for examination and consideration of the request as per HBP.

(Action: Applicant/RA, CLA, Delhi)

Case No.10: M/s Welspun Corp Ltd, Mumbai
F.No. 01/60/162/847/AM15/EFGC(PRC)

PRC Meeting No.22/AM16 dated 16.2.2016

Subject:-Request for clubbing of 4 Advance Authorizations Nos. (i) 0310450245 dt. 14.11.2007 (ii) 0310450565 dt. 16.11.2007 (iii) 0310451187 dt. 22.11.2007 and (iv) 0310451408 dt. 23.11.2007

Decision:

The committee noted that against Authorisation at Sl No 2 and 4, there is mis-match in quantity and value of exports made. Exports in quantity terms is 100% and 54.89%. Whereas, in value terms 281.76% and 5.79% respectively. The case was therefore deferred for seeking clarification from the applicant.

(Action: applicant)

Case No.11 :M/s Larsen & Toubro Ltd, Mumbai

F.No. 01/60/162/853/AM16/EFGC(PRC)

PRC Meeting No.22/AM16 dated 16.2.2016

Subject:-Request for condonation of non-mentioning the Advance Authorization details in the shipping Bill Nos. 4297522 dt. 5.2.2013, 4574996 dt. 21.3.2013 and 4297708 dt. 5.3.2013. Accounting of said S/bs against Advance Authorization No.0310714769 dt.9.11.2012 for redemption/EODC purpose.

Decision:

The Committee noted that exports against three Shipping Bills Nos. 4297522 dt. 5.2.2013, 4574996 dt. 21.3.2013 and 4297708 dt. 5.3.2013 were made declaring intent of Chapter-3 incentive scheme. The valuation of said Shipping Bills were done by the customs Authority. Hence, the same are not free Shipping Bills. Further, the applicant has declared the details of Advance Authorisation in ARE-1 while removing the goods from the factory for export purpose. The committee, therefore, decided to allow accounting of above mentioned three Shipping Bills towards discharge of export obligation against Authorisation No 0310714769 dt.9.11.2012.

(Action: RA, Mumbai)

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

F.No. 01/60/162/811/AM16/PRC

PRC Meeting No.22/AM16 dated 16.2.2016

Subject:-Request for extension in EOP of Advance Authorization No.0810128241 dt. 22.1.2014 issued under PC-9 condition.

Decision:

The Committee noted that the Authorisation was issued with conditions stipulated under PC-9 dated 30.06.2003 which allows 12 months period for EO fulfilment from

import of each consignment. The imports against the Authorisation were made on 30.01.2014, 15.04.2014 and 15.12.2014. Accordingly, initial obligation period was 31.01.2015, 30.04.2015 and 31.12.2015 respectively. Within the initial obligation period, no exports were made against first consignment but fulfilled 100% and 93.33% obligation against second and third consignment respectively. Taking into consideration all these facts, the Committee decided the following:

I. Export obligation period be extended from 12 months to 18 months against each consignments, i.e. upto **31.07.2015, 31.10.2015 and 30.06.2015** respectively.
II. This is only for accounting and regularization of exports already effected.
III. This is subject to payment of a composition fee @ 0.5% per month of FOB value of exports made after initial obligation period.
IV. The minimum value addition of 15% as prescribed under Para 4.09 of FTP (2015-2020) shall be maintained.

(Action: RA, Ahmedabad)

Case No.13: M/s SABIC Innovative Plastics India (P) Ltd,
F.No. 01/60/162/836/AM16/EFGC(PRC)
PRC Meeting No.22/AM16 dated 16.2.2016
Subject:-Request for clubbing of two Advance Authorization No.3410029113 dt. 20.1.2011 and 3410034966 dt. 24.8.2012

Decision:

The committee noted that exports against the second Authorisation were made within the initial obligation period of first Authorisation i.e. by 31.01.2014. The committee, therefore, acceded to the request and allowed clubbing of both Authorisations provided accounting of inputs are made properly as per SION and minimum 15% value addition is achieved as per FTP.

(Action: RA, Vadodra)

Case No.14 :M/s APL Apollo Tubes Ltd, New Delhi
F.No. 01/60/162/664/AM15/EFGC(PRC)
PRC Meeting No.22/AM16 dated 16.2.2016
Subject:-Request for revalidation of Advance Authorization No.0510342421 dt. 3.01.2013

Decision:

The committee noted that the applicant has not submitted proof that the Authorisation was not appearing at Chennai Port though it was registered at Dadri, ICD under National

Bond scheme. The case was, therefore, deferred for seeking evidence to the effect from the applicant.

