Minutes of the Policy Relaxation Committee Meeting held under the Chairmanship of DGFT, Shri Pravir Kumar, IAS on 08.07.2014

Meeting No. 04/AM15 held on 08.07.2014 at 12.00 Noon.

List of officers present in the meeting is given below:

1.	Shri D. K. Singh	Addl. DGFT
2.	Shri L.B. Singhal	Addl. DGFT
3.	Shri KC. Rout	Addl. DGFT
4.	Shri Jaikant Singh	Addl. DGFT
5.	Shri Darshan Singh	Jt. DGFT
6.	Shri A. K. Srivastava	Jt. DGFT
7.	Shri Jay Karan Singh	Jt. DGFT
8.	Shri AkashTaneja	Jt. DGFT
9.	Shri S.K. Mohapatra	Dy. DGFT
10.	Smt. N.R.Choudhury	FTDO

The decision, taken in the individual cases, is as under:-

Case No: 1 M/s Bharat Petroleum Corporation Ltd. Mumbai
F.No. 01/60/162/82/AM14/PRC
PRC Meeting No. 04/AM15 dated 08.07.2014
Subject: - Request for clubbing of 6 Advance Authorizations no.
1. 1010030213 dated 15.07.2008
2. 1010038776 dated 01.06.2010
3. 101039448 dated 16.07.2010
4. 1010040940 dated 18.11.2010
5. 1010041031 dated 30.11.2010
6. 1010041879 dated 24.02.2011

The Committee decided the following:

I. Clubbing of the 6 Advance Authorization as referred above be allowed.
II. This is only for accounting & regularization of exports already effected and closure purpose. No further Imports/Exports be allowed.
III. Exports made within 48 months from the date of earliest Authorization (i.e. upto 31.07.2014) shall only be taken into consideration for accounting and clubbing subject to payment of composition fee @ 0.5% on FOB value of export made beyond the stipulated

EOP in the earliest Authorization.

IV. Exports effected prior to date of generating the file number against Advance Authorization no. 1010030213 dated 15.07.2008 shall not be counted for clubbing.

V. RA shall examine the case in terms of Para 4.1.6 of FTP and ensure value addition of minimum 15%. The 15% value addition for evaluating entitlement is to be applied on the entire FOB and CIF of the Authorizations to be clubbed.

VI. RA shall ensure proper accounting of the duty free inputs with reference to the export product while clubbing the Authorizations.

VII. Even after clubbing, shortfall, if any, shall be regularized on payment of Customs Duty + Interest in terms of Para4.28 of H.B.P.

(**Action: RA Cochin)**

Case No: 2 M/s. IFB Industries Ltd. Kolkata
F.No. 01/60/162/837/AM14/PRC
PRC Meeting No. 04/AM15 dated 08.07.2014
Subject : Request for following relaxation :

1. Clubbing of 11 Advance Authorizations issued during the period 1989 to 1992 for regularization & closure purpose.
2. To count all export made within original EOP, extended EOP where custom authority has not been able to endorse in S/bill due to old AA and implementation of new EDI system for regularization.
3. Waiver of composition fee towards export made during 2006-07 to 2008-09 i.e. before the order of BIFR.

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

The Committee noted that Authorization referred above are issued from 1989 to 1993 under different Custom Notifications having different scale of duty. Hence, clubbing of such Authorizations/ licences are not allowed. Moreover, being a sick unit, BIFR has allowed rehabilitation package for 5 years and accordingly export obligation period under above referred Authorization was extended upto January, 2014 by RA. This is a considerable relaxation which has already been extended. The applicant had to fulfil entire exports obligation during these 5 years period against all pending Authorisation. The Committee, therefore, did not find merit in the case to accede to the requests.

Accounting of free shipping bill under Advance Authorization is not permissible at all as no assessment of free S/B has been done by Customs.

Case No: 3 M/s. Ashok J. Pandit, Mumbai
F.No 01/53/162/286/AM14/A-31/IC
PRC Meeting No. 04/AM15 dated 08.07.2014
Subject: - Request for Grant of 2nd revalidation of import license no 0117841 dt. 12.07.2011.

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

The Committee considered the request and granted approval for 2nd revalidation of import licences No. 0117841 dt. 12.07.2011 for 12 months from the date of endorsement or upto 31.07.2015.

