Minutes of the Policy Relaxation Committee Meeting held under the Chairmanship of DGFT, Shri Ajay Kumar Bhalla, IAS on 21.03.2017

Meeting No. 33/AM17 held on 21.03.2017 at 11.00 A.M.

List of officers 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.	Shri S.B.S. Reddy	Addl. DGFT
6.	Shri N.K.Srivastava	Addl. DGFT
7.	Shri Jay Karan Singh	Jt. DGFT
8.	Shri Akash Taneja	Jt. DGFT
9.	Shri Rakesh Kumar	Jt. DGFT
10.	Shri Lokesh H.D.	Jt. DGFT

The decision taken in the individual cases are as under: -

Case No.1: Larsen & Turbo Ltd. Mumbai.
F.No. 01/60/162/531/AM17/PRC
PRC Meeting No. 33/AM17 dated 21.03.2017
Subject: - Request for relaxation of policy /procedure to extend E.O period without imposing composition fee against Advance Authorization No. 0310755792 dt. 28.10.2013, in view of supplies to a turnkey project.

In terms of Para 2.59 of FTP, 2015-20, the applicant was afforded opportunity of personal hearing, as requested by them. Mr. Ashish Shaun, Authorised representative appeared before the committee on behalf of the company and made the following submissions:

1. The PRC in its meeting dated 20.12.2016 has rejected their request for EOP extension on the ground that they have failed to fulfil minimum 50% export obligation within initial export obligation period.
2. The AA No.0310755792 dt. 25.10.2013 was issued under FTP, 2009-14.

3. The AA was obtained to manufacture **Hot Gas Path Vessel Package (In Section) with Spares and for supply to M/s. Reliance Industries Ltd. – SEZ Unit, Jamnagar for their Pet Coke Gasification Project, a turnkey project.**
4. They requested to allow EOP extension without the condition of payment of composition fee for the following reasons:

   "Para 4.22 (a) of HBP under FTP 2009-14 read as "(a) fulfilment period of EO under an AA shall commence from authorization issue date, unless otherwise specified. EO shall be fulfilled within 18 months except in case of supplies to projects/turnkey projects in India/abroad under deemed exports category where EO must be fulfilled during contracted duration".

5. The initial phrase of said Para 4.22 evidently excludes the case of supplies to projects/turnkey projects in **India / Abroad** for the fulfilment of export obligation within 18 months and intend to link the EO period with the contracted duration.
6. However due to inadvertent error of using phrase "under deemed export" after the expression projects/turnkey projects in India/Abroad, a superfluous misperception is formed that EO only in the case of supplies to turnkey project falling under deemed export can be co-terminus with the contracted duration. This contention is not only incorrect but also inconsistent with the spirit of the FTP, 2009-14. Under no circumstances a project / turnkey project being executed abroad can be categorized under Deemed Export. It can certainly be classified only as Project Export.
7. In view of the above, they have requested to allow extension in E.O. period without imposing composition fee against the above Authorisation in view of supplies to turnkey project.

Decision: The case was discussed in detail. The committee was of the view that there seems to be a drafting error in the Para 4.22 of HBP, 2009-14, which was duly corrected in the FTP, 2015-20. Para 4.22(a) of the HBP, 2009-2014 reproduced in point 4 of the submissions above read as "*Fulfilment Period of EO under an Advance Authorisation shall commence from Authorisation issue date, unless otherwise specified. EO shall be fulfilled within 18 months except in case of supplies to projects / turnkey projects in India / abroad under deemed exports category where EO must be fulfilled during contracted duration*". The Para 4.22 (ii) of FTP, 2015-2020 states, "*in case of supply of goods to turnkey projects in India under deemed export category or turnkey projects abroad, the export obligation period shall be co-terminus with contracted duration of the project execution or 18 months whichever is more*". Therefore, having regard to the fact that the supplies were envisaged for a project in SEZ, export obligation period would be co-terminus with the contractual duration for supply/exports to the project either in India or abroad. No composition fee is required in such cases. The committee, therefore, decided the following:

i. Export obligation period be extended for a period equal to contractual duration.

ii. The applicant shall furnish to RA the copy of contact between the recipient of goods and the Applicant.

iii. RA shall ensure that supplies/exports of goods were made to the same buyer and within the contracted duration between the applicant and the recipient.

