Minutes of the Policy Relaxation Committee

Meeting No. 32/AM14 held on 10.12.2013 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 KC. 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 AkashTaneja Jt. DGFT
10. Shri Hardeep Singh Jt. DGFT
11. Shri S.K. Mohapatra Dy. DGFT

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

Case No.1. M/s. Lupin Ltd. Mumbai
F.No. 01/60/162/650/AM14/EFGC (PRC)
PRC Meeting No. 32/AM14 dated 10.12.2013
Subject: - EOP extension of Advance Authorization No. 0310575276 dated 20.5.2010 for regularization.

The Committee decided as following:

I. Export obligation period is extended upto 30.9.2013.

II. This is only for regularization of exports already effected 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.

(**Action : RA Mumbai**)

Case No.2. M/s Ajanta Pharma Ltd. Mumbai
F.No. 01/60/162/304/AM10/EFGC (PRC)
PRC Meeting No. 32/AM14 dated 10.12.2013
Subject: - Clubbing of 4 Advance Authorization No. 0310205441 dated 02.06.2003, 0310205693 dated 03.06.2003, 0310288651 dated 27.08.2004, 0310297558 dated 19.10.2004.

Withdrawn for examination on file.

Case No.3. M/s Vivimed Labs. Ltd. Hyderabad
F.No. 01/60/162/309/AM14/EFGC (PRC)
PRC Meeting No. 32/AM14 dated 10.12.2013
Subject: - Clubbing of two Advance Authorizations No. 0910037789 dated 28.04.2009 and 0910051746 dated 14.03.2012.

The Committee decided the following:

I. Clubbing of the 2 advance authorizations as referred above is allowed.
II. This is only for regularization of exports already effected and closure purpose and not for any further exports/imports.
III. Exports made within 48 months from the date of earliest authorization i.e. upto 30.04.2013 is allowed for clubbing subject to payment of composition fee @ 0.5% on FOB value of export made beyond the stipulated EOP in the earliest authorization. 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 or may avail the benefit of Public Notice no. 22 dt. 12.8.2013.

(**Action: RA, Hyderabad)**

Case No.4. M/s Saint-Gobain Glass India Ltd
F.No. 01/60/162/383/AM14/EFGC (PRC)
PRC Meeting No. 32/AM14 dated 10.12.2013

Subject: - Request for reconsideration to treat Invalidation as ARO for the purpose of claim of Deemed Drawback benefits as no double benefit has been obtained, in relaxation of policy against Advance Authorization No. 0410084413 dated 21.09.2006.

The committee noted its earlier decision taken in the case No. 5 in the PRC meeting no. 19/AM14 dt. 3.9.2013 on the basis of fresh justification and submissions made by the applicant. However, the committee did not agree to accede to the request.

Case No.5. M/s Saint-Gobain Glass India Ltd
F.No. 01/60/162/384/AM14/EFGC (PRC)
PRC Meeting No. 32/AM14 dated 10.12.2013
Subject: - Request for reconsideration to treat Invalidation as ARO for the purpose of claim of Deemed Drawback benefits as no double benefit has been obtained, in relaxation of policy against Advance Authorization No. 0410084466 dated 25.09.2006.

The committee noted its earlier decision taken in the case No. 4 in the PRC meeting no. 19/AM14 dt. 3.9.2013 on the basis of fresh justification and submissions made by the applicant. However, the committee did not agree to accede to the request.

Case No.6. M/s LRC Specialty Chemicals Pvt. Ltd. Thane
F.No. 01/60/162/713/AM14/EFGC (PRC)
PRC Meeting No. 32/AM14 dated 10.12.2013
Subject: - Revalidation of Advance Authorization No. 0310623660 dated 28.3.2011.

The Committee noted the request of the firm and did not agree to consider the request on the ground that EOP still valid under the authorization. Authorization’s validity for import is not co-terminus with export obligation period. Hence this could not be ground and justification for relaxation.

Case No.7. M/s Motiba Silicone Pvt. Ltd. Mumbai
F.No. 01/60/162/712/AM14/EFGC (PRC)
PRC Meeting No. 32/AM14 dated 10.12.2013
Subject: - Revalidation of Advance Authorization No. 0310614173 dated 3.2.2011.

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.8. M/s Coromandel International Ltd. Ankleshwar

F.No. 01/60/162/711/AM14/EFGC (PRC)
PRC Meeting No. 32/AM14 dated 10.12.2013
Subject: - Revalidation/ enhancement of Advance Authorization No. 0910045160 dated 17.1.2011.

