

THE POLICY RELAXATION COMMITTEE (PRC) MEETING NO. 09/AM14 HELD ON 11.06.2013 AT 11.30 A.M. UNDER THE CHAIRMANSHIP OF Dr. A.K PUJARI, DIRECTOR GENERAL OF FOREIGN TRADE.

PRC Meeting was held under the Chairmanship of DGFT and list of officers present in the meeting is given below:

1. Shri D.K. Singh	Addl. DG
2. Shri V.K. Srivastava	Addl. DG
3. Shri Mukesh Bhatnagar	Addl. DG
4. Shri L.B. Singhal	Addl. DG
5. Shri K.C. Rout	Addl. DG
6. Shri A.K. Mishra	Stats Advisor
7. Shri Jaikant Singh	Jt. DGFT
8. Shri Ajay Kumar Srivastava	Jt. DGFT
9. Shri Jay Karan Singh	Jt. DGFT
10. Shri Hardeep Singh	Jt. DGFT
11. Shri R. Selvam	Jt. DGFT
12. Shri S.K. Mohapatra	DDG
13. Smt. Sonika Khattar	FTDO

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

Case No.1. M/s Dona Apparels Pvt. Limited, Gurgaon.

F.No. 01/60/162/87/AM14/EFGC (PRC)

PRC Meeting No. 09/AM14 dated 11.06.2013

Subject: - Request for EOP extension of Annual Advance Authorization no. 0510257669 dt. 4.2.2010.

After deliberating the case at length the following decisions were taken:

- I. The Export obligation period is extended further for six months from the date of endorsement or upto 31/12/2013 whichever is earlier.
- II. This is subject to payment of composition fee @ 0.5% on unfulfilled FOB value of exports and minimum value addition of 15% as prescribed under para 4.1.6 of FTP.
- III. This is further subject to verification by RA that EO as claimed to have been fulfilled is more than 50% (even on pro-rata basis) within the valid EOP.
- IV. The applicant is advised to submit the license for endorsement to RA as early as possible. They are further advised to start discharging their stipulated balance export obligation on the basis of this minute without waiting for the endorsement is done on the Authorization.

(Action: RA CLA, New Delhi/Applicant)

Case No.2. M/s Calyx Chemicals and Pharmaceuticals Limited.

F.No. 01/60/162/134/AM14/EFGC (PRC)

PRC Meeting No. 09/AM14 dated 11.06.2013

Subject: - Request for EOP extension of Advance Authorization No. 0310546112 dated 17.11.2009.

After deliberating the case at length the following decisions were taken:

- I. Export obligation period is extended further for 5 months from the date of endorsement or upto 30/11/2013 whichever is earlier.
- II. This is subject to payment of composition fee @ 0.5% on unfulfilled FOB value of exports and minimum value addition of 15% as prescribed under para 4.1.6 of FTP.
- III. This is further subject to verification by RA that EO as claimed to have been fulfilled is more than 50% (even on pro-rata basis) within the valid EOP.
- IV. The applicant is advised to submit the license for endorsement to RA as early as possible. They are further advised to start discharging their stipulated balance export obligation on the basis of this minute without waiting for the endorsement is done on the Authorization.

(Action: RA Mumbai/Applicant)

Case No.3. M/s Calyx Chemicals and Pharmaceuticals Limited.

F.No. 01/60/162/135/AM14/EFGC (PRC)

PRC Meeting No. 09/AM14 dated 11.06.2013

Subject: - Request for EOP extension of Advance Authorization No. 0310559471 dated 10.02.2010.

After deliberating the case at length the following decisions were taken:

- I. The Export obligation period is extended further for six months from the date of endorsement or upto 31/12/2013 whichever is earlier.
- II. This is subject to payment of composition fee @ 0.5% on unfulfilled FOB value of exports and minimum value addition of 15% as prescribed under para 4.1.6 of FTP.
- III. This is further subject to verification by RA that EO as claimed to have been fulfilled is more than 50% (even on pro-rata basis) within the valid EOP.
- IV. The applicant is advised to submit the license for endorsement to RA as early as possible. They are further advised to start discharging their stipulated balance export obligation on the basis of this minute without waiting for the endorsement is done on the Authorization.