(Action: RA, Mumbai)

Case No.2: Larsen & Turbo Ltd. Mumbai.
F.No. 01/60/162/553/AM17/PRC
PRC Meeting No. 33/AM17 dated 21.03.2017
Subject: - Request for relaxation of policy /procedure to extend E.O period without imposing composition fee against Advance Authorization No. 0310755956 dt. 29.10.2013 in view of supplies to turnkey project.

In terms of Para 2.59 of FTP, 2015-20, the applicant was afforded opportunity of personal hearing, as requested by them. Mr. Ashish Chauhan, Authorised representative appeared before the committee on behalf of the company and made the following submissions:

1. The PRC in its meeting dated 20.12.2016 has rejected their request for EOP extension on the ground that they have failed to fulfill minimum 50% export obligation within initial export obligation period.
2. The AA No.0310755956 dt. 29.10.2013 was issued under FTP, 2009-14.
3. The said authorization was issued under FTP period 2009-14. The AA was obtained to manufacture 1st Stage Hot High Pressure Separator and HP H2S Absorber and export them to M/s. Technicas Reunidas Saudi Service and Contracting Co. Ltd. for their Jazan Refinery & Termical Project, **a turnkey projected located in Saudi Arabia**.
4. The arguments mentioned in Para 4 to 7 of case No. 1 have been re-iterated.

Decision: The decision in case No. 1 is re-iterated.

(Action: RA, Mumbai)

Case No.3: Larsen & Turbo Ltd. Mumbai.
F.No. 01/60/162/530/AM17/PRC
PRC Meeting No. 33/AM17 dated 21.03.2017

Subject: - Request for relaxation of policy /procedure to extend E.O period without imposing composition fee against Advance Authorization No. 0310755439 dt. 28.10.2013, in view of supplies to turnkey project.

In terms of Para 2.59 of FTP, 2015-20, the applicant was afforded opportunity of personal hearing, as requested by them. Mr. Ashish Chauhan, Authorised representative appeared before the committee on behalf of the company and made the following submissions:

1. The PRC in its meeting dated 06.01.2016 has rejected their request for EOP extension on the ground that RA are empowered to allow two EOP extensions of six months each in terms of Para 4.42 of HBP, 2015-202 but did not waived composition fee.
2. The AA No.0310755439 dt. 25.10.2013 was issued under FTP, 2009-14.
3. The AA was obtained to manufacture **Chloride Scrubber with Spares, Char Filter Vessel with Spares & Tar Removal Drum with Spares and supply them to M/s. Reliance Industries Ltd. – SEZ Unit, Jamnagar for their Pet Coke Gasification Project, which is a turnkey project.**
4. The arguments mentioned in Para 4 to 7 of case No. 1 have been re-iterated by the applicant.

Decision: The decision in case No. 1 is re-iterated.

(Action: RA, Mumbai)

Case No.4: Larsen & Turbo Ltd. Mumbai.
F.No. 01/60/162/552/AM17/PRC
PRC Meeting No. 33/AM17 dated 21.03.2017
Subject: - Request for relaxation of policy /procedure to extend E.O period without imposing composition fee against Advance Authorization No. 0310756062 dt. 29.10.2013, in view of supplies to turnkey project.

In terms of Para 2.59 of FTP, 2015-20, the applicant was afforded opportunity of personal hearing, as requested by them. Mr. Ashish Chauhan, Authorised representative appeared before the committee on behalf of the company and made the following submissions:

1. The PRC in its meeting dated 10.08.2016 has considered their request for EOP extension but did not waive the composition fee, as requested.
2. The AA No.0310756062 dt. 29.10.2013 was issued under FTP, 2009-14.

