Minutes of the Policy Relaxation Committee

Meeting no. 30/AM14 held on 26.11.2013 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 V.K. Srivastava Addl. DGFT
2. Shri L.B. Singhal Addl. DGFT
3. Shri K.C. Rout Addl. DGFT
4. Shri Jay Karan Singh Jt. DGFT
5. Shri Hardeep Singh Jt. DGFT
6. Shri AkashTaneja Jt. DGFT
7. Shri S. K. Samal Jt. DGFT
8. Shri S.K. Mohapatra Dy. DGFT
9. Smt. Sonika Khattar FTDO

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

Case No.1.M/s. S. Khoday Silk Twisting Factory, Bangalore..
F.No. 01/60/162/301/AM14/EFGC (PRC)
PRC Meeting No. 30/AM14 dated 26.11.2013
Subject: - Request for Fixation of norms against Advance Authorization no. 0710054898 dt.11.12.2007.

The committee observed that there is no relaxation of Policy involved in this case. The case will be considered by the concerned Norms Committee.

(**Action: Norms Committee- V**)

Case No.2.M/s Malwa Cotton Spng. Mills Ltd., Ludhiana.
F.No. 01/60/162/678/AM14/EFGC (PRC)
PRC Meeting No. 30/AM14 dated 26.11.2013
Subject: - Request for EOP extension of Advance Authorization No. 3010070182 dated 13.10.2010.

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

(**Action: RA Ludhiana-** Party may be advised to get the case regularized in terms of Para 4.28 of HBP V1.

Case No.3.M/s Larsen &Tubro Ltd., Mumbai..

F.No. 01/60/162/670/AM14/EFGC (PRC)
PRC Meeting No. 30/AM14 dated 26.11.2013
Subject: - Request for EOP extension of Advance Authorization No. 0310501993 dated 9.1.2009 regularization purpose.

The Committee decided the following:

I. Export obligation period is extended upto 31.8.2012.
II. This is only for regularization of exports already effected 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, Mumbai)**

Case No.4.M/s Gland Pharma Ltd., Hyderabad.
F.No. 01/94/180/348/AM08/PC-I/PRC
PRC Meeting No. 30/AM14 dated 26.11.2013
Subject: - Request for EOP extension of Advance Authorization No. 0910014856 dated 27.6.2003.

Deferred.

Case No.5.M/s Shri Maa Polyfabs Ltd.
F.No. 01/60/162/22/AM13/EFGC (PRC)
PRC Meeting No. 30/AM14 dated 26.11.2013
Subject: - Request for revalidation of DFIA no. 0210123191 dated 13.2.2009.

The committee observed that PRC had already revalidated the DFIA for 6 months vide meeting no. 34/AM13 dt. 01.01.2013. The committee rejected the request for further revalidation.

Case No.6.M/s. CIL Textile Pvt. Ltd., Indore.
F.No. 01/60/162/133/AM13/EFGC (PRC)
PRC Meeting No. 30/AM14 dated 26.11.2013
Subject: - Request for revalidation of DEPB no. 1110017199 dt.16.05.2008.

The committee observed that as per Hon'ble High Court, Indore Order dated 04/08/2009, the Customs Authority at ICD, Pithampur has agreed to verify the manual DEPB issued against EDI shipping bills. The Committee therefore agreed to revalidate the DEPB for further 3 months, from the date of endorsement or upto 31.03.2014, whichever is earlier.

Case No.7.M/s Vivimed Labs Ltd., Hydrabad.
F.No. 01/60/162/686/AM14/EFGC (PRC)

PRC Meeting No. 30/AM14 dated 26.11.2013
Subject: - Request for revalidation & EOP of Advance Authorization No. 0910045679 dated 23.02.2011.

The committee noted that the Export Obligation Period under this Advance Authorization is valid upto 28.02.2014. Hence, EOP extension is not required at this stage. The applicant is advised to discharge obligation in proportion to imports made by 28/02/2014. Request for revalidation has not been agreed.

Case No.8.M/s Shiva Utensils Industries Pvt. Ltd.
F.No. 01/60/162/679/AM14/EFGC (PRC)
PRC Meeting No. 30/AM14 dated 26.11.2013
Subject: - Request for revalidation of DFIA Authorization No. 0510294498 dated 24.06.2011.

Justification and reason cited by the applicant that they could not import the material due to variation in raw materials' prices is not convincing to the committee, hence the request is rejected.

Case No.9.M/s. Bilt Graphic Paper Products, Pune
F.No. 01/60/162/219/AM14/EFGC (PRC)
PRC Meeting No. 30/AM14 dated 26.11.2013
Subject: - Request for clubbing of 3 Advance Authorization no. 31003248 dated 17.5.1999, 31003531 dated 6.9.1999 and 3.3110001735 dated 26.7.2000.

