Directorate General of Foreign Trade
(PRC-section)

Minutes of the Policy Relaxation Committee Meeting held under the Chairmanship of DGFT Shri A.K. Bhalla, Director General of Foreign Trade on 08.11.2016

Meeting No. 23/AM17 held on 08.11.2016 and 09.11.2016 at 10:30 AM

The following Members were present in the meeting:

1.	Shri K.C. Rout:	Addl. DGFT
2.	Shri Jaikant Singh:	Addl. DGFT
3.	Shri J.V. Patil:	Addl.DGFT
4.	Shri S.B.S. Reddy:	Addl.DGFT
5.	Shri Jay Karan Singh:	Jt. DGFT
6.	Shri Akash Taneja:	Jt. DGFT
7.	Shri Rakesh Kumar:	Jt. DGFT
8.	Shri Lokesh H.D.:	Jt. DGFT
9.	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. MM Aqua Technologies Ltd., New Delhi
F.No. 01/60/162/654/AM16/PRC
PRC Meeting No. 23/AM17 dated 08.11.2016
Subject:- Request for acceptance of Supply made under Deemed Export affected against E-Com Ref. Number which has been finally ratified by E.Com file Number and issuance of Authorization No. 0510212822 dt. 30.11.2007 and withdrawal of DEL status inspite of submission of documents in terms of Para- 4.25 of Handbook of Procedure.

The applicant, in terms of Para 2.59 of FTP, sought Personal Hearing, which was granted to them on 08.11.2016. Accordingly, Smt. Dolly Roy, Chief Finance Officer and Shri Milind Kothari, Executive Director of the company appeared before the committee and made the following submissions:

1. That they had effected exports mentioning E-com reference No. 05/90/000/24100/0095/5394 dtd. 26.02.2006 in the Invoices. But file number/advance authorization received on 12/11/2007.
2. That payment of fees for application was made on 09/11/2007 against the said e.com reference number.
3. That the Management was kept in the dark on the error committed by the employee.
4. That the employee attending to the matter was on leave due to ill health initially and later on left the organisation during December 2006 without

informing management that the application fees needs to be submitted and that online file number is to be generated against e-com reference.

5. That the supplies were under deemed export hence, shipping bills were not generated through customs, EDI system. Due to that reason, said error was continued.
6. That the error was not intentional.
7. That this will cause huge/undue financial hardship if the supplies are not considered / accepted for the regularization of exports and imports.
8. That the Company was handling first time online application and that too with online fee submission and was kept in the dark by the employee attending the licensing work.
9. That the Company does not have online facility with any bank for making payment during 2006.
10. Therefore, they prayed for acceptance of supplies to the tune of 794 MT made to the project Authority by quoting E.Com reference number on all the excisable invoices instead of file number. However, payment has been realized and all the procedural guidelines followed.

Having heard the applicant, the committee took the following decision:

Decision:_It was noted that in terms of Para 4.12 of HBP, 2009-2014 (Para 4.27 of HBP, 2015-2020) exports/supply made from the date of issue of EDI file number shall only be taken into account towards discharge of export obligation against Advance Authorisation. This is required for establishing co-relation of item exported and items to be imported duty free under Advance Authorisation. Merely generating e-com reference has no meaning unless application along with prescribed fee is paid. Further, in the application for Advance Authorisation, applicant is required to declare items to be imported and items to be exported after reasonable wastage permitted as per SION. Hence, exports made after generating EDI File number is accepted.

The Committee after due deliberations on the submissions made by the representatives of the applicant, observed that the grounds of not submitting application for the Authorisation immediately after generating e-com reference number due to an employee mistake cannot be construed as genuine hardship. The committee was of the views that the employee alone cannot be held responsible for not making payment of fee and not obtaining Advance Authorisation for long 21 months. It was failure on the part of management also for not monitoring work of his employees. Hence, management cannot shirk his responsibility. The committee, therefore, did not agree to consider this as a case of genuine hardship. Hence, decided to reject the request and reiterate its earlier decision taken in the meeting No.13/AM16 held on 03.11.2015. (**Action: RA, CLA)**

Case No.2: M/s. Rajapalaiyam Textiles (A Division of Rajapalayam Mills Ltd.), Tamil Nadu

F.No. 01/60/162/244/AM-13/PC-4(B) / PRC

PRC Meeting No. 23/AM17 dated 08.11.2016

Subject:- Request for Conversion of Free shipping bills to DEPB shipping bills for export of cotton Yarn-Relaxation under Para – 2.58 of FTP.

