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 27.12.2016

Meeting No. 27/AM17 held on 27.12.2016 at 11:30 AM

The following Members were present in the meeting:

1. Shri K.C. Rout	Addl. DGFT
2. Shri Jaikant Singh	Addl. DGFT
3. Shri Darshan Singh	Addl. DGFT
4. Shri J.V. Patil	Addl.DGFT
5. ShriS.B.S. Reddy	Addl.DGFT
6. Shri Jay Karan Singh	Jt. DGFT
7. Shri S.K. Mohapatra	Dy. DGFT
8. Shri Sudhir Kumar Sharma	FTDO

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

Case No.1: M/s. Vedanta Ltd. (formerly known as Sesa Sterlite Ltd.), Tuticorin, Tamil Nadu.
F.No. 01/60/162/853/AM17/PRC
PRC Meeting No. 27/AM17 dated 27.12.2016
Subject:-Request to count export of 47 S/bills (list of S/Bills statement enclosed) under Advance Authorization No.3510039462 dt. 12.10.2012 towards discharge of EO instead of AA No.3510041471 dt. 05.07.2013.

Decision: Deferred for re-examination.

Case No.2: M/s. Vedanta Ltd. (formerly known as Sesa Sterlite Ltd.), Tuticorin, Tamil Nadu.
F.No. 01/60/162/845/AM17/PRC
PRC Meeting No. 27/AM17 dated 27.12.2016
Subject:-Request to count export of 3 S/bills No.6884538 dt. 29.12.2011; 6886538 dt. 29.12.2011 and 6892651 dt. 29.12.2011 under Advance Authorization No.3510030471 dt. 04.06.2010 towards discharge of EO instead of AA No.3510030567 dt. 14.06.2010.

Decision: Deferred for re-examination.

Case No.3. M/s. Vedanta Ltd. (formerly known as Sesa Sterlite Ltd.), Tuticorin, Tamil Nadu.
F.No. 01/60/162/848/AM17/PRC
PRC Meeting No. 27/AM17 dated 27.12.2016

Subject:-Request to count export of 5 S/bills No.3872963 dt. 28.05.2011; 3873254 dt. 28.05.2011; 4108310 dt. 14.06.2011; 4108306 dt. 14.06.2011 and 4316158 dt. 28.6.2011 against Advance Authorization No.3510030590 dt. 15.06.2010 towards discharge of EO instead of AA No.0310637639 dt. 21.06.2011.

Decision: Deferred for re-examination.

Case No.4. M/s. Vedanta Ltd. (formerly known as Sesa Sterlite Ltd.), Tuticorin, Tamil Nadu.
F.No. 01/60/162/847/AM17/PRC
PRC Meeting No. 27/AM17 dated 27.12.2016
Subject:-Request to count export of S/bill No.4823707 dt. 04.09.2014 against Advance Authorization No.3510042649 dt. 13.11.2013 towards discharge of EO instead of AA No.3510043582 dt. 24.02.2014.

Decision: Deferred for re-examination.

Case No.5. M/s. Vedanta Ltd. (formerly known as Sesa Sterlite Ltd.), Tuticorin, Tamil Nadu.
F.No. 01/60/162/846/AM17/PRC
PRC Meeting No. 27/AM17 dated 27.12.2016
Subject:-Request to count export of 4 S/bills No.5204830 dt. 30.08.2011; 5204816 dt. 30.08.2011; 5454859 dt. 17.09.2011 and 5454433 dt. 17.09.2011 against Advance Authorization No.3510030590 dt. 15.06.2010 towards discharge of EO instead of AA No.0310637649 dt. 21.06.2011.

Decision: Deferred for re-examination.

Case No.6. M/s. Vedanta Ltd. (formerly known as Sesa Sterlite Ltd.), Tuticorin, Tamil Nadu.
F.No. 01/60/162/852/AM17/PRC
PRC Meeting No. 27/AM17 dated 27.12.2016
Subject:-Request to count export of S/bill No.18768 dt. 14.01.2011 under Advance Authorization No.3510029270 dt. 24.02.2010 towards discharge of EO instead of AA No.3510030590 dt. 15.06.2010.

Decision: Deferred for re-examination.

Case No.7. Lupin Ltd., Mumbai.
F.No. 01/60/162/390/AM17/PRC
PRC Meeting No. 27/AM17 dated 27.12.2016
Subject:-Request for EOP extension of Advance Authorization No.0310791474 dt. 27.11.2014.

Decision: The committee noted that the applicant has re-imported the goods which were manufactured and exported using the drugs imported from unregistered sources.

