THE POLICY RELAXATION COMMITTEE (PRC) MEETING NO. 15/AM13 HELD ON 24.07.2012 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 Ajay Kumar Srivastava Jt. DGFT
11. Smt. Shubhra Jt. DGFT
12. Shri D.C. Sharma Stats Advisor
13. Smt. Sonika Khattar FTDO

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

Case No.1. M/s. Dupont India Pvt Limited Madurai
F.No. 01/60/162/245/AM12/EFGC(PRC)
PRC Meeting No. 15/AM13 dated: 24.07.2012
Subject:- Request for revalidation of advance authorization No. 3510026686 dt. 21/5/2009.

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.2. M/s. Himadri Chemicals & Industries Limited Kolkata
F.No. 01/60/162/259/AM12/EFGC(PRC)
PRC Meeting No. 15/AM13 dated: 24.07.2012
Subject:- Request for EOP extension of advance authorizations Nos.
(1) 0210124356 dt. 16.3.2009
(2) 0210124478 dt.18.3.2009
(3) 0210124481 dt.18.3.2009
(4) 0210124485 dt18.3.2009
(5) 0210132162 dt. 6.10.2009.

The Committee noted that the firm have made less than 50% exports under advance authorization at sl. no.1 and 4 and nil exports under advance authorizations no. 2,3 and 5 during the valid EOP and, therefore, decided to reject the case on account of low/no exports made both quantity and value wise in the valid EOP.

Case No.3. M/s. Apsara silks Bangalore
F.No. 01/60/162/258/AM13/EFGC(PRC)
PRC Meeting No. 15/AM13 dated: 24.07.2012
Subject:- Request for EOP extension of advance authorization No. 0710079163 dt. 16.5.2011.

The Committee considered the aforesaid request and decided to extend the EOP against the aforesaid advance authorization for 3 months from the date of endorsement or upto 30.11.2012 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 Para 4.1.6 of FTP and make necessary endorsements regarding value addition of minimum 15% or as stipulated in the authorization whichever is higher.

Case No.4. M/s. Apsara silks Bangalore
F.No. 01/60/162/257/AM13/EFGC(PRC)
PRC Meeting No. 15/AM13 dated: 24.07.2012
Subject:- Request for EOP extension of advance authorization No. 0710079164 dt. 16.5.2011.

The Committee considered the aforesaid request and decided to extend the EOP against the aforesaid advance authorization for 3 months from the date of endorsement or upto 30.11.2012 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 Para 4.1.6 of FTP and make necessary endorsements regarding value addition of minimum 15% or as stipulated in the authorization whichever is higher.

Case No.5. M/s. Paras Laminators Pvt Limited New Delhi
F.No. 01/60/162/247/AM13/EFGC(PRC)
PRC Meeting No. 15/AM13 dated: 24.07.2012
Subject:- Request for EOP extension of Annual Advance authorization No. 0510163303 dt. 29.7.2005.

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 cases may be finalized as per the provisions of the FTP.

Case No.6. M/s. Saru Silver Alloy Pvt Limited Meerut
F.No. 01/60/162/260/AM13/EFGC(PRC)
PRC Meeting No. 15/AM13 dated: 24.07.2012
Subject:- Request for revalidation of advance authorization No 0510245910 dt. 15.7.2009.

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.7. M/s. Cadila Healthcare Limited Hyderabad
F.No. 01/60/162/269/AM13/EFGC(PRC)
PRC Meeting No. 15/AM13 dated: 24.07.2012
Subject:- Request for EOP extension/clubbing of 3 advance authorization Nos. (1) 0810074055 dt. 19.8.2008 (2) 0810081455 dt. 15/7/2009 & (3) 0810084861 dt. 14.12.2009 issued under PC-9.

