Minutes of the Policy Relaxation Committee Meeting held under the Chairmanship of DGFT, Shri Pravir Kumar, IAS on 19.12.2014

Meeting No.14/AM15 held on 19.12.2014 at 11.30 A.M.

List of officers present in the meeting is given below:

1. Shri L.B. Singhal Addl. DGFT
2. Shri KC. Rout Addl. DGFT
3. Shri Jaikant Singh Addl. DGFT
4. Shri Darshan Singh Jt. DGFT
5. Shri S.K. Samal Jt. DGFT
6. Shri Jay Karan Singh Jt. DGFT
7. Shri Akash Taneja Jt. DGFT
8. Shri A.K. Srivastava Jt. DGFT
9. Shri S.K. Mohapatra Dy. DGFT
10. Smt. N.R. Choudhury FTDO

Meeting No. 14/AM15 was held on 16.12.2014 at 12.00 noon and agenda points up to 10 were discussed. Thereafter, the meeting was adjourned due to paucity of time. The meeting was continued on 19.12.2014 at 11.30 AM and remaining agenda was discussed. The decision taken in the individual cases is as under:-

Case No.11 M/s. Wockhardt Limited, Mumbai
F.No. 01/60/162/338/AM15/EFGC(PRC)

Decision:

The Committee noted that the applicant has fulfilled more than 50% of its stipulated export obligation within the initial export obligation period. The Committee, therefore, decided the following:

I. Export obligation period be extended from 12 months to 18 months from the date of first import consignment i.e. upto 31.12.2014.

II. This is subject to a payment of composition fee @ 0.5% on unfulfilled FOB value of exports

III. Minimum value addition of 15% as prescribed under Para 4.1.6 of FTP shall be maintained.

IV. The applicant is advised to submit the Authorisation 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 to be done on the Authorisation.

(Action: RA, Mumbai/ Applicant)
Case No.12 M/s. Wockhardt Limited, Mumbai  
F.No. 01/60/162/262/AM14/EFGC(PRC)  
Subject: - EOP extension of Advance Authorization No. 0310734024 dated 10.05.2013 issued under PC-9 condition.

Decision:

The Committee noted that the Authorization is issued with PC-9 condition and no exports were made within the original EOP. The Committee, therefore, decided the following:

I. Export obligation period be extended from 12 months to 18 months from the date of first import consignment i.e. upto 30.11.2014.
II. This is subject to a payment of composition fee @ 0.5% per month on unfulfilled FOB value of export.
III. Minimum value addition of 15% as prescribed under Para 4.1.6 of FTP shall be maintained.

(Action: RA, Mumbai/ Applicant)

Case No.13 M/s. Wockhardt Limited, Mumbai  
F.No. 01/60/162/390/AM15/EFGC(PRC)  

Decision:

The Committee noted that the Authorization is issued with PC-9 condition and no exports were made within the original EOP. The Committee, therefore, decided the following:

I. Export obligation period be extended from 12 months to 18 months from the date of first import consignment i.e. upto 31.12.2014.
II. This is subject to a payment of composition fee @ 0.5% per month on unfulfilled FOB value of export.
III. Minimum value addition of 15% as prescribed under Para 4.1.6 of FTP shall be maintained.
IV. The applicant is advised to submit the Authorisation 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 to be done on the Authorisation.

(Action: RA, Mumbai/ Applicant)

Case No.14 M/s. Wockhardt Limited, Mumbai  
F.No. 01/60/162/266/AM14/EFGC(PRC)  

Decision:

The Committee noted that the Authorization is issued with PC-9 condition and no exports were made within the original EOP. The Committee, therefore, decided the following:

I. Export obligation period be extended from 12 months to 18 months from the date of first import consignment i.e. upto 30.09.2014.
II. This is subject to a payment of composition fee @ 0.5% per month on unfulfilled FOB value of export.
III. Minimum value addition of 15% as prescribed under Para 4.1.6 of FTP shall be maintained.

(Action: RA, Mumbai/ Applicant)

Case No.15 M/s. Wockhardt Limited, Mumbai
F.No. 01/60/162/263/AM15/EFGC(PRC)
Subject: - EOP extension of Advance Authorization No. 0310734802 dated 17.05.2013 issued under PC-9 condition.