The justification and submissions made in support of their request could not convince the committee. Hence the committee did not accede to the request.

Case No.9. M/s. Ess Aar Universal Pvt. Ltd. Noida
F.No. 01/60/162/697/AM14/EFGC (PRC)
PRC Meeting No. 32/AM14 dated 10.12.2013
Subject: - Revalidation of DEPB No. 0510273696 dated 27.9.2010.

The committee noted that TRA was issued on 18.1.2011 and the said DEPB scrip was remain valid upto 26.9.2012. The applicant's contention that they could not utilize the scrip as no much imports were made by them. This is not convincing justification because DEPB is transferable instrument. Hence the committee did not accede to the request.

Case No.10. M/s. Vedanta Aluminium Ltd. Jharsuguda
F.No. 01/60/162/450/AM14/EFGC (PRC)
PRC Meeting No. 32/AM14 dated 10.12.2013
Subject: - Issuance of DEPB on Post export basis in respect of two S/bill No. 1919241 dated 4.12.2010 and 1614909 dated 1.10.2010.

The committee observed that since the problem is of transmission of data and there is no issue of Policy relaxation, therefore the case may be referred to EDI Section for necessary action.

(**Action : EDI Section**)

Case No.11. M/s STP Ltd. Kolkata.
F.No. 01/60/162/704/AM14/EFGC (PRC)
PRC Meeting No. 32/AM14 dated 10.12.2013
Subject: - Request for non-compliance of stipulated procedure of Advance Authorization – regularization of Advance Authorization No. 0210112524 dated 15.5.2008 issued against ARO.

The committee noted that the applicant has obtained Advance Authorization for intermediate supplies against ARO which is incorrect in terms of clarification issued vide Policy Circular no. 9 dt. 1.10.2009. In terms of Para 8.2 of FTP, supply of goods to AA/AAAR/DFIA holder are eligible for AA/AAAR/DFIA under Para 8.3 of FTP. However, Para 8.4 of FTP say that supply against ARO shall be eligible for TED refund and duty drawback on inputs. However, since in the instant case, export obligation has been fulfilled by supplying goods to ultimate authorization holder and no other benefit have been availed. The following decisions were taken:

I. The ARO shall be treated as invalidation letter.
II. Supply of goods made to AA holder shall be taken into account towards discharge of export obligation against AA in question.
III. This is subject to confirmation from RA's of supplies as well as recipient of goods that no refund of TED and duty drawback have been availed.
IV. The applicant shall submit an affidavit cum indemnity bond that neither he nor recipient have obtained any other deemed exports benefit/ shall not obtain in future any benefit against the supplies. He shall be responsible for any demurrage/ loss to the exchequer and refund the same within 30 days on demand.

(Action : RA, Kolkata)

Case No.12. M/s. Swan Silk (P) Ltd.
F.No. 01/61/180/46/AM14/PC3 (pt)
PRC Meeting No. 32/AM14 dated 10.12.2013
Subject: - Revalidation of SHIS scrip No. 0710078853 dated 29.04.2011.

The justification and submissions made in support of their request could not convince to the committee. Hence the committee did not accede to the request.

Case No.13. M/s. Krishna Exports India, Amritsar
F.No. 01/94/180/391/AM13/PC-4(B)
PRC Meeting No. 32/AM14 dated 10.12.2013
Subject: - Request for allowing of DEPB authorization no. 1210007466 dt. 18.1.2011 and 1210007563 dt. 7.4.2011 for exporting two consignments in 2005, held up due to technical reason.

The committee noted that in terms of Para 4.40.1 of HBP, DEPB shall be issued with single port of registration, which will be the port from where exports have been effected. However, the applicant applied for exports made from different ports and RA concerned in advertently issued DEPB scrip which could not be utilized. Subsequently RA has issued two separate DEPBs after cancelling earlier one. However, the same could not utilize yet due to technical problem. The exports made during 2005 under manual s/bills, hence online transmission and EDI port registration is not possible. The committee therefore decided to revalidate two DEPB dt. 18.1.2011 and 7.4.2011 for further period of 6 months from the date of endorsement or upto 30.6.2014 whichever is earlier. The customs authority may allow manual registration of said DEPBs for imports.

Case No.14. M/s. Goel Exim, Morena (MP)
F.No. 01/53/8/64/AM12/G-8/IC

PRC Meeting No. 32/AM14 dated 10.12.2013
Subject: - Grant of import Authorization to Shri Goel Exim for import of 100 Ton lead Battery scrap.