Such items are not allowed to be sold in the DTA. The committee therefore deferred the case for seeking destruction certificate as per PC-18 dated 30.10.2007 from the applicant. (Action: Applicant)

Case No.8. Sun Parmaceutical Industries Ltd., Mumbai.
F.No. 01/60/162/869/AM17/PRC
PRC Meeting No. 27/AM17 dated 27.12.2016
Subject:-Request for EOP extension of Advance Authorization No.0510394136 dt. 07.05.2015 issued PC-9 conditions.

Decision: The Committee noted that the Authorization No. 0310394136 dt. 07.05.2015 was issued with conditions stipulated under PC-9 dated 30.06.2003 read with Appendix-4J, which provides 12 months period for EO fulfillment from import of each consignment. The imports were made on 16.07.2015. Accordingly, initial export obligation period was upto 31.07.2016. The applicant has made NIL export 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 the import consignment i.e. upto **15.01.2017**.
II. This will, however, be subject to the payment of composition fee @ .1% per month of FOB value of exports made after initial export obligation period.
III. The minimum value addition of 15% as prescribed under Para 4.09 of FTP(2015-2020) shall be maintained.
(Action: RA, Mumbai)

Case No.9. Cadila Healthcare Ltd., Ahmedabad.
F.No. 01/60/162/912/AM17/PRC
PRC Meeting No. 27/AM17 dated 27.12.2016
Subject:-Request for EOP extension of Advance Authorization No.0810085771 dt. 13.01.2010 issued PC-9 conditions.

Decision: The Committee noted that the Authorisation was issued with conditions stipulated under PC-9 dated 30.06.2003 read with Appendix-30A of HBP, which allows 12 months period for EO fulfilment from import of each consignment. The applicant has imported goods on 21.01.2010 and 08.04.2010. Accordingly, initial obligation period was upto 31.01.2011and 30.04.2011, respectively. The applicant has stated to have completed more than 50% of the 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 import consignments **i.e. upto 31.07.2011 and 31.10.2011,** respectively.
II. This is only for accounting and regularization of exports already effected.

III. This will, however, be subject to payment of a composition fee @ 0.5% per month of FOB value of exports made after initial obligation period.

IV. RA shall check that minimum 50% exports, even on pro-rata basis, are made against each consignment, within its initial obligation period. If not, composition fee will be charged @ 1% per month of unfulfilled FOB value.

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

VI. For unaccounted inputs, PC-18 dated 30.10.2007 shall have to be be followed by applicant.

(Action: RA, Ahmedabad)

Case No.10. M/s. Adcock Ingram Ltd., Bangalore.
F.No. 01/60/162/860/AM17/PRC
PRC Meeting No. 27/AM17 dated 27.12.2016
Subject:-Request for clubbing of two Advance Authorizations No.0710102309 dt. 21.02.2014 & 0710108202 dt. 13.05.2015 issued under PC-9 condition.

Decision: The Committee noted that the Authorisations under consideration were issued with conditions stipulated under PC-9 dated 30.06.2003 read with Appendix-30A of HBP, which allows 12 months period for EO fulfilment from import of each consignment. Imports in the first Authorisation were made on 30.10.2014 and exports in the subsequent Advance Authorisation No. 0710108202 dt. 13.05.2015 are made within the initial/extendable export obligation period of the first Authorisation. The Committee, therefore, decided the following:

I. Export obligation period against Advance Authorisation No .0710102309 dt. 21.02.2014 be extended from 12 months to 18 months that is upto **30.04.2016**.

II. This will, however, be subject to payment of composition fee @ 1% per month of FOB value of exports made after **31.10.2015** in the clubbed Authorisation.

III. Clubbing of the 2 Advance Authorizations, as referred above be allowed.

IV. Exports made upto 30.04.2016 shall only be taken into account towards clubbing and discharge of EO.

V. No further import and export shall be allowed.

VI. 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.

VII. 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 read with PC-18 dated 30.10.2007.

(Action: RA, Bangalore)

Case No.11. M/s. Man Industries (India) Ltd., Mumbai
F.No. 01/60/162/907/AM17/PRC
PRC Meeting No. 27/AM17 dated 27.12.2016
Subject:-Request for 2nd revalidation of Advance Authorization No.0310790368 dt. 20.10.2014.

Decision: The Committee observed that the applicant has already been granted one revalidation of six months by RA. The Committee noted the request of the firm and decided to reject as no cogent and justified reasons establishing genuine hardship warranting relaxation under Para 2.58 of the FTP 2015-20 have been provided by the firm.

Case No.12. M/s. Man Industries (India) Ltd., Mumbai.
F.No. 01/60/162/908/AM17/PRC
PRC Meeting No. 27/AM17 dated 27.12.2016
Subject:-Request for 2nd revalidation of Advance Authorization No.0310790365 dt. 20.10.2014.

