

THE POLICY RELAXATION COMMITTEE (PRC) MEETING NO. 31/AM13 HELD ON 04.12.2012 AT 11.30 A.M. UNDER THE CHAIRMANSHIP OF Dr. A.K PUJARI, DIRECTOR GENERAL OF FOREIGN TRADE.

PRC Meeting was held under the Chairmanship of DGFT and list of officers present in the meeting is given below:

- | | | |
|-----|-----------------------|---------------|
| 1. | Shri D.K Singh | Addl. DG |
| 2. | Shri. V.K. Srivastava | Addl. DG |
| 3. | Shri Mukesh Bhatnagar | Addl.DG |
| 4. | Dr. L.B. Singhal | Addl. DG |
| 5. | Shri K.C. Raut | Addl. DGFT |
| 6. | Shri Jaikant Singh | Jt. DGFT |
| 7. | Shri S.K. Samal | Jt. DGFT |
| 8. | Shri Jaikaran Singh | Jt..DGFT |
| 9. | Shri Hardeep Singh | Jt. DGFT |
| 10. | Shri A.K. Mishra | Stats Advisor |
| 11. | Shri S.K. Mohapatra | DDG |
| 12. | Smt. Sonika Khattar | FTDO |

Case No.1. M/s. Ram Ratna International, Mumbai

F.No. 01/60/162/569/AM13/EFGC(PRC)

PRC Meeting No. 31/AM13 dated: 04.12.2012

Subject:- Request for revalidation of advance license no.0310546269 dt.18.11.2009.

The committee noted that there was no inordinate delay on the part of RA/Custom in transmitting data and did not find any merit to relax the policy hence rejected the request.

Case No.2. M/s. Merit Healthcare Pvt. Limited, Mumbai

F.No. 01/60/162/557/AM13/EFGC(PRC)

PRC Meeting No. 31/AM13 dated: 04.12.2012

Subject:- Request for EOP extension for advance authorization no.0310509173 dated 25.0-2.2009.

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.

(Action : RA, Mumbai)

Case No.3. M/s. Base Metal Chlorinations Pvt Limited, Vadodara

F.No. 01/60/162/254/AM13/EFGC(PRC)

PRC Meeting No. 31/AM13 dated: 04.12.2012

Subject:- Request for EOP extension of advance license no. 3410022213 dt.1.9.2008.

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 30.6.2013 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 (even if pro-rata) already made is found to be false/incorrect.

(Action : RA Vadodara)

Case No.4. M/s. Cadila Healthcare Limited, Ahmedabad

F.No. 01/60/162/585/AM13/EFGC(PRC)

PRC Meeting No. 31/AM13 dated: 04.12.2012

Subject:- Request for EOP extension of EOP/clubbing of advance authorization no. 0810084451 dated 27.11.2009 and 0810091358 dated 18.08.2010 issued under PC-9 condition.

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

- I. The committee rejected the request for clubbing of the above two authorizations because exports made against 2nd and subsequent authorizations are beyond the validity of export obligation period of first authorization.

- II. However, Export obligation period is extended from 6 months to 12 months from the date of first import consignment under authorizations no. 0810084451 dated 27.11.2009.
- III. This is only for regularization and closure purpose.
- IV. 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.
- V. The applicant has to pay duty +interest on inputs consumed and exported after 12 months from date of first import consignment.
- VI. 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, Ahmedabad)

Case No.5. M/s. Cadila Healthcare Limited, Ahmedabad

F.No. 01/60/162/586/AM13/EFGC(PRC)

PRC Meeting No. 31/AM13 dated: 04.12.2012

Subject:- Request for EOP extension of by 1 month i.e. up to 31.03.2010 of advance authorization no. 0810082360 dated 18.8.2009 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.

(Action : RA, Ahmedabad)

Case No.6. M/s. Cadila Healthcare Limited, Ahmedabad

F.No. 01/60/162/588/AM13/EFGC(PRC)

PRC Meeting No. 31/AM13 dated: 04.12.2012

Subject:- Request for EOP/clubbing of (3) advance authorization no. 0810079469 dated 22.04.2009, 0810084860 dated 14.12.2009 & 0810090004 dated 24.06.201 issued under PC-9 condition.

