POLICY RELAXATION COMMITTEE (PRC) MEETING NO. 44/AM12 HELD ON 13.03.2012 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. 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. Shri A. Mishra Stats Advisor
12. Shri D.C.Sharma Stats Advisor
13. Shri Sanjay Kumar Dy. DGFT

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

Case No.1. M/s. Sundar Sons (India) Export
F.No. 01/60/162/1184/AM12/EFGC(PRC)
PRC Meeting No. 44/AM12 dated: 13.03.2012
Subject:- Request for revalidation/EOP extension of advance license 3210038619 dt. 22.08.2008.

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.2. M/s. Eagle Chemical Works, Mumbai
F.No. 01/60/162/1169/AM12/EFGC(PRC)
PRC Meeting No. 44/AM12 dated: 13.03.2012
Subject:- Request for revalidation of advance authorization no. 0310511421 dt. 13.03.2009.

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.3. M/s. Everest Kanto Cylinder Ltd, Mumbai
F.No. 01/60/162/1179/AM12/EFGC(PRC)
PRC Meeting No. 44/AM12 dated: 13.03.2012
Subject:- Request for EOP extension of advance licence No. 0310498483 dt. 17.12.2008 (Duplicate Custom purpose no. 0310577905 dt. 17.12.2008).

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. Umedica Laboratories Pvt, Ltd, Mumbai
F.No. 01/60/162/1172/AM12/EFGC(PRC)
PRC Meeting No. 44/AM12 dated: 13.03.2012
Subject:- Request for EOP extension of advance licence No. 0310543061 dt. 29.10.2009.

The Committee decided to extend EOP against the aforesaid advance authorization for six months i.e. total 18 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.5. M/s. Britacel Silicones Ltd, Mumbai

F.No. 01/02/58/AM12/EDI/EFGC(PRC)
PRC Meeting No. 44/AM12 dated: 13.03.2012
Subject:- Request for change of port of registration in the advance authorization no. 1. 0310597999 dt.15.10.10 2. 0310597100 dt. 15.10.10. 3. 0310597360 dt. 18.10.2010. 4. 0310600299 dt. 4.11.2010.

Withdrawn for processing on file.

Case No.6. M/s. Jindal Poly Films Ltd,
F.No. 01/60/162/1730/AM11/EFGC(PRC)
PRC Meeting No. 44/AM12 dated: 13.03.2012
Subject:- Request for clubbing of two advance license no.P/L0500649 dt. 17.2.1998 and License no. 0510038908 dt. 22.6.2001.

Withdrawn for processing on file.

Case No.7. M/s. Desiccant Rotors Pvt, Ltd, Gurgaon.
F.No. 01/60/162/1143/AM12/EFGC(PRC)
PRC Meeting No. 44/AM12 dated: 13.03.2012
Subject:- Request for clubbing of 5 advance authorization 1. 0510059637 dt. 24.5.2002. 2. 0510083321 dt. 21.3.2003. 3. 0510098038 dt. 4.8.2003. 4. 0510154696 dt. 31.3.2005. 5. 0510250584 dt. 9.10.2009.

The Committee considered the request of the firm and decided to club advance authorizations no. 1. 0510059637 dt. 24.5.2002. 2. 0510083321 dt. 21.3.2003. 3. 0510098038 dt. 4.8.2003. 4. 0510154696 dt. 31.3.2005. for the purpose of regularization. The advance authorization no. 0510250584 dt. 9.10.2009 was not considered for clubbing as the same was not issued in continuity with a distinct overlap in the validity period. 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. No further imports and export will be undertaken. RA may do clubbing subject to the condition that the adjudication process for the above authorizations has not been initiated.

Case No.8. M/s. Naturol Bionergy Ltd, Hyderabad
F.No. 01/92/180/199/AM10/PC-VI
PRC Meeting No. 44/AM12 dated: 13.03.2012
Subject:- Migration from EOU to EOCG scheme while the firm has a negative NFE.

Deferred.

Case No.9. M/s. Prag Bosimi Synthetics Ltd,
F.No. 01/94/180/732//EFGC(PRC)
PRC Meeting No. 44/AM12 dated: 13.03.2012
Subject:- Request for EOP extension of advance licence No. 2146674 dt. 7.7.1994 as per High Court O.O.C.J. Writ Petition No.2413 of 2011.

