

Minutes of the Policy Relaxation Committee

Meeting no. 26/AM14 held on 22.10.2013 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 D.K. Singh	Addl. DGFT
2.	Shri V.K. Srivastava	Addl. DGFT
3.	Shri L.B. Singhal	Addl. DGFT
4.	Shri K.C. Rout	Addl. DGFT
5.	Shri Jaikant Singh	Addl. DGFT
6.	Shri S.K. Samal	Jt. DGFT
7.	Shri A.K. Srivastava	Jt. DGFT
8.	Shri Jay Karan Singh	Jt. DGFT
9.	Shri Hardeep Singh	Jt. DGFT
10.	Shri Akash Taneja	Jt. DGFT
11.	Shri S.K. Mohapatra	DDG
12.	Smt. Sonika Khattar	FTDO

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

Case No.1. M/s Shri Lakshmi Defence Solutions Ltd, Kanpur.

F.No. 01/60/162/592/AM14/EFGC (PRC)

PRC Meeting No. 26/AM14 dated 22.10.2013

Subject: - Request for EOP extension of Advance Authorization no. 0610018929 dated 30.08.2010.

The Committee decided the following:

- I. Export obligation period is extended upto 31.12.2013 or 2 months from the date of endorsement 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%, in proportion to imports made, within original obligation period.

- IV. The applicant is advised to submit the authorization for endorsement to RA as early as possible. They are further advised to start discharging their stipulated balance export obligation on the basis of these minutes without waiting for the endorsement is done on the Authorization.

(Action: Kanpur/ applicant)

Case No.2. M/s Futuristic Packaging Pvt. Ltd, Ahmedabad.

F.No. 01/60/162/584/AM14/EFGC (PRC)

PRC Meeting No. 26/AM14 dated 22.10.2013

Subject: - Request for EOP extension of Advance Authorization no. 0810092340 dated 21.09.2010.

The Committee decided the following:

- I. Export obligation period is extended upto 30.04.2014 or 6 months from the date of endorsement 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%, in proportion to imports made, within original obligation period.
- IV. The applicant is advised to submit the authorization for endorsement to RA as early as possible. They are further advised to start discharging their stipulated balance export obligation on the basis of these minutes without waiting for the endorsement is done on the Authorization.

(Action: Ahmedabad/ applicant)

Case No.3. M/s Zenith Birla (India) Ltd, Thane.

F.No. 01/60/162/597/AM14/EFGC (PRC)

PRC Meeting No. 26/AM14 dated 22.10.2013

Subject: - Request for EOP extension for 3 months from the date of issue of the earlier authorization and clubbing of 5 Advance Authorizations no. 0310417759 dated 31.01.2007, 0310417752 dated 31.01.2007, 0310418328 dated 05.02.2007, 0310489181 dated 06.10.2008 and 0310489186 dated 06.10.2001

The committee observed that the date of last export in authorizations at sr. no. 1,2, 4 and 5 is before the date of issuance of the authorizations. Hence the matter is deferred for seeking the details of the export made against each authorization from the date of generation of file number for authorizations.

(Action : Applicant)

Case No.4. M/s Gadre Marine Exports Pvt. Ltd, Ratnagiri.

F.No. 01/60/162/580/AM14/EFGC (PRC)

PRC Meeting No. 26/AM14 dated 22.10.2013

Subject: - Request for EOP extension of Advance Authorization no. 0310556121 dated 20.01.2010 for regularization purpose.

Deferred for obtaining the inputs from Norms Committee regarding the norms applied by the applicant and the norms approved by the NC.

(Action : Norms Committee- VI)

Case No.5. M/s United Poly Engineering Pvt. Ltd, New Delhi.

F.No. 01/60/162/579/AM14/EFGC (PRC)

PRC Meeting No. 26/AM14 dated 22.10.2013

Subject: - Request for EOP extension of duplicate Advance Authorization No. 0510269304 dated 29.07.2010 issued in lieu of Advance Authorization No. 0510241272 dated 13.05.2009.

The committee noted that no considerable exports, which form merit of the case, have been made by the firm within the original validity. The authorization is 4 years old hence no logic and justification to allow EOP extension beyond 48 months as EO period has been reduced from 36 months to 18 months w.e.f. 5.6.2012. Hence the request is rejected. The applicant is 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.6. M/s United Phosphorus Ltd, Mumbai.