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

- I. The committee rejected the request for clubbing of the above three authorizations on the ground that exports made in the subsequent authorizations are beyond the validity of export obligation period of first authorization even after extension.
- II. However, Export obligation period is extended from 6 months to 12 months from the date of first import consignment against authorization no. 0810079469 dated 22.04.2009.
- III. This is only for regularization and closure purpose.
- IV. 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.
- V. The applicant has to pay duty +interest on inputs consumed and exported after 12 months from date of first import.
- VI. 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, Ahmedabad)

Case No.7. M/s. Cadila Healthcare Limited, Ahmedabad

F.No. 01/60/162/587/AM13/EFGC(PRC)

PRC Meeting No. 31/AM13 dated: 04.12.2012

Subject:- Request for EOP/clubbing of (2) advance authorization no. 0810084864 dated 14.12.2009 & 0810089584 dated 10.06.2010 issued under PC-9 condition.

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

- I. The committee rejected the request for clubbing of the above two authorizations on the ground that exports made in the subsequent authorizations are beyond the validity of export obligation period of first authorization even after extension.
- II. However, Export obligation period is extended from 6 months to 12 months from the date of first import consignment against authorization no. 0810084864 dated 14.12.2009.
- III. This is only for regularization and closure purpose.
- IV. 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.
- V. The applicant has to pay duty +interest on inputs consumed and exported after 12 months from date of first import.
- VI. 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, Ahmedabad)

Case No.8. M/s. SR Foils & Tissue Limited, New Delhi

F.No. 01/60/162/604/AM13/EFGC(PRC)

PRC Meeting No. 31/AM13 dated: 04.12.2012

Subject:- Request for EOP extension of (5) advance licenses No.

- i) 510240482 dt. 28.4.2009
- ii) 510244552 dt. 25.6.2009
- iii) 510245285 dt. 7.7.2009
- iv) 510244549 dt. 25.6.2009
- v) 510239984 dt. 20.4.2009

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 30.6.2013 which ever is earlier for Advance Authorization no. 510240482 dt. 28.4.2009.
- 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.
- vi) 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 (even if pro-rata) already made is found to be false/incorrect.
- vii) The committee also noted that no considerable exports, which form merit of the case, have been made by the firm for Advance Authorizations at sr no. ii to v within the original validity hence the committee did not agree to consider the request for EOP extension.

(Action : RA CLA, New Delhi is requested to initiate action under the provision of FT(D&R) Act, if the applicant fails to get the case regularised in terms of Para 4.28 of BHP within a month from the date of communication.)

Case No.9. M/s. Ashish Life Science Pvt. Limited, Mumbai

F.No. 01/60/162/596/AM13/EFGC(PRC)

PRC Meeting No. 31/AM13 dated: 04.12.2012

Subject:- Request for EOP extension/redemption of advance authorization no. 0310408604 dt.17.11.2006 issued under PC-9 condition and consideration/ shipment made under DEPB shipping bill towards discharge of obligation.

The committee considered the request and decided that the DEPB shipping bill dt. 24.4.2007 may be considered towards discharge of export obligation against advance authorization no. 0310408604 dt.17.11.2006 subject to proper verification of export product by RA and also to ensure that the firm has not availed the DEPB benefit against the said shipping bill.

(Action: RA, Mumbai)

Case No.10. M/s. Lux Industries Limited, Kolkata

F.No. 01/60/162/606/AM13/EFGC(PRC)

PRC Meeting No. 31/AM13 dated: 04.12.2012

Subject:- Request for EOP extension of advance license no.02101303899 dated 13.08.2009.

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 30.6.2013 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 (even if pro-rata) already made is found to be false/incorrect.

(Action : RA Kolkata)

Case No.11. M/s. Adcock Ingram Limited, Bangalore

F.No. 01/60/162/575/AM13/EFGC(PRC)

PRC Meeting No. 31/AM13 dated: 04.12.2012

Subject:- Request for EOP extension of advance authorization no. 0710058547 dt.15.07.2998 issued under PC-9 condition.

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, Bangalore)

Case No.12. M/s. Ajanta Pharma Limited, Mumbai

F.No. 01/60/162/608/AM13/EFGC(PRC)

PRC Meeting No. 31/AM13 dated: 04.12.2012

Subject:- Request for EOP extension of advance authorization no. 0310473308 dt. 5.6.2008.