The applicant, in terms of Para 2.59 of FTP, sought Personal Hearing, which was afforded to them on 08.11.2016. Accordingly, Shri A. Seenivasagan, Manager - Commercial of the company appeared before the committee and made the following submissions:

1. That the applicant is an exporter of quality cotton yarn to various countries.
2. That as cotton yarn exports have undergone several policy changes, they were exporting cotton yarn under Registration of Contract procedure.
3. That vide their representation dated 02.08.2012 they had requested PRC to allow conversion of free Shipping bills to DEPB Shipping bills covering export of cotton yarn.
4. That the case was not favorably considered by PRC in its meeting no. 30/AM13 held on 27.11.2012 and 05/AM14 held on 07.05.2013 and rejected the case.
5. That denial of DEPB benefit would cause the applicant genuine financial hardship.
6. That DGFT has permitted DEPB benefit for export of cotton yarn under Free Shipping Bills vide Policy Circular No. 47 dated 8.11.2011 by filing application under manual mode. However, against the two shipments under shipping bills nos 4948462 dt 10.08.2011 and 4952643 dt 10.08.2011 exports were made inadvertently through free shipping bill category instead of DEPB route hence, unable to get DEPB benefit.
7. That exports have been effected and valuable foreign exchange realized fully.
8. The committee has considered similar request of M/s GDJD Exports, Chennai in its meeting No 18/AM 13 dated 17.08.2012.
9. Thus, the applicant has prayed for condoning the clerical mistake and lapse on their part and grant them the benefit for the above two shipments as per Policy and Procedures.

Decision: The committee noted that no export incentives are allowed against free shipping bills because free shipping bills are not assessed by the customs Authority under DEPB. However, vide Public Notice 67 dated 04.08.2011, DEPB on export of cotton yarn was restored with effect from 01.04.2011. Therefore, even free shipping effected during 01.04.2011 till 04.08.2011 were made eligible for DEPB benefits. The committee has been considering the request for issue of DEPB where goods were handed over to the customs Authority on or before 04.08.2011 but "Let Export" date is of subsequent date. However, in the instance case goods were exported after 10.08.2011 but no evidence is given that the goods were handed over to the customs Authority on or before 04.08.2011. The committee, therefore, did not accede to the request.

Case No.3: M/s. Phoenix Foils Pvt. Ltd., Mumbai
F.No. 01/60/162/626/AM16/PRC
PRC Meeting No. 23/AM17 dated 08.11.2016
Subject:- Request for clubbing of two Advance Authorization nos. 0310734470 dt. 15.05.2013 and 0310792000 dt. 15.12.2014.

The applicant, in terms of Para 2.59 of FTP, sought Personal Hearing, which was afforded to them on 08.11.2016. Accordingly, Shri Mukesh Bhandari, CMO of the company appeared before the committee and made the following submissions:

1. The import items are "Cold Rolled Stainless Steel Strips/ Coils - Grade 316/316L" of higher thickness range between 0.30 mm to 5.00 mm in both Advance Authorizations.
2. That the actual imports of Cold Rolled Stainless Steel Strips/ Coils are in the range between 0.30 mm to 2.22 mm. of Grade 316L in both Advance Authorizations.
3. The manufacturing activity is for Rolling of import items from higher thickness to lower thickness.
4. The export items are "Cold Rolled Stainless Steel Strips/ Coils – Grade 316/316L" of Thickness range between 0.01mm to 3.00 mm in both the Authorizations.
5. Their actual exports of Cold Rolled Stainless Steel Strips / Coils are in the range between 0.10 mm to 0.20 mm. Of grade 316L in both Advance Authorizations.
6. Against the actual imports of Thickness range between 0.30 to 2.22 mm of Grade 316L their actual exports are of lower range of 0.10 to 0.20 mm Grade 316L against both the Advance Authorizations mentioned above.
7. The two Advance Authorizations were issued within 19 months period of first Authorisation.
8. Upon clubbing of both these authorizations, the last date of exports is 13.03.2015 i.e. within 22 months from the date of first authorization dated 15.5.2013
9. Both these Authorizations were ratified with 3% wastage by the norms committee.
10. The total quantity of imports against both the authorizations is 330145 kgs. Our total exports are for a quantity of 319434.66 kgs and by adding 3% wastage allowed total quantity of consumption works out to 329017.70 kgs leaving unutilized quantity of 1127.30 kgs on which the applicant shall be paying customs duty.
11. They have made exports for total FOB value of exports against both the advance authorizations for US$15,12,528.18 against proportionate CIF value of imports made for a value of US$10,09,878.4.
12. That the thickness of actual exports made is much lower than the thickness than of actual imports made, by undertaking the process of re-rolling.
13. They therefore requested to allow clubbing of these two Authorisations.

