MINUTES OF THE POLICY RELAXATION COMMITTEE (PRC) MEETING NO. 35/AM12 HELD ON 03.01.2012 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. Gupta Addl. DG
3. Shri. V.K. Srivastava Addl. DG
4. Shri N.P.S. Monga Addl. DG
5. Dr. L.B.S. Singhal Jt. DGFT
6. Dr. Rajiv Arora Jt. DGFT
7. Shri A.K. Singh Jt. DGFT
8. Shri R.S. Ratna Jt. DGFT
9. Shri.HardeepSingh Jt. DGFT
10. Smt. Subhra Jt. DGFT
11. Smt. Vibha Bhalla Jt. DGFT
12. Shri A. Mishra Stats Advisor
13. Shri D.C. Sharma Stats Advisor
14. Smt. Sonika Khattar FTDO

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

Case No.1. M/s. Wendt India Limited, Bangalore.
F.No. 01/60/162/873/AM12/EFGC(PRC)
PRC Meeting No. 35/AM12 dated: 03.01.2012
Subject:- Request for EOP extension of advance license No. 0710054569 dt. 16.11.2007.

The Committee noted that the firm have made less than 50% exports during the valid EOP and, therefore, decided to reject the case on account of low exports made within the valid EOP.

Case No.2. M/s. Bipico Industries Tools Pvt Limited Mumbai
F.No. 01/60/162/875/AM12/EFGC(PRC)
PRC Meeting No. 35/AM12 dated: 03.01.2012
Subject:- Request for EOP extension of advance license No. 0310479556 dt. 21.7.2008 along with waiver of payment not realized due to buyer become insolvent

The Committee noted that the firm have made less than 50% exports during the valid EOP and, therefore, decided to reject the case on account of low exports made within the valid EOP.

Case No.3. M/s. Raj Petro Specialtities Pvt Limited Mumbai
F.No. 01/60/162/877/AM12/EFGC(PRC)
PRC Meeting No. 35/AM12 dated: 03.01.2012
Subject:- Request for EOP extension of advance license No.0310495603 dt. 25.11.2008.

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.4. M/s. Raj Petro Specialtities Pvt Limited Mumbai
F.No. 01/60/162/874/AM12/EFGC(PRC)
PRC Meeting No. 35/AM12 dated: 03.01.2012
Subject:- Request for EOP extension of advance license No.0310501601 dt. 06.01.2009

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.5. M/s. Khanna Paper Mills Limited Amritsar
F.No. 01/60/162/850/AM12/EFGC(PRC)
PRC Meeting No. 35/AM12 dated: 03.01.2012
Subject:- Request for EOP extension of DFIA no. 1210005938 dt.23.09.2008

The Committee noted that the firm have made less than 50% exports during the valid EOP and, therefore, decided to reject the case on account of low exports made within the valid EOP.

Case No.6. M/s. Shreya India Pvt Limited Jaipur
F.No. 01/60/162/860/AM12/EFGC(PRC)
PRC Meeting No. 35/AM12 dated: 03.01.2012
Subject:- Request for EOP extension of advance license No. 1310027277 dt. 7.11.2008

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.7. M/s. Geltec Private Limited Mumbai
F.No. 01/60/162/867/AM12/EFGC(PRC)
PRC Meeting No. 35/AM12 dated: 03.01.2012
Subject:- Request for EOP extension of advance license No. 0310259084 dt.. 17.3.2004.

The committee deliberated on the case and decided to check with the RA the basis of imposing Policy-9 condition for this authorization, as the items appeared to be other than drugs/chemical.

Case No.8. M/s. Kusuma Pharma Mumbai
F.No. 01/60/162/880/AM12/EFGC(PRC)
PRC Meeting No. 35/AM12 dated: 03.01.2012
Subject:- Request for clubbing of 6 advance license no. 1) 0310514622 dt. 3.4.2009, 2) 0310520778 dt. 21.5.2009, 3) 0310525014 dt. 19.6.2009, 4) 0310531551 dt. 30.7.2009, 5) 0310551825 dt. 21.12.2009 and 6) 03010534966 dt. 24.8.2009 for regularization and closure purpose.

The committee noted that as per Public Notice no. 79 dt. 13.10.2011, Regional Authorities of DGFT could do clubbing for authorizations which are issued within 3 years from the date of issue of the earliest authorization sought to be clubbed and conditions as stipulated in the aforesaid Public Notice. As such, this case could have been considered at the level of RA also. However, since this application was already filed in DGFT prior to issuance of PN. NO. 79 dt. 13.10.2011, the committee decided to club the above 6 advance authorizations for the purpose of regularization. RA may grant necessary extension in EO required with the stipulated composition fee for clubbing and regularization. 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 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.9. M/s. Geltec Private Limited Mumbai
F.No. 01/60/162/866/AM11/EFGC(PRC)
PRC Meeting No. 35/AM12 dated: 03.01.2012
Subject:- Request for relaxation from the conditions of re-export/destruction of the duty free inputs and grant condonation in in respect of advance license no.0310437287 dt. 24.07.2007.