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.13. M/s. Vishnu Chemicals Limited, Hyderabad

F.No. 01/60/162/605/AM13/EFGC(PRC)

PRC Meeting No. 31/AM13 dated: 04.12.2012

Subject:- Request for EOP extension of advance authorization no. 0910039712 dt. 27.10.2009.

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 30.6.2013 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 (even if pro-rata) already made is found to be false/incorrect.

(Action : RA Hyderabad)

Case No.14. M/s. Gajanan Engineering Works, Thane

F.No. 01/60/162/566/AM13/EFGC(PRC)

PRC Meeting No. 31/AM13 dated: 04.12.2012

Subject:- Request for regularization and closure of the (5) advance licenses on payment of excise duty on excess procurement of goods due to shortfall in export obligation.

<u>0310281911 dt 20.07.04</u>
<u>0310278517 dt 20.07.04</u>
<u>0310227932 dt 30.09.03</u>
<u>0310318306 dt 23.02.05</u>
<u>0310284093 dt 02.08.04</u>

Deferred for obtaining a report from RA. RA shall confirm whether supplier of goods i.e. M/s. Agarwal Metal Works, Jhajjar Road, Rewari has availed drawback refund or advance authorization against supply of goods to advance authorization holder i.e. M/s. Gajanan Engineering Works Thane.

(Action : RA, Panipat)

Case No.15. M/s. Cadila Healthcare Limited, Ahmedabad

F.No. 01/60/162/573/AM13/EFGC(PRC)

PRC Meeting No. 31/AM13 dated: 04.12.2012

Subject:- Request for clubbing of 5 advance authorization no. 1.) 0810076387 dated 02.12.2008, 2.) 0810080700 dated 12.06.2009, 3.) 0810085873 dated 20.01.2010, 4.) 0810089940 dated 23.06.2010 & 5.) 0810096353 dated 17.02.2011 issued under PC-9 condition.

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

- I. The committee rejected the request for clubbing of the above two authorizations on the ground that only exports which were made within the extended validity of first advance authorization can only be taken into account for clubbing. In the instant case, exports made under other advance authorization issued subsequently are out side the purview of said obligation period.
- II. However, Export obligation period is extended from 6 months to 12 months from the date of first import consignment against authorizations at sr. no. 1 & 2 and 12 to 18 months at sr. 5
- III. This is only for regularization and closure purpose.
- IV. 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.
- V. The applicant has to pay duty +interest on inputs consumed and exported after 12 months from date of first import consignment against authorization at sr. no. 1 & 2 and after 18 months against authorization at sr. no. 5

VI. 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, Ahmedabad)

Case No.16. M/s. Medreich Limited, Bangalore

F.No. 01/60/162/607/AM13/EFGC(PRC)

PRC Meeting No. 31/AM13 dated: 04.12.2012

Subject:- Request for regularize the advance authorization no.0710075813 dt. 2.12.2010 issued under para 4.7 of HBP of vol. 1 and regularization as per para 4.28 imports from unregistered source.

After discussion in length, **the committee noted that such request should have been disposed of by respective RAs** however the following decisions were taken:

- i) Condition of PC-18 is waived to the extent of raw material consumed and exported.
- ii) Such waiver is subject to payment of duty + interest on excess import made as per norm ratified by the Norms committee.
- iii) And, on submission of certificate issued by respective Excise Authority regarding consumption of whole imported raw material in the resultant products exported.

(Action : RA, Bangalore)

Case No.17. M/s. Medreich Limited, Bangalore

F.No. 01/60/162/559/AM13/EFGC(PRC)

PRC Meeting No. 31/AM13 dated: 04.12.2012

Subject:- Request for clubbing of advance authorization no.0710077816 dt.3.3.2011 and 0710078687 dt. 20.4.2011 issued under PC-9 condition.

