THE POLICY RELAXATION COMMITTEE (PRC) MEETING NO. 13/AM13 HELD ON 10.07.2012 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 D.K Singh Addl. DG
2. Shri. V.K. Srivastava Addl. DG
3. Shri Mukesh Bhatnagar Addl. DG
4. Shri N.P.S. Monga Addl. DG
5. Dr. L.B.S. Singhal Addl. DG
6. Shri Jaikant Singh Jt. DGFT
7. Dr. Rajiv Arora Jt. DGFT
8. Shri S.K. Samal Jt. DGFT
9. Shri A.K. Singh Jt. DGFT
10. Shri Ashutosh Mishra Jt. DGFT
11. Shri Ajay Kumar Srivastava Jt. DGFT
12. Smt. Shubhra Jt. DGFT
13. Shri. Jai Karan Singh Jt. DGFT
14. Shri D.C. Sharma Stats Advisor
15. Shri A. Mishra Stats Advisor
16. Smt. Sonika Khattar FTDO

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

Case No.1. M/s. RMI cycles Pvt Limited Rajpura
F.No. 01/60/162/96/AM12/EFGC(PRC)
PRC Meeting No. 13/AM13 dated: 10.07.2012
Subject:- Clarification regarding clubbing of 5 expired qty. based advance authorization no.

1. 0018283 dt. 14.08.1996
2. 1524998 dt. 03.06.1993
3. P/L/2107356 dt. 08.10.1997
4. 30001084 dt. 23.02.1999
5. 3010002293 dt. 07.02.2000

The Committee deliberated the case in detail and noted that the above mentioned five advance authorizations are too old and are under adjudication. In fact three authorizations, penalties have already been imposed by adjudicating authority. The PRC was of the view that if the adjudication proceedings have been initiated, then the request should not be considered in PRC. The Committee decided to reject the request.

Case No.2. M/s. The Godavari Sugar Mills Limited
F.No. 01/60/162/1797/AM11/EFGC(PRC)
PRC Meeting No. 13/AM13 dated: 10.07.2012
Subject:- Request for EOP extension of Advance Authorization No. 0310340813 dt.25.7.2005 beyond 48 months for regularization purpose..

The PRC decided to defer the case. It also decided to examine the case with reference to the facts based on which last case was approved by the PRC. The case may again be placed before PRC with full facts.

Case No.3. M/s. BOS Natural Flavors (P) Limited Kerala
F.No. 01/60/162/28/AM13/EFGC(PRC)
PRC Meeting No. 13/AM13 dated: 10.07.2012
Subject:- Request for EOP extension of Advance Authorization No. 1010035916 dt. 10.11.2009

The Committee noted that the request of the firm for EOP extension for 3 months has been made much after the expiry of the original EOP and therefore cannot be considered. The Committee accordingly rejected the request for EOP extension. The Committee also noted that the firm has made the exports in one shipping bill one month after the valid EOP, which was not endorsed by Customs for being outside the valid EOP. The Committee was of the view that the same can be counted for discharge of export obligation subject to the condition that no DEPB benefit or benefit of another advance authorization has been taken on that.

Case No.4. M/s. Calyx Chemicals & Pharmaceuticals Limited Mumbai
F.No. 01/60/162/224/AM13/EFGC(PRC)
PRC Meeting No. 13/AM13 dated: 10.07.2012
Subject:- Request for EOP extension of the (6) Advance Authorization s no.

1. 310432263 dt. 11.06.2007
2. 310454120 dt. 14.12.2007
3. 310459479 dt. 29.01.2008
4. 310365692 dt. 03.02.2006

5. 310318445 dt. 24.02.2005
6. 310417631 dt. 29.01.2007

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

Case No.5. M/s. Macsons Products, Surat.
F.No. 01/60/162/566/AM12/EFGC(PRC)
PRC Meeting No. 13/AM13 dated: 10.07.2012
Subject:- Request for revalidation of Advance Authorization No. 5210024242 dt. 3.9.2008.

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

Case No.6. M/s. Faze Three Limited, Mumbai
F.No. 01/60/162/956/AM12/EFGC(PRC)
PRC Meeting No. 13/AM13 dated: 10.07.2012
Subject:- Request for EOP extension of (10) Advance Authorization s no.