Case No: 4 M/s. Piramal Enterprises Ltd. New Delhi
F.No 01/53/8/88/AM-12/P-9/IC
PRC Meeting No. 04/AM15 dated 08.07.2014
Subject: - Request for Grant of 2nd revalidation of import license no 0350002307 dt. 3.10.2011.

Decision:

The Committee considered the request and granted approval for 2nd revalidation of import licences No. 0350002307 dt. 3.10.2011 for 6 months from the date of endorsement or upto 31.01.2015.

Case No.5: M/s The Ramco Cements Ltd. Chennai
F.No 01/94/180/68/AM07/PC-3
PRC Meeting No. 04/AM15 dated 08.07.2014
Subject: - Request for grant of one Star Export Certificate w.e.f. 01.04.2004 by condoning the delay in filing the application for this purpose.

Decision:

Deferred for re-examination by PC-3. The point raised by Petitioner to be examined and a speaking order should be issued.

Case No 6: M/s Shyam Singh Yadav, NOIDA
F.No 01/53/162/1082/AM13/U-11/IC
PRC Meeting No. 04/AM15 dated 08.07.2014
Subject: - Request for grant of 2nd revalidation of import license no 0550002276 dt. 1.6.2011.

Decision:

The Committee considered the request and granted approval for 2nd revalidation of import licences No. 0550002276 dt. 1.6.2011 for 6 months from the date of endorsement or upto 31.01.2015.

Case No 7: M/s Sports & Youth Service, Govt. of Maharashtra
F.No 01/53/162/972/AM11/S-65/IC
PRC Meeting No. 04/AM15 dated 08.07.2014

Subject: - Request for Grant of 2nd revalidation of import license no 30000490 dt. 21.7.2011.

Decision:

The Committee considered the request and granted approval for 2nd revalidation of import licences No. 30000490 dt. 21.7.2011 for 6 months from the date of endorsement or upto 31.01.2015.

Case No.8: M/s. Tata Motors Ltd. Mumbai
F.No 01/89/180/54/AM13/PC-2(A) pt.
PRC Meeting No. 04/AM15 dated 08.07.2014
Subject: - Request for import of 3 RHD vehicles from Australia for R&D purpose.

Decision:

The Committee decided to relax the condition no 2 (II) (f) of Chapter 87 of ITC (HS) 2012 Schedule 1 (import Policy) for import of 3 RHD vehicles from Australia for R&D and testing purpose only subject to the condition that it will be re-exported within 6 months from the date of import.

Case No.9: M/s. Frog Cellsat Pvt. Ltd. Noida (UP)
F.No 01/60/180/1582/AM10/PC-3
PRC Meeting No. 04/AM15 dated 08.07.2014
Subject: - Request for waiving of criteria of mentioning "Declaration of Intent' on the free Shipping bills.

Decision:

The Committee observed that since the shipment had been affected under "free shipping bills", benefits /rewards on such export could not be granted under chapter 3 of Foreign Trade Policy, 2009-2014.

Case No.10: M/s. Afcons Infrastructure Ltd.
F.No 01/60/180/119/AM14/PC-3
PRC Meeting No. 04/AM15 dated 08.07.2014
Subject: - Request for revalidation of SFIS
310704870/0/22/00
310704871/0/22/00
310704873/0/22/00
310704874/0/22/00

310704875/0/22/00

Decision:

The Committee has been consistently of the view that since the Duty Credit Scrip issued under SFIS has limited validity, it should have been utilized within the prescribed time period. PRC has taken a consistent view not to grant revalidation in case of SFIS. Hence, the Committee did not accede to the request.

Case No. 11: M/s. Zinser Textile Systems Pvt. Ltd. Ahmedabad
F.No 01/94/180/376/AM14/PC-IV
PRC Meeting No. 04/AM15 dated 08.07.2014
Subject: - Request for consideration of deemed export supplies made to 5 EPCG authorization. 0930001608 dt. 13.07.05, 3030002019 dt. 4.09.06, 3230010565 dt. 5.09.2007, 3030003394 dt. 19.11.2007 and 0930004153 dt. 26.06.08 after getting invalidation letters in their favour but prior to the dates of application of the 5 Advance Authorizations for discharge of deemed export obligation against these Advance Authorization.

