Minutes of the Policy Relaxation Committee

Meeting no. 31/AM14 held on 03.12.2013 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. DGFT
2.	Shri V.K. Srivastava	Addl. DGFT
3.	Shri L.B. Singhal	Addl. DGFT
4.	Shri K.C. Rout	Addl. DGFT
5.	Shri Jaikant Singh	Addl. DGFT
6.	Shri S.K. Samal	Jt. DGFT
7.	Shri Jay Karan Singh	Jt. DGFT
8.	Shri Hardeep Singh	Jt.DGFT
9.	Shri Akash Taneja	Jt. DGFT
10.	Shri Ajay Kumar Srivastava	Jt. DGFT
9.	Shri S.K. Mohapatra	Dy. DGFT
10.	Smt. Sonika Khattar	FTDO

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

Case No.1. M/s Techno Economic Services Pvt. Ltd, Thane.
F.No. 01/60/162/510/AM14/EFGC (PRC)
PRC Meeting No. 31/AM14 dated 03.12.2013
Subject: - Request for EOP extension of Advance Authorization no. 0310420341 dated 21.02.2007 issued under PC-9 condition for regularization purpose.

The Committee decided as following:

I. Export obligation period is extended from 06 months to 12 months i.e. upto 31/03/2008 from the date of first import consignment.

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.

IV. The applicant has to pay duty +interest on inputs consumed and exported after 31.3.2008 i.e. after 12 months from date of first import.

V. PC-18 condition stands 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.2. M/s Techno Economic Services Pvt. Ltd, Thane.
F.No. 01/60/162/504/AM14/EFGC (PRC)
PRC Meeting No. 31/AM14 dated 03.12.2013
Subject: - Request for EOP extension of Advance Authorization no. 0310226853 dated 24.09.2003 issued under PC-9 condition for regularization purpose.

The Committee decided as following:

I. Export obligation period is extended from 06 months to 12 months i.e. upto 31/10/2004 from the date of first import consignment.

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.3. M/s Techno Economic Services Pvt. Ltd, Thane.
F.No. 01/60/162/509/AM14/EFGC (PRC)
PRC Meeting No. 31/AM14 dated 03.12.2013
Subject: - Request for EOP extension of Advance Authorization no. 0310423775 dated 21.03.2007 issued under PC-9 condition for regularization purpose.

The Committee decided as following:

I. Export obligation period is extended from 06 months to 12 months i.e. upto 30/04/2008 from the date of first import consignment.

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.

IV. The applicant has to pay duty +interest on inputs consumed and exported after 30.4.2008 i.e. after 12 months from date of first import.

V. PC-18 condition stands 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.4. M/s Techno Economic Services Pvt. Ltd, Thane.
F.No. 01/60/162/505/AM14/EFGC (PRC)
PRC Meeting No. 31/AM14 dated 03.12.2013
Subject: - Request for EOP extension of Advance Authorization no. 0310222639 dated 03.09.2003 issued under PC-9 condition for regularization purpose.

The Committee decided as following:

I. Export obligation period is extended upto 30.6.2004.

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.5. M/s Fablink Eng. Pvt. Ltd, Haryana.
F.No. 01/60/162/701/AM14/EFGC (PRC)
PRC Meeting No. 31/AM14 dated 03.12.2013
Subject: - Request for condoning the procedural lapse of non-mentioning the Advance Authorization no. 0510198227 dated 22.01.2007 on shipping bills.

The committee deliberated the case in light of the precedence case quoted by the firm. It was noted that this is not a pari materia case as quoted. It was noted further that in the precedence case the applicant had mentioned authorization no. and date on supply invoice and ARE-1. However, in the instant case no supporting documents have been submitted which could prove that exports were made against this authorization. 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, within a month or may avail the benefit of Public Notice no. 22 dt. 12.8.2013.

(**Action: RA CLA, New Delhi-** If the party fails to get the case regularized in terms of Para 4.28 of HBP or PN- 22 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 submit an Action Taken Report).