The committee noted that import of lead Battery scrap is allowed with "Actual User" condition. The "Actual User" condition is a fundamental condition to the FTP. Such conditions can not be relaxed under Para 2.5 of FTP.

Case No.15. M/s Softgel Healthcare Pvt. Ltd. Chennai
F.No. 01/60/162/693/AM14/EFGC (PRC)
PRC Meeting No. 32/AM14 dated 10.12.2013
Subject: - Request for EOP of Advance Authorization No. 0410118692 dated 8.11.2010.

The Committee decided the following:

I. Export obligation period is extended upto 30.6.2014
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 import made, within original export 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: RA Chennai/ applicant**)

Case No.16. M/s Softgel Healthcare Pvt. Ltd. Chennai
F.No. 01/60/162/709/AM14/EFGC (PRC)
PRC Meeting No. 32/AM14 dated 10.12.2013
Subject: - Request for EOP of Advance Authorization No. 0410118914 dated 16.11.2010.

The Committee decided the following:

I. Export obligation period is extended upto 30.6.2014.

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 import made, within original export 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: RA Chennai/ applicant**)

Case No.17. M/s Stellar Chemical Laboratories Pvt. Ltd, Mumbai.
F.No. 01/60/162/707/AM14/EFGC (PRC)
PRC Meeting No. 32/AM14 dated 10.12.2013
Subject: - EOP extension of Advance Authorization No. 0310588439 dated 19.08.2010.

The Committee decided the following:

I. Export obligation period is extended upto 30.6.2014.
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 import made, within original export 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: RA Mumbai/ applicant**)

Case No.18. M/s. Ajanta Pharma
F.No. 01/94/180/707/AM09/EFGC (PRC)

PRC Meeting No. 32/AM14 dated 10.12.2013
Subject: - Request for 1) EOP extension of Advance Authorization No.0310262053 dated 31.03.2004 and 2) EOP Extension of 3 Advance Authorizations No. 0310282451 dt. 22.7.2004, 0310238072 dt. 24.11.2003 and 0310265351 dt. 23.04.2004 issued under PC-9 condition .

Withdrawn for examination on file.

Case No.19. M/s Abdos Polymers Ltd. Ghaziabad
F.No. 01/60/162/716/AM14/EFGC (PRC)
PRC Meeting No. 32/AM14 dated 10.12.2013
Subject: - Revalidation of Advance Authorization No. 0510290827 dated 16.5.2011.

The justification and submissions made in support of their contention could not convince to the committee. Hence the committee did not accede to the request.

Case No.20. M/s Sanya Plastics Mumbai
F.No. 01/60/162/715/AM14/EFGC (PRC)
PRC Meeting No. 32/AM14 dated 10.12.2013
Subject: - Revalidation of Advance Authorization No. 0310587564 dated 13.8.2010.

The justification and submissions made in support of their contention could not convince to the committee. Hence the committee did not accede to the request.

Case No.21. M/s LRC Speciality Chemicals Pvt. Ltd. Thane
F.No. 01/60/162/714/AM14/EFGC (PRC)
PRC Meeting No. 32/AM14 dated 10.12.2013
Subject: - Revalidation of Advance Authorization No. 0310620591 dated 10.3.2011.

The justification and submissions made in support of their contention could not convince the committee. Hence the committee did not accede to the request.

Case No.22. M/s Ram Ratna International Mumbai

F.No. 01/60/162/717/AM14/EFGC (PRC)
PRC Meeting No. 32/AM14 dated 10.12.2013
Subject: - Revalidation of Advance Authorization No. 0310523473 dated 10.6.2009.

The justification and submissions made in support of their contention could not convince to the committee. Hence the committee did not accede to the request.

Case No.23. M/s Desiccant Rotors Pvt Ltd., Gurgaon
F.No. 01/60/162/1143/AM12/EFGC (PRC)
PRC Meeting No. 32/AM14 dated 10.12.2013
Subject: - Clubbing of 5 AAs
1. 0510059637 dated 24.05.2002
2. 0510083321 dated 21.03.2003
3. 0510098038 dated 04.08.2003
4. 0510154696 dated 31.03.2005
5. 0510250584 dated 09.10.2009.

The justification and submissions made in support of their request to review the decision of PRC meeting no. 44/AM12 dt. 13.3.2013 could not convince to the committee. Hence the committee did not accede to the request.

(**Action: RA CLA, New Delhi-** If the party fails to get the case regularized in terms of Para 4.28 of HBP or PN- 22 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 submit an Action Taken Report).

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

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