MINUTES OF THE POLICY RELAXATION COMMITTEE (PRC) MEETING NO. 05/AM12 HELD ON 10.05.2011 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 Amitabh Jain	Addl. DG
2.	Shri V.K. Srivastava	Addl. DG
3.	Shri L.B. Singhal	Jt. DGFT
4.	Shri Rajiv Arora	Jt. DGFT
5.	Shri R.S. Ratna	Jt. DGFT
6.	Shri Hardeep Singh	Jt. DGFT
7.	Shri A.K. Singh	Jt. DGFT
8.	Ms. Vibha Bhalla	Jt. DGFT
9.	Shri A. Mishra	Stats Advisor
10.	Shri D.C. Sharma	Stats Advisor
11.	Smt. Sonika Khattar	FTDO

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

Case No.01 M/s Hindustan Platinum Pvt. Ltd Mumbai
F.No. 01/60/162/1473/AM11/EFGC(PRC)
PRC Meeting No. 05/AM12 dated: 10.05.2011
Subject:- Revalidation and enhancement of CIF value and quantity of advance authorization No. 0310321233 dt. 14.3.2005 as per GRC office memorandum April 2009.

The case was discussed in the committee and it was decided that the details regarding utilization of the authorization in terms of quantity and value of imports within import validity period should be evaluated and it may ascertained whether there would have any use of the authorization by revalidation only in the absence of any enhancement. Reasons for not importing in stipulated time and details of exports made be also checked.

Case No. 2 M/s Swastik Pipes Limited New Delhi
F.No. 01/60/162/605/AM11/EFGC(PRC)
PRC Meeting No. 05/AM12 dated: 10.05.2011
Subject:- Waiver of filling application for EDI generated File No. for Advance authorization in regard to Deemed exports as defined under chapter 8.1- Representation of M/s Swastik Pipes Limited New Delhi

The case was discussed in the committee and it was noted that in absence of no file number/advance authorization number being mentioned on the supplies made to ONGC, no deemed export benefits can be granted.

Case No. 3 M/s Rashmi Metaliks Limited Kolkata
F.No. 01/36/218/144/AM-11/EPCG-I
PRC Meeting No. 05/AM12 dated: 10.05.2011
Subject:- Partial review/elaboration of the decision taken by the PRC on 4.9.2009 in respect of Circular No. 48 dt.19.12.2008

The committee deliberated the matter in detail. It was noted that the request for deemed exports benefits was not eligible in terms of the Policy Circular No. 48 dt. 19.12.2008 and the request was therefore rejected.

Case No. 4 M/s Asian Hotels(North) Limited
F.No. 18/07/AM-12/EPCG-II
PRC Meeting No. 05/AM12 dated: 10.05.2011
Subject:- Condonation of delay submission of papers for issuance of EODC

The committee noted that the firm had submitted the documents regarding fulfillment of export obligation with a delay of 18 days from the stipulated day of 30.6.2008. The committee discussed the case in detail and decided to relax the condition of Policy Circular 7 dt. 7.5.2008 read with clarification dt. 26.9.2008 in the instant case, and condoned the delay.

Case No. 5 M/s. Fourrts India Laboratories Pvt. Ltd. Chennai
F.No. 01/60/162/1995/AM11/EFGC(PRC)
PRC Meeting No. 05/AM12 dated: 10.05.2011
Subject:- Request for EOP extension of two advance authorization no. 0410091397 dt. 8.10.2007 and 0410091393 dt. 8.10.2007

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 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. 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 prescribed EO period may be paid by the firm in accordance with the stipulated policy provisions. RA to check and verify the aspect of raw material utilization carefully and evaluate the duty-saving default and take necessary action as per the policy provisions.