The committee noted the request and decided to club the advance authorizations at sl. no. 2 and 3 only for the purpose of regularization. RA may grant necessary extension in EO required with the stipulated composition fee for clubbing and regularization not exceeding 12 months from the date of first import in Advance Authorisation No. 0810081455 dt. 15/7/2009 and not exceeding 18 months in Advance Authorisation no. 0810084861 dt. 14.12.2009 from the date of first import. The Committee rejected the request for clubbing of advance authorisation no. 0810074055 dt. 19.8.2008 with other 2 advance authorization . RA is also directed to examine the case in terms of Para 4.1.6 of FTP 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. 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 12/18 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.8. M/s. Cadila Healthcare Limited Hyderabad
F.No. 01/60/162/268/AM13/EFGC(PRC)
PRC Meeting No. 15/AM13 dated: 24.07.2012
Subject:- Request for EOP extension/clubbing of 3 advance authorization Nos. (1) 0810072178 dt. 29.5.2008 (2) 0810084865 dt. 14/12/2009 & (3) 0810089627 dt. 11.06.2010 issued under PC-9.

The committee noted the request and decided to club the advance authorizations at sl. no. 2 and 3 for the purpose of regularization. RA may grant necessary extension in EO required with the stipulated composition fee for clubbing and regularization not exceeding 18 months from the date of first import. The Committee rejected the request for clubbing of advance authorisation no. 0810072178 dt. 29.5.2008 with other 2 advance authorization . RA is also directed to examine the case in terms of Para 4.1.6 of FTP 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. 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 12/18 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.9. M/s. Medreich Limited Bangalore
F.No. 01/60/162/226/AM13/EFGC(PRC)
PRC Meeting No. 15/AM13 dated: 24.07.2012
Subject:- Request for EOP extension of advance authorization No. 0710067614 dt. 16.10.2009.

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 Para 4.1.6 of FTP 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.10. M/s. Medreich Limited Bangalore
F.No. 01/60/162/225/AM13/EFGC(PRC)
PRC Meeting No. 15/AM13 dated: 24.07.2012
Subject:- Request for EOP extension of advance authorization No. 0710068000 dt. 04.11.2009.

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 Para 4.1.6 of FTP 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.11. M/s. Tida Riceland (P) Limited Gurgaon
F.No. 01/94/180/107/AM-13/PC-4)
PRC Meeting No. 15/AM13 dated: 24.07.2012
Subject:- Request permission for Re-export of packing material imported against Annual Advance authorization No. 0510266778 dt. 23.6.2010.

The committee considered the request and decided to re-examine the case in light of inputs to be sought from Export Cell and then place before PRC.

Case No.12. M/s. Marvel Industries Nasik
F.No. 01/60/162/169/AM12/EFGC(PRC)
PRC Meeting No. 15/AM13 dated: 24.07.2012
Subject:- Waiver from composition fee imposed in clubbing of 3 advance authorization no.s 0310272989 dt. 4.6.2004, 0310380182 dt. 12.05.2006 and 0310406248 dt. 1.11.2006.

The Committee noted the request of the firm and decided to reject as without revalidation, clubbing cannot be permitted as per the then policy provisions.

Case No.13. M/s. Unimax Chemicals (P) Limited Mumbai
F.No. 01/94/180/848/AM-09/PC-4 (PRC)
PRC Meeting No. 15/AM13 dated: 24.07.2012
Subject:- Request for clubbing and redemption of F.No. 03/89/40/53/AM08 & 03/89/40/54/AM08.

Deferred for obtaining complete details from the firm.

Case No.14. M/s. Uttam Galva Steels Limited Mumbai
F.No. 01/60/162/774/AM13/EFGC(PRC)
PRC Meeting No. 15/AM13 dated: 24.07.2012
Subject:- Request for amendment in input from Cold Rolled Galvanised Alloy Steel Coils to Hot Rolled Steels against AA No. 0310426798 dt. 16.4.2007.

The Committee after due deliberations rejected the case on the ground that licence is no longer valid.

Case No.15. M/s. Reliance Industries Mumbai
F.No. 01/60/162/768/AM12/EFGC(PRC)
PRC Meeting No. 15/AM13 dated: 24.07.2012
Subject:- Revalidation of (19) DEPB for six months in view of order of Cochin Customs regarding refund of excess duty.

Deferred

Case No.16. M/s. Ruchi Infrastructure Limited, New Delhi
F.No. 01/94/180/130/AM13/PC-4(B)/EFGC(PRC)
PRC Meeting No. 15/AM13 dated: 24.07.2012
Subject:- Revalidation of 4 DEPB authorizations in view of the order of the AC (customs) Kakinada for re-credit of Rs. 11,19,294/-

Deferred.

