THE POLICY RELAXATION COMMITTEE (PRC) MEETING NO. 14/AM13 HELD ON 17.07.2012 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. Dr. L.B.S. Singhal Addl. DG
5. Shri Jaikant Singh Jt. DGFT
6. Dr. Rajiv Arora Jt. DGFT
7. Shri S.K. Samal Jt. DGFT
8. Shri A.K. Singh Jt. DGFT
9. Shri. Hardeep Singh Jt. DGFT
10. Shri Ashutosh Mishra Jt. DGFT
11. Shri Ajay Kumar Srivastava Jt. DGFT
12. Smt. Shubhra Jt. DGFT
13. Shri D.C. Sharma Stats Advisor
14. Shri A. Mishra Stats Advisor
16. Shri Sanjay Kumar Dy. DGFT
15. Smt. Sonika Khattar FTDO

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

Case No.1. M/s. Bhusan Power & Steel Limited, Kolkata
F.No. 01/60/162/242/AM13/EFGC(PRC)
PRC Meeting No. 14/AM13 dated: 17.07.2012
Subject:- Request for revalidation of DFIA Authorization No. 0210130697 dt. 21.8.2009.

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.2. M/s. Bhusan Power & Steel Limited, Kolkata
F.No. 01/60/162/250/AM13/EFGC(PRC)
PRC Meeting No. 14/AM13 dated: 17.07.2012
Subject:- Request for revalidation of DFIA Authorization No. 0210131583 dt. 16.9.2009.

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.3. M/s. Ducol Organics & Colours Pvt Limited, Mumbai
F.No. 01/60/162/244/AM13/EFGC(PRC)
PRC Meeting No. 14/AM13 dated: 17.07.2012
Subject:- Request for revalidation of Advance Authorization No. 0310541218 dt. 9.10.2009.

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

Case No.4. M/s. Aman Infratex Limited,, Mumbai
F.No. 01/60/162/248/AM13/EFGC(PRC)
PRC Meeting No. 14/AM13 dated: 17.07.2012
Subject:- Request for revalidation of Advance Authorization No. 0310537705 dt. 15.9.2009.

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

Case No.5. M/s. Cadila Healthcare Limited, Ahmedabad

F.No. 01/60/162/253/AM13/EFGC(PRC)
PRC Meeting No. 14/AM13 dated: 17.07.2012
Subject:- Request for EOP extension of Advance Authorization No. 0810066133 dt. 23.7.2007.

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. Lasons India Pvt Limited, Mumbai
F.No. 01/60/162/1123/AM12/EFGC(PRC)
PRC Meeting No. 14/AM13 dated: 17.07.2012
Subject:- Request for revalidation of Advance Authorization no. 0310509101 dt. 25.2.2009.

The committee decided that a detailed report be obtained from RA and after receiving the report, the case be placed before PRC.

Case No.7. M/s. Base Metal Chlorinations Pvt Limited, Vadodara
F.No. 01/60/162/254/AM13/EFGC(PRC)
PRC Meeting No. 14/AM13 dated: 17.07.2012
Subject:- Request for EOP extension /revalidation of Advance Authorization No. 3410022213 dt. 1.9.2008.

The committee decided that the details of export/import made by the firm and clarification whether the firm have sought EOP extension for the export already made for the purpose of regularization or EOP extension for prospective exports be obtained and after received the case be placed before PRC.

Case No.8. M/s. Aurobindo Pharma Limited, Hyderabad
F.No. 01/60/162/255/AM13/EFGC(PRC)
PRC Meeting No. 14/AM13 dated: 17.07.2012
Subject:- Request for revalidation of Advance Authorization No. 0910036834 dt. 27.1.2009.

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.9. M/s. Tube Products Incorporate
F.No. 01/60/162/87/AM12/EFGC(PRC)
PRC Meeting No. 14/AM13 dated: 17.07.2012
Subject:- Request for relaxation of policy to clarify technicality (permit import of alloy coil in place of plates) Advance Authorization No. 3410014376 dt. 19.9.2005.

The Committee considered the request of the firm and noted that Norms Committee has rejected the request of the firm. The request to allow input which is not part of the SION cannot be agreed. Therefore, the request of the firm was rejected.

Case No.10. M/s. Haldia Petrochcmicals Limited, Kolkata
F.No. 01/60/162/243/AM13/EFGC(PRC)
PRC Meeting No. 14/AM13 dated: 17.07.2012
Subject:- Request for EOP extension of Advance Authorization No. 0210122028 dt. 9.1.2009.

