

Minutes of the Policy Relaxation Committee

Meeting no. 11/am14 held on 25.06.2013 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 V.K. Srivastava	Addl.DG
2.	Shri L.B. Singhal	Addl. DG
3.	Shri K.C. Raut	Addl. DG
4.	Shri S.K. Samal	Jt. DGFT
5.	Shri Jaikant Singh	Jt. DGFT
6.	Shri. R. Selvam	Jt. DGFT
7.	Shri Ajay Kumar Srivastava	Jt. DGFT
8.	Shri A.K. Mishra	Stats Advisor
9.	Smt. SonikaKhattar	FTDO

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

Case No.1. M/s. Malwa Cotton Spinning Mills Ltd. Ludhiana

F.No. 01/60/162/201/AM14/EFGC (PRC)

PRC Meeting No. 11/AM14 dated 25.06.2013

Subject: - Request for EOP extension of Advance Authorization No. 3010066871 dated 13.05.2010

After deliberating the case at length the following decisions were taken:

- I. Export obligation period is extended by 6 months from the date of endorsement or upto 31.01.2014, 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% (even on pro-rata basis) within the valid EOP.
- IV. The applicant is advised to submit the license for endorsement to RA as early as possible. They are further advised to start discharging their stipulated balance export obligation on the basis of this minute without waiting for the endorsement is done on the Authorization.

(Action: RA Mumbai)

Case No.2. M/s Rossai Biotech Ltd.

F.No. 01/60/162/195/AM14/EFGC (PRC)

PRC Meeting No. 11/AM14 dated 25.06.2013

Subject: - Request for EOP extension of Advance Authorization No. 0310568640 dated 08.04.2010

After deliberating the case at length the following decisions were taken:

- I. Export obligation period is extended by 6 months from the date of endorsement or upto 31.01.2014, 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% (even on pro-rata basis) within the valid EOP.
- IV. The applicant is advised to submit the license for endorsement to RA as early as possible. They are further advised to start discharging their stipulated balance export obligation on the basis of this minute without waiting for the endorsement is done on the Authorization.

(Action: RA Mumbai)

Case No.3. M/s Symega Savoury Technology Ltd, Ernakulam.

F.No. 01/60/162/200/AM14/EFGC (PRC)

PRC Meeting No. 11/AM14 dated 25.06.2013

Subject: - Request for EOP extension of Advance Authorization No. 1010050064 dated 20.06.2012 for regularization purpose.

The Committee deliberated the case at length and noted that the firm has made 100% import within the validity and made only 34.28% export corresponding to the imports. As such, this quantity cannot be taken into account for discharge of export obligation. The committee, therefore, decided to reject the request advising the applicant to get the case regularized in terms of Para 4.28 of HBP.

[Action : RA Cochin. If the party 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 report.]

Case No.4. M/s SR Foils and Tissue Ltd, New Delhi.

F.No. 01/60/162/198/AM14/EFGC (PRC)

PRC Meeting No. 11/AM14 dated 25.06.2013

Subject: - Request for EOP extension of Advance Authorization No. 0510261884 dated 06.04.2010

The committee noted that no considerable exports, which form merit of the case, have been made by the firm within the original validity, hence the request is rejected. The applicant is hereby directed to get their case regularized in terms of Para 4.28 of HBP.

(Action: RA CLA, New Delhi. If the party fails to get the case regularised 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 report)

Case No.5. M/s SR Foils and Tissue Ltd, New Delhi.

F.No. 01/60/162/199/AM14/EFGC (PRC)

PRC Meeting No. 11/AM14 dated 25.06.2013

Subject: - Request for EOP extension of Advance Authorization No. 0510261883 dated 06.04.2010.

The committee noted that no exports have been made by the firm within the original validity, hence the request is rejected. The applicant is hereby directed to get their case regularized in terms of Para 4.28 of HBP.

(Action: RA CLA, New Delhi. If the party 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 report)

Case No.6. M/s Apollo Tyres Ltd, Gurgaon.

F.No. 01/60/162/202/AM14/EFGC (PRC)

PRC Meeting No. 11/AM14 dated 25.06.2013

Subject: - Request for EOP extension of Advance Authorization No. 0510261275 dated 26.03.2010.

The committee noted that no considerable exports, which form merit of the case, have been made by the firm within the original validity, hence the request is rejected. The applicant is hereby directed to get their case regularized in terms of Para 4.28 of HBP.

(Action: RA CLA, New Delhi. If the party fails to get the case regularised 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 report).

Case No.7. M/s Mangalam Drugs and Organics Ltd.

F.No. 01/60/162/187/AM14/EFGC (PRC)

PRC Meeting No. 11/AM14 dated 25.06.2013

Subject: - Request for EOP extension of Advance Authorization No. 0310534937 dated 24.08.2009.

