THE POLICY RELAXATION COMMITTEE (PRC) MEETING NO. 10/AM13 HELD ON 19.06.2012 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.S. Singhal Jt. DGFT

5. Dr. Rajiv Arora Jt. DGFT
6. Shri R.S.Ratna Jt. DGFT
7. Shri A.K. Singh Jt. DGFT
8. Shri. Hardeep Singh Jt. DGFT
9. Shri Jaikant Singh Jt. DGFT
10. Shri Jaikaran Singh Jt. DGFT
11. Shri. M.S. Dhillon Jt. DGFT
12. Smt. Vibha Bhalla Jt. DGFT
13. Shri D.C. Sharma Stats Advisor
14. Shri A. Mishra 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. M/s. Mahindra Reva Electric Vehicle Pvt. Ltd, Bangalore
F.No. 01/60/162/192/AM13/EFGC(PRC)
PRC Meeting No. 10/AM13 dated: 19.06.2012
Subject:- Request for Policy Relaxation for clubbing of Advance Authorization No. 0710038462 dated 13.06.2005 and 0710038753 dated 23.06.2005.

The committee noted that the firm has requested for clubbing of two advance authorizations for export identical of export product in two advance authorizations, one of which is under SION and the other one wherein the import items have been permitted under Para 4.7 of HBP (adhoc norms). Although the authorizations individually carry the export of 100 cars each, the firm has undertaken exports cumulatively to an extent of 100 cars only and have requested for the clubbing of two authorizations. The committee agreed to the request subject to the following condition:-

i) RA should ensure the import items are fully accounted for in the export product based on the norms as provided on both the authorizations separately.
ii) While accounting for the input items, the RA should also correlate the same and , if need be, with the other authorizations of same product granted to the firm.
iii) No further imports and export will be undertaken and directed RA to consider the EO regularization accordingly

Case No.2. M/s. Fersenius Kabi Oncology Limited, New Delhi
F.No. 01/60/162/177/AM13/EFGC(PRC)
PRC Meeting No. 10/AM13 dated: 19.06.2012
Subject:- Request for Relaxation in respect of Para 4.46 of Handbook of Procedures (05/25/051/02791/ and 02884/AM12).

The committee decided that the firm may submit evidence related to shifting of their corporate office as stated by them in their request in the first instance and elaborate on the genuine hardship occurred on account of this for which relaxation is being sought for.

Case No.3. M/s. D.K. Jaganath Silk Twisting Factory, Bangalore
F.No. 01/60/162/114/AM13/EFGC(PRC)
PRC Meeting No. 10/AM13 dated: 19.06.2012
Subject:- Request for EOP Extension of Advance Authorization No. 0710063775 dated 23.03.2009.

The committee noted that the firm has not made any exports on the Advance Authorization No. 0710063775 dated 23.03.2009. The Committee further noted that in this case except for the severe recessionary trends, no other reason has been cited evidencing genuine hardship as to why the imports could not be made during such conditions and no exports could be made. The Committee therefore did not consider the reason as genuine hardship warranting policy relaxation and rejected the case.

Case No.4. M/s. Wockhard Limited, Mumbai
F.No. 01/60/162/142/AM13/EFGC(PRC)
PRC Meeting No. 10/AM13 dated: 19.06.2012
Subject:- Request for EOP Extension of Advance Authorization No. 0310596973 dated 14.10.2010 for regularization purpose issued under PC-9 condition.

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.

Case No.5. M/s. IDMC Limited, Vadodara
F.No. 01/60/162/178/AM13/EFGC(PRC)
PRC Meeting No. 10/AM13 dated: 19.06.2012
Subject:- Request for 2nd Revalidation of Advance Authorization No. 3410024191 dated 18.05.2009.

The committee noted that a detailed report may be obtained from the RA as to when the amendments on the two items were carried out and the number of days taken for the same. RA may also indicate as to whether any error was made on their part while endorsing these items. After receiving the report, the case may be placed before PRC.