3. The said authorization was issued under FTP period 2009-14. The AA was obtained to manufacture 2nd Stage Reactors and DHT Reactors and export to Technicas Saudi for service and Contracting Co Ltd. for Jazaan Refinery & Terminal Project, a turnkey projected located in Saudi Arabia.

4. The arguments mentioned in Para 4 to 7 of case No. 1 have been re-iterated by applicant.

Decision: The decision in case No. 1 is re-iterated.

(Action: RA, Mumbai)

Case No.5: Larsen & Turbo Ltd. Mumbai.
F.No. 01/60/162/550/AM17/PRC
PRC Meeting No. 33/AM17 dated 21.03.2017
Subject: - Request for relaxation of policy /procedure to extend E.O period without imposing composition fee against Advance Authorization No. 0310777054 dt. 04.04.2014 in view of supplies to turnkey project.

In terms of Para 2.59 of FTP, 2015-20, the applicant was afforded opportunity of personal hearing, as requested by them. Mr. Ashish Chauhan, Authorised representative appeared before the committee on behalf of the company and made the following submissions:

1. The PRC in its meeting dated 10.08.2016 has considered their request for EOP extension but did not waive the composition fee, as requested.
2. The AA No.0310757054 dt. 04.04.2014 was issued under FTP, 2009-14.
3. The said authorization was issued under FTP period 2009-14. The AA was obtained to manufacture Ethylene Oxide Reactor/Gas Cooler with Spares and export to Sasol Lake Charles Chemical Plant Project, **a turnkey project in Lake Charles, LA, USA**.
4. The arguments mentioned in Para 4 to 7 of case No. 1 have been re-iterated by applicant.

Decision: The decision in case No. 1 is re-iterated.

(Action: RA, Mumbai)

Case No.6 Larsen & Turbo Ltd. Mumbai.
F.No. 01/60/162/1133/AM17/PRC
PRC Meeting No. 33/AM17 dated 21.03.2017

Subject: - Request for relaxation of policy /procedure to extend E.O period till the extended contracted duration without imposing composition fee against Advance Authorization No. 0310788986 dt. 10.09.2014, in view of supplies to turnkey project.

Decision: The decision in case No. 1 is re-iterated.

(Action: RA, Mumbai)

Case No.7 Larsen & Turbo Ltd. Mumbai.
F.No. 01/60/162/1134/AM17/PRC
PRC Meeting No. 33/AM17 dated 21.03.2017
Subject: - Request for relaxation of policy /procedure to extend E.O period till the extended contracted duration without imposing composition fee against Advance Authorization No. 0310789522 dt. 22.09.2014, in view of supplies to turnkey project.

Decision: The decision in case No. 1 is re-iterated.

(Action: RA, Mumbai)

Case No. 8 M/s A-one Chemicals, Ahmedabad,
F.No. 01/60/162/761/AM17/(PRC)
PRC Meeting No. 33/AM17 dated 21.03.2017
Subject: - Request for relaxation of Policy Circular No. 16 dated 15.03.2013 for rejection of Terminal Excise Duty paid.

Decision: The committee noted that in terms of Para 6.2(b) and 6.11(c)(ii) of the FTP, 2009-2014 read with Excise Notification No 22/2003-CE dated 31.03.2003, an EOU is exempted from payment of excise duty while procuring goods from a DTA unit for manufacture and export purpose. The Hon'ble High Court, Bombay in WP 2927/2015 and WP 2926 of 2016 filed by M/s Sandoz Pvt. Ltd., and M/s. Lupin Ltd. respectively, has upheld that supply of goods to EOU, as per Policy is exempted category and denial to refund was correct. Therefore, refund of duty against exempted category is not allowed.

Policy Relaxation Committee (PRC) considers request of policy relaxation on case to case basis on merit of the case and taking into consideration genuine hardship and adverse impact on trade. In the instant case, no cogent reason of genuine hardship has been found. Applicant has not explained, as to why they paid excise duty, despite the same being exempted under relevant rules. The committee, therefore, did not accede to the request.

