MINUTES OF THE POLICY RELAXATION COMMITTEE (PRC) MEETING NO.03/AM12 HELD ON 26.04.2011 AT 10:30 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. Srivastava	Addl. DG
3.	Shri V.K. Gupta	Addl. DG
4.	Shri N.P.S Monga	Addl. DG
5.	Shri L.B. Singhal	Jt. DGFT
6.	Shri Rajiv Arora	Jt. DGFT
7.	Shri Hardeep Singh	Jt. DGFT
8.	Shri A. Mishra	Stats Advisor
9.	Shri D.C. Sharma	Stats Advisor
10.	Shri A.K. Cashyap	Dy. DGFT
11.	Smt. Sonika Khattar	FTDO

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

Case No. 1 M/s Gland Pharma Limited Hyderabad
File Nos. 01/94/180/430,534,348,223/AM08/EFCG(PRC), 01/60/162/533/ AM11 /EFGC(PRC)
PRC Meeting NO. 03/AM12 dated: 26.04.2011
Subject: Revalidation /EOP extension (i) 0910019003 dt. 22.6.04 (ii) 0910019930 dt. 31.8.04 (iii) 0910020164 dt. 17,9,04 (iv) 0910014856 dt. 27.6.03 (v) 091001982 dt. 13.1.2002

The above mentioned five cases of the firm were and it was decided that the chronology of events i.e. decision by ALC, technical deferments, decisions of PRC/GRC may be chronologically documented so that the background in the request is better appreciated.

Case No. 2 M/s Lucky Form Pvt. Ltd Mumbai
File No. 01/60/162/1329 & 1696/AM11/EFGC(PRC)
PRC Meeting NO. 03/AM12 dated: 26.04.2011
Subject: Revalidation of Advance Authorization no. 0310410888 dt. 5.12.2006 and 0310468673 dt. 17.4.2008

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. 3 M/s Phillips Carbon Black Ltd., Kolkata
File No 01/60/162/1736/AM11/EFGC(PRC)
PRC Meeting NO. 03/AM12 dated: 26.04.2011
Subject: EOP extension of two Advance Authorization no. 0210096426 dt. 18.12.2006 and 0210096432 dt. 18.12.2006

The Committee decided to call for a detailed report from RA as to why the firm could not export within the time frame and what was the exact issue pending before CESTAT which prevented firm to export. The reasons to change shipping bills type may also be ascertained from the firm as well as the RA and thereafter place the case before PRC.

Case No. 4 M/s Forever Precious Jewellery & Diamonds Ltd. Mumbai
File No 01/60/162/710/AM11/EFGC(PRC)
PRC Meeting NO. 03/AM12 dated: 26.04.2011
Subject: Request for EOP extension of the adv. Lic no. 0310439347 dt. 13.8.07.

The Committee noted the request and decided to grant EOP extension of the aforesaid advance authorization for a period of six months from the date of communication of the decision of PRC without any composition fee.

Case No. 5 M/s RPG Life Science Limited, Mumbai
F.No. 01/60/162/1099/AM11/EFGC(PRC)
PRC Meeting No. 03/AM12 dated: 26.04.2011
Subject: Request for revalidation of 4 DEPB credit (i) 0310458395 dt. 21.1.2008 (ii) 0310460566 dt. 12.2.2008 (iii) 0310472553 dt. 30.5.2008 (iv) 0310473624 dt. 9.8.08

The Committee considered the request and noted that the above 4 DEPBs were transmitted to the Custom after the expiry of same due to delay as the changes had to be done on account of merging order. The Committee therefore, decided to revalidate the aforesaid DEPBs for 6 months from the date of communication of the decision of the PRC.

Case No. 6 M/s Bombay Rayon Fashions Limited Mumbai
F.No. 01/60/162/1864/AM11/EFGC(PRC)
PRC Meeting No. 03/AM12 dated: 26.04.2011
Subject: EOP extension of Advance Authorization no. 0310440959 dt. 27.8.2007

The Committee noted the request of the firm and decided to re-examine the case especially in light of the General Note No. 14 of SION for textiles and place the same before the PRC.

Case No. 7 M/s Tube Products Incorporate Gujarat
F.No. 01/60/162/1920/AM11/EFGC(PRC)
PRC Meeting No. 03/AM12 dated: 26.04.2011
Subject: Regarding for fulfilment of export obligation against adv. Lic no. 34001082 dt. 22.6.2004.

The Committee decided to call for the details from the firm as well as RA regarding date of contract, date of supply, date of invalidation letter and date of application requesting invalidation and thereafter place the case before PRC.

Case No.8 M/s Adcock Ingram Ltd. Bangalore
F.No. 01/60/162/1980/AM11/EFGC(PRC)
PRC Meeting No. 03/AM12 dated: 26.04.2011
Subject: Request for EOP extension of Advance Authorization no. 0710061561 dt. 5.12.2008.

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 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.9 M/s Glow Pharma Pvt Ltd Mumbai
F.No. 01/60/162/1834/AM11/EFGC(PRC)
PRC Meeting No. 03/AM12 dated: 26.04.2011
Subject: Request for regularization of export made out of EOP of adv. Lic No. 0310488014 dt. 26.9.08 under PC-9

The Committee decided to extend EOP against the aforesaid advance authorization for six months i.e. a total of 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 beyond the 12 months from date of 1st import 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.10 M/s Medreich Limited Bangalore
F.No. 01/60/162/1977/AM11/EFGC(PRC)
PRC Meeting No. 03/AM12 dated: 26.04.2011
Subject: Regarding for EOP extension of adv. Lic no. 0710059991 dt. 22.9.2008 issued under PC-9 for regularization.

