MINUTES OF THE POLICY RELAXATION COMMITTEE (PRC) MEETING NO.01/AM12 HELD ON 05.04.2011 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 Amitabh Jain — Addl. DG
2. Shri V.K. Gupta — Addl. DG
3. Shri N.P.S Monga — Addl. DG
4. Shri A. Mishra — Stats Advisor
5. Shri D.C. Sharma — Stats Advisor
6. Shri Rajiv Arora — Jt. DGFT
7. Shri L.B. Singhal — Jt. DGFT
8. Shri A. K Singh — Jt. DGFT
9. Shri R.S. Ratna — Jt. DGDT
10. Ms. Shubhra — Jt. DGFT
11. Ms. Vibha Bhalla — Jt. DGFT
12. Shri Ramesh B.N. — Asstt. DGFT
13. Smt. Sonika Khattar — FTDO

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

Case No. 1 M/s Unichem Laboratories Limited Mumbai
File No. 01/60/162/1969/AM11/PRC
PRC Meeting NO. 01/AM12 dated: 05.04.2011
Subject: Request for regularization/EOP extension against Pre-Import Condition, Policy circular No. 9 dated 30.6.2003 of Advance Authorisation. No. 0310488653 dated 1.10.2008

The Committee decided to grant extension for six months i.e. upto 26.11.2009 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.

Case No. 2: M/s Mantena Laboratories Ltd., Hyderabad
File No. 01/60/162/1973/AM11/PRC
PRC Meeting NO. 01/AM12 dated: 05.04.2011

Subject: Request for clubbing of Advance Authorization Nos. 0910031179 dated 21.8.07 & (ii) 0910031178 dated 21.8.2007

The Committee considered the case and decided to re-examine as to how imports have been made to an extent of 108% quantity-wise and then be placed before PRC.

Case No. 3: M/s Joosub Peermahomed & Co. Mumbai
File No. 01/60/162/1976/AM11/PRC
PRC Meeting NO. 01/AM12 dated: 05.04.2011
Subject: Request for EOP extension of Advance Authorization No. 0310462421 dated 25.2.2008

The Committee noted that EO fulfilled against aforesaid Advance Authorization No. 0310462421 dated 25.2.2008 was 76% Qty.-wise within the valid EOP. Therefore, the Committee decided to extend EOP against the aforesaid advance authorization for six 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 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. 4: M/s Kopran Limited, Mumbai
File No. 01/60/162/1905/AM11/PRC
PRC Meeting NO. 01/AM12 dated: 05.04.2011
Subject: Request for revalidation of two DFIA Nos. 0310388267 dated 6.7.2006 & (ii) 0310395537 dated 22.8.2006

The Committee considered the case and noted that the applicant has stated that they could not import the inputs in time owing to price fluctuation in the international market. Since price fluctuation in the international market is essentially a commercial risk, it cannot be treated as genuine hardship warranted for relaxation. In view of this, the Committee rejected the case for Policy Relaxation.

Case No. 5: M/s Glenmark Pharmaceuticals Limited, Mumbai
File No. 01/60/162/1939/AM11/PRC
PRC Meeting NO. 01/AM12 dated: 05.04.2011
Subject: EOP extension upto 31.7.2008 and condonation of shortfall of 3.05% in quantity in one of the export items for Regularization only & not for further import/export of Authorization No. 0310396605 dated 25.8.2006 issued under Policy Circular NO. 9 dated. 30.6.2003

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 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 prescribed EO period 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. 6: M/s Mak Controls & Systems (P) Ltd., Coimbatore
File No. 01/60/162/258-259/AM11/PRC
PRC Meeting NO. 01/AM12 dated: 05.04.2011
Subject: Request for EOP extension of two advance authorization Nos. 3210031559 dated 7.2.2006 & 3210032794 dated 15.6.2006

The Committee noted that the firm had to export one machine and, therefore, there could either be zero or complete exports in the valid EOP. Criteria of low exports would not be appropriate for such cases. The Committee also noted that the firm has since completed the exports though after the valid EOP. The Committee, therefore, decided to extend EOP, against the aforesaid advance authorizations, for a period of six months for the purpose of regularization, 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 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.

Case No. 7: M/s Shreenath Plastpack Pvt., Vadodara
File No. 01/60/162/676/AM11/PRC
PRC Meeting NO. 01/AM12 dated: 05.04.2011
Subject: Request for revalidation of advance authorization no. 3410017214 dated 19.10.2006

The Committee noted the request of the firm and decided to defer the case to check from the firm whether they have their unit functional, have any export orders, upto what extent they can fulfill orders etc. and after obtaining complete details to place the case before PRC for decision.

Case No. 8: M/s SRF Limited Chennai.
File No. 01/60/162/1963/AM11/PRC
PRC Meeting NO. 01/AM12 dated: 05.04.2011
Subject: Request for 2nd revalidation of advance authorization no. 0410096355 dated 9.6.2008

The Committee considered the case and noted that the applicant has stated that they could not import the inputs in time owing to price fluctuation in the international market. Since price fluctuation in the international market is essentially a commercial risk, it cannot be treated as genuine hardship warranted for relaxation. In view of this, the Committee rejected the case for Policy Relaxation.