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.11. M/s. Evergreen International Limited, Gurgaon
F.No. 01/60/162/519-524/AM10/EFGC(PRC)
PRC Meeting No. 14/AM13 dated: 17.07.2012
Subject:- Request for redemption of 6 Advance Authorization nos.

1. 0510084279 dt. 27.03.2003

2. 0510077748 dt. 14.01.2003
3. 0510047880 dt. 28.11.2001
4. 0510063005 dt. 10.07.2002
5. 0510119122 dt. 25.02.2004
6. 0510030938 dt. 23.01.2001

The Committee noted the request of the firm to consider the current exports towards discharge of export obligation against the above mentioned six advance authorizations as norms were fixed at a later stage. It was decided reject as the reasons cited establish no genuine hardship warranting relaxation under Para 2.5 of FTP.

Case No.12. M/s. Alom Extrusions Limited,
F.No. 01/60/162/342/AM10/EFGC(PRC)
01/94/180/43/AM08/PC-I/ EFGC(PRC)
PRC Meeting No. 14/AM13 dated: 17.07.2012
Subject:- Request for clubbing & redemption of Advance Authorization No. 0210012923 dt. 20.6.2000 (with AU condition) and 0210009877 dt. 24.2.2000 (without AU condition).

The committee deliberated the request in detail and noted that the above 2 advance authorizations have been issued under different custom notification no. 30/97 and 31/97 respectively but both are for physical exports. It was also noted that Advance Authorization No. 0210012923 dt. 20.6.2000 was an actual user licence and had exemption from all duties whereas Advance Authorization No. 0210009877 dt. 24.2.2000 had exemption from Basic Customs Duty (BCD) only for being the non-actual user licence. The PRC noted the contention of the firm that though the Advance Authorization No. 0210009877 dt. 24.2.2000 issued under Custom Notification No. 31/97 had no exemption from CVD and could be transferred to others but the same was operated under AU condition by the licensee himself. By looking at the contention of the licensee that both the licenses have been operated in a similar manner, the Committee was of the view that both the authorizations have similar effects. The committee therefore decided to allow clubbing of the above 2 advance authorizations for the purpose of regularization subject to verification by RA that the Advance Authorization No. 0210009877 dt. 24.2.2000 issued under Custom Notification NO. 31/97 has actually been used in the manner as has been prescribed under Customs Notification No. 30/97. RA may grant necessary extension in EO required with the stipulated composition fee for clubbing and regularization. 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 15% value addition for evaluating entitlement is to be applied on the entire FOB and CIF of the authorization. RA should ensure proper accounting of the duty free inputs with reference to the export product while clubbing the authorizations. No further imports and export will be undertaken. RA may do clubbing subject to the condition that the adjudication process for any of the above authorizations has not been initiated.

Case No.13. M/s. PME Power Solutions (India) Limited, New Delhi
F.No. 01/60/162/80/AM13/EFGC(PRC)
PRC Meeting No. 14/AM13 dated: 17.07.2012
Subject:- Request for clubbing & redemption of Advance Authorization No. 0510227537 dt. 16.9.2008 & 0510227532 dt. 16.9.2008.

The committee noted that as per Para 4.20.1 of Handbook of Procedures Vol. I, Regional Authorities could do clubbing for the above 2 authorizations. As such, this case could have been considered at the level of RA also. However, since this application was already filed in DGFT, HQ, the committee decided to club the above 2 advance authorizations for the purpose of regularization. RA may grant necessary extension in EO required with the stipulated composition fee for clubbing and regularization. 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 15% value addition for evaluating entitlement is to be applied on the entire FOB and CIF of the authorization. RA should ensure proper accounting of the duty free inputs with reference to the export product while clubbing the authorizations.

Case No.14. M/s. Sajal Impex Pvt Limited, Kolkata
F.No. 01/60/162/119/AM12/EFGC(PRC)
PRC Meeting No. 14/AM13 dated: 17.07.2012
Subject:- Request for revalidation of DFIA nos. 0210107849 dt. 4.1.2008 and 0210109197 dt. 15.2.2008.

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.15. M/s. International Tractor Limited,
F.No. 01/60/162/249/AM13/EFGC(PRC)
PRC Meeting No. 14/AM13 dated: 17.07.2012
Subject:- Request for revalidation of DFIA No. 3010064693 dt. 30.12.2009.

