MINUTES OF THE POLICY RELAXATION COMMITTEE (PRC) MEETING NO. 12/AM12 HELD ON 28.06.2011 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 ipresent in the meeting is given below:

1.	Shri Amitabh Jain	Addl. DG
2.	Shri V.K. Gupta	Addl. DG
3.	Shri V.K. Srivastava	Addl. DG
4.	Shri N.P.S. Monga	Addl. DG
5.	Shri L.B. Singhal	Jt. DGFT
6.	Shri Rajiv Arora	Jt. DGFT (PRC)
7.	Shri R.S. Ratna	Jt. DGFT
8.	Ms. Subhra	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 Aero Exports New Delhi
F.No. 01/94/180/43/AM10/PC-4
PRC Meeting No. 12/AM12 dated: 28.06.2011
Subject:- Request for issuance of duplicate advance licence in lieu of lost advance licence no. 0510106936 dt. 28.10.2003.

The Committee noted that there was a delay on the part of Customs in issuing the utilization report and decided to revalidate the aforesaid advance authorization on pro-rata basis for a period of six months from the date of communication of the decision of PRC, subject to payment of composition fee @ 1% of the unutilized CIF value of the authorization and also subject to verification by RA of EO fulfillment status, as claimed by the firm. 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 at the time of revalidation.

Case No.02 M/ s Malladi Drugs & Pharmaceuticals Limited Chennai
F.No. 01/60/162/1755/AM11/EFGC(PRC)
PRC Meeting No. 12/AM12 dated: 28.06.2011
Subject:- Request for revalidation of advance authorization no. 0410091280 dt. 1.10.2007 for clubbing with advance authorization no. 0410085388 dt. 7.11.2006

The Committee considered the request of the firm and decided to allow the clubbing of EO fulfilled upto 200% (quantity wise) only in advance authorization No. 0410091280 dt. 1.10.2007 with advance authorization no. 0410085388 dt. 7.11.2006 for the purpose of regularization. RA may revalidate the concerned advance authorizations subject to payment of composition fee @1% of the unutilized CIF value of the authorization and also subject to verification of EO fulfilment status as claimed by the firm by RA. Extension in EO required for clubbing and regularization of authorizations where there is shortfall will be done by imposing a composition fee @5% per year as already decided in the PRC meeting held on 6.1.2010. 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 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.

Case No.03 M/ s Cipla Limited Mumbai `
F.No. 01/60/162/108/AM12/EFGC(PRC)
PRC Meeting No. 12/AM12 dated: 28.06.2011
Subject:- Request for clubbing of 3 advance authorization No. (i) 0310440964 dt. 27.8.2007 ii) 0310441906 dt. 5.9.2007 iii) 0310448930 dt. 2.11.2007.

The Committee considered the request of the firm and decided to allow to club above 3 advance authorizations for the purpose of regularization. RA may revalidate the concerned advance authorizations subject to payment of composition fee @1% of the unutilized CIF value of the authorization and also subject to verification of EO fulfilment status as claimed by the firm by RA. Extension in EO required for clubbing and regularization of authorizations where there is shortfall will be done by imposing a composition fee @5% per year as already decided in the PRC meeting held on 6.1.2010. 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 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.

Case No.04 M/s Aren Exports
F.No. 01/94/180/57/AM10/PC-4/PRC
PRC Meeting No. 12/AM12 dated: 28.06.2011
Subject:- Request for re-issuance of surrendered advance licence no. 3010050313 dt. 4.1.07 and 30100510223 dt 27.2.2007.

The Committee decided to grant revalidation for a period of six months and five months to advance authorization no. 3010050313 dt. 4.1.07 and advance authorization no. 30100510223 dt 27.2.2007 respectively from the date of communication of the decision of PRC, subject to payment of composition fee @ 1% of the unutilized cif value of the authorization and also subject to verification by RA of EO fulfillment status, as claimed by the firm. 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 at the time of revalidation.