1. 310341203 dated 29.06.2005
2. 310341493 dated 04.08.2005
3. 310346805 dated 09.09.2005
4. 310384716 dated 14.06.2006
5. 310400624 dated 21.09.2006
6. 310402823 dated 06.10.2006
7. 310406296 dated 02.11.2006
8. 310410262 dated 30.11.2006
9. 310413042 dated 21.12.2006
10. 310420497 dated 22.02.2007

The Committee noted the reports received from RA, Mumbai regarding past record of fulfillment of EO against the advance authorizations taken by them. It was noted that in most of the cases, the export obligation have not been fulfilled by the firm and that the firm has been put under DEL for non-submission of requisite documents. The Committee was of the view that the past record of the firm as well as reasons submitted by the firm for non-fulfillment of EO against above mentioned advance authorizations do not warrant relaxation under Para 2.5 of the FTP and decided to reject.

Case No.7. M/s. Godrej & Boyce Mfg Co. Limited, Mumbai
F.No. 01/60/162/229/AM13/EFGC(PRC)
PRC Meeting No. 13/AM13 dated: 10.07.2012
Subject:- Request for EOP extension of Advance Authorization No. 0310472328 dt. 28/5/2008.

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.8. M/s. Garware Polyester Limited, Aurangabad
F.No. 01/60/162/228/AM13/EFGC(PRC)
PRC Meeting No. 13/AM13 dated: 10.07.2012
Subject:- Request for EOP extension of Advance Authorization No. 0310448127 dt. 26/10/2007.

The Committee decided to grant extension for 6 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.9. M/s. Force Motors Limited, Pune
F.No. 01/94/180/202/AM10/PC-4
PRC Meeting No. 13/AM13 dated: 10.07.2012
Subject:- Request for redemption of six Advance Authorization s Nos. 31001517 dt. 10/6/1997 (2) 31001518 dt. 10/6/1997 (3) 311000637 dt. 24/7/1996 (4) 3039258 dt. 2/2/1996 (5) 31001417 dt. 8.5.1997 (6) 3110000536 dt.31/01/2000.

The Committee decided to grant EOP extension for 6 months for advance authorsiation nos. 31001417 dt. 8.5.1997 and 3110000536 dt.31/01/2000 beyond the permitted validity 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.

The Committee also noted that since the Customs have already logged DEEC Book Part II, the issue of accountability has already been settled and therefore such cases could be considered for redemption. The Committee therefore accorded their approval for redemption of above mentioned six advance Authorization s provided no adjudication proceedings are underway against above 6 advance authorizations..

Case No.10. M/s. Voltamp Transformers Limited, Vadodara
F.No. 01/92/180/41/AM11/PC VI
PRC Meeting No. 13/AM13 dated: 10.07.2012
Subject:- Request for relaxation is sought for refund of T.E.D. where ICB procedure has been prescribed.

The Committee discussed the case in detail and noted that Jt. DGFT, Vadadara has informed that these supplies are covered under Para 8.2(d) of FTP. These supplies are exempted from ab-initio payment of Terminal Excise Duty as per Para 8.3(c) of FTP, because of International Competitive Bidding (ICB) procedure. However, the firm has paid the Terminal Excise Duty instead of claiming exemption. Jt. DGFT Vadadara has forwarded a photocopy statement of TED paid by the firm duty certified by the Central Excise Authority.

After deliberations, the Committee decided to allow refund of TED already paid by the firm as there is no additional revenue implication. Supplies under ICB are exempt from payment of duty. Since duty has been paid, getting refund now does not lead to any additional revenue implication. Committee also took note of the fact that PRC has provided relaxation in similar cases in past as well. RA need to ensure that Terminal Excise Duty has, in fact been paid and verify that CENVAT Credit has not been availed and for this declarations one given as per Public Notice 35 dt. 1.3.2011, firm is other wise eligible for deemed export benefits in terms of Chapter 8 of FTP and Chapter 8 of HBP. Vol-I and submit all other request of documents.

Case No.11. M/s. Omkrown Pharma Chem Pvt Limited, Belgaum
F.No. 01/60/162/246/AM13/EFGC(PRC)
PRC Meeting No. 13/AM13 dated: 10.07.2012
Subject:- Request for EOP extension of Advance Authorization No. 0710056768 dt. 2/4/2008.

The Committee considered the request and decided to extend EOP against the aforesaid advance authorization for 6 months from the date of communication, 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.

Case No.12. M/s. Global India Limited, Kolkata
F.No. 01/60/162/232/AM13/EFGC(PRC)
PRC Meeting No. 13/AM13 dated: 10.07.2012
Subject:- Request for EOP extension for 6 months under Advance Authorization No. 0210127284 dt. 4/6/2009.

The Committee considered the request and decided to extend EOP against the aforesaid advance authorization for 6 months from the date of communication, 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.

