MINUTES OF THE POLICY RELAXATION COMMITTEE (PRC) MEETING NO. 16/AM12 HELD ON 26.07.2011 AT 3.30 P.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. Dr. Rajiv Arora Jt. DGFT (PRC)
4. Shri R.S. Ratna Jt. DGFT
5. Smt. Subhra Jt. DGFT
6. Smt. Vibha Bhalla Jt. DGFT
7. Shri A. Mishra Stats Advisor
8. Shri D.C. Sharma Stats Advisor
9. Shri A.K. Cashyap Dy. DGFT
10. Smt. Sonika Khattar FTDO

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

Case No.01 M/s Alkem Laboratories Limited Mumbai
F.No.01/60/162/273/AM12/EFGC(PRC)
PRC Meeting No. 16/AM12 dated: 26.07.2011
Subject:- EOP Extension of Advance Licence No. 0310419767 dt. 15.2.2007 for regularization.

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.02 M/s Ranbaxy Laboratories Limited New Delhi
F.No. 01/60/162/236/AM12/EFGC(PRC)
PRC Meeting No. 16/AM12 dated: 26.07.2011
Subject:- EOP Extension of Advance Licence No. 0510229548 dt. 20.10.2008 for regularization purpose

The Committee decided to extend EOP against the aforesaid advance authorization for 3 months i.e. total 9 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.03 M/s Alkem Laboratories Limited Mumbai
F.No. 01/60/162/272/AM12/EFGC(PRC)
PRC Meeting No. 16/AM12 dated: 26.07.2011
Subject:- EOP Extension of Advance Licence No. 0310330171 dt. 16.5.2005

The Committee decided to extend EOP against the aforesaid advance authorization for 2 months i.e. total 8 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.04 M/s Supriya Lifescience Limited Mumbai
F.No. 01/60/162/254/AM12/EFGC(PRC
PRC Meeting No. 16/AM12 dated: 26.07.2011
Subject:- EOP Extension of Advance Licence No. 0310494013 dt. 12.11.2008

The Committee decided to extend EOP against the aforesaid advance authorization for 3 months i.e. total 9 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.05 M/s Wockhardt Limited Mumbai

F.No. 01/60/162/245/AM12/EFGC(PRC
PRC Meeting No. 16/AM12 dated: 26.07.2011
Subject:- EOP Extension of Advance Licence No. 0310528598 dt. 13.07.2009

The Committee decided to extend EOP against the aforesaid advance authorization for 1 month i.e. total 7 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.06 M/s Universal Aromatic
F.No. 01/60/162/1739/AM10/EFGC(PRC
PRC Meeting No. 16/AM12 dated: 26.07.2011
Subject:- Clubbing of advance licences No. 3410015048 dt. 22.12.2005 (ii) 3410015463 dt. 17.2.2006 (iii) 3410016782 dt. 29.08.2006 (iv) 3410017437 dt. 21.11.2006 (v) 3410017926 dt. 22.1.2007

The Committee considered the request of the firm and decided to allow to club above 5 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.07 M/s Alom Extrusions Limited
F.No. 01/94/180/43/AM08/PC-4/PRC
PRC Meeting No. 16/AM12 dated: 26.07.2011
Subject:- Clubbing and redemption of Advance authorization No. 0210009877 dt. 24.2.2000 & 0210012923 dt. 26.6.2000

The Committee considered the case and decided to re-examine the case with respect to the nature of two authorizations, grounds of earlier rejection, past decisions and likely policy implication for similar cases.

Case No.08 M/s Alkem Laboratories Limited Mumbai
F.No. 01/60/162/248/AM12/EFGC(PRC)
Meeting No. 16/AM12 dated: 26.07.2011
Subject:- EOP Extension of Advance Licence No. 0310429250 dt. 14.5.2007

The Committee decided to grant extension for 4 months beyond the permitted 36 months 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 of 36 months. 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.09 M/s Wockhardt Limited Mumbai
F.No. 01/60/162/245(A)/AM12/EFGC(PRC)
Meeting No. 16/AM12 dated: 26.07.2011
Subject:- EOP Extension of Advance Licence No. 0310564768 dt. 15.3.2010

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.10 M/s M.G.S. Govindharaajulu Chettiar & Sons Karur
F.No. 01/60/162/262/AM12/EFGC(PRC
Meeting No. 16/AM12 dated: 26.07.2011
Subject:- EOP Extension of Advance Licence No. 3210035940 dt. 8.8.2007

The Committee noted that the firm's export orders were already confirmed since the raw material was to be sourced free of cost from the buyer. Therefore the reason of recession stated by the firm does not hold good . The case was rejected.

