THE POLICY RELAXATION COMMITTEE (PRC) MEETING NO. 04/AM13 HELD ON 01.05.2012 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 N.P.S. Monga — Addl. DG
4. Dr. L.B. Singhal — Jt. DGFT
5. Dr. Rajiv Arora — Jt. DGFT
6. Shri A.K. Singh — Jt. DGFT
7. Shri Jai Kanth — Jt. DGFT
8. Shri.HardeepSingh — Jt. DGFT
9. Shri S.K. Samal — Jt. DGFT
10. Shri D.C. Sharma — Stats Advisor
11. Shri Sanjay Kumar — Dy. DGFT
12. Smt. Sonika Khattar — FTDO

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

Case No.1. M/s. Medreich Limited Bangalore
F.No. 01/60/162/56/AM13/EFGC(PRC)
PRC Meeting No. 04/AM13 dated: 01.05.2012
Subject:- Request for Clubbing of Advance Authorisation No. 0710064495 dt. 04.05.2009 & 0710067496 dt. 09.10.2009.

The committee noted the request and decided to club the above 2 advance authorizations 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. 0710064495 dt. 04.05.2009 and not exceeding 18 months in Advance Authorisation no. 0710067496 dt. 09.10.2009 from the date of first import. 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 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.2. M/s. Medreich Limited Bangalore
F.No. 01/60/162/1214/AM12/EFGC(PRC)
PRC Meeting No. 04/AM13 dated: 01.05.2012
Subject:- Request for clubbing of 3 Advance Licence No. 0710052996 dt. 22.08.2007, 0710053936 dt. 22.10.2007 & 0710056351 dt. 11.03.2008.

The committee noted the request and decided to club the above 3 advance authorizations 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. 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 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 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.3. M/s. Cipla Ltd., Mumbai
F.No. 01/60/162/1182/AM13/EFGC(PRC)
PRC Meeting No. 04/AM13 dated: 01.05.2012
Subject:- Request for clubbing of 6 Advance Licence No. 0310350866 dt. 07.10.2005, 0310502229 dt. 12.01.2009,
0310512350 dt. 19.03.2009,
0310512828 dt. 23.03.2009,
0310528138 dt. 09.07.2009,
0310528648 dt. 13.07.2009,
0310544908 dt. 10.11.2009.

Deferred

Case No.4. M/s. Themis Medicare Limited, Mumbai
F.No. 01/60/162/70/AM13/EFGC(PRC)
PRC Meeting No. 04/AM13 dated: 01.05.2012
Subject:- Request for EOP Extension of Advance Licence No. 0310115439 dt. 21.12.2001.

The Committee noted the request and decided that in the first instance,it may be ascertained from the RA as to why the case of 2001 has still not been finalized. Reasons thereof and details of adjudication, if any, etc. may be informed.

Case No.5. M/s. foods Fats & Fertilisers Ltd., Chennai
F.No. 01/60/162/27/AM13/EFGC(PRC)
PRC Meeting No. 04/AM13 dated: 01.05.2012
Subject:- Request for EOP Extension of Advance Authorization No. 0410088361 dt. 19.03.2007 & 0410088874 dt. 11.04.2007.

Deferred

Case No.6. M/s. Bhandari Foils and Tubes Ltd., Mumbai
F.No. 01/60/162/25/AM13/EFGC(PRC)
PRC Meeting No. 04/AM13 dated: 01.05.2012
Subject:- Request for EOP Extension of Advance Licence No. 0310456435 dt. 03.01.2008.

The Committee considered the request and decided to extend EOP against the aforesaid advance authorization for 6 months from the date of communication, 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 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.7. M/s. Magnolia Martinique Clothing Pvt. Ltd., New Delhi
F.No. 01/60/162/73/AM13/EFGC(PRC)
PRC Meeting No. 04/AM13 dated: 01.05.2012
Subject:- Request for EOP Extension of Advance Licence No. 0510236939 dt. 20
.02.2009.

The Committee noted that the firm have made no exports during the valid EOP and, therefore, decided to reject the case on account of nil exports made both quantity and value wise in the valid EOP.

Case No.8. M/s. Godrej & Boyce Mfg. Co. Ltd., Mumbai
F.No. 01/60/162/71/AM13/EFGC(PRC)
PRC Meeting No. 04/AM13 dated: 01.05.2012
Subject:- Request for EOP extension of Advance Licence No. 0310497146 dt. 10.12.2008.

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.9. M/s. Cipla Ltd., Mumbai
F.No. 01/60/162/31/AM13/EFGC(PRC)`
PRC Meeting No. 04/AM13 dated: 01.05.2012
Subject:- Request for EOP extension of Advance Licence No. 0310365678 dt. 02.02.2006.

The Committee decided to allow EOP extension against the aforesaid advance authorization only upto 21.8.2007 as already done by RA 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 upto 21.8.2007 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. Texmaco Limited, Kolkata
F.No. 01/60/162/530/AM12/EFGC(PRC)
PRC Meeting No. 04/AM13 dated: 01.05.2012
Subject:- Request for revalidation of Advance Licence No. 0210111218 dt. 09.04.2008.