The committee noted the direction of the Hon'ble High Court Mumbai in the Writ Petition No.2413 of 2011. The firm was granted personal hearing before the Addl. DGFT(PRC) on 13.3.2012. In the hearing the firm submitted the following:-i) The firm is a joint sector undertaking of Govt. of Assam with 26% stake of the Government.
ii) The firm had obtained an advance authorization no. 2146674 on 7.7.1994 and completed 83% of export obligation in proportion to the actual imports made under the authorization.
iii) The firm had been notified under the Assam State Industrial Relief Undertaking (Special Provision) Act 1984 vide Notification NO. MI-212/2003/71 dt. 27.05.2004 and extended from time to time latest by 28.12.2011 and it is valid upto 26.05.2012.
iv) The firm has also since obtained a CDR package in February, 2011. The firm has also started production recently. They are in a position to complete the remaining export obligation to an extent of export obligation proportionate to the duty free import made by the firm.
v) The firm has requested for 6 months EOP extension with an appropriate composition fee.

The committee noted that though the authorization was old however in view of the circumstances enumerated by the firm and the direction of the Hon'ble High Court, Mumbai, decided to condone the delay and granted 6 months EOP extension from the date of communication, 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.10. M/s. CRI Tips Ltd, Kolkata
F.No. 01/60/162/1225/AM12/EFGC(PRC)
PRC Meeting No. 44/AM12 dated: 13.03.2012
Subject:- Request for EOP extension of advance licence No. 0210111922 dt. 30.04.2008.

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.11. M/s. Sundar Sons (India) Exports,
F.No. 01/60/162/1182/AM12/EFGC(PRC)
PRC Meeting No. 44/AM12 dated: 13.03.2012
Subject:- Request for EOP extension of the advance license no. 3210038033 dt. 17.06.2008.

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 within the valid EOP.

Case No.12. M/s. Lupin Ltd, Mumbai Limited
F.No. 01/60/162/1203/AM12/EFGC(PRC)
PRC Meeting No. 44/AM12 dated: 13.03.2012
Subject:- Request for EOP extension by a one year for advance authorization no.0310591519 dt. 8.9.2010 issued under PC-9 condition.

The Committee decided to extend EOP against the aforesaid advance authorization for 6 months i.e. total 18 months from the date of first import (19.10.2010) for the purpose of regularization and also completion of export obligation by 18.4.2012 subject to verification by RA of EO claimed to have been fulfilled by the firm within the valid EOP and also subject to payment of composition fee @ 6% of the duty saved amount for the balance inputs in proportion to export obligation beyond 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.13. M/s. Lupin Limited Mumbai
F.No. 01/60/162/1200/AM12/EFGC(PRC)
PRC Meeting No. 44/AM12 dated: 13.03.2012
Subject:- Request for EOP extension by a one year for advance authorization no.0310589114 dt. 24.8.2010 issued under PC-9 condition.

The Committee decided to extend EOP against the aforesaid advance authorization for 6 months i.e. total 18 months from the date of first import (19.10.2010) for the purpose of regularization and also completion of export obligation by 18.4.2012 subject to verification by RA of EO claimed to have been fulfilled by the firm within the valid EOP and also subject to payment of composition fee @ 6% of the duty saved amount for the balance inputs in proportion to export obligation beyond 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.14. M/s. Lupin Limitd Mumbai
F.No. 01/60/162/1201/AM12/EFGC(PRC)
PRC Meeting No. 44/AM12 dated: 13.03.2012
Subject:- Request for EOP extension by a one year for advance authorization no. 0310600875 dt 11.11.2010 issued under PC-9 condition.

The Committee decided to extend EOP against the aforesaid advance authorization for 6 months i.e. total 18 months from the date of first import (07.12.2010) for the purpose of regularization and also completion of export obligation by 06.06.2012 subject to verification by RA of EO claimed to have been fulfilled by the firm within the valid EOP and also subject to payment of composition fee @ 6% of the duty saved amount for the balance inputs in proportion to export obligation beyond 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.15. M/s. Videocon Industries Ltd, Auranabad
F.No. 01/60/162/1202/AM12/EFGC(PRC)
PRC Meeting No. 44/AM12 dated: 13.03.2012
Subject:- Request for revalidation for advance authorization no.0310529299 dt. 17.7.2009.