Case No.9 : M/s Ebullient Packaging Pvt. Ltd, Mumbai.
F.No. 01/60/162/1032/AM17/PRC
PRC Meeting No. 33/AM17 dated 21.03.2017

Subject:- Request for 2nd revalidation of Advance Authorization No. 0310505154 dt. 03.02.2009

Decision: The applicant submitted that they had submitted request for EOP extension and revalidation of the Authorisation on 16.03.2011 but RA granted revalidation on 09.02.2012 till 02.08.2011. The committee, therefore, decided to defer the case and seek report from the RA concerned.

(Action: RA, Mumbai is requested to furnish report within five working days from the date of uploading of these minutes on the Directorate website.)

Case No. 10: M/s Sukaso Ceracolors Pvt. Ltd., Hyderabad
F.No. 01/60/162/975/AM17/PRC
PRC Meeting No. 33/AM17 dated 21.03.2017
Subject:- Request for condone the technical error and regularize the Advance Authorization No. 0910037113 dated 18.02.2009

Decision: The committee noted that as per ITC(HS) Code 2509000 export item Sand and soil are subject to export Licence. The item exported by the applicant is not sand and soil but manufactured out of Sand. However, CBEC vide Circular No 556/2000 dated 31.10.2000 classified the item under HS code 2509000, which falls under category of restricted items and hence Export Licence was required before making shipment. The committee noted that the applicant has obtained export Licence on 04.03.2012. However, before obtaining the export Licence, they had exported 500MTs Zirconium Silicate.

The committee noted that the exported item is not soil and sand but manufactured out of soil and sand. Therefore, Committee, after deliberation, decided to regularise the export of 500MTs Zirconium Silicate made under the Advance Authorisation prior to issue of Export Licence.

(Action: RA, Hyderabad)

Case No.11: M/s Lyka BDR International Ltd., Mumbai
F.No. 01/60/162/1006/AM17/PRC
PRC Meeting No. 33/AM17 dated 21.03.2017
Subject:- Request for allowing duty payment and destruction as per PC-18 in Advance Authorization no. 0310787613 dated 04.08.2014 issued under PC-9 condition.

Decision: The committee noted that the Authorisation in question was issued with conditions of Policy Circular No 9 dated 30.06.2003 read with Appendix-30A of HBP, 2009-2014, which permits import of drugs from unregistered sources with pre-import condition and 12 months' export obligation period. Sale of such goods in domestic market is not allowed under any circumstances.

The applicant has stated to have imported 2850.00Kgs against which export have been completed utilising 2847.936kgs. There is shortfall of 2.064Kgs for which the applicant has paid duty plus interest to the Customs Authority. However, due to process loss, such raw materials are not available with them.

Taking into consideration the unutilised quantity vis-a vis items to be exported, the committee decided the following:

i. PC-18 dated 30.10.2007 stands waived to the extent of requirement of destruction certificate.

ii. Applicant shall pay Rs. 10,000/-(Rupees Ten thousand only) to RA as a composition fee.

iii. The applicant shall furnish an affidavit duly Notorised and affirming therein that no raw materials imported from unregistered sources or resultant products manufactured out of it were diverted into the domestic market. And, no raw materials are available for destruction due to process loss.

(Action: Mumbai)

Case No.12: M/s J.B Chemicals & Pharmaceuticals Ltd., Mumbai
F.No. 01/60/162/1001/AM17/PRC
PRC Meeting No. 33/AM17 dated 21.03.2017
Subject:- Request for EOP extension of Advance Authorization No. 0310795628 dated 29.04.2015 issued under 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 2009-14, which allows 12 months period for EO fulfilment from import of each consignment. The applicant has imported goods on 29.06.2015 and 02.12.2015. Accordingly, initial obligation period was upto 28.06.2015 and 01.12.2016, respectively. The applicant stated to have completed 67% export obligation within initial EOP. Taking into consideration these facts, the committee decided the following:

i. Export obligation period be extended from 12 to 18 months against each consignment i.e. upto 28.12.2015 and 31.05.2017, respectively.

