Minutes of the Policy Relaxation Committee Meeting held under the Chairmanship of DGFT, Shri Pravir Kumar, IAS on 30.12.2014

Meeting No. 16/AM15 held on 30.12.2014 at 11.30 A.M.

List of officers present in the meeting is given below:

1. Shri D.K. Singh 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 J.M. Gupta Jt. DGFT
10. Shri S.K. Mohapatra Dy. DGFT
11. Smt. N.R. Choudhury FTDO

The decision taken in the individual cases is as under:-

Case No.1 M/s Ultratech India Ltd., Mumbai.
F.No. 01/60/162/455/AM15/EFGC (PRC)
PRC Meeting No. 16/AM15 dated 30.12.2014
Subject: - Request for clubbing of the following three Advance Authorization:
   1. 0310450707 dt. 19.11.2007
   2. 0310459552 dt. 30.1.2008
   3. 0310631866 dt. 19.5.2011.

Decision:

The committee noted that the Advance Authorization No. 0310631866 dt. 19.5.2011 is issued after a gap of 36 months from the date of issue of the earliest Advance Authorization No. 0310450707 dt. 19.11.2007, hence clubbing of such Authorization can't be allowed. However, after detailed discussion, the Committee decided the following:


II. This is only for regularization of exports already effected and closure purpose and not for any further exports/imports.

III. However, exports effected against Advance Authorization No. 0310631866 dt. 19.5.2011 shall be taken into account for the closure of clubbed Authorization subject to payment of composition fee @ 0.5% of FOB value of exports made upto 30/11/2010 and @ 0.5% per month of FOB value of exports made after 30/11/2010 but upto 48 months from the earliest Advance Authorization no. 0310450707 dt. 19.11.2007.

IV. 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.

V. 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.2 M/s Rico Auto Industries Ltd. Gurgaon.
F.No. 01/60/162/194/AM15/EFGC (PRC)
P.R.C Meeting No. 16/AM15 dated 30.12.2014
Subject: - Request for revalidation of DEPB no. 0510336838 dated 09.10.2012.

Decision:

The Committee observed that the exports were made from non-EDI port thus online transmission was not possible due to manual shipping bill. Hence, it was decided that RA should cancel this DEPB scrip and issue fresh manual DEPB with 6 months validity to the applicant.

(Action: RA, Delhi)

Case No.3 M/s Plastene India Limited, Gujarat
F.No. 01/60/162/437/AM15/EFGC (PRC)
P.R.C Meeting No. 16/AM15 dated 30.12.2014
Subject: - Request for 2nd Revalidation of 3 Annual Advance Authorizations no.
2. 3710001559 dated 01.06.2011
3. 3710001403 dated 20.12.2010

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, the Committee did not accede to the request.

Case No.4 M/s Ultratech Cements Limited New Delhi
F.No. 01/60/162/331/AM15/EFGC (PRC)
P.R.C Meeting No. 16/AM15 dated 30.12.2014
Subject: - Request for revalidation of DFIA No. 0510312436 dt: 27.12.2011

Decision:

The Committee noted that in terms of Para 2.13.1 of HBP, no revalidation of transferable instrument is allowed unless Authorization / Scrip lost its validity in the possession of RA / Customs Authorities. There is no such incident in this case. Hence, the Committee did not accede to the request.

Case No.5 M/s Desiccant Rotors International Pvt. Ltd., Gurgaon
F.No. 01/60/162/434/AM15/EFGC (PRC)
P.R.C Meeting No. 16/AM15 dated 30.12.2014

Decision:

The Committee observed that the applicant has not imported at all during the initial validity period of 24 months without indicating any justifiable reasons. Hence, the Committee did not accede to the request.

