MINUTES OF THE POLICY RELAXATION COMMITTEE (PRC) MEETING NO. 10/AM14 HELD ON 18.06.2013 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 R. Selvam	Jt. DGFT
11.	Shri S.K. Mohapatra	DDG
12.	Smt. Sonika Khattar	FTDO

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

Case No.1. M/s. Piramal Enterprises Ltd, Mumbai.
F.No. 01/60/162/174/AM14/EFGC (PRC)
PRC Meeting No. 10/AM14 dated 18.06.2013
Subject: - Request for EOP extension of Advance Authorization No. 0310555249 dated 14.01.2010

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

I. Export obligation period is extended by 6 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)

Case No.2. M/s Calyx Chemicals and Pharmaceuticals Limited, Mumbai.
F.No. 01/60/162/176/AM14/EFGC (PRC)
PRC Meeting No. 10/AM14 dated 18.06.2013
Subject: - Request for EOP extension of Advance Authorization No. 031054118 dated 14.12.2007.

After detailed discussion it was observed that export obligation period has been reduced from 36 months to 18 months in the amended policy w.e.f. 5.6.2012. Therefore, there is no logic to allow extension beyond 48 months (including 12 months deemed extension) which PRC considers after 36 months in old cases). The licence under question was issued on 14.12.2007. Now, 65 months have already passed but firm could not fulfil stipulated EO. The justification given that EDQM had suspended their approval w.e.f. Septermber 2010 is not acceptable as the authorization was issued in December 2007 and the firm had almost 3 years to fufill EO before suspension of EDQM. Hence, there is no logic to grant further extension in EOP. The committee decided to reject the request advising the applicant to get the case regularized in terms of Para 4.28 of HBP.

(**Action : RA Mumbai**. 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.3. M/s. Haldia Petrochemicals Ltd, Kolkata.
F.No. 01/60/162/180/AM14/EFGC (PRC)
PRC Meeting No. 10/AM14 dated 18.06.2013
Subject: - Request for EOP extension of Advance Authorization No. 0210137471 dated 04.02.2010.

Considering the force majeure i.e. fire accident in the plant, the following decisions were taken:

I. Export obligation period is extended by 6 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. 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 Kolkatas)

Case No.4. M/s. Axon Drugs Pvt. Ltd, Chennai.
F.No. 01/60/162/175/AM14/EFGC (PRC)
PRC Meeting No. 10/AM14 dated 18.06.2013
Subject: - Request for EOP extension of Advance Authorization No. 0410104784 dated 25.05.2009 for regularization purpose.
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, Chennai)

Case No.5. M/s. Viki Industries Pvt. Ltd, Chennai.
F.No. 01/60/162/913/AM12/EFGC (PRC)
PRC Meeting No. 10/AM14 dated 18.06.2013
Subject: - Request EOP extension of Advance Authorization No. 0410098492 dated 10.09.2008

After detailed discussion it was observed that export obligation period has been reduced from 36 months to 18 months in the amended policy w.e.f. 5.6.2012. Therefore, there is no logic to allow extension beyond 48 months (including 12 months deemed extension) which PRC considers after 36 months in old cases). The licence under question was issued on 10.9.2008. Now, 57 months have already passed but the firm could not fulfil stipulated EO. Hence, there is no logic to grant further extension in EOP. The committee decided to reject the request advising the applicant to get the case regularized in terms of Para 4.28 of HBP.

(**Action : RA Chennai**. 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.6. M/s. Meenakshi (India) Ltd, Chennai.
F.No. 01/60/162/787/AM13/EFGC (PRC)
PRC Meeting No. 10/AM14 dated 18.06.2013
Subject: - Request for EOP extension of Advance Authorization No. 0410094368
dated 12.03.2008

The Committee did not agree to allow EOP extension beyond 48 months from the date of issue of Authorisations, hence the request is rejected reiterating the earlier decision of PRC meeting No. 35/AM13 held on 08.01.2013.

