MINUTES OF THE POLICY RELAXATION COMMITTEE (PRC) MEETING NO. 39/AM12 HELD ON 31.01.2012 AT 11.00 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. Rajiv Arora — Jt. DGFT
6. Shri A.K. Singh — Jt. DGFT
7. Shri.Hardeep Singh — Jt DGFT
8. Smt. Subhra — Jt. DGFT
9. Shri D.C. Sharma — Stats Advisor
10. Shri Sanjay Kumar — Dy. DGFT
11. Smt. Sonika Khattar — FTDO

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

Case No.1. M/s. Hindustan Zinc Limited
F.No. 01/60/162/982/AM12/EFGC(PRC)
PRC Meeting No. 39/AM12 dated: 31.01.2012
Subject:- Request for extension for validity of DEPB License No. 1310028856 dt. 1.6.2009.

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.2. M/s. Hindustan Zinc Limited
F.No. 01/60/162/981/AM12/EFGC(PRC)
PRC Meeting No. 39/AM12 dated: 31.01.2012
Subject:- Request for extension for validity of DEPB License No. 1310028798 dt. 25.5.2009.

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.3. M/s. Royal Exporters, Rajkot
F.No. 01/60/162/975/AM12/EFGC(PRC)
PRC Meeting No. 39/AM12 dated: 31.01.2012
Subject:- Request for revalidation/Transferability of DFIA No. 2410021826 dt. 29.07.2008.

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.4. M/s. Ajanta Pharma Limited, Mumbai
F.No. 01/60/162/923/AM12/EFGC(PRC)
PRC Meeting No. 39/AM12 dated: 31.01.2012
Subject:- Request for amendment in export product list of the advance license 0310256392 dt. 5.3.2004.

The Committee noted the request and decided to obtain details regarding the issue relating to redemption from RA and then place the request before PRC.

Case No.5. M/s. Enzal Chemicals India Limited Mumbai
F.No. 01/60/162/882/AM12/EFGC(PRC)
PRC Meeting No. 39/AM12 dated: 31.01.2012
Subject:- Request for clubbing of 4 advance license No. (1) 0310281917 dt. 20.7.2004 (2) 0310175348 dt. 31.12.2002 (3) 0310281908 dt. 20.7.2004 (4) 0310354842 dt. 7.11.2005.

The committee noted the request and decided to club the above 4 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.6. M/s. Vinyroyal Plasticoates Limited Gujarat
F.No. 01/60/162/929/AM12/EFGC(PRC)
PRC Meeting No. 39/AM12 dated: 31.01.2012
Subject:- Request for clubbing of 2 advance license no.0310341576 dt. 8.8.2005 (2) 0310342329 dt. 9.8.2005.

The committee noted the request and 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.7. M/s. Grauer & Weil India Limited Mumbai
F.No. 01/60/162/986/AM12/EFGC(PRC)
PRC Meeting No. 39/AM12 dated: 31.01.2012
Subject:- Request for revalidation of advance license No. 0310506510 dt. 10.2.2009.

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.8. M/s. Grauer & Weil India Limited Mumbai
F.No. 01/60/162/987/AM12/EFGC(PRC)
PRC Meeting No. 39/AM12 dated: 31.01.2012
Subject:- Request for revalidation of advance license No. 0310519838 dt. 14.5.2009.

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.9. M/s. Wires & Fabriks (S.A.) Limited, Kolkata
F.No. 01/60/162/970/AM12/EFGC(PRC)
PRC Meeting No. 39/AM12 dated: 31.01.2012
Subject:- Request for revalidation of 2 advance licence 0210097513 dt. 24.01.2007 (2) 0210105661 dt. 2.11.2007.

The Committee noted the request and decided to get a report from RA and then place the request before PRC.

Case No.10. M/s. Wires & Fabriks (S.A.) Limited, Kolkata
F.No. 01/60/162/979/AM12/EFGC(PRC)
PRC Meeting No. 39/AM12 dated: 31.01.2012
Subject:- Request for revalidation of 2 advance authorization nos. 0210106326 dt. 22.11.2007 (2) 0210108952 dt. 12.2.2008.