Case No. 9: M/s GHCL Limited Valsad
File No. 01/60/162/992/AM11/PRC
PRC Meeting NO. 01/AM12 dated: 05.04.2011
Subject: Request EOP extension of advance authorization No. 3510019814 dated 31.10.2006

The Committee noted the request of the firm and decided to defer the case to check from the firm the extent of fulfillment of EO as the details submitted by the firm in PRC are different from the NC. After obtaining complete details, the case is to be placed before PRC.

Case No. 10: M/s Gopsons Papers Limited New Delhi
File No. 01/60/162/1909/AM11/EFGC(PRC)
PRC Meeting NO. 01/AM12 dated: 05.04.2011
Subject: Request for grant extension in EOP against adv. Lic no. 0510170937 dated 18.11.2005

The Committee noted that the firm have made less than 50% exports during the valid EOP and, therefore, it was decided to reject the case as it does not merit consideration due to low exports made both quantity and value wise in the valid EOP.

Case No. 11: M/s Roha Dyechem Pvt. Limited
File No. 01/60/162/1878/AM11/PRC
PRC Meeting NO. 01/AM12 dated: 05.04.2011
Subject: Request for EOP extension against advance licence No. 03100443199 dated 14.9.2007

The Committee noted that the firm have made less than 50% exports during the valid EOP and, therefore, it was decided to reject the case as it does not merit consideration due to low exports made both quantity and value wise in the valid EOP.

Case No. 12: M/s J.J. Exporters Limited Kolkata
File No. 01/60/162/1987/AM11/PRC
PRC Meeting NO. 01/AM12 dated: 05.04.2011
Subject: Request for EOP extension of advance licence No. 0210109717 dated 29.2.2008

The Committee noted that the firm have made less than 50% exports during the valid EOP and, therefore, it was decided to reject the case as it does not merit consideration due to low exports made both quantity and value wise in the valid EOP.

Case No. 13:   M/s Umedica Laboratories Pvt. Ltd Mumbai
File No. 01/60/162/1927/AM11/PRC
PRC Meeting NO. 01/AM12 dated: 05.04.2011

Subject: Request for EOP extension of advance licence No. 0310426584 dated 13.4.2007

The Committee noted the request of the firm and decided to call for a report from RLA on the provisions under which 12 months extension was granted in this PC-9 case. Based on RA's report, the case is to be placed before PRC.

Case No. 14: M/s Ranbaxy Laboratories Limited Haryana
File No. 01/60/162/1837/AM11/PRC
PRC Meeting NO. 01/AM12 dated: 05.04.2011
Subject: Request for EOP extension of advance licence No. 0510182138 dated 15.5.2006 for the purpose of clubbing with advance authorizations no. 0510196616 dt. 21.12.2006, 0510207216 dt. 6.8.2007 and 0510220630 dt. 15.5.2008.

The Committee considered the request of the firm and decided to club above four advance authorizations for the purpose of regularization. RA may revalidate the concerned advance authorizations subject to payment of composition fee @1% of the unutilized CIF value of the authorization 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. 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. RA should ensure proper accounting of the duty free inputs with reference to the export product while clubbing the authorizations.

Case No. 15: M/s Gazebo Industries Limited Mumbi
File No. 01/60/162/65/AM10/PRC
PRC Meeting NO. 01/AM12 dated: 05.04.2011
Subject: Request for regularization of adv. Lic no. 0310385273 dated 19.6.2006

The Committee decided to grant extension for upto 04.02.2010 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.

Case No. 16: M/s Lioncon Hellos (I) Ltd Bangalore
File No. 01/60/162/1971/AM11/PRC
PRC Meeting NO. 01/AM12 dated: 05.04.2011
Subject: Non indication of File No. or Advance authorization No. in shipping bills-Request for Policy Relaxation-reg

The Committee noted the request of the firm and decided to defer the case to check from the firm whether they have obtained any other advance authorization for the same product and if so, provide copies of shipping bill of the same to cross-check the per unit FOB price and co-relate other details. A report from RLA be also obtained to provide similar inputs in the instant case. After obtaining these details, the case be placed before PRC for a decision.

Case No. 17: M/s Glenmark Pharmaceuticals Limited Mumbai

File No. 01/60/162/1938AM11/PRC
PRC Meeting NO. 01/AM12 dated: 05.04.2011
Subject: EOP extension upto 31.1.2008 and condo nation of shortfall of 1.75% in quantity in one of the export item, for Regularization only & not for further import/export against advance authorization no. 0310384218 dt. 12.6.2006.

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 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 prescribed EO period 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 Associated Capsules Pvt. Limited
File No. 01/60/162/1917/AM11/PRC
PRC Meeting NO. 01/AM12 dated: 05.04.2011
Subject: Request for EOP extension/revalidation for clubbing of two adv. Lic No. 0310423173 dated 14.3.2007 with 0310465799 dated 19.3.2008 for the purpose of regularization/redemption

The Committee considered the request of the firm and decided to club above two advance authorizations for the purpose of regularization. RA may revalidate the concerned advance authorizations subject to payment of composition fee @1% of the unutilized Cif value of the authorization 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. 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. RA should ensure proper accounting of the duty free inputs with reference to the export product while clubbing the authorizations.