(Action: RA Mumbai/Applicant)

Case No.4. M/s Parijat Industries (India) Pvt. Ltd.

F.No. 01/60/162/124/AM14/EFGC (PRC)

PRC Meeting No. 09/AM14 dated 11.06.2013

Subject: - Closure of Advance Authorization No. 0510217515 dated 07.03.2008.(Not mentioning license number on S/bill NO. 6333034 dated 26.05.2008).

The committee noted that neither the file number nor the advance authorization number is endorsed in the shipping bill. The shipping bills are free shipping bills, hence the request cannot be considered.

(Action: RA, CLA New Delhi)

Case No.5. M/s Samarth Life Sciences Pvt. Ltd, Mumbai.

F.No. 01/60/162/159/AM14/EFGC (PRC)

PRC Meeting No. 09/AM14 dated 11.06.2013

Subject: - Request for EOP extension of Advance Authorization No. 0310529127 dated 16.07.2009 issued under PC-9 condition.

After deliberating the case at length the following decisions were taken:

- I. Export obligation period is extended from 12 months to 18 months from the date of first import consignment.
- II. This is only for regularization and closure purpose.
- III. This is subject to a payment of composition fee @ 0.5% of FOB value of export made outside the original EOP and minimum value addition of 15% as prescribed under para 4.1.6 of FTP.
- IV. The applicant has to pay duty +interest on inputs consumed and exported after 18 months from date of first import.
- V. PC-18 condition is waived on these exports to the extent of requirement of re-export/destruction certificate on export made outside the extended EOP.
- VI. The material still balance and unutilized shall be regularized in terms of provision of PC-18 dt. 30.10.2007.

(Action: RA, Mumbai)

Case No.6. M/s Vivid Global Industries Ltd., Mumbai.

F.No. 01/60/162/160/AM14/EFGC (PRC)

PRC Meeting No. 09/AM14 dated 11.06.2013

Subject: - Request for EOP extension of Advance Authorization No. 0310575309 dated 20.05.2010.

After deliberating the case at length the following decisions were taken:

- I. The Export obligation period is extended further for six months from the date of endorsement or upto 31/12/2013 whichever is earlier.
- II. This is subject to payment of composition fee @ 0.5% on unfulfilled FOB value of exports and minimum value addition of 15% as prescribed under para 4.1.6 of FTP.
- III. This is further subject to verification by RA that EO as claimed to have been fulfilled is more than 50% (even on pro-rata basis) within the valid EOP.
- IV. The applicant is advised to submit the license for endorsement to RA as early as possible. They are further advised to start discharging their stipulated balance export obligation on the basis of this minute without waiting for the endorsement is done on the Authorization.

(Action: RA Mumbai/Applicant)

Case No.7. M/s Phakt Overseas, Mumbai.

F.No. 01/60/162/151/AM14/EFGC (PRC)

PRC Meeting No. 09/AM14 dated 11.06.2013

Subject: - Request for clubbing of Advance Authorizations No. 0310270503 dated 24.05.2004, 0310339483 dated 15.07.2005 & 0310352371 dated 18.10.2005.

After deliberating the case at length the following decisions were taken:

- i. To allow clubbing of 3 above advance authorizations as referred above.
- ii. Exports made against subsequent authorizations but within 12 months from the date of import of first consignment against earliest authorization shall only be taken into account for clubbing of authorizations.
- iii. RA may grant necessary extension in EO subject to composition fee @ 0.5% of FOB value of export made beyond the stipulated EOP for the purpose of clubbing and regularization. Value addition of minimum 15% as stipulated in FTP shall be ensured. The 15% value addition for evaluating entitlement is to be applied on the entire FOB and CIF of the authorizations to be clubbed. RA should ensure proper accounting of the duty free inputs with reference to the export product while clubbing the authorizations.
- iv. RA may do clubbing subject to the condition that no adjudication order is issued against any licence to be clubbed.

(Action: RA, Mumbai)

Case No.8. M/s Panasonic Energy India Co. Ltd, Vadodara.

F.No. 01/60/162/157/AM14/EFGC (PRC)

PRC Meeting No. 09/AM14 dated 11.06.2013

Subject: - Closure of old Advance Authorization No. 3410015351 dated 01.02.2006.

