THE POLICY RELAXATION COMMITTEE (PRC) MEETING NO. 05/AM13 HELD ON 08.05.2012 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 R.S. Ratna	Jt. DGFT
8.	Shri.Hardeep Singh	Jt. DGFT
9.	Shri. S.K. Samal	Jt. DGFT
10.	Shri Jaikant Singh	Jt. DGFT
11.	Smt. Subhra	Jt. DGFT
12.	Smt. Vibha Bhalla	Jt. DGFT
13.	Shri A. Mishra	Stats Advisor
14.	Shri D.C. Sharma	Stats Advisor
15.	Shri Sanjay Kumar	Dy. DGFT
16.	Smt. Sonika Khattar	FTDO

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

Case No.1-7 M/s. Vital Health Care Pvt Limited Mumbai
F.No. 01/60/162/60,61,63,64,66,67,79/AM13/EFGC(PRC)
PRC Meeting No. 05/AM13 dated: 08.05.2012
Subject:- (i) Request for EOP extension of following advance licence No. issued under PC-9 for regularization

1. 0310421462 dt. 28.2.2007.
2. 0310417501 dt. 25.1.2007
3. 0310496920 dt. 8.12.2008
4. 0310394742 dt. 17.8.2006
5. 0310480168 dt. 25.7.2008

(ii) Request for waiver of policy circular 18 for advance licence No. 0310400858 dt. 22.9.2006 and 0310378844 dt. 4.5.2006 for regularization purpose.

The Committee noted that the firm has imported Arrtmisinin for exporting Atremether under above mentioned 7 PC-9 authorizations. In 5 requests, the firm has sought EOP extension for regularization whereas in other 2 cases, they have stated that this item does not attract the pre-import condition as this is not a drug. In this regard, the firm has also submitted views of DGHS and DCGI. The Committee decided that details may be obtained from RA/Drug Controller and then the facts may be examined on file and the case thereafter be brought before PRC.

Case No.8. M/s. Amoli Organics Pvt Limited Mumbai
F.No. 01/60/162/98/AM13/EFGC(PRC)
PRC Meeting No. 05/AM13 dated: 08.05.2012
Subject:- Request for EOP extension of advance licence No. 0310458644 dt. 22.1.2008 for regularization purpose.

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.9. M/s. Tega Industries Limited Kolkata
F.No. 01/60/162/86/AM13/EFGC(PRC)
PRC Meeting No. 05/AM13 dated: 08.05.2012
Subject:- Request for revalidation of advance licence No. 0210128531 dt. 2.7.2009.

The Committee noted the request of the firm and decided to reject as the reasons cited are only commercial risk and not a genuine hardship warranting relaxation under Para 2.5 of FTP.

Case No.10. M/s. Umedica Laboratories Limited Mumbai
F.No. 01/60/162/95/AM13/EFGC(PRC)
PRC Meeting No. 05/AM13 dated: 08.05.2012

Subject:- Request for EOP extension of advance Licence No. 0310547336 dt. 25.11.2009 issued under PC-9 condition..

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 only and closure and did not agree to grant EOP extension for prospective exports. 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.11. M/s. Umedica Laboratories Limited Mumbai
F.No. 01/60/162/76/AM13/EFGC(PRC)
PRC Meeting No. 05/AM13 dated: 08.05.2012
Subject:- Request for PC-9 for EOP extension of advance Licence No. 0310542503 dt. 26.10.2009.

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 only and closure and not for prospective exports. 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.12. M/s. Maheshwary Ispat Limited Kolkata
F.No. 01/60/162/40/AM13/EFGC(PRC)
PRC Meeting No. 05/AM13 dated: 08.05.2012
Subject:- Request for EOP extension of advance licence No. 0210103072 dated 10.8.2007.

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.13. M/s. Force Motors Pune
F.No. 01/60/162/353/AM10/EFGC(PRC)
PRC Meeting No. 05/AM13 dated: 08.05.2012
Subject:- Request for revalidation of DEPB Nos. 3110027736 dt. 3.1.2007 and 3110028153 dt. 15.2.2007.

The Committee considered the request and noted that the DEPB nos. 3110027736 dt. 03.01.2007 and 3110028153 dt. 15.2.2007 were submitted to Customs Authority for verification and it took time for verification. The Committee therefore, decided to revalidate the DEPB no. 3110027736 dt. 03.01.2007 for 3 months from the date of communication of the decision of the PRC on account of undue delay at the part of

Customs Authority. The Committee also noted that there was no significant delay on the part of Customs Authority in DEPB NO. 3110028153 dt. 15.2.2007 and therefore did not agree for its revalidation.