The Committee decided the following:

I. Clubbing of the 3 advance authorizations as referred above is allowed.
II. This is only for regularization and closure purpose and not for any further exports/imports.
III. Exports made within 48 months from the date of earliest authorization is allowed for clubbing subject to payment of composition fee @ 0.5% on FOB value of export made beyond the stipulated EOP. RA is directed to 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. RA should ensure proper accounting of the duty free inputs with reference to the export product while clubbing the authorizations.
IV. Even after clubbing, shortfall if any may be regularised on payment of Customs Duty + Interest in terms of Para 4.28 of H.B.P.

(**Action: RA, Pune)**
Case No.10.M/s. Medreich Ltd., Bangalore.
F.No. 01/60/162/304/AM13/EFGC (PRC)
PRC Meeting No. 30/AM14 dated 26.11.2013
Subject: - Request for regularization of Advance Authorization no. 0710043118 dt.17.2.2006, issued with PC-9 condition.

It was observed that the applicant is claiming that the imported raw material was utilized in the resultant product and part of it exported in another Advance Authorization no. 0710054771 dt. 3.12.2007 which has already been redeemed vide letter dt.9.10.2009. There doesn't seem to be any mala fide intention as the firm has already deposited custom duty with interest. The Committee therefore decided to waive the condition of PC-18 dt. 30.10.2007 to the extent of requirement of destruction/re-export of drugs imported from unregistered sources. The applicant is required to submit certificate from the concerned Excise Authority that goods imported from the un-registered sources were utilized fully for exporting resultant product and no material were left unused.

Case No.11.M/s. Swaraz Mazda Ltd., Chandigarh.
F.No. 01/60/162/877/AM14/EFGC (PRC)
PRC Meeting No. 30/AM14 dated 26.11.2013
Subject: - Request for Revalidation of DEPB no. 0320993 dt.18.7.2001.

The applicant did not provide complete facts and circumstances under which they could not utilize the DEPB within its original validity. Therefore, the applicant is advised to submit facts (chronology of events) along with documents in support of their claim for consideration of their request. Case is deferred.

Case No.12.M/s. Vardhman Export, Mumbai.
F.No. 01/60/162/675/AM14/EFGC (PRC)
PRC Meeting No. 30/AM14 dated 26.11.2013
Subject: - Request for EOP extension of Advance Authorization No. 0310294400 dated 30.09.2004 issued under PC-9 condition.

The Committee decided as following:

I. Export obligation period is extended from 06 months to 12 months i.e. upto 30/11/2005 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 12 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.

(**Action: RA, Mumbai)**

Case No.13.M/s. Saint Gobain Glass India Ltd., Tamilnadu.
F.No. 01/60/162/682/AM14/EFGC (PRC)
PRC Meeting No. 30/AM14 dated 26.11.2013
Subject: - Request to condone the procedural lapse of not generating Bill of Exports against supplies made to SEZ units against Advance Authorization No. 0410102134 dated 04.02.2009.

The committee noted that the SEZ Customs has issued a certificate indicating details in ARE-1 bearing invoice no., description of goods, qty. and assessable value. 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 as the file No. and AA details has been declared on ARE-1 while removing goods for supplying the same to SEZ unit.

(**Action: RA Chennai**)

Case No.14.M/s. Western Canes Pvt. Ltd., Mumbai.
F.No. 01/60/162/331/AM13/EFGC (PRC)
PRC Meeting No. 30/AM14 dated 26.11.2013
Subject: - Request for acceptance of supplies made one day before the filling of application for Advance Intermediate Authorization no. 0310383200 dt.5.6.2006 for regularization purpose.

The committee while reviewing the case observed that there are clear over writings in the copy of Tax Invoice submitted by the applicant. The committee took a very serious view of this and rejected the request reiterating the earlier decision of PRC in meeting no. 20/AM13 dt.4.9.2012.

Case No.15.M/s. Uttam Galva Steels Ltd., Mumbai.
F.No. 01/60/162/642/AM14/EFGC (PRC)
PRC Meeting No. 30/AM14 dated 26.11.2013
Subject: - Redemption/closure of Advance Authorization No. 0310492300 dated 31.10.2008 by granting EOP extension for regularization purpose.
The Committee decided the following:

I. Export obligation period is extended upto31.03.2012.
II. This is only for regularization of exports already effected 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, Mumbai)**

Case No.16.M/s Global Wool Alliance Pvt. Ltd. Mumbai..
F.No. 01/60/162/689/AM14/EFGC (PRC)
PRC Meeting No. 30/AM14 dated 26.11.2013
Subject: - Request for consideration of time barred Shipping Bills of 2009 for issuance of DEPB Scrip.

