MINUTES OF THE POLICY RELAXATION COMMITTEE (PRC) MEETING NO. 31/AM12 HELD ON 13.12.2011 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 N.P.S. Monga	Addl. DG
4.	Dr. Rajiv Arora	Jt. DGFT
5.	Shri A.K. Singh	Jt. DGFT
6.	Shri R.S. Ratna	Jt. DGFT
7.	Shri.HardeepSingh	Jt. GFT
8.	Smt. Subhra	Jt. DGFT
9.	Shri D.C. Sharma	Stats Advisor
10.	Smt. Sonika Khattar	FTDO

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

Case No.1. M/s HLL Lifecare Limited
F.No. 01/60/162/332/AM12/EFGC(PRC)

Case No.4. M/s IND Shinix Preceision Limited
01/60/162/94/AM12/EFGC(PRC)

Case No.12. M/s Ultratech Pvt Limited (7 cases)
01/94/180/215(SEZ supplies – DEPB/AM11/PC4

PRC Meeting No. 31/AM12 dated: 13.12.2011
Subject:- Request for supplied goods to SEZ authorities without the Bill of Export/ Request to issue DEPB without the bill of export/ DEPB claims for supply to SEZs..

The committee noted that since bill of export was prescribed under the SEZ rules, this aspect may be taken up on file with DOC.

Case No.2 M/s Hotz Industries Limited New Delhi
F.No. 01/60/162/683/AM12/EFGC(PRC)
PRC Meeting No. 31/AM12 dated: 13.12.2011
Subject:- Request for waiver of interest liability on Custom duty against advance authorization no. 0510193882 dt. 7.11.2006.

The committee noted the request and rejected the request as the interest related to the default in obligation can not be waived off as per the FTP provisions.

Case No.3. M./s United Phosphorus Limited
F.No. 01/60/162/ 683/AM12/EFGC(PRC)
PRC Meeting No. 31/AM12 dated: 13.12.2011
Subject:- Request for clubbing of AA No. 0310233852 dated 31.10.2003 with 310329927 dt. 13.5.2005

The committee noted that as per Public Notice no. 79 dt. 13.10.2011, Regional Authorities of DGFT could do clubbing for authorizations which are issued within 3 years from the date of issue of the earliest authorization sought to be clubbed and conditions as stipulated in the aforesaid Public Notice. 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.5 M/s Zenith Birla India Limited Mumbai
F.No. 01/60/162/643/AM12/EFGC(PRC)
PRC Meeting No. 31/AM12 dated: 13.12.2011
Subject:- Request for grant of revalidation of advance licence No. 0310499228 dt.22.12.2008.

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

Case No.6. M/s Global Calcium Pvt Limited Bangalore
F.No. 01/60/162/801/AM12/EFGC(PRC)
PRC Meeting No. 31/AM12 dated: 13.12.2011
Subject:- Request for clubbing of 2 advance licence no. 0710051438 dt. 26.4.2007 (2) 710051439 dt. 26.4.2007

The committee desired that the complete details of the export products in the two advance authorizations and the import list may be examined to check as to why the firm filed two different advance authorizations and obtained some import inputs in one advance authorizations and the balance inputs in the second advance authorization. The committee decided that it needs to be examined whether there were any excise concessions obtained on the balance inputs which were not included in that particular advance authorization. The case may be again placed before PRC after examining the same.

Case No.7 M/s Agog Pharma Limited Thane
F.No. 01/60/162/306/AM11/EFGC(PRC)
PRC Meeting No. 31/AM12 dated: 13.12.2011
Subject:- Request for extension of 9 advance licence No. 1) 0310417089 dated 24.01.2007, 2) 0310397370 dated 30.08.2006, 3) 0310432029 dated 07.06.2007, 4) 0310416179 dated 16.01.2007, 5) 0310416185 dated 16.01.2007, 6) 0310437645 dated 27.07.2007, 7) 0310416581 dated 18.01.2007, 8) 0310417071 dated 24.01.2007 and 9) 0310417072 dated 24.01.2007 issued under PC.9 condition)

The Committee decided to extend EOP against the aforesaid advance authorizations separately for six months i.e. total 12 months from the date of first import for the purpose of regularization and closure and no further extension has been granted. RA should verify the EO claimed to be fulfilled by the firm within the valid EOP. The relaxation is 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 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 Committee also decided that the condition of re-export/destruction of imported raw material as stipulated in Policy Circular 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. However, the default in terms of duty saving proportionate to the default in export outside the EO period of 12 months from the date of 1st import as stated above may be paid by the firm in accordance with the stipulated policy provisions. RA to check and verify the aspect of raw material utilization and evaluate the duty-saving default and take necessary action as per the policy provisions.