Case No.05 M/s Gili India Limited Mumbai
F.No. 01/94/180/53/AM10/PC-4
PRC Meeting No. 12/AM12 dated: 28.06.2011
Subject:- Request for forwarded by Gem & Jewellery EPC for extension of time for clearance of consignment for re-import after participation in overseas exhibition.

The Committee considered the request and agreed to condone a delay of 22 days for reimporting the parcel from the time-limit of 60 days and granted ex-post fact approval for re-import of G&S consignment with extra 22 days from the date of closing of the exhibition.

Case No.06 M/s Rames Kumar Hanjrimal Rathod Kolhapur
F.No. 01/94/180/57/AM12/PC-4
PRC Meeting No. 12/AM12 dated: 28.06.2011
Subject:- Request for forwarded by GEM & Jewellery EPC for extension of time for clearance of consignment for re-import of Gem & Jewellery after participation in overseas exhibition

The Committee considered the request and agreed to condone a delay of 2 days for reimporting the parcel from the time-limit of 60 days and granted ex-post fact approval for re-import of G&S consignment with extra 2 days from the date of closing of the exhibition.

Case No.07 M/s Hindustan Zinc Limited Udaipur
F.No. 01/89/180/75/AM10/PC-
PRC Meeting No. 12/AM12 dated: 28.06.2011
Subject:- Relaxation with reference to ILN 7 of Ch. 87 of ITC (HS) for import of 04 nos Komatsu 240 T Model 830 E AC" Mining Trucks.

The Committee noted that the request made by M/s.Hindustan Zinc Limited, Udaipur is to import four nos Komatsu 240 T Model 830 E AC" Mining Trucks for underground mining operations. The Committee considered the request of the firm and granted permission in relaxation of the provisions of para 2(II) (a) (b) (i) (ii) (iii) of Import Licensing Note of Chapter 87 for import of three 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.08 M/s Marksons Pharma Ltd., Mumbai
F.No. 01/60/162/1762/AM11/EFGC(PRC)
PRC Meeting No. 12/AM12 dated: 28.06.2011
Subject:- Redemption and clubbing of Advance Authorization Nos.

i. 0310248586 dt. 22.01.2004
ii. 0310261726 dt. 30.03.2004
iii. 0310267645 dt. 10.05.2004
iv. 0310279544 dt. 08.07.2004
v. 0310343609 dt. 19.08.2005
vi. 0310359583 dt. 14.12.2005

The Committee considered the request of the firm and decided to allow the clubbing of EO fulfilled upto 200% (quantity wise) only in advance authorization No. 0310261726 dt. 30.03.2004 with other five advance authorizations as mentioned above for the purpose of regularization. RA may revalidate the concerned advance authorizations subject to payment of composition fee @1% of the unutilized CIF value of the authorization and also subject to verification of EO fulfilment status as claimed by the firm by RA. Extension in EO required for clubbing and regularization of authorizations where there is shortfall will be done by imposing a composition fee @5% per year as already decided in the PRC meeting held on 6.1.2010. 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 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 condition of PC-9 on prior imports be thoroughly scrutinized by RA.

Case No.09 M/s Man Structurals Pvt. Ltd Jaipur
F.No. 01/92/180/741/AM11/PC-6
PRC Meeting No. 12/AM12 dated: 28.06.2011
Subject:- Under Para 8.3 © of FTP, supplies where ICB procedure is prescribed, are exempt from payment of TED. However, M/s Man Structurals Pvt. Ltd instead of availing exemption from payment of TED has paid Excise Duty and now is claiming refund of the same.

The Committee discussed the case in detail and noted that Jt. DGFT, Jaipur has informed that these supplies are covered under Para 8.2(d) of FTP. Jt. DGFT, Jaipur has further informed that these supplies are exempted from payment of Terminal Excise Duty as per Para 8.3© of FTP, because as per the Project Authority Certificates, the supplies were made as per procedure of International Competitive Bidding. Since supplies are under ICB, as per Para 8.3© of FTP such supplies are ab-intio exempted from payment of TED. The firm has paid the Terminal Excise Duty instead of claiming exemption. Jt. DGFT Jaipur has forwarded a photocopy statement of TED paid by the firm duty certified by the Central Excise Authority.

