Directorate General of Foreign Trade
(PRC)

Minutes of the Policy Relaxation Committee Meeting held under the Chairmanship of DGFT Shri A.K. Bhalla, Director General of Foreign Trade on 02.11.2016

Meeting No. 22/AM17 held on 02.11.2016 at 11:00 AM

The following Members were present in the meeting:

1. Shri K.C. Rout — Addl. DGFT
2. Shri Jaikant Singh — Addl. DGFT
3. Shri Darshan Singh — Addl. DGFT
4. Shri S.B.S. Reddy — Addl. DGFT
5. Shri Jay Karan Singh — Jt. DGFT
6. Shri AkashTaneja — Jt. DGFT
7. Shri S.K. Mohapatra — Dy. DGFT

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

Case No.1: M/s. Teksons Pvt Ltd., Mumbai

F.No. 01/60/162/653/AM17/PRC

PRC Meeting No. 22/AM17 dated 02.11.2016

Subject:- Request for Allocation of additional inputs as per SION C 1891 for the excess export made under Advance Authorization no. 0310399654 dt. 15.09.2006.

Decision:

The committee noted that the Advance Authorization No. 0310399654 dated 15.09.2006 was obtained on repeat basis as per Ad-hoc norms fixed by the Norms Committee on 07.12.2004. SION C1891 was notified on 25.10.2011, which cannot be applied in Advance Authorisation issued as per Ad-hoc norms prior to notification of SION. Hence, the committee did not accede to the request. The applicant is directed to submit the Authorisation to RA for closure of the case.

The committee was surprised to see that the Authorisation of 2006 was still not redeemed by the RA where the applicant has completed 100% exports and imports. The committee, therefore, directed the RA to take necessary action for closure of the case without further dealy.

(Action: Applicant/RA, Mumbai)

Case No.2: M/s. Radiant RSCC Specialty Cable Pvt. Ltd., Hyderabad

F.No. 01/60/162/298/AM17/ PRC

PRC Meeting No. 22/AM17 dated 02.11.2016

Subject:- Request for EOP extension upto 41 months against Advance Authorization no. 0910053518 dt. 16.08.2012 for regularization purpose.

Decision:

The committee noted that the Advance Authorization no. 0910053518 dt. 16.08.2012 was issued having initial obligation period of 18 months. The applicant has obtained six months further extension in Export Obligation Period from RA. The applicant has stated to have fulfilled 68.50% export obligation within the original/ extended export obligation period and 31.50% outside the obligation period. The committee, therefore, decided the following:

I. Export obligation period be extended from 24 months to 36 months.

II. This will, however, be subject to payment of composition fee @ 0.5% per month of unfulfilled FOB value of exports made after 24th month but upto 30th month and @ 1% per month of unfulfilled FOB value of exports made after 30th month but upto 36th month.
III. Exports made after 36th month shall not be taken in to account.
IV. Minimum 15% value addition shall be maintained.
V. Shortfall, if any, shall be regularised in terms of Para 4.49 of HBP, 2015-2020.

(Action: Applicant/RA, Hyderabad)

Case No.3: M/s. Radiant RSCC Specialty Cable Pvt. Ltd., Hyderabad

F.No. 01/60/162/947/AM16/PRC

PRC Meeting No. 22/AM17 dated 02.11.2016

Subject:- Request for extension of EOP in Advance Authorization No. 0910047350 dt. 28.06.2011.

Decision:

The committee noted that the Advance Authorization No. 0910047350 dated 28.06.2011 was issued having initial obligation period of 36 months. The applicant has stated to have fulfilled 16.61% export obligation within the initial export obligation period and 82.83% outside the obligation period. The committee, therefore, decided the following:

I. Export obligation period be extended from 36 months to 48 months.
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 export made after 42nd month but upto 48th month.
III. Exports made beyond 48th month shall not be taken into account.
IV. Minimum 15% value addition shall be maintained.
V. Shortfall, if any, shall be regularized in terms of Para 4.49 of HBP, 2015-2020.

(Action: Applicant/RA, Hyderabad)

Case No.4: M/s. Chemocid Impex Pvt. Ltd., Mumbai

F.No. 01/60/162/233/AM17/PRC

PRC Meeting No. 22/AM17 dated 02.11.2016

Subject:- Request for Second Revalidation of Advance Authorization no. 0310777264 dt. 07.04.2014.

Decision:

The Committee observed that the Authorization in question 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. Delay in fixation of norms does not prevent the applicant from importing the goods. Hence, the Committee did not accede to the request.