Justification and reasons cited by the applicant for not submitting the application for issuance of DEPB scrip in prescribed time is not convincing to the committee hence the request is rejected.

Case No.17.M/s. DSM Sinochem Pharmaceuticals India Pvt. Ltd., Gurgaon.

F.No. 01/60/162/647/AM14/EFGC (PRC)
PRC Meeting No. 30/AM14 dated 26.11.2013
Subject: - Clubbing of 3 Advance Authorizations no. 2210010492 dated 05.10.2010, 2210010678 dated 25.11.2010 and 2210012586 dated 02.03.2012.

The Committee noted that all the three AAs were issued with pre-import condition and 6 months Export Obligation Period under PC-9. However, the applicants' contention is that they have imported goods from registered source hence PC-9 condition shall not apply to these Authorizations. The Committee therefore decided to call for a report from RA as to whether imports under subject Authorizations were made from registered sources or not.

(**Action: RA, Chandigarh**)

Case No.18.M/s. DSM Sinochem Pharmaceuticals India Pvt. Ltd., Gurgaon.
F.No. 01/60/162/648/AM14/EFGC (PRC)
PRC Meeting No. 30/AM14 dated 26.11.2013
Subject: - Clubbing of two Advance Authorizations 2210009104 dated 15.07.2009 and 2210012497 dated 02.02.2012 for redemption purpose.

The Committee noted that the two AAs were issued with pre-import condition and 6 months Export Obligation Period under PC-9. However, the applicants' contention is that they have imported goods from registered source hence PC-9 condition shall not apply to these Authorizations. The Committee therefore decided to call for report from RA as to whether imports under subject Authorizations were made from registered sources or not.

(**Action: RA, Chandigarh**)

Case No.19.M/s. DSM Sinochem Pharmaceuticals India Pvt. Ltd., Gurgaon.
F.No. 01/60/162/687/AM14/EFGC (PRC)
PRC Meeting No. 30/AM14 dated 26.11.2013
Subject: - Clubbing of 3 Advance Authorizations no. 2210008912 dated 11.05.2009, 2210010204 dated 21.07.2010 and 2210010734 dated 14.12.2010.

The Committee noted that all the three AAs were issued with pre-import condition and 6 months Export Obligation Period under PC-9. However, the applicants' contention is that they have imported goods from registered source hence PC-9 condition shall not apply to these Authorizations. The Committee therefore decided to call for report from RA as to whether imports under subject Authorizations were made from registered sources or not.

(**Action: RA, Chandigarh**)

Case No.20.M/s. PCL Oil & Solvents Ltd..
F.No. 01/60/162/691/AM14/EFGC (PRC)

PRC Meeting No. 30/AM14 dated 26.11.2013
Subject: - Request for redemption of Advance Authorization No. 0510250315 dated 06.10.2009.

The committee noted that the Advance Authorization no. 0510243978 dt. 18.6.2009 could not be utilized due to port of registration problem. However, export as stipulated has been made. The applicant obtained Advance Authorization no. 0510250315 dt.6.10.2009 for export of same resultant product and inputs and imported the same. The Committee therefore decided to account for exports made under Advance Authorization no. 0510243978 dt. 18.6.2009 towards discharge of export obligation under Advance Authorization no. 0510250315 dt.6.10.2009.

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

Case No.21
F.No. 01/61/180/106/AM14/PC-3
PRC Meeting No. 30/AM14 dated 26.11.2013
Subject: - Request for revalidation of following various Agri-infrastructure incentive scips & relaxation of the certain Policy provisions applicable to these Scrips.

S.No.	Firm's Name	Scrips no.
1	M/s. Jain Irrigation System Ltd., Mumbai	0261038 dt. 15.05.2008 0261169 dt. 27.05.2009 0261093 dt. 26.08.2008 0261253 dt. 26.08.2009 0261473 dt. 04.11.2010
2.	M/s. Fauna International, Kolkata	0261065 dt. 22.05.2008 0261113 dt. 27.08.2008 0261147 dt. 22.05.2009 0261199 dt. 26.08.2009
3.	M/s. Mother Dairy Fruits & Vegetables, Mumbai	0261118 dt. 27.08.2008 0261174 dt. 28.05.2009 0261200 dt. 26.08.2009
4.	M/s. Mother Dairy Foods Processing Ltd., Delhi	0261023 dt. 05.03.2008 0261401 dt. 21.10.2010

The Committee discussed the cases and noted that these authorizations were issued during 2008-2009 to 2010-2011 with a validity of 24 months. Now this validity has been brought down to 18 months w.e.f. 05/06/2012. PRC did not see any valid reason for revalidation of these scrips.

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

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