Decision : The committee noted that both the Authorisations have been issued having initial validity of 12 months to import and 18 months to fulfill export obligation. The validity of the first Authorisation No. 0310734470 dt. 15.05.2013 was expired on 15.05.2014 and whereas the second Authorisation No. 0310792000 is obtained on 15.12.2014 i.e. after expiry of the validity of the first Authorisation. Revalidation of an Authorisation beyond the prescribed period is not considered by the RA or the PRC unless the case of genuine hardship is established. The Committee also observed that in terms of para 4.12 of HBP, exports/ supplies made from generating EDI file number shall only be taken into accounts towards discharge of export obligation against

Advance Authorisation. In this case more than 100% exports have been completed by 30.07.2013 against the Authorisation dated 15.05.2013 whereas second Authorisation is obtained on 15.12.2014. Therefore, exports made prior to issue of Authorisation/file number cannot be taken into account. That is why the facility of clubbing is allowed to offset the shortfall where imports are made in the first Authorisation and surplus exports are made in the subsequent Authorisation. This is not the case here. Hence, the committee was of the view that clubbing of such Authorisation would amount accepting of exports made prior to issue of File No/Authorisation number of second Authorisation and effectively giving indirect revalidation to first Authorisation because imports in the second Authorisation are made after expiry of validity of the first Authorisation. The committee, therefore, did not consider the request for clubbing of Authorisation.

The applicant is hereby directed to get the second Authorisation regularised in terms of Para 4.49 of HBP, 2015-2020 or seek extension in EOP for fulfillment of balance export obligation.
(Action: RA, Mumbai)

Case No.4: M/s. Viki Industries Pvt. Ltd., Chennai
F.No. 01/60/162/913/AM12/PRC
PRC Meeting No. 23/AM17 dated 08.11.2016
Subject:- Request for EOP extension of Advance Authorization no. 0410098492 dt. 10.09.2008 upto 48 months for regularization.

The applicant, in terms of Para 2.59 of FTP, sought Personal Hearing, which was afforded to them on 08.11.2016. Accordingly, Shri M. Chandrasekhar Reddy, Director of the company appeared before the committee and made the following submissions:

1. The case has been rejected by PRC in its meeting dated 10.09.2013 and main reason for rejection of the case was the "Drawback is supposed to be automatically Credited in case of DBK Bills of Export.
2. They have submitted a certificate from Jurisdictional Authorities regarding Non-Availing of any Drawback amount against the submitted DBK Bills of Export, which they were constrained to file, with a view to convert the same to DES Scheme in terms of Provisions of FTP Para 2.88.
3. After submission of above request PRC had instructed them to get the Conversion from SEZ Authorities vide Letter No. 01/60/162/913/AM-12/EFGC (PRC)/218 dated 27.10.2015. Their request for conversion of these Bills of Exports has duly been processed through the SEZ field formations and is pending with DC-SEZ, Kochi, who seeks extension of EO Period to enable conversion of Bills of Export as sought for by PRC. Relevant SEZ Letter dated 14.01.2016 had been submitted to PRC section.
4. They could not adhere to the time limit stipulated by PRC for conversion in view of the devastating floods witnessed in Chennai during that period.
5. They have already fulfilled 17.23% of Export Obligation under DES Scheme, and by that time initially endorsed EO Period had expired. In view of same, ongoing supplies could not be effected under DES scheme, as SEZ Authorities refused to entertain supplies against an expired EO Period Authorization

6. Further in terms of Provision of Para 6, Rule 30 of SEZ, Act read with Customs Circular No. 29/2006 dated 27/12/2006 we could not File even a Free Bill of Export, as Bills of Exports are allowed by SEZ Authorities only if any Export entitlement is to be claimed. Thus, in view of this provision and SEZ refusal to entertain their supplies under DES scheme, they were constrained to effect the supplies under DBK scheme with a view to convert same under DES scheme in terms of FTP Para 2.88, once we are granted EO Extension in terms of relevant FTP/HBP regularization purpose.

Decision: Taking into consideration the facts of the case, the Committee decided the following:

I. Export Obligation Period against the Advance Authorization no. 0410098492 dt. 10.09.2008 be extended from 36 months to 48 months i.e. upto **30.09.2012**.
II. This will, however, be subject to payment of composition fee @ 0.5% per month of unfulfilled FOB value of exports made after 36^{th} month but upto 42^{nd} month and @ 1% per month of unfulfilled FOB value of exports made after 42^{nd} month but upto 48^{th} month.
III. Minimum 15% value addition shall be maintained.
IV. RA shall allow accounting of DBK shipping bills provided the Customs Authority allows conversion of the same.
V. Shortfall, if any, shall be regularised in terms of para 4.49 of HBP, 2015-2020.