(Action: Applicant shall submit report from ICEGATE in support of his claim.)

Case No.15 :M/s Cadila Healthcare Ltd, Ahmedabad
F.No. 01/60/162/788/AM16/PRC
PRC Meeting No.22/AM16 dated 16.2.2016
Subject:-Request for extension EOP of Advance Authorization No.0810096409 dt. 18.02.2011 issued under PC-9 condition

Decision:

The Committee noted that the Authorisation was issued with conditions stipulated under PC-9 dated 30.06.2003 which allows 12 months period for EO fulfilment from import of each consignment. The imports against the Authorisation were made on 02.08.2011, 26.09.2011 and 25.02.2012. Accordingly, initial obligation period was 31.08.2012, 30.09.2012 and 28.02.2013 respectively. He has completed more than 50% of its stipulated export obligation during the initial export obligation period for each consignments. Taking into consideration all these facts, the Committee decided the following:

I. Export obligation period be extended from 12 months to 18 months against each consignment, i.e. upto **28.02.2013, 31.03.2013** and **30.09.2013** respectively.
II. This is only for accounting and regularization of exports already effected.
III. This is subject to payment of a composition fee @ 0.5% of FOB value of exports made after initial obligation period against each consignments.
IV. RA shall check that minimum 50% exports are made against each consignment, within its initial obligation period. If not, composition fee will be charged @ 0.5% per month of 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.16: **M/s Cadila Healthcare Ltd, Ahmedabad**
F.No. 01/60/162/789/AM16/PRC
PRC Meeting No.22/AM16 dated 16.2.2016
Subject:-Request for extension EOP of Advance Authorization No.0810132355 dt. 17.06.2014 issued under PC-9 condition

Decision:

The Committee noted that the Authorisation was issued with conditions stipulated under PC-9 dated 30.06.2003 which allows 12 months period for EO fulfilment from

import of each consignment. The imports against the Authorisation were made on 21.06.2014 and 21.11.2014. Accordingly, initial obligation period was upto 30.06.2015 and 30.11.2015 respectively. He has completed less than 50% of its stipulated export obligation during the initial export obligation period. Taking into consideration all these facts, the Committee decided the following:

I. Export obligation period be extended from 12 months to 18 months against each consignments, i.e. upto **31.12.2015** and **31.05.2016** respectively.
II. This is only for accounting and regularization of exports already effected.
III. This is subject to payment of a composition fee @ 0.5% per month of FOB value of exports made after initial obligation period.
IV. The minimum value addition of 15% as prescribed under Para 4.09 of FTP (2015-2020) shall be maintained.

(Action: RA, Ahmedabad)

Case No.17 :M/s J.K. Enterprises, Rajkot
F.No. 01/60/162/840/AM16/PRC
PRC Meeting No.22/AM16 dated 16.2.2016
Subject:-Request for revalidation of DFIA No.2410034758 dt. 30.11.2011

Decision:

The Committee noted that the Authorisation was issued having initial validity of 24 months for import. However, he could not utilised the Authorisation. The reasons and justifications given by the applicant are not convincing. The committee, therefore, did not accede to the request.

Case No.18 :M/s Karur K.C.P. Packagings Ltd, Coimbatore
F.No. 01/60/162/859/AM16/PRC
PRC Meeting No.22/AM16 dated 16.2.2016
Subject:-Request for revalidation of Advance Authorisation No.3210074512 dt. 26.03.2014

Decision:

The Committee noted that the Authorisation was issued having initial validity of 12 months. RA has allowed further six months validity. There is no case of genuine hardship. Hence no merit in the case. The committee, therefore, did not accede to the request.

Case No.19 :M/s Cadila Healthcare Ltd, Ahmedabad
F.No. 01/60/162/796/AM16/PRC

PRC Meeting No.22/AM16 dated 16.2.2016

Subject:-Request for extension in EOP of Advance Authorization No.0810115785 dt. 16.10.2012 issued under PC-9 condition.