Decision: The Committee observed that the applicant has already been granted one revalidation of six months by RA. The Committee noted the request of the firm and decided to reject as no cogent and justified reasons establishing genuine hardship warranting relaxation under Para 2.58 of the FTP 2015-20 have been provided by the firm.

Case No.13. M/s. Sharp Ferro Alloys Ltd., Delhi.
F.No. 01/60/162/918/AM17/PRC
PRC Meeting No. 27/AM17 dated 27.12.2016
Subject:-Request for 2nd revalidation of Incremental Licence (IEIS) No.0519013693 dt. 28.11.2014.

Decision: The committee noted that duty credit scrip was issued having validity of 18 months. The Committee noted the request of the firm and decided to reject as no cogent and justified reasons establishing genuine hardship warranting relaxation under Para 2.58 of the FTP 2015-20 have been provided by the firm.

Case No.14. M/s. Lanxess India P. Ltd., Thane.
F.No. 01/60/162/666/AM17/PRC
PRC Meeting No. 27/AM17 dated 27.12.2016
Subject:-Request for clubbing of two Advance Authorizations No.0310769657 dt. 07.02.2014 and 0310798904 dt. 15.09.2015.

Decision: The Committee noted that above referred two Advance Authorizations were issued on 07.02.2014 & 15.09.2015. Initial export obligation period was 18 months in both Authorizations. No imports are made in the second Authorisation and the date of last export against the second Authorisation is within the initial export obligation period of the first Authorisation. The Committee, therefore, decided the following:

I. Clubbing of the 2 Advance Authorizations No.0310769657 dt. 07.02.2014 &0310798904 dt. 15.09.2015 be allowed.
II. Exports made upto **31.08.2015** shall only be taken into account towards clubbing and discharge of EO.
III. RA shall examine the case in terms of Para 4.09 of FTP (2015-2020) and ensure value addition of minimum 15%. The 15% value addition for evaluating entitlement shall be applied on the clubbed FOB and CIF of the Authorizations.
IV. RA shall ensure proper accounting of the duty free inputs with reference to the export product as per SION.
V. On clubbing, shortfall, if any shall be regularized in terms of Para 4.49 of HBP, 2015-2020.

(Action: RA, Mumbai)

Case No.15. M/s. Kalpesh Synthetics P. Ltd., Mumbai.
F.No. 01/60/162/673/AM17/PRC
PRC Meeting No. 27/AM17 dated 27.12.2016
Subject:-Request for revalidation of DFIA No.0310766090 dt. 15.01.2014.

Decision: Deferred for taking up the issue with NIC, as the report furnished by NIC need some more clarifications. NIC shall provide the date of activation of shipping bills and the date of acceptance of EODC by ICEGATE.

(Action: PRC/EDI)

Case No.16. M/s. ITCO Industries Ltd., Bangalore.
F.No. 01/60/162/906/AM17/PRC
PRC Meeting No. 27/AM17 dated 27.12.2016
Subject:-Request for issue of EODC along with revalidation of import as per Para 2.58 of FTP, DFIA No.0710107663 dt. 19.02.2015.

Decision: The committee noted that the Authorisation was issued having initial validity of 12 months and RA has allowed one revalidation of six months. The applicant has imported partially against three items and seeks revalidation. The Committee noted the request of the firm and decided to reject as no cogent and justified reasons establishing genuine hardship warranting relaxation under Para 2.58 of the FTP 2015-20 have been provided by the firm.

Case No.17. M/s. Al Nafees Proteins P. Ltd., Delhi.
F.No. 01/60/162/910/AM16/PRC
PRC Meeting No. 27/AM17 dated 27.12.2016
Subject:-Request for on line rectification of DEPB Licence No.0510350395 dt. 28.03.2013 after correcting the error code 13,02,38 and revalidation required as expired during error.

Decision: The committee on perusal of EDI report noted that error code 13, 02, 38 pertains to IECEGATE, which are considered no error if no amendment in the scrip is carried out. In the present case no amendment were carried out by DGFT. The customs Authority, therefore, should have allowed utilisation of the said DEPB. The committee was of the view that no policy relaxation is required in the case. The applicant may approach customs with full facts of case.

(Action: Customs Authority/Applicant)

Case No.18. M/s. Fablinen Exports, New Delhi.
F.No. 01/60/162/897/AM17/PRC
PRC Meeting No. 27/AM17 dated 27.12.2016
Subject:-Request for Policy Relaxation for the three years' time for the filing of the focus product scheme license under Chapter-3 & Intend declaration in terms of FTP, 2009-14.

