MINUTES OF THE POLICY RELAXATION COMMITTEE (PRC) MEETING NO. 28/AM12 HELD ON 08.11.2011 AT 11.00 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. Gupta Addl. DG
3. Shri N.P.S. Monga Addl. DG
4. Dr. L.B.S. Singhal Jt. DGFT
5. Dr. Rajiv Arora Jt. DGFT
6. Shri A.K. Singh Jt. DGFT
7. Shri R.S. Ratna Jt. DGFT
8. Shri.Hardeep Singh Jt.DGFT
9. Smt. Subhra Jt. DGFT
10. Smt. Vibha Bhalla Jt. DGFT
11. Shri A. Mishra Stats Advisor
12. Shri D.C. Sharma Stats Advisor
13. Smt. Sonika Khattar FTDO

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

Case No.01. M/s. Dharam Industries, Delhi
F.No. 01/60/162/1544/AM11/EFGC(PRC)
PRC Meeting No. 28/AM12 dated: 08.11.2011
Subject:- Request for revalidation of DEPB License no.0510159931 dt.16.6.05

The Committee discussed the case in details and noted that the customs in their letter have stated that the authorization had been returned to the firm. It was also noted that the main issue with customs was regarding finalization of the provisional shipping bills which took time. It was decided to call for a report from customs on the extent of delay that took place on account of this assessment to enable PRC to consider the case further.

Case No.02. M/s. GVG Industries Pvt Ltd, Udumalpet
F.No. 01/60/162/479/AM12/EFGC(PRC)
PRC Meeting No. 28/AM12 dated: 08.11.2011
Subject:- Advance authorization No.3210035371 dt.11.5.2007

The Committee decided to obtain information regarding export obligation fulfilled during the export obligation period both in terms of quantity and value-wise to consider the case further.
Case No.03. M/s. Syncom Formulation India Ltd, Mumbai
F.No. 01/60/162/706/AM12/EFGC(PRC)
PRC Meeting No. 28/AM12 dated: 08.11.2011
Subject:- Request for EOP of advance authorization no.1110014536 dt.15.12.06.

The Committee decided that the firm may be requested to provide information relating to exports made from the date of first import and within the valid export obligation period.

Case No.04. M/s. Kopran Ltd, Mumbai
F.No. 01/60/162/702/AM12/EFGC(PRC)
PRC Meeting No. 28/AM12 dated: 08.11.2011
Subject:- Request for clubbing for 4 advance authorization no. 1) 0310331068 dt. 24.5.2005, 2) 0310416803 dt. 22.1.2007, 3) 0310419754 dt 15.2.2007 and 4) 0310573504 dt. 10.05.2010.

The committee noted that as per Public Notice no. 79 dt. 13.10.2011, Regional Authorities of DGFT have been empowered to do clubbing for authorizations which are issued within 3 years from the date of issue of the earliest authorization sought to be clubbed. As such, this case could have been considered at the level of RA also. However, since this application was already filed in DGFT prior to issuance of PN. NO. 79 dt. 13.10.2011, the Committee decided to club advance authorization at sr. no. 1,2 and 3 only as all are issued in continuity with a distinct overlap in the validity period for the purpose of regularization. The advance authorization no. 0310573504 dt. 10.05.2010 was not considered for clubbing as the same was not issued in continuity with a distinct overlap in the validity period. RA may grant necessary extension in EO required with the stipulated composition fee for clubbing and regularization. RA is also directed to examine the case in terms of Public Notice No. 23 dated 4.12.2009 and make necessary endorsements regarding 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 authorization. RA should ensure proper accounting of the duty free inputs with reference to the export product while clubbing the authorizations.

Case No.05. M/s. S.Khoday Silk Twisting Factory. Bangalore
F.No. 01/60/162/6460/AM12/EFGC(PRC)
PRC Meeting No. 28/AM12 dated: 08.11.2011
Subject:- Request for clubbing of 5 advance authorization no. 0710039542 dt. 5.8.2005, 0710039802 dt. 24.8.2005, 0710040422 dt. 23.9.2005, 0710040423 dt. 23.9.2005 and 0710040425 dt. 23.9.2005.