Decision:

The Committee noted that the Authorisation was issued with conditions stipulated under PC-9 dated 30.06.2003 which allows 12 months period for EO fulfilment from import of each consignment. The imports against the Authorisation was made on 27.11.2012. Accordingly, initial obligation period was upto 30.11.2013. He has completed 66.31% export obligation during the initial export obligation period. Taking into consideration all these facts, the Committee decided the following:

I. Export obligation period be extended from 12 months to 18 months, i.e. upto **31.05.2014**.
II. This is only for accounting and regularization of exports already effected.
III. This is subject to payment of a composition fee @ 0.5% of FOB value of exports made after initial obligation period.
IV. RA shall check that minimum 50% exports are made against each consignment, within its initial obligation period. If not, composition fee will be charged @ 0.5% per month of 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.20: **M/s Indo Phyto Chemicals (P) Ltd, New Delhi**

F.No. 01/60/162/866/AM16/PRC

PRC Meeting No.22/AM16 dated 16.2.2016

Subject:-Request for 2nd revalidation of Advance Authorisation No.0510336433 dt. 4.10.2012

Decision:

The Committee noted that the Authorisation was issued having initial validity of 17 months. RA has allowed six months further validity. There is no case of genuine hardship. Hence no merit in the case. The committee, therefore, did not accede to the request.

Case No.21:M/s Daejung Moparts (P) Ltd, Tamil Nadu

F.No. 01/60/162/903/AM14/EFGC(PRC)

PRC Meeting No.22/AM16 dated 16.2.2016

Subject:-Request for conversion of DEPB Shipping Bills to Advance Authorization under para 2.56 of HBP Vol.1 for accounting in the clubbed Advance Authorization

No.0410080631 dt. 21.4.2006, 0410082858 dt. 29.8.2006, 0410063058 dt. 15.10.2004 and 0410089543 dt. 22.05.2007

Decision:

The Committee noted that conversion of shipping bills is allowed by the Customs Authority under the provisions of Customs Act. DGFT is not authorised to do so. However, in terms of Para 2.88 of HBP, 2015-2020, "*if Customs Authorities, after recording reasons in writing, permit conversion of an E.P. copy of any scheme-shipping bill on which benefit of that scheme has not been availed, exporter would be entitled to benefit under scheme in which shipment is subsequently converted.*" Therefore, the applicant has option to get the said shipping bills converted from one scheme to other provided conditions stipulated under the Customs Act and Rules are met.

Exports against 12 DEPB shipping bills were made during 2004-2006. As per the prevalent procedure, application for DEPB should have been filed within 12 months from the date of export or 6 months from the date of realisation of payment. However, the applicant did not file DEPB claim against the said 12 shipping bills so far. Now, these are time barred S/Bs. Hence, the DEPB benefits against these S/Bs can't be filed. Further, as per duty exemption scheme, exporter must declare in the Shipping Bills the File No or Advance Authorisation Number along with the exempted materials consumption details. However, in the DEPB Shipping Bills the same details are not mentioned. Therefore, DEPB Shipping Bills can't be taken into account towards discharge of export obligation against Advance Authorisation. The committee, therefore, did not accede to the request.

(Action: RA Chennai/ Appellate Authority)

Case No.22:M/s Repro India Ltd, Mumbai

F.No. 01/60/162/740/AM16/EFGC(PRC)

PRC Meeting No.22/AM16 dated 16.2.2016

Subject:-Request for accounting of surplus quantity of 231623.81 Kgs. Made against Advance Authorization No.0310445315 dt. 5.10.2007 under S/Bills No.6698515 dt. 25.09.2008, 6708411 dt. 29.09.2008, 6741343 dt. 11.10.2008 and 6735177 dt. 8.10.2008 towards fulfillment of obligation against Advance Authorization N0.0310326404 dt. 19.04.2005

Decision:

The committee noted that the applicant had obtained two Advance Authorisations No 0310326404 dated 19.04.2005 and No.0310445315 dt. 5.10.2007. He has exported goods against Authorisation No.0310445315 dt. 5.10.2007 under three Shipping Bills but not made any import. He has surrendered the said Authorisation unutilised to RA. The Authorisation N0.0310326404 dt. 19.04.2005 was issued having initial obligation period of 24 months. 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 all Authorisation issued prior to that PN were extended for 36 months without any composition fee. PRC allows extension upto 48 months in such cases. Exports made vide S/Bills (i) No.6698515 dt. 25.09.2008, (ii) 6708411 dt. 29.09.2008, (iii) 6741343 dt. 11.10.2008 and (iv) 6735177 dt. 8.10.2008 are within 48 months from the date of issue of Authorisation dated 19.04.2005. Taking into consideration all these aspects, the committee decided the following:

