Minutes of the Policy Relaxation Committee

Meeting no. 33/AM14 held on 17.12.2013 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. Rusan Pharma Ltd. Mumbai
F.No. 01/60/162/719/AM14/EFGC (PRC)
PRC Meeting No. 33/AM14 dated 17.12.2013
Subject: - EOP extension of Advance Authorization No. 0310704777 dated 10.8.2012 issued under PC-9 condition.

The Committee decided as following:

I. Export obligation period is extended from 12 months to 18 months in **continuation** from the date of first import consignment i.e. upto 31.03.2014.
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. The applicant is advised to submit the licence for endorsement to RA as early as possible.
IV. They are further advised to start discharging their stipulated balance export obligation on the basis of this minutes without waiting for the endorsement done on the Authorization by RA.

(**Action: RA, Mumbai)**

Case No.2. M/s Medreich Ltd. Bangalore
F.No. 01/60/162/708/AM14/EFGC (PRC)
PRC Meeting No. 33/AM14 dated 17.12.2013
Subject: - EOP extension of Advance Authorization No. 0710089423 dated 03.07.2012.

The Committee decided as following:

I. Export obligation period is extended from 12 months to 18 months from the date of each import consignment i.e. upto 31.03.2014.
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. The applicant is advised to submit the licence for endorsement to RA as early as possible.
IV. They are further advised to start discharging their stipulated balance export obligation on the basis of this minutes without waiting for the endorsement done on the Authorization by RA.

(**Action: RA, Bangalore)**

Case No.3. M/s Ranbaxy Lab. Ltd.
F.No. 01/60/162/522/AM14/EFGC (PRC)
PRC Meeting No. 33/AM14 dated 17.12.2013
Subject: - EOP extension of Advance Authorization No. 0510277294 dated 18.11.2010.

The Committee decided the following:

I. Export obligation period is extended for 6 months beyond 30.11.2013 i.e. upto 31.5.2014.
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: CLA, New Delhi/ applicant**)

Case No.4. M/s Khanna Paper Mills Ltd.
F.No. 01/60/162/537/AM14/EFGC (PRC)
PRC Meeting No. 33/AM14 dated 17.12.2013
Subject: - Request for Review of decision taken in PRC M/No. 24/AM14 dated 08.10.2013 for EOP extension of Advance Authorization No. 1210005938 dated 23.9.2008.

The committee noted the ground and justification given by the firm in support of their request to review earlier decision of PRC. The Committee noted that even if the same had been considered in PRC M/No. 24/AM14 dated 08.10.2013, the decision would have been the same as the authorization is 4 years old. Hence there is 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 or avail the benefit under PN22 dated 12.8.2013.

(**Action : RA CLA, New Delhi**. If the party fails to get the case regularised in terms of Para 4.28 of HBP or in terms of PN 22 dated 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.5. M/s Supreme Petrochem Ltd, Mumbai.
F.No. 01/60/162/729/AM14/EFGC (PRC)
PRC Meeting No. 33/AM14 dated 17.12.2013
Subject: - Revalidation of Advance Authorization No. 0310617799 dated 24.02.2011.

The Committee noted that due to data transmission error the firm could not utilize the Advance Authorization in question. The problem started after the earlier revalidation and was under follow up in EDI since May, 2013. Therefore, it was decided to revalidate the aforesaid Authorization for 3 months from the date of transmission of amendment no. 5 dated 09.09.2013 to ICEGATE Custom. The EDI Section will ensure that Advance Authorization is transmitted to Custom server at the earliest.

(**Action : EDI/RA, Mumbai**)

Case No.6. M/s Modern Pvt. Ltd.
F.No. 01/60/162/720/AM14/EFGC (PRC)
PRC Meeting No. 33/AM14 dated 17.12.2013
Subject: - Revalidation of Advance Authorization No. 0310572559 dated 3.5.2010.