Case No.6 M/s Jai Corp Ltd., Mumbai
F.No. 01/60/162/258/AM15/EFGC (PRC)
PRC Meeting No. 16/AM15 dated 30.12.2014

Decision:

The Committee observed that the applicant has already been granted one revalidation of six months, despite 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.7 M/s Mittal Polypacks Pvt. Ltd., Kolkata
F.No. 01/60/162/438/AM15/PRC
PRC Meeting No. 16/AM15 dated 30.12.2014
Subject: - Request for 2nd revalidation of Advance Authorization no. 0210170236 dated 05.12.2011

Decision:

The Committee noted that RA has already allowed six months revalidation against the Authorization. The applicant has completed major parts of its import too. Hence, the reason cited that they could not import balance material because of non-availability of raw material in the international market, is not convincing ground. The applicant had option to procure goods from domestic sources. Hence, the Committee did not accede to the request.

Case No.8 M/s UPL Ltd., Mumbai
F.No. 01/60/162/411/AM15/EFGC/PRC
PRC Meeting No. 16/AM15 dated 30.12.2014
Subject: - Request for revalidation of AA No. 0310703070 dated 25/07/2012 for 6 month.

Decision:

The Committee observed that the applicant has not imported at all during the initial validity period of the Authorization without indicating any justifiable reasons. Hence, the Committee did not accede to the request.

Case No.9 M/s UPL Ltd., Mumbai
F.No. 01/60/162/410/AM15/EFGC/PRC
PRC Meeting No. 16/AM15 dated 30.12.2014
Subject: - Request for revalidation of AA No. 0310728347 dated 15/03/2013 for 6 month.
Decision:

The Committee observed that the applicant has not imported at all during the initial validity period of the Authorization without indicating any justifiable reasons. Hence, the Committee did not accede to the request.

Case No.10 M/s Western India Cashew Co. Pvt. Ltd
F.No. 01/85/50/155/AM12
01/85/50/78, 90,102/AM14
01/85/162/40/AM15
PRC Meeting No. 16/AM15 dated 30.12.2014
Subject: - Regularization of 5 Advance Authorizations issued under Para 4.7 of HBP Vol.1 by RA in terms of Para 4.4.2. of HBP Vol.1.

Decision:

Withdrawn for processing on file.

Case No. 11 M/s Affy Weaver India Pvt. Ltd.
F.No. 01/92/180/47/AM-15/PC-VI
PRC Meeting No. 16/AM15 dated 30.12.2014
Subject: - Request for Adjustment of Balance of unadjusted advance DTA Sale against the regular DTA Sale entitlement accruable to them after 2 years of commencement of production.

Decision:

The Committee noted that in terms of para 6.8 of FTP, EOU is allowed to make advance DTA sale as per Para (f) of Appendix -14-I-H of HBP. According to this Para “Advance DTA sale permission not exceeding the entitlement accruable on the exports envisaged in the first year shall be permitted and such sale shall be adjusted against the subsequent entitlement in a maximum period of two years. However, for drugs and pharmaceutical products period allowed is three years.

The Committee is of the view that allowing Advance DTA sale without having any past export performance is itself a dispensation. Hence, it would not be appropriate to allow additional dispensation by extending period of adjustment. The Committee therefore did not accede to the request.

Case No. 12 M/s RadhaAkillandeshwari, Coimbatore
F.No. 01/89/180/Misc. 14//AM-10/PC-2(A)/Pt.II
PRC Meeting No. 16/AM15 dated 30.12.2014
Subject: - Request for review of decision of PRC meeting no. 10/AM15 dt.23.9.2014 for import of Second Hand used Car from United Kingdom.

Decision:

The Committee reviewed its’ earlier decision of PRC meeting no. 10/AM15 held on 23.9.2014 and granted relaxation from the provision contained in the Policy.
Condition No. 3 (I) (a) of Chapter 87 of ITC(HS), 2012 Schedule 1 (Import Policy) for the import of Second Hand used Fiat car from United Kingdom.