1. Export obligation period against Authorisation N0.0310326404 dt. 19.04.2005 be extended upto 48 months i.e. upto 30.04.2009.
2. This is subject to payment of composition fee @ 0.5% of unfulfilled FOB value of exports made from 36th months but upto 42nd months and @ 0.5% per month on FOB value of exports made from 42nd month to 48th month.
3. Accounting of 4 S/Bills No.6698515 dt. 25.09.2008, 6708411 dt. 29.09.2008, 6741343 dt. 11.10.2008 and 6735177 dt. 8.10.2008 shall be allowed towards discharge of export obligation against Authorisation N0.0310326404 dt. 19.04.2005.
4. RA shall check that Authorisation No.0310445315 dt. 5.10.2007 has been surrendered unutilised by the applicant and no benefits have been availed against these 4 Shipping Bills.

(Action: RA, Mumbai)

Case No.23 :M/s Rashtriya Metal Industries Ltd, Mumbai
F.No. 01/60/162/837/AM16/EFGC(PRC)
PRC Meeting No.22/AM16 dated 16.2.2016
Subject:-Request for revalidation of Annual Advance Authorization No.0310676207 dt. 12.1.2012

Decision:

The Committee noted that the Authorisation was issued having initial validity of 24 months. RA has allowed validity for further six months. There is no case of genuine hardship. Hence, no merit in the case. The committee, therefore, did not accede to the request.

Case No.24 :M/s Prachi Pharmaceuticals (P) Ltd,
F.No. 01/60/162/445/AM16/EFGC(PRC)
PRC Meeting No.22/AM16 dated 16.2.2016
Subject:-Request for clubbing of 4 Advance Authorizations Nos. 0310190733 dt. 27.03.2003, 0310319122 dt. 28.2.2005, 0310333936 dt. 10.06.2005 and 0310338369 dt. 8.07.2005

Decision:

The Committee noted that the Authorisation No 0310190733 dt. 27.03.2003 was issued having initial obligation period of 18 months and the applicant has fulfilled 100% export obligation under this Authorisation. The applicant has not obtained extension against this Authorisation, as EO has been fulfilled in time. Clubbing of exports made in subsequent Authorisations but within initial obligation period of earliest Authorisation are only accounted for clubbing. In this case, exports in the subsequent Authorisations are made outside the obligation period of first Authorisation i.e. after 30.04.2004. Hence, no merit in the case. The committee, therefore, did not accede to the request of the applicant and reiterated its decision dated 17.11.2015. The applicant is hereby directed to get the case regularised in terms of Para 4.49 of HBP, 2015-2020.

(Action: RA Mumbai : 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 provision of FT(DR) Act, 1992, as amended, shall be initiated by the RA)

Case No.25 :M/s Riddhi Pharma, Dist. Bharuch
F.No. 01/60/162/839/AM16/EFGC(PRC)
PRC Meeting No.22/AM16 dated 16.2.2016
Subject:-Request for Revalidation of Advance Authorization No.3410039638 dt. 24.03.2014 issued from RA, Vadodara

Decision:

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

Case No.26 :M/s Cadila Healthcare Ltd, Ahmedabad
F.No. 01/60/162/793/AM16/PRC
PRC Meeting No.22/AM16 dated 16.2.2016
Subject:-Request for (i) extension of E.O. and (ii) Waiver from destruction certificate as per PC-18 in the Advance Authorization No.0810109599 dated 13.3.2012 issued under PC-9

Decision:

The Committee noted that the Authorisation was issued with conditions stipulated under PC-9 dated 30.06.2003 which allows 12 months period for EO fulfilment from import of each consignment. The imports under this Authorisation were made on 04.04.2012 and 12.04.2012. Accordingly, initial obligation period was upto

30.04.2013 and 30.04.2013 respectively. He has completed less than 50% of its stipulated export obligation during the initial export obligation period. Taking into consideration all these facts, the Committee decided the following:

I. Export obligation period be extended from 12 months to 18 months for each consignments, i.e. upto **31.10.2013 and 31.10.2013** respectively.
II. This is only for accounting and regularization of exports already effected.
III. This is subject to payment of a composition fee @ 0.5% per month of FOB value of exports made after initial obligation period against each shipment.
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.27 :M/s Cadila Healthcare Ltd, Ahmedabad