Decision:

The Committee noted that the Authorization is issued with PC-9 condition and no exports were made within the original EOP. The Committee, therefore, decided the following:

I. Export obligation period be extended from 12 months to 18 months from the date of first import consignment i.e. upto 31.01.2015.
II. This is subject to a payment of composition fee @ 0.5% per month on unfulfilled FOB value of export.
III. Minimum value addition of 15% as prescribed under Para 4.1.6 of FTP shall be maintained.
IV. The applicant is advised to submit the Authorisation 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 to be done on the Authorisation.

(Action: RA, Mumbai/ Applicant)

Case No.16 M/s. Wockhardt Limited, Mumbai
F.No. 01/60/162/264/AM14/EFGC(PRC)
Subject: - EOP extension of Advance Authorization No. 0310734798 dated 17.05.2013 issued under PC-9 condition.
Decision:

The Committee noted that the Authorization is issued with PC-9 condition and no exports were made within the original EOP. The Committee, therefore, decided the following:

I. Export obligation period be extended from 12 months to 18 months from the date of first import consignment i.e. upto 30.11.2014.
II. This is subject to a payment of composition fee @ 0.5% per month on unfulfilled FOB value of export.
III. Minimum value addition of 15% as prescribed under Para 4.1.6 of FTP shall be maintained.

(Action: RA, Mumbai/ Applicant)

Case No.17 M/s. Wockhardt Limited, Mumbai
F.No. 01/60/162/350/AM14/EFGC(PRC)

Decision:

The Committee noted that EOP extension upto 30.06.2014 has been already granted by PRC vide its meeting no. 35/AM14 dt.04.02.2013 against above authorization. Despite that, the applicant has failed to discharge its stipulated export obligation within extended EO period. The Committee therefore did not accede to the request for further extension.

(Action: RA Mumbai)

Case No.18 M/s. Wockhardt Limited, Mumbai
F.No. 01/60/162/351/AM15/EFGC(PRC)
Subject: - EOP extension of Advance Authorization No. 0310734494 dated 15.05.2013 issued under PC-9 condition.

Decision:

The Committee noted that the Authorization is issued with PC-9 condition and no exports were made within the original EOP. The Committee, therefore, decided the following:

I. Export obligation period be extended from 12 months to 18 months from the date of first import consignment i.e. upto 30.11.2014.
II. This is subject to a payment of composition fee @ 0.5% per month on unfulfilled FOB value of export.
III. Minimum value addition of 15% as prescribed under Para 4.1.6 of FTP shall be maintained.
(Action: RA, Mumbai/ Applicant)

Case No.19 M/s. Wockhardt Limited, Mumbai
F.No. 01/60/162/389/AM15/EFGC(PRC)
Subject: - EOP extension of Advance Authorization No. 0310734258 dated 14.05.2013 issued under PC-9 condition.

Decision:

The Committee noted that the Authorization is issued with PC-9 condition and no exports were made within the original EOP. The Committee, therefore, decided the following:

I. Export obligation period be extended from 12 months to 18 months from the date of first import consignment i.e. upto 31.01.2015.
II. This is subject to a payment of composition fee @ 0.5% per month on unfulfilled FOB value of export.
III. Minimum value addition of 15% as prescribed under Para 4.1.6 of FTP shall be maintained.
IV. The applicant is advised to submit the Authorisation 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 to be done on the Authorisation.

(Action: RA, Mumbai/ Applicant)

Case No.20 M/s. Wockhardt Limited, Mumbai
F.No. 01/60/162/352/AM15/EFGC(PRC)
Subject: - EOP extension of Advance Authorization No. 0310734803 dated 17.05.2012 issued under PC-9 condition.