Case No. 13 M/s Parabolic Drugs Ltd, Chandigarh.
F.No. 01/60/162/109/AM15/EFGC (PRC)
PRC Meeting No. 16/AM15 dated 30.12.2014
Subject: Request for regularization of export made on E Com no. before generating file no. against Advance Authorization No. 2210005499 dated 04.05.2006

Decision:

The Committee observed that the file No. against Authorization No. 2210005499 dated 04.05.2006 was generated on 23/03/2006. Whereas, supplies have been made through 4 invoices during the period 03/02/2006 to 22/02/2006, i.e. prior to generation of file number. Therefore, the Committee was of the view that supplies made before generating file number shall not be counted towards fulfillment 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. 14 M/s. Autotech Industries (India) Pvt. Ltd. Chennai
F.No. 01/60/162/481/AM15/EFGC (PRC)
PRC Meeting No. 16/AM15 dated 30.12.2014

Decision:

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

I. Export obligation period be extended upto 30.06.2015.
II. The extension is subject to payment of composition fee @ 0.5% of FOB value of exports made after 36 months but upto 42 months and @ 0.5% per month of FOB value of exports made/ to be made after 42 months but upto 48 months.
III. The minimum value addition of 15% as prescribed under Para 4.1.6 of FTP shall be maintained.
IV. This is further subject to verification by RA that EO as claimed to have been fulfilled is more than 50% in proportion to imports made within original export obligation period.
V. 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, Chennai / applicant)
Case No. 15 M/s. AKCT Cidambaram Cotton Mill Pvt. Ltd. Chennai
F.No. 01/60/162/482/AM15/EFGC(PRC)
PRC Meeting No. 16/AM15 dated 30.12.2014

Decision:

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

I. Export obligation period be extended upto 30.04.2015.
II. The extension is subject to payment of composition fee @ 0.5% of FOB value of exports made after 36 months but upto 42 months and @ 0.5% per month of FOB value of exports made/to be made after 42 months but upto 48 months.
III. The minimum value addition of 15% as prescribed under Para 4.1.6 of FTP shall be maintained.
IV. This is further subject to verification by RA that EO as claimed to have been fulfilled is more than 50% in proportion to imports made within original export obligation period.
V. 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, Chennai / applicant)

Case No. 16 M/s. Shree BankeyBehariLal Board Mills, Ghaziabad
F.No. 01/60/162/483/AM15/EFGC(PRC)
PRC Meeting No. 16/AM15 dated 30.12.2014

Decision:

The Committee noted that the Advance Authorization has been issued with an Export Obligation Period of 18 months and RA has already granted an extension of Export Obligation Period by 6 months. The Committee also observed that the applicant has fulfilled more than 50% of its stipulated export obligation within initial obligation period. Hence, the Committee decided the following:

I. Export obligation period be extended for the second time by six months i.e.upto 30.06.2015.
II. The second extension is subject to payment of composition fee @ 0.5% per month of unfulfilled FOB value of exports.
III. The minimum value addition of 15% as prescribed under Para 4.1.6 of FTP shall be maintained.
IV. This is further subject to verification by RA that EO as claimed to have been fulfilled is more than 50% in proportion to imports made within original export obligation period.
V. 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, Delhi / applicant)

Case No. 17M/s. Monarch Innovative Technologies Pvt. Ltd. Mumbai  
F.No. 01/60/162/314/AM15/EFGC (PRC)  
PRC Meeting No. 16/AM15 dated 30.12.2014  
Subject: -Request for EOP extension of Advance Authorization No. 0310623655  
Dated 28.03.2011 for six months from date of endorsement.