Case No.17. M/s. SAS International Mumbai
F.No. 01/60/162/22/AM12/EFGC(PRC)
PRC Meeting No. 15/AM13 dated: 24.07.2012
Subject:- Request for clubbing and redemption of 12 advance authorizations.

1. 0410047446 dt. 10.10.2003
2. 0410055407 dt. 30.03.2004
3. 0410057627 dt. 28.05.2004
4. 0410058194 dt. 11.06.2004
5. 0410061498 dt. 20.08.2004
6. 0410064700 dt. 02.12.2004
7. 0410073785 dt. 24.08.2005
8. 0410077713 dt. 06.01.2006
9. 041008 1333 dt. 16.05.2006
10. 0410085109 dt. 25.10.2006
11. 0410091714 dt. 22.10.2007
12. 0410093812 dt. 12.02.2008

The Committee considered the representation of the firm and noted that authorization nos. 1 -7 have been issued in continuity with a distinct overlap in the validity period and same is the case with authorizations at sl. no. 8-12 and therefore, decided to club advance authorization nos. at sr. no. 1-7 (Block 1) and advance authorization nos. at sr. no. 8-12 separately (Block 2) 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 Para 4.1.6 of FTP 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 the above authorizations has not been initiated.

Case No.18. M/s. M.G.S. Govindharaajulu Chettiar & Sons karur
F.No. 01/60/162/242/AM10/EFGC(PRC)
PRC Meeting No. 15/AM13 dated: 24.07.2012
Subject:- Request for EOP extension of advance authorization No. 3210032869 dt. 23.6.2006.

The committee did not find any merits in the request and rejected the same reiterating the earlier decision of PRC meeting held on 24.04.2012.

Case No.19. M/s. Skipper Limited Kolkata
F.No. 01/60/162/263/AM13/EFGC(PRC)
PRC Meeting No. 15/AM13 dated: 24.07.2012
Subject:- Request for EOP extension of advance authorization No. 0210126023 dt. 30.4.2009.

Deferred

Case No.20. M/s. Ambootia Tea Exports Pvt Limited
F.No. 01/94/180/470/AM12/PC-IV
PRC Meeting No. 15/AM13 dated: 24.07.2012
Subject:- Request for counting EO period from the date of each consignment for discharge of export obligation in respect of Advance authorization No. 0210121780 dt. 2.1.2009.

The Committee noted that the policy to consider export obligation period with respect to each consignment had been introduced only in Public Notice 31 dt. 14.2.2011. In the instant case, the firm was granted the authorization in 2009. The committee noted that relaxation of the amended policy retrospectively for past cases was not possible. The committee also noted that there were no grounds of genuine hardship cited by the firm warranting relaxation. The committee therefore rejected the request.

Case No.21. M/s. Man Industries India Limited
F.No. 01/94/180/95/AM13/PC-4/ EFGC(PRC)
PRC Meeting No. 15/AM13 dated: 24.07.2012
Subject:- Request for accepting shipping bill dated 2.2.2011 towards discharge of export obligation within the valid EOP i.e. 13.12.2010. (2) Redemption of AA without realization of export proceed w.r.t. one SB dated 30.3.2008 which is 1 % of the total FOB value Advance authorization No. 0310453941 dt. 13.12.2007.

Deferred.

Case No.22. M/s. TVS Motors Co. Limited Chennai
F.No. 01/53/8/102/AM11/T-7/IC`
PRC Meeting No. 15/AM13 dated: 24.07.2012
Subject:- Request for change of category from “Passenger” to Private”

The Committee noted that M/s. TVS Motors Co. Limited Chennai was granted import licence for import of Aircraft for Private Use with actual user condition on the recommendation of DGCA. The Committee also noted that DGCA vide their letter dated 05.06.2012 has given no objection for using aircraft in ‘passenger’ category in place of private category. In view of the aforesaid recommendations PRC decided to allow the request of the applicant firm in relaxation of actual user condition from Private use to Passenger category.