MINUTES OF THE POLICY RELAXATION COMMITTEE (PRC) MEETING NO. 21/AM12 HELD ON 06.09.2011 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. Gupta Addl. DG
3. Shri N.P.S. Monga Addl. DG
4. Dr. L.B.S. Singhal Jt. DGFT
5. Dr. Rajiv Arora Jt. DGFT
6. Shri A.K. Singh Jt. DGFT
7. Smt. Subhra Jt. DGFT
8. Smt. Vibha Bhalla Jt. DGFT
9. Shri A. Mishra Stats Advisor
10. Shri D.C. Sharma Stats Advisor
11. Shri A.K. Cashyap Dy. DGFT
12. Smt. Sonika Khattar FTDO

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

Case No.01 M/s Welset Plast Extrusions Pvt. Ltd. Mumbai
F.No. 01/60/162/234/AM12/EFGC(PRC)
PRC Meeting No. 21/AM12 dated: 06.09.2011
Subject:- Request for EOP extension of advance Authorization no. 0310446615 dt. 16.10.2007

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.02 M/s Ratnaveer Stainless Products Pvt. Ltd. Vadodara
F.No. 01/60/162/416/AM12/EFGC(PRC)
PRC Meeting No. 21/AM12 dated: 06.09.2011
Subject:- Request for clubbing of 2 advance authorization no. 3410015378 dt. 3.2.2006 and 3410015266 dt. 18.1.2006 for the purpose of regularization/ redemption

The Committee considered the request of the firm and decided to allow clubbing of the above 2 advance authorizations for the purpose of regularization. RA may revalidate the concerned advance authorizations subject to payment of composition fee @1% of the unutilized CIF value of the authorization and also subject to verification of EO fulfilment status as claimed by the firm by RA. Extension in EO required for clubbing and regularization of authorizations where there is shortfall will be done by imposing a composition fee @5% per year as already decided in the PRC meeting held on 6.1.2010. 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 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.03 M/s Ravin Cable Mumbai
F.No. 01/60/162/361/AM12/EFGC(PRC)
PRC Meeting No. 21/AM12 dated: 06.09.2011
Subject:- Request for clubbing of 3 authorizations no. 0310441488 dt. 31.8.2007, 0310446655 dt. 16.10.2007 and 0310546893 dt. 23.11.2009.

The committee noted that the firm's case was rejected for revalidation of advance authorization no. 0310441488 dt. 31.8.2007 and 0310446655 dt. 16.10.2007 earlier. The committee in this regard noted that the FTP provisions for clubbing of authorizations were for the purpose of covering the shortfall in EO of an authorization with another authorization which was valid for import. In the instant case , the firm's intent of clubbing for the purpose of regularizing the excess imports after the request was rejected for revalidation. The committee also noted that the third authorization is still valid for exports and the firm need to operate the same for completion of exports obligation. The committee therefore rejected the request for clubbing.

Case No.04 M/s. Man Structure Ltd. Jaipur
F.No. 01/60/162/333/AM12/EFGC(PRC)
PRC Meeting No. 21/AM12 dated: 06.09.2011
Subject:- Request for Revalidation of DFIA No. 1310026670 dt. 7.8.2008

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

Case No.05 M/s MSD Organon India Ltd. Mumbai
F.No. 01/60/162/320/AM12/EFGC(PRC)
PRC Meeting No. 21/AM12 dated: 06.09.2011
Subject:- Request for clubbing of two advance authorization no. 0210089056 dt. 5.5.2006 and 0210100542 dt. 4.5.2007.

