THE POLICY RELAXATION COMMITTEE (PRC) MEETING NO. 28/AM13 HELD ON 06.11.2012 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 Mukesh Bhatnagar Addl. DG
2. Shri. V.K. Srivastava Addl. DG
3. Dr. L.B. Singhal Addl. DG
4. Shri K.C. Raut Addl. DG
5. Shri Jaikanth Singh Jt. DGFT
6. Shri Jaikaran Singh Jt..DGFT
7. Shri S.K. Samal Jt. DGFT
8. Shri Ajay Srivastava Jt. DGFT
9. Shri A. Mishra Stats Advisor
10. Shri. Sanjay Kumar DDG
11. Smt. Sonika Khattar FTDO

**Case No.1. M/s. Engser Limited, Howrah**
F.No. 01/60/162/516/AM13/EFGC(PRC)
PRC Meeting No. 28/AM13 dated: 06.11.2012
Subject:- Request for EOP extension of advance license no. 0210130702 dt. 24.8.2009.

After deliberating the case in length the following decisions were taken:

i) Export obligation period is extended for 6 months from the date of endorsement or upto 31.5.2013 which ever is earlier.
ii) This is subject to payment of composition fee @ 0.5% on unfulfilled FOB value of exports and minimum value addition of 15% as prescribed under para 4.1.6 of FTP.
iii) This is further subject to verification by RA that EO as claimed to have been fulfilled more than 50% within the valid EOP.
iv) The applicant is advised to submit the licence for endorsement to RA as early as possible.
v) RA shall take action against the party under Rule 7 read with Rule 14 of FT(Regulation) Rules, 1993 if statement of more than 50% of exports already made is found to be false/incorrect.

(Action : RA Kolkata)

**Case No.2. M/s. Supreet Chemicals Pvt. Limited, Vapi**
F.No. 01/60/162/503/AM13/EFGC(PRC)
PRC Meeting No. 28/AM13 dated: 06.11.2012
Subject:- Request for EOP extension of advance license No. 0310505651 dated 5.2.2009.

After deliberating the case in length the following decisions were taken:

i) Export obligation period is extended for 6 months from the date of endorsement or upto 31.5.2013 which ever is earlier.
ii) This is subject to payment of composition fee @ 0.5% on unfulfilled FOB value of exports and minimum value addition of 15% as prescribed under para 4.1.6 of FTP.
iii) This is further subject to verification by RA that EO as claimed to have been fulfilled more than 50% within the valid EOP.
iv) The applicant is advised to submit the licence for endorsement to RA as early as possible.
v) RA shall take action against the party under Rule 7 read with Rule 14 of FT(Regulation) Rules, 1993 if statement of more than 50% of exports already made is found to be false/incorrect.

(Action : RA Mumbai)

**Case No.3. M/s. Supermax Perconal Care Pvt. Limited, Mumbai**
F.No. 01/60/162/506/AM13/EFGC(PRC)
PRC Meeting No. 28/AM13 dated: 06.11.2012
Subject:- Request for EOP extension of advance license no. 0310482478 dt. 13.8.2008.

After deliberating the case in length the request was rejected on the following grounds

i) The criteria of EO fulfillment of minimum 50% within original validity period has not been met.
ii) There was no bar or restriction for making export. Para 4.22.2 of HBP allows provisional clearance of export if request for EOP extension is made.
iii) Justifications and reasons given are not convincing to the committee.

**Case No.4. M/s. Wacker Metroark Chemicals Pvt. Limited, Kolkata**
F.No. 01/60/162/508/AM13/EFGC(PRC)
PRC Meeting No. 28/AM13 dated: 06.11.2012
Subject:- Request for EOP extension of advance license no. 0210130322 dated 12.8.2009.

After deliberating the case in length the following decisions were taken:

i) Export obligation period is extended for 6 months from the date of endorsement or upto 31.5.2013 which ever is earlier.
ii) This is subject to payment of composition fee @ 0.5% on unfulfilled FOB value of exports and minimum value addition of 15% as prescribed under para 4.1.6 of FTP.
iii) This is further subject to verification by RA that EO as claimed to have been fulfilled more than 50% within the valid EOP.
iv) The applicant is advised to submit the licence for endorsement to RA as early as possible.
v) RA shall take action against the party under Rule 7 read with Rule 14 of FT(Regulation) Rules, 1993 if statement of more than 50% of exports already made is found to be false/incorrect.

(Action : RA Kolkata)

**Case No.5. M/s. SAS International, Faridabad**
F.No. 01/60/162/507/AM13/EFGC(PRC)
PRC Meeting No. 28/AM13 dated: 06.11.2012
Subject:- Request for EOP extension of advance license no. 0410099436 dt. 23.10.2008.