Case No.11 M/s M.G.S. Govindharaajulu Chettiar & Sons Karur
F.No. 01/60/162/242/AM10/EFGC(PRC
Meeting No. 16/AM12 dated: 26.07.2011
Subject:- EOP Extension of Advance Licence No. 3210032869 dt. 23.6.2006

The Committee noted that the firm's export orders were already confirmed since the raw material was to be sourced free of cost from the buyer. Therefore the reason of recession stated by the firm does not hold good . The case was rejected.

Case No.12 M/s Electrothem (India) Limited Gujarat
F.No. 01/60/162/263/AM10/EFGC(PRC
Meeting No. 16/AM12 dated: 26.07.2011

Subject:- EOP Extension of Advance Licence No. 0810071619 dt. 2.5.2008

The Committee noted that the firm have made nil exports during the valid EOP and, therefore, it was decided to reject the case as it does not merit consideration due to no exports made both quantity and value wise in the valid EOP.

Case No.13 M/S K.K. Apparels Kolkata
F.No. 01/60/162/2609/AM10/EFGC(PRC
Meeting No. 16/AM12 dated: 26.07.2011
Subject:- Revalidation of DFIA No. 0210118051 dt. 26.9.2008

The Committee decided to revalidate the aforesaid DFIA for a period of six months from the date of communication of the decision of PRC. RA may satisfy on the extent of delay in Customs in accordance with Para 2.13.1 of HBP Vol. I and on the basis of the substantive evidence provided or after obtaining the same from the firm.

Case No.14 M/s Morakhia Metal Alloys P Limited Ahmedabad
F.No. 01/60/162/254/AM10/EFGC(PRC
Meeting No. 16/AM12 dated: 26.07.2011
Subject:- Revalidation of advance licence No. 0810075092 dt. 30.9.2008

The Committee noted the request of the firm and decided to reject as the reasons cited are only commercial risk and do not establish genuine hardship warranting relaxation.

Case No.15 Anwar UL-Islam Ghaziabad
F.No. 01/60/162/1908/AM11/EFGC(PRC
Meeting No. 16/AM12 dated: 26.07.2011
Subject:- Revalidation of DFIA No. 0510230660 dt. 11.11.2008

The Committee considered the case and decided to revalidate the aforesaid DFIA for a period of 3 months from the date of endorsement on account of delay both on the part of Custom and RA , subject to payment of composition fee @ 1% of the unutilized cif value of the DFIA and also subject to verification by RA of EO fulfillment status, as claimed by the firm. Further, PRC decided that these DFIA will be subjected to Actual User Condition with no transferability..

Case No.16 M/s Regalia Laminates New Delhi
F.No. 01/60/162/271/AM12/EFGC(PRC
Meeting No. 16/AM12 dated: 26.07.2011
Subject:- Revalidation of advance licence no. 0510225073 dt. 2.7.2008

The Committee noted the request of the firm and decided to reject as no cogent and justified reasons establishing genuine hardship have been provided by the firm.

Case No.17 M/s Mittal Pigments Pvt. Limited Jota
F.No. 01/60/162/218/AM12/EFGC(PRC
Meeting No. 16/AM12 dated: 26.07.2011
Subject:- Revalidation of DFIA No.1310025322 dt. 16.11.2007

The Committee noted the request of the firm and decided to reject as no cogent and justified reasons establishing genuine hardship have been provided by the firm.

Case No.18 M/s Goodwill Chemicals Mumbai
F.No. 01/94/180/72/AM10/PC-4/PRC
Meeting No. 16/AM12 dated: 26.07.2011
Subject:- EOP extension for advance authorization no. 0310255907 dt. 3.3.2004

The Committee decided to grant EOP extension upto 21.10.2008 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 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.19 M/s BDH Industries Limited Mumbai
F.No. . 01/60/162/213/AM12/EFGC(PRC
Meeting No. 16/AM12 dated: 26.07.2011
Subject:- EOP extension of advance licence No. 0310314154 dt. 28.1.2005

The Committee noted that the firm had undertaken exports both from registered and un-registered source under the same authorization. It was noted that such cases would create undue procedural difficulties in accounting exports manufactured from registered and un-registered source. Therefore the committee decided to reject the request for EOP extension. The committee however felt that the condition of destruction of raw material under 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 of the particular authorization 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.20 Ranbaxy Laboratories Limited New Delhi
F.No. 01/60/162/235/AM12/EFGC(PRC

Meeting No. 16/AM12 dated: 26.07.2011
Subject:- EOP extension of advance licence No. 0510219465 dt. 21.4.2008

The Committee decided to extend EOP against the aforesaid advance authorization for 2 months i.e. total 8 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.