The Committee noted that this case could have been considered by the concerned RA in accordance with the FTP provisions as per para 2.12(V) of HBP Vol-I. RA may take action as per FTP provisions and specific issue for PRC's consideration, if any, be sent to RPC.

Case No.11. M/s. Essar Steel Ltd.
F.No. 01/60/162/461/AM13/EFGC(PRC)
PRC Meeting No. 04/AM13 dated: 01.05.2012
Subject:- Request for Revalidation of Advance Licence No. 3110036539 dt. 22.12.2008.

The Committee noted that there was a delay on account of EDI and therefore, decided to revalidate the aforesaid DEPB for 6 months from the date of communication of the decision of the PRC.

Case No.12. M/s. Eastman International, Ludhiana
F.No. 01/02/11/AM 13/EDI
PRC Meeting No. 04/AM13 dated: 01.05.2012

Subject:- Request for cancellation of the earlier two DFIAs and simultaneously issuing a fresh DFIAs No. 3010080009 dt. 01.11.2012 & 3010080323 dt. 09.11.2011.

The Committee noted that the firm's request is for issuance of a duplicate DFIA in lieu of an existing DFIA which requires port amendment which is not possible in the EDI software. The firm has also requested that after issue of the duplicate authorization, the exports already made on the existing DFIA may be transferred to the new DFIA. The Committee noted that this was not really a case of clubbing but essentially a procedural requirement of addressing the technical problem arising due to inability of the EDI software to amend the port code. The Committee therefore agreed to the request of the firm to issue a duplicate DFIA and transfer the export entitlement from the existing DFIA to the duplicate DFIA.

Case No.13. M/s. Excel Glasses Limited, Kerala
F.No. 01/60/162/72/AM13/EFGC(PRC)
PRC Meeting No. 04/AM13 dated: 01.05.2012
Subject:- Request for EOP extension Advance Licence No. 1010024558 dt. 09.10.2006 & 1010027117 dt. 10.08.2007.

The Committee noted that the authorization no. 1010024558 dt. 09.10.2006 is too old and there is no merit for consideration. It was also noted that the firm has made no exports in authorization no. 1010027117 dt. 10.08.2007. The Committee therefore decided to reject the request and that the case may be finalized as per the provisions of the FTP.

Case No.14. M/s. Medreich Limited, Bangalore
F.No. 01/60/162/13/AM13/EFGC(PRC)
PRC Meeting No. 04/AM13 dated: 01.05.2012
Subject:- Request for clubbing of Advance Licence No. 0710036653 dt. 11.03.2005 & 0710040576 dt. 30.09.2005.

The committee noted the request and decided to club the above 2 advance authorizations 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. 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 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 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.15. M/s. Ratnaveer Stainless Products Private Limited, Vadodara
F.No. 01/60/162/06/AM13/EFGC(PRC)
PRC Meeting No. 04/AM13 dated: 01.05.2012

Subject:- Request for clubbing of two Advance Licence No. 3410016068 dt. 22.05.2006 & 3410025253 dt. 05.10.2009.

The Committee deliberated on the request for clubbing of above two authorizations and it was noted that the authorizations have not been issued in continuity with a distinct overlap in the validity period. As per the recent PN 79 dt. 13.10.2011, only Advance Authorizations issued within 36 months from the date of issue of the earliest authorization can be clubbed. The Committee also noted that no such case where gap is more than 36 months has so far been allowed for clubbing. The Committee therefore did not agree to club the authorizations.

Case No.16. M/s. Vital Health Care Pvt. Ltd., Mumbai
F.No. 01/60/162/49/AM13/EFGC(PRC)
PRC Meeting No. 04/AM13 dated: 01.05.2012
Subject:- Request for EOP extension of Advance Licence No. 0310480175 dt. 25.07.2008.

Deferred to be examined on file.

Case No.17. M/s. Vital Health Care Pvt. Ltd., Mumbai
F.No. 01/60/162/50/AM13/EFGC(PRC)
PRC Meeting No. 04/AM13 dated: 01.05.2012
Subject:- Request for EOP extension of Advance Licence No. 0310496911 dt. 08.12.2008.

Deferred to be examined on file.

Case No.18. M/s. Equinox, New Delhi
F.No. 01/94/180/79/AM06/PC I(PC3)
PRC Meeting No. 04/AM13 dated: 01.05.2012
Subject:- Request for No Objection Certificate for transferring/disposing off of two Cars (Registration Nos. DL9CQ6130 and DL9CQ6131) imported against DFCE Certificate No. 0510100265 dt. 27.08.2003.

The Committee noted the request and agreed to grant NOC for transfer of two cars imported against DFCE Certificate No. 0510100265 dt. 27.08.2003 by the applicant company. RA to take necessary action as per relevant FTP provisions.

Case No.19. M/s. Hindustan Zinc Ltd., Udaipur
F.No. 01/89/180/67/AM-09/PC-2(A)PT.II
PRC Meeting No. 04/AM13 dated: 01.05.2012
Subject: Request for Policy relaxation for import of underground mining equipments.