F.No. 01/60/162/792/AM16/PRC

PRC Meeting No.22/AM16 dated 16.2.2016

Subject:-Request for EOP extension of Advance Authorization No.0810126301 dated 6.11.2013 issued under PC-9 Condition

Decision:

The Committee noted that the Authorisation was issued with conditions stipulated under PC-9 dated 30.06.2003 which allows 12 months period for EO fulfilment from import of each consignment. The imports under this Authorisation were made on 03.12.2013 and 25.11.2014. Accordingly, initial obligation period was upto 31.12.2014 and 30.11.2015 respectively. He has completed more than 50% of its stipulated export obligation during the initial export obligation period. Taking into consideration all these facts, the Committee decided the following:

I. Export obligation period be extended from 12 months to 18 months against each consignments, i.e. upto **30.06.2015 & 31.05.2016** respectively.
II. This is only for accounting and regularization of exports already effected/to be effected.
III. This is subject to payment of a composition fee @ 0.5% of FOB value of exports made after initial obligation period.
IV. RA shall check that minimum 50% exports are made against each consignment, within its initial obligation period. If not, composition fee will be charged @ 0.5% per month on 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, Ahmedabad)

Case No.28: M/s Cadila Healthcare Ltd, Ahmedabad

F.No. 01/60/162/795/AM16/PRC

PRC Meeting No.22/AM16 dated 16.2.2016

Subject:-Request for EOP extension of Advance Authorization No.0810098300 dated 18.04.2011 issued under PC-9 Condition

Decision:

The Committee noted that the Authorisation was issued with conditions stipulated under PC-9 dated 30.06.2003 which allows 12 months period for EO fulfilment from import of each consignment. The date of import of first consignment is 03.05.2011. Accordingly, initial obligation period was 31.05.2012. He has completed more than 50% of its stipulated export obligation during the initial export obligation period. Taking into consideration all these facts, the Committee decided the following:

I. Export obligation period be extended from 12 months to 18 months, i.e. upto **30.11.2012**.
II. This is only for accounting and regularization of exports already effected.
III. This is subject to payment of a composition fee @ 0.5% of FOB value of exports made after initial obligation period.
IV. RA shall check that minimum 50% exports are made against each consignment, within its initial obligation period. If not, composition fee will be charged @ 0.5% per month on 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, Ahmedabad)

Case No.29 :M/s Cadila Healthcare Ltd, Ahmedabad

F.No. 01/60/162/794/AM16/PRC

PRC Meeting No.22/AM16 dated 16.2.2016

Subject:-Request for (i) Waiver from destruction certificate as per PC-18 and (ii) EOP extension in their Advance Authorization No.0810094621 dated 14.12.2010 issued under PC-9

Decision:

The Committee noted that the Authorisation was issued with conditions stipulated under PC-9 dated 30.06.2003 which allows 12 months period for EO fulfilment from import of each consignment. The date of import of first consignment is 31.03.2011. Accordingly, initial obligation period was 31.03.2012. He has completed more than 50% of its stipulated export obligation during the initial export obligation period. Taking into consideration all these facts, the Committee decided the following:

I. Export obligation period be extended from 12 months to 18 months, i.e. upto **30.09.2012**.
II. This is only for accounting and regularization of exports already effected.

III. This is subject to payment of a composition fee @ 0.5% of FOB value of exports made after initial obligation period.
IV. RA shall check that minimum 50% exports are made against each consignment, within its initial obligation period. If not, composition fee will be charged @ 0.5% per month on 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, Ahmedabad)

Case No.30 :M/s Cadila Healthcare Ltd, Ahmedabad

F.No. 01/60/162/791/AM16/PRC

PRC Meeting No.22/AM16 dated 16.2.2016

Subject:-Request for (i) EOP extension and (ii) condonation of fulfillment of E.O. against 1st& 2nd import as per PN.31 Dt. 14.2.2011 against Advance Authorization No.0810126267 dated 1.11.2013 issued under PC-9 condition

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

The Committee noted that the Authorisation was issued with conditions stipulated under PC-9 dated 30.06.2003 read with appendix 30A which allows 12 months period for EO fulfilment from import of each consignment. The imports under this Authorisation were made on 18.11.2013, 08.12.2013, 19.05.2014 and 10.11.2014. Accordingly, initial obligation period against each consignment was upto 30.11.2014, 31.12.2014, 31.05.2015 and 30.11.2015 respectively. No exports were made within initial obligation period against import of first and second consignments. However, 68.92% exports were effected against third and fourth consignments. Taking into consideration all these facts, the Committee decided the following:

i. Export obligation period be extended from 12 months to 18 months against each consignments, i.e. upto **31.05.2015, 30.06.2015, 30.11.2015 and 31.05.2016** respectively.
ii. This is only for accounting and regularization of exports already effected/ to be effected.
iii. This is subject to payment of a composition fee @ 0.5% per month of FOB value of exports made/to be 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. PC 18 condition stands waived on unaccounted goods.

