**Minutes of the Policy Relaxation Committee**

Meeting no. 13/AM14 held on 09.07.2013 at 11.30 a.m.

PRC Meeting was held under the Chairmanship of DGFT .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 L.B. Singhal | Addl. DG |
| 4. | Shri K.C. Rout | Addl. DG |
| 5. | Shri S.K. Samal | Jt. DGFT |
| 6. | Shri Ajay Kumar Srivastava | Jt. DGFT |
| 7. | Shri Jay Karan Singh | Jt. DGFT |
| 8. | Shri Hardeep Singh | Jt.DGFT |
| 9. | Shri R. Selvam | Jt. DGFT |
| 10. | Shri S.K. Mohapatra | DDG |

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

**Case No.1. M/s Prime Energy Pvt. Ltd, New Delhi.**
F.No. 01/60/162/232/AM14/EFGC (PRC)
PRC Meeting No. 13/AM14 dated 09.07.2013
Subject: - Request to condone the procedural lapse of non generating Bill of Export against exports made to SEZ unit against Advance Authorization No. 0510287225 dated 30.03.2011.

The committee noted that the bond officer has acknowledged the receipt of goods in the SEZ unit.ARE-1 bears the details of Advance Authorization. The committee therefore decided to waive the requirement of Bill of Export and allow discharge of export obligation on the basis of ARE-1 and invoices duly certified by the Customs Authority.

(**Action : RA CLA, New Delhi**)

**Case No.2. M/s SuperMax Personal Care Pvt. Ltd, Mumbai.**
F.No. 01/60/162/228/AM14/EFGC (PRC)

PRC Meeting No. 13/AM14 dated 09.07.2013
Subject: - Request for EOP extension and revalidation of Advance Authorization No. 0310578245 dated 10.06.2010.

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

I. The request for revalidation is rejected. However, Export obligation period is extended for 6 months from the date of endorsement or upto 31.01.2014 which ever 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 licence 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 minutes without waiting for the endorsement as to be done on the Authorization by RA.

(**Action : RA Mumbai**)

**Case No.3. M/s SuperMax Personal Care Pvt. Ltd, Mumbai.**
F.No. 01/60/162/227/AM14/EFGC (PRC)
PRC Meeting No. 13/AM14 dated 09.07.2013
Subject: - Request for EOP extension and revalidation of Advance Authorization No. 0310573730 dated 11.05.2010.

The committee noted that zero exports have been made by the firm within the original validity of 36 months. The Authorization is issued on 11.5.2010 and was valid for export upto 30.05.2013. Transfer of business from M/s. VMPL to M/s. SPCL took place on 13.8.2012. No exports were made prior to transfer of business or even after transfer of business. Hence the committee did not accede to the request. The applicant is hereby directed to get their case regularized in terms of Para 4.28 of HBP.

(**Action: RA Mumbai**. If the party fails to get the case regularized 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.4. M/s Universal Spices Pvt. Ltd.**
F.No. 01/60/162/973/AM13/EFGC (PRC)
PRC Meeting No. 13/AM14 dated 09.07.2013

Subject: - Request for exemption from non-compliance of stipulated procedure in respect of Advance Authorization No. 3110004672 dated 29.08.2001.

The committee noted that packing materials were imported by the applicant free of cost without payment of duty. However, the said packing materials were neither used for discharging export obligation nor re-exported to the supplier within the stipulated period. Hence, request for waiver of custom duty + interest can't be considered. No document stating that the Customs Authority has refused to allow re-export of said packing materials is produced hence the contention of the applicant that the Customs did not allow re-export of goods is not acceptable to the committee.

(**Action: RA Mumbai**. If the party fails to get the case regularized 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.5. M/s SPL Overseas, New Delhi.**
F.No. 01/60/162/221/AM14/EFGC (PRC)
PRC Meeting No. 13/AM14 dated 09.07.2013
Subject: - Request for regularization of Advance Authorization No. 0510098111 dated 05.08.2003.

The committee noted that the S/bill was cleared under "No incentive" means under free shipment category. As the valuation of free S/bill is not done by Customs Authority, the committee therefore did not accede to the request of the firm to consider the shipping bills for discharge of the EO under Advance Authorization. The applicant is hereby directed to get the case regularized in terms of Para 4.28 of HBP.

(**Action: RA Mumbai**. If the party fails to get the case regularized 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 Garware Wall Ropes Ltd, Pune.**
F.No. 01/94/180/183/AM10/PC-IV/PRC
PRC Meeting No. 13/AM14 dated 09.07.2013
Subject: - Request for revalidation and prorata enhancement in import quantity and CIF value of Advance Authorization no. 3110024851 dt. 4.5.2006.