After deliberating the case in length the following decisions were taken:

i) Export obligation period is extended for 6 months from the date of endorsement or upto 31.5.2013 which ever is earlier.
ii) This is subject to payment of composition fee @ 0.5% on unfulfilled FOB value of exports and minimum value addition of 15% as prescribed under para 4.1.6 of FTP.
iii) This is further subject to verification by RA that EO as claimed to have been fulfilled more than 50% within the valid EOP.
iv) The applicant is advised to submit the licence for endorsement to RA as early as possible.
v) RA shall take action against the party under Rule 7 read with Rule 14 of FT(Regulation) Rules, 1993 if statement of more than 50% of exports already made is found to be false/incorrect.

(Action : RA Chennai)

**Case No.6. M/s. Uniworth Textiles Limited, Kolkata**
F.No. 01/60/162/513/AM13/EFGC(PRC)
PRC Meeting No. 28/AM13 dated: 06.11.2012
Subject:- Request for EOP extension of advance license no. 02101088401 dt. 22.1.2008 for regularization purpose.

After deliberating the case in length the following decisions were taken:

I. Export obligation period is extended upto 48 months from the date of issue of authorization.

II. This is only for regularization and closure purpose.
III. This is subject to a payment of composition fee @ 0.5% of FOB value of export made outside the original EOP and minimum value addition of 15% as prescribed under Para 4.1.6 of FTP.
IV. This is also subject to the condition that the case has not been adjudicated.
V. Shortfall, if any, shall be regularized in terms of Para 4.28 of HBP.

**Case No.7. M/s. Glenmark Generics Limited, Mumbai**
F.No. 01/60/162/504/AM13/EFGC(PRC)
PRC Meeting No. 28/AM13 dated: 06.11.2012
Subject:- Request for EOP extension of advance license no. 0310529573 dt. 20.7.2009 issued under PC-9.

After deliberating the case in length the following decisions were taken:

I. Export obligation period is extended from 12 months to 18 months from the date of first import consignment.

II. This is only for regularization and closure purpose.

III. This is subject to a payment of composition fee @ 0.5% of FOB value of export made outside the original EOP and minimum value addition of 15% as prescribed under para 4.1.6 of FTP.

IV. The applicant has to pay duty +interest on inputs consumed and exported after 18 months from date of first import.
V. PC-18 condition is waived on this exports to the extent of requirement of re-export/destruction certificate on export made outside the extended EOP.

(Action : RA, Mumbai)

**Case No.8. M/s. Glenmark Generics Limited, Mumbai**
F.No. 01/60/162/509/AM13/EFGC(PRC)
PRC Meeting No. 28/AM13 dated: 06.11.2012
Subject:- Request for EOP extension of advance license no. 0310491937 dt. 24.10.2008 issued under PC-9.

After deliberating the case in length the following decisions were taken:

I. Export obligation period is extended from 6 months to 12 months from the date of first import consignment.

II. This is only for regularization and closure purpose.

III. This is subject to a payment of composition fee @ 0.5% of FOB value of export made outside the original EOP and minimum value addition of 15% as prescribed under para 4.1.6 of FTP.

IV. The applicant has to pay duty +interest on inputs consumed and exported after 12 months from date of first import.
V. PC-18 condition is waived on this exports to the extent of requirement of re-export/destruction certificate on export made outside the extended EOP.

(Action : RA, Mumbai)

**Case No.9. M/s. Glenmark Generics Limited, Mumbai**
F.No. 01/60/162/515/AM13/EFGC(PRC)
PRC Meeting No. 28/AM13 dated: 06.11.2012
Subject:- Request for EOP extension of advance license no. 0310520361 dt. 19.05.2009 issued under PC-9.

After deliberating the case in length the following decisions were taken:

I. Export obligation period is extended from 6 months to 12 months from the date of first import consignment.

II. This is only for regularization and closure purpose.

III. This is subject to a payment of composition fee @ 0.5% of FOB value of export made outside the original EOP and minimum value addition of 15% as prescribed under para 4.1.6 of FTP.

IV. The applicant has to pay duty +interest on inputs consumed and exported after 12 months from date of first import.
V. PC-18 condition is waived on this exports to the extent of requirement of re-export/destruction certificate on export made outside the extended EOP.

(Action : RA, Mumbai)

**Case No.10. M/s. Glenmark Generics Limited, Mumbai**
F.No. 01/60/162/505/AM13/EFGC(PRC)
PRC Meeting No. 28/AM13 dated: 06.11.2012
Subject:- Request for EOP extension of advance license no. 0310505386 dt. 4.02.2009 issued under PC-9.

After deliberating the case in length the following decisions were taken:

I. Export obligation period is extended from 6 months to 12 months from the date of first import consignment.

II. This is only for regularization and closure purpose.

III. This is subject to a payment of composition fee @ 0.5% of FOB value of export made outside the original EOP and minimum value addition of 15% as prescribed under para 4.1.6 of FTP.

IV. The applicant has to pay duty +interest on inputs consumed and exported after 12 months from date of first import.
V. PC-18 condition is waived on this exports to the extent of requirement of re-export/destruction certificate on export made outside the extended EOP.