The Committee considered the request of the firm and decided to allow clubbing of above 2 advance authorizations for the purpose of regularization. RA may revalidate the concerned advance authorizations subject to payment of composition fee @1% of the unutilized CIF value of the authorization and also subject to verification of EO fulfilment status as claimed by the firm by RA. Extension in EO required for clubbing and regularization of authorizations where there is shortfall will be done by imposing a composition fee @5% per year as already decided in the PRC meeting held on 6.1.2010. 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 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.06 M/s SAS international, Chennail
F.No. 01/60/162/53/AM12/EFGC(PRC)
PRC Meeting No. 21/AM12 dated: 06.09.2011
Subject:- Request for clubbing of 7 advance authorizations no.

i) 0410055408 dt. 30.3.2004
ii) 0410055409 dt. 30.3.2004
iii) 0410067692 dt. 24.2.2005
iv) 0410067961 dt. 24.2.2005
v) 0410081335 dt. 16.5.2006
vi) 0410061537 dt. 24.8.2004
vii) 0410100127 dt. 20.11.2008

The Committee considered the request of the firm and decided to allow clubbing of above advance authorizations at sr. no. i) to vi) for the purpose of regularization. The advance authorization no. 0410100127 dated 20.11.2008 was not considered for clubbing as the same was not issued in continuity with a distinct overlap in the validity period of the earliest authorizations. RA may revalidate the concerned advance authorizations subject to payment of composition fee @1% of the unutilized CIF value of the authorization and also subject to verification of EO fulfilment status as claimed by the firm by RA. Extension in EO required for clubbing and regularization of authorizations where there is shortfall will be done by imposing a composition fee @5% per year as already decided in the PRC meeting held on 6.1.2010. 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 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.07 M/s Thiru Arooran sugars Ltd.
F.No. 01/60/162/258/AM12/EFGC(PRC)
PRC Meeting No. 21/AM12 dated: 06.09.2011
Subject:- Request for EOP extension of 4 Advance authorizations

i) 410056557 dt. 20.4.2004
ii) 410062206 dt. 21.9.2004
iii) 410071726 dt. 24.6.2005
iv) 410073690 dt. 23.8.2005

The committee noted that the authorization for exports of sugar under Advance Authorization is subject to the release order issued by Directorate of Sugar, Deptt. of Food, Ministry of Food and Consumer Affairs. The committee noted that for the said commodity the periodic releases by the Directorate of Sugar were required to be adhered to. There are no grounds of genuine hardship warranting policy relaxation In view of the above facts, the committee rejected the request of the firm.

Case No.08 M/s Hindustan Platinum Pvt. Ltd. Mumbai
F.No. 01/60/162/326/AM12/EFGC(PRC)
PRC Meeting No. 21/AM12 dated: 06.09.2011
Subject:- Reduction in value addition for advance authorization no. 0310512312 dt. 19.3.2009 and 0310522675 dt. 4.6.2009.

The committee deliberated and noted that items of import was a precious metal although the case was not covered under the Gem/ Jewellery scheme, wherein low value addition had been prescribed, it was felt that insisting a value addition of 15% will be too harsh while revalidating. It was decided that the above two authorizations may be revalidated with value addition of 5%. It was also agreed to obtaine a composition fee of 0.25% instead of 1% of the unutilized CIF value of the authorization. However, no further revalidation beyond the one provided by RA will be granted.

Case No.09 M/s. Shree Ambica Sugar Ltd. Chennai
F.No 01/60/162/260/AM12/EFGC(PRC)
PRC Meeting No. 21/AM12 dated: 06.09.2011
Subject- Request for EOP extension of advance authorizations

i) 410055405 dt. 30.3.2004
ii) 410057783 dt. 1.6.2004
iii) 410062208 dt. 21.9.2004
iv) 410072809 dt. 29.7.2005
v) 410073789 dt. 23.8.2005
vi) 410074469 dt. 14.9.2005

The committee noted that the authorization for exports of sugar under Advance Authorization is subject to the release order issued by Directorate of Sugar, Deptt. of Food, Ministry of Food and Consumer Affairs. The committee noted that for the said commodity the periodic releases by the Directorate of Sugar were required to be adhered to. There are no grounds of genuine hardship warranting policy relaxation In view of the above facts, the committee rejected the request of the firm.