Case No.6. M/s Fablink Eng. Pvt. Ltd, Haryana.
F.No. 01/60/162/702/AM14/EFGC (PRC)
PRC Meeting No. 31/AM14 dated 03.12.2013
Subject: - Request for condoning the procedural lapse of non-mentioning the Advance Authorization no. 0510209046 dated 17.09.2007 on shipping bills.

The committee deliberated the case in light of the precedence case quoted by the firm. It was noted that this is not a pari materia case as quoted. It was noted further that in the precedence case the applicant had mentioned authorization no. and date on supply invoice and ARE-1. However, in the instant case no supporting documents have been submitted which could prove that exports were made against this authorization. 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, within a month or may avail the benefit of Public Notice no. 22 dt. 12.8.2013.

(**Action: RA CLA, New Delhi-** If the party fails to get the case regularized in terms of Para 4.28 of HBP or PN- 22 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 submit an Action Taken Report).

Case No.7. M/s Fablink Eng. Pvt. Ltd, Haryana.
F.No. 01/60/162/700/AM14/EFGC (PRC)
PRC Meeting No. 31/AM14 dated 03.12.2013
Subject: - Request for condoning the procedural lapse of non-mentioning the Advance Authorization no. 0510209938 dated 03.10.2007 on shipping bills.

The committee deliberated the case in light of the precedence case quoted by the firm. It was noted that this is not a pari materia case as quoted. It was noted further that in the precedence case the applicant had mentioned authorization no. and date on supply invoice and ARE-1. However, in the instant case no supporting documents have been submitted which could prove that exports were made against this authorization. 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, within a month or may avail the benefit of Public Notice no. 22 dt. 12.8.2013.

(**Action: RA CLA, New Delhi-** If the party fails to get the case regularized in terms of Para 4.28 of HBP or PN- 22 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 submit an Action Taken Report).

Case No.8. M/s Fablink Eng. Pvt. Ltd, Haryana.
F.No. 01/60/162/703/AM14/EFGC (PRC)
PRC Meeting No. 31/AM14 dated 03.12.2013
Subject: - Request for condoning the procedural lapse of non-mentioning the Advance Authorization no. 0510211805 dated 07.11.2007 on shipping bills.

The committee deliberated the case in light of the precedence case quoted by the firm. It was noted that this is not a pari materia case as quoted. It was noted further that in the precedence case the applicant had mentioned authorization no. and date on supply invoice and ARE-1. However, in the instant case no supporting documents have been submitted which could prove that exports were made against this authorization. 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, within a month or may avail the benefit of Public Notice no. 22 dt. 12.8.2013.

(**Action: RA CLA, New Delhi-** If the party fails to get the case regularized in terms of Para 4.28 of HBP or PN- 22 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 submit an Action Taken Report).

Case No.9. M/s Merchem Limited, Cochin.
F.No. 01/60/162/699/AM14/EFGC (PRC)
PRC Meeting No. 31/AM14 dated 03.12.2013
Subject: - Request for condoning the procedural lapse of non-mentioning the Advance Authorization no. 1010029842 dated 18.06.2008 for redemption purpose.

The committee noted that neither the file number nor the advance authorization number is endorsed in the shipping bill. Free S/bills can't be taken into account towards discharge of export obligation against Advance Authorization. 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 or may avail the benefit of Public Notice no. 22 dt. 12.8.2013.

(**Action: RA Cochin-** If the party fails to get the case regularized in terms of Para 4.28 of HBP or PN- 22 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 submit an Action Taken Report).

Case No.10. M/s Ashish Life Science Pvt. Ltd, Mumbai.
F.No. 01/60/162/663/AM14/EFGC (PRC)
PRC Meeting No. 31/AM14 dated 03.12.2013
Subject: - Request for EOP extension as well as amendment in export item of Advance Authorization no. 0310598725 dated 26.10.2010 issued under PC-9 condition for regularization purpose.