The Committee noted that Para 4.12 of HBP categorically stipulate that exports/ supply made from the date of EDI generated file number shall only be taken into account for discharge of export obligation against specific Authorization issued from that file. Merely supply of goods to EPCG holder does not make some one become eligible for discharge of export obligation against Advance Authorization. Export obligation against Advance Authorisation could be discharged in accordance with Para 4.12 and 4.22 of HBP. Hence, the Committee did not accede to the request.

The Committee also decided to bring the decision taken on 12/06/2012 in earlier case for fresh discussion in PRC.

Case No.12: M/s. Belliss India Ltd.
F.No 01/92/180/216/AM12/PC-VI
PRC Meeting No. 04/AM15 dated 08.07.2014
Subject: - Request for Review of PRC decision dt. 11.6.2013 for refund of TED against goods supplied to EPCG Authorization holder without mentioning details of invalidation letter.

Decision:

The Committee noted that supply of goods to EPCG Authorization holder is considered deemed exports in terms of Para 8.2 (c) of FTP and is eligible for benefits in terms of Para 8.3 of FTP. However, in order to prove that supplies are made to holder of specific EPCG Authorization, supplier should have mentioned the Authorization number and date on supply invoices in order to correlate the same. The supply which is made from date of invalidation letter and till validity of EPCG Authorization to the extent of duty free import of goods allowed under particular EPCG Authorization, is eligible for deemed exports benefits and not any sales of goods to EPCG Authorisation holder. As this criteria has not been complied with and no genuine hardship has been established, the Committee did not accede to the request.

Case No.13: M/s. Cadila Healthcare Ltd. Ahmedabad
F.No 01/60/180/233/AM13/PC-3
PRC Meeting No. 04/AM15 dated 08.07.2014
Subject: - Request for revalidation of FMS no. 0810095089 dt. 30.12.2010.

Decision:

Justification and reasons cited by the applicant are administrative error on the part of the petitioner due to which they could not utilize the scrip. The petitioner could not prove any genuine hardship on its part. Therefore, the Committee did not accede to the request of the applicant.

Case No.14: M/s. Indraprastha Medical Corporation Ltd. New Delhi
F.No 01/60/180/6/AM15/PC-3
PRC Meeting No. 04/AM15 dated 08.07.2014
Subject: - Request of revalidation of SFIS no. 0510327701, 0510327702, 0510327703 dt. 18.06.2012.

Decision:

The applicant has sought relaxation on the ground that they were unable to utilize the SFIS no. 0510327701, 0510327702, 0510327703 dt. 18.06.2012 due to economic slowdown. The Committee observed that such economic slowdown normally affects the exports. The Committee observed that failure of the applicant to import due to economic slowdown is not a genuine hardship and thus did not accede to the request.

Case No.14A: M/s. Mabel Eng. Ltd.
F.No 01/60/180/6/AM15/PC-3
PRC Meeting No. 04/AM15 dated 08.07.2014
Subject: - Request of revalidation of SFIS Scrips no. 0410131564 dt. 12.12.2011 and 0410131566 dt. 12.12.2011.

Decision:

The Committee observed that the reason cited by the applicant that they could not utilize the SFIS Scrips no. 0410131564 dt. 12.12.2011 and 0410131566 dt. 12.12.2011 due to lack of need for machinery and consumables is not a genuine hardship and hence rejected the request.

Case No.15: Wacker Metroark Chemicals Pvt. Ltd. Parganas, West Bengal
F.No 01/60/162/105/AM14/EFGC(PRC)
PRC Meeting No. 04/AM15 dated 08.07.2014

Subject: - Request for clubbing of 2 of Advance Authorizations no. 0210138606 dt. 01.03.2010 with Advance Authorization no. 0210171929 dt. 05.01.2012.

The Committee decided the following:

I. Clubbing of the two Advance Authorizations No 0210138606 dt. 01.03.2010 and 0210171929 dt. 05.01.2012, be allowed.
II. This is only for accounting & regularization of exports already effected and closure purpose. No further Imports/Exports be allowed.
III. RA shall examine the case in terms of Para 4.1.6 of FTP and ensure value addition of minimum 15%. The 15% value addition for evaluating entitlement is to be applied on the entire FOB and CIF of the Authorizations to be clubbed.
IV. RA shall ensure proper accounting of the duty free inputs with reference to the export product while clubbing the Authorizations.
V. Even after clubbing, shortfall, if any, shall be regularized on payment of Customs Duty + Interest in terms of Para4.28 of H.B.P.