(Action: RA, Chennai/Applicant)

Case No.5: M/s. Sudarsanam Shinning Mills, Rajapalaiyam, Tamil Nadu
F.No. 01/94/180/245/AM-13/PC-4 (B) / PRC
PRC Meeting No. 23/AM17 dated 08.11.2016
Subject:- Request for conversion of free shipping bills to DEPB shipping bills for export of cotton yarn-Relaxation under para – 2.58 of FTP.

The applicant, in terms of Para 2.59 of FTP, sought Personal Hearing, which was afforded to them on 08.11.2016. Accordingly, Shri A. Seenivasagan, Manager - Commercial of the company appeared before the committee and made the following submissions:

1. That the applicant is an exporter of quality cotton yarn to various countries.
2. That as cotton yarn exports have undergone several policy changes, they were exporting cotton yarn under Registration of Contract procedure.
3. That vide their representation dated 02.08.2012 they had requested PRC to allow conversion of free Shipping bills to DEPB Shipping bills covering export of cotton yarn.
4. That the case was not favorably considered by PRC in its meeting no. 30/AM13 held on 27.11.2012 and 05/AM14 held on 07.05.2013 and rejected the cas.
5. That denial of DEPB benefit would cause the applicant genuine financial hardship.

6. That DGFT has permitted DEPB benefit for export of cotton yarn under Free Shipping Bills vide Policy Circular No. 47 dated 8.11.2011 by filing application under manual mode. However, against the two shipments under shipping bills nos 4948462 dt 10.08.2011 and 4952643 dt 10.08.2011 exports were made inadvertently through free shipping bill category instead of DEPB route hence, unable to get DEPB benefit.
7. That exports have been effected and valuable foreign exchange realized fully.
8. The committee has considered similar request of M/s GDJD Exports, Chennai in its meeting No 18/AM 13 dated 17.08.2012.
9. Thus, the applicant has prayed for condoning the clerical mistake and lapse on their part and grant them the benefit for the above two shipments as per Policy and Procedures.

Decision: The committee noted that no export incentives are allowed against free shipping bills because free shipping bills are not assessed by the customs Authority under DEPB. However, vide Public Notice 67 dated 04.08.2011, DEPB on export of cotton yarn was restored with effect from 01.04.2011. Therefore, even free shipping effected during 01.04.2011 till 04.08.2011 were made eligible for DEPB benefits. The committee has been considering the request for issue of DEPB where goods were handed over to the customs Authority on or before 04.08.2011 but "Let Export" date is of subsequent date. However, in the instance case goods were exported after 16.08.2011 but no evidence is given that the goods were handed over to the customs Authority on or before 04.08.2011. The committee, therefore, did not accede to the request.

Case No.6 : M/s. ETG Agro pvt. Ltd. Mumbai
F.No. 01/60/162/136/AM17/PRC
PRC Meeting No. 23/AM17 dated 08.11.2016
Subject:- Request for EOP extension against Advance Authorization no. 0310734418 dt. 15.05.2013 for regularization purpose.

Decision: The committee noted that the Authorization was issued having initial obligation period of 18 months. The applicant had option of obtaining two extensions of six months each from the concerned RA. RA has extended export obligation period upto 31.05.2015 i.e. upto 24 months. It is further noted that the applicant has not exported anything within the initial export obligation period but has exported 32.72% thereafter. The committee, therefore, decided the following:

1. Export obligation period be extended from 24 months to 36 months i.e. upto **31.05.2016**
2. This will, however, be subject to payment of composition fee @ 1% per month of unfulfilled FOB value of exports made after 24th month but upto 36th month.
3. No extension beyond 36th month shall be allowed.
4. Value addition as stipulated shall be maintained.
5. Shortfall, if any, shall be regularized in terms of Para 4.49 of HBP, 2015-2020.

(Action: RA, Mumbai)

Case No.7: M/s. Indeutsch Industries Pvt. Ltd., Noida
F.No. 01/60/162/469/AM17/PRC

PRC Meeting No. 23/AM17 dated 08.11.2016

Subject:- Request for waiver / condone procedural Lapse for not making the declaration of intend claim reward under MEIS on the shipping bills as per Para 3.14 of HBP 2015-20 for MEIS benefits.