Case No.5: M/s. Mahesh Weaving Factory, Bangalore

F.No. 01/60/162/721/AM17/PRC

PRC Meeting No. 22/AM17 dated 02.11.2016

Subject:- Request for revalidation and Enhancement of Advance Authorization no. 0710108557 dt. 24.07.2015.

Decision:

The committee noted that the Authorization in question was issued having initial validity of 12 months i.e. upto 24.07.2016. As per Appendix-4J, Mulberry Silk is allowed with pre-import condition and 9 months export obligation period. Therefore, the applicant was supposed to import first and then fulfill the stipulated export **obligation within 9 months from the date** of clearance of each import consignment. However, the applicant has exported 206.30% without importing, which violates the pre-import conditions. Replenishment of such inputs as duty free are not allowed. The committee, therefore, did not accede to the request.

Case No.6: M/s. Raj & Company, Rajkot

F.No. 01/60/162/713/AM17/PRC

PRC Meeting No. 22/AM17 dated 02.11.2016

Subject:- Request for Revalidation of DFIA no. 2410038671 dt. 12.04.2013.

Decision:

The Committee observed that the Authorization was issued having initial validity of 12 months. RA has allowed further 6 months revalidation against the DFIA. 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.7: M/s. Kebelco Cranes India Pvt. Ltd., New Delhi

F.No. 01/60/162/730/AM17/PRC

PRC Meeting No. 22/AM17 dated 02.11.2016

Subject:- Request for (i) Revalidation of Advance Authorization no. 0510369791 dt. 29.10.2013 or (ii) permission to convert Shipping bill / Bill of Export filed under Advance Authorization to Brand Rate – Duty Drawback Scheme.

Decision:

The Committee observed that the Authorization was issued having initial validity of 12 months. RA has allowed 6 months revalidation against the Authorisation. 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 for revalidation.

In so far as the request for conversion of shipping bills from Advance Authorisation to Brand Rate – Duty Drawback Scheme, the committee noted that conversion of shipping bill to drawback shipping bills is allowed under the Customs Act by Customs Authorities. They may approach customs authorities and RA may, if required, communicate the details of shipping bills not utilized in grant of EODC of Advance Authorisation to customs authorities.

Case No.8: M/s. Gujarat Craft Industries Ltd., Ahmedabad

F.No. 01/60/162/754/AM17/ PRC

PRC Meeting No. 22/AM17 dated 02.11.2016

Subject:- Request for clubbing of 2 Advance Authorization nos. (1) 0810104648 dt. 14.10.2011 and (2) 0810129718 dt. 14.03.2014.

Decision:

The Committee noted that the Advance Authorization No 0810104648 dt. 14.10.2011 has been issued with an initial export obligation period of 36 months while the Advance Authorisation No. 0810129718 dt. 14.03.2014 has been issued with an original export obligation period of 18 months. The Committee, therefore, decided the following:

I. Clubbing of the 2 Advance Authorizations, as referred above be allowed. However, exports made upto 31.10.2014 i.e. within 36 months of first Authorisation shall only be taken into account.

II. 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.

III. RA shall also ensure proper accounting of the duty free inputs with reference to the export product as per SION while clubbing the Authorizations.

IV. On clubbing, shortfall if any, shall be regularized in terms of Para 4.49 of HBP, 2015-2020.

(Action: RA, Ahmedabad)

Case No.9: M/s. Kebelco Cranes India Pvt. Ltd., New Delhi

F.No. 01/60/162/731/AM17/ PRC

PRC Meeting No. 22/AM17 dated 02.11.2016

Subject:- Request for revalidation of Advance Authorization no. 0510366822 dt. 25.09.2013 and permission to convert Shipping Bill /Bill of Export / Invoice foiled under Advance Authorization to Brand Rate – Duty Drawback Scheme.

Decision:

The Committee observed that the Authorization was issued having initial validity of 12 months. RA has allowed 6 months revalidation against the Authorisation. 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 for revalidation.

In so far as the request for conversion of shipping bills from Advance Authorisation to Brand Rate – Duty Drawback Scheme, the committee noted that conversion of shipping bill to drawback shipping bills is allowed under the Customs Act by Customs Authorities. They may approach customs authorities and RA may, if required, communicate the details of shipping bills not utilized in grant of EODC of Advance Authorisation to customs authorities.

Case No.10: M/s. Alok Industries Ltd., Mumbai

F.No. 01/60/162/734/AM17/PRC

PRC Meeting No. 22/AM17 dated 02.11.2016

Subject:- Request for EOP extension of Advance Authorization no. 0310782562 dt. 22.05.2014.