Decision: The committee noted that exports were made during AM-14 under shipping Bills covered by DBK and these are not free shipping bills. The request is for duty credit scrip under FPS. During the relevant period the Policy did not stipulate declaration of intent, if the Shipping Bills were under any scheme. The case was, therefore, deferred for seeking a report from RA.

(Action: RA, CLA)

Case No.19. M/s. Flowserve India Controls (P) Ltd., Bangalore.
F.No. 01/60/162/938/AM16/PRC
PRC Meeting No. 27/AM17 dated 27.12.2016
Subject:-Request for condonation of non-mentioning the Advance Authorization No.3210063136 dt. 10.05.2013 in the S/Bills for regularization purpose.

Decision: The Committee observed that in terms of Para 4.12 of FTP read with Para 4.27 of HBP, 2015-2020 exporter shall indicate the details of the Advance Authorisation/File and inputs used in the resultant product. Not mentioning such details are considered free shipping bill, which cannot be taken into account for discharge of export obligation against Advance Authorisation. Hence, the request was not acceded to. The applicant is hereby directed to get their case regularized in terms of Para 4.49 of HBP 2015-2020.

(Action: RA, Bangalore)

D-6

Case No.20. M/s. Emerson Climate Technologies (India) P. Ltd., Pune
F.No. 01/60/162/874/AM16/PRC
PRC Meeting No. 27/AM17 dated 27.12.2016
Subject:-Request for revalidation of two DEPB Licenses No.3110060490 dt. 30.09.2013 & 3110060422 dt. 24.09.2013.

Decision: Committee decided to defer the case for seeking details from the applicant. The applicant shall furnish self certified EP copies of shipping bills and self certified Xerox of DEPB along with statement of shipping bills attached to the said DEPB for examining the case.

(Action: Applicant)

Case No.21. M/s. Cargill India P. Ltd., New Delhi.
F.No. 01/60/162/528/AM17/PRC
PRC Meeting No. 27/AM17 dated 27.12.2016
Subject:-Request for relaxing later cut provisions with respect to their application for duty free entitlement under Served from India Scheme of Rs.1, 39,73,488/- for the period 01.04.2014 – 31.03.2015.

Decision: As per EDI report the DGFT server received 1590, 1537 and 737 applications on 29.03.2016, 30.03.2016 and 31.03.2016 respectively. Therefore, applicant plea that server was not working is not as per the records. The committee, therefore, did not accede to the request for waiver of late cut.

Case No.22. M/s. Arvind Ltd., Ahmedabad.
F.No. 01/60/162/895/AM17/PRC
PRC Meeting No. 27/AM17 dated 27.12.2016
Subject:-Request for revalidation of Advance Authorization No.0810135287 dt. 18.05.2015.

Decision: The Committee observed that the applicant had option to get one revalidation of six months from RA. However, they did not avail the facility. Moreover, from the submissions made by the applicant, no case of genuine hardship is established. Hence, the Committee did not accede to the request

(Action: RA, Ahmedabad)

Case No.23. M/s. Vedanta Ltd., New Delhi.
F.No. 01/60/162/711/AM17/PRC
PRC Meeting No. 27/AM17 dated 27.12.2016

Subject:-Request for EODC, revalidation & transferability of DFIA No.0510392014 dt. 14.11.2014.

<u>Decision:</u> The committee noted that exports were made mentioning multiple DFIAs in the shipping bills which prevented the applicant from availing benefits due. It was decided to seek the comments of NIC to consider the matter further

(Action: PRC/NIC)

Case No.24. M/s. ASP Sealing Products Ltd., New Delhi.
F.No. 01/60/162/842/AM17/PRC
PRC Meeting No. 27/AM17 dated 27.12.2016
Subject:-Request for revalidation of Advance Authorization No.0510391887 dt. 07.11.2014.

<u>Decision:</u>The Committee observed that the applicant had option to get one revalidation of six months from RA. However, they did not avail the facility. Moreover, from the submissions made by the applicant, no case of genuine hardship is established, as they have imported two items to the extent of 100%. Hence, the Committee did not accede to the request.

(Action: RA, CLA, New Delhi)

Case No.25. M/s. Rauylimex Industries Pvt. Ltd., Mumbai.
F.No. 01/60/162/784/AM17/PRC
PRC Meeting No. 27/AM17 dated 27.12.2016
Subject:- Request for revalidation of Advance Authorization No.0310792517 dt. 31.12.2014.

<u>Decision:</u> The Committee observed that the applicant has already been granted one revalidation of six months by the RA, despite that the applicant did not utilize the Authorization fully. Moreover, from the submissions made by the applicant, no case of genuine hardship is established. Hence, the Committee did not accede to the request.

(Action: RA, Mumbai)

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

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