Decision: The applicant has claimed that there was no space/provision in the software of SEZ to mention the declaration on intent during the period of export. Committee discussed the case in detail. The committee, therefore, deferred the case to seek comments of DC, SEZ and JS, SEZ in DoC.

(Action: PRC)

Case No.8: S. M. Herbals .Pvt. Ltd., New Delhi

F.No. 01/60/162/753/AM17/PRC

PRC Meeting No. 23/AM17 dated 08.11.2016

Subject:- Request for Condonation of Procedural Lapse for Regularization of Advance License no. 0510322242 dt. 16.04.2012 for not mentioning the actual consumption of inputs in shipping bills.

Decision: The Committee, on perusal of shipping bills, observed that it appears to be a typing mistake on the part of CHA because quantity imported and exported cannot be the same for such resultant product. SION at Sl No A3546 provides 1148kgs inputs for 1kg resultant product. Hence, the Committee decided to condone the procedural lapse and directed the RA to calculate entitlement as per the SION and regularise the case.

(Action: RA, CLA)

Case No.9: M/s. Sai Forge Pvt. Ltd., Chennai

F.No. 01/60/162/394/AM17/PRC

PRC Meeting No. 23/AM17 dated 08.11.2016

Subject:- Request for revalidation for six months of Advance Authorization no. 0410158993 dt. 17.07.2014.

Decision: The committee noted that the said Advance Authorization was issued on 17.07.2014 having validity upto 31.07.2015. The applicant has already been granted revalidation of 6 months against the said Authorisation i.e. upto 16.01.2016. However, due to heavy rains and flood in Chennai during the months of November and December, 2015, the factory was damaged and it took two months to control the situation and settle down. The floods affected the applicant's operations and they could not import during December 2015 and January 2016. Taking into consideration the genuine hardship, the committee decided to allow the following:

i. The Authorisation shall be revalidated for three months from the date of endorsement.

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

(Action: RA, Chennai/Applicant)

Case No.10: M/s. Meghmani Industries Ltd., Ahmedabad

F.No. 01/60/162/352/AM17/PRC

PRC Meeting No. 23/AM17 dated 08.11.2016

Subject:- Request for EOP extension of Advance Authorization no. 0810107662 dt. 11.01.2012.

Decision: The committee noted that the Authorization was issued having initial export obligation period of 36 months. The applicant had fulfilled 26.80% of its stipulated export obligation within the initial obligation period and 73.20% thereafter. The committee, therefore, decided the following:

1. Export obligation period be extended from 36 months to 48 months i.e. upto 31.01.2016.
2. This will, however, be allowed subject to payment of composition fee @ 0.5% per month of unfulfilled FOB value of export made after 36th month but upto 42nd month and @ 1% per month of FOB value of export made after 42nd month but upto 48th month.
3. Shortfall, if any, shall be regularized in terms of Para 4.49 of HBP, 2015-2020.
4. Minimum 15% Value addition shall be maintained.

(Action: RA, Ahmedabad)

Case No.11: M/s. Transpek Industry Ltd., Vadodara

F.No. 01/60/162/765/AM17/PRC

PRC Meeting No. 23/AM17 dated 08.11.2016

Subject:- Request for clubbing of two Advance Authorization no. 3410037276 dt. 01.07.2013 and 3410040907 dt. 29.01.2015.

Decision:

The Committee noted that exports against Advance Authorization No. 3410040907 dt. 29.01.2015 is made within the initial/extendable export obligation period of the Advance Authorization no. 3410037276 dt. 01.07.2013. The Committee, therefore, decided the following:

I. Export obligation period against Authorization No 3410037276 dt. 01.07.2013 be extended from 18 months to 24 months that is upto **31.07.2015**.
II. This will, however, be subject to payment of composition fee @ 0.5% of FOB value of exports made after 31.01.2015.
III. Clubbing of the 2 Advance Authorizations, as referred above be allowed.
IV. Exports made upto 31.07.2015 shall only be taken into account towards clubbing and discharge of EO.
V. RA shall examine the case in terms of Para 4.09 of FTP (2015-2020) and ensure value addition of minimum 15%. The 15% value addition for evaluating entitlement shall be applied on the clubbed FOB and CIF of the Authorizations.
VI. RA shall ensure proper accounting of the duty free inputs with reference to the export product while clubbing the Authorizations. On clubbing, shortfall if any, shall be regularized in terms of Para 4.49 of HBP, 2015-2020.

(Action: RA, Vadodara)

Case No.12: M/s Universal Precision Screws, Rohtak.

F.No. 01/60/162/789/AM17/PRC

PRC Meeting No. 23/AM17 dated 08.11.2016

Subject:- Request for EOP extension of Advance Authorization No.3310023560 dated 27.07.2012.