Case No.7. M/s Zenith Birla (India) Ltd, Mumbai.
F.No. 01/60/162/741/AM13/EFGC (PRC)
PRC Meeting No. 10/AM14 dated 18.06.2013
Subject: - Request for EOP extension of Advance Authorization No. 0310546462 dated 19.01.2009

The Committee noted that there is no considerable exports made within initial obligation period of 36 months which form merit of the case, hence the request is rejected reiterating the earlier decision of PRC meeting No. 34/AM13 held on 01.01.2013.

Case No.8. M/s K. S. Instruments Pvt. Ltd, Bangalore.
F.No. 01/60/162/161/AM14/EFGC (PRC)
PRC Meeting No. 10/AM14 dated 18.06.2013
Subject: - Request for reduction in Export Obligation and Clubbing of 4 Advance Authorizations1.0710074679 dated 08.01.2010, 0710072852 dated 13.07.2010, 0710074689 dated 08.10.2010 & 0710079473 dated 30.05.2011 due to duplication of Export Obligation.

Deferred for re-examination.

Case No.9. M/s. Stylrite Optical Industries, Mumbai.
F.No. 01/60/162/171/AM14/EFGC (PRC)
PRC Meeting No. 10/AM14 dated 18.06.2013
Subject: - Request for Revalidation of Advance Authorization No. 0310593007 dated 20.09.2010.

Waiver of bond is a facility to allow import without execution of BG/LUT with Customs Authority. The facility is available only to the exporters who made export and realise payment within validity of Authorisation. However, under Advance Authoristion, imports can be made within its validity on execution of BG/LUT. Therefore, Committee did not accede to the request of the firm.

Case No.10. M/s. Sachin Trading Company.
F.No. 01/60/162/170/AM14/EFGC (PRC)
PRC Meeting No. 10/AM14 dated 18.06.2013
Subject: - Request for Revalidation of Advance Authorization No. 0510272364 dated 08.09.2010.

Justification and reasons cited by the applicant that due to late receiving of BRC, they could not complete imports is not convincing to the Committee as import under Advance Authorisation could be made prior to the export. BRC is required for redemption of the case. Hence, the Committee did not accede to the request of the firm.

Case No.11. M/s. Veekay Polycoats Limited, New Delhi.
F.No. 01/60/162/123/AM14/EFGC (PRC)
PRC Meeting No. 10/AM14 dated 18.06.2013

Subject: - Request for revalidation of Advance Authorizations No. 0510266401 dated 18.06.2010 & 0510265467 dated 03.06.2010.

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

Case No.12. M/s United Phosphorus Limited, Mumbai.
F.No. 01/60/162/168/AM14/EFGC (PRC)
PRC Meeting No. 10/AM14 dated 18.06.2013
Subject: - Request for Clubbing / redemption of 4 Advance Authorizations No. 1.0310497542 dated 12.12.2008, 0310549745 dated 08.12.2009, 0310592748 dated 16.09.2010 & 0310608019 dated 27.12.2010.

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 4 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% or as stipulated in the authorization whichever is higher. 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.13. M/s Asian Food Industries, Gujarat.
F.No. 01/60/162/169/AM14/EFGC (PRC)
PRC Meeting No. 10/AM14 dated 18.06.2013
Subject: - Request for clubbing of two AAs 3410022645 dt. 5.11.2008 and 3410029831 dt. 31.3.2011.

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 2 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% or as stipulated in the authorization whichever is higher. 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, Vadodara)

Case No.14. M/s. Hobb International Pvt. Ltd.
F.No. 01/60/162/343/AM10/EFGC (PRC)
PRC Meeting No. 10/AM14 dated 18.06.2013
Subject: - Acceptance of S/bills for DEPB benefit.

It was decided that Addl. DG(LBS) shall verify the facts from the file during next visit to Kolkata office and submit report to the committee for consideration.

(**Action : Addl. DG(LBS**)

Case No.15. M/s. Rifah Shoes (P) Ltd.
F.No. 01/91/180/1328/AM12/PC-3
PRC Meeting No. 10/AM14 dated 18.06.2013
Subject: - Relaxation for eligibility of time barred S/bill for claiming benefit under Chapter 3 of FTP

Justification and reasons cited by the applicant for the period 2006-08 are not convincing to the committee hence the request is rejected.