After deliberating the case at length the Committee noted that since the Advance Authorization was issued before issuance of Public Notice 2 dated 27.8.2009, validity of EOP from the date of first import will be taken as 6 months and not the 12 months. Hence, the following decisions were taken:

- I. Export obligation period is extended from 06 months to 12 months from the date of first import consignment.
- II. This is only for regularization 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 12 months from date of first import.
- V. PC-18 condition is waived on these exports to the extent of requirement of re-export/destruction certificate on export made outside the extended EOP.
- VI. The material still balance and unutilized shall be regularized in terms of provision of PC-18 dt. 30.10.2007.

(Action: RA, Mumbai)

Case No.8. M/s Wockhardt Limited, Mumbai.

F.No. 01/60/162/184/AM14/EFGC (PRC)

PRC Meeting No. 11/AM14 dated 25.06.2013

Subject: - Request for EOP extension of Advance Authorization No. 0310477337 dated 03.07.2008 under PC-9 condition.

After deliberating the case at length the following decisions were taken:

- I. Export obligation period is extended from 06 months to 12 months from the date of first import consignment.
- II. This is only for regularization 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 12 months from date of first import.
- V. PC-18 condition is waived on these exports to the extent of requirement of re-export/destruction certificate on export made outside the extended EOP.
- VI. The material still balance and unutilized shall be regularized in terms of provision of PC-18 dt. 30.10.2007.

(Action: RA, Mumbai)

Case No.9. M/s Nitrex Chemicals India Limited, New Delhi.

F.No. 01/60/162/186/AM14/EFGC (PRC)

PRC Meeting No. 11/AM14 dated 25.06.2013

Subject: - Request for EOP extension of Advance Authorization No. 0510248118 dated 24.08.2009.

The reason cited by the firm that due to commercial viability they could not utilize the licence is not convincing to the committee hence rejected the request.

Case No.10. M/s Kunj Alloy Pvt. Ltd, Orissa

F.No. 01/60/162/62/AM13/EFGC (PRC)

PRC Meeting No. 11/AM14 dated 25.06.2013

Subject: - Request for Reconsideration of revalidation of Duplicate DEPB Script No. 2310002180 dated 16.09.2009.

The Committee reiterated its earlier decision of PRC meeting no. 32/AM13 dt. 11.12.2012 and once again rejected the request of the firm as there is no merit in the facts/reasons for reconsideration.

Case No.11. M/s UrmilaChemopharma (P) Ltd, Mumbai.

F.No. 01/60/162/188/AM14/EFGC (PRC)

PRC Meeting No. 11/AM14 dated 25.06.2013

Subject: - Request for Request for revalidation of Advance Authorization No. 0310599656 dated 01.11.2010.

Justification and reasons cited by the applicant were not considered adequate by the committee hence the request is rejected

Case No.12. M/s Karur K.C.P. Packaging's Limited, Karur.

F.No. 01/60/162/207/AM14/EFGC (PRC)

PRC Meeting No. 11/AM14 dated 25.06.2013

Subject: - Request for Request for revalidation of Advance Authorization No. 3210045721 dated 08.10.2010.

Justification and reasons cited by the applicant were not considered adequate by the committee hence the request is rejected

Case No.13. M/s Agarwal Rubber Limited, Hyderabad.

F.No. 01/60/162/194/AM14/EFGC (PRC)

PRC Meeting No. 11/AM14 dated 25.06.2013

Subject: - Request for Request for revalidation of Advance Authorization No. 0910043682 dated 28.09.2010.

The reason cited by the firm was not considered adequate by the committee hence the request was rejected.

Case No.14. M/s Torrent Cables Limited, Ahmedabad.

F.No. 01/60/162/203/AM14/EFGC (PRC)

PRC Meeting No. 11/AM14 dated 25.06.2013

Subject: - Request for revalidation of Advance Authorization No. 0810090103 dated 28.06.2010 and change in import item description.

The reason cited by the firm was not considered adequate by the committee hence the request was rejected.

Case No.15. M/s Sky Industries Limited, Mumbai.

F.No. 01/60/162/985/AM13/EFGC (PRC)

PRC Meeting No. 11/AM14 dated 25.06.2013

Subject: - Request for clubbing of 2 Advance Authorizations no. 0310407456 dt. 10.11.2006 and 0310478557 dt.14.07.2008 for regularization/closure purpose.

After deliberating the case at length, the Committee noted that in Advance Authorisation NO. 0310478557 dt. 14.07.2008, the date of last export made is 31.8.2011 that means the validity of export period has to be extended upto 5 years for Advance Authorisation NO. 0310407456 dt.10.11.2006 which is too long. Hence, there is no logic to grant clubbing. The committee decided to **reject** the request advising the applicant to get the case regularized in terms of Para 4.28 of HBP.

(Action : RA Mumbai. If the party fails to get the case regularised 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 report.