(Action : RA, Mumbai)

**Case No.11. M/s. Bharat Serums & Vaccines Limited, Mumbai**
F.No. 01/60/162/630/AM12/EFGC(PRC)
PRC Meeting No. 28/AM13 dated: 06.11.2012
Subject:- Request for EOP extension of advance license no. 0310460106 dt. 5.2.2008 upto 13.2.2009 instead of 10.2.2009..

The committee noted that in this case PRC in its meeting dt. 18.10.2011 allowed EOP extension upto 10.2.2009 i.e. 6 months from the date of expiry of EOP. However Para **2.12.1** of HBP very categorically states that where an authorization expires during the month, such authorization shall be deemed to be valid until last day of the concerned month. In spite of that clear provision, RA did not account for export made after 10.2.2009 but before 28.2.2009. This has been viewed seriously. If there was any doubt RA should had referred the matter to the committee rather than rejecting the case. Anyhow, it is clarified that the provision of Para 2.12.1 shall prevail. RA should act accordingly.

(Action : RA Mumbai

**Case No.12. M/s. Vidyut Metalics Pvt., Mumbai**
F.No. 01/60/162/995/AM12/EFGC(PRC)
PRC Meeting No. 28/AM13 dated: 06.11.2012
Subject:- Request for regularization & EOP extension of advance license no. 0310317008 dt. 16.2.2005 upto 30.4.2009.

Deferred

**Case No.13. M/s. Umedica Laboratories Pvt. Limited, Mumbai**
F.No. 01/60/162/1172/AM12/EFGC(PRC)
PRC Meeting No. 28/AM13 dated: 06.11.2012
Subject:- Request for EOP extension of advance license no. 0310543061 dt. 29.10.2009 issued under PC-9 for regularization purpose. up to 05.11.2011.

The committee did not find any merits in the request and rejected the same reiterating the earlier decision of PRC meeting held on 12.3.2011. RA is requested to take action as per the provision of FT(D&R) Act 1992 as amended if the licencee is failed to get the case regularized in terms of Para 4.28 of HBP within a month from the receipt of the minutes.

(Action : RA, Mumbai)

**Case No.14. M/s. Man Industries Limited, Mumbai**
F.No. 01/94/180/441/AM12/PC-IV/EFGC(PRC)
PRC Meeting No. 28/AM13 dated: 06.11.2012
Subject:- Request for allow discharge of export obligation with negative value addition due to payment controversy and deduction bty Iranian buyer against advance license no. 0310488412 dt. 30.9.2008 (ii) 0310489400 dt. 7.10.2008 (iii) 0310393982 dt. 12.11.2008.

The committee observed that all the above three authorizations can be considered as per Para 4.28 (b) of HBP. The firm may approach RA for regularization as per the said provision.

**Case No.15. M/s. Jyoti Structures Limited, Mumbai**
F.No. 01/60/162/206/AM13/EFGC(PRC)
PRC Meeting No. 28/AM13 dated: 06.11.2012
Subject:- Request for EOP extension of advance license no 0310420358 dt. 21.2.2007.

The case was examined earlier and the same was rejected on the ground that criteria of 50% export within the stipulated period did not meet. The case was again represented and discussed in the PRC meeting dt. 3.7.2012 and again rejected on the ground that licence is too old. On the basis of representation that they have fulfilled more than 50% EO the case was again discussed in the committee. The committee observed that statement made by the party is not true because some export are made after rejection of the case i.e. August 2010. Therefore the committee decided to reject the request to allow further extension. However, export affected within 48 months from the date of issue of authorization shall be regularized subject to the following condition :

I. Export obligation period is extended up to 48 months from the date of issue of authorization.
II. This is only for regularization and closure purpose.
III. This is subject to a payment of composition fee @ 0.5% of FOB value of export made outside the original EOP and minimum value addition of 15% as prescribed under Para 4.1.6 of FTP.
IV. This is also subject to the condition that the case has not been adjudicated.

(Action : RA, Mumbai)

**Case No.16. M/s. Vidyut Metalics Pvt Limited, Mumbai**
F.No. 01/60/162/994/AM12/EFGC(PRC)
PRC Meeting No. 28/AM13 dated: 06.11.2012
Subject:- Request for regularization purpose & EOP extension of advance license no. 0310317465 dt. 18.2.2005 upto 15.7.2009.

Deferred.

**Case No.17. M/s. S.J.K. Silks, Bangalore**
F.No. 01/60/162/190/AM10/EFGC(PRC)
PRC Meeting No. 28/AM13 dated: 06.11.2012
Subject:- Request for EOP extension of advance license no. 0710040648 dt. 4.10.2005.

The committee decided that there is no merit in giving extension to licence of 2005. Hence rejected the request. RA is requested to take action as per the provision of FT(D&R) Act 1992 as amended if the licencee is failed to get the case regularized in terms of Para 4.28 of HBP within a month from the receipt of the minutes.