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

iii. RA shall ensure that minimum 50% exports are made within initial obligation period, if not, composition fee will be charged @ 1% per month of unfulfilled FOB value.

iv. Minimum 15% value addition shall be maintained.

(Action: RA, Mumbai)

Case No.13 M/s Ripple Fragrances Exports Pvt. Ltd., MysoreLtd. New
F.No. 01/60/162/947/AM17/PRC
PRC Meeting No. 33/AM17 dated 21.03.2017
Subject: - Request for 4% SAD by way of re-credit and revalidation of duty credit scrips –rejection by RA, Bangalore.

Decision: The committee noted that vide P.N. No 6 dated 18.04.2014 no endorsement is required from RA provided credit note has been issued by 30.06.2013. In this case order -in-original has been issued on 15.07.2016 by Commissioner of customs. However, the applicant did not submit the details of duty credit scrips against which refund order has been passed and copy of credit note issued by the Customs Authority. The case was, therefore, deferred to examine the position of the case.

Case No.14 M/s Apex (India) Ltd., Kolkata.
F.No. 01/60/162/050/AM17/PRC
PRC Meeting No. 33/AM17 dated 21.03.2017
Subject: - Request to allow DEPB benefit against 2 Shipping Bills i.e. 5160212 dt. 28.05.2004 and 5169118 dt. 13.07.2004.

Decision: it is noted that the applicant has received payments from ECGC on 31.03.2008. However, application for DEPB was submitted on 02.02.2012 which is after 4 years from receipt of payment. No cogent reason has been given by the applicant for not submitting application immediately after receiving the payments. The committee, therefore, did not accede to the request.

Case No.15 M/s Kirloskar Pneumatic Co. Ltd., Pune
F.No. 01/60/162/951/AM17/PRC
PRC Meeting No. 33/AM17 dated 21.03.2017
Subject: - Request for relaxation of policy in respect of non-generating Bills of Export against exports/supplies made to SEZ unit against Advance Authorization No. 3110056061 dated 12.10.2012.

Decision: The Committee noted that in terms of Para 4.12 of FTP, 2015-20, exporter is required to mention consumption of duty free inputs in the shipping bill (in case of export by ship)/ bill of export (in case export by land customs) towards discharge of export obligation against Advance Authorization. In the instant case, exports were made to SEZ unit without generating Bill of Export. ARE-1 does not bear such information and valuation of ARE-1 is not be done by the Customs Authority. Further, in terms of Rule 30 of SEZ Rules, 2006, Bill of Export is a mandatory document for claiming duty exemption. Hence, such documents cannot be accepted towards discharge of export obligation against Advance Authorisation. The committee, therefore, did not accede to the request. The applicant is here by directed to get the case regularized in terms of Para 4.49 of HBP, 2015-20.

(Action: RA, Vadodara)

Case No.16 M/s Ambigai Poly Sack, Tamil Nadu
F.No. 01/60/162/980/AM17/PRC
PRC Meeting No. 33/AM17 dated 21.03.2017
Subject: - Request for revalidation of Advance Authorization No. 3210067523 dt. 19.09.2013 & condone procedural lapse.

Decision: The committee noted that the Authorization was issued having initial validity of 12 months for import and 18 months for discharge export obligation from date of issue of Authorisation. RA is empowered to allow six months' further validity on Merit of the case. The customs Authority, by oversight, allowed some imports after expiry of validity of the Authorisation but within 18 months. The committee, therefore, decided to regularize the imports made after 12 months but within 18 months from the date of issue of the Authorization.

(Action: RA, Chennai)

Case No.17 M/s Sunlord Apparels Mfg. Co. Pvt. Ltd, Noida
F.No. 01/60/162/785/AM17/PRC
PRC Meeting No. 33/AM17 dated 21.03.2017
Subject: - Request for waiver of clerical mistake in consumption data mentioned in Square Meters in S/Bills instead of Meters towards fulfillment of E.O. of Advacne Authorizatioin No. 0510337932 dt. 31.10.2012.