Case No.16. M/s Sky Industries Limited, Mumbai.

F.No. 01/60/162/206/AM14/EFGC (PRC)

PRC Meeting No. 11/AM14 dated 25.06.2013

Subject: - Request for 2nd revalidation Advance Authorization No. 0310565484 dated 19.03.2010.

The reason cited by the firm was not considered adequate by the committee hence the request was rejected.

Case No.17. M/s Associated Cables Pvt. Ltd, Mumbai.

F.No. 01/60/162/208/AM14/EFGC (PRC)

PRC Meeting No. 11/AM14 dated 25.06.2013

Subject: - Request for 2nd revalidation Advance Authorization No. 03105590474 dated 01.09.2010.

The reason cited by the firm was not considered adequate by the committee hence the request was rejected.

Case No.18. M/s Umedica Laboratories Pvt. Ltd, Mumbai.

F.No. 01/60/162/998/AM13/EFGC (PRC)

PRC Meeting No. 11/AM14 dated 25.06.2013

Subject: - Request for clubbing of 3 Advance Authorizations nos. 0310272652 dt. 3.6.04, 0310292692 dt. 21.09.2004 and 0310293606 dt. 24.09.2004

The reason cited by the firm was not considered adequate by the committee hence the request was rejected.

Case No.19. M/s Asia Impex Trading, New Delhi.

F.No. 01/60/162/196/AM14/EFGC (PRC)

PRC Meeting No. 11/AM14 dated 25.06.2013

Subject: - Waiver from submitting export and import documents which were lost somewhere for redemption of Advance Authorisation No. 0510228178 dt. 24.09.2008.

After deliberating the case at length, the Committee rejected the request for waiver from submitting export and import documents for redemption. However, the applicant may like to take the relief provided by Para 4.30 A of Handbook of Procedure Vol I regarding the lost documents.

(Action: Applicant.)

Case No.20. M/s Gastek Engineering (P) Ltd, New Delhi.

F.No. 01/60/162/144/AM14/EFGC (PRC)

PRC Meeting No. 11/AM14 dated 25.06.2013

Subject: - Request for redemption of AA no. 0510188500 dated 08.08.2006

Deferred for re-examination by PRC Section.

Case No.21. M/s DSM Sinochem Pharmaceuticals India Pvt. Ltd, Gurgaon.

F.No. 01/60/162/72/AM14/EFGC (PRC)

PRC Meeting No. 11/AM14 dated 25.06.2013

Subject: - Request for Clubbing of Advance Authorizations for redemption purpose 1. 2210005378 dated 29.03.2006 2. 2210005759 dated 12.07.2006 3. 2210006310 dated 19.12.2006 4. 2210006541 dated 21.02.2007.

After deliberating the case at length, the Committee noted that though the above mentioned Advance Authorisations were not issued under PC-9 condition, as per the items of import and export, there was a condition on the Authorisations to export the resultant product within 6 months from the date of first import. Hence the following decisions were taken:

- i. To allow clubbing of 4 Advance Authorizations as referred above.
- ii. Exports made against subsequent authorizations but within 12 months from the date of import of first consignment against earliest authorization shall only be taken into account for clubbing of authorizations.
- iii. RA may grant necessary extension in EO subject to composition fee @ 0.5% of FOB value of export made beyond the stipulated EOP for clubbing and regularization Value addition of minimum 15% as stipulated in the FTP shall be ensured. 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. This is subject to payment of Customs Duty + Interest on excess consumption.
- v. Shortfall in any may be regularized in terms of Para 4.28 of HBP read with PC-18
- vi. RA may do clubbing subject to the condition that no adjudication order is issued against any licence to be clubbed

(Action: RA, Chandigarh)

Case No.22-28. M/s DSM Sinochem Pharmaceuticals India Pvt. Ltd, Gurgaon.

F.No. 01/60/162/925/AM13/EFGC (PRC)

PRC Meeting No. 11/AM14 dated 25.06.2013

Group- 1

Subject: - Request for Clubbing of 9 Advance Authorizations. 1.2210005110 dated 23.12.2005, 2.2210005111 dated 23.12.2005, 3.2210005128 dated 03.01.2006, 4.2210005133 dated 05.01.2006, 5.2210005142 dated 09.01.2006, 6.2210005174 dated 17.01.2006, 7.2210005184 dated 23.01.2006, 8.2210005183 dated 23.01.2006 & 9.2210006447 dated 31.01.2007.

Group- 2

Subject: - Request for Clubbing of 2 Advance Authorizations. 2210004397 dated 06.04.2005 & 2210005307 dated 08.03.2006.

Group- 3

Subject: - Request for Clubbing of 4 Advance Authorizations. 1.2210005723 dated 04.07.2006, 2.2210005749 dated 10.07.2006, 3.2210005758 dated 12.07.2006 & 4.2210006784 dated 12.06.2007.