(Action : RA, Mumbai)

**Case No.18. M/s. Cigfil (Polymer Division) Limited, Bangalore**
F.No. 01/60/162/1226/AM12/EFGC(PRC)
PRC Meeting No. 28/AM13 dated: 06.11.2012
Subject:- Request for EOP extension of two advance license no. 0710049585 dt. 12.1.2007 & 0710055102 dt. 26.12.2007.

After deliberating the case in length, the following decisions were taken:

I. Request for EOP extension is rejected as authorization is too old.
II. However, clubbing of above two authorization is allowed.
III. This is only for regularization and closure purpose and not for any further exports/imports. Excess import if any may be regularized in terms of Para 4.28 of HBP.
IV. RA may grant necessary extension in EO subject to composition fee @ 0.5% of FOB value of export made beyond the stipulated EOP for clubbing and regularization. RA is also directed to examine the case in terms of Para 4.1.6 of FTP and ensure 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 authorizations to be clubbed. RA should ensure proper accounting of the duty free inputs with reference to the export product while clubbing the authorizations.
V. RA may do clubbing subject to the condition that no adjudication is issued against any licence to be clubbed.

(Action ; RA Bangalore)

**Case No.19. M/s. Cigfil Limited, Bangalore**
F.No. 01/60/162/108/AM13/EFGC(PRC)
PRC Meeting No. 28/AM13 dated: 06.11.2012
Subject:- Request for EOP extension the advance license no. 0710053057 dt. 27.8.2007.

The committee did not find any merits in the request and rejected the same reiterating the earlier decision of PRC meeting held on 15.5.2012. RA is requested to take action as per the provision of FT(D&R) Act 1992 as amended if the licencee is failed to get the case regularized in terms of Para 4.28 of HBP within a month from the receipt of the minutes.

(Action : RA, Bangalore)

**Case No.20. M/s. Excel Glassed Limited, Kerala**
F.No. 01/60/162/72/AM13/EFGC(PRC)
PRC Meeting No. 28/AM13 dated: 06.11.2012
Subject:- Request for EOP extension of advance license no. 1010024558 dt. 9.10.2006 & 1010027117 dt. 10.8.2007.

The committee did not find any merits in the request and rejected the same reiterating the earlier decision of PRC meeting held on 1.5.2012. RA is requested to take action as per the provision of FT(D&R) Act 1992 as amended if the licencee is failed to get the case regularized in terms of Para 4.28 of HBP within a month from the receipt of the minutes.

(Action : RA, Cochin)

**Case No.21. M/s. Dynamic Industries Limited, Ahmedabad**
F.No. 01/60/162/529/AM10/EFGC(PRC)
PRC Meeting No. 28/AM13 dated: 06.11.2012
Subject:- Request for EOP extension of DFIA licence no. 0810060348 dt. 13.10.2008.

The committee did not find any merits in the request and rejected the same reiterating the earlier decision of PRC meeting held on 9.8.2011. RA is requested to take action as per the provision of FT(D&R) Act 1992 as amended if the licencee is failed to get the case regularized in terms of Para 4.28 of HBP within a month from the receipt of the minutes.

(Action : RA, Ahmedabad)

**Case No.22. M/s. S.R.S. Impex Daman**
F.No. 01/60/162/501/AM13/EFGC(PRC)
PRC Meeting No. 28/AM13 dated: 06.11.2012
Subject:- Request for revalidation of advance licence no. 031047532 dt. 18.6.2008.

The Committee noted the contents of the request made by the firm and decided to reject the case as no cogent and justified reasons establishing genuine hardship warranting relaxation under Para 2.5 of the FTP have been provided.

**Case No.23. M/s. Veekay Polucoats Limited, New Delhi**
F.No. 01/60/162/512/AM13/EFGC(PRC)
PRC Meeting No. 28/AM13 dated: 06.11.2012
Subject:- Request for revalidation of advance license no. 0510252856 dt. 18.11.2009.

The Committee noted the contents of the request made by the firm and decided to reject the case as no cogent and justified reasons establishing genuine hardship warranting relaxation under Para 2.5 of the FTP have been provided.

**Case No.24. M/s. Imperial Exports Jaipur**
F.No. 01/60/162/937/AM12/EFGC(PRC)
PRC Meeting No. 28/AM13 dated: 06.11.2012
Subject:- Request for revalidation DFIA no. 1310028183 dt. 24.2.2009.

The committee did not find any merits in the request and rejected the same reiterating the earlier decision of PRC meeting held on 7.2.2012.

**Case No.25. M/s. Kothari Tradlink Limited, Surat**
F.No. 01/60/162/1243/AM12/EFGC(PRC)
PRC Meeting No. 28/AM13 dated: 06.11.2012
Subject:- Request for revalidation of DFIA no. 5210026683 dt. 21.5.2009.

The committee did not find any merits in the request and rejected the same reiterating the earlier decision of PRC meeting held on 17.4.2012.

**Case No.26. M/s. Vikas Organics Pvt Limited,**
F.No. 01/60/162/102/AM13/EFGC(PRC)
PRC Meeting No. 28/AM13 dated: 06.11.2012
Subject:- Request for revalidation of advance license no. 0510262375 dt. 15.4.2010 issued in lieu of original license no. 0510221734 dt. 6.6.2008.

