

**Minutes of the meeting of the Grievance Redressal Committee held**  
**on 09.04.2009 at 1600 Hours**

**Item No. 1 : M/s. Kopran Limited, Mumbai (F.No. 06/53/2006/GRC)**

- **Prayer in brief** : The petitioner's prayer to the Committee is for grant for waiver of Composition Fee on regularising Export Obligation after clubbing against 4 Advance Licences.
  
- **Grounds of prayer** : GRC Committee in its meeting held on 10.4.2006 took a view and decided that extension in the Export Obligation period in the Advance Licence may be permitted on payment of Composition Fee @ 1% on duty saved on unfulfilled Export Obligation. Petitioner has submitted that they faced financial crisis and has made one time settlement (CDR) with various financial institutions. Therefore, they feel that they are at par with BIFR. In view of this Composition Fee may be waived off as they have no funds to pay such huge amount.
  
- **GRC decision** : GRC Committee decided that CDR is not at par with BIFR so, Composition Fee cannot be waived off but keeping in view the loan liabilities of the firm, they may be permitted to pay the Composition Fee over a period of one and a half year by Sept., 2010. Composition Fee may be paid in equal quarterly instalments. LUT undertaking to be executed by DGFT.

**Item No. 2 : M/s. The Supreme Industries, Mumbai (F.No. 06/17/2008/GRC)**

- **Prayer in brief** : Petitioner request to the Committee is regarding request for extension on EOP against Advance Licence No. 0310123741 dated 8.2.2002 for regularisation only. GRC in its meeting held on 26.7.2008 did not agree to the request of the firm for extension in EOP against Advance Licence No. 0310123741 dated 8.2.2002 on the ground that the firm has fulfilled less than 25% of the EO within the valid Export Obligation.

- **Grounds of prayer :** Petitioner has submitted that a sympathetic view is required to be taken in their case considering the global financial crisis. Moreover when PRC is considering EOP extension cases for completing balance EO wherein 25% or more of EO is fulfilled then the EOP extension request for regularisation of exports wherein 100% EO is already fulfilled should also be considered. Contention of the petitioner is that the total EO fulfilled in proportionate to the imports made was 47.69% quantity-wise and 65.80% value-wise. As per policy provisions if 36 months from the date of imports are taken into consideration for fulfilment of EO, then too EO was to be fulfilled by August, 2007 whereas EO has been fulfilled by 15.4.2007.
- **GRC decision :** The GRC Committee decided that EOP extension may be granted to the firm till the completion of EO on payment of Composition Fee @ 1½ % p.m.

**Item No. 3 : M/s. BK Building Material Exports, Chennai (F.No. 06/76/2008/GRC)**

- **Prayer in brief :** Petitioner request to the Committee is regarding Polished Granite Slabs for a value of Rs. 7,86,829/- rejection of claim under Policy No. SCR 0070005604 for shipment effected to EVANS Marble Ltd., U.K.
- **Grounds of prayer :** Petitioner has represented to the Committee for reconsideration of their claim of polished granite slabs for a value of Rs. 7,86,829 which has been rejected under Policy No. SCR 0070005604 for shipment affected by EVANS Marble Ltd., UK.
- **GRC decision :** The case relates to rejection of their claim under Insurance Policy taken from ECGC. There are no issues relating to DGFT in the representation.