Decision:

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

I. Export obligation period be extended upto 31.03.2015.
II. The extension is subject to payment of composition fee @ 0.5% of FOB value of exports made after 36 months but upto 42 months and @ 0.5% per month of FOB value of exports made / to be made after 42 months but upto 48 months.
III. The minimum value addition of 15% as prescribed under Para 4.1.6 of FTP shall be maintained.
IV. This is further subject to verification by RA that EO as claimed to have been fulfilled is more than 50% in proportion to imports made within original export obligation period.
V. 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. 18 M/s Philips Carbon Black Ltd., Kolkata  
F.No. 01/60/162/437/AM15/EFGC (PRC)  
PRC Meeting No. 16/AM15 dated 30.12.2014  
Subject: - Request for clubbing of the following 5 Advance Authorizations for redemption purpose.

1. 0210112954 dt. 29.05.2008
2. 0210119601 dt. 11.11.2008
3. 0210119602 dt. 11.11.2008
5. 0210147548 dt. 08.09.2010

Decision:

The Committee decided the following:
I. Clubbing of the 5 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. Exports made within 48 months from the date of earliest Authorization (i.e. upto 31.05.2012) shall only be taken into consideration for accounting and clubbing subject to payment of composition fee @ 0.5% of FOB value of exports up to 42 months and @0.5% per month of FOB value of exports beyond 42 months but upto 48 months of the earliest Authorization.

IV. 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.

V. 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, Kolkata)

Case No. 19 M/s Philips Carbon Black Ltd., Kolkata
F.No. 01/60/162/451/AM15/EFGC (PRC)
PRC Meeting No. 16/AM15 dated 30.12.2014
Subject: - Request for clubbing of the following 28 Advance Authorizations

1. 0210135427 dt. 17.12.09
2. 0210135428 dt. 17.12.09
3. 0210135429 dt. 17.12.09
4. 0210150826 dt. 22.11.10
5. 0210174785 dt. 01.03.12
6. 0210174782 dt. 01.03.12
7. 0210174653 dt. 29.02.12
8. 0210173716 dt. 07.02.12
9. 0210174645 dt. 29.02.12
10. 0210173715 dt. 07.02.12
11. 0210174648 dt. 01.03.12
12. 0210174643 dt. 01.03.12
13. 0210174642 dt. 29.02.12
14. 0210173714 dt. 07.02.12
15. 0210174644 dt. 29.02.12
16. 0210175899 dt. 27.03.12
17. 0210175891 dt. 27.03.12
18. 0210175897 dt. 27.03.12
19. 0210176292 dt. 09.04.12
20. 0210175894 dt. 27.03.12
21. 0210176678 dt. 18.04.12
22. 0210176020 dt. 29.03.12
23. 0210180078 dt. 23.07.12
24. 0210178595 dt. 18.06.12
25. 0210178594 dt. 18.06.12
26. 0210177095 dt. 02.05.12
Decision:

The Committee noted that the request is to club Authorization having obligation of 36 months with 3 Authorizations having obligation period 24 months. The Committee also observed that authorizations having EO period of 24 months, which have been allowed to be clubbed, have made exports within 36 months of the first Authorization. Thus, the Committee decided the following:

I. Clubbing of the 28 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. Exports made within 36 months from the date of earliest Authorization (i.e. upto 31.12.2012) shall only be taken into consideration for accounting and clubbing
IV. 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.
V. 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, Kolkata)

Case No. 20 M/s. Haldia Petrochemicals Ltd. Kolkata
F.No. 01/60/162/879/AM13/EFGC(PRC)
PRC Meeting No. 16/AM15 dated 30.12.2014
Subject: - Request for amendment in PRC decision on clubbing of Advance Authorization for maintaining the highest value addition imposed as per Para iii of PRC decisions in the following 4 cases.