Decision:

The committee noted that the Authorization was issued having initial obligation period of 18 months. The applicant had option of obtaining two extensions of six months each from the concerned RA. RA has extended export obligation period by 6 months i.e. upto 27.07.2014. It is further noted that the applicant has stated to have fulfilled 20.24% of its stipulated export obligation within the initial / extended export obligation period and 77.40% outside the export obligation period. The committee, therefore, decided the following:

1. Export obligation period be extended from 18 months to 36 months i.e. upto **31.07.2015.**
2. This will, however, be subject to payment of composition fee @ 1% per month of unfulfilled FOB value of exports made after 24th month but upto 36th month.
3. No extension beyond 36th month shall be allowed.
4. Shortfall, if any, shall be regularized in terms of Para 4.49 of HBP, 2015-2020.

(Action: RA, Panipat)

Case No.13: M/s Harman Plastic Industries, Mumbai.

F.No. 01/60/162/776/AM17/PRC

PRC Meeting No. 23/AM17 dated 08.11.2016

Subject:- Request for EOP extension of Advance Authorization No.0310771021 dated 19.02.2014.

Decision:

The committee noted that the Authorisation was issued having initial obligation period of 18 months. RA has extended export obligation period by 12 months i.e. upto 18.08.2016. It is further noted that the applicant has stated to have fulfilled 87.67% of its stipulated export obligation within 30 months. The committee, therefore, decided the following:

1. Export obligation period be extended from 30 months to 36 months i.e. upto **28.02.2017**
2. This will, however, be subject to payment of composition fee @ 1% per month of unfulfilled FOB value of exports made/to be made after 30th month but upto 36th month.
3. RA shall check and ensure that minimum 50% export obligation have been fulfilled within 24 months. If not composition fee will be charged @ 1% per month on unfulfilled FOB value from 24th month onwards.
4. No extension beyond 36th month shall be allowed.
5. Shortfall, if any, shall be regularized in terms of Para 4.49 of HBP, 2015-2020.

(Action: RA, Mumbai)

Case No.14: M/s Harman Plastic Industries, Mumbai.

F.No. 01/60/162/794/AM17/PRC

PRC Meeting No. 23/AM17 dated 08.11.2016

Subject:- Request for EOP extension of Advance Authorization No.0310731503 dated 16.04.2013.

Decision:

The committee noted that the Authorisation was issued having initial obligation period of 18 months. RA has granted extension of export obligation period upto 30th month i.e. upto 15.10.2015. It is further noted that the applicant has stated to have fulfilled 95.77% of its stipulated export obligation within 30 months. The committee, therefore, decided the following:

I. Export obligation period be extended from 18 months to 36 months i.e. upto **30.04.2016.**
II. This will be subject to payment of composition fee @ 1% per month of unfulfilled FOB value of exports made after 30th month but upto 36th month.
III. RA shall check and ensure that minimum 50% export obligation have been fulfilled within 24 months. If not composition fee will be charged @ 1% per month on unfulfilled FOB value from 24th month onwards.
IV. No extension beyond 36th month shall be allowed.
V. Shortfall, if any, shall be regularized in terms of Para 4.49 of HBP, 2015-2020.

(Action: RA, Mumbai)

Case No.15: M/s Lupin Limited, Mumbai.
F.No. 01/60/162/793/AM17/PRC
PRC Meeting No. 23/AM17 dated 08.11.2016
Subject:- Request for waiver of PC-18 condition of Advance Authorization No.0310794301 dated 02.03.2015 issued under PC-9 conditions.

Decision:

The Committee noted that the Authorization No. 0310794301 dated 02.03.2015 was issued with pre-import condition and export obligation period of 12 months from import of each consignment, as per Appendix- 30A read with PC-9 dated 30.06.2003. The imports were made on 24.03.2015. 11.05.2015 & 27.06.2015. Accordingly, initial obligation period was upto 31.03.2016, 31.05.2016 and 30.06.2016, respectively. The applicant has stated to have fulfilled 99.93% of its stipulated export obligation during the initial export obligation period. They imported 231.24Kgs raw materials of CIF value of Rs.62, 51,925/-. However, due to process loss, 0.161 Kgs are left unaccounted. Hence, the Committee decided the following:

i. PC-18 dated 30.10.2007 condition stands waived to the extent of requirement of destruction certificate.
ii. This will, however, be subject to payment of duty plus applicable interest on unaccounted quantity to customs and Rs. Ten thousand only (Rs. 10,000/-) as composition fee to RA.