Decision: The committee noted that as per general Note for Textiles under SION book, GSM of fabric shall be mentioned in the Bill of Entry while importing and in the Shipping Bill while exporting. As per Circular No 19 dated 15.07.2008 consumption of fabrics in sq. Metro can be calculated as per formula given therein. Hence, in the present case question of policy relaxation does not arise. If there was mistake in mentioning wrong quantity in shipping bill, the applicant should have approached the Customs Authority for correcting it. PRC cannot allow any relaxation to accept a wrong calculation. Hence, the committee did not accede to the request. The applicant is directed to get the shortfall regularized as per Para 4.49 of HBP, 2015-20.

(Action: RA, CLA)

Case No.18 M/s Maharashtra Seamless Ltd, New Delhi
F.No. 01/60/162/936/AM17/PRC
PRC Meeting No. 33/AM17 dated 21.03.2017
Subject: - Request for waiver of Composition fee against already permitted clubbing of six Advance Authorizations No. (i) 0510226508 dt. 29.08.2008 (ii) 0510238133 dt. 17.03.2009 (iii) 0510269400 dt. 30.07.2010 (iv) 0510275355 dt. 20.10.2010 (v) 0510275355 dt. 20.10.2010 and (vi) 0510287946 dt. 11.04.2011 for redemption purpose.

Decision: The committee discussed the case at length and decided to reject the request because extension in the export obligation period is allowed, as per the HBP, on payment of composition fee except in case of force majeure. PRC permits extension beyond the period stipulated in HBP with composition fee. The applicant is directed to available the facility allowed by PRC or get the Authorizations individually regularized in terms of Para 4.49 of HBP of 2015-20.

(Action: Applicant/RA, CLA)

Case No.19 M/s Kirloskar Pneumatic Co. Ltd., Pune
F.No. 01/60/162/950/AM17/PRC
PRC Meeting No. 33/AM17 dated 21.03.2017
Subject: - Request for relaxation of policy in respect of non-generating Bills of Export against exports/supplies made to SEZ unit against Advance Authorization No. 3110053909 dated 24.04.2012

Decision: Committee decided to re-iterate the decision taken in case No. 15 of the same company.

(Action: RA, Vadodara)

Case No.20 M/s Sunlord Apparels Mfg. Co. Pvt. Ltd, Noida
F.No. 01/60/162/786/AM17/PRC
PRC Meeting No. 33/AM17 dated 21.03.2017
Subject: - Request for waiver of clerical mistake in consumption data mentioned in Square Meters in S/Bills instead of Meters towards fulfilment of E.O. of Advance Authorization No. 0510371397 dt. 20.11.2013.

Decision: Committee decided to re-iterate the decision taken in case No. 17 of the same company.

(Action: RA, CLA)

Case No.21 M/s Lyka BDR International Ltd., Mumbai
F.No. 01/60/162/1006/AM17/PRC
PRC Meeting No. 33/AM17 dated 21.03.2017

Subject: - Request for allow duty payment and destruction as per PC-18 in Advance Authorization no. 0310787611 dated 04.08.2014 issued under PC-9 condition.

Decision: The Committee noted that the applicant has imported 1774.00 Kgs. of Ampicillin Trihydrate and made export of 1731.016 Kgs. As per direction of RA, the party paid custom duty + interest on 42.98 kgs. They further submitted that due to process loss they do not left with any material in hand and hence requested to waive the requirement of destruction certificate.

Taking into consideration the facts that the applicant has paid duty+ interest and no raw materials are available with them due to process loss, 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 allowed on payment of composition fee of Rs. 1,00,000/-(Rupees one lakh only).

ii. The applicant shall furnish an affidavit duly Notorised affirming therein that no raw materials imported from unregistered sources or resultant products manufactured out of it were diverted into domestic market.