The committee deliberated on the case and decided to check with the RA the basis of imposing Policy-9 condition for this authorization, as the items appeared to be other than drugs/chemical.

Case No.10. M/s. Aarti Industries Limited Mumbai
F.No. 01/60/162/844/AM11/EFGC(PRC)
PRC Meeting No. 35/AM12 dated: 03.01.2012
Subject:- Request for relaxation in policy for Intermediate license No. 0310454392 dt. 17.12.2007.

The committee decided to consider the request of the firm in respect of the invoice dt. 22.11.2007 for consideration of discharge of export obligation as the original advance authorization against which an intermediate advance licence was issued on 17.12.2007 and also an invalidation letter by the original advance authorization holder was also issued prior to 22.11.2007.

Case No.11. M/s. Industrial Solvents & chemicals Mumbai
F.No. 01/60/162/872/AM12/EFGC(PRC)
PRC Meeting No. 35/AM12 dated: 03.01.2012
Subject:- Request for revalidation of 4 DEPB no. 0310499919 dt. 24.12.2008, 0310509805 dt. 2.3.2009, 0310516339 dt. 20.4.2009 and 0310516605 dt. 22.4.2009.

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

Case No.12. M/s. Tiger Steel engineering (India) Pvt Limited Mumbai
F.No. 01/60/162/854/AM12/EFGC(PRC)
PRC Meeting No. 35/AM12 dated: 03.01.2012
Subject:- Request for clubbing of 3advance license No. 0310471180 dt. 14.5.2008 (2) 0310523043 dt. 8.6.2009 (3) 0310551968 dt. 22.12.2009.

The committee noted that as per Public Notice no. 79 dt. 13.10.2011, Regional Authorities of DGFT could do clubbing for authorizations which are issued within 3 years from the date of issue of the earliest authorization sought to be clubbed and conditions as stipulated in the aforesaid Public Notice. As such, this case could have been considered at the level of RA also. However, since this application was already filed in DGFT prior to issuance of PN. NO. 79 dt. 13.10.2011, the committee decided to club the above 3 advance authorizations for the purpose of regularization. RA may grant necessary extension in EO required with the stipulated composition fee for clubbing and regularization. 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 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.13. M/s. Geltec Private Limited Mumbai
F.No. 01/60/162/858/AM12/EFGC(PRC)

PRC Meeting No. 35/AM12 dated: 03.01.2012
Subject:- Request for relaxation from the conditions of re-export/destruction of the duty free inputs and grant condonation in in respect of advance license no.0310246443 dt. 08.01.2004.

The committee deliberated on the case and decided to check with the RA the basis of imposing Policy-9 condition for this authorization. It was also decided to examine whether in past cases where the yields were low and the raw material had been utilized more than the prescribed norms, how regularization of export obligation discharge was undertaken and condition of destruction/re-export of raw material/ export of finished products established and non diversion of unregistered source import to domestic market established.

Case No.14. M/s. Raj Petro Specialities Pvt Limited Mumbai
F.No. 01/60/162/834/AM12/EFGC(PRC)
PRC Meeting No. 35/AM12 dated: 03.01.2012
Subject:- Request for revalidation and enhancement of advance license No. 0310518869 dt. 07.05.2009

The Committee noted the request of the firm and decided to reject as the reasons cited are only commercial risk and not a genuine hardship warranting relaxation under Para 2.5 of FTP.

Case No.15. M/s. Evergreen Drumps & Cans Pvt Limited
F.No. 01/60/162/173/AM12/EFGC(PRC)
PRC Meeting No. 35/AM12 dated: 03.01.2012
Subject:- Request for policy relaxation with regard to diversion of the exports supplied to other exporter for whom invalidation letter was not obtained in respect of advance authorization no. 0210091905 dt. 28.7.2006.

The committee noted that the policy of making supplies against invalidation letter could only be considered as deemed export. In any other case if the supplies have been made to other exporters without any invalidation letter then these could only be considered as domestic supplies and not deemed exports. The committee therefore rejected the case.

Case No.16. M/s. Honeywell Electricals Devices and Systems India Limited Chennai
F.No. 01/60/162/1288/AM11/EFGC(PRC)
PRC Meeting No. 35/AM12 dated: 03.01.2012
Subject:- Request for clubbing of two advance license No. 0410037674 dt. 20.3.03 & 0410054691 dt. 17.3.04.