Case No.8. M/s Motherson Sumi Systems Noida
F.No. 01/60/162/1851/AM12/EFGC(PRC)
PRC Meeting No. 31/AM12 dated: 13.12.2011
Subject:-Request for revalidation of advance licence No. 0510210837 dt. 19.10.2007

The Committee noted the representation of the firm and rejected as the reasons cited are only a commercial risk and not a genuine hardship warranting relaxation under Para 2.5 of FTP.

Case No.9. M/s ITL Industries Limited Indore
F.No. 01/60/162/797/AM12/EFGC(PRC)
PRC Meeting No. 31/AM12 dated: 13.12.2011
Request for obtained an advance lincence on net-to-net basis Advance License No. 1110015330 dated 07.05.2007.

The committee noted that the shipping bills do not contain the endorsement regarding the consumption/ export on a net to net basis wherever relevant. It was also noted that this facts have been endorsed by the Central Excise Authority prior to exports in the premises of the exporters. It was decided that the complete facts and corroborative evidence be examined to enable the committee to take any decision in the matter.

Case No.10 Mail received Ramsarup Industries Ltd Kolkata
F.No. 01/60/162/799/AM12/EFGC(PRC)
PRC Meeting No. 31/AM12 dated: 13.12.2011
Subject:- Request for extension of 3 advance licence no. 210102226 dt. 9.7.2007 210103316 dt. 21.8.2007 and 210105114 dt. 10.10.2007

The committee decided that the details as to when did the firm apply for the CDR process may be obtained and also the present status thereof be checked to take further decision in the matter.

Case No.11 M/s Hanjung Trading & Hospitality Pvt Limited Delhi
F.No. 01/53/162/773/AM12/H-27/ IC
PRC Meeting No. 31/AM12 dated: 13.12.2011
Subject:- Deletion of actual user condition for import of Rice

The committee considered and granted post facto approval for deletion of actual user condition on the import authorization for import of 200000 Lbs Hnagawel Calrose Rice from USA.

Case No.13. M/s Kopran Limited Mumbai
F.No. 01/60/162/750/AM12/EFGC(PRC)
PRC Meeting No. 31/AM12 dated: 13.12.2011
Subject:- Request for clubbing of 5 advance licence No. 1) 0310327619 dated 27.04.2005, 2) 0310356151 dated 21.11.2005, 3) 0310355821 dated 17.11.2005, 4) 0310384345 dated 13.06.2006 and 5) 0310540468 dated 06.10.2009 for regularization purpose

The Committee considered the request of the firm and decided to club advance authorization no. 1) 0310327619 dated 27.04.2005, 2) 0310356151 dated 21.11.2005, 3) 0310355821 dated 17.11.2005, and 4) 0310384345 dated 13.06.2006 only as these are issued in continuity with a distinct overlap in the validity period for the purpose of regularization. The advance authorization no. 0310540468 dated 06.10.2009 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.14. M/s Uttam Galva Steels Limited, Mumbai
F.No. 01/94/180/407/AM08/PV-IV/EFGC(PRC)

PRC Meeting No. 31/AM12 dated: 13.12.2011
Subject:- Request for clubbing of 4 advance licence No. 0310059968 dated 07.11.2000, 2) 0310074335 dated 23.02.2001, 3) 0310155503 dated 27.08.2002 and 4) 0310454019 dated 14.12.2007.

The Committee considered the request of the firm and decided to club advance authorization no. 1.) 0310059968 dated 07.11.2000, 2) 0310074335 dated 23.02.2001, 3) 0310155503 dated 27.08.2002 only as these are issued in continuity with a distinct overlap in the validity period for the purpose of regularization. The advance authorization no. 0310454019 dated 14.12.2007 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.15 M/s BDH Industries Limited Mumbai
F.No. 01/60/162/1483/AM12/EFGC(PRC)
PRC Meeting No. 31/AM12 dated: 13.12.2011
Subject:- Request for revalidation of advance licence No. 0310453691 dt. 12.12.2007

The committee recalled that the case was rejected earlier as the firm was under DEL. The committee noted that the firm has not under taken imports within the original validity of period of authorization . The committee noted that such kind of cases wherein no genuine hardship on imports on account of delays by RA's/Customs has been elucidated, the committee does not grant any revalidation. The committee felt the same is also the case here. There was no specific reason warranting relaxation under Para 2.5 of FTP and therefore rejected the request.