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

Case No.16. M/s. Alembic Limited,
F.No. 01/60/162/213/AM13/EFGC(PRC)
PRC Meeting No. 14/AM13 dated: 17.07.2012

Subject:- Regularization of EO fulfilled & waiver of PC-18 condition under Advance Authorization no. 3410011684 dt. 06.10.2004.

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 acceded to the request of the firm to consider the export of 1000 kg for discharge of export obligation which was exported within valid EOP but rejected and later on processed/re-exported to same customer.

The Committee also considered the request of the firm for waiver from conditions of PC-18 dated 30.10.2007 and noted there is a shortfall of 170 kgs as per the export details given as per the statement of export submitted by the firm. It was decided that if the firm produces the documentary proof of export/consumption from the Excise Authority, then the condition of re-export/destruction of imported raw material as stipulated in Policy Circular 18 dt. 30.10.2007 be waived. 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.17. M/s. MAK Controls & Systems P. Limited,
F.No. 01/60/162/223/AM13/EFGC(PRC)
PRC Meeting No. 14/AM13 dated: 17.07.2012
Subject:- Request for EOP extension of Advance Authorization No. 3210035224 dt. 18.4.2007.

The Committee decided to grant extension upto 31.10.2010 beyond the permitted EOP of 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.17-A. M/s. MAK Controls & Systems P. Limited,
F.No. 01/60/162/223/AM13/EFGC(PRC)
PRC Meeting No. 14/AM13 dated: 17.07.2012
Subject:- Request for EOP extension of Advance Authorization No. 3210036110 dt. 03.09.2007.

The Committee decided to grant extension upto 31.10.2010 beyond the permitted EOP of 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.18. M/s. Ruchi Infrastructure Limited,, New Delhi
F.No. 01/94/180/130/AM13/PC-4(B)/EFGC(PRC)
PRC Meeting No. 14/AM13 dated: 17.07.2012
Subject:- Revalidation of 4 DEPB licences in view of the order of the AC (customs) Kakinada for re-credit of Rs. 11,19,294/-

Deferred

Case No.19. M/s. Reliance Industries Mumbai
F.No. 01/60/162/768/AM12/EFGC(PRC)
PRC Meeting No. 14/AM13 dated: 17.07.2012
Subject:- Revalidation of (19) DEPB for six months in view of order of Cochin Customs regarding refund of excess duty.

Deferred.

Case No.20. M/s. Uniflex Cables Limited,
F.No. 01/94/180/373/AM10/PC- Pt. file/ EFGC(PRC)
PRC Meeting No. 14/AM13 dated: 17.07.2012
Subject:- Request fror extension in EOP against two old advance licences no. 0310231177 dt. 16.10.2003 and 0310240217 dt. 18.12.2003.

The committee decided that BIFR package be obtained by the firm first and submit the details of package to DGFT for consideration.

Case No.21. M/s. Mittal Pigments Pvt Limited, Rajasthan
F.No. 01/60/162/739/AM12/EFGC(PRC)
PRC Meeting No. 14/AM13 dated: 17.07.2012
Subject:- Request for revalidation of DFIA No. 1310027532 dt. 10.12.2008.

The Committee considered the request and noted that the firm applied for No Bond Certificate (NBC) on 6.12.2010 and the import validity expired on 10.12.2010. Since there was no inordinate delay on the part of RA and also the reasons cited did not establish any genuine hardship warranting relaxation under Para 2.5 of FTP as the licence could have been utilized for imports without obtaining NBC also, the Committee decided to reject the request.

Case No.22. M/s. G JD Exports Chennai
F.No. 01/60/162/261/AM13/EFGC(PRC)
PRC Meeting No. 14/AM13 dated: 17.07.2012
Subject:- Request for benefits of DEPB on shipping Bill dated 6.8.2011.

The committee considered the request and decided to re-examine the case in light of inputs from Policy-IV Section and then place before PRC with complete facts.

Case No.23. M/s. Godavari Biorefineries Limited, Mumbai
F.No. 01/60/162/1797/AM11/EFGC(PRC)
PRC Meeting No. 14/AM13 dated: 17.07.2012
Subject:- Request for EOP extension of 6 months of Advance Authorization No. 0310340813 dt. 25.7.2005 beyond 48 months..

The Committee noted that the precedence quoted by the firm is not a similar case and therefore decided to reject the request for EOP extension beyond 48 months from the date.

Case No.24. M/s. Alembic Limited, Vadodara
F.No. 01/60/162/839/AM11/EFGC(PRC)
PRC Meeting No. 14/AM13 dated: 17.07.2012
Subject:- Request for DFIA authorization no. 3410021785 dt. 10/7/2008

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.