Case No.6. M/s. IDMC Limited, Gujrat
F.No. 01/60/162/180/AM13/EFGC(PRC)
PRC Meeting No. 10/AM13 dated: 19.06.2012
Subject:- Request for Revalidation of Advance Authorization No. 3410023519 dated 17.02.2009.

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.7. M/s. G.S. Alloy Castings Ltd, Vijaywada
F.No. 01/60/162/770/AM12/EFGC(PRC)
PRC Meeting No. 10/AM13 dated: 19.06.2012
Subject:- Request for issue of DEPB authorization against time barred shipping bills pertaining 2007.

The committee noted that the shipping bills were again uploaded on the website in 2011 as per the submission made by the firm. The committee decided that reasons of non availability of shipping bill, chronological details and the date on which these shipping bill were uploaded on the DGFT website may be tabulated for PRC to take an appropriate decision.

Case No.8. M/s. Man Industries (I) Ltd, Mumbai
F.No. 01/94/180/21/AM13/PC-4
PRC Meeting No. 10/AM13 dated: 19.06.2012
Subject:- Request regarding export to Iran and problems associated therewith negative VA due to payment controversy and deductions by Iranian buyer against Advance Authorization No. 0310494876 dated 20.11.2008.

The committee decided that the shortfall in EO may be examined only with reference to an attainment of a positive value addition of 1% only. Therefore the shortfall with reference to attainment of 1% positive value addition may be considered in accordance with the FTP provisions for payment of 1% of the shortfall in FOB in value for regularization. The firm may approach RA for further regularization in accordance with FTP provisions as per above guidelines.

Case No.9. M/s. Apollo Tyres, Gurgaon
F.No. 01/60/162/907/AM12/EFGC(PRC)
PRC Meeting No. 10/AM13 dated: 19.06.2012
Subject:- Request for revalidation of Advance Authorization No. 0510240045 dated 21.04.2009 .

The committee decided that the RA may be requested to provide complete details about the case as to when the enhancement and amendment was carried out and number of days taken by RA to do so. The details may be stated in the report and after that the case may be placed before PRC.

Case No.10. M/s. Sukhras Machines Pvt. Ltd, Mumbai
F.No. 01/60/162/709/AM10/EFGC(PRC)
PRC Meeting No. 10/AM13 dated: 19.06.2012
Subject:- Request for EOP Extension of Advance Authorization No. 0310376540 dated 19.03.2006 for regularization purpose.

The Committee decided to grant extension for 12 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 the permissible export obligation period of 36 months. 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.11. M/s. Arch Pharmalabs Limited, Mumbai
F.No. 01/60/162/126/AM13/EFGC(PRC)
PRC Meeting No. 10/AM13 dated: 19.06.2012
Subject:- Request for EOP Extension of Advance Authorization No. 0310271828 dated 01.06.2004.

The Committee rejected the request of the firm as there is no merit for consideration as the authorizations are too old. It was decided that the cases may be finalized as per the provisions of the FTP.

Case No.12. M/s. Kopran Limited, Mumbai
F.No. 01/60/162/187/AM13/EFGC(PRC)
PRC Meeting No. 10/AM13 dated: 19.06.2012
Subject:- Request for EOP Extension & Clubbing of 3 Advance Authorization No. 0310408804 dated 20.11.2006, 0310438246 dated 06.08.2007 & 0310543241 dated 29.10.2009 issued under Policy Circular No.9 for regularization.

The committee rejected the request of the clubbing and decided to extend EOP against the aforesaid advance authorizations individually for six months beyond the permitted EOP i.e. total 12 months from the date of first import in Advance authorization no. 0310408804 dated 20.11.2006 and 0310438246 dated 06.08.2007 and a total 18 months from the date of first import in Advance Authorization no. 0310543241 dated 29.10.2009 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.13. M/s. Ferreterro India (P) Ltd, NOIDA
F.No. 01/60/162/175/AM13/EFGC(PRC)
PRC Meeting No. 10/AM13 dated: 19.06.2012
Subject:- Request for Clubbing of 2 Advance Authorization No. 0510210001 dated 04.10.2007 and 0510311434 dated 16.12.2011.