Case No.10 M/s. Arun Trading Co. Kolkata
F.No 01/94/180/Misc/AM12/EFGC(PRC)
PRC Meeting No. 21/AM12 dated: 06.09.2011
Subject- Request for revalidation of DFIA No. 0210125350 dt. 8.4.2009.

The Committee noted the request of the firm and decided to reject as the reasons cited are only commercial risk and do not establish genuine hardship warranting policy relaxation.

Case No.11 M/s. Dabur India Ltd. Ghaziabad
F.No 01/60/162/1030/AM1!/EFGC(PRC)
PRC Meeting No. 21/AM12 dated: 06.09.2011
Subject- Request for revalidation of Advance authorization no. 0510211405 dt. 1.11.2007.

The Committee noted the request of the firm and decided to reject as the reasons cited are only commercial risk and do not establish genuine hardship warranting policy relaxation.

Case No.12 M/s Phillips Carbon Black Kolkata
F.No 01/60/162/1736/AM11/EFGC(PRC)
PRC Meeting No. 21/AM12 dated: 06.09.2011
Subject- Request for EOP extension of Advance authorization no. 0210096426 dt. 18.12.2006 and 0210096432 dt. 18.12.2006.

The Committee noted that the firm had obtained conversion of their shipping bills from advance authorization scheme to DEPB but have now again decided to have the benefit of the scheme only under advance authorization. The committee decided that the firm may have the shipping bill converted to a scheme of their choice by Customs but no EOP extension/revalidation of authorization will now be permitted and the authorizations need to be regularized in accordance with the FTP provisions.

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Case No.13 M/s JSW Steel Ltd., Mumbai
F.No 01/60/162/269/AM12/EFGC(PRC)
PRC Meeting No. 21/AM12 dated: 06.09.2011
Subject- Request for revalidation of advance authorization no. 0310477108 dt. 2.7.2008.

The committee noted that even though the matter regarding conversion of shipping bills from DEPB category to DFIA was under consideration of CESTAT, there was no bar on the firm to undertake imports against the aforesaid authorization. The committee did not find any justified reason for policy relaxation and therefore rejected the request.

Case No.14 M/s Resonance Sepciality Chemicals Pvt. Ltd.,
F.No 01/60/162/269/AM12/EFGC(PRC)
PRC Meeting No. 21/AM12 dated: 06.09.2011

Subject- Request for EOP extension of Advance Authorisation NO. 0210112481 dt. 15.5.2008

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.15 M/s. Primex Plastic Pvt. Ltd.
F.No 01/60/162/1907/AM11/EFGC(PRC)
PRC Meeting No. 21/AM12 dated: 06.09.2011
Subject- Request for clubbing of 2 advance authorization no. 0710049930 dated 02.02.2007 and 0710048381 dated 13.11.2006 for the purpose of regularization/ redemption

The Committee considered the request of the firm and decided to allow clubbing of the above 2 advance authorizations for the purpose of regularization. RA may revalidate the concerned advance authorizations subject to payment of composition fee @1% of the unutilized CIF value of the authorization and also subject to verification of EO fulfilment status as claimed by the firm by RA. Extension in EO required for clubbing and regularization of authorizations where there is shortfall will be done by imposing a composition fee @5% per year as already decided in the PRC meeting held on 6.1.2010. 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 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.16 M/s. Kitex Garments Ltd. Kochi
F.No 01/60/162/287/AM12/EFGC(PRC)
PRC Meeting No. 21/AM12 dated: 06.09.2011
Subject- Request for EOP extension of Advance Authorization No. 1010029686 dated 3.6.2008

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.17 M/s. Vishnu Chmicals Ltd. Hyd.
F.No:- 01/60/162/397/AM12/EFGC(PRC)
PRC Meeting No. 21/AM12 dated: 06.09.2011
Subject- Request for revalidation of advance authorization no. 2610007483 dated 16.10.2008.
The Committee noted the request of the firm and decided to reject as the reasons cited are only commercial risk and do not establish genuine hardship warranting policy relaxation.