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.7. M/s DSM India Pvt. Ltd., Pune.
F.No. 01/60/162/706/AM14/EFGC (PRC)
PRC Meeting No. 33/AM14 dated 17.12.2013
Subject: - Revalidation of Advance Authorization no. 3110046763 dt.3.2.2011.

The Committee noted that due to data transmission error the firm could not utilize the Advance Authorization in question. Therefore, it was decided to revalidate the aforesaid Authorization for 3 months from the date of transmission of amendment no. 1 dated 17.06.2013to ICEGATE Custom. The EDI Section will ensure that Advance Authorization is transmitted to Custom server at the earliest.

(**Action : EDI/RA, Pune**)

Case No.8. Noslar International Ltd. New Delhi
F.No. 01/60/162/724/AM14/EFGC (PRC)
PRC Meeting No. 33/AM14 dated 17.12.2013
Subject: - Revalidation of Advance Authorization no. 0510278628 dt.3.12.2010.

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.9. Noslar International Ltd. New Delhi
F.No. 01/60/162/725/AM14/EFGC (PRC)
PRC Meeting No. 33/AM14 dated 17.12.2013
Subject: - Revalidation of Advance Authorization no. 0510264484 dt.18.5.2010.

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.10. Noslar International Ltd. New Delhi
F.No. 01/60/162/726/AM14/EFGC (PRC)

PRC Meeting No. 33/AM14 dated 17.12.2013
Subject: - Revalidation of Advance Authorization no. 0510273667 dt.27.9.2010.

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.11. M/s Merchem Ltd. Cochin.
F.No. 01/60/162/873/AM13/EFGC (PRC)
PRC Meeting No. 33/AM14 dated 17.12.2013
Subject: - Clubbing of two Advance Authorizations No. 1010024071 dt. 02.08.2006 and 1010031172 dt. 07.10.2008.
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 31.8.2010 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.

(**Action: RA, Cochin)**

Case No.12. M/s. Spak Orgochem (India) Pvt. Ltd., Mumbai.
F.No. 01/60/162/727/AM14/EFGC (PRC)
PRC Meeting No. 33/AM14 dated 17.12.2013
Subject: - Request for EOP extension of Advance Authorization no. 031055914 dated 9.2.2010 for regularization purpose.

The Committee decided as following:

I. Export obligation period is extended upto 31.8.2013.
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.13. M/s Medicamen Boitech Ltd. Delhi.
F.No. 01/60/162/730/AM14/EFGC (PRC)
PRC Meeting No. 33/AM14 dated 17.12.2013
Subject: - Request for considering S/bill no. 3000019712 dt. 13.10.2003 towards discharge of export obligation against AA no. 0510095810 dt.10.7.2003 for redemption purpose.

The Committee noted the submission of the applicant that export is made vide shipping bill no. 3000019712 dt. 13.10.2003 under DEPB scheme but no DEPB has been obtained against the said shipment. The Committee, therefore, in order to regularise old pending case decided as under:

I. The above referred DEPB shipping bill shall be taken into account towards discharge of export obligation under AA no. 0510095810 dt.10.7.2003 provided resultant product is same as per the condition of the Authorisation and inputs are accounted for.
II. This is subject to verification and satisfaction of RA that no DEPB or other benefits against the said shipping bill has been obtained.
III. This is further subject to submission of affidavit cum Indemnity bond from the applicant that they have not availed/shall not avail any other benefits against the said shipping bill and in case of any loss/demurrage to the exchequer, they shall pay an amount equal to that along with applicable interest within a months from the date of demand, in case raised by RA.

(**Action: RA, CLA, New Delhi)**

Case No.14. M/s Saraf Impex (P) Ltd. Kolkata
F.No. 01/60/162/718/AM14/EFGC (PRC)
PRC Meeting No. 33/AM14 dated 17.12.2013
Subject: - Revalidation of 3 Target Plus Scrips no. 0210108133 dt. 14.1.2008, 0210108134 dt. 14.1.2008 and 0210108135 dt.14.1.2008 for total credit amount of Rs. 6807733/-.