The committee noted that as per Public Notice no. 79 dt. 13.10.2011, Regional Authorities of DGFT have been empowered to do clubbing for authorizations which are issued within 3 years from the date of issue of the earliest authorization sought to be clubbed. As such, this case could have been considered at the level of RA also. However, since this application was already filed in DGFT prior to issuance of PN. NO. 79 dt. 13.10.2011, the committee decided to club the above 5 advance authorizations for the purpose of regularization. RA may grant necessary extension in EO required with the stipulated composition fee for clubbing and regularization. RA is also directed to examine the case in terms of

Public Notice No. 23 dated 4.12.2009 and make necessary endorsements regarding 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 authorization. RA should ensure proper accounting of the duty free inputs with reference to the export product while clubbing the authorizations.

Case No.06. M/s. DCM Textiles Ltd, Delhi
F.No. 01/60/162/1766/AM11/EFGC(PRC)
PRC Meeting No. 28/AM12 dated: 08.11.2011
Subject:- Request for relaxation of policy procedure for filing of DEPB application for EDI generated 3 Shipping Bills.

The Committee noted that the firm's request may be considered in accordance with the Public Notice No. 57 dt. 21.4.2010.

Case No.07. M/s. DSM Anti Infectives India Limited Punjab
F.No. 01/60/162/587/AM12/EFGC(PRC)
PRC Meeting No. 28/AM12 dated: 08.11.2011
Subject:- Request for clubbing of two advance license No. 2210006358 dt. 10/1/2007 and 2210006468 dt. 2.2.2007

The Committee noted that the three authorisations were issued as per the PC-9 Condition and the exports have been made prior to imports. The Committee decided to call for complete details regarding date of first import made and export obligation fulfilled during the valid EOP and whether the conditions of PC-9 of prior imports have been adhered to.

Case No.08. M/s. DSM Anti Infectives India Limited Punjab
F.No. 01/60/162/705/AM12/EFGC(PRC)
PRC Meeting No. 28/AM12 dated: 08.11.2011
Subject:- Request for clubbing of four advance license No.2210005756 dt 11.7.2006 (2) 2210006954 dt. 7.8.2007 (3) 2210005796 dt. 18.07.2006 (4) 2210005811 dt. 24.07 2006.

The Committee decided to check whether the authorization has been issued under PC-9 condition or not.

Case No.09. M/s. DSM Anti Infectives India Limited Punjab
F.No. 01/60/162/592/AM12/EFGC(PRC)
PRC Meeting No. 28/AM12 dated: 08.11.2011
Subject:- Request for clubbing of 3 advance license issued under PC 9 (1) 2210008874 dt. 28.4.2009 (2) 2210008422 dt. 27.11.2008 (3) 2210008424 dt. 27.11.2008

The Committee decided to check whether the authorization has been issued under PC-9 condition or not.

Case No.10. M/s. Mercury Containers Limited Kanpur

F.No. 01/60/162/1835/AM12/EFGC(PRC)
PRC Meeting No. 28/AM12 dated: 08.11.2011
Subject:- Request for revalidation of DFIA no. 0610014600 dt. 17.11.2008 and deletion of transferability condition

The committee did not agree to the request regarding revalidation which was rejected earlier. The Committee noted that the date of Bill of Lading was prior to the date of validity and, the firm therefore may approach customs for further necessary action for the import made.

Case No.11. M/s. Bindal Exports Pvt Limited Surat
F.No. 01/60/162/598/AM12/EFGC(PRC)
PRC Meeting No. 28/AM12 dated: 08.11.2011
Subject:- Revalidation of 10 DFCE License nos. (1) 0310368511 dt. 24.02.2006, (2) 0310368523 dt. 24.02.2006, (3) 0310368524 dt. 24.02.2006, (4) 0310368525 dt. 24.02.2006, (5) 0310368526 dt. 24.02.2006, (6) 0310368527 dt. 24.02.2006, (7) 0310368518 dt. 24.02.2006, (8) 0310368510 dt. 24.02.2006, (9) 0310368520 dt. 24.02.2006 and (10) 0310368510 dt. 24.02.2006.

The Committee noted the request of the firm and decided to reject as the reasons cited are only commercial risk and can not be construed as genuine hardship warranting relaxation under Para 2.5 of FTP.

Case No.12. M/s. Hindustan Tin Works Limited, New Delhi
F.No. 01/60/162/684/AM12/EFGC(PRC)
PRC Meeting No. 28/AM12 dated: 08.11.2011
Subject:- Request for clubbing of two advance license No. 0510208084 dt. 24.8.2007 (2) 0510243955 dt. 18.6.2009 for regularization purpose.