The committee deliberated the case at length and decided to reject the case as closure of the Advance License is not permissible without BRC.

Case No.9. M/s Medreich Limited, Bangalore.

F.No. 01/60/162/146/AM14/EFGC (PRC)

PRC Meeting No. 09/AM14 dated 11.06.2013

Subject: - Waiver of re-export or destruction as per PC-18 for imported material from unregistered source in Advance Authorization No. 0710081299 dated 09.08.2011 issued under PC-9 condition.

The Committee decided that the condition of re-export/destruction of imported raw material as stipulated in Policy Circular No.18 dt. 30.10.2007 be waived as the firm has stated to have already utilized the imported material fully by exporting the product manufactured from these under draw back S/B.

The RA may check that items of export and imports are same as permitted in the Advance License and exported under draw back S/B. This regularization is however subject to payment of customs duty + interest.

(Action: RA, Bangalore)

Case No.10. M/s Haldia Petrochemicals Ltd, Kolkata.

F.No. 01/60/162/879/AM13/EFGC (PRC)

PRC Meeting No. 09/AM14 dated 11.06.2013

Subject: - Clarification regarding value addition in respect of clubbing of 6 Advance Authorizations no. i) 0210123068 dated 10.02.2009, ii) 0210123648 dated 25.02.2009, iii) 0210140818 dated 12.04.2010, iv) 0210157963 dated 20.04.2011, v) 0210171996 dated 06.01.2012 & vi) 0210172026 dated 06.01.2012.

Deferred for further examination by PC-IV.

(Action: PC-IV)

Case No.11. M/s Annexy International, Morbi, Gujarat.

F.No. 01/60/162/876/AM13/EFGC (PRC)

PRC Meeting No. 09/AM14 dated 11.06.2013

Subject: - Revalidation of DFIA NO. 2410026645 dated 01.12.2009.

The Committee reiterated its earlier decision of PRC meeting no. 38/AM13 dt. 05.02.2013 and once again rejected the request of the firm on the ground that request for revalidation or DFIA, waive of bond and endorsement of transferability was submitted after expiry of initial validity of Authorization. Hence delay can't be attributed to RA.

Case No.12. M/s SR Foils and Tissue Ltd, New Delhi.

F.No. 01/60/162/141/AM14/EFGC (PRC)

PRC Meeting No. 09/AM14 dated 11.06.2013

Subject: - Request for EOP extension of Advance Authorization No. 0510262376 dated 15.04.2010.

The committee noted that no considerable exports, which form merit of the case, have been made by the firm within the original validity, hence the request is rejected. The applicant is hereby directed to get their case regularized in terms of Para 4.28 of HBP.

(Action: RA CLA, New Delhi. If the party fails to get the case regularised in terms of Para 4.28 of HBP within a month from the date of communication of this decision, RA shall take action against the firm under the provision of FT (D&R) Act. 1992 and report)

Case No.13. M/s PME Power Solutions (India) Ltd, New Delhi.

F.No. 01/60/162/80/AM13/EFGC (PRC)

PRC Meeting No. 09/AM14 dated 11.06.2013

Subject: - Request for clubbing and redemption of Advance Authorization Nos. 0510227537 dated 16.09.2008 & 0510227532 dated 16.09.2008.

Withdrawn. There is no specific issue for consideration for PRC.

Case No.14. M/s Haldia Petrochemicals Ltd, Kolkata.

F.No. 01/60/162/401/AM13/EFGC (PRC)

PRC Meeting No. 09/AM14 dated 11.06.2013

Subject: - Request for clarification regarding value addition of clubbing of 2 Advance Authorizations 0210122410 dt. 21.01.2009. with 0210170336 dt. 8.12.20011.

Deferred for further examination by PC-IV.

(Action: PC-IV)

Case No.15. M/s RTC Restaurants Ltd.

F.No. 01/61/180/148/AM13/PC-3

PRC Meeting No. 09/AM14 dated 11.06.2013

Subject: - Revalidation of SFIS Scripts Nos. 0510248707 dated 01.09.2009 & 0510248708 dated 01.09.2009.

Justification and reasons cited by the applicant are not convincing to the committee hence the request is rejected

Case No.16. M/s Caparo Engineering India Ltd.