(**Action: RA Kolkata)**

Case No.16: NRD Collection, Moradabad
F.No 01/60/162/230/AM15/EFGC(PRC)
PRC Meeting No. 04/AM15 dated 08.07.2014
Subject: - Request for EOP extension of Advance Authorization no. 2910012829 dt. 28.01.2011.

The Committee decided the following:

I. Export obligation period be extended upto 31.01.2015.
II. This extension in EOP is allowed subject to payment of composition fee @ 0.5% on unfulfilled FOB value of exports.
III. The value addition of 15% as prescribed under Para 4.1.6 of FTP shall be maintained.
IV. This is further subject to verification by RA that EO as claimed to have been fulfilled is more than 50%, in proportion to imports made, within original export obligation period.
V. The applicant is advised to submit the Authorisation for endorsement to concern RA, as early as possible. They are further advised to start discharging their stipulated balance export obligation on the basis of these minutes, without waiting for the endorsement to the effect to be made on the Authorisation by RA.

(Action: RA, Moradabad / applicant)

Case No.17: M/s Godrej & Boyce Mfg. Co. Ltd, Mumbai.
F.No 01/60/162/230/AM15/EFGC(PRC)
PRC Meeting No. 04/AM15 dated 08.07.2014

Subject: - Request for time limit extension upto 02/02/2013 in terms of Policy Circular No. 99 dated 11/08/2009 for Advance Authorization No. 0310700799 dated 04.07.2012.

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

The Committee noted that the applicant could not get the SCOMET licence within the time prescribed in Policy Circular No. 99 dt. 11th August, 2009. However, since the delay in obtaining Authorization is only one month, the Committee decided to relax the condition of the said circular for regularization of the case.

Case No.18: M/s Betul Oils and Flour Ltd. Pune.
F.No 01/60/162/424/AM08/EFGC(PRC)
PRC Meeting No. 04/AM15 dated 08.07.2014
Subject: - Request for revalidation of 3 split up Advance Authorization no. 2313439 dt. 31.01.1998, 2313440 dt. 31.12.1998 and 2313441 dt 31.12.1998 issued against main Advance Authorization no. 31002927 dt. 31.12.1998.

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

Deferred for re-examination in view of clarification given by Norms Committee.

Case No.19: M/s Ram Ratna International, Mumbai.
F.No 01/60/162/600/AM13/EFGC(PRC)
PRC Meeting No. 04/AM15 dated 08.07.2014
Subject: - Revalidation of the following 11 Advance Authorizations:

1. 0310513711 dt. 30.03.2009
2. 0310545835 dt. 16.11.2009
3. 0310543431 dt. 30.10.2009
4. 0310522891 dt. 05.06.2009
5. 0310546265 dt. 18.11.2009
6. 0310546269 dt. 18.11.2009
7. 0310526294 dt. 29.06.2009
8. 0310500969 dt. 02.01.2009
9. 0310548794 dt. 02.12.2009
10. 0310511176 dt. 12.03.2009.
11. 0310523473 10.06.2009 .

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

Deferred for seeking EDI report.

Case No.20: M/s Radial India Pvt. Ltd., Bangalore
F.No 01/60/162/975/AM14/EFGC(PRC)

PRC Meeting No. 04/AM15 dated 08.07.2014
Subject: - Request for condonation the procedural lapse in obtaining the Bill of Export of Advance Authorization No. 0710071910 dated 31.05.2010.

Decision:

The Committee noted the request and decided the following:

(1) Requirement of Bill of export for discharge of export obligation against Advance Authorisation stands waived.
(2) RA may accept other documents in lieu of Bill of Export provided there is a corroborative evidence i.e. ARE-1/Excise attested invoice bearing the details of advance authorization/file number under which goods were removed for discharge of export obligation.
(3) RA may check and ensure that drawback has not been claimed either by supplier or recipient against such supply.

