MINUTES OF THE POLICY RELAXATION COMMITTEE (PRC) MEETING NO. 19/AM12 HELD ON 17.08.2011 AT 12.30 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. Gupta — 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 A.K. Singh — Jt. DGFT
7. Shri R.S. Ratna — Jt. DGFT
8. Smt. Subhra — Jt. DGFT
9. Smt. Vibha Bhalla — Jt. DGFT
10. Shri A. Mishra — Stats Advisor
11. Shri A.K. Cashyap — Dy. DGFT
12. Smt. Sonika Khattar — FTDO

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

Case No.01 M/s Shalina Laboratories Pvt Limited Mumbai
F.No. 01/60/162/368/AM12/EFGC(PRC)
PRC Meeting No. 19/AM12 dated: 17.08.2011
Subject:- EOP extension of advance licence NO.0310477994 dt. 9.7.08

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 Morpen Laboratories Limited N. Delhi
F.No. 01/60/162/210/AM12/EFGC(PRC)
PRC Meeting No. 19/AM12 dated: 17.08.2011
Subject:- Request for clubbing of 2 advance licence No. 0510065107 dt. 6.8.2002 and 0510057554 dt. 23.4.2002

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.

Case No.03 M/s Bhaskar Industries Limited Bhopal
F.No. 01/60/162/208/AM10/EFGC(PRC)
PRC Meeting No. 19/AM12 dated: 17.08.2011
Subject:- Relaxation from the procedural lapse of not endorsing the file no./licence number 1110006528 dt. 1.8.2003 in the supply invoice(s) R3A

The Committee noted that the firm had given the details of the supplies made to EOU's which have been certified by the Superintendent of Central Excise. The committee therefore in principle agreed to consider the same subject to verification of the details of shipments made by the exporter to EOU's by RA according to the conditions as stipulated on the authorization and provision of FTP/SEZ Act.

Case No.04 M/s Hygiene Wear International Limited Indore
F.No. 01/60/162/921/AM11/EFGC(PRC)
PRC Meeting No. 19/AM12 dated: 17.08.2011
Subject:- Request for advance licence No. 1110007379 dt. 11.12.2003 with AA No. 1110012232 dt. 28.11.2005

The Committee agreed to in principle for clubbing of 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. The in principle approval is strictly subject to the condition that no adjudication is pending with DGFT/RA/Customs in respect of these authorizations.

Case No.05 M/s Uniflex Cable Limited Mumbai
F.No. 01/94/180/09/AM-10/PC-4/PRC
PRC Meeting No. 19/AM12 dated: 17.08.2011
Subject:- Request for revalidation and EOP extension of 2 advance licence No. 0310231177 dt. 16.10.2003 & 0310240217 dt. 18.12.2003 for the purpose of clubbing AA No. 0310582354 dt. 7.7.2010 0301582358 dt. 7.7.2010 and 0310611818 dt. 19.1.2011

The committee noted that the authorizations where the exports that have not been completed pertain to 2003. The committee also noted that the firm has taken over all assets and liabilities from the earlier management as a part of a commercial decision with full prior knowledge and implications thereof. The request of the firm to either permit them to complete exports of 2003 authorizations or to club the same with recent authorizations of 2010 & 2011 can not be considered as it can not be construed as a genuine hardship warranting policy relaxation. It is only the impact of an entirely commercial decision by them. The committee therefore rejected the request of the firm and desired that the case may be considered and finalized by RA in accordance with the provisions of the FTP.

Case No.06 M/s Vinayak International Kolkata
F.No. 01/60/162/178/AM12/EFGC(PRC
PRC Meeting No. 19/AM12 dated: 17.08.2011
Subject:- Request for revalidation of DFIA authorization no. 0210109555 dt. 26.2.2008

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.07 M/s Dalas Biotech Limited Alwar
F.No. 01/60/162/274/AM11/EFGC(PRC)
PRC Meeting No. 19/AM12 dated: 17.08.2011
Subject:- Request for EOP extension of advance licence no. 0510208544 dt. 5.9.2007 & 0510211129 dt. 25.10.2007.

The Committee decided to grant extension for 3 months beyond the permitted 36 months of export obligation 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.08 M/s Ranbaxy Laboratories Limited Punjab
F.No. 01/60/162/276/AM12/EFGC(PRC)
PRC Meeting No. 19/AM12 dated: 17.08.2011
Subject:- Request for EOP extension of advance licence No. 0510192175 dt. 5.10.2006.

The Committee decided to extend EOP against the aforesaid advance authorization for upto 30.7.2007 i.e. almost 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.09 M/s Sanya Plastics Mumbai
F.No. 01/60/162/341/AM12/EFGC(PRC) PRC Meeting No. 19/AM12 dated: 17.08.2011
Subject:- Request for revalidation of no. 0310469350 dt. 24.4.2008

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.10 M/s Astra Lingthing Limited Chandigarh
F.No. 01/60/162/250/AM12/EFGC(PRC)
PRC Meeting No. 19/AM12 dated: 17.08.2011
Subject:- Request for revalidation No. (i) 2210007528 dt. 5.3.2008 (ii) 2210008049 dt. 5.8.2008 (iii) 2210007905 dt. 18.6.2008 (iv) 2210007904 dt. 18.6.2008

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.11 M/s Wago and Controls (india) Limited
F.No. 01/60/162/145/AM12/EFGC(PRC)
PRC Meeting No. 19/AM12 dated: 17.08.2011
Subject:- Request for revalidation and EOP extension advance licence No. 0510226640 dt. 1.09.2008.

