THE POLICY RELAXATION COMMITTEE (PRC) MEETING NO. 08/AM13 HELD ON 29.05.2012 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. V.K. Srivastava Addl. DG
2. Shri N.P.S. Monga Addl. DG
3. Dr. L.B. Singhal Jt. DGFT
4. Dr. Rajiv Arora Jt. DGFT
5. Smt. Vibha Bhalla Jt. DGFT
6. Shri Sanjay Kumar Dy. DGFT
7. Smt. Sonika Khattar FTDO

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

Case No.1. M/s. Amrit Exports (P) Limited Kolkata
F.No. 01/60/162/141/AM13/EFGC(PRC)
PRC Meeting No. 08/AM13 dated: 29.05.2012
Subject:- Request for EOP extension of Advance Authorization no. 0210108619 dt. 28.1.2008.

The Committee rejected the request of the firm as there is no merit for consideration as the authorization is too old. It was decided that the case may be finalized as per the provisions of the FTP.

Case No.2. M/s. FDC Limited
F.No. 01/60/162/139/AM13/EFGC(PRC)
PRC Meeting No. 08/AM13 dated: 29.05.2012
Subject:- Request for EOP extension of the Advance Authorization No. 0310422402 dt. 8.3.2007 issued under PC-9 Condition.

The Committee decided to extend EOP against the aforesaid advance authorization for six months i.e. total 12 months from the date of first import for the purpose of regularization and closure. 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.3. M/s. Kumari Overseas (P) Limited Bangalore
F.No. 01/60/162/115/AM13/EFGC(PRC)
PRC Meeting No. 08/AM13 dated: 29.05.2012
Subject:- Request for EOP extension of the Advance Authorization No. 0710063177 dated 20.02.2009.

The committee noted that the firm was issued an advance authorization No. 0710063177 dated 20.02.2009 with an EOP of 36 months. Through Public Notice no. 60 dt. 6.5.2010 the EOP of silk in any form reduced to 6 months from the date of clearance of first consignment by Custom Authority. The EOP has now been extended to 9 months through Public Notice no. 96 dt. 7.2.2012. The committee observed that in the instant case the firm has already been granted an EOP of 36 months and this is far in excess of the EOP which is now being granted for such product. However taking a liberal view and noting the reasons reported by the firm, the committee decided to grant an extension of 3 months only from the date of endorsement or 25.6.2012 whichever is earlier, 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 exports beyond export obligation period. 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. No request of any further extension will be entertained.

Case No.4. M/s. Medreich Limited Bangalore
F.No. 01/60/162/140/AM13/EFGC(PRC)
PRC Meeting No. 08/AM13 dated: 29.05.2012
Subject:- Request for EOP extension of the Advance Authorization No. 0710041313 dt. 2.11.2005 for regularization purpose issued under PC-9 condition.

The Committee decided to extend EOP against the aforesaid advance authorization for six months i.e. total 12 months from the date of first import for the purpose of regularization and closure. 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.5. M/s. Medreich Limited, Bangalore

F.No. 01/60/162/136/AM13/EFGC(PRC)
PRC Meeting No. 08/AM13 dated: 29.05.2012
Subject:- Request for EOP extension of the Advance Authorization No. 0710031159 dt. 23.07.2004 for regularization purpose issued under PC-9 condition.

The Committee decided to extend EOP against the aforesaid advance authorization for six months i.e. total 12 months from the date of first import for the purpose of regularization and closure. 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.6 M/s Eurolux Fragrances (P) Ltd., Gurgaon
F.No. 01/60/162/121/AM13/EFGC(PRC)
PRC Meeting No. 08/AM13 dated: 29.05.2012
Subject:- Request for EOP extension of Advance Authorization issued in 2009.

The Committee noted that the firm have made less than 50% exports during the valid EOP and, therefore, decided to reject the case on account of low exports made both quantity and value wise in the valid EOP.

Case No.7. M/s. SKY Industries Limited
F.No. 01/60/162/1398/AM11/EFGC(PRC)
PRC Meeting No. 08/AM13 dated: 29.05.2012
Subject:- Request for revalidation of Advance Authorization No. 0310385209 dt. 19.6.2006.

The Committee noted the representation of the firm and decided to maintain rejection as no cogent and justified reasons along with any further no new facts, establishing genuine hardship warranting relaxation under Para 2.5 of FTP, have been provided by the firm.

Case No.8. M/s. L&T Komatsu Limited, Mumbai
F.No. 01/60/162/870/AM12/EFGC(PRC)
PRC Meeting No. 08/AM13 dated: 29.05.2012
Subject:- Request for revalidation of Annual Advance Authorization No. 0710065134 dt. 2.6.2009.

The Committee noted that the Annual Advance Authorization is still not under the EDI Message Exchange System with Customs. The Committee did not consider the reasons cited as valid reasons of genuine hardship warranting policy relaxation. The Committee rejected the request.

Case No.9. M/s. The Western India Plywoods Limited, Kerala.
F.No. 01/60/162/847/AM11/EFGC(PRC)
PRC Meeting No. 08/AM13 dated: 29.05.2012
Subject:- Request for regularization of Advance Authorization No. 1010013655 dt. 5.9.2003.

The Committee decided to grant extension for 12 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.10. M/s. Bindal Exports Pvt. Limited
F.No. 01/60/162/40/AM10/EFGC(PRC)
PRC Meeting No. 08/AM13 dated: 29.05.2012
Subject:- Request for conversion of shipping bills towards discharge of export obligation against three Advance Authorization due to delay in fixation of norms by ALC.

Deferred.