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

- i) To allow clubbing of 2 above advance authorizations as referred above.
- ii) Exports made against subsequent authorization within 12 months from the date of import of first consignment against earliest authorization shall only be taken into account for clubbing of authorization.
- iii) Value addition of minimum 15% or as stipulated in the authorization whichever is higher shall be ensured. 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, Bangalore)

Case No.18. M/s. Sterling Biotech Limited, Mumbai

F.No. 01/60/162/289/AM13/EFGC(PRC)

PRC Meeting No. 31/AM13 dated: 04.12.2012

Subject:- Request for clubbing of 3 advance authorization on the basis of procedure prior to public Notice no.79 dt. 13.10.2011.

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.19. M/s. K.K. Nag Limited, Bangalore

F.No. 01/60/162/580/AM13/EFGC(PRC)

PRC Meeting No. 31/AM13 dated: 04.12.2012

Subject:- Request for allow concession on export obligation in quantity due to fire accident in their factory at Bangalore on 12.3.2010 against AA No.0710066173 dt.24.7.2009.

The committee noted the request and did not agree to waive the balance export obligation in quantity. However, considering genuine problem, it was decided that if the firm is able to complete the export obligation they may approach RA within one month and seek extension in export obligation period for 6 months or regularize the case under Para 4.28 of HBP. RA may allow 6 months extension from the date of endorsement, if requested by the party.

(Action: RA, Bangalore)

Case No.20. M/s. Medreich Limited, Bangalore

F.No. 01/60/162//AM13/EFGC(PRC)

PRC Meeting No. 31/AM13 dated: 04.12.2012

Subject:- Request for EOP extension & waiver of re-export or destruction condition against (6) advance licenses.

1.0710056403 dated 14.03.2008

2.0710057322 dated 08.05.2008

3.0710058625 dated 18.07.2008

4.0710058663 dated 22.07.2008

5.0710058662 dated 22.07.2008

6.0710061410 dated 28.11.2008

The committee noted that this is a repeat case already decided in the meeting no. 30/Am13 dt. 27.11.2012. However, for clarity and uniformity to deal with PC-9 cases coming for clubbing, it was decided to allow clubbing of only authorizations where export under subsequent authorizations

are made within the original validity/ extended validity of earliest authorization. Export obligation validity period shall be counted from the date of import of first consignment against earliest authorization.

(Action : RA, Bangalore)

Case No.21. M/s. Star Boxes India Pvt. Limited

F.No. 01/60/162/592/AM13/EFGC(PRC)

PRC Meeting No. 31/AM13 dated: 04.12.2012

Subject:- Request for EOP extension of advance authorization no. 0410108166 dt. 6.10.2009.

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 30.6.2013 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 (even if pro-rata) already made is found to be false/incorrect.

(Action : RA Chennai)

Case No.22. M/s. Star Boxes India Pvt. Limited

F.No. 01/60/162/593/AM13/EFGC(PRC)

PRC Meeting No. 31/AM13 dated: 04.12.2012

Subject:- Request for EOP extension of advance authorization no.0410108167 dt.6.10.2009.

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 30.6.2013 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 (even if pro-rata) already made is found to be false/incorrect.

(Action : RA Chennai)

Case No.23. M/s. Ram Ratna International, Mumbai

F.No. 01/60/162/567/AM13/EFGC(PRC)

PRC Meeting No. 31/AM13 dated: 04.12.2012

Subject:- Request for revalidation of advance authorization no.0310500969 dated 2.1.2009.

The committee noted that the firm has failed to utilize the licence within the original validity and justification given is not convincing to the committee. Hence, the request is rejected.

Case No.24. M/s. Maruti Techno rubber Pvt. limited, Noida.

F.No. 01/60/162/594/AM13/EFGC(PRC)

PRC Meeting No. 31/AM13 dated: 04.12.2012

Subject:- Request for revalidation of advance license no. 0510239871 dt. 17.4.2009.

The committee noted that the firm has failed to utilize the licence within the original validity and justification given is not convincing to the committee. Hence, the request is rejected.

Case No.25. M/s. Narsipur Chemicals Pvt . Limited Mumbai

F.No. 01/60/162/595/AM13/EFGC(PRC)

PRC Meeting No. 31/AM13 dated: 04.12.2012

Subject:- Request for revalidation of advance authorization no. 0310554857 dt. 12.1.2010.

The reason cited by the firm that due to commercial viability they could not utilize the licence is not convincing to the committee hence rejected.

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