Decision:

The committee noted that the above mentioned Authorization was issued having initial obligation period of 18 months. The applicant has obtained one extension of six months from RA. The committee, therefore, decided the following:

I. Export obligation period be extended from 24 months to 36 months i.e. upto 20.05.2017.

II. This will, however, be subject to payment of composition fee @ 1% per month of unfulfilled FOB value of export made after 24th month but upto 36th month.

III. No extension beyond 36th month shall be allowed.

IV. Shortfall, if any, shall be regularized in terms of Para 4.49 of HBP, 2015-2020.

(Action: RA, Mumbai)

Case No.11: M/s. BUI Pvt. Ltd., Pune

F.No. 01/60/162/49/AM17/PRC

PRC Meeting No. 22/AM17 dated 02.11.2016

Subject:- Request for waiver of condition of receipt of payment from overseas buyers for issue to EODC considering the unforeseen viz-a-vis Inordinate circumstance beyond their control against advance Authorization no. 3110025741 dt 26.07.2006..

Decision:

The Committee observed that the applicant could not realize export proceeds against 6 shipping bills out of 19. No transaction would be said to have been completed unless remittances against such exports are realised. Moreover, GR waiver falls under the jurisdiction of Reserve Bank of India or the Dealers Authorised by them. Hence, the Committee did not accede to the request. The applicant is hereby directed to get the case regularised as per Para 4.49 of HBP, 2015-2020.

(Action: RA, Pune)

Case No.12: M/s. Ethnic Skil Mills, Bangalore

F.No. 01/60/162/687/AM17/PRC

PRC Meeting No. 22/AM17 dated 02.11.2016

Subject:- Request for EOP extension of Advance Authorization no. 0710108675 dt. 03.09.2015.

Decision:

The committee noted that the above mentioned Authorization was issued having pre-import condition under ANF - 4J. The export obligation period against import of silk is 9 months from the date of import consignment. Hence, the Committee decided the following:

I. Export obligation period be extended from 9 months to 14 months from the date of import of each consignment.

II. This will, however, be subject to payment of composition fee @ 1% per month of unfulfilled FOB value of export made after 9 months but upto 14th month from the date of import of each consignment.

III. No extension beyond 14th months shall be allowed.

IV. Minimum 15% value addition shall be maintained.

V. Shortfall, if any, shall be regularized in terms of Para 4.49 of HBP, 2015-2020.

(Action: RA, Bangalore)

Case No.13: M/s. Gland Pharma Ltd., Hydeabad

F.No. 01/60/162/763/AM17/ PRC

PRC Meeting No. 22/AM17 dated 02.11.2016

Subject:- Request for EOP extension of Advance Authorization no. 0910062513 dt. 18.08.2015 issued under PC-9 Condition.

Decision:

The Committee noted that the Authorization No. 0910062513 dt. 18.08.2015 was issued with pre-import conditions and export obligation period of 12 months from import of each consignment, as per Appendix-4J read with PC-9 dated 30.06.2003. The imports were made on 29.09.2015 and 12.04.2016. Accordingly, initial obligation period was upto 28.09.2016 and 11.04.2017, respectively. The applicant has stated to have fulfilled less than 50% export obligation during the initial export obligation period. Export obligation period is still valid till 11.04.2017 against second consignment. 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 the first consignment i.e. upto **31.03.2017.**

II. This will, however, be subject to a payment of composition fee @ 0.5% per month on unfulfilled FOB value of export made/to be made against first import consignment.

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.14: M/s. Gland Pharma Ltd., Hyderabad

F.No. 01/60/162/764/AM17/ PRC

PRC Meeting No. 22/AM17 dated 02.11.2016

Subject:- Request for EOP extension of advance Authorization no. 0910062531 dt. 24.08.2015 issued under PC-9 Condition

Decision:

The Committee noted that the Authorization No. 0910062513 dt. 18.08.2015 was issued with pre-import conditions and export obligation period of 12 months from import of each consignment, as per Appendix-4J read with PC-9 dated 30.06.2003. The imports were made on 05.09.2015, 06.02.2016, 17.06.2016 & 29.07.2016. Accordingly, initial obligation period was upto 04.09.2016, 06.02.2017, 16.06.2017 and 29.07.2017, respectively. The applicant has stated to have fulfilled more than 50% export obligation during the initial export obligation period and export obligation period against three consignments are still valid. 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 the first consignment i.e. upto **31.03.2017.**
II. This is subject to a payment of composition fee @ 0.5% on unfulfilled FOB value of export made/to be made against first import consignment.
III. The minimum value addition of 15% as prescribed under Para 4.09 of FTP(2015-2020) shall be maintained.
IV. RA shall check that minimum 50% exports against the first import consignment were made within initial export obligation period. If not, composition fee will be charged @ 0.5% per month on unfulfilled FOB.