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.16. M/s. Deepak Fertilizers and Petrochemicals Corporation Ltd, Pune
F.No. 01/60/162/1207/AM12/EFGC(PRC)
PRC Meeting No. 44/AM12 dated: 13.03.2012
Subject:- Request for EOP extension of advance license no.3110019636 dt. 23.02.2005.

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.17. M/s. Tractors and Farm Equipment Ltd, Chennai
F.No. 01/60/162/804/AM12/EFGC(PRC)
PRC Meeting No. 44/AM12 dated: 13.03.2012
Subject:- Request for inclusion of 11 shipping bills for DEPB benefits against DEPB Authorisation No 0410111246 dt. 03.02.2010

The committee decided that report may be obtained from RA and be processed on file.

Case No.18. M/s. Perfect Industries Pvt. Ltd.
F.No. 01/60/162/1212/AM12/EFGC(PRC)
PRC Meeting No. 44/AM12 dated: 13.03.2012
Subject:- Request for revalidation for advance licence No. 0310501586 dt. 6.1.2009.

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.19. M/s. Jhaveri Flexo India Ltd.
F.No. 01/60/162/1171/AM12/EFGC(PRC)
PRC Meeting No. 44/AM12 dated: 13.03.2012
Subject:- Request for revalidation for advance licence No. 0310524571 dt. 17.6.2009.

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.20. M/s. Panchmahal Steel Ltd.
F.No. 01/60/162/580/AM10/EFGC(PRC)
PRC Meeting No. 44/AM12 dated: 13.03.2012
Subject:- Request for EOP extension of advance license no.3410017896 dt. 17.1.2007.

The Committee decided to grant extension for 6 months beyond the permitted 36 months for the purpose of regularization and closure, subject to verification by RA of EO claimed to have been fulfilled by the firm within the valid EOP and also subject to payment of composition fee @ 6% of the duty saved amount for the balance inputs in proportion to export obligation beyond the permissible export obligation period of 36 months. RA is directed to examine the case in terms of Public Notice No. 23 dated 4.12.2009 and make necessary endorsements regarding value addition of minimum 15% or as stipulated in the authorization whichever is higher.

Case No.21. M/s. Penam Lab. Ltd. New Delhi
F.No. 01/60/162/300/AM12/EFGC(PRC)
PRC Meeting No. 44/AM12 dated: 13.03.2012
Subject:- Request for EOP extension of advance license no. 0510169877 dt. 27.10.2005.

The Committee decided to extend EOP against the aforesaid advance authorization for 6 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.

Case No.22. M/s. Intas Pharmaceuticals Ltd.
F.No. 01/60/162/1206/AM12/EFGC(PRC)
PRC Meeting No. 44/AM12 dated: 13.03.2012

Subject:- Request for EOP extension of advance license no. 0810083856 dt. 4.11.2009.
The Committee decided to extend EOP against the aforesaid advance authorization for 6 months i.e. total 18 months from the date of first import for the purpose of regularization and closure subject to verification by RA of EO claimed to have been fulfilled by the firm within the valid EOP and also subject to payment of composition fee @ 6% of the duty saved amount for the balance inputs in proportion to export obligation beyond 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. 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.23. M/s. Bandhari Foils and Tubes
F.No. 01/60/162/1185/AM12/EFGC(PRC)
PRC Meeting No. 44/AM12 dated: 13.03.2012
Subject:- Request for EOP extension of advance license no. 0310459176 dt. 25.1.20008.

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 within the valid EOP.

Case No.24. M/s. Damodar Threads Ltd. Mumbai
F.No. 01/36/218/174/AM12/EPCG-I

PRC Meeting No. 44/AM12 dated: 13.03.2012
Subject:- Request for policy relaxation to the effect that while issuing EPCG Authorizations Merchant Exports are not included in the past performance for calculation of average export performance to maintained by the firm.

The Committee noted and rejected the request as this was not in consonance with the sprit of the FTP and against provisions of the scheme.