**Item No. 4 : M/s. BP Ergo Ltd., Nagpur (F.No. 06/51/2008/GRC)**

- **Prayer in brief** : The petitioner's request to the Committee is regarding request for clubbing of two Advance Authorisations.
- **Grounds of prayer** : The contention of the petitioner is that although EODC was obtained the authorisation of imports was valid and the purpose of clubbing authorisation was valid for adjustment against the quantity for excess import in another Advance Authorisation. He has also stated there is no such provision in the policy that the Advance Authorisation having obtained EODC cannot be clubbed.
- **GRC decision** : DGFT has informed that Bond Waiver is not the same as EODC and closure of the case. Bond waiver is "No BG/LUT" condition whereas "EODC" is final closure of the case. Hence Bond Waiver cases can be considered for clubbing of advance licence provided other conditions of clubbing advance licence are satisfied. In case of Bond Waiver/BG/LUT condition endorsement made by Regional Authority and if the firm wants revalidation of the said licence to complete balance exports, he can approach the Regional authority for allowing revalidation if the validity is covered under paragraph 4.23 of Hand Book of Procedures (HBP) v1 otherwise for revalidation period beyond the time period stated in paragraph 4.23 of HBP v1 the firm may approach DGFT (HQr) and file ANF-4E for revalidation by way of policy relaxation by Policy Relaxation Committee.
- However, in case EODC has been issued, and case has been closed by not allowing any further imports, then earlier decision i.e. the request of clubbing advance Licence with EODC without Bond Waiver clause cannot be accepted.

**Item No. 5 : M/s. M.P. Dye Chem Industries Pvt. Ltd., Indore (F.No. 06/57/2008/GRC)**

- **Prayer in brief** : The petitioner's request to the Committee is regarding revalidation for clubbing two Advance Authorisations No. 1110005355 dated 20/02/2003 & 1110005882 dated 21/04/2003.
- **Grounds of prayer** : The petitioner has represented that they have fulfilled the EO against Advance Authorisation No.1110005355 dated 20<sup>th</sup> Feb., 2003 much in excess in terms of value; against this authorisation the CIF value of US\$ 68,168.88 remain unutilised and they have requested to club this CIF value with the other Authorisation No.1110005882 dated 21.4.2003.
- **GRC decision** : The case has already been decided at PRC way back on 30<sup>th</sup> Sept 2008 and the request of revalidation of Advance Licence for the purpose of clubbing has been accepted.

**Item No. 6 : M/s. The National Leathercloth Mfg. Co., Mumbai (F.No. 06/73/2008/GRC)**

- **Prayer in brief** : Petitioner request to the Committee is regarding request for clubbing of Advance Licences for regularisation, redemption and closure.
- **Grounds of prayer** : Petitioner has represented that all their licences has been issued under SION No.H-268 during policy period 1992-97 and 1997-2002. All these 38 Advance Licences were issued for the import of PVC Resin PVC Plasticizers, Titanium Dioxide, Release paper, blowing agent etc. for the export of PVC Leather Cloth as per SION No.H-268 appeared in the SION Book. The Advance Licenses were issued originally at the value addition of 40% for VABAL's and the Quantity Based Advance Licences at 25% and 33%. The raw material imported against these advanced licences had duly been consumed for completion of export obligation and duly been accounted for.

- **GRC decision** : Jt. DGFT who was to report in the meeting pointed out that there are two issues – first one is clubbing of Advance Licence for regularisation / redemption and closure and the second is that EOP extension is also required as the licences belong to 1997, 1998 and many of them are expired licences. GRC Committee asked the firm to provide certain details to Jt. DGFT who will examine the case in file.

**Item No. 7 : M/s. Shalina Laboratories Pvt. Ltd., Mumbai (F.No. 06/92/2008/GRC)**

- **Prayer in brief** : The petitioner's request to the Committee is regarding request for EOP extension of authorisation.
- **Grounds of prayer** : Petitioner has represented that the above mentioned Licence were issued to them in the year 2005. The Govt introduced new system for registration for branded products during the course of their shipment. They have completed 50% of the EOP during validity period but delay of registration resulted for delay in shipment beyond policy period. Now they have fulfilled 100% EOP.
- Representative of DGFT pointed out that as per Policy Circular No.9 dated 30.6.2003, a period of 6 months is allowed from the date of clearance of first consignment by Customs.
- **GRC decision** : Representative of the firm brought data such as details of countries where it is exported and market approval in all such cases in the meeting as directed by the GRC Committee in its meeting held on 4.3.2009. After examining the data brought by the firm and due to the fact that they have fulfilled 100% Export Obligation and raw material imported has been consumed completely, GRC Committee accepted the request of the petitioner.