The Committee noted the request of the firm and decided to reject as the gap between the above two authorizations is substantial and the Committee therefore did not agree to club these authorizations.

Case No.14. M/s. Medreich Limited, Bangalore
F.No. 01/60/162/137/AM13/EFGC(PRC)
PRC Meeting No. 10/AM13 dated: 19.06.2012
Subject:- Request for permission to regularize the Advance Authorization by payment of Customs duty + Interest Advance Authorization No. 0710056518 dated 20.03.2008.

The committee noted that the firm has applied for regularization of Advance Authorization No. 0710056518 dated 20.03.2008 but have not made any exports against this advance authorization. The committee also noted that as per the statement of import/export consolidated data against all the licences obtained by the firm has been provided. No specific details against the aforesaid advance authorization have been given. The committee decided that a detailed report may be sought from RA on the extent of exports made by the firm and also in how much such cases the regularization of the said firm is pending.

Case No.15. M/s. Jay Chemicals, Mumbai
F.No. 01/60/162/308/AM10/EFGC(PRC)
PRC Meeting No. 10/AM13 dated: 19.06.2012
Subject:- Request for clubbing of two Advance Authorization No. 0310384713 dated 14.06.2006 with Advance Authorizations No. 0310366967 dated 14.02.2007.

Withdrawn, to be dealt on file

Case No.16. M/s. Bakul Pharma Private Limited, Mumbai
F.No. 01/60/162/169/AM13/EFGC(PRC)
PRC Meeting No. 10/AM13 dated: 19.06.2012
Subject:- Requested PRC to treat payment of Customs duty for the excess import the Restricted input in the same way as other non restricted inputs to allow to close the license. Advance Authorization No. 0310216870 dated 07.08.2003.

The committee noted that while restricted imports were permitted to be regularized by paying Custom duty and interest to the extent of default in accordance with the FTP provisions. A provision regarding regularization of the default in case of restricted item imported was contained in Para 4.28 (ii) which states that " An amount equivalent to 3% of the CIF value of unutilized imported material through a TR in authorized branch of Central Bank of India indicating the "Head Account : 1453, Foreign Trade and Export Promotion and Minor head 102". Authorization holder shall also be required to obtain a separate authorization for regularization of excess imported input. However, provisions of this sub paragraph shall not be applicable if unutilized imported material was freely importable on the date of import." The committee therefore decided that the case may be regularized as per the provision of this paragraph and that the requirement to obtain the import authorization is relaxed.

Case No.17. M/s. BDH Industries Ltd, Mumbai
F.No. 01/60/162/213/AM12/EFGC(PRC)
PRC Meeting No. 10/AM13 dated: 19.06.2012
Subject:- Waiver from PC-9 condition against import through registered source and EOP extension for regularization of exports of 20% made outside EO under advance authorization no. 0310314154 dated 28.01.2005 issued under PC-9 condition.

The committee decided that the case was earlier rejected in PRC meeting no. 16/AM12 dt. 26.7.2011. The committee noted that in the first instance the comments from the RA may be obtained on representation of the firm and thereafter the case may be placed before PRC.

Case No.18. M/s. Alembic Limited
F.No. 01/94/180/571/AM10/PC-9
PRC Meeting No. 10/AM13 dated: 19.06.2012
Subject:- Request for clubbing of 3 Advance Authorization No. 3410002601 dated 31.08.2001, 3410007255 dated 05.05.2003 & 3410009135 dated 02.12.2003.

The committee decided to allow clubbing of 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. 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. No further imports and export will be undertaken. RA may do clubbing subject to the condition that the adjudication process for the above authorizations has not been initiated.

Case No.19. M/s. Alginates Allied Chemicals Pvt. Ltd, Thane
F.No. 01/60/162/184/AM13/EFGC(PRC)
PRC Meeting No. 10/AM13 dated: 19.06.2012
Subject:- Request for relaxation of Advance Authorization No. 0310123997 dated 11.02.2002 for closure purpose.