Decision:

The Committee noted that the Authorization is issued with PC-9 condition and 12.91% exports of its stipulated export obligation were made within the original EOP. The Committee, therefore, decided the following:

I. Export obligation period be extended from 12 months to 18 months from the date of first import consignment i.e. upto 31.12.2014.
II. This is subject to a payment of composition fee @ 0.5% per month on unfulfilled FOB value of export.
III. Minimum value addition of 15% as prescribed under Para 4.1.6 of FTP shall be maintained.
IV. The applicant is advised to submit the Authorisation 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 to be done on the Authorisation.
(Action: RA, Mumbai/ Applicant)

Case No.21 M/s Gland Pharma Limited, Hyderabad
F.No. 01/60/162/341/AM15/EFGC(PRC)
Subject: - Request for extension of EOP and revalidation of 3 Advance Authorization No. 0910056108 dated 23.05.2013, 0910056109 dated 23.05.2013 and 0910056110 dated 23.05.2013 issued under PC-9 condition

Decision:

The Committee noted that the Authorizations are issued with PC-9 condition and no exports were made within the original EOP. The Committee, therefore, decided the following:

I. Export obligation period be extended from 12 months to 18 months from the date of first import consignment i.e. upto 31.12.2014 in AA no. 0910056108 dated 23.05.2013 and upto 31.01.2015 in AA no. 910056109 dated 23.05.2013 and 0910056110 dated 23.05.2013.

II. This is subject to a payment of composition fee @ 0.5% per month on unfulfilled FOB value of export.

III. Minimum value addition of 15% as prescribed under Para 4.1.6 of FTP shall be maintained.

IV. The applicant is advised to submit the Authorisation 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 to be done on the Authorisation.

V. The Committee, however, did not accede to the request for revalidation of all the above Advance Authorizations.

(Action: RA, Mumbai/ Applicant)

Case No.22 M/s. Bhandari Exorts Ind. Ltd. Mohali
F.No. 01/60/162/392/AM15/EFGC(PRC)

Decision:

The Committee noted that the firm has made 100% imports but no exports have been effected within the original export obligation period against the above referred Advance Authorisations. As such, there is no merit in the case for consideration. The Committee, therefore, did not accede to the request. The applicant is hereby directed to get their case regularized in terms of Para 4.28 of HBP.

(Activity: RA Ludhiana- If the firm 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 submit an Action Taken Report).

**Case No.23** M/s Bhandari Foils And Tubes Ltd.
F.No. 01/60/162/281/AM15/EFGC(PRC)

**Decision:**

The Committee noted that the firm has made 100% imports but no exports have been effected within the original export obligation period against the Advance Authorisation no. 0310477163 dated 02.07.2008. As such, there is no merit in the case for consideration. Moreover, the Committee does not allow extension of export obligation period beyond 48 months of the issue of Advance Authorization. The Committee, therefore, did not accede to the request for considering the exports made against Advance Authorization no.0310625535 dt.07.04.2011 which are beyond 48 months from the issue of the Authorization. The applicant is hereby directed to get their cases regularized in terms of Para 4.28 of HBP.

*(Action: RA Mumbai*—If the firm fails to get the cases 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 submit an Action Taken Report).

**Case No.24** M/s. Asian Colour Coated Ispat Limited
F.No. 01/60/162/287/AM15/EFGC(PRC)
Subject: - EOP extension of Advance Authorization No. 0510270716 dated 17.08.2010 and 0510280306 dt. 24.12.2010

**Decision:**

The Committee noted that the firm has made only 25% and 25.82% exports of its stipulated export obligation, within the original export obligation period against the above referred Advance Authorisations, respectively. As such, there is no merit in the case for consideration. The Committee therefore did not accede to the request. The applicant is hereby directed to get their cases regularized in terms of Para 4.28 of HBP.

*(Action: RA Delhi*—If the firm fails to get the cases 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 submit an Action Taken Report).

**Case No.25** M/s. MM Aqua Technologies Ltd., Gurgaon
F.No. 01/60/162/367/AM15/EFGC(PRC)
Subject: - Request for acceptance of endorsement of ECOM No. on invoice instead of File No. against Advance licence No. 0510212822 dated 30.11.2007.

Decision:

The Committee noted that the applicant generated E-com reference on 26.2.2006. However, fee for application was paid on 8.11.2007 and 9.11.2007, whereas, all supplies were made before payment of fee and generating of file number. Therefore, the Committee was of the view that supplies made before generating file number shall not be counted towards fulfilment of export obligation.