Case No.18 M/s. Victory Apparels (India) Ltd
.F.No:- 01/60/162/425/AM12/EFGC(PRC)
PRC Meeting No. 21/AM12 dated: 06.09.2011
Subject- Request for EOP extension of Advance Authorization No. 0410087351 dated 6.2.2007.

The Committee noted that the 36 months of valid EOP was over in Feb, 2010. The firm thereafter did not approach DGFT for quite a long period. The Committee rejected the request of the firm in view of the fact that the authorization is quite old and considerable time has elapsed since the valid EO was over.

Case No.19 M/s. Areva T&D India Ltd. Allahabad
.F.No:- 01/60/162/398/AM12/EFGC(PRC)
PRC Meeting No. 21/AM12 dated: 06.09.2011
Subject- Request for revalidation of Advance Authorization No. 0610014130 dated 3.9.2008

The Committee noted the request of the firm and decided to reject as the reasons cited are only commercial risk and do not establish genuine hardship warranting policy relaxation.

Case No.20 M/s. Adcock Ingram Ltd, Bangalore
.F.No:- 01/60/162/424/AM12/EFGC(PRC)
PRC Meeting No. 21/AM12 dated: 06.09.2011
Subject- Request for EOP extension of advance authorization No.0710059510 dated 2.9.2008 issued under Policy Circular No.9 dated 30.06.2003

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.21 M/s. CRI Ltd. Kolkata
.F.No:- 01/60/162/426/AM12/EFGC(PRC)
PRC Meeting No. 21/AM12 dated: 06.09.2011

Subject- Request for EOP extension of Advance Authorization No. 0210106579 dated 28.11.2007

The Committee noted that the 36 months of valid EOP was over in November, 2010. The firm thereafter did not approach DGFT for quite a long period. The Committee rejected the request of the firm in view of the fact that the authorization is quite old and considerable time has elapsed since the valid EO was over.

Case No.22 M/s. Victory Apparels (India) Ltd.
.F.No:- 01/60/162/417/AM12/EFGC(PRC)
PRC Meeting No. 21/AM12 dated: 06.09.2011
Subject- Request for EOP extension of Advance Authorization No. 0410087343 dated 6.2.2007

The Committee noted that the 36 months of valid EOP was over in Feb, 2010. The firm thereafter did not approach DGFT for quite a long period. The Committee rejected the request of the firm in view of the fact that the authorization is quite old and considerable time has elapsed since the valid EO was over.

Case No.23 M/s. Victory Apparels (India) Ltd.
.F.No:- 01/60/162/418/AM12/EFGC(PRC)
PRC Meeting No. 21/AM12 dated: 06.09.2011
Subject- Request for EOP extension of Advance Authorization No. 0410087347 dated 6.2.2007

The Committee noted that the 36 months of valid EOP was over in Feb, 2010. The firm thereafter did not approach DGFT for quite a long period. The Committee rejected the request of the firm in view of the fact that the authorization is quite old and considerable time has elapsed since the valid EO was over.

Case No.24 M/s. Columbia Petro Chem Pvt. Ltd. Mumbai
.F.No:- 01/60/162/427/AM12/EFGC(PRC)
PRC Meeting No. 21/AM12 dated: 06.09.2011
Subject- Request for revalidation of Advance Authorization No. 0310496936 dated 18.12.2008

The Committee noted the request of the firm and decided to reject as the reasons cited are only commercial risk and do not establish genuine hardship warranting policy relaxation.