The committee noted that as per Public Notice no. 79 dt. 13.10.2011, Regional Authorities of DGFT have been empowered to do clubbing for authorizations which are issued within 3 years from the date of issue of the earliest authorization sought to be clubbed. As such, this case could have been considered at the level of RA also. However, since this application was already filed in DGFT prior to issuance of PN. NO. 79 dt. 13.10.2011, the committee decided to club the above 2 advance authorizations for the purpose of regularization. RA may grant necessary extension in EO required with the stipulated composition fee for clubbing and regularization. RA is also directed to examine the case in terms of Public Notice No. 23 dated 4.12.2009 and make necessary endorsements regarding 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 authorization. RA should ensure proper accounting of the duty free inputs with reference to the export product while clubbing the authorizations.

Case No.13. M/s. Shree Ganesh Forgings Limited
F.No. 01/60/162/1899/AM11/EFGC(PRC)
PRC Meeting No. 28/AM12 dated: 08.11.2011
Subject:- Request for clubbing of 2 advance license no. 0310382088 dt. 29.5.2006 & 0310581209 dt. 29.6.2010

The Committee noted that the firm has requested for clubbing of two authorizations. They could not export because of the labour strike. It was decided that the matter may be taken up with the State Labour Department for complete details so that PRC could take a view in the matter.

Case No.14. M/s. Emcure Pharmaceutical Limited Pune
F.No. 01/60/162/646/AM12/EFGC(PRC)
PRC Meeting No. 28/AM12 dated: 08.11.2011
Subject:- Request for EOP extension of the advanced license no. 3110043254 dt. 17.5.2010 issued under PC 9 condition.

The Committee decided to extend EOP against the aforesaid advance authorization for 6 months i.e. total 18 months from the date of first import for the purpose of regularization and closure subject to verification by RA of EO claimed to have been fulfilled by the firm within the valid EOP and also subject to payment of composition fee @ 6% of the duty saved amount for the balance inputs in proportion to export obligation beyond export obligation period. RA is directed to examine the case in terms of Public Notice No. 23 dated 4.12.2009 and make necessary endorsements regarding value addition of minimum 15% or as stipulated in the authorization whichever is higher

Case No.15. M/s. Emcure Pharamecuticial Limited Pune
F.No. 01/60/162/645/AM12/EFGC(PRC)
PRC Meeting No. 28/AM12 dated: 08.11.2011
Subject:- Request for EOP extension of the advanced license no. 3110043102 dt. 3.5.2010 issued under PC 9 condition.

The Committee decided to extend EOP against the aforesaid advance authorization for 6 months i.e. total 18 months from the date of first import for the purpose of regularization and closure subject to verification by RA of EO claimed to have been fulfilled by the firm within the valid EOP and also subject to payment of composition fee @ 6% of the duty saved amount for the balance inputs in proportion to export obligation beyond export obligation period. RA is directed to examine the case in terms of Public Notice No. 23 dated 4.12.2009 and make necessary endorsements regarding value addition of minimum 15% or as stipulated in the authorization whichever is higher

Case No.16. M/s. Emcure Pharamecuticial Limited Pune
F.No. 01/60/162/661/AM12/EFGC(PRC)
PRC Meeting No. 28/AM12 dated: 08.11.2011
Subject:- Request for EOP extension of the advanced license no. 3110043033 dt. 27.4.2010 issued under PC 9 condition.

The Committee decided to extend EOP against the aforesaid advance authorization for 6 months i.e. total 18 months from the date of first import for the purpose of regularization and closure subject to verification by RA of EO claimed to have been fulfilled by the firm within the valid EOP and also subject to payment of composition fee @ 6% of the duty saved amount for the balance inputs in proportion to export obligation beyond export obligation period. RA is directed to examine the case in terms of Public Notice No. 23 dated 4.12.2009 and make necessary endorsements regarding value addition of minimum 15% or as stipulated in the authorization whichever is higher

Case No.17. M/s. Surya Pharmaceuticals Limited Chandigarh

F.No. 01/60/162/679/AM12/EFGC(PRC)
PRC Meeting No. 28/AM12 dated: 08.11.2011
Subject:- Request for EOP extension of Advance Authorization no.2210006627 dt.29.3.2007 issued under PC-9 Conditon.