(Action: RA, Mumbai)

Case No.16 : M/s. e-Shakti.com Pvt. Ltd., Chennai
F.No. 01/60/162/05/AM17/PRC
PRC Meeting No. 23/AM17 dated 08.11.2016
Subject:- Request for waiver of procedural requirements as per HBP.

Decision:

The applicant plea is that they did not mention the details of Authorisation on shipping bills because the Customs Authority was insisting to open the each and every box of being exported. Since the each shipments were carrying one or two pieces for specific buyer and each consignment has different set of product, it was not practically possible to open individual boxes and subsequently correlate it with the Advance Authorisation. They, therefore, requested to allow accounting of free shipping bills towards discharge of export obligation against Advance Authorisation.

The Committee noted that in terms of para 4.12(iii) of FTP,

> *"At the time of discharge of export obligation (issue of EODC) or at the time of redemption, Regional Authority shall allow only those inputs which have been specifically indicated in the shipping bill."*

And, Para 4.27 of HBP, 2015-2020 (Para 4.12 of HBP, 2009-2014) provides:

> *"Exports / supplies made from the date of EDI generated file number for an Advance Authorisation, may be accepted towards discharge of EO. Shipping / Supply document(s) should be endorsed with File Number or Authorisation Number to establish co-relation of exports / supplies with Authorisation issued."*

Whereas, in the instance case, exports are made without mentioning details of Advance Authorisation and consumption of inputs in the shipping bills. Shipments effected without mentioning details of Advance Authorisation or any other export promotion schemes are called free shipping bills. And, valuation of such free shipping are not being done by the Customs Authority. Hence, such shipping cannot be accepted towards discharge of export obligation against the Advance Authorisation.

Taking all these facts into consideration, the committee did not agreed to accede to the request. The applicant is hereby directed to get the cases regularised in terms of Para 4.49 of HBP, 2015-2020 within a month from the date of uploading of these minutes on the Directorate website. **(Action: RA, Chennai/applicant)**

Case No.17: M/s. Hexagan Pharma Ltd., Mumbai
F.No. 01/60/162/755/AM17/PRC
PRC Meeting No. 23/AM17 dated 08.11.2016
Subject:- Request for EOP extension of Advance Authorization no. 0310794068 dt. 23.02.2015 issued with PC-9 Condition.

Decision:
The Committee noted that the Authorization No. 0310794068 dt. 23.02.2015 was issued with pre-import condition and having 12 months export obligation period from import of each consignment, as stipulated under Appendix -30A read with PC-9 dated 30.06.2003. The imports were made on 08.04.2015. Accordingly, initial obligation period was upto 30.04.2016. The applicant 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 i.e. upto **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% per month of 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. The applicant has to pay duty plus interest on inputs consumed and exported after 18 months from the date of import consignment.
VI. PC-18 dated 30.10.2007 shall be followed on unaccounted imported drugs, if any. **(Action: RA, Mumbai)**

Case No.18: M/s. Apollo Tyres Ltd., New Delhi
F.No. 01/60/162/742/AM17/PRC
PRC Meeting No. 23/AM17 dated 08.11.2016

Subject:- Request for surplus quantities of export of 379 Shipping bills made under Advance Authorization no. 0510355400 dt. 25.08.2013 towards fulfillment of EO for Advance Authorization no. 0510279264 dt. 13.12.2010 for regularization and closure purpose.

Decision:

The Committee after due deliberations decided the following:

I. Export obligation period against Authorization No 0510279264 dt. 13.12.2010 be extended from 36th month to 48th month that is upto 31.12.2014.

II. This will, however, be subject to payment of composition fee @ 1% per month of FOB value stipulated in the Authorisation.

III. The accounting of 379 export shipping bills made during 13.12.2013 till 31.12.2014 mentioning Advance Authorisation No. 0510355400 dt. 25.08.2013 shall be taken into account towards fulfilment of EO against Advance Authorization No. 0510279264 dt. 13.12.2010 subject to payment of Rs.200/- per shipping bill to the RA.

IV. RA shall ensure that these 379 shipping bills have not been accounted for discharge of export obligation against Advance Authorisation No. 0510355400 dt. 25.08.2013.

V. Entitlement of inputs shall be calculated as per SION A1667 for the resultant product. Excess inputs imported as per SION A1666 shall be liable for duty plus interest.

VI. The applicant shall furnish an affidavit cum indemnity bond on stamp paper affirming therein that no benefits have been availed against these 379 shipping bills and shall not be used for any other benefits other than the discharge of export obligation against Authorisation No 0510279264 dt. 13.12.2010.