The committee noted that the applicant submitted request to RA Pune on 23.4.2007 for enhancement and redemption of licence alongwith requisite fee by DD. RA issued deficiency letter asking applicant to pay requisite fee for enhancement. The applicant, in turn, informed RA vide letter dt. 21.6.2007 that they had already paid fee and submitted DD alongwith their initial request dt. 23.4.2007. Since the request was made within the initial validity of licence, RA should have issued EODC enhancing value/ quantity as requested instead of redeeming the licence.

Accordingly, the committee therefore decided that;

1. Redemption letter issued on 28.8.2007 may be cancelled/ withdrawn.

2. Licence may be revalidated for 3 months from the date of endorsement.

3. Enhancement on prorata basis of export made may be allowed.
4. Fresh EODC may be issued.

The applicant is directed to get the endorsement from RA within one month from the date of publication of PRC minutes on the website of DGFT.

(Action : RA Pune)

**Case No.7. M/s Mak Controls and Systems (P) Limited, Coimbatore.**
F.No. 01/60/162/689/AM13/EFGC(PRC)
PRC Meeting No. 13/AM14 dated 09.07.2013
Subject: - Request for EOP extension of Advance Authorization No. 3210037022 dated 07.01.2008 for regularization purpose.

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

I. Export obligation period is extended upto 30.04.2011.
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 is maintained.
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.8. M/s BSL Limited, Rajasthan.**
F.No. 01/60/162/226/AM14/EFGC(PRC)
PRC Meeting No. 13/AM14 dated 09.07.2013
Subject: - Request for EOP extension of Advance Authorization No. 1310031943 dated 23.04.2010.

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

I. The request for revalidation is rejected. However, Export obligation period is extended for 3 months from the date of endorsement or upto 31.10.2013 which ever 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 licence 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 minutes without waiting for the endorsement is done on the Authorization by RA.

(**Action : RA Jaipur**)

**Case No.9. M/s Limtex (India) Limited, Kolkata.**
F.No. 01/60/162/220/AM14/EFGC(PRC)
PRC Meeting No. 13/AM14 dated 09.07.2013
Subject: - Request for clubbing of 2 Advance Authorization Nos. 0210127159 dated 01.06.2009 & 0210127558 dated 11.06.2009 issued under Appendix 30 A.

The committee noted that EODC is issued where exporter discharges their export obligation without importing/ partial import under Advance licences. Whereas redemption is issued where imports and exports as stipulated in the Authorization are completed. The committee therefore decided to allow clubbing of Authorization/licence as in this case only EODC is issued. After detailed discussion following decisions were taken:

i. Clubbing of 2 Advance Authorizations as referred above is allowed.
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 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 club the 2 Advance Authorizations subject to the condition that no redemption letter or adjudication order is issued against any licence to be clubbed.

(Action : RA, Kolkata)

**Case No.10. M/s Jay Chemicals, Mumbai.**
F.No. 01/60/162/1443/AM11/EFGC (PRC)

PRC Meeting No. 13/AM14 dated 09.07.2013
Subject: - Request for clubbing of 2 Advance Authorization Nos. 0310384710 dated 14.06.2006 & revalidation of Authorization no. 0310418042 dated 01.02.2007 for regularization purpose.

The committee noted that clubbing of 2 Advance Authorizations as referred above has already been considered by PRC in its meeting dt. 27.10.2010. It is further clarified that RA may club the Authorizations where EODC is issued but not redeemed so far subject to other terms and condition as imposed by PRC in its meeting dt. 27.10.2010.

**Case No.11. M/s Lavino Kapur Cotton Pvt. Ltd, Mumbai.**
F.No. 01/85/162/103/AM07/DES-V
PRC Meeting No. 13/AM14 dated 09.07.2013
Subject: - Modification of SION K-103 for Absorbent Cotton and K-104 for Absorbent uncarded Cotton against import of Raw Cotton and for retrospective application for fixation of adhoc norms.

Withdrawn. The committee noted that this case pertains to Norms Committee. It does not involve any policy issue that needs to be relaxed. Therefore, it was decided that the Norms Committee-V may look into this case and decide expeditiously.

(Action : Norms Committee-V)

**Case No.12. M/s Purva Overseas Udaipur.**
F.No. 01/60/162/234/AM14/EFGC (PRC)
PRC Meeting No. 13/AM14 dated 09.07.2013
Subject: - Request for revalidation of Advance Authorization No. 1310033038 dt. 20.08.2010.

Justification and reasons cited by the applicant were not considered adequate by the committee hence the request is rejected.