The Committee is not making any statement about the amendment in export product as this is a technical subject and will be considered by concerned Norms Committee. However, with regard to extension in EOP, the committee decided as following:

I. Export obligation period is extended from 12 months to 18 months i.e. upto 31/05/2012 from the date of first import consignment.
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.
IV. The applicant has to pay duty +interest on inputs consumed and exported after 31.05.2012 i.e. 18 months from date of first import.
V. PC-18 condition stands 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.11. M/s Vivimed Labs Limited, Hyderabad.
F.No. 01/60/162/674/AM14/EFGC (PRC)
PRC Meeting No. 31/AM14 dated 03.12.2013
Subject: - Request for EOP extension of Advance Authorization no. 0910044224 dated 10.11.2010.

The Committee decided the following:

I. Export obligation period is extended upto 30.6.2014 or 6 months from the date of endorsement 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%, in proportion to import made, within original export obligation period.
IV. The applicant is advised to submit the authorization for endorsement to RA as early as possible. They are further advised to start discharging their stipulated balance export obligation on the basis of these minutes without waiting for the endorsement is done on the Authorization.

(**Action: RA Hyderabad/ applicant**)

Case No.12. M/s Bright Enterprises, Mumbai.
F.No. 01/60/162/698/AM14/EFGC (PRC)
PRC Meeting No. 31/AM14 dated 03.12.2013
Subject: - Request for revalidation of 7 DEPBs No. 1. 0310534002 dated 18.08.2009, 2. 0310597404 dated 18.10.2010, 3. 0310604335 dated 03.12.2010, 4. 0310635283 dated 09.06.2011, 5. 0310636924 dated 17.06.2011, 6. 0310672868 dated 27.12.2011 & 7. 0310683180 dated 23.02.2012.

The committee noted that Public Notice 6 dt. 18.4.2013 has been issued allowing revalidation of all expired duty credit scrips including DEPB upto 30.9.2013 for utilization of 4% SAD. It was categorically mentioned in the said Public Notice that this is last and final extension to use the re-credited scrips. No further extension shall be considered by the government under any circumstances. The committee therefore did not accede to the request.

Case No.13. M/s Madura Coats Pvt. Ltd, Madurai.
F.No. 01/60/162/485/AM14/EFGC (PRC)
PRC Meeting No. 31/AM14 dated 03.12.2013
Subject: - Request for review of PRC decision taken in PRC meeting held on 24.9.2013 for clubbing of two Advance Authorizations No. 3510021639 dated 13.09.2007 & 3510027769 dated 24.09.2009 for regularization purpose.

In supersession of the earlier decision of PRC dt. 24.9.2013, the Committee decided the following:

I. Clubbing of the 2 advance authorizations as referred above is allowed.
II. This is only for regularization of exports already effected and closure purpose and not for any further exports/imports.
III. Exports made within 48 months from the date of earliest authorization i.e. upto 30.9.2011 is allowed for clubbing subject to payment of composition fee @ 0.5% on FOB value of export made beyond the stipulated EOP in the earliest authorization. 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 or may avail the benefit of Public Notice no. 22 dt. 12.8.2013.

(**Action: RA, Madurai)**

Case No.14. M/s Torrent Pharmaceuticals Ltd. Ahmedabad.
F.No. 01/60/162/352/AM14/EFGC (PRC)
PRC Meeting No. 31/AM14 dated 03.12.2013
Subject: - Request for relaxation for eligibility of time barred shipping bills for the period of 2007-08 to 20.11.2012 for claiming benefits under Chapter 4 of FTP – issuance of DEPB.

It is not clear from the representation as to how 2007 S/bills were transmitted in 2012. The committee therefore decided to seek detailed report from RA and NIC (Hqr.)

(**Action : RA, Ahmedabad and NIC**)

Case No.15. M/s PCL Oil & Solvents Ltd, New Delhi.
F.No. 01/60/162/694/AM14/EFGC (PRC)
PRC Meeting No. 31/AM14 dated 03.12.2013
Subject: - Request for acceptance of export made in Advance Authorization No. 0510243976 dated 18.06.2009 for discharge of EO against 0510248975 dated 09.09.2009 for regularization purpose.