<table>
<thead>
<tr>
<th>Sl.No</th>
<th>PRC meeting &amp; date</th>
<th>Case no.</th>
<th>Request</th>
<th>AA &amp; date</th>
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</table>
| 1.    | 22/M13 dt. 25.9.2012 | 34       | Clubbing | i) 0210122410 dt. 21.1.09  
       |                    |          |         | ii) 0210179336 dt. 8.12.11 |
| 2.    | 38/M13 dt. 5.2.2013  | 23       | Clubbing | i) 0210123068 dt 10.02.09  
       |                    |          |         | ii) 0210123648 dt 25.02.09  
       |                    |          |         | iii) 0210140818 dt 12.04.10 
       |                    |          |         | iv) 0210157963 dt 20.04.11  
       |                    |          |         | v) 0210171996 dt. 06.01.12  
       |                    |          |         | vi) 0210172026 dt. 06.01.12 |
       |                    |          |         | ii) 0210181085 dt. 21.8.2012 |
Decision:

The Committee reviewed its earlier decisions of PRC and decided to amend the Para of PRC minutes regarding Value addition in all 4 cases as under:

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. Other decisions as taken earlier in the meeting dt. 25.9.2012, 5.2.2013, 12.2.2013 and 18.12.2012 stand unchanged.

Case No. 21 M/s Gandhar Oil Refinery India Ltd, Mumbai.
F.No. 01/60/162/902/AM14/EFGC (PRC)
PRC Meeting No. 16/AM15 dated 30.12.2014
Subject: - Clubbing of 4 Advance Authorizations no. 0310517468 dated 27.04.2009
0310533741 dated 13.08.2009
0310571491 dated 27.04.2010

Decision:

Deferred for seeking clarifications from RA that if enhancement in value and quantity was allowed while issuing EODC then as to how this is the case of redemption? Normally, redemption is issued where imports and exports are completed.

(Action: RA Mumbai)

Case No. 22 M/s Thunga Silk International, Bangalore
F.No. 01/60/162/490/AM15/EFGC (PRC)
PRC Meeting No. 16/AM15 dated 30.12.2014

Decision:
The Committee noted that this is not a Policy Relaxation issue. The applicant should have approached RA for first revalidation. But, since the firm has approached PRC, the Committee decided to grant revalidation upto 31.1.2015, in terms of Para 4.23 of HBP.

(Action: RA Mumbai/ Applicant)

Case No.23 M/s. Bharat Heavy Electricals Limited, Jhansi
F.No. 01/60/162/309/AM15/EFGC (PRC)
PRC Meeting No. 16/AM15 dated 30.12.2014
Subject: -Request for revalidation of Advance Authorization No. 061002343 dt.15.06.2011.

Decision:

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

Case No.24 M/s. Advance Surfactants India Ltd., New Delhi
F.No. 01/60/162/405/AM15/EFGC (PRC)
PRC Meeting No. 16/AM15 dated 30.12.2014

Decision:

The Committee noted that the applicant should have approached RA for the first revalidation. The Committee also observed that the applicant has only imported 23.92% and has not indicated any specific reasons for not being able to import the balance quantity. Hence, the Committee did not accede to the request.

Case No.25 M/s. JCBL Ltd., Chandigarh
F.No. 01/60/162/472/AM15/EFGC (PRC)
PRC Meeting No. 16/AM15 dated 30.12.2014
Subject: -Request for EOP Extension of 2 Advance Authorization No..
   1. 2210010312 dated 19.08.2010
   2. 2210010087 dated 18.06.2010

Decision:

The Committee noted that the Authorizations before 05/06/2012 was issued having obligation period of 36 months except in the case of exports of goods to Turnkey Projects or Authorization issued for import of goods listed in the Appendix 30A. In this case, the exports have neither been made to Turnkey Project nor the items imported falls under Appendix 30A. Hence, obligation period in this case would be normal 36 months. The RA should not have restricted the obligation period as per contract as the contract copy is not the prescribed document for obtaining Authorization. The contract copy is
required only in case where supplies are made to Project / Turnkey Project under deemed export category.

There is no case of Policy Relaxation. However, the Committee acceded to the request of the applicant to allow accounting of exports made upto 36 months from the date of issue of Authorization.

(Action: RA Chandigarh/ Applicant)

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

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