The Committee decided to extend EOP against the aforesaid advance authorization for six months i.e. a total of 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 beyond the 12 months from date of 1st import 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.11 M/s Vinyroyal Plasticoats Pvt. Mumbai
F.No. 01/60/162/1063/AM11/EFGC(PRC)
PRC Meeting No. 03/AM12 dated: 26.04.2011
Subject: Revalidation of Advance Authorization no. 0310365282 dt. 31.1.2006

The Committee noted the request of the firm and decided to reject as the supporting firm being registered with BIFR can not be construed as a reason of genuine hardship warranting policy relaxation.

Case No.12 M/s Tractor Engineers Limited Mumbai
F.No. 01/60/162/1926/AM11/EFGC(PRC)
PRC Meeting No. 03/AM12 dated: 26.04.2011
Subject: Request for EOP extension of advance authorization no. 3110032409 dt. 21.1.2008.
The Committee noted that the export obligation fulfilled in respect of aforesaid Advance authorization was 66.80% Qty.-wise and 65.92% value-wise within the valid EO period. Therefore, the Committee decided to extend EOP against the aforesaid advance authorization for a period of six months from the date of communication of the decision of PRC, subject to verification by RA of EO claimed to have been fulfilled by the firm within the valid EOP, 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.13 M/s SRF Limited Chennai
F.No. 01/60/162/1965/AM11/EFGC(PRC)
PRC Meeting No. 03/AM12 dated: 26.04.2011
Subject: Revalidation of advance authorization no. 0410091501 dt. 11.10.2007

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.14 M/s Mantri Plast Pvt. Ltd Mumbai
F.No. 01/60/162/1639/AM11/EFGC(PRC)
PRC Meeting No. 03/AM12 dated: 26.04.2011
Subject: Revalidation of adv. Lic 0310456649 dt.4.1.2008

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.15 M/s Godavari Biorefineries Ltd., Mumbai
F.No. 01/60/162/1797/AM11/EFGC(PRC)
PRC Meeting No. 03/AM12 dated: 26.04.2011
Subject:- EOP extension of advance authorization no. 0310340813 dt. 25.7.2005 and 0310346261 dt. 6.9.2005.

The Committee noted that the export obligation fulfilled in respect of aforesaid Advance authorizations was more than 50% both Qty.-wise and value-wise within the valid EO period. Therefore, the Committee decided to extend EOP upto 25.7.2009 for advance authorization no. 0310340813 dt. 25.7.2005 and upto 6.9.2009 for advance authorization no. 0310346261 dt. 6.9.2005 , subject to verification by RA of EO claimed to have been fulfilled by the firm within the valid EOP, subject to payment of composition fee @ 6% of the duty saved amount for the balance inputs in proportion to export obligation beyond the permitted 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.16 M/s Decorea Photoframes Ltd., Kolkata
F.No. 01/60/162/02/AM12/EFGC(PRC)
PRC Meeting No. 03/AM12 dated: 26.04.2011
Subject:- Request for EOP extension of advance authorization no. 0210104588 dt. 28.9.2007.

The Committee noted that the firm have made no exports during the valid EOP and, therefore, it was decided to reject the case as it does not merit consideration due to nil exports made both quantity and value wise in the valid EOP.

Case No.17 M/s Anode P. Ltd Information Noida
F.No. 01/53/8/470/AM-11/A-58/Import Cell
PRC Meeting No. 03/AM12 dated: 26.04.2011
Subject:- Grant of import licence for import of 2270 Nos. Vehicle Tracking Device using GPRS/GPS technology for stock & sales purpose

The Committee noted that no objection certificate has been provided by Ministry of Home Affairs for import of 2270 Nos. Vehicle Tracking Device using GPRS/GPS technology for stock & sales purpose. The Committee noted that EFC has not cleared the case for issuance of import licence. The case was referred back to EFC to decide first on the import licence application.

Case No.18 M/s Modern Transit Solutions P. Ltd N. Delhi
F.No. 01/53/8/474/AM-11/M-45/Import Cell
PRC Meeting No. 03/AM12 dated: 26.04.2011
Subject:- Grant of import licence for import of 1500 Nos. Falcom Fox Device (Vehicle Tracking Device) for stock & sales purpose

The Committee noted that no objection certificate has been provided by Ministry of Home Affairs for import of 1500 Nos. Falcom Fox Device (Vehicle Tracking Device) for stock & sales purpose. The Committee noted that EFC has not cleared the case for issuance of import licence. The case was referred back to EFC to decide first on the import licence application.

Case No 19 Smt. Alka Agarwal Lucknow
F.No 01/89/180/43/AM-1/PC-2(A)
PRC Meeting No. 03/AM12 dated: 26.04.2011
Subject:- Request for policy relaxation for import of used Car- Land Rover

The Committee considered the request and decided to grant post facto approval for the import of a Land Rover Car from UK in relaxation of the provisions of para 1(II) d (iii) of Import Licensing Note of Chapter 87.

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