The committee noted that as per Public Notice no. 79 dt. 13.10.2011, Regional Authorities of DGFT could do clubbing for authorizations which are issued within 3 years from the date of issue of the earliest authorization sought to be clubbed and conditions as stipulated in the aforesaid Public Notice. As such, this case could have been considered at the level of RA also. However, since this application was already filed in DGFT prior to issuance of PN. NO. 79 dt. 13.10.2011, the committee decided to club the above 2 advance authorizations for the purpose of regularization. RA may grant necessary extension in EO required with the stipulated composition fee for clubbing and regularization. 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 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.17. M/s. Sterlite Industries (I) Limited Tamilnadu
F.No. 01/94/180/813/AM10/PC-IV/EFGC(PRC)
PRC Meeting No. 35/AM12 dated: 03.01.2012
Subject:- Request for EOP extension of AA 0310359887 dt. 19.12.2005

Deferred. To be processed on file.

Case No.18. M/s. Sobha Industries Pvt Limited
F.No. 01/94/180/220/AM10/PC-IC/EFGC(PRC)
PRC Meeting No. 35/AM12 dated: 03.01.2012
Subject:- Request for issue of redemption certificate/completion of export obligation against advance licence no. 0510166914 dt. 20.9.2005.

The committee noted that since the case is under adjudication, this may be dealt as per the provisions of the Act under the established adjudication process.

Case No.19. M/s. Simmonds Marshall Limited
F.No. 01/81/163/319/AM-09/DES-II
PRC Meeting No. 35/AM12 dated: 03.01.2012
Subject:- Amendment of item of imports per P.No. 16/2011-11 dt.26.11.2010 in AA No.0310481894 dt. 8.8.2008 (2) revalidation of advance license.

The committee noted that the firm had obtained advance authorization under SION and not under Para 4.7. In case of SION modification at a date later than the date of authorization the applicability could only be prospective and not retrospective. The committee also noted that the sanctity of establishing SION would be undermined if such requests of amending SION at a later date were agreed from retrospective date. The committee therefore rejected the case.

Case No.20. M/s. Kristeel Shinwa Industries Limited Mumbai
F.No. 01/60/162/892/AM12/EFGC(PRC)
PRC Meeting No. 35/AM12 dated: 03.01.2012
Subject:- Request for EOP extension of advance license No. 0310472642 dt. 2.6.2008

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.21. M/s. Shogun Organics Limited
F.No. 01/60/162/891/AM12/EFGC(PRC)
PRC Meeting No. 35/AM12 dated: 03.01.2012
Subject:- Request for revalidation of advance license No.0310505597 dt. 4/2/2009.

The Committee noted the request of the firm and decided to reject as the reasons cited are only commercial risk and not a genuine hardship warranting relaxation under Para 2.5 of FTP.

Case No.22. M/s. Pokarna Limited Hyderabad
F.No. 01/60/162/899/AM12/EFGC(PRC)
PRC Meeting No. 35/AM12 dated: 03.01.2012
Subject:- Request for revalidation of DFIA advance license No. 0910037950 dt. 20/05/2009.

The Committee noted the request of the firm and decided to reject as the reasons cited are only commercial risk and not a genuine hardship warranting relaxation under Para 2.5 of FTP.

Case No.23. M/s. Metal Powder Company Limited Tamilnadu
F.No. 01/60/162/890/AM12/EFGC(PRC)
PRC Meeting No. 35/AM12 dated: 03.01.2012
Subject:- Request for revalidation of advance license No. 3510025971 dt. 3.3.2009

The Committee noted the request of the firm and decided to reject as the reasons cited are only commercial risk and not a genuine hardship warranting relaxation under Para 2.5 of FTP.

Case No.24. M/s. Arch Pharmalabs Limited
F.No. 01/60/162/173/AM11/EFGC(PRC)
PRC Meeting No. 35/AM12 dated: 03.01.2012
Subject:- Request for redemption and closure of 5 DFIAs licenses

Deferred.

Case No.25. M/s. National Mineral Development cor. Ltd Hyderabad
F.No. 01/60/162/857/AM12/EFGC(PRC)
PRC Meeting No. 35/AM12 dated: 03.01.2012
Subject:- Request for EOP extension of advance license No. 0910033602 dt. 9.4.2008

The committee noted the request and decided to call for the details from the firm of other authorization where these exports were made and to verify whether the firm has applied for clubbing of two authorizations. After obtaining the details the case may then be placed before PRC with the appropriate request.