(Action: RA Bangalore)

Case No.21: M/s Radial India Pvt. Ltd., Bangalore
F.No 01/60/162/51/AM14/EFGC(PRC)
PRC Meeting No. 04/AM15 dated 08.07.2014
Subject: - Request for condonation the procedural lapse in obtaining the Bill of Export of Advance Authorization No. 0710077365 dated 14.02.2011.

Decision:

The Committee noted the request and decided the following:
(1) Requirement of Bill of export for discharge of export obligation against Advance Authorisation stands waived.
(2) RA may accept other documents in lieu of Bill of Export provided there is a corroborative evidence i.e. ARE-1/Excise attested invoice bearing the details of advance authorization/file number under which goods were removed for discharge of export obligation.
(3) RA may check and ensure that drawback has not been claimed either by supplier or recipient against such supply.

.

(Action: RA Bangalore)

`Case No.22: M/s Radial India Pvt. Ltd., Bangalore
F.No 01/60/162/976/AM14/EFGC(PRC)
PRC Meeting No. 04/AM15 dated 08.07.2014
Subject: - Request for condonation the procedural lapse in obtaining the Bill of Export of Advance Authorization No. 0710074993 dated 22.10.2010.

Decision:

The Committee noted the request and decided the following:

(1) Requirement of Bill of export for discharge of export obligation against Advance Authorisation stands waived.
(2) RA may accept other documents in lieu of Bill of Export provided there is a corroborative evidence i.e. ARE-1/Excise attested invoice bearing the details of advance authorization/file number under which goods were removed for discharge of export obligation.
(3) RA may check and ensure that drawback has not been claimed either by supplier or recipient against such supply.

(Action: RA Bangalore)

Case No.23: M/s Glenmark Generics Ltd. Mumbai
F.No 01/60/162/894/AM14/EFGC(PRC)
PRC Meeting No. 04/AM15 dated 08.07.2014
Subject: - Request for closure of Advance Authorization no. 0310611016 dt. 14.01.2011 issued under PC-9 condition without destruction certificate waiver of PC-18.

Decision:

The Committee noted that the firm is stated to have already utilized the imported material fully by exporting the resultant product manufactured from these against another Advance Authorization no. 0310633123 dt. 27.05.2011. Therefore it was decided that the condition of re-export/destruction of imported raw material as stipulated in Policy Circular 18 dt. 30.10.2007 be waived. However, RA shall check and ensure that the applicant has actually exported 302 Kg Lithium Carbonate ER Tablet over and above the stipulated export obligation under Advance Authorization no. 0310633123 dt. 27.05.2011, as claimed by firm.

(Action: RA, Mumbai)

Case No.24: M/s Glenmark Pharmaceuticals Ltd. Mumbai
F.No 01/60/162/14/AM15/EFGC(PRC)
PRC Meeting No. 04/AM15 dated 08.07.2014
Subject: - Request for waiver of submission of destruction certificate as per of PC-18 against Advance Authorization no. 0310413475 dt. 22.12.2006 and regularize and close authorization as per PN 22 dt. 12.08.2013 and PC-8 dt. 25.10.2013.

Decision:

The Committee noted the request of the firm and decided that shortfall in fulfillment of stipulated export obligation against above referred Authorization shall be regularized subject to the following conditions:

I. **Proof of payment of Duty + Interest on unutilised imported goods, to be paid to the Customs Authority.**
II. **Composition fee @ 1% on unfulfilled FOB value of export obligation, is to be paid to RA.**
III. **PC-18 condition stands waived.**

Case No.25: M/s InterGlobe Aviation Limited, New Delhi
F.No 01/53/8/14/AM13/I-1/Import Cell
PRC Meeting No. 04/AM15 dated 08.07.2014
Subject: Request for grant of 2nd revalidation of import license no. 0550002650 dt. 26.06.2012.

Decision:

The Committee noted that the Govt. vide Press release dt. 22.02.2012 has for the first time allowed import of ATF directly by Aviation Industry with "Actual User" condition. Earlier imports were being restricted to through State Trading Enterprises. Since the Aviation Industry did not have the storage capacity, it was not possible for them to utilize entire quantity within validity of Import Licence. The Committee, therefore, agreed to allow second revalidation upto 31.12.2014. However, no further extension in validity shall be allowed thereafter.

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

****