F.No. 01/60/162/586/AM14/EFGC (PRC)

PRC Meeting No. 26/AM14 dated 22.10.2013

Subject: - Request for EOP extension of Advance Authorization no. 0310434240 dated 27.06.2007 for regularization purpose.

The Committee decided the following:

- I. Export obligation period is extended upto 31.08.2010.
- 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. Export made beyond 31.08.2010 months shall not be accounted for.
- V. Shortfall, if any, shall be regularized in terms of Para 4.28 of HBP.

(Action : RA Mumbai)

Case No.7. M/s Vardhman Exports, Mumbai.

F.No. 01/60/162/588/AM14/EFGC (PRC)

PRC Meeting No. 26/AM14 dated 22.10.2013

Subject: - Request for approval of two shipping bills for regularization and redemption for EODC of Advance Authorization No. 0310271651 dated 28.05.2004

The committee noted that this is PC-9 case and one extension in EOP of 6 months had already been granted by RA. Hence the request of further extension is rejected. However exports made beyond extended validity may be regularized in terms of Para 4.28 of HBP. PC-18 condition stands waived on such export to the extent of requirement of destruction/re-export condition.

Case No.8. M/s Astec Lifesciences Ltd, Mumbai.

F.No. 01/60/162/560/AM14/EFGC (PRC)

PRC Meeting No. 26/AM14 dated 22.10.2013

Subject: - Request for EOP extension of Advance Authorization no. 0310132573 dated 09.04.2002.

The committee noted that the authorization is obtained on 9.4.2002 and EOP was valid upto 30.4.2004. The fire accident took place on 31.5.2004 i.e. after obligation period was over. The applicant did not come forward along with proposal to discharge their balance export obligation during last 11 years. The committee therefore did not accede to the request. However the applicant is advised to get their case regularized in terms of PN 22 dt. 12.8.2013

(Action : RA Mumbai. If the party fails to get the case regularised in terms of Para 4.28 of HBP or PN 22 dt. 12.8.2013 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.9. M/s Astec Lifesciences Ltd, Mumbai.

F.No. 01/60/162/559/AM14/EFGC (PRC)

PRC Meeting No. 26/AM14 dated 22.10.2013

Subject: - Request for EOP extension of Advance Authorization no. 0310193029 dated 04.04.2003.

The committee noted that the authorization is obtained on 4.4.2003 and EOP was valid upto 30.4.2005. Though, the fire accident took place on 31.5.2004, but he applicant did not come forward along with proposal to discharge their balance export obligation during last 10 years. The committee therefore did not accede to the request. However the applicant is advised to get their case regularized in terms of PN 22 dt. 12.8.2013

(Action : RA Mumbai. If the party fails to get the case regularised in terms of Para 4.28 of HBP or PN 22 dt. 12.8.2013 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.10. M/s Astec Lifesciences Ltd, Mumbai.

F.No. 01/60/162/573/AM14/EFGC (PRC)

PRC Meeting No. 26/AM14 dated 22.10.2013

Subject: - Request for EOP extension of Advance Authorization no. 0310193093 dated 04.04.2003.

The committee noted that the authorization is obtained on 4.4.2003 and EOP was valid upto 30.4.2005. Though, the fire accident took place on 31.5.2004, but the applicant did not come forward along with proposal to discharge their balance export obligation during last 10 years. The committee therefore did not accede to the request. However the applicant is advised to get their case regularized in terms of PN 22 dt. 12.8.2013

(Action : RA Mumbai. If the party fails to get the case regularised in terms of Para 4.28 of HBP or PN 22 dt. 12.8.2013 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.11. M/s Astec Lifesciences Ltd, Mumbai.

F.No. 01/60/162/561/AM14/EFGC (PRC)

PRC Meeting No. 26/AM14 dated 22.10.2013

Subject: - Request for EOP extension of Advance Authorization no. 0310158036 dated 12.09.2002.

The committee noted that the authorization is obtained on 12.9.2002 and EOP was valid upto 30.9.2004. Though, the fire accident took place on 31.5.2004, but the applicant did not come forward along with proposal to discharge their balance export obligation during last 11 years. The committee therefore did not accede to the request. However the applicant is advised to get their case regularized in terms of PN 22 dt. 12.8.2013

(Action : RA Mumbai. If the party fails to get the case regularised in terms of Para 4.28 of HBP or PN 22 dt. 12.8.2013 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.12. M/s Prima Plastics Limited, Mumbai.