The committee did not find any merits in the request and rejected the same reiterating the earlier decision of PRC meeting held on 15.5.2012.

**Case No.27. M/s. Gujarat Narmada Vallay Fertilizers Company Limited, Gujarat**
F.No. 01/60/162/257/AM12/EFGC(PRC)
PRC Meeting No. 28/AM13 dated: 06.11.2012
Subject:- Request for revalidation of advance license no. 3410022287 dt6. 11.9.2008

The committee did not find any merits in the request and rejected the same reiterating the earlier decision of PRC meeting held on 26.6.2012.

**Case No.28. M/s. India Glycols Limited, Uttrakhand**
F.No. 01/60/162/43/AM12/EFGC(PRC)
PRC Meeting No. 28/AM13 dated: 06.11.2012
Subject:- Request for revalidation of advance license No. 0510221448 dt. 3.6.2008.

There was no bar or restriction to wait for committee decision for making import as licence had been obtained under self declaration scheme. Therefore the reasons cited by the applicant are not convincing to the committee hence decided to reject.

**Case No.29. M/s. S.M. Creative Electronics Limited, Gurgaon**
F.No. 01/60/162/511/AM13/EFGC(PRC)
PRC Meeting No. 28/AM13 dated: 06.11.2012
Subject:- Request for condonation of typing error in declaring license details of imported components on net to net basis in Shipping Bill no. 1848415 dt. 13.5.2008 against advance licence no. 0510219257 dt. 11.4.2008.

The committee examined the case and decided to allow the discharge of export obligation, if total number of resultant products as per the conditions of the licence have been exported fully in quantity, it is proved that inputs allowed on net to net basis have been accounted for. However to ascertain that the same imported components were physically incorporated in the resultant product, the applicant shall submit the certificate from the Excise Authority regarding consumption of all imported component towards discharge of export obligation under the licence in question.

(Action : RA, Delhi)

**Case No.30. M/s. Garware Wall Ropes Limited, Pune**
F.No. 01/94/180/183/AM10/PC-4/EFGC(PRC)
PRC Meeting No. 28/AM13 dated: 06.11.2012
Subject:- Request for enhancement and revalidation of advance authorization no. 3110024851 dt. 4.5.2006.

The committee noted the contents of the request made by the firm and decided to reject the case as no cogent and justified reasons establishing genuine hardship warranting relaxation under Para 2.5 of the FTP have been provided.

**Case No.31. M/s. Alembic Limited, Vadodara**
F.No. 01/94/180/541/AM10/PC-4/EFGC(PRC)
PRC Meeting No. 28/AM13 dated: 06.11.2012
Subject:- Request for clubbing of two advance license no. 3410004247 dt. 21.5.2002 & 3410009199 dt. 10.12.2003 for regularization purpose.

After deliberating the case in length the committee decided that the cases for clubbing can be considered if the EODC has been issued and not the redemption. Therefore the following decision was taken:

i) To allow clubbing of 2 above advance authorizations as referred above.
ii) This is only for regularization and closure purpose and not for any further exports/imports. Excess import if any may be regularized in terms of Para 4.28 of HBP.
iii) RA may grant necessary extension in EO subject to composition fee @ 0.5% of FOB value of export made beyond the stipulated EOP for clubbing and regularization. RA is also directed to examine the case in terms of Para 4.1.6 of FTP and ensure 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 authorizations to be clubbed. RA should ensure proper accounting of the duty free inputs with reference to the export product while clubbing the authorizations.
iv) RA may do clubbing subject to the condition that no adjudication is issued against any licence to be clubbed.

(Action : RA, Vadodara)

**Case No.32. M/s. Jay Chemicals, Mumbai**
F.No. 01/60/162/308/AM10/EFGC(PRC)
PRC Meeting No. 28/AM13 dated: 06.11.2012
Subject:- Request for clubbing of two advance license nos. 0310384713 dt. 14.6.2006 with advance authorization no. 0310366967 dt. 14.2.2007.

After deliberating the case in length the committee decided that the cases for clubbing can be considered if the EODC has been issued and not the redemption. Therefore the following decision was taken:

i) To allow clubbing of 2 above advance authorizations as referred above.
ii) This is only for regularization and closure purpose and not for any further exports/imports. Excess import if any may be regularized in terms of Para 4.28 of HBP.
iii) RA may grant necessary extension in EO subject to composition fee @ 0.5% of FOB value of export made beyond the stipulated EOP for clubbing and regularization. RA is also directed to examine the case in terms of Para 4.1.6 of FTP and ensure 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 authorizations to be clubbed. RA should ensure proper accounting of the duty free inputs with reference to the export product while clubbing the authorizations.
iv) RA may do clubbing subject to the condition that no adjudication is issued against any licence to be clubbed.