(Action: RA, CLA)

Case No.19: M/s. Apollo Tyres Ltd., New Delhi
F.No. 01/60/162/591/AM17/PRC
PRC Meeting No. 23/AM17 dated 08.11.2016

Subject:- Request to consider excess shipping bills of Advance Authorization no. 0510355400 dt. 25.08.2013 against Advance Authorization no. 0510279263 dt. 13.12.2010 for regularization and closure purposes

Decision:

The Committee after due deliberations decided the following:

I. Export obligation period against Authorization No 0510279263 dt. 13.12.2010 be extended from 36 months to 48 months that is upto 31.12.2014.

II. This will be subject to payment of composition fee @ 1% per month of FOB value stipulated in the Authorisation.

III. The accounting of 271 export shipping bills made during 12.12.2013 till 31.12.2014 mentioning Advance Authorisation No. 0510355400 dt. 25.08.2013 shall be taken into account towards fulfilment of EO against

Advance Authorization No. 0510279264 dt. 13.12.2010 subject to payment of Rs.200/- per shipping bill to the RA.

IV. RA shall ensure that these 271 shipping bills have not been accounted against Advance Authorisation No. 0510355400 dt. 25.08.2013.

V. Entitlement of inputs shall be calculated as per SION A1667 for the resultant product. Excess inputs imported as per SION A1666 shall be liable for duty plus interest.

VI. The applicant shall furnish an affidavit cum indemnity bond on stamp paper affirming therein that no benefits have been availed against these 271 shipping bills and shall not be used for any other benefits other than the discharge of export obligation against Authorisation No 0510279263 dt. 13.12.2010.

(Action: RA, CLA)

Case No.20: M/s. JSK Industries Pvt. Ltd., Mumbai

F.No. 01/60/162/720/AM17/PRC

PRC Meeting No. 23/AM17 dated 08.11.2016

Subject:- Request for allow accounting of supply made through 10 Invoices mentioning Advance Authorization no. 0310738388 dt. 20.06.2013 in the Advance Authorization no. 0310613746 dt. 02.02.2011 for closure and regularization purpose.

Decision:

The Committee after due deliberations observed that the resultant products against both the Authorisations are same and the supplies have been effected within the initial export obligation period of first Authorisation. Therefore, decided the following:

I. Supply made under 10 tax invoices during 02.02.2011 to 28.02.2014 mentioning details of Advance Authorization no. 0310738388 dt. 20.06.2013 be accounted against Advance Authorization no. 0310613746 dt. 02.02.2011.

II. This will, however, be subject to payment of composition fee @ Rs.200/- per invoice.

III. RA shall ensure that supplies made under these 10 Tax Invoices have not been taken into accounts for discharge of export obligation against Advance Authorization no. 0310738388 dt. 20.06.2013.

IV. The applicant shall furnish an affidavit cum indemnity bond on stamp paper affirming therein that no benefits have been availed against these 10 Tax Invoices and shall not be used for availing any other benefits other than the discharge of export obligation against Authorisation No 0310613746 dt. 02.02.2011.

Case No.21: Hindustan Zinc Ltd, Udaipur.

F.No. 01/89/180/67/AM-09/PC-2(A)Vol.V/Part.I

PRC Meeting No. 23/AM17 dated 08.11.2016

Subject:- Request for grant of Policy relaxation in provision of CMVR 1989, Rules 126 of CMVR 1989 and clause 2(II) {[a] (i), (ii) & (iii), [b], [c] (i), (ii) & (iii) and clause 7 of chapter 87 of ITC (HS), 2012 for import of 28 underground mining equipment.

Decision:

The Committee decided to relax the provisions of Policy Conditions 2 (II) (a) (i) (ii) & (iii) (b), (c) (i) (ii) (iii) and Para 7 of Chapter 87 of ITC (HS) for import of 28 nos. of new underground mining equipment .

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.
III. The vehicles so imported shall be re-exported after completion of project.

(Action: Policy-2)

Case no 22: M/s VSB Studio, New Delhi

PRC Meeting No. 23/AM17 dated 08.11.2016

Sub: condonation of delay of 8 days for import of the unsold gems and jewelry exported under Para 4.80 of HBP for exhibition and sale purpose in New York.

Decision:

Taking into consideration the genuine hardship, the committee decided the following:

i. Import of unsold jewelry exported to New York be allowed.
ii. The Customs Authority shall ensure that the jewelry being imported are the same, which were exported.
iii. Delay of 8 days is condoned.
iv. This will, however, be subject to payment of Rs. 2,000/- as PRC application fee to RA.

(Action: RA, CLA)

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

****