The Committee noted the request of the firm and decided to grant EOP extension by 6 months from the date of communication to enable them to complete exports proportionate to the extent of imports already made. However request for revalidation for further imports was rejected. RA may verify 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 Adcock Ingram Limited Bangalore
F.No. 01/60/162/318/AM12/EFGC(PRC)
PRC Meeting No. 19/AM12 dated: 17.08.2011
Subject:- Request for regularization of export made of EOP extension of advance licence No. 0710057014 dt. 21.4.2008

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.13 M/s Ajanta Pharma Limited Mumbai
F.No. 01/60/162/305/AM12/EFGC(PRC)
PRC Meeting No. 19/AM12 dated: 17.08.2011
Subject:- Request for clubbing of 3 advance licence No. 0310302876 dt. 19.11.2004 (ii) 0310334164 dt. 14.6.2005 (iii) 0310361166 dt. 28.12.2005

. 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.14 M/s M.G.S. Govindharaajulu Chettiar & Sons Karur
F.No. 01/60/162/255/AM12/EFGC(PRC)

PRC Meeting No. 19/AM12 dated: 17.08.2011
Subject:- Request for EOP extension of advance licence No. 3210035736 dt. 5.7.2007

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.15 M/s PTC India Limited N. delhi
F.No. 01/53/8/928/AM12/P-3/IC
PRC Meeting No. 19/AM12 dated: 17.08.2011
Subject:- Grant of import authoirsation for import of 6,000,000,000 nos. Electricals Energy from Bhutan

The committee considered the request for deletion of Actual User condition against the import authorization approved by EFC for import of "electrical energy" from Bhutan. The electricity per se being imported for supplying to other users, therefore the actual user condition will render the licence unusable. The committee decided to delete the Actual User condition from the import authorization to be issued to M/s. PTC India Ltd.

Case No.16 M/s Alkem Labs. Ltd.
F.No. 01/60/162/379/AM12/EFGC(PRC)
PRC Meeting No. 19/AM12 dated: 17.08.2011
Subject:- Request for EOP extension of advance licence No. 0310478388 dt. 11.7.2008

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.17 M/s Alkem Labs. Ltd
F.No. 01/60/162/376/AM12/EFGC(PRC)
PRC Meeting No. 19/AM12 dated: 17.08.2011
Subject:- Request for EOP extension of advance licence No. 0310478374 dt. 11.7.2008

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.18 M/s Penam Lab. Ltd
F.No. 01/60/162/334/AM12/EFGC(PRC)
PRC Meeting No. 19/AM12 dated: 17.08.2011
Subject:- Request for EOP extension of advance licence No. 0510119350 dt. 27.2.2004.

Case deferred.

Case No.19 M/s Asian Oil Co. Ltd.
F.No. . 01/60/162/339/AM12/EFGC(PRC)
PRC Meeting No. 19/AM12 dated: 17.08.2011
Subject:- Request for revalidation of advance licence No. 0310493518 dt. 10.11.2008

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.20 M/s Asian Oil Co. Ltd.
F.No. 01/60/162/338/AM12/EFGC(PRC)
PRC Meeting No. 19/AM12 dated: 17.08.2011
Subject:- Request for revalidation of advance licence No. 0310468525 dt. 16.4.2008

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.21 M/s M.B. Laminators Mumbai
F.No. 01/60/162/343/AM12/EFGC(PRC)

PRC Meeting No. 19/AM12 dated: 17.08.2011
Subject:- Request for revalidation of advance authorization No. 0310460195 dt. 5.2.2008.

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.22 M/s. Adcock Ingrams Ltd
F.No. 01/60/162/324/AM12/EFGC(PRC)
PRC Meeting No. 19/AM12 dated: 17.08.2011
Subject:- Request for EOP extension of advance licence No. 0710062493 dt. 22.1.2009

The Committee decided to extend EOP against the aforesaid advance authorization for upto 11.12.2009 i.e. almost 10 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.23 M/s Alkem Labs. Ltd
F.No. 01/60/162/377/AM12/EFGC(PRC)
PRC Meeting No. 19/AM12 dated: 17.08.2011
Subject:- Request for EOP extension of advance licence No. 0310429657 dt. 16.5.2007

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. 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.24 M/s Umedica lab. Ltd.
F.No. 01/60/162/1528/AM11/EFGC(PRC)
PRC Meeting No. 19/AM12 dated: 17.08.2011
Subject Request for EOP extension of advance licence No. 0310322515 dt. 22.3.2005

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.25 M/s Ranbaxy Ltd.
F.No. 01/60/162/1636/AM11/EFGC(PRC)
PRC Meeting No. 19/AM12 dated: 17.08.2011
Subject- Clubbing of 6 AAs.

1. 0510090799 dt. 23.05.03
2. 0510149515 dt. 24.1.05
3. 0510179440 dt. 24.3.06
4. 0510209543 dt. 26.9.07
5. 0510216565 dt. 18.2.08
6. 0510236806 dt. 19.2.09

The committee reiterated its earlier decision that the authorization no. 0510090799 dt. 23.5.2003 can not be clubbed with the other 5 authorizations as requested and rejected the representation of the firm.

Case No.26 M/s Delkor Technic India Ltd.
F.No01/60/162/139/AM12/EFGC(PRC)
PRC Meeting No. 19/AM12 dated: 17.08.2011
Subject:- Request for change in scheme from self-declaration to FOC in respect of advance authorization no. 0710053565 27.9.2007.

The committee noted that this needs to be examined and finalized by RA in accordance with the provisions of the Para 4.1.8 of FTP 2009-14.

****