Case No.25 M/s. Lupin Ltd. Mumbai
.F.No:- 01/60/162/287/AM12/EFGC(PRC)
PRC Meeting No. 21/AM12 dated: 06.09.2011
Subject- Request for EOP extension of Advance Authorization No. 0310563952 dated 10.3.2010

The Committee decided to extend EOP against the aforesaid advance authorization for 8 days i.e. upto 8.4.2011 from the date of expiry of export validity period 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.26 M/s. Ravin Cables Ltd. Mumbai
.F.No:- 01/60/162/287/AM12/EFGC(PRC)
PRC Meeting No. 21/AM12 dated: 06.09.2011
Subject- Request for clubbing of 2 advance authorizations no. 0310454330 dt. 17.12.2007 and 0310454337 dt. 17.12.2007.

The Committee considered the request of the firm and decided to allow clubbing of the above 2 advance authorizations for the purpose of regularization. RA may revalidate the concerned advance authorizations subject to payment of composition fee @1% of the unutilized CIF value of the authorization and also subject to verification of EO fulfilment status as claimed by the firm by RA. Extension in EO required for clubbing and regularization of authorizations where there is shortfall will be done by imposing a composition fee @5% per year as already decided in the PRC meeting held on 6.1.2010. 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 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.27 M/s. Siera Silk Mills Pvt. Ltd. Bangalore
.F.No:- 01/60/162/342/AM12/EFGC(PRC)
PRC Meeting No. 21/AM12 dated: 06.09.2011
Subject- Request for revalidation of DFIA no. no. 0710057196 dt. 29.4.2008

The Committee noted the request of the firm and decided to reject as the reasons cited are only commercial risk and do not establish genuine hardship warranting policy relaxation.

Case No.28 M/s. Mohan Breweries and Distilleries Ltd, Chennai
.F.No:- 01/60/162/186/AM12/EFGC(PRC)
PRC Meeting No. 21/AM12 dated: 06.09.2011
Subject- Request for EOP Extension No. 1) 410063219 dated 19.10.2004,
(2) 410064468 dated 25.11.2004, 3) 410069650 dated 15.04.2005, 4) 410069654 dated 15.04.2005, 5) 410071130 dated 03.06.2005, 6) 410072260 dated 13.07.2005

The committee noted that the authorization for exports of sugar under Advance Authorization is subject to the release order issued by Directorate of Sugar, Deptt. of Food, Ministry of Food and Consumer Affairs. The committee noted that for the said commodity the periodic releases by the Directorate of Sugar were required to be adhered to. There are no grounds of genuine hardship warranting policy relaxation In view of the above facts, the committee rejected the request of the firm.

Case No.29 M/s. Vinyroyal Plasticoates Ltd.
.F.No:- 01/60/162/336/AM12/EFGC(PRC)
PRC Meeting No. 21/AM12 dated: 06.09.2011
Subject- Request for EOP extension of advance authorization no. 0310419172 dt. 9.2.2007.

The Committee decided to grant extension for 6 months beyond the permitted 36 months for the purpose of regularization and closure only, 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.30 M/s. Jaysynths dyechem Ltd.
.F.No:- 01/60/162/322/AM12/EFGC(PRC)
PRC Meeting No. 21/AM12 dated: 06.09.2011
Subject- Request for EODC & removal of name from DEL in respect of advance authorization no. 03203932 dt. 27.11.1996.

The Committee noted that the High Court order submitted by the firm does not confer any specific benefit regarding shortfall in export obligation. It was further noted that no BIFR package order has been granted. The committee therefore did not agree to the request of the firm.

Case No.31 M/s. Fueltech INC Jaipur
.F.No:- 01/60/162/351/AM12/EFGC(PRC)
PRC Meeting No. 21/AM12 dated: 06.09.2011
Subject- Non acceptance of shipping bills towards discharge of export obligation in respect of advance authorization no. 1310020471 dt. 15.12.2005.

The committee noted that the firm has requested for redemption on the basis of free shipping bills submitted by them to RA. The committee decided that the said shipments can only be considered for redemptions if Customs endorses the same under the DEEC scheme with relevant details which could establish that exports have been made towards the discharge of EO of the advance authorization in question.