Case No.16. M/s. Kiran Silk Fabrics.
F.No. 01/94/180/33/AM14/PC-3
PRC Meeting No. 10/AM14 dated 18.06.2013
Subject: - Relaxation for eligibility of time barred S/bill for claiming benefit under Chapter 3 of FTP

Justification and reasons cited by the applicant for the period 2008-09 and 2009-10 are not convincing to the committee hence the request is rejected.

Case No.17. M/s. Rochi Ram and Sons, Jaipur.
F.No. 01/94/180/45/AM14/PC4
PRC Meeting No. 10/AM14 dated 18.06.2013

Subject: - Clarification regarding transferability of DEPB Authorization issued in AM05

Withdrawn for re-examination on file.

Case No.18. M/s. Tata Motors Ltd, Mumbai.
F.No. 01/89/180/54/AM13/PC-2(A)
PRC Meeting No. 10/AM14 dated 18.06.2013
Subject: - Request for import of one vehicle for R&D purpose.

The Committee considered the case and granted permission to relax the provisions of Para 2(II) (f) of Import Licensing Note of Chapter 87 for import of one second hand vehicle for R&D purpose.

Case No.19. M/s United Phosphorus Limited, Mumbai.
F.No. 01/60/162/155/AM14/EFGC(PRC)
PRC Meeting No. 10/AM14 dated 18.06.2013
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.

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 5 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% or as stipulated in the authorization whichever is higher. 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.20. Reference from M/s R&B Falcon (A) Pvt. Ltd (R & B) Mumbai, a part of M/s Transocean Group of Companies.
F.No. 01/93/180/26/AM-11/PC-2(B)
PRC Meeting No. 10/AM14 dated 18.06.2013
Subject: - Request for deferring the re-export of duty paid rig "Ron Tappmeyer"

The Committee observed that **M/s R&B Falcon (A) Pty. Ltd (R & B) Mumbai, a part of M/s Transocean Group of Companies** had imported second hand capital goods with full payment of Customs duty during 2003. The only condition which was imposed at the time of import was re-export but the company has been able to find use of the capital goods in the country and they desired to retain the capital goods. The Committee observed that there is no loss to the public exchequer nor any violation of extant Policy. The capital goods as such are free for import in the current policy. It was therefore decided that re-exports condition may be relaxed and M/s Transocean Offshore International Ventures Limited Mumbai be allowed to keep the capital goods in India subject to payment of dues, if any, to the Customs Authorities.

Case No.21. M/s Triton Holding Limited (THL) Mumbai a part of M/s Transocean Group of Companies.
F.No. 01/93/180/26/AM-11/PC-2(B)
PRC Meeting No. 10/AM14 dated 18.06.2013
Subject: - Request for deferring the re-export of duty paid rig Trident XII".

The Committee observed that **Triton Holding Limited (THL) Mumbai a part of M/s Transocean Group of Companies** had imported second hand capital goods with full payment of Customs duty during 2003. The only condition which was imposed at the time of import was re-export but the company has been able to find use of the capital goods in the country and they desired to retain the capital goods. The Committee observed that there is no loss to the public exchequer nor any violation of extant Policy. The capital goods as such are free for import in the current policy. It was therefore decided that re-exports condition may be relaxed and M/s Transocean Offshore International Ventures Limited Mumbai be allowed to keep the capital goods in India subject to payment of dues, if any, to the Customs Authorities.

Case No.22. M/s Oil Country Tubular Limited, Hyderabad.
F.No. 01/60/162/179/AM14/EFGC(PRC)
PRC Meeting No. 10/AM14 dated 18.06.2013
Subject: - Request for EOP extension of Advance Authorization No. 0910038367 dated 26.06.2009 for regularization purpose.