The Committee noted that the request made by M/s.Hindustan Zinc Limited, Udaipur is to import underground mining equipments for underground mining operations. The Committee considered the request of the firm and granted permission in relaxation of the provisions of para

2(II) (b) (c) (i) (ii) (iii) of Import Licensing Note of Chapter 87 for import of equipments subject to the conditions that the equipments would not ply on the public roads and would be used only on project site.

Case No.20. M/s. Krishnapatnam Port Company Ltd.
F.No. 01/91/180/790/AM12/PC3
PRC Meeting No. 04/AM13 dated: 01.05.2012
Subject: - Request for revalidation of SFIS scrip No. 0310536147 dt. 02.09.2009.

Withdrawn. The Committee decided that the details of days for which the Licence was in the custody of RA, reasons for keeping the licence in custody, whether the licence expired in the custody etc. be verified by PRC Section. After verification, the case be placed before the Committee.

Case No.21. M/s. Medreich Limited, Bangalore
F.No. 01/60/162/78/AM13/EFGC(PRC)
PRC Meeting No. 04/AM13 dated: 01.05.2012
Subject:- Request for EOP extension of Advance Licence No. 0710043609 dt. 09.03.2006.

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.22. M/s. Cipla Limited, Mumbai
F.No. 01/60/162/85/AM13/EFGC(PRC)
PRC Meeting No. 04/AM13 dated: 01.05.2012
Subject:- Request for EOP extension of Advance Licence No. 0310551370 dt. 17.12.2009.

The Committee decided to extend EOP against the aforesaid advance authorization for six months i.e. total 18 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.

Case No.23. M/s. Magnolia Blossom, New Delhi
F.No. 01/60/162/42/AM13/EFGC(PRC)
PRC Meeting No. 04/AM13 dated: 01.05.2012
Subject:- Request for Redemption of Advance Licence No. 0510105620 dt. 15.10.2003.

The Committee agreed that the endorsement of "NO EXPORT INCENTIVE" need not be considered as a barrier to redemption provided the Advance Authorization number has been endorsed on the shipping bill with complete details of the export product, its quality and value.

Case No.24. M/s. Diamond Engineering (Chennai) Pvt. Ltd., Chennai
F.No. 01/60/162/329/AM12/EFGC(PRC)
PRC Meeting No. 04/AM13 dated: 01.05.2012
Subject:- Request for EOP extension Advance Licence No. 0410103310 dt. 25.03.2009.

The Committee noted that the firm have made no exports during the valid EOP and, therefore, decided to reject the case on account of nil exports made both quantity and value wise in the valid EOP.

Case No.25. M/s. Umedica Laboratories Pvt. Ltd., Mumbai
F.No. 01/60/162/96/AM13/EFGC(PRC)
PRC Meeting No. 04/AM13 dated: 01.05.2012
Subject:- Request for EOP of Advance Licence No. 0310573776 dt. 11.05.2010.

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.26. M/s. Wockhardt Limited, Mumbai
F.No. 01/60/162/87/AM13/EFGC(PRC)
PRC Meeting No. 04/AM13 dated: 01.05.2012
Subject:- Request for EOP extension of Advance licence No. 0310585463 dt. 29.07.2010.

The Committee decided to extend EOP against the aforesaid advance authorization for six months i.e. total 18 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.27. M/s. Raj Petro Specialities P. Ltd., Mumbai
F.No. 01/60/162/88/AM13/EFGC(PRC)
PRC Meeting No. 04/AM13 dated: 01.05.2012
Subject:- Request for EODC & Enhancement cum Revalidation of Advance No. 0310538977 dt. 23.09.2009.

The Committee noted the request of the firm to allow revalidation on account of excess exports made by them. The Committee did not agree to the request as the firm could have exported well in time and could undertake the imports within the validity period which is quite reasonable. Alternatively they could have obtained a new authorization for the additional exports. The Committee did not find any genuine hardship for relaxation of the case.

Case No.28. M/s. Raj Petro Specialities P. Ltd., Mumbai
F.No. 01/60/162/57/AM13/EFGC(PRC)
PRC Meeting No. 04/AM13 dated: 01.05.2012
Subject:- Request for Enhancement cum Revalidation of Advance Licence No. 0310512845 dt. 23.03.2009.

The Committee noted the request of the firm to allow revalidation on account of excess exports made by them. The Committee did not agree to the request as the firm could have exported well in time and could undertake the imports within the validity period which is quite reasonable. Alternatively they could have obtained a new authorization for the additional exports. The Committee did not find any genuine hardship for relaxation of the case.

Case No.29. M/s. Famous Art Group of Industries, Saharanpur
F.No. 01/91/180/1328/AM12/PC3
PRC Meeting No. 04/AM13 dated: 01.05.2012
Subject:- Request for relaxation for the grant of Chapter-3 benefit/ incentives under the Foreign Trade Policy.

The Committee noted that the firm has made a request for relaxation for grant of Chapter 3 benefits on time barred shipping bills for the period 2007-08 and 2008-09. The Committee decided to accept the request after imposing a cut of 5% on the entitlement.

****