Case No.11. M/s. Marson Electrical Industries, Agra
F.No. 01/94/180/917/AM-09/PC-4
PRC Meeting No. 08/AM13 dated: 29.05.2012
Subject:- Request for regularization of Advance Authorization No. 0610008099 dt. 20.9.2004 and permission of fulfillment of balance outstanding export obligation through export under different SION.

The Committee noted that the authorisation is quite old. The authorisation was issued for fulfilling deemed exports obligation and now the firm is requesting to complete the remaining export obligation through physical exports which was not permitted in the policy and the same provision was applicable to the aforesaid authorisation. The Committee therefore rejected the request and directed the RA to take expeditious action for regularisation as per the provision of FTP.

Case No.12. M/s. Ganesh Polychem Limited, Mumbai
F.No. 01/60/162/190/AM13/EFGC(PRC)
PRC Meeting No. 08/AM13 dated: 29.05.2012
Subject:- Request for Relaxation of policy for Intermediate Licence No. 0310321037 dt. 11.3.2005.

The Committee noted that the firm has not exported even against the e-com no. instead of the file number. Hence, there was no way that RA could correlate exports made with the above authorization. The Committee did not agree to the request of the firm and rejected the request.

Case No.13. M/s.Toyota Kirloskar Motor (P) Ltd, Karnataka
F.No. 01/89/180/05/AM-12/PC2(A)
PRC Meeting No. 08/AM13 dated: 29.05.2012
Subject:- Request for relaxation of conditions of ILN 7 chapter 87 in respect of import of 2 nos Hybrid Vehicles.

The Committee considered the case as per agenda and after deliberations on the request of the applicant company it was decided to relax the ILN 7 chapter 87 conditions for the subject import of 2 nos Hybrid Vehicles.

Case No.14. M/s. Gammon India Limited
F.No. 01/92/180/41/AM-11/PC-VI
PRC Meeting No. 08/AM13 dated: 29.05.2012
Subject:- Audit Objection regarding TED refund by O/o of the Jt.DGFT Vadodara to M/s Gammon India Ltd.

The Committee discussed the case and noted that basically supplies covered under Para 8.2(d) of FTP are to be effected without payment of Terminal Excise Duty. Para 8.3 (c) of FTP enables such supplies to be affected without payment of TED ab-initio if the supplies are under ICB. Since supplies are under ICB, as per Para 8.3 (c) of FTP such supplies are ab-intio exempted from payment of TED. The firm has paid the Terminal Excise Duty instead of claiming exemption. Jt. DGFT Vadodara has informed that the firm has paid TED.

After considering all pros and cons, the Committee decided to allow refund of TED already paid by the firm as there is no revenue implication in supplying without payment of duty ab-initio or paying TED first and taking refund. The Committee also took note of the fact that PRC has provided relaxation in such cases in past as well. JDGFT, Vadodara need to ensure that Terminal Excise Duty has in fact been paid.

Case No.15. M/s. Johnson Matthey Chemicals (I) Pvt., Limited, Kanpur
F.No. 01/60/162/132/AM13/EFGC(PRC)
PRC Meeting No. 08/AM13 dated: 29.05.2012
Subject:- Request for Revalidation of Advance Authorization no 0610015606 dt. 2.6.2009.

The Committee noted the request of the firm and the decision of the Norms Committee enhancing inputs after revision of input-output norms. The Committee noted that since the norms fixation has been done within the overall requirement of the quantity as requested by the firm, the firm could have utilized the aforesaid authorization pending fixation of the final norms. It was further deliberated that the intention of the norms finalization was only for the purpose of regularization and not for undertaking additional imports accruing due to the revised entitlement by way of this norms finalization. The Committee, therefore, rejected the request of the firm.

Case No.16 M/s. Hiren Aluminium Limited, Mumbai

F.No. 01/60/162/172/AM13/EFGC(PRC)
PRC Meeting No. 08/AM13 dated: 29.05.2012
Subject:- Request for revalidation of Advance Authorization No. 0310515863 dt. 16.4.2009.

The Committee noted the request of the firm and decided to reject as no cogent and justified reasons establishing genuine hardship warranting relaxation under Para 2.5 of the FTP have been provided by the firm.

Case No.17. M/s. Hiren Aluminium Limited Mumbai
F.No. 01/60/162/171/AM13/EFGC(PRC)
PRC Meeting No. 08/AM13 dated: 29.05.2012
Subject:- Request for revalidation of Advance Authorization No. 0310520892 dt. 22.5.2009.

The Committee noted the request of the firm and decided to reject as no cogent and justified reasons establishing genuine hardship warranting relaxation under Para 2.5 of the FTP have been provided by the firm.

Case No.18 M/s. Narayan Organics Pvt Limited Ahmedabad
F.No. 01/60/162/154/AM13/EFGC(PRC)
PRC Meeting No. 08/AM13 dated: 29.05.2012
Subject:- Request for revalidation of Advance Authorization No. 0810070766 dt. 18.3.2008.

The Committee noted the request of the firm and decided to reject as the reasons cited establish no genuine hardship warranting relaxation under Para 2.5 of FTP.

Case No.19. M/s. Narayan Organics Pvt Limited Ahmedabad.
F.No. 01/60/162/163/AM13/EFGC(PRC)
PRC Meeting No. 08/AM13 dated: 29.05.2012
Subject:- Request for revalidation of Advance Authorization No. 0810067471 dt. 01.10.2007.

The Committee noted the request of the firm and decided to reject as the reasons cited establish no genuine hardship warranting relaxation under Para 2.5 of FTP.