F.No. 01/60/162/593/AM14/EFGC (PRC)

PRC Meeting No. 26/AM14 dated 22.10.2013

Subject: - Request for revalidation and EOP extension of Advance Authorization No. 0310590122 dated 30.08.2010.

The Committee decided the following:

- I. The request for revalidation is rejected.
- II. Export obligation period is, however, extended upto 30.4.2014 or 6 months from the date of endorsement whichever is earlier.
- III. 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.
- IV. This is further subject to verification by RA that EO as claimed to have been fulfilled is more than 50%, in proportion to import made, within original obligation period.

- V. The applicant is advised to submit the authorization for endorsement to RA as early as possible. They are further advised to start discharging their stipulated balance export obligation on the basis of these minutes without waiting for the endorsement is done on the Authorization.
- VI. It is further advised that EOP extension in this case is not required if export obligation in proportion to imports made have already been completed within valid obligation period.

(Action: Mumbai/ applicant)

Case No.13. M/s Dutron Plastics Ltd, Ahmedabad.

F.No. 01/60/162/562/AM14/EFGC (PRC)

PRC Meeting No. 26/AM14 dated 22.10.2013

Subject: - Request for revalidation of Advance Authorization No. 0810094920 dated 24.12.2010.

The committee did not agree with the reasons and justification given by the applicant. Hence, the request is rejected.

Case No.14. M/s Clariant Chemicals (India), Mumbai.

F.No. 01/60/162/587/AM14/EFGC (PRC)

PRC Meeting No. 26/AM14 dated 22.10.2013

Subject: - Request for revalidation and enhancement of Advance Authorization No. 0310602482 dated 23.11.2010.

The committee did not agree with the reasons and justification given by the applicant. Hence, the request is rejected.

Case No.15. M/s Indian Toners & Developers Ltd, Rampur.

F.No. 01/60/162/585/AM14/EFGC (PRC)

PRC Meeting No. 26/AM14 dated 22.10.2013

Subject: - Request for revalidation of Advance Authorization No. 0510289040 dated 28.04.2011.

The committee did not agree with the reasons and justification given by the applicant. Hence, the request is rejected.

Case No.16. M/s Wacker Metroark Chemicals Pvt. Ltd, Parganas, West Bengal.

F.No. 01/60/162/598/AM14/EFGC (PRC)

PRC Meeting No. 26/AM14 dated 22.10.2013

Subject: - Request for clubbing of 3 Advance Authorization Nos. 0210130322 dated 12.08.2009, 0210138588 dated 26.02.2010 & 0210164976 dated 30.08.2011.

The Committee decided the following:

- I. Clubbing of the 3 advance authorizations as referred above is allowed.
- II. This is only for regularization and closure purpose and not for any further exports/imports. However, exports which are affected within 48 months of earliest authorization shall only be taken into account for clubbing purpose.
- III. Exports made within 48 months from the date of first authorization is allowed for clubbing subject to payment of composition fee @ 0.5% on FOB value of export made beyond the stipulated EOP. RA is directed to examine the case in terms of Para 4.1.6 of FTP and ensure value addition of minimum 15%. 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. Even after clubbing, shortfall if any may be regularised on payment of Customs Duty + Interest in terms of Para 4.28 of H.B.P.

(Action: RA, Kolkata)

Case No.17. M/s Zenith Birla (India) Ltd, Thane.

F.No. 01/60/162/596/AM14/EFGC (PRC)

PRC Meeting No. 26/AM14 dated 22.10.2013

Subject: - Request for EOP extension for 10 months from the date of issue of the earlier Authorization and clubbing of the 3 Advance Authorization Nos. 0310445101 dated 04.10.2007, 0310499915 dated 24.12.2008 & 0310555705 dated 18.01.2010.

The Committee decided the following:

- I. Clubbing of the 3 advance authorizations as referred above is allowed.
- II. This is only for regularization and closure purpose and not for any further exports/imports. However, exports which are affected within 48 months of earliest authorization shall only be taken into account for clubbing purpose.
- III. Exports made within 48 months from the date of first authorization is allowed for clubbing subject to payment of composition fee @ 0.5% on FOB value of export made beyond the stipulated EOP. RA is directed to examine the case in terms of Para 4.1.6 of FTP and ensure value addition of minimum 15%. 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. Even after clubbing, shortfall if any may be regularised on payment of Customs Duty + Interest in terms of Para 4.28 of H.B.P.

(Action: RA, Mumbai)

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