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.11. M/s. Supreme Tex Mart Limited, Ludhiana

F.No. 01/60/162/325/AM12/EFGC(PRC)
PRC Meeting No. 39/AM12 dated: 31.01.2012
Subject:- Request for revalidation of advance license No. 3010047018 dt. 25.4.2006

The Committee rejected the request of the firm as there is no merit for consideration as the authorization is too old. It was decided that the cases may be finalized as per the provisions of the FTP.

Case No.12. M/s. Faze Three Limited Mumbai
F.No. 01/60/162/956/AM12/EFGC(PRC)
PRC Meeting No. 39/AM12 dated: 31.01.2012
Subject:- Request for applied for EOP extension for 10 advance licenses.

1. 310341203 dated 29.06.2005
2. 310341493 dated 04.08.2005
3. 310346805 dated 09.09.2005
4. 310384716 dated 14.06.2006
5. 310400624 dated 21.09.2006
6. 310402823 dated 06.10.2006
7. 310406296 dated 02.11.2006
8. 310410262 dated 30.11.2006
9. 310413042 dated 21.12.2006
10. 310420497 dated 22.02.2007

The Committee noted the request and decided to check details from RA regarding the past authorisations on utilization and also the authorisations under consideration.

Case No.13. M/s. Spack Automotives Limited UP
F.No. 01/60/162/980/AM12/EFGC(PRC)
PRC Meeting No. 39/AM12 dated: 31.01.2012
Subject:- Request for grant of EOP extension of and advance license No. 0510182124 dt. 15.5.2006.

The Committee noted that the firm have made no exports during the valid EOP and, therefore, decided to reject the case on account of no exports made within the valid EOP.

Case No.14. M/s. GVS Labs Thane

F.No. 01/60/162/973/AM12/EFGC(PRC)
PRC Meeting No. 39/AM12 dated: 31.01.2012
Subject:- Request for EOP extension of advance license No. 0310411112 dt. 6.12.2006 (issued under PC-9 condition)

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.15 M/s. GVS Labs, Thane
F.No. 01/60/162/972/AM12/EFGC(PRC)
PRC Meeting No. 39/AM12 dated: 31.01.2012
Subject:- Request for EOP extension of advance license No. 0310410389 dt. 30.11.2006 (issued under PC-9 condition)

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.16. M/s. GVS Labs, Thane
F.No. 01/60/162/969/AM12/EFGC(PRC)
PRC Meeting No. 39/AM12 dated: 31.01.2012
Subject:- Request for EOP extension of advance License No. 0310410371 dt. 30.11.2006 (issued under PC-9 condition)

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. GVS Labs, Thane
F.No. 01/60/162/971/AM12/EFGC(PRC)
PRC Meeting No. 39/AM12 dated: 31.01.2012
Subject:- Request for EOP extension of advance license No. 0310377230 dt. 24.4.2006 (issued under PC-9 condition).

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. Oil Country Tubular Limited, Hyderabad
F.No. 01/60/162/968/AM12/EFGC(PRC)
PRC Meeting No. 39/AM12 dated: 31.01.2012
Subject:- Request for EOP extension of advance license No. 0910035998 dt. 18.11.2008

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.19. M/s. Salvi Chemicals Industries Limited, Mumbai
F.No. 01/60/162/985/AM12/EFGC(PRC)
PRC Meeting No. 39/AM12 dated: 31.01.2012

Subject:- Request for EOP extension of advance license no. 0310491835 dt. 24.10.2008.

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.20. M/s. Phillips Carbon Black Limited
F.No. 01/60/162/849/AM12/EFGC(PRC)
PRC Meeting No. 39/AM12 dated: 31.01.2012
Subject:- Request for EOP extension of advance license No. 0210112954 dt. 29.05.2008

The Committee noted the request and decided to re-examine whether 15% value addition has been stipulated in past for EOP extension cases also and also check status of reducing value addition in specific class of cases and then place the request before PRC.

Case No.21. M/s. Indokem Limited Mumbai
F.No. 01/60/162/934/AM12/EFGC(PRC)
PRC Meeting No. 39/AM12 dated: 31.01.2012
Subject:- Request for redemption of advance license No. 0310042233 dt. 21.6.2000

The Committee decided that the firm may provide corroborative evidence to establish that the export product contained 98% dye content from the production/excise records including ARE-1. RA may look into the aforesaid evidence when submitted by the firm to co-relate the required export obligation conditions as stipulated on the authorization including the product specifications. RA may consider redemption after due diligence as per above and as per the stipulated FTP policy provisions.