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

I. Export obligation period is extended upto 31.12.2012.

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, Chennai)

Case No.23. M/s Suzlon Energy Limited, Pune.
F.No. 01/60/162/182/AM14/EFGC(PRC)
PRC Meeting No. 10/AM14 dated 18.06.2013
Subject: - Request for EOP extension of Advance Authorization No. 3110034801 dated 08.08.2008

After detailed discussion it was observed that export obligation period has been reduced from 36 months to 18 months in the amended policy w.e.f. 5.6.2012. Therefore, there is no logic to allow extension beyond 48 months (including 12 months deemed extension) which PRC considers after 36 months in old cases). The licence under question was issued on 08.08.2008. Now, 58 months have already passed but the firm could not fulfil stipulated EO. Hence, there is no logic to grant further extension in EOP. The committee decided to reject the request advising the applicant to get the case regularized in terms of Para 4.28 of HBP.

(**Action : RA Pune**. 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.24. M/s Calyx Chemicals & Pharmaceuticals Limited, Mumbai.
F.No. 01/60/162/178/AM14/EFGC(PRC)
PRC Meeting No. 10/AM14 dated 18.06.2013
Subject: - Request for EOP extension of Advance Authorization No. 0310461079 dated 14.02.2008.

After detailed discussion it was observed that export obligation period has been reduced from 36 months to 18 months in the amended policy w.e.f. 5.6.2012. Therefore, there is no logic to allow extension beyond 48 months (including 12 months deemed extension) which PRC considers after 36 months in old cases). The licence under question was issued on 14.2.2008. Now, 64 months have already passed but firm could not fulfil stipulated EO. Hence, there is no logic to grant further extension in EOP. The committee decided to reject the request advising the applicant to get the case regularized in terms of Para 4.28 of HBP.

(**Action : RA Mumbai**. 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.25. M/s Calyx Chemicals & Pharmaceuticals Limited, Mumbai.
F.No. 01/60/162/177/AM14/EFGC(PRC)
PRC Meeting No. 10/AM14 dated 18.06.2013
Subject: - Request for EOP extension of Advance Authorization No. 0310419586 dated 14.02.2007.

After detailed discussion it was observed that export obligation period has been reduced from 36 months to 18 months in the amended policy w.e.f. 5.6.2012. Therefore, there is no logic to allow extension beyond 48 months (including 12 months deemed extension) which PRC considers after 36 months in old cases). The licence under question was issued on 14.2.2007. Now, 76 months have already passed but firm could not fulfil stipulated EO. Hence, there is no logic to grant further extension in EOP. The committee decided to reject the request advising the applicant to get the case regularized in terms of Para 4.28 of HBP.

(**Action : RA Mumbai**. 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.26. M/s Stylrite Optical Industries, Mumbai.
F.No. 01/60/162/173/AM14/EFGC(PRC)
PRC Meeting No. 10/AM14 dated 18.06.2013
Subject: - Request for revalidation of Advance Authorization No. 0310588097 dated 17.08.2010.

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

Case No.27. M/s Stylrite Optical Industries, Mumbai.
F.No. 01/60/162/172/AM14/EFGC(PRC)
PRC Meeting No. 10/AM14 dated 18.06.2013
Subject: - Request for revalidation of Advance Authorization No. 0310590643 dated 01.09.2010.

Waiver of bond is a facility to allow import without execution of BG/LUT with Customs Authority. The facility is available only to the exporters who made export and realise payment within validity of Authorisation. However, under Advance Authoristion, imports can be made within its validity on execution of BG/LUT. Therefore, Committee did not accede to the request of the firm.

Case No.28. M/s M.R. Agro Industries, Gujarat.
F.No. 01/60/162/181/AM14/EFGC (PRC)
PRC Meeting No. 10/AM14 dated 18.06.2013
Subject: - Request for EODC in respect of Advance Authorization No. 0810085372 dated 30.12.2009.

Deferred for seeking technical view from Department of Agriculture.

Case No.29. M/s Shree Ganesh Chemicals Ankleshwar, Gujarat.
F.No. 01/60/162/183/AM14/EFGC (PRC)
PRC Meeting No. 10/AM14 dated 18.06.2013
Subject: - Request for revalidation of Advance Authorization No. 3450000132 dated 29.06.2012.

The committee after deliberations noted that though as per Policy Provisions RA could revalidate the Advance Authorization, but to save time, the committee decided to revalidate the authorization upto 31.12.2013.

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

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