Case No.22 M/s Sunlord Apparels Mfg. Co. Pvt. Ltd, Noida
F.No. 01/60/162/774/AM17/PRC
PRC Meeting No. 33/AM17 dated 21.03.2017
Subject: - Request for waiver of clerical mistake in consumption data mentioned in Square Meters in S/Bills instead of Meters towards fulfillment of E.O. of Advacne Authorizatioin No. 0510353514 dt. 08.05.2013.

Decision: Committee decided to re-iterate the decision taken in case No. 17 of the same company.
(Action: RA, CLA)

Case No.23 M/s Sunlord Apparels Mfg. Co. Pvt. Ltd, Noida
F.No. 01/60/162/787/AM17/PRC
PRC Meeting No. 33/AM17 dated 21.03.2017
Subject: - Request to accept the actual consumption figure 9869 Sq. meter instead of 4886 Sq. Meters as per CE and CA certificate towards fulfilment of E.O. against Advance Authorization No. 0510333245 dt. 31.08.2012.

Decision: Committee decided to re-iterate the decision taken in case No. 17 of the same company.

(Action: RA, CLA)

Case No.24 Larsen & Turbo Ltd. Mumbai.
F.No. 01/60/162/1013/AM17/PRC
PRC Meeting No. 33/AM17 dated 21.03.2017
Subject: - Request for waiver in policy and granting extension in validity of SCOMET Licence No. 0075448 dt. 28.01.2015

Decision: The Committee noted that the SCOMET License No. 0075448 dated 28.01.2015 was issued with initial validity upto 28.01.2016. The RA has allowed extension unto 31.01.2017 with approval of H.Qrs. Therefore, the committee did not agree to allow further extension. The applicant is directed to obtain fresh Authorization.

Case No.25 M/s Indoco Remedies Ltd., Mumbai
F.No. 01/60/162/1008/AM17/PRC
PRC Meeting No. 33/AM17 dated 21.03.2017
Subject: - Request for waiver of PC-18 condition of Advance Authorization No. 0310791351 dt. 24.11.2014 issued under PC-9 conditions.

Decision: The Committee noted that the party imported 20 kgs of Chlordiazepaxide. No export was made by the firm due to rejection of sample by buyer. However, they have destroyed 19.945kgs in the presence of Excise Authority and paid duty plus interest on it. Balance 0.055kgs are not available, as utilized while testing.

Taking into consideration all these facts 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 allowed on payment of composition fee of Rs. 10,000/-(Rupees ten thousand only).

ii. The applicant shall furnish an affidavit duly Notorised and affirming therein that no raw materials imported from unregistered sources or resultant products manufacture out of it were diverted into domestic market.

Case No.26 M/s Induce Remedies Ltd., Mumbai
F.No. 01/60/162/1009/AM17/PRC
PRC Meeting No. 33/AM17 dated 21.03.2017
Subject: - Request for waiver of PC-18 condition of Advance Authorization No. 0310787333 dt. 25.07.2014 issued under PC-9 conditions.

Decision: The Committee noted that the party imported 58kgs of Chlordiazepaxide and have exported 52.433kgs. However, they have destroyed 3.868kgs in the presence of Excise Authority and has paid duty plus interest on remaining unutilised

5.567kgs. Balance 1.732 kgs are not available as the same were utilized for testing and sampling.

Taking into consideration all these facts 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 allowed on payment of composition fee of Rs. 50,000/-(Rupees Fifty thousand only).

ii. The applicant shall furnish an affidavit duly Notorised and affirming therein that no raw materials imported from unregistered sources or resultant products manufacture out of it were diverted into domestic market.

Case No.27 M/s Wockhardt Ltd., Aurangabad.
F.No. 01/60/162/1015/AM17/PRC
PRC Meeting No. 33/AM17 dated 21.03.2017
Subject: - Request for EOP extension of Advance Authorization No. 0310800109 dated 06.11.2015 issued under PC-9 condition.