F.No. 01/92/180/8/AM14/PC-VI

PRC Meeting No. 09/AM14 dated 11.06.2013

Subject: - Request for one time relaxation for considering supplies to EOU without Advance Authorization for discharge of EO.

The Committee noted that supply of goods made to EOU without declaring the details of Advance Authorization on ARE – 3 / Supply Invoices. Hence, the request of the firm can't be acceded to for taking into account the same towards discharge of export obligation against Advance Authorization.

Case No.17. M/s Belliss India Ltd.

F.No. 01/92/180/216/AM12/PC-VI

PRC Meeting No. 09/AM14 dated 11.06.2013

Subject: - Request for refund of TED for the supply made to M/s KRBL Ltd, Sangrur against EPCG Authorization when EPCG Authorization Number has not been mentioned in supply invoices.

The Committee, after detailed discussion, decided to reject the request on the ground that goods supplied to EPCG Authorization holder before issue of invalidation letter and without mentioning details of EPCG Authorizations on supply invoices can't be considered as deemed export at all.

Case No.18. M/s Aditya Industries, Mumbai.

F.No. 01/60/162/148/AM14/EFGC(PRC)

PRC Meeting No. 09/AM14 dated 11.06.2013

Subject: - Request for EOP extension of Advance Authorization No. 0310527800 dated 08.07.2009.

After deliberating the case at length the following decisions were taken:

- I. Export obligation period is extended upto 31.8.2012.
- II. This is only for regularization and closure purpose.
- III. This is subject to a payment of composition fee @ 0.5% of FOB value of export made outside the original EOP and minimum value addition of 15% as prescribed under Para 4.1.6 of FTP.
- IV. This is also subject to the condition that the case has not been adjudicated.
- V. Shortfall, if any, shall be regularized in terms of Para 4.28 of HBP.

(Action: RA, Mumbai)

Case No.19. M/s JMG Corporation Ltd, Haryana.

F.No. 01/60/162/462/AM13/EFGC (PRC)

PRC Meeting No. 09/AM14 dated 11.06.2013

Subject: - To consider S/bill NO. 1843483 dated 27.04.2008 for discharge of EO for Advance Authorization No. 0510176361 dated 14.02.2006.

The Committee observed that request of the firm to account for the export made quoting different file No. on the S/Bs has already considered, taking into consideration the bonafide mistake, in the meeting No.42/AM13 dated 05/03/2013. However, the request for accounting of the export made under free S/B towards discharge of export obligation against Advance License was rejected.

After detailed discussion it was decided that there is no reason to interfere with the earlier decision. The Committee further reiterates that exports made under free S/B can't be taken into account towards discharge of export obligation against Advance Licenses.

Case No.20. M/s Medreich Limited, Bangalore

F.No. 01/60/162/158/AM14/EFGC (PRC)

PRC Meeting No. 09/AM14 dated 11.06.2013

Subject: - Request for EOP extension of Advance Authorization No. 0710074038 dated 06.09.2010 issued under PC-9 condition.

After deliberating the case at length the following decisions were taken:

- I. Export obligation period is extended from 6 months to 12 months from the date of first import consignment.
- II. This is only for regularization and closure purpose.
- III. This is subject to a payment of composition fee @ 0.5% of FOB value of export made outside the original EOP and minimum value addition of 15% as prescribed under para 4.1.6 of FTP.

(Action: RA, Bangalore)

Case No.21. M/s Medreich Limited, Bangalore

F.No. 01/60/162/147/AM14/EFGC (PRC)

PRC Meeting No. 09/AM14 dated 11.06.2013

Subject: - Request for clubbing of Advance Authorization Nos. 0710079928 dated 16.06.2011 & 0710080035 dated 22.06.2011.

After deliberating the case at length the following decisions were taken:

- i. To allow clubbing of 2 advance authorizations as referred above.
- ii. Exports made against subsequent authorizations but within 18 months from the date of import of first consignment against earliest authorization shall only be taken into account for clubbing of authorizations.
- iii. RA may grant necessary extension in EO subject to composition fee @ 0.5% of FOB value of export made beyond the stipulated EOP for the purpose of clubbing and regularization Value addition of minimum 15% as stipulated in the FTP shall be ensured. The 15% value addition for evaluating entitlement is to be applied on the entire FOB and CIF of the authorizations to be clubbed. RA should ensure proper accounting of the duty free inputs with reference to the export product while clubbing the authorizations.
- iv. RA may do clubbing subject to the condition that no adjudication order is issued against any licence to be clubbed.