Group- 4

Subject: - Request for Clubbing of 4 Advance Authorizations. 1.2210007457 dated 14.02.2008, 2.2210007860 dated 03.06.2008, 3.2210008127 dated 28.08.2008 & 4.2210008873 dated 28.04.2009.

Group- 5

Subject: - Request for Clubbing of 2 Advance Authorizations. 2210007455 dated 14.02.2008 & 2210007713 dated 15.04.2008.

Group- 6

Subject: - Request for Clubbing of 3 Advance Authorizations. 2210008422 dated 27.11.2008, 2210008424 dated 27.11.2008 & 2210008874 dated 28.04.2009.

Group- 7

Subject: - Request for Clubbing of 4 Advance Authorizations. 1.2210006595 dated 19.03.2007, 2.2210006593 dated 19.03.2007, 3.2210006598 dated 19.03.2007 & 4.2210006786 dated 12.06.2007.

After deliberating the case at length, the Committee noted that some of the Advance Authorisations have been issued in the year 2006-07 and 2007-08. The Committee expressed its severe concern over improper monitoring by RA concerned. The Committee allowed clubbing of above mentioned 7 Groups of Advance Authorizations subject to following conditions.

- I. RA will check very carefully that no exports have been made before the issuance of the Advance Authorisations.
- II. Exports made against subsequent authorizations but within 12 months from the date of import of first consignment against earliest authorization shall only be taken into account for clubbing of authorizations.
- III. RA may grant necessary extension in EO subject to composition fee @ 0.5% of FOB value of export made beyond the stipulated EOP for clubbing and regularization Value addition of minimum 15% as stipulated in the FTP shall be ensured. 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. This is subject to payment of Customs Duty + Interest on excess consumption.
- V. Shortfall in any may be regularized in terms of Para 4.28 of HBP read with PC-18.

VI. RA may permit clubbing subject to the condition that no adjudication order is issued against any licence to be clubbed.

(Action: RA, Chandigarh)

Case No.29. M/s KabadiChicknagusa& Sons.

F.No. 01/61/180/46/AM14/PC3

PRC Meeting No. 11/AM14 dated 25.06.2013

Subject: - Request for revalidation of SHIS Scrips No. 0710078562 dated 13.04.2011.

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.30. M/s Hindustan Zinc Ltd, Udaipur.

F.No. 01/89/180/67/AM09/PC2(A)Pt.II

PRC Meeting No. 11/AM14 dated 25.06.2013

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) (b) & (c) of Chapter 87 of ITC (HS) for import of 7 nos. of new underground mining equipments.

Case No.31. M/s Punj Lloyd.

F.No. 01/61/180/233/AM13/PC3

PRC Meeting No. 11/AM14 dated 25.06.2013

Subject: - Request for revalidation of 5 SFIS Scrips Nos. 1) 0510274174 dt. 04.10.2010, 2) 0510274177 dt. 04.10.2010, 3) 0510274178 dt. 4.10.2010, 4) 0510277940 dt. 25.11.2010 and 5) 0510277942 dt. 25.11.2010

The Committee reiterated its earlier decision of PRC meeting no. 42/AM13 dt. 05.03.2013 and once again rejected the request of the firm as there is no merit in the facts/reasons for reconsideration.

Case No.32. M/s Larsen &Tourbo

F.No. 01/61/180/45/AM14/PC3

PRC Meeting No. 11/AM14 dated 25.06.2013

Subject: - Request for revalidation of SHIS Scrip No. 03100000130 dated 07.01.2011.

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.33. M/s India Glycols Limited.

F.No. 01/92/180/2/AM13/PCVI

PRC Meeting No. 11/AM14 dated 25.06.2013

Subject: - Request for relaxation of policy for adjustment of Advance DTA sale beyond permissible 3 years time by one month.

After deliberating the case at length, the Committee decided to relax the policy and permitted extension of time period, for adjustment of Advance DTA sale, by one month, beyond the permissible time period, subject to other conditions as prescribed in FTP/HBP.

Case No.34. M/s Jet Airways.

F.No. 01/61/180/43/AM14/PC3

PRC Meeting No. 11/AM14 dated 25.06.2013

Subject: - Request for revalidation of 12 SFIS Scrips No.

1. 0310631849 dated 19.05.2011
2. 0310631850 dated 19.05.2011
3. 0310631851 dated 19.05.2011
4. 0310631852 dated 19.05.2011
5. 0310631853 dated 19.05.2011
6. 0310631854 dated 19.05.2011
7. 0310631855 dated 19.05.2011
8. 0310631856 dated 19.05.2011
9. 0310631857 dated 19.05.2011
10. 0310631858 dated 19.05.2011
11. 0310631859 dated 19.05.2011
12. 0310631860 dated 19.05.2011

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.

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