(Action: RA, Hyderabad)

Case No.15: M/s. Ashi Creation Pvt. Ltd., New Delhi

F.No. 01/60/162/372AM17/PRC

PRC Meeting No. 22/AM17 dated 02.11.2016

Subject:- Request for Condonation Of non-mention of complete particulars of Inputs a per Advance license 0510307554 dt. 11.11.2011 in shipping bills for Export.

Decision:

It was noted that the description of resultant product mentioned in shipping bills has complete details of composition of fabrics used in the resultant product so exported. Therefore, it was opined that no policy relaxation in this case is required. The RA shall examine the case and allow redemption calculating entitlements as per SION.

(Action: RA, CLA)

Case No.16: M/s. Dr. Reddys Laboratories Ltd., Hyderabad

F.No. 01/60/162/698/AM17/PRC

PRC Meeting No. 22/AM17 dated 02.11.2016

Subject:- Request for relaxation of Policy of DEPB claim.

Decision:

Deferred for seeking report from Development Commissioner, SEZ and RA on the submissions made by the applicant.

(Action: PRC/DC, VSEZ/RA, Hyderabad)

Case No.17: M/s. Biotech Ophthalmics Pvt. Ltd. Ahmedabad

F.No. 01/60/162/751/AM17/PRC

PRC Meeting No. 22/AM17 dated 02.11.2016

Subject:- Request for (i) extension of EOP (ii) waiver of PC-18 Condition and (iii) to count the excess export of pack size 7 ml against pack size 5 ml of Advance Authorization no. 0810132325 dt. 13.06.2014 issued under PC-9 condition.

Decision:

The committee noted that the representation was not clear. It does not tell how much quantity and value they have imported and how much quantity and value they have exported using the imported raw materials in both packing size against the stipulated export obligation? The case was therefore deferred for seeking full facts from the applicant.
(Action: Applicant/RA, Ahmedabad)

Case No.18: M/s. Biotech Ophthalmics Pvt. Ltd. Ahmedabad

F.No. 01/60/162/749/AM17/PRC

PRC Meeting No. 22/AM17 dated 02.11.2016

Subject:- Request for extension of EOP and waiver of PC-18 Condition of Advance Authorization no. 0810133088 dt. 25.08.2014 issued under PC-9 condition.

Decision:

The Committee noted that the Authorization No. 0810133088 dt. 25.08.2014 was issued with pre-import conditions stipulated in PC-9 dated 30.06.2003 read with Appendix -30A, which allows 12 months period for EO fulfillment from import of each consignment. The imports were made on 10.10.2014. Accordingly, initial obligation period was upto 31.10.2015. The applicant has stated to 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 the first consignment 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 unfulfilled FOB value of export made after initial obligation period.
IV. The minimum value addition of 15% as prescribed under Para 4.09 of FTP (2015-2020) shall be maintained.
V. PC-18 condition can't be waived as no proof of export of balance goods, imported from unregistered sources, have been provided.
VI. Hence, the shortfall shall be regularised in terms of Para 4.49 of HBP read with PC-18 dated 30.10.2007.

(Action: RA, Ahmedabad)

Case No.19: M/s. Biotech Ophthalmics Pvt. Ltd. Ahmedabad

F.No. 01/60/162/748/AM17/PRC

PRC Meeting No. 22/AM17 dated 02.11.2016

Subject:- Request for extension of EOP and waiver of PC-18 Condition of Advance Authorization no. 0810130793 dt. 23.04.2014 issued under PC-9 condition.

Decision:

The Committee noted that the Authorization No. 0810130793 dt. 23.04.2014 was issued with conditions stipulated under PC-9 dated 30.06.2003 read with Appendix-30A, which allows 12 months period for EO fulfillment from import of each consignment. The imports were made on 08.05.2014 & 01.07.2014. Accordingly, initial obligation period was upto 31.05.2015 & 01.07.2015. The applicant has stated to 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 the each consignments i.e. upto **30.11.2015 & 31.01.2016, respectively.**
II. This is only for accounting and regularization of exports already effected.
III. This is subject to a payment of composition fee @ 0.5% per month on unfulfilled FOB value of export made after initial obligation period.