(Action: RA, Ahmedabad)

Case No.31 :M/s Cadila Healthcare Ltd, Ahmedabad

F.No. 01/60/162/790/AM16/PRC

PRC Meeting No.22/AM16 dated 16.2.2016

Subject:-Request for EOP extension of Advance Authorization No.0810100446 dated 14.06.2011 issued under PC-9 Condition

Decision:

The Committee noted that the Authorisation was issued with conditions stipulated under PC-9 dated 30.06.2003 read with Appendix 30A which allows 12 months period for EO fulfilment from import of each consignment. The date of import of first consignment is 22.01.2013. Accordingly, initial obligation period was upto 31.01.2014. No exports were made within its stipulated export obligation period. However, 100% exports have been completed thereafter. Taking into consideration all these facts, the Committee decided the following:

I. Export obligation period be extended from 12 months to 18 months, i.e. upto **31.07.2014.**
II. This is only for accounting and regularization of exports already effected.
III. This is subject to payment of a composition fee @ 0.5% per month of FOB value of exports made after initial obligation period.
IV. The minimum value addition of 15% as prescribed under Para 4.09 of FTP (2015-2020) shall be maintained.
V. PC 18 condition stands waived on unaccounted goods.

(Action: RA, Ahmedabad)

Case No.32: M/s Aurbindo Pharma Ltd, Hyderabad

F.No. 01/60/162/903/AM13/EFGC(PRC)

PRC Meeting No.22/AM16 dated 16.2.2016

Subject:-Request for clubbing of 7 Advance Authorizations No. 0910024757 dt. 30.11.2005, 0910025182 dt 16.1.2006, 0910025761 dt 28.03.2006, 0910026625 dt 21.06.2006, 0910038040 dt 28.05.2009, 0910010188 dt 10.12.2009 and 0910040190 dt 10.12.2009 for import of 6-APA from approved /registered sources for regularization purpose

Decision:

The Committee noted that export obligation period against import of 6-APA was 6 months from the date of import of first consignment, irrespective of the facts whether goods imported from registered or unregistered sources. The committee allows clubbing of Authorisation, in such cases, provided exports under subsequent Authorisations are made within the initial/extended obligation period of first Authorisation. In this case, import against the first Authorisation was made on 03.01.2005 accordingly initial obligation period was upto 31.07.2005 extendable upto 31.01.2006. Whereas, exports against subsequent Authorisations were effected after 31.01.2006. Hence, accounting of exports made after stipulated obligation period can't be allowed. Further, these all Authorisations were obtained under Para 4.7 of BHP, 2004-2009 under self-declaration scheme. Hence, the applicant must abide by the norms fixed/ratified by the norms committee. The applicant can't take plea that shortfall occurred due to fixation of less wastage norms by NC. Taking into consideration all these aspects, 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 Hyderabad : 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.33 :M/s Sanofi India Ltd, Mumbai
F.No. 01/60/162/83/AM16/PRC
PRC Meeting No.22/AM16 dated 16.2.2016
Subject:-Request for EOP extension against Advance Authorization No.0310664225 dt. 9.11.2011 issued under PC-9 condition for regularization purpose & waiver of PC-18 conditions

Decision:

The Committee noted that the Authorisation was issued with conditions stipulated under PC-9 dated 30.06.2003 read with Appendix 30A which allows 12 months period for EO fulfilment from import of each consignment. Imports under this Authorisation were made on 27.12.2011 and 03.08.2013. Accordingly, initial obligation period was upto 31.12.2012 and 31.08.2014 respectively. He has completed more than 50% of its stipulated export obligation during the initial obligation period. Taking into consideration all these facts, the Committee decided the following:

I. Export obligation period be extended from 12 months to 18 months against each consignments, i.e. upto **30.06.2013 & 28.02.2015** respectively.
II. This is only for accounting and regularization of exports already effected.
III. This is subject to payment of a composition fee @ 0.5% of FOB value of exports made after initial obligation period.
IV. RA shall check that minimum 50% exports are made against each consignment, within its initial obligation period. If not, composition fee will be charged @ 0.5% per month of FOB.
V. For shortfall in EO, the applicant shall pay duty plus interest and follow the procedure as stipulated in PC-18 dated 31.10.2007.
VI. The minimum value addition of 15% as prescribed under Para 4.09 of FTP (2015-2020) shall be maintained.