(Action : RA, Mumbai)

**Case No.33. M/s. Vivek Pharmachem (India) Limited, Jaipur**
F.No. 01/60/162/438/AM13/EFGC(PRC)
PRC Meeting No. 28/AM13 dated: 06.11.2012
Subject:- Request for revalidation of advance license no. 1310023647 dt. 31.1.2007 and clubbing of other 5 licences no. 1310025278 dt. 31.10.2007, 1310027101 dt. 8.10.2008, 1310027263 dt. 5.11.2008, 1310031956 dt. 23.4.2010 and 2310034439 dt. 24.1.2011.

The committee noted the request of the firm and after discussion in length, the following decisions were taken:

I) There is no need for any revalidation so far as clubbing is concerned because the expired licence can also be clubbed.
II) Only licences which were issued within the overlapping period of 36 months from the date of issue of first licence can be clubbed as per the prevalent procedure.
III) This is only for regularization and closure purpose and not for any further exports/imports. Excess import if any may be regularized in terms of Para 4.28 of HBP.
IV) RA may grant necessary extension in EO subject to composition fee @ 0.5% of FOB value of export made beyond the stipulated EOP for clubbing and regularization. RA is also directed to examine the case in terms of Para 4.1.6 of FTP and ensure 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 authorizations to be clubbed. RA should ensure proper accounting of the duty free inputs with reference to the export product while clubbing the authorizations.
V) RA may do clubbing subject to the condition that no adjudication is issued against any licence to be clubbed.

(Action : RA, Jaipur)

**Case No.34. M/s. Jhagadia Copper Limited,**
F.No. 01/60/162/500/AM13/EFGC(PRC)
PRC Meeting No. 28/AM13 dated: 06.11.2012
Subject:- Request for the EOP extension of the advance authorization no. 3410013823 dt. 13.7.2005.

The committee decided that there is no merit in giving extension to licence of 2005. Hence rejected the request.

**Case No.35. M/s. Kopran Limited, Mumbai**
F.No. 01/60/162/186/AM13/EFGC(PRC)
PRC Meeting No. 28/AM13 dated: 06.11.2012
Subject:- Request for EOP Extension & Clubbing of 4 Advance Authorizations Nos. 0310416632 dated 19.01.2007, 0310434280 dated 28.06.2007, 0310439652 dated 16.08.2007 & 0310440685 dated 24.08.2007 issued under Policy Circular No. 9 for regularization.
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After deliberating the case in length the following decisions were taken:

i) To allow clubbing of 4 above advance authorizations as referred above.
ii) Exports effected within 12 months from the date of import of first consignment shall only be taken into account for clubbing purpose.
iii) Extension of 6 months from the expiry of initial obligation period is allowed. This is subject to composition fee @ 0.5% of FOB value of export made beyond the stipulated EOP for clubbing and regularization. RA is also directed to examine the case in terms of Para 4.1.6 of FTP and to ensure 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 authorizations to be clubbed. RA should ensure proper accounting of the duty free inputs with reference to the export product while clubbing the authorizations.
iv) Waiver of PC-18 is allowed for inputs consumed and exported outside the EO period. However, the firm is liable to pay Custom duty in terms of Para 4.28 of HBP on such inputs.
v) RA may do clubbing subject to the condition that no adjudication is issued against any licence to be clubbed.

(Action : RA, Mumbai)

**Case No.36. M/s. H.B.R. chemicals, Haryana**
F.No. 01/60/162/675/AM12/EFGC(PRC)
PRC Meeting No. 28/AM13 dated: 06.11.2012
Subject:- Request for clubbing of 3 advance license nos. 0510202046 dt. 3.4.2007 (2) 0510247737 dt. 17.8.2009 (3) 0510145996 dt. 17.12.2004.

The committee noted the representation of the firm and decided to allow the clubbing of two authorizations as decided in PRC meeting no. 28/AM12 dt. 8.11.2011.

(Action : CLA Delhi to clarify as to why the decision of PRC was not implemented)

**Case No.37. M/s. Grauer & Well (India), Mumbai**
F.No. 01/60/162/389/AM13/EFGC(PRC)
PRC Meeting No. 28/AM13 dated: 06.11.2012
Subject:- Request for clubbing of advance authorization no. 0310337267 dt. 1.7.2005 & 0310365495 dt. 2.2.2006.

After deliberating the case in length the committee decided that the cases for clubbing can be considered if the EODC has been issued and not the redemption. Therefore the following decision was taken:

i) To allow clubbing of 2 above advance authorizations as referred above.
ii) This is only for regularization and closure purpose and not for any further exports/imports. Excess import if any may be regularized in terms of Para 4.28 of HBP.
iii) RA may grant necessary extension in EO subject to composition fee @ 0.5% of FOB value of export made beyond the stipulated EOP for clubbing and regularization. RA is also directed to examine the case in terms of Para 4.1.6 of FTP and ensure 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 authorizations to be clubbed. RA should ensure proper accounting of the duty free inputs with reference to the export product while clubbing the authorizations.
iv) RA may do clubbing subject to the condition that no adjudication is issued against any licence to be clubbed.

