

File No. 01/94/180/998/AM09/PC-IV/EFGC (PRC)/
Government of India
Ministry of Commerce & Industry
Office of the Directorate General of Foreign Trade
(EFGC PRC Div)

Dated: 28th April, 2011

To

The Jt. DGFT
RLA, Mumbai

Corrigendum/amendment

Ref. : PRC minutes in Case no. 58 M/s. S.K. Age Export (PRC meeting No. 11/AM11 dt. 9.11.2010).

Subject: Clubbing of 4 Advance Authorization Nos. 0310324570 dt. 04.04.2005, 0310324569 dt. 04.04.2005, 0310335401 dt. 22.06.2005 and 0310335402 dt. 22.06.2005.

Madam,

In the minutes of the PRC Meeting No. 11/AM11 dt. 9.11.2010 the decision in case No. 58 of M/s. S.K. Age Export the sentence "The condition of Policy Circular No. 9 be applied and conformity established individually for each authorization. RA should ensure proper accounting of the duty free inputs with reference to the export product while clubbing the authorizations and verification of Policy Circular No. 9 dated 30.06.2003 conditions." stands deleted. The minutes may be read as :

"The Committee considered the request of the firm and decided to club for the purpose of regularization the advance authorization Nos. 0310324570 dt. 04.04.2005, 0310324569 dt. 04.04.2005, 0310335401 dt. 22.06.2005, 0310335402 dt. 22.06.2005 in view of the letter of Drug Controller General clarifying that Erythromycin Thiocyanate is used as an intermediate in the manufacturer Erythromycin Stearate and therefore, Policy Circular No. 9 is not applicable to import. RA may revalidate the required advance authorization subject to payment of composition fee @1% of the unutilized Cif value of the authorizations and also subject to verification of EO fulfillment status as claimed by the firm by RA. Extension in EO required for clubbing and regularization of authorizations where there is shortfall will be done by imposing a composition fee @5% per year as already decided in the PRC meeting held on 6.1.2010. Also in no circumstance, the total EOP (including extended period) should exceed 1 year (counted from date of 1st import) be considered for clubbing. 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 15% value addition for evaluating entitlement is to be applied on the entire FOB and CIF of the authorization and not just on the unutilized CIF. "

This issues with the approval of Director General of Foreign Trade.

(A.K.Cashyap)

Dy. Director General of Foreign Trade
For Director General of Foreign Trade
Tel. No. 23061562/274

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(A.K.Cashyap)
Dy. Director General of Foreign Trade