Decision: The Committee noted that the Authorization was issued with condition stipulated under PC-9 dated 06.11.2015 read with Appendix 30A of 2009-14 FTP, which allows 12 months' period for EO fulfilment from import of each consignment. The applicant has imported goods on 14.12.2015. Accordingly, initial obligation period was upto 13.12.2016.

The applicant has claimed to have 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 may be extended from 12 months to 18 months against import consignments i.e. upto 30.06.2017.

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

iii. 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.

iv. The minimum value addition of 15% as prescribed under para 4.09 of FTP (2015-20) shall be maintained.

(Action: RA, Mumbai)

Case No.28 M/s Rusan Pharma Ltd., Mumbai
F.No. 01/60/162/1017/AM17/PRC
PRC Meeting No. 33/AM17 dated 21.03.2017

Subject: - Request for EOP extension of Advance Authorization No. 0310797621 dated 24.07.2015 issued under PC-9 condition.

Decision: The Committee noted that the Authorization was issued with condition stipulated under PC-9 dated 24.07.2015 read with Appendix 30A of 2009-14 FTP, which allows 12 months period for EO fulfilment from import of each consignment. The applicant has imported goods on 29.09.2015. Accordingly, initial obligation period was upto 28.09.2016.

The applicant has submitted that due to excessive fluctuation in local currency of Russia (Rouble) the export could not be made. Taking into consideration the fact the Committee decided the following:

i. Export obligation period may be extended from 12 months to 18 months against import consignments i.e. upto 31.03.2017.

ii. This will, however, be subject to payment of composition fee @ 1% per month of FOB value of export made after initial obligation period.

iii. The minimum value addition of 15% as prescribed under para 4.09 of FTP (2015-20) shall be maintained.

(Action: RA, Mumbai)

Case No.29 M/s Clyde Bergemann India Pvt. Ltd., New Delhi
F.No. 01/60/162/1017/AM17/PRC
PRC Meeting No. 33/AM17 dated 21.03.2017
Subject: - Request for EOP extension of Advance Authorization No. 0510384544 dated 22.04.2014.

Decision: The Committee noted that the Advance Authorization No. 0510384544 is issued on 22.04.2014 with initial Export Obligation period upto 31.10.2015 (18 month). The EO period was further extended upto 31.10.2016 (30 months).

The applicant has claimed to have completed 98.36% 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 may be extended from 30 months to 36 months i.e. upto 30.04.2017.

ii. This will, however, be subject to payment of composition fee @ 1% per month of FOB value of export made after 30th month but upto 36th month.

iii. The minimum value addition of 15% as prescribed under para 4.09 of FTP (2015-20) shall be maintained.

(Action: RA, CLA)

Case No.30 M/s Camila Pharmaceuticals Ltd., Ahmedabad
F.No. 01/60/162/773/AM17/PRC
PRC Meeting No. 33/AM17 dated 21.03.2017
Subject: - Request for Clubbing of two Advance Authorizations No. 0810117686 dated 21.01.2013 and 0810133557 dt. 10.10.2014 for regularization purpose.

Decision: The committee noted that above mentioned two Authorizations were issued with normal condition to import drugs from registered sources. The RA has allowed 6 months' extension in EOP against both the Authorizations. The committee, therefore, decided the following;

I. Export obligation period be extended from 24 months to 36 months against Authorization No 0810117686 dated 21.01.2013 that is upto 20.01.2016.

ii. This will, however, be subject to composition fee @ 0.5% of FOB value of exports made after 21.01.2015 but upto 20.01.2015, which will be accounted for clubbing and @ 1% per month of FOB value of export made after 21.07.2015 but unto 20.01.2016, which will be accounted for clubbing.

iii. RA shall ensure that imports against these Authorizations were not made from unregistered sources.

iv. Clubbing of both the Authorization be allowed for regularisation purposes and no further import and export be permitted.

v. Minimum 15% value addition shall be maintained on clubbing.

vi. Inputs shall be accounted as per SION.

vii. Shortfall, if any shall be regularised in terms of Para 4.49 of HBP, 2015-20.

(Action: RA, Ahmedabad)

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

****