(Action : RA, Mumbai)

**Case No.38. M/s. Mahindra Reva Electric Vehicles Pvt, Limited, Bangalore**
F.No. 01/60/162/252/AM13/EFGC(PRC)
PRC Meeting No. 28/AM13 dated: 06.11.2012
Subject:- Request for clubbing of advance license no. 0710036111 dt. 16.2.2005 & 0710036115 dt. 16.2.2005.

The committee noted that the firm has requested for clubbing of two advance authorizations obtained for export of same product in two advance authorizations, and inputs were claimed some of 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 consumed all inputs imported under two licences, thus 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 i.e. 100 Riva cars based on the norms as provided on both the authorizations separately.

II. Value addition to be calculated taking into account all the inputs permitted under the two AAs.

III. No further imports and export will be permitted. The clubbing of inputs as were allowed in two licences are allowed for regularisation purpose only.

(Action : RA, Bangalore **)**

**Case No.39. M/s. Mahindra Reva Electric Vehicles Pvt. Limited, Bangalore**
F.No. 01/60/162/204/AM13/EFGC(PRC)
PRC Meeting No. 28/AM13 dated: 06.11.2012
Subject:- Request for clubbing of advance license no. 0710040124 dt. 05.9.2005 & 0710040476 dt. 26.9.2005.

The committee noted that the firm has requested for clubbing of two advance authorizations obtained for export of same product in two advance authorizations, and inputs were claimed some of 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 consumed all inputs imported under two licences, thus 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 i.e. 100 Riva cars based on the norms as provided on both the authorizations separately.

ii) Value addition to be calculated taking into account all the inputs permitted under the two AAs.

iii) No further imports and export will be permitted. The clubbing of inputs as were allowed in two licences are allowed for regularisation purpose only.

(Action : RA, Bangalore **)**

**Case No.40. M/s. Mega International Pvt . Limited, Gurgaon**
F.No. 01/60/162/ 158/AM12/EFGC(PRC)
PRC Meeting No. 28/AM13 dated: 06.11.2012
Subject:- Request for clubbing and redemption of 4 authorizations Nos. 0510206340, 0510206341, 0510206342 and 0510206352 all dated 17.07.2007.

This matter has been considered in the PRC meeting 26 of 18/10/2011 and meeting No.27 of 8/11/2011. There are several issues which have been dealt with by the PRC as under:

i) <u>Non realisation of export proceeds in respect of certain shipping bills</u>: In the representation of the firm it has been stated that they have not realised foreign exchange against some of the shipments though 100% exports have been made. Para 2.25.4 of the Handbook of Procedures (Vol. I) - Page 23 stipulates that in such cases the firm may approach RBI for waiver from Foreign Exchange Realisation. If the RBI writes off realisation of export proceeds then this issue would subside. The Committee also noted second part of the para 2.25.4 and granted relaxation from production of certificate from the concerned foreign mission in view of the documents produced substantiating court cases and bankruptcy of importer. But this would be subject to RBI's grant of the waiver.

ii) Third Party Exports: Para 9.62 - page 118 of the Foreign Trade Policy defines Third Party exports, if the conditions therein have been satisfied (RA may get this checked), the third party export claims made by the applicant would be accepted for accounting discharge of EO.

iii) Clubbing: PRC considered the request for clubbing the four AAs and found that they all have been issued on the same day and export products and the items of import are identical. Therefore there will be no problem in granting clubbing of these four Advance Authorisations. It does not require any relaxation of Policy.

**Case No.41. M/s. Nicomet Industries Limited, Mumbai**
F.No. 01/60/162/138/AM12/EFGC(PRC)
PRC Meeting No. 28/AM13 dated: 06.11.2012
Subject:- Request for EOP extension of advance authorization no. 0310407977 dt. 14.11.2006

The committee did not find any merits in the request and rejected the same reiterating the earlier decision of PRC meeting held on 8.5.2012.

**Case No.42. M/s. D.K. Jagnath Silk Twisting Factory, Bangalore**
F.No. 01/60/162/524/AM13/EFGC(PRC)
PRC Meeting No. 28/AM13 dated: 06.11.2012
Subject:- Request for EOP extension of the advance license no. 0710065654 dt. 29.6.2009.

The committee noted that the firm has not made any exports on the Advance Authorization No. 0710065654 dt. 29.6.2009. 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 exports could not be made within stipulated period. It was also noted that they have not disclosed what they have done with the imported raw material. The Committee therefore did not consider the reason as genuine hardship warranting policy relaxation and rejected the case.

**Case No.43. M/s. D.K. Jagnath Silk Twisting Factory**
F.No. 01/60/162/529/AM13/EFGC(PRC)
PRC Meeting No. 28/AM13 dated: 06.11.2012
Subject:- Request for EOP extension of the advance license no. 0710065284 dt. 08.6.2009.

The committee noted that the firm has not made any exports on the Advance Authorization No. 0710065284 dt. 08.6.2009. 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 exports could not be made within stipulated period. It was also noted that they have not disclosed what they have done with the imported raw material. The Committee therefore did not consider the reason as genuine hardship warranting policy relaxation and rejected the case.