**Item No. 8 : M/s. Vorka International, Moradabad (F.No. 06/16/2009/GRC)**

- **Prayer in brief** : The petitioner's request to the Committee is regarding non release of Bond against Advance Licence No. P/K/1521989 dated 21/07/1992.
- **Grounds of prayer** : The petitioner has represented that an Advance Licence No. P/K/1521989 dated 21.7.1992 was issued to them for import of aluminium scrap with a condition to export aluminium utensils within a period of 9 months which commence on expiry of 30 days of importation of first consignment of raw materials. As per the conditions of the Advance Licence they were supposed to export aluminium utensils for double the value of import of aluminium scrap. As applicant got less export orders than expected, he requested licensing authority to amend and reduce both the CIF value and the FOB value. He had imported only 58.71% of the total CIF value mentioned in the licence but exported 74.04% against the fulfilment of export obligation.
- Representative from DGFT pointed out that in view of the policy circular of the year 2000 pro-rata benefit is not allowed.
- **GRC decision** : The Committee examined the request of the firm and asked the petitioner to bring about flow-chart about input and output and how the raw material was used to examine the case further.

**Item No. 9 : M/s. Patel Engineering Ltd., Mumbai (F.No. 06/77/2008/GRC)**

- **Prayer in brief** : The petitioner's request to the Committee is regarding relaxation in Policy provisions for import of Used Trucks (Off Highway Construction Equipment) for Sewerage Project of Municipal Corporation of Greater Mumbai.

- **Grounds of prayer** : Petitioner has represented that there is no such agency in India to inspect and issue homologation certificate for used / second-hand off highway vehicles (construction equipment) which require for the customs clearance. DGFT had issued relaxation letter to other company who had imported 20 years old vehicles.
- **GRC decision** : The Case has been taken up by the Policy Relaxation Committee on December 2008 and permission to import 4 used trucks as requested by the firm has already been granted on 1.1.2009.

**Item No. 10 : M/s. Konega International Pvt. Ltd., Mumbai (F.No. 06/05/2009/GRC)**

- **Prayer in brief** : The petitioner's request to the Committee is regarding extension of EOP under Advance Authorisation against three licences.
- **Grounds of prayer** : Petitioner has submitted that due to family disputes and cancellation of the orders and flood situation their situation did not improve and monetary crisis led them to approach BIFR for help. Since the formulation of rehabilitation package is a time consuming issue, and they being BIFR registered company, their prayer to GRC is for extension of EOP for 5 years.
- **GRC decision** : The Committee decided that as BIFR proceeding has already been initiated and hearing has been fixed, a view can be taken by GRC after BIFR's orders. The Committee further directed that DGFT may also be made as a party in the BIFR proceedings.

**Item No. 11 : M/s. Andamans Timber Industries Ltd., Kolkata (F.No. 06/33/2009/GRC)**

- **Prayer in brief** : The petitioner's prayer to the committee is for extension of time to fulfil their export commitment for importing capital goods under the EPCG Scheme vide Licence No. 01500422 dated 10.5.96..
- **Grounds of prayer** : Petitioner has submitted they had an EO for Rs. 1199 lakhs which was to be completed by 9.5.2001. Due to worldwide recession, they have been able to export only Rs. .303.91 lakhs within the extended validity period and Rs. 297.80 lakhs after such period making the total of Rs.601.70 lakhs out of total Export Obligation of Rs. 1199 lakhs. They are confident they will be able to meet EO because they have appointed agents in the Middle East, Germany, US and Singapore to promote the products manufactured by the group and trial shipments have already been made to these locations.
- **GRC decision** : GRC Committee decided as the petitioner has not been able to provide any sound justification for not fulfilling Export Obligation, request of the petitioner cannot be acceded to.

### **Deferred Cases**

The Committee deferred consideration of the following cases as the petitioners did not appear :-

**Item No. 12 : M/s. Honda Motorcycle & Scooter India (P) Ltd., Gurgaon**

**Item No. 13 : M/s. Shreya Life Science Pvt. Ltd., Mumbai**

**Item No. 14 : M/s. Magna Electro Castings Ltd., Coimbatore**

**Item No. 15 : M/s. Shilpa Medicare Ltd., Raichur**