The Committee decided to extend EOP against the aforesaid advance authorization for 6 months i.e. total 12 months from the date of first import for the purpose of regularization and closure subject to verification by RA of EO claimed to have been fulfilled by the firm within the valid EOP and also subject to payment of composition fee @ 6% of the duty saved amount for the balance inputs in proportion to export obligation beyond export obligation period. RA is directed to examine the case in terms of Public Notice No. 23 dated 4.12.2009 and make necessary endorsements regarding value addition of minimum 15% or as stipulated in the authorization whichever is higher. The Committee also decided that any accounted material from unregistered source should be either destroyed or re-exported as per the condition of PC-18 dt. 30.1.2007.

Case No.18. M/s. Bhise Ceramics Pvt Ltd.
F.No. 01/60/162/1767/AM12/EFGC(PRC)
PRC Meeting No. 28/AM12 dated: 08.11.2011
Subject:- Revalidation of DEPB certificate licence no 0310491456 dt. 22.10.2008 as Mumbai Airport Customs have inadvertently used DEPB certificate licence no. 0310528562 dt. 13.7.2009

The Committee noted that the reasons cited do not evidence any genuine hardship and cannot be construed any mistake on the part of customs and therefore cannot be considered as genuine hardship warranting relaxation under Para 2.5 of FTP.

Case No.19. M/s. Megha International Pvt. Ltd.
F.No. 01/60/162/158/AM12/EFGC(PRC)
PRC Meeting No. 28/AM12 dated: 08.11.2011
Subject:- Request for clubbing and redemption of 4 authorizations Nos. 0510206240, 0510206241, 0510206242 and 0510206252 all dated 17.07.2007.

The Committee decided that the firm may approach RBI for waiver from foreign exchange realisation.

Case No.20. M/s. Mohan Spintex India Limited Vijayawada
F.No. 01/60/162/380/AM12/EFGC(PRC)
PRC Meeting No. 28/AM12 dated: 08.11.2011
Subject:- Request for revalidation of DFIA licence no. 0910033409 dt. 19.3.2008

The Committee noted the request and it appears that the firm had already gained chapter 4 benefit and therefore rejected the request.

Case No.21. M/s. Bankim Plast Pvt Limityed Mumbai

F.No. 01/60/162/681/AM12/EFGC(PRC)
PRC Meeting No. 28/AM12 dated: 08.11.2011
Subject:- Request for EOP extension of advance license no. 0310451432 dt. 26.11.2007

The Committee noted that the firm have made less than 50% exports during the valid EOP and, therefore, decided to reject the case on account of low exports made both quantity and value wise in the valid EOP.

Case No.22. M/s. H.B.R. Chemicals Pvt Limited
F.No. 01/60/162/675/AM12/EFGC(PRC)
PRC Meeting No. 28/AM12 dated: 08.11.2011
Subject:- Request for clubbing of 3 advance license nos. 0510202046 dt. 3.4.2007 (2) 0510247737 dt. 17.8.2009 (3) 0510145996 dt. 17.12.2004

The Committee considered the request of the firm and decided to club advance authorization no. 0510202046 dt. 3.4.2007 with advance authorization no. 0510145996 dt. 17.12.2004 only as both are issued in continuity with a distinct overlap in the validity period for the purpose of regularization. The advance authorization no. 0510247737 dt. 17.8.2009 was not considered for clubbing as the same was not issued in continuity with a distinct overlap in the validity period. RA may revalidate the concerned advance authorizations subject to payment of composition fee @1% of the unutilized CIF value of the authorization and also subject to verification of EO fulfillment status as claimed by the firm by RA. Extension in EO required for clubbing and regularization of authorizations where there is shortfall will be done by imposing a composition fee @5% per year as already decided in the PRC meeting held on 6.1.2010. RA is directed to examine the case in terms of Public Notice No. 23 dated 4.12.2009 and make necessary endorsements regarding 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 authorization. RA should ensure proper accounting of the duty free inputs with reference to the export product while clubbing the authorizations.

Case No.23. M/s. Eastman International, Ludhiana
F.No. 01/91/180/157/AM11/PC-4/EFGC(PRC)
PRC Meeting No. 28/AM12 dated: 08.11.2011
Subject:- Request for revalidation of 15 DFIAs issued prior to 01.04.2007

The Committee noted that Customs have even though mentioned about the problems relating to issue of TRA in respect of various authorizations during the period January 2010- April 2010 on account of migration from ICES 1.0. to ICES 1.5, no report on specific delay in respect of 15 authorizations has been provided by Customs. It was decided that a detailed report on the same may be sought from Customs to enable PRC to take a view in the matter.