Case No.14. M/s. Cipla Limited Mumbai
F.No. 01/60/162/90/AM13/EFGC(PRC)
PRC Meeting No. 05/AM13 dated: 08.05.2012
Subject:- Request for clubbing of advance licence No 0310388019 dt. 3.7.2006 & 0310429927 dt. 18.5.2007 issued under PC-9 condition.

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. Cipla Limited Mumbai
F.No. 01/60/162/81/AM13/EFGC(PRC)
PRC Meeting No. 05/AM13 dated: 08.05.2012
Subject:- Request for EOP extension of advance licence No. 0310305300 dt. 6.12.2004 for regularization & redemption purpose.

The Committee decided to allow EOP extension against the aforesaid advance authorization only upto 15.1.2006 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 permissible EOP 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.16. M/s Anwar-Ul-Islam, Ghazibad

F.No. 01/60/162/36/AM13/EFGC(PRC)
PRC Meeting No. 05/AM13 dated: 08.05.2012
Subject:- Request for revalidation of DFIA No. 0510245818 dt. 15.7.2009.

The committee noted that even though the shipping bill was marked as provisional but there was no bar on the firm to undertake imports against the aforesaid authorization. The committee did not find any justified reason warranting relaxation under Para 2.5 of the FTP and therefore rejected the request.

Case No.17. M/s. Parabolic Drug Limited , Chandigarh
F.No. 01/60/162/82/AM13/EFGC(PRC)
PRC Meeting No. 05/AM13 dated: 08.05.2012
Subject:- Request for 7 advance licence issued under PC-9 condition (i) 2210003553 dt. 13.8.2004 (ii) 2210003775 dt. 5.10.2004 (iii) 2210004781 dt. 16.08.2005 (iv) 2210005096 dt. 19.12.2005 (v) 2210005810 dt. 24.07.2006 (vi) 2210006580 dt. 15.03 2007 (vii) 2210006660 dt. 11.4.2007

The committee noted the request and decided to club the above 7 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.18. M/s. Mstico Limited Mumbai
F.No. 01/85/162/00265/AM12/DES-VI
PRC Meeting No. 05/AM13 dated: 08.05.2012
Subject:- Email from shri Sanjya Lunia Jt.DGFT Mumbai.

Withdrawn for separate deliberation outside PRC.

Case No.19. M/s. Tekspace Interior Concepts Pvt Limited Bangalore
F.No. 01/60/162/43/AM13/EFGC(PRC)
PRC Meeting No. 05/AM13 dated: 08.05.2012
Subject:- Request for closure of advance licence No. 0710061113 dt. 17.11.2008.

Deferred for obtaining inputs from PC-IV as the same is being dealt as policy issue.

Case No.20. M/s. Nicomet Industries Mumbai
F.No. 01/60/162/138/AM12/EFGC(PRC)
PRC Meeting No. 05/AM13 dated: 08.05.2012
Subject:- Request for EOP extension of advance licence No. 0310407977 dt. 14.11.2006.

The committee noted that the firm has not given any new facts in continuation of its earlier request which was rejected in PRC meeting no. 20/AM12 dt. 29.8.2011. The committee once again noted that the firm had sufficient time to complete exports and that the main reason to non completion of exports was change in the global market scenario for which the firm approached RA quite late. The committee therefore decided to reject the once again and directed RA to regularize the case as per the FTP provisions.

Case No.21. M/s. Abrasive Technology Mumbai
F.No. 01/60/162/843/AM12/EFGC(PRC)
PRC Meeting No. 05/AM13 dated: 08.05.2012
Subject:- Request for revalidation of advance licence No. 0310506469 dt. 10.2.2009.

The committee noted that the firm did not import in the validity period and had decided to import after obtaining EODC for which they did not comply with deficiencies in one go. There was no inordinate delay on the part of RA to grant EODC. The committee did not find any reason warranting policy relaxation under para 2.5 of FTP.

Case No.22. M/s. Styl Rite Optical Industries Mumbai
F.No. 01/60/162/101/AM13/EFGC(PRC)
PRC Meeting No. 05/AM13 dated: 08.05.2012
Subject:- Request for revalidation of advance licence No. 0310529038 dt. 16.7.2009.

The Committee noted the request of the firm and decided to reject as the reasons cited are only commercial risk and not a genuine hardship warranting relaxation under Para 2.5 of FTP.