**Case No.44. M/s. D.K. Jagnath Silk Twisting Factory, Bangalore**
F.No. 01/60/162/525/AM13/EFGC(PRC)
PRC Meeting No. 28/AM13 dated: 06.11.2012
Subject:- Request for EOP extension of the advance license no. 0710068573 dt. 1.12.2009.

The committee noted that the firm has not made any exports on the Advance Authorization No. 0710068573 dt. 1.12.2009. 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 exports could not be made within stipulated period. It was also noted that they have not disclosed what they have done with the imported raw material. The Committee therefore did not consider the reason as genuine hardship warranting policy relaxation and rejected the case.

**Case No.45. M/s. Sadhana Nitro Chem Limited**
F.No. 01/60/162/497/AM13/EFGC(PRC)
PRC Meeting No. 28/AM13 dated: 06.11.2012
Subject:- Request for EOP extension of the advance license no. 0310452357 dt. 03.12.2007.

The Committee rejected the request of the firm as EOP extension has already been granted upto 22.5.2012 and there is no merit for further extension. It was decided that the cases may be finalized as per the provisions of the FTP.

**Case No.46. M/s. Lupin Limited, Mumbai**
F.No. 01/60/162/495/AM13/EFGC(PRC)
PRC Meeting No. 28/AM13 dated: 06.11.2012

Subject:- Request for EOP extension of advance license no. 0310509048 dt. 24.2.2009.

After deliberating the case in length the following decisions were taken:

I. Export obligation period is extended from 6 months to 12 months from the date of first import consignment.

II. This is only for regularization and closure purpose.

III. This is subject to a payment of composition fee @ 0.5% of FOB value of export made outside the original EOP and minimum value addition of 15% as prescribed under para 4.1.6 of FTP.

IV. The applicant has to pay duty +interest on inputs consumed and exported after 12 months from date of first import.
V. PC-18 condition is waived on this exports to the extent of requirement of re-export/destruction certificate on export made outside the extended EOP.

(Action : RA, Mumbai)

**Case No.47. M/s. Bajaj Overseas, Bangalore**
F.No. 01/60/162/496/AM13/EFGC(PRC)
PRC Meeting No. 28/AM13 dated: 06.11.2012
Subject:- Request for revalidation of DFIA authorization no. 0710069243 dated 4.1.2010.

The Committee noted the contents of the request made by the firm and decided to reject the case as no cogent and justified reasons establishing genuine hardship warranting relaxation under Para 2.5 of the FTP have been provided.

**Case No.48. M/s. Soft Touch Fabrics Pvt Limited, Surat**
F.No. 01/60/162/498/AM13/EFGC(PRC)
PRC Meeting No. 28/AM13 dated: 06.11.2012
Subject:- Request for revalidation of advance licence no. 5210029511 dt. 28.1.2010.

The Committee noted the contents of the request made by the firm and decided to reject the case as no cogent and justified reasons establishing genuine hardship warranting relaxation under Para 2.5 of the FTP have been provided.

**Case No.49. M/s. Soft Touch Fabrics Pvt Limited, Surat**
F.No. 01/60/162/499/AM13/EFGC(PRC)
PRC Meeting No. 28/AM13 dated: 06.11.2012
Subject:- Request for revalidation of advance license no. 5210029355 dt. 12.1.2010.

The Committee noted the contents of the request made by the firm and decided to reject the case as no cogent and justified reasons establishing genuine hardship warranting relaxation under Para 2.5 of the FTP have been provided.

**Case No.50. M/s. Kumari Overseas Pvt Limited, Bangalore**
F.No. 01/60/162/522/AM13/EFGC(PRC)
PRC Meeting No. 28/AM13 dated: 06.11.2012
Subject:- Request for EOP extension of DFIA authorization no. 0710060843 dt. 3.11.2008.

The committee noted that the firm has made low exports i.e. less than 50% of EO within the valid EOP on the Advance Authorization No. 0710060843 dt. 3.11.2008. 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 exports could not be made within stipulated period. It was also noted that they have not disclosed what they have done with the imported raw material. The Committee therefore did not consider the reason as genuine hardship warranting policy relaxation and rejected the case.

**Case No.51. M/s. Kumari Overseas Pvt Limited, Bangalore**
F.No. 01/60/162/523/AM13/EFGC(PRC)
PRC Meeting No. 28/AM13 dated: 06.11.2012
Subject:- Request for EOP extension of DFIA authorization no. 0710057767 dt. 9.06.2008.

The committee noted that the firm has made low exports i.e. less than 50% of EO within the valid EOP on the Advance Authorization No. 0710060843 dt. 3.11.2008. 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 exports could not be made within stipulated period. It was also noted that they have not disclosed what they have done with the imported raw material. The Committee therefore did not consider the reason as genuine hardship warranting policy relaxation and rejected the case.

The Committee ended with the Vote of Thanks to the Chair.

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