(Action: RA, Mumbai)

Case No.34 :M/s Plastiblends India Ltd, Mumbai
F.No. 01/60/162/543/AM14/EFGC(PRC)
PRC Meeting No.22/AM16 dated 16.2.2016
Subject:-Request for revalidation of Advance Authorization No.0310586616 dated 9.8.2010

Decision:

The Committee observed that the Authorisation was issued having initial validity of 24 months and the applicant has already been granted one revalidation of six months by RA. Despite that the applicant could not utilize the Authorization. No case of genuine hardship is established. Therefore, the Committee did not accede to the request.

Case No.35 :M/s Welspun Corp. Ltd, Vadodara
F.No. 01/60/162/849/AM16/EFGC(PRC)
PRC Meeting No.22/AM16 dated 16.2.2016
Subject:-Request for clubbing of 2 Advance Authorization Nos. 3410021584 dt. 11.6.2008 and 3410021585 dt. 11.06.2008

Decision:

The committee noted that both the Authorisations were issued in 2008 and exports against the second Authorisation were effected within the initial obligation period of first Authorisation i.e. prior to 30.06.2010. Taking into consideration these aspects, the committee decided the following:

i. Clubbing of above referred two Authorisations be allowed.
ii. RA shall ensure accounting of inputs as per SION.
iii. Shortfall, if any, shall be regularised in terms of Para 4.49 of HBP, 2015-2020.
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.36:M/s Larsen & Toubro Ltd, Mumbai
F.No. 01/60/162/854/AM16/EFGC(PRC)
PRC Meeting No.22/AM16 dated 16.2.2016
Subject:-Request for condonation of non-mentioning the advance authorization details in the Shipping Bill Nos. 5201824 dt. 29.04.2013 and 1401227 dt. 04.03.2014 against Advance Authorization no. 0310697691 dt.06.06.2012 for redemption / EODC purpose.

Decision:

The Committee noted that exports against two Shipping Bills Nos. 5201824 dt. 29.04.2013 and 1401227 dt. 04.03.2014 were made declaring intent of Chapter-3 incentive scheme. The valuation of said Shipping Bills were done by the customs Authority. Hence, the same are not free Shipping Bills. Further, the applicant has declared the details of Advance Authorisation in ARE-1 while removing the goods from the factory for export purpose. The committee, therefore, decided to allow accounting of above mentioned two Shipping Bills towards discharge of export obligation against Authorisation No 0310714769 dt.9.11.2012.

(Action: RA, Mumbai)

Case No.37 :M/s. IPCA Laboratories Ltd., Mumbai
F.No. 01/60/162/813/AM16/EFGC/PRC
PRC Meeting No.22/AM16 dated 16.2.2016
Subject:-Request for EOP extension of Advance Authorization no. 0310741726 dt. 17.07.2013 issued under PC-9 Condition

Decision:

The Committee noted that the Authorisation was issued with conditions stipulated under PC-9 dated 30.06.2003 read with Appendix 30A which allows 12 months period for EO fulfilment from import of each consignment. The date of import of first consignment is 30.08.2013. Accordingly, initial obligation period was 30.08.2014. He has completed more than 50% of its stipulated export obligation during the initial export obligation period. Taking into consideration all these facts, the Committee decided the following:

I. Export obligation period be extended from 12 months to 18 months, i.e. upto **28.02.2015**.
II. This is only for accounting and regularization of exports already effected.
III. This is subject to payment of a composition fee @ 0.5% of FOB value of exports made after initial obligation period.
IV. RA shall check that minimum 50% exports are made against each consignment, within its initial obligation period. If not, composition fee will be charged @ 0.5% per month of FOB.
V. The minimum value addition of 15% as prescribed under Para 4.09 of FTP (2015-2020) shall be maintained.

(Action: RA, Mumbai)

The meeting ended with a Vote of Thanks to the Chair.

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