(Action: RA Chandigarh- If the firm 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 submit an Action Taken Report).

Case No. 26
M/s United Phosphorus Ltd., Mumbai
F.No. 01/60/162/378/AM15/EFGC(PRC)

Decision:

The Committee decided the following:

I. Clubbing of the 2 Advance Authorizations as referred above be allowed.
II. This is only for regularization of exports already effected and closure purpose and not for any further exports/imports.
III. RA shall 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, shall be regularized on payment of Customs Duty + Interest in terms of Para 4.28 of H.B.P.

(Action: RA, Mumbai)

Case No. 27
M/s Glenmark Generics Ltd., Mumbai
F.No. 01/60/162/400/AM15/EFGC(PRC)
Decision:

The Committee decided the following:

I. Clubbing of the 2 Advance Authorizations as referred above be allowed.
II. This is only for regularization of exports already effected and closure purpose and not for any further exports/imports.
III. RA shall 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, shall be regularized on payment of Customs Duty + Interest in terms of Para4.28 of H.B.P.

(Action: RA, Mumbai)

Case No.28 M/s Godrej & Boyce Mfg. Co. Ltd, Mumbai.
F.No. 01/60/162/766/AM14/EFGC (PRC)
Subject: - Clubbing of the following 8 Advance Authorizations
1. 0310460269 dated 06.02.2008
2. 0310465595 dated 19.03.2008
3. 0310563636 dated 09.03.2010
4. 0310574052 dated 13.05.2010
5. 0310654528 dated 19.09.2011
6. 0310645892 dated 03.08.2011
8. 0310698866 dated 15.06.2012

Decision:

Deferred for seeking clarification from the firm.

Case No.29 M/s Jonson Rubber Industries Ltd. New Delhi
F.No. 01/60/162/152/AM15/EFGC (PRC)

Decision: Deferred.

Case No.30 M/s. Swal Corporation Ltd. Mumbai
F.No. 01/60/162/323/AM14/EFGC (PRC)
Subject: - Request for relaxation for eligibility of time barred shipping bills pertaining to 2009 – 10 and to allow to claim DEPB with additional cut over and above the late cute provision available under Para 9.3 of HBP.
Decision:

The Committee noted that the applicant’s submission that due to shifting of records and loss of documents, they could not submit application in time, can’t be accepted as a ground for genuine hardship. HBP provides very reasonable period of time for filing claim i.e. six months from the date of realization and thereafter upto 2 years with 10% late cut.

The Committee, therefore, did not accede to the request.

Case No.31 M/s Karam Industries Pvt. Ltd. Chandigarh
F.No. 01/60/162/360/AM15/EFGC(PRC)
Subject: - Request for issuance of DEPB against time barred bill of export

Decision:

The Committee noted that the applicant’s submission that they were not aware about the procedure can’t be accepted as a ground for genuine hardship. HBP provides very reasonable period of time for filing claim i.e. six months from the date of realization and thereafter upto 2 years with 10% late cut.

The Committee, therefore, did not accede to the request.

Case No.32 M/s Glenmark Generics Ltd., Mumbai.
F.No. 01/60/162/41/AM14/EFGC(PRC)
Subject: - Request to consider export made under 13 S/bills for waiver of destruction certificate as per PC 18, which is exported against other Advance Authorization thought import made under Advance Authorization No. 0310593712 dated 24.09.2010 issued under PC-9 condition.

Decision:

The Committee noted that the Authorization is issued with PC-9 condition. Raw materials imported from unregistered sources were consumed fully and exported against three different Advance Authorizations. However, for shortfall against Authorization in question, the applicant has paid duty + interest to the Customs Authority. The Committee therefore decided the following:

I. PC-18 condition stands waived.
II. The applicant shall submit proof of duty + interest paid on inputs in proportion to shortfall in EO.
III. Composition fee of Rs. 1000/- would be paid to RA by Demand Draft.

(Action: RA Mumbai)

Case No.33 M/s. Nemlaxmi Books (India) Pvt. Ltd.
F.No. 01/91/180/1256/AM12/PC3
Subject: Condonation of delay in submitting documents like proof of landing/tracking report for claim under FMS under PC-9 condition.