The committee noted that in the first instance it may be verified whether any adjudication case has been initiated and a report may be obtained regarding the same from RA.

Case No.20. M/s. Alginates Allied Chemicals Pvt. Ltd, Thane
F.No. 01/60/162/183/AM13/EFGC(PRC)
PRC Meeting No. 10/AM13 dated: 19.06.2012
Subject:- Request for relaxation of Advance Authorization No. 0310008584 dated 09.09.1999 for closure purpose.

The committee noted that in the first instance it may be verified whether any adjudication case has been initiated and a report may be obtained regarding the same from RA.

Case No.21. M/s. Aqua Arena Enterprises, Mumbai
F.No. 01/53/8/441/AM12/A-53/IC
PRC Meeting No. 10/AM13 dated: 19.06.2012
Subject:- Request for Import of Ornamental Live fishes for Stock & Sale purpose.

The Committee noted that no objection certificate has been provided by D/o AHD&F for import of 980,000 Nos. Live Ornamental Fishes for stock and sales. In view of the aforesaid recommendations, PRC agreed to the request of the applicant for grant of import licence for stock and sale purpose.

Case No.22. M/s. Airport Authority of India, New Delhi
F.No. 01/53/8/208/AM09/A-26/IC
PRC Meeting No. 10/AM13 dated: 19.06.2012
Subject:- Request for relaxation of para 2.13 of Handbook of Procedures, Vol.I i.e. grant of revalidation of import licence No. 0550001364 dated 19.01.2009.

The committee considered the request for revalidation of the import licence and noted the reason that delay in import has been caused on account of delayed dispatch by the supplier. The equipment is required for aircraft navigational purpose to be installed at the airport. The committee approved the request for revalidation for further 6 months from the date of communication.

Case No.23. M/s. Asian Exports, Kolkata
F.No. 01/53/8/630/AM12/A-79/IC
PRC Meeting No. 10/AM13 dated: 19.06.2012
Subject:- Request for Import of Ornamental Live fishes for Stock & Sale purpose.

The Committee noted that no objection certificate has been provided by D/o AHD&F for import of 980,000 Nos. Live Ornamental Fishes for stock and sales. In view of the aforesaid recommendations, PRC agreed to the request of the applicant for grant of import licence for stock and sale purpose.

Case No.24. M/s. Apollo International Ltd, Gurgaon
F.No. 01/94/180/94/AM13/PC-4
PRC Meeting No. 10/AM13 dated: 19.06.2012
Subject:- Request to count the export made against application no. (A) 05/21/40/189/AM02 where no authorization has been issued but exports made for fulfillment of EO under Advance Authorization no. 0510029079 dated 13.02.2000 (issued from file no. 05/88/40/383/AM01).

The committee considered the case for clubbing and decided that the clubbing may be carried out for one advance authorization with the application filed (Ecom obtained) but where in which no advance authorization has been issued. It was decided that the clubbing may be undertaken for the purpose of regularization. RA may grant necessary extension in EO required with the stipulated composition fee for clubbing and regularization. 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. No further imports and export will be undertaken. RA may do clubbing subject to the condition that the adjudication process for the above authorizations has not been initiated.

Case No.25. M/s. Vijay Silk House (Bangalore) Ltd, Mumbai
F.No. 01/94/180/364/AM12/PC-4
PRC Meeting No. 10/AM13 dated: 19.06.2012
Subject:- Request for issue of DFRCs against their following four applications filed with RA, Mumbai:-
(i) 03/90/38/01/AM12, (ii) 03/90/38/02/AM12, (iii) 03/90/38/03/AM12 and (iv) 03/90/38/04/AM12.

The committee noted that the firm had made exports under DFRC scheme before 1.5.2006 but the payment was realized only on 17.6.2011 and in accordance with that they could not file their application during the currency of the scheme. The committee noting the peculiar circumstances agreed to decide that RA may issue DFRC as per the terms and conditions of the FTP existing at the time of filing of the application. RA may also check whether delay in realization of export proceeds has been regularized by RBI.