The committee noted that the Advance Authorization no. 0510243976 dated 18.06.2009 could not be utilized due to port of registration problem. However, export as stipulated has been made. The applicant obtained Advance Authorization no. 0510248975 dated 09.09.2009 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. 0510243976 dated 18.06.2009 towards discharge of export obligation under Advance Authorization no. 0510248975 dated 09.09.2009.

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

Case No.16. M/s Halliburton Offshore Services Inc, Mumbai.
F.No. 01/89/180/12/AM10/PC-2(A)
PRC Meeting No. 31/AM14 dated 03.12.2013
Subject: - Request for exemption / relaxation from the conditions under Para 1 (II) of Chapter 87 for import of the used Trailer and Truck equipments from USA.

The committee considered and granted approval for relaxation of the provisions of Import Licensing Note No. 1(II) (a), (b) (i), (ii), (iii), (c), (d), (i), (ii), (iii), and (e) of Chapter 87 of ITC(HS) for import of one number used trailer/ equipments subject to the condition that it will be kept off the highway and would not ply on public road and will be re-exported on completion of the contract.

Case No.17. M/s Hindustan Zinc Ltd, Udaipur.
F.No. 01/89/180/67/AM09/PC-2(A)/Pt.IV
PRC Meeting No. 31/AM14 dated 03.12.2013
Subject: - Request for policy relaxation for import of underground mining equipments.

The committee considered and granted approval for relaxation of the provisions of Import Licensing Note No. 2(II) (a) (i), (ii) and (iii) (b) & (c) (i), (ii) and (iii) of Chapter 87 of ITC(HS) for import of 21 nos. of new underground mining equipments.

Case No.18. M/s Hikal Ltd, Navi Mumbai.
F.No. 01/60/162/190/AM14/EFGC (PRC)
PRC Meeting No. 31/AM14 dated 03.12.2013
Subject: - Request for consideration of time barred S/bill pertaining to 2007-08 and 2010-2011 for issuance of DEPB.

The committee noted that no documentary evidence is submitted by the applicant which show that that the said S/bills of 2007-08 were not appearing in the DGFT server. It is also not clear as to how the said s/bills were then reflected in the months of December 2012 in the DGFT server. The NIC report obtained from this office shows that the said 18 S/bills were re-activated on 18.12.2011. It means S/bills were in the central data base of DGFT server prior to this date also. The purpose of reactivation of s/bills are not known. The committee therefore did not accede to the request.

Case No.19. M/s Saint Gobain Glass India Ltd, Tamil Nadu.
F.No. 01/60/162/705/AM14/EFGC (PRC)
PRC Meeting No. 31/AM14 dated 03.12.2013
Subject: - Request for 2nd revalidation of Advance Authorization no. 0410122688 dated 21.03.2011.

The committee noted that there is no logic and justification to allow 2nd time revalidation. 30 months validity granted is more than sufficient to utilize the authorization. Hence the request is rejected.

Case No.20. M/s Umedica Laboratories Pvt. Ltd, Mumbai.
F.No. 01/60/162/997/AM13/EFGC (PRC)
PRC Meeting No. 31/AM14 dated 03.12.2013
Subject: - Request for EOP extension of 4 Advance Authorizations Nos. 0310250711 dated 03.02.2004, 0310294302 dated 29.09.2004, 0310294433 dated 30.09.2004 and 0310417746 dt. 31.1.2007 .

The Committee decided as following:

I. There is nil import under Advance Authorization no. 0310417746 dt. 31.1.2007 hence no obligation of export.
II. Export obligation period is extended from 06 months to 12 months from the date of first import consignment under other 3 Advance Authorizations.
III. This is only for regularization of exports already effected and closure purpose.
IV. 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.
V. The applicant has to pay duty +interest on inputs consumed and exported after 12 months from date of first import in each authorization.
VI. However, PC-18 condition stands waived to the extent of requirement of destruction certificate to the tune of goods exported under Advance Authorization no. 0310417746 dt. 31.1.2007.

(**Action: RA, Mumbai)**

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

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