Case No.13. M/s. Intas Pharamecuiticals Limited, Ahmedabad
F.No. 01/60/162/231/AM13/EFGC(PRC)
PRC Meeting No. 13/AM13 dated: 10.07.2012
Subject:- Request for grant for EOP extension of Advance Authorization No. 0810091303 dt. 17/8/2010.

The Committee decided to extend EOP against the aforesaid advance authorization for 6 months i.e. total 18 months from the date of first import 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 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

Case No.14. M/s. Bhusan Power & Steel Limited, New Delhi
F.No. 01/60/162/241/AM13/EFGC(PRC)
PRC Meeting No. 13/AM13 dated: 10.07.2012
Subject:- Request for revalidation for DFIA licence No. 0210131645 dt. 17/9/2009.

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.15. M/s. Glasstech Industries Pvt Limited, Mumbai
F.No. 01/60/162/444/AM12/EFGC(PRC)
PRC Meeting No. 13/AM13 dated: 10.07.2012
Subject:- Request for EOP extension of Advance Authorization No. 0310411370 dt. 8/12/2006.

The committee noted that their is shortfall in export obligation in the above authorization was based on the adhoc norms as the norms were subsequently fixed by the Norms Committee on 6.7.2010 against the above authorization issued on self declaration basis. The additional export obligation has therefore accrued on account of the fixation of the norms by the Norms Committee as above. The committee keeping in view the facts of the case decided that the firm may be granted 6 months period for the following period:-

i) To deposit the Custom duty with interest on the export obligation default of the shortfall in qty. as per the original EO (reported to be 2490.68 Sq. meter).
ii) The export obligation required to be fulfilled on account of the change in norms by the Norms Committee, may be completed within a period of 3 months from the date of endorsement or 01.08.2012 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.

Both I) and ii) be completed in 6 months and RA may take necessary action as per FTP provision thereafter.

Case No.16. M/s. Glasstech Industries Pvt Limited, Mumbai
F.No. 01/60/162/422/AM12/EFGC(PRC)
PRC Meeting No. 13/AM13 dated: 10.07.2012
Subject:- Request for EOP extension of Advance Authorization No. 0310360666 dt. 23.12.2005

The committee considered the request and decided to reject the request for EOP extension beyond 48 months from the date of Authorization and directed that advance Authorization may be regularized as per provisions of the FTP.

Case No.17. M/s. Alembic Limited, Vadodara
F.No. 01/60/162/569/AM10/PC-4/EFGC(PRC)
PRC Meeting No. 13/AM13 dated: 10.07.2012
Subject:- Request for clubbing of Advance Authorization No. 3410002630 dt. 6/9/2001 & 3410011637 dt. 4/10/2004.

The Committee noted the request of the firm and decided to reject as the gap between the above two authorizations is substantial and the Committee therefore did not agree to club these authorizations.

Case No.18. M/s. Dorf Ketal Chemicals India Pvt Limited, Mumbai
F.No. 01/60/162/353/AM12/EFGC(PRC)
PRC Meeting No. 13/AM13 dated: 10.07.2012
Subject:- Reqeuest for revalidation of Advance Authorization No. 0310491107 dt. 20/10/2008.

Deferred for getting full additional facts regarding the authorization which is stated to be clubbing. After details of the licences purposed to be clubbed are mentioned, case may then be placed before PRC.

Case No.19. M/s. Metalplast Exim India Limited, Mumbai
F.No. 01/60/162/104/AM12/EFGC(PRC)
PRC Meeting No. 13/AM13 dated: 10.07.2012
Subject:- Request for revalidation & EOP extension of DFIA Licence No. 0310543548 dt. 3/11/2009.

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.20. M/s. United Phosphorus Limited, Gujarat
F.No. 01/60/162/233/AM13/EFGC(PRC)
PRC Meeting No. 13/AM13 dated: 10.07.2012
Subject:- Request for revalidation for six months against Advance Authorization No. 0310497542 dt. 12/12/2008.

The Committee noted the request of the firm and decided to reject as the reasons cited are only commercial risk and not a genuine hardship warranting relaxation under Para 2.5 of FTP.

Case No.21. M/s. Volkswagen India Pvt Limited Pune
F.No. 01/89/180/04/AM-11/PC-2(A)
PRC Meeting No. 13/AM13 dated: 10.07.2012
Subject:- Request for grant permission for policy relaxation of imports of Audi Q3 vehicles from Audi AG, Germany

The committee considered and granted approval for relaxation of the provisions of Policy Condition No. 2(II) (a) (iv) of Chapter 87 of ITC(HS) 2012, Schedule-1 Import Policy for import of 223 vehicles (ex-post-facto 6 in first instance, 26 in second instant and 191 in third instance) and for further import of 145 vehicles.