After considering all pros and cons, the Committee decided to allow refund of TED already paid by the firm as there is no revenue implication in supplying without payment of duty ab-initio or paying TED first and taking refund. Committee also took note of the fact that PRC has provided relaxation in such cases in past as well. JDGFT, Jaipur need to ensure that Terminal Excise Duty has infact been paid.

Case No.10 M/s Solaris Chemtech Industries Ltd Vadodara
F.No. 01/60/162/200/AM12/EFGC(PRC)
PRC Meeting No. 12/AM12 dated: 28.06.2011
Subject:- Request for EOP extension of adv. Lic No. 3410019788 dt. 8.10.2007

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.11 M/s Vestas Wind Technology India Pvt Limited Chennai
F.No. 01/60/162/201/AM12/EFGC(PRC)
PRC Meeting No. 12/AM12 dated: 28.06.2011
Subject:- Request for EOP extension of adv. Lic no. 0410095766 dt. 9.5.2008

The Committee noted that the request of urgency made by the firm stating that the goods for exports are ready for dispatch and therefore decided to grant EOP extension against the aforesaid advance authorization only for 3 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.12 M/s Aarti Drug Limited Mumbai
F.No. 01/60/162/150/AM12/EFGC(PRC)
PRC Meeting No. 12/AM12 dated: 28.06.2011
Subject:- Request for allowing clubbing of 4 advance licence no. (i) 0310346188 dt. 5.9.2005 (ii) 0310364084 dt. 20.1.2006 (iii) 0310398337 dt. 6.9.2006 & (iv) 0310427188 dt. 18.4.2007 issued under PC-9 condition

The Committee noted that though there is no apparent benefit as requested, however the committee decided to allow the clubbing of advance authorization 0310364084 dt. 20.1.2006 with advance authorization 0310398337 dt. 6.9.2006 for the purpose of regularization. RA may revalidate the concerned advance authorizations subject to payment of composition fee @1% of the unutilized CIF value of the authorization and also subject to verification of EO fulfilment status as claimed by the firm by RA. Extension in EO required for clubbing and regularization of authorizations where there is shortfall will be done by imposing a composition fee @5% per year as already decided in the PRC meeting held on 6.1.2010. 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 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 condition of PC-9 on prior imports be thoroughly scrutinized by RA.

Case No.13 M/s Micro Labs Limited Bangalore F.No.01/60/162/91/AM12/EFGC(PRC) PRC
Meeting No. 12/AM12 dated: 28.06.2011
Subject:- Request for clubbing of two advance licence no. 0710052013 dt. 15.6.2007 with 0710053234 dt. 7.9.2007 for redemption.

The Committee considered the request of the firm and decided to allow to club above 2 advance authorizations for the purpose of regularization. RA may revalidate the concerned advance authorizations subject to payment of composition fee @1% of the unutilized CIF value of the authorization and also subject to verification of EO fulfilment status as claimed by the firm by RA. Extension in EO required for clubbing and regularization of authorizations where there is shortfall will be done by imposing a composition fee @5% per year as already decided in the PRC meeting held on 6.1.2010. 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 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.14 M/s Sakata Inx (India) Limited.
Meeting No. 12/AM12 dated: 28.06.2011
F.No.01/60/162/1955/AM11/EFGC(PRC) PRC
Subject:- Request for revalidation of advance licence no. 0510161393 dt. 5.7.2005 for clubbing with advance authorization no. 0510161381 dt. 5.7.2005 for redemption purpose.

The Committee considered the request of the firm and decided to allow to club above 2 advance authorizations for the purpose of regularization. RA may revalidate the concerned advance authorizations subject to payment of composition fee @1% of the unutilized CIF value of the authorization and also subject to verification of EO fulfilment status as claimed by the firm by RA. Extension in EO required for clubbing and regularization of authorizations where there is shortfall will be done by imposing a composition fee @5% per year as already decided in the PRC meeting held on 6.1.2010. 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 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.

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