(Action: RA, Bangalore)

Case No.22. M/s Associate Allied Chemicals (India) Pvt. Ltd.

F.No. 01/60/162/149/AM14/EFGC (PRC)

PRC Meeting No. 09/AM14 dated 11.06.2013

Subject: - Request for clubbing of DFIA Authorizations No. 0310437256 dated 24.07.2007, 0310461717 dated 20.02.2008 & 0310519138 dated 08.05.200 & EOP extension for 6 months

Under DFIA scheme authorization or item imported there under are freely transferable after fulfillment of stipulated export obligation. Hence clubbing facility is not allowed under the scheme. Therefore the committee rejected the request for clubbing of DFIA's.

Case No.23. M/s United Phosphorus Ltd, Mumbai.

F.No. 01/60/162/155/AM14/EFGC (PRC)

PRC Meeting No. 09/AM14 dated 11.06.2013

Subject: - Clubbing of 5 Advance Authorizations No.0310549699 dated 08.12.2009, 0310557947 dated 01.02.2010, 0310580701 dated 25.06.2010, 0310655099 dated 21.09.2011 & 0310647078 dated 08.08.2011.

Deferred.

Case No.24. M/s Geltec Private Limited.

F.No. 01/60/162/163/AM14/EFGC (PRC)

PRC Meeting No. 09/AM14 dated 11.06.2013

Subject: - Request for clubbing of 3 Advance Authorizations No. 0310355618 dated 16.11.2005, 0310360892 dated 26.12.2005 & 0310366487 dated 10.02.2006.

After deliberating the case at length and taking into consideration the facts of the case, the following decisions were taken:

- I. To allow clubbing of the above referred 3 Advance Authorizations.
- II. This is only for regularization and closure purpose and not for any further exports/imports. Excess import if any may be regularized in terms of Para 4.28 of HBP.
- III. RA may grant necessary extension in EO subject to composition fee @ 0.5% of FOB value of export made beyond the stipulated EOP for clubbing and regularization. RA is also directed to examine the case in terms of Para 4.1.6 of FTP and ensure value addition of minimum 15% as stipulated in the FTP. The 15% value addition for evaluating entitlement is to be applied on the entire FOB and CIF of the authorizations to be clubbed. RA should ensure proper accounting of the duty free inputs with reference to the export product while clubbing the authorizations.
- IV. RA may do clubbing subject to the condition that no adjudication order is issued against any licence to be clubbed.

(Action: RA, Mumbai)

Case No.25. M/s Medreich Ltd, Bangalore.

F.No. 01/60/162/154/AM14/EFGC (PRC)

PRC Meeting No. 09/AM14 dated 11.06.2013

Subject: - Request for clubbing of Advance Authorization Nos. 0710075463 dated 18.11.2010 & 0710082848 dated 28.09.2011.

After deliberating the case at length the following decisions were taken:

- i. To allow clubbing of 2 Advance Authorizations as referred above.
- ii. Exports made against subsequent authorizations but within 18 months from the date of import of first consignment against earliest authorization shall only be taken into account for clubbing of authorizations.
- iii. RA may grant necessary extension in EO subject to composition fee @ 0.5% of FOB value of export made beyond the stipulated EOP for clubbing and regularization Value addition of minimum 15% as stipulated in the FTP shall be ensured. The 15% value addition for evaluating entitlement is to be applied on the entire FOB and CIF of the authorizations to be clubbed. RA should ensure proper accounting of the duty free inputs with reference to the export product while clubbing the authorizations.
- iv. This is subject to payment of Customs Duty + Interest on excess consumption.
- v. Shortfall in any may be regularized in terms of Para 4.28 of HBP read with PC-18.
- vi. RA may do clubbing subject to the condition that no adjudication order is issued against any licence to be clubbed.

(Action: RA, Bangalore)

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