Case No. 6 M/s. Dorf Ketal Chemical India Ltd. Mumbai
F.No. 01/60/162/503/AM10/EFGC(PRC
PRC Meeting No. 05/AM12 dated: 10.05.2011
Subject:- EOP extension for regularization of one shipping bill against advance authorization no. 0310400230 dt. 20.9.2006

The Committee decided to grant extension upto 30.11.2009 i.e. 2 months beyond the permitted 36 months 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. 7 M/s Maruti Suzuki India Ltd. Gurgaon
F.No. 01/89/180/51/AM-09/PC-2(A)
PRC Meeting No. 05/AM12 dated: 10.05.2011
Subject:- Permission to ply two nos. of YP6 fleet vehicle on the public roads (imported under R&D certification) to capture performance data in actual user conditions.

The Committee noted that the request made by M/s. Maruti Suzuki Ltd., is to import two nos. of YP6 fleet vehicle for R&D purposes. The Committee decided to relax the provisions of para 2(II) (f) of Import Licensing Note of Chapter 87 for import of the above vehicle keeping in view the no objection received from the M/o Road Transport & Highways, subject to the following conditions :

(i) M/s. Maruti Suzuki India Limited will get the vehicle registered and pay all the taxes to the concerned State Government/ Union Territory .
(ii) The vehicle will strictly be used for the purpose for which it is imported and will not get engaged in any commercial activities.
(iii) The vehicle will not be sold in anywhere in India to an individual/organization/institution etc.
(iv) The vehicle will follow all the prevalent rules and regulations related to road transport in the country.
(v) The vehicle will be dismantled after R&D test and the concerned RTO will be suitably informed so that the registration could be cancelled.

Case No. 8 M/s M/s. Gland Pharma Ltd. Hyderabad
F.No. 01/94/180/430/AM08/PC-I/PRC
PRC Meeting No. 05/AM12 dated: 10.05.2011
Subject:- EOP Extension of advance authorization 0910019003 dt. 22.6.2004- regularization and prospective extension.

The committee noted that the firm was issued an advance authorization 0910019003 dt. 22.6.2004. The firm had completed all imports in first five months. Thereafter they were advised by RA to surrender the authorization since the norms were not fixed for their export product. The firm surrendered the advance authorization. The approval of the export product was granted by Ministry of Environment & Forest on 30.10.2005. The firm, however, requested for amending their export product on account of non availability of export orders which was done in February 2007 by ALC after the expiry of the authorization. The committee further noted that PRC had earlier rejected the request of the firm for extension of export obligation and revalidation on the ground that the exports made were less than 50% in the valid EOP. The Committee felt that the firm had passed through a phase of uncertainty and that was subjected to a genuine hardship. It was therefore decided to relax the grounds of rejection of low exports in valid EOP as decided by PRC earlier. The Committee decided to grant the following relaxation to the firm:-

i) The committee noted that the firm had completed exports to an extent of 5.36% quantity wise in the valid EOP. The exports made subsequent to the expiry of EOP period till 31.3.2008 may be regularized subject to scrutiny by RA on the basis of the norms as approved by ALC. 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.
ii) It also decided to grant further EOP extension against the aforesaid advance authorization for six 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 export obligation those regularized in (i) above.

iii) Since the case involves both regularization of the past export and also a further extension of 6 months, a total EOP extension of about 5 years from the date of expiry of EOP be provided. 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.

iv) RA should also ensure that duty exemption claimed on imports made by the firm which are not related to the export obligation is duly regularized by way of recovery as per provisions of the policy

Case No. 9 M/s Gland Pharma Ltd. Hyderabad
F.No. 01/60/162/534/AM11/EFGC(PRC)
PRC Meeting No. 05/AM12 dated: 10.05.2011
Subject:- Extension and revalidation of advance authorization 0910019930 dt. 31.8.2004.

The Committee noted the request of the firm and the decision of the PRC taken in the meeting no. 06/AM09 wherein an extension in EOP for 6 months was granted. The Committee also noted that the ALC decision on the amendment of the product was only taken on 8.7.2009 which deprived the firm the benefit of decision of PRC. Therefore the committee decided to grant EOP extension against the aforesaid advance authorization for six 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 export obligation beyond export obligation period (if not paid earlier to RA when PRC has granted EOP extension earlier). 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.

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