Case No.16 M/s Global Calcium Pvt Limited Bangalore
F.No. 01/60/162/802/AM12/EFGC(PRC)
PRC Meeting No. 31/AM12 dated: 13.12.2011
Request for clubbing of 2 advance licence no. 0710045975 dt. 11.7.2006 (2) 0710048576 dt. 22.11.2006

The committee desired that the complete details of the export products in the two advance authorizations and the import list may be examined to check as to why the firm filed two different advance authorizations and obtained some import inputs in one advance authorizations and the balance inputs in the second advance authorization. The committee decided that it needs to be examined whether there were any excise concessions obtained on the balance inputs which were not included in that particular advance authorization. The case may be again placed before PRC after examining the same.

Case No.17. M/s DSM Anti Infectives India Limited Gurgaon
F.No. 01/60/162/590/AM12/EFGC(PRC)
PRC Meeting No. 31/AM12 dated: 13.12.2011

Subject:- Request for clubbing of 5 advance authorization No. 2210006929 dated 31.07.2007, 2) 2210006652 dated 10.04.2007, 3) 2210007006 dated 28.08.2007, 4) 2210006705 dated 03.05.2007 and 5) 2210006806 dated 18.06.2007 issued under PC-9 condition

The committee noted that as per Public Notice no. 79 dt. 13.10.2011, Regional Authorities of DGFT could do clubbing for authorizations which are issued within 3 years from the date of issue of the earliest authorization sought to be clubbed and conditions as stipulated in the aforesaid Public Notice. 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 not exceeding 6 months from the expiry of 6 months of EOP from the date of first import. 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.18. M/s United Phosphorus Limited Mumbai
F.No. 01/60/162/803/AM12/EFGC(PRC)
PRC Meeting No. 31/AM12 dated: 13.12.2011
Subject : Request for export obligation of advance licence No. 0310435348 dt. 9.7.2007 for regularization purpose.

The Committee decided to grant extension for about 3 months beyond the permitted 36 months 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 the permissible export obligation period of 36 months. 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.19. M./s Global Exim Mumbai
F.No. 01/60/162/1994/AM11/EFGC(PRC)
PRC Meeting No. 31/AM12 dated: 13.12.2011
Subject:- Request for revalidation of 15 transferable DFIA licences issued to various exporters by Jt.DGFT Ahmedabad.

The committee decided that the matter may be examined on file in the first instance.

Case No.20. M/s Reliance Industries Limited Mumbai
F.No. 01/60/162/768/AM12/EFGC(PRC)
PRC Meeting No. 31/AM12 dated: 13.12.2011
Subject:- Request for revalidation of 19 DEPB scrips for 6 months
<u>DEPB License No & Date</u>

1. 310384249 dated 13.06.2006
2. 310391917dated 28.07.2006
3. 310394710 dated 17.08.2006

4. 310394717 dated 17.08.2006
5. 310397146 dated 29.08.2006
6. 310400193 dated 20.09.2006
7. 310401912 dated 29.09.2006
8. 310401917 dated 29.09.2006
9. 310422915 dated 13.03.2007
10. 310423160 dated 14.03.2007
11. 310424409 dated 26.03.2007
12. 310424669 dated 28.03.2007
13. 310425530 dated 03.04.2007
14. 310426095 dated 10.04.2007
15. 310426822 dated 16.04.2007
16. 310426844 dated 16.04.2007
17. 310426856 dated 16.04.2007
18. 310427957 dated 25.04.2007
19. 310428743 dated 08.05.2007

The committee noted that the excess duty collected by Customs has been recredited to the DEPBs after their expiry. The committee deliberated the issue in detail and felt that for such cases a much simpler procedure would be that a credit note is issued by the Customs to the exporters rather than recrediting such amount to the expired DEPBs. It was decided that the matter may be taken up with CBEC.

Case No.21.M /s Siddhartha Tubes Ltd, Indore.
F.No. 01/60/162/151/AM10/EFGC(PRC)
Subject:- PRC Meeting No. 31/AM12 dated: 13.12.2011
Request for clubbing of 6 advance authorization Nos. 1) 1110001229 dated 13.12.2000, 2) 1110001409 dated 23.01.2001, 3) 1110001410 dated 23.01.2001, 4) 1110003132 dated 04.03.2002 and 5) 1110004469 dated 19.09.2002.

The committee decided that the issue of clubbing of a redeemed authorization needs to be examined with reference to any past decisions in similar cases.

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