Case No. 19: M/s Indco Remedies Limited Mumbai
File No. 01/60/162/1783/AM11/PRC
PRC Meeting NO. 01/AM12 dated: 05.04.2011
Subject: Request for EO extension /revalidation of 3 advance licence Nos. 0310439907 dated 17.8.07 (ii) 0310419119 dt, 9.2.07 (iii) 0310468812 dated 17.4.2008

The Committee considered the request of the firm and decided to club advance authorization no. 0310439907 dated 17.8.07 with advance authorization no. 0310419119 dt, 9.2.07 only as both are issued in continuity with a distinct overlap in the validity period for the purpose of regularization. The advance authorization no. 0310468812 dated 17.4.2008 was not considered for clubbing as the same was not issued in continuity with a distinct overlap in the validity period. RA may revalidate the concerned advance authorizations subject to payment of composition fee @1% of the unutilized Cif value of the authorization 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. 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. RA should ensure proper accounting of the duty free inputs with reference to the export product while clubbing the authorizations.

Case No. 20: M/s Flowserve India Countrols Pvt. Limited T. Nadu
File No. 01/60/162/1970/AM11/PRC
PRC Meeting NO. 01/AM12 dated: 05.04.2011
Subject: Redemption of Advance Licence No. 3210035688 dated 27.6.07- Omission of Advance Licence No. and date in the shipping bill

The Committee noted the request of the firm and decided to defer the case to check from the firm whether they have obtained any other advance authorization for the same product and if so, provide copies of shipping bill of the same to cross-check the per unit FOB price and co-relate other details. A report from RLA be also obtained to provide similar inputs in the instant case. After obtaining these details, the case be placed before PRC for a decision.

Case No. 21: M/s Patel Plastic Corporation Mumbai
File No. 01/60/162/938/AM11/PRC PRC Meeting NO. 01/AM12 dated: 05.04.2011
Subject: Request for revalidation of advance licence No. 0310440721 dated 24.8.2007.

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

Case No. 22: M/s P.R. International, Delhi
File No. 01/53/8/480/AM-11/P-35/Import Cell
Subject: Request for grant of import licence for import of 5000 MTs of OATS

The Committee noted that no objection certificate has been provided by D/o Agriculture & Co-operation for import of 5000 MTs of OATS (other than Seed Quality) for a CIF value of Rs. 1137.50 Lacs (US$-25 Lacs) for human consumption for stock and sales from Australia subject to condition as enumerated in the no objection certificate. In view of the aforesaid recommendations, PRC considered the request of the applicant for grant of import licence for stock and sale purpose.

Case No. 23: The State Trading Corporation of India (STC), New Delhi
File No. 01/53/8/492/AM-11/S-98/Import Cell
PRC Meeting No. PRC Meeting NO. 01/AM12 dated: 05.04.2011
Subject: Grant of Import Licence for import of 5000 MTs of OATS (other than Seed Quality)

The Committee noted that no objection certificate has been provided by D/o Agriculture & Co-operation for import of 5000 MTs of OATS (other than Seed Quality) for a CIF value of Rs. 114,000,00/- (US$-2,500,000/-) for human consumption for stock and sales from Australia subject to condition as enumerated in the no objection certificate. In view of the aforesaid recommendations, PRC considered the request of the applicant for grant of import licence for stock and sale purpose.

Case No. 24: M/s Synthite Industries Ltd., Cochin
File No. 01/60/162/1867/AM11/PRC
PRC Meeting NO. 01/AM12 dated: 05.04.2011
Subject: Request for condonation of delay in fulfillment of delay in fulfillment of Obligation against A.A. No. 1010027330 dated 17.9.2007

The Committee noted that initially the EOP for the product was 24 months which was brought down to 120 days and thereafter enhanced to 12 months. Due to repeated changes the firm's export activities were affected. Therefore the committee decided to grant EOP extension of seven months upto 12.08.2008 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.

Case No. 25: M/s Godrej & Boyce Mft. Co. Ltd Mumbai
File No. 01/80/050/050/00808/AM10/DES.I
PRC Meeting NO. 01/AM12 dated: 05.04.2011

Subject: Request for extend period of self Declared Advance Authorization No. 0310563636 dated 9.3.2010

The Committee noted that the M/s Godrej & Boyce Mft. Co. Ltd Mumbai could not get the SCOMET licence within permitted time and decided```` to grant the Company further time till 31st May, 2011 in relaxation of Policy Circular No. 99 dt. 11th August, 2009.

Case No. 26: M/s Neelikon Food Dyes & Chemicals Limited Mumbai
File No. 01/60/162/713/AM10/PRC
PRC Meeting NO. 01/AM12 dated: 05.04.2011
Subject: Request for clubbing and redemption of 3 advance licence No. 0310277179 dated 25.6.04 (ii) 0310345935 dated 2.9.05 (iii) 0310528976 dated 15.7.2009

It was decided to process the case on file.