**Case No.13. M/s BGH Exim Limited Kolkata.**
F.No. 01/60/162/1220/AM12/EFGC (PRC)
PRC Meeting No. 13/AM14 dated 09.07.2013
Subject: - Request for review of PRC decision in respect of authorization No. 1. 021124155 dt. 12.3.2009 and (2) 0210142914 dt. 4.6.2010

The case was again discussed in detail. The committee noted that no new justifications/ facts have been submitted to reconsider the request. Therefore it was decided not to interfere in its earlier decision dt. 28.08.2012 and 08.01.2013, respectively. The applicant is hereby directed to get the case regularized in terms of Para 4.28 of HBP.

(**Action: RA Kolkata**. If the party fails to get the case regularized 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.14. M/s Wanbury Limited, Mumbai.**
F.No. 01/60/162/230/AM14/EFGC (PRC)
PRC Meeting No. 13/AM14 dated 09.07.2013
Subject: - Request for EOP extension of Advance Authorization No. 2610006381 dated 14.09.2007.

The committee noted that Authorization was obtained in year 2007 and norms were fixed in the year 2008 i.e. within the time and validity of obligation period. The applicant was well aware with the revised obligation to be fulfilled. The last date of shipment in this case is 27.09.2010which proves that the applicant was well aware and had enough time to discharge required obligation.The committee therefore did not accede to the request.

The applicant is hereby directed to get the case regularized in terms of Para 4.28 of HBP.

(**Action: RA Mumbai**. If the party fails to get the case regularized 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.15. M/s Mangalam Drugs and Organics Ltd, Mumbai.**
F.No. 01/60/162/229/AM14/EFGC (PRC)
PRC Meeting No. 13/AM14 dated 09.07.2013
Subject: - Request for EOP extension of Advance Authorization No. 0310551345 dated 17.12.2009 for regularization purpose.

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 the purpose of regularization and closure.

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 is maintained.

IV. The applicant has to pay duty +interest on inputs consumed and exported after 12 months from date of first import consignment.

V. PC-18 condition stands waived on this exports to the extent of requirement of re-export/destruction certificate on export made outside the original/ extended EOP.

VI. Shortfall if any may be regularized in terms of Para 4.28 of HBP read with PC-18 dt. 30.10.2007.

(**Action : RA Mumbai**)

**Case No.16. M/s Galaxy Surfactants Ltd, Raigad.**
F.No. 01/60/162/197/AM14/EFGC (PRC)
PRC Meeting No. 13/AM14 dated 09.07.2013
Subject: - Request for consideration for 2nd revalidation of Advance Authorization No. 0310594241 dated 28.09.2010.

The Committee noted that due to data transmission error the firm could not utilize the Advance Authorization in question. Therefore, it was decided to revalidate the aforesaid authorization for 3 months from the date of transmission of said amendment to ICEGATE Custom. The EDI Section will ensure that amendment sheet no. 4 dt. 25.2.2013 issued against the Authorization is transmitted to Custom server at the earliest.

(**Action : EDI/RA, Mumbai**)

**Case No.17. M/s Ratnaveer Stainless Products Pvt. Ltd, Vadodara.**
F.No. 01/60/162/222/AM14/EFGC (PRC)
PRC Meeting No. 13/AM14 dated 09.07.2013
Subject: - Request of clubbing of 2 Advance Authorization No. 3410016068 dated 22.05.2006 & 3410025253 dated 05.10.2009 or allow accounting of shipments made within 48 months of earliest Authorization.

The Committee noted that the applicant seems to be aware that request for clubbing of Authorizations issued beyond 36 months period of earliest Authorization is not being considered by PRC. Therefore, in order to offset the shortfall in the earliest Authorization, they have proposed that export made towards discharge of obligation against subsequent Authorization but within 48 months of first Authorization may be taken into account towards discharge of export obligation against first Authorization. This is nothing but allowing request for clubbing of two Authorizations under question. The committee therefore did not accede to the request and advised to get the case regularized independently in terms of Para 4.28 of HBP.

(**Action : RA, Vadodara**; 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.18. M/s Devisons Pvt. Ltd.**
F.No. 01/60/162/224/AM14/EFGC (PRC)
PRC Meeting No. 13/AM14 dated 09.07.2013
Subject: - Request for relaxation in procedure under Para 2.5 of FTP in AA no. P/K/0024350 dated 18.06.1996 – Non submission of S/bill.

The committee noted that adjudication proceedings are pending in the office. Therefore the case was withdrawn from PRC.

**Case No.19. M/s Al Champdany Industries Ltd.**
F.No. 01/92/180/31/AM14/Policy-VI
PRC Meeting No. 13/AM14 dated 09.07.2013
Subject: - Request for CCS Claim.

The committee noted that the scheme has been discontinued in the year 1991 and there was no provision of allowing CCS imposing late cut if application is submitted after prescribed period for filling of CCS claim. Para 309 of HBP 1988-1991 is not applicable for CCS scheme as the said Para prescribes time period for filling of REP claim. The committee therefore did not accede to the request.

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

**********