IV. The minimum value addition of 15% as prescribed under Para 4.09 of FTP(2015-2020) shall be maintained.

V. PC-18 condition can't be waived, as no proof of export of balance goods, imported from unregistered sources, have been provided.

VI. Hence, the shortfall shall be regularised in terms of Para 4.49 of HBP read with PC-18 dated 30.10.2007

(Action: RA, Ahmedabad)

Case No.20: M/s. Biotech Ophthalmics Pvt. Ltd. Ahmedabad

F.No. 01/60/162/750/AM17/ PRC

PRC Meeting No. 22/AM17 dated 02.11.2016

Subject:- Request for extension of EOP and waiver of PC-18 Condition of Advance Authorization no. 0810130794 dt. 23.04.2014 issued under PC-9 condition.

Decision:

The Committee noted that the Authorization No. 0810130794 dt. 23.04.2014 was issued with conditions stipulated under PC-9 dated 30.06.2003 read with Appendix-30A, which allows 12 months period for EO fulfillment from import of each consignment. The imports were made on 08.05.2014 & 01.07.2014. Accordingly, initial obligation period was upto 31.05.2015 & 01.07.2015. The applicant has stated to have fulfilled less than 50% of its stipulated 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 the each consignments i.e. upto **30.11.2015 & 31.01.2016,** respectively.

II. This is only for accounting and regularization of exports already effected.

III. This is subject to a payment of composition fee @ 0.5% per month on FOB value of export made after initial obligation period.

IV. The minimum value addition of 15% as prescribed under Para 4.09 of FTP(2015-2020) shall be maintained.

V. PC-18 condition can't be waived, as no proof of export of balance goods, imported from unregistered sources, have been provided.

VI. Hence, the shortfall shall be regularised in terms of Para 4.49 of HBP read with PC-18 dated 30.10.2007

(Action: RA, Ahmedabad)

Case No.21: M/s. Biotech Ophthalmics Pvt. Ltd. Ahmedabad

F.No. 01/60/162/752/AM17/ PRC

PRC Meeting No. 22/AM17 dated 02.11.2016

Subject:- Request for extension of EOP and waiver of PC-18 Condition of Advance Authorization no. 0810132323 vdt. 13.06.2014 issued under PC-9 condition.

Decision:

The Committee noted that the Authorization No. 0810132323 vdt. 13.06.2014 was issued with conditions stipulated under PC-9 dated 30.06.2003 read with Appendix-30A, which allows 12 months period for EO fulfillment from import of each consignment. The imports were made on 11.11.2014 & 08.04.2015. Accordingly, initial obligation period was upto 31.11.2015 & 30.04.2016. 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 the each consignments i.e. upto **31.05.2016 & 31.10.2016.**

II. This is only for accounting and regularization of exports already effected.

III. This is subject to a payment of composition fee @ 0.5% on FOB value of export made after initial obligation period.

IV. The minimum value addition of 15% as prescribed under Para 4.09 of FTP(2015-2020) shall be maintained.

V. RA shall check that 50% exports against each consignment were made within initial export obligation period. If not, composition fee will be charged @ 0.5% per month on unfulfilled FOB.

VI. PC-18 condition can't be waived, as no proof of export of balance goods, imported from unregistered sources, have been provided.

VII. Hence, the shortfall shall be regularised in terms of Para 4.49 of HBP read with PC-18 dated 30.10.2007.

(Action: RA, Ahmedabad)

Case No.22: M/s. R & R Impex Pvt. Ltd., New Delhi

F.No. 01/60/162/757/AM17/PRC

PRC Meeting No. 22/AM17 dated 02.11.2016

Subject:- Request for EOP extension of Advance Authorization no. 0510287626 dt. 06.04.2011.

Decision:

The Committee observed that the Advance Authorization No. 0510287626 dated 06.04.2011 has been issued with an initial export obligation period of 6 months from the date of clearance of each import consignment by Customs authority, in accordance with Public Notice No.31 dated 14.02.2011. The first import was made on 19.05.2011 accordingly the export obligation period was upto 30.11.2011. The applicant has stated to have fulfilled less than 50% export obligation during the initial export obligation period of 6 months. Hence, the Committee decided the following:

I. Export obligation period be extended from 6 months to 9 months from the date of import consignment.

II. This will, however, be subject to payment of composition fee @ 0.5% per month of unfulfilled FOB value of export made after 6 months but upto 9th month.

III. No extension beyond 9th month shall be allowed.

IV. Shortfall, if any, shall be regularized in terms of Para 4.49 of HBP, 2015-2020.

(Action: RA, Bangalore)

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

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