Decision:

Deferred for seeking report regarding authenticity of Landing Certificate from Embassy.

Case No. 34 M/s. The Ramco Cements Ltd. Chennai (Formerly M/s. Madras
F.No. 01/94/180/68/AM07/PC-3
Subject: Requested for grant of One Star Export House Certificate w.e.f. 01.04.2004 by condoning the delay

Decision: Deferred.

Case No. 35 M/s. Exide Industries Ltd. Kolkata.
F.No. 01/60/162/44/AM15/EFGC(PrC)

Decision:

The Committee observed that the applicant has not made any imports during the original import validity period and approached the RA for revalidation & enhancement on 09/10/2013 i.e. two months after the expiry of its original import validity period. The Committee also observed that the applicant had original two years’ time to import goods permitted in the Authorization. Further revalidation is not a matter of right. It is considered on merit. Hence, the Committee did not accede to the request of the applicant.

Case No. 36 M/s. NandasolChem Ind. Pvt. Ltd.
F.No. 01/60/162/293/AM15/EFGC(PrC)

Decision:

The Committee noted that RA has already allowed one revalidation for six months. Despite that, the applicant could not import the balance raw materials. The Committee, therefore, did not agree to allow further revalidation.

Case No. 37 M/s. Prasol Chemicals Ltd. Mumbai
F.No. 01/60/162/257/AM15/EFGC(PrC)
Subject: Request for qty./value enhancement and revalidation of Advance Authorization no. 0310597849 dt. 20.10.2010
Decision:

The Committee observed that the import validity period against the above Advance Authorization has already lapsed on 30/10/2012 and the Committee does not allow revalidation beyond 30 months, which has already lapsed in this case. The Committee, therefore, did not accede to the request for revalidation. Hence, question of enhancement does not arise.

Case No.38 M/s PME Power Solutions I. Limited
F.No. 01/60/162/374/AM15/EFGC (PRC)
Subject: Request for revalidation of DFIA No. 0510306930 dt. 2.11.2011

Decision:

The Committee observed that the applicant has already been granted one revalidation of six months, despite of that the applicant could not utilize the Authorization. As the Committee does not allow revalidation beyond 30 months, therefore, the Committee did not accede to the request.

Case No.39 M/s. Aditya Birla Novo Ltd, Bangalore
F.No. 01/60/162/345/AM15/EFGC(PRC)
Subject: Request for revalidation of DFIA No. 0710083733 dt. 3.11.2011

Decision:

The Committee decided to reject the request as the reasons cited by the applicant are only commercial risk and not genuine hardship warranting relaxation under Para 2.5 of FTP. Hence, the Committee did not see any merit in the case to allow revalidation.

Case No.40 M/s. Soft Touch Fabric Pvt. Ltd., Surat
F.No. 01/60/162/369/AM15/EFGC(PRC)
Subject: Request for revalidation of Advance Authorization no. 5210029511 dt. 28.1.2010

Decision:

The Committee observed that even after grant of one revalidation of six months the applicant could not make import. The Committee, since, does not allow revalidation beyond 30 months, the request of the firm was not acceded to.

Case No.41 M/s. Kandui Industries Pvt. Ltd. Mumbai
F.No. 01/60/162/346/AM15/EFGC (PRC)
Subject: Request for revalidation of Advance Authorization no. 0310667268 dt. 25.11.2011
Decision:

The Committee considered the reasons cited by the applicant and observed that there is no transmission error in this case. Therefore, the Committee did not accede to the request of the applicant.

Case No.42 M/s Malmo Steels Pvt. Ltd. Mumbai
F.No. 01/60/162/201/AM15/PRC
PRC Meeting No. 09/AM15 dated 16.09.2014
Subject: - Request for EOP extension of Advance Authorization No. 0310522636 dated 04.06.2009 for regularization purpose.

Decision:

The Committee reviewed its’ earlier decision of PRC meeting no. 09/AM15 held on 16.9.2014 and extended EOP upto 31.12.2012. Other decision as taken earlier in the meeting dt. 16.9.2014 stands unchanged.

The meeting ended with a vote of thanks to the Chair.

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