The Committee noted that above referred duty credit scrip issued under TPS 2004-2009 FTP. There was no Para 3.17.11 in the said FTP. Hence the said scrips could not be accepted towards payment of duty liability for EO default under AA as these provisions were brought under subsequent FTP(2009-14). The Committee therefore did not accede to the request.

Case No.15. M/s Softgel Healthcare Pvt. Ltd. Chennai
F.No. 01/60/162/723/AM14/EFGC (PRC)
PRC Meeting No. 33/AM14 dated 17.12.2013
Subject: - EOP extension of Advance Authorization No. 0410119426 dated 01.12.2010.

The Committee decided the following:

I. Export obligation period is extended upto 30.5.2014
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 Shreeyam Power & Steel Industries Limited, Indore.
F.No. 01/60/162/722/AM14/EFGC (PRC)
PRC Meeting No. 33/AM14 dated 17.12.2013
Subject: - EOP extension of Advance Authorization No. 1110023478 dated 02.11.2010.

Withdrawn. To be processed on file.

Case No.17. M/s Topworth Pipes & Tubes Pvt. Ltd, Mumbai.
F.No. 01/60/162/721/AM14/EFGC (PRC)
PRC Meeting No. 33/AM14 dated 17.12.2013
Subject: - EOP extension of Advance Authorization No. 0310577992 dated 08.06.2010.

The committee noted that no considerable exports, which form merit of the case, have been made by the firm within the original export obligation period, hence the request is rejected. The applicant is hereby directed to get their case regularized in terms of Para 4.28 of HBP, within a month.

(**Action: RA Mumbai-** If the party fails to get the case regularized 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 submit an Action Taken Report).

Case No.18. M/s. KRYFS Power Components Ltd. Mumbai
F.No. 01/94/180/732/AM14/EFGC (PRC)
PRC Meeting No. 33/AM14 dated 17.12.2013
Subject: - Request for EOP extension of Advance Authorization No. 0310517162 dated 24.4.2009

The Committee decided to seek details from the Norms Committee as well as from the applicant. The applicant has to submit chronological events of the case in support of their contention indicating date of re-import and date of NC decision.

(Action: Applicant)

Case No.19. M/s Micro Labs Ltd., Bangalore.
F.No. 01/60/162/734/AM14/EFGC (PRC)
PRC Meeting No. 33/AM14 dated 17.12.2013
Subject: - EOP extension of Advance Authorization No. 0710092287 dated 5.12.2012.

The Committee decided as following:

I. Export obligation period is extended from 12 months to 18 months in **continuation** from the date of first import consignment i.e. upto 31.03.2014.
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. The applicant is advised to submit the licence for endorsement to RA as early as possible.
IV. They are further advised to start discharging their stipulated balance export obligation on the basis of this minutes without waiting for the endorsement done on the Authorization by RA.

(**Action: RA, Bangalore)**

Case No.20. M/s Wadpack Pvt. Ltd. Bangalore
F.No. 01/60/162/735/AM14/EFGC (PRC)
PRC Meeting No. 33/AM14 dated 17.12.2013
Subject: - Request for condoning procedural lapse against AA no. 0710063364 dt.2.3.2009.

The Committee was not satisfied about the corroborating evidence given by the applicant, hence the request was not agreed.

Case No.21. M/s Gold Plus Glass Industry ltd.
F.No. 01/60/162/733/AM14/EFGC (PRC)

PRC Meeting No. 33/AM14 dated 17.12.2013
Subject: - Revalidation of Advance Authorization No. 0510234652 dated 19.1.2009.

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 SGM Paper products Gurgaon
F.No. 01/60/162/736/AM14/EFGC (PRC)
PRC Meeting No. 33/AM14 dated 17.12.2013
Subject: - Revalidation of DFIA No. 0510286117 dated 15.3.2011.

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

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

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