MINUTES OF THE POLICY RELAXATION COMMITTEE (PRC) MEETING NO. 04/AM12 HELD ON 03.05.2011 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. 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.K. Singh	Jt. DGFT
9.	Ms. Vibha Bhalla	Jt. DGFT
10.	Shri A. Mishra	Stats Advisor
11.	Shri D.C. Sharma	Stats Advisor
12.	Shri A.K. Cashyap	Dy. DGFT
13.	Smt. Sonika Khattar	FTDO

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

Case No.01 M/s Bharat Bijlee Limited, Mumbai
F.No. 01/60/162/1846-47/AM11/EFGC(PRC)
PRC Meeting No. 04/AM12 dated: 3.05.2011
Subject:- Revalidation of two advance authorization No. 0310451382 dt. 23.11.2007 (ii) 0310451359 dt. 23.11.07

The Committee noted the representation of the firm for reconsideration of their request for granting revalidation of aforemention two advance authorizations. The Committee noted that the firm's contention that items of import are of peculiar and are required to be imported from only specific reliable and renowned international suppliers does not support the fact that they could complete the exports even in absence of such specialized inputs. The Committee felt that in case the item was so specific, it would have hampered the firm's exports which is not the case. Further, imports have also been made to some extent for all items of import. Therefore, the Committee did not find any genuine hardship in the case and rejected the case.

Case No. 2 M/s Indian Explosive Limited, Kolkata
F.No. 01/60/162/1612/AM11/EFGC(PRC)
PRC Meeting No. 04/AM12 dated: 3.05.2011
Subject:- Request for extension of EOP of advance authorization no. 0210097871 dt. 7.2.07

The committee noted that the firm in their representation have now modified their request and requested only for EOP extension. The Committee also noted that EO fulfilled against aforesaid Advance Authorization No. 0210097871 dt. 7.2.07 was stated to be 64% 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. The committee also decided that exports be made on pro-rata basis to the extent imports all ready made and ensuring minimum of 15% value addition as stated above. It was decided to no revalidation will be granted.

Case No. 3 M/s V.S. International Pvt., Limited Mumbai
F.No. 01/60/162/1220/AM11/EFGC(PRC)
PRC Meeting No. 04/AM12 dated: 3.05.2011
Subject:- Request for extension of advance licence No. 0310458822 dt. 23.1.2008 issued under PC-9

The Committee considered the representation of the firm and noted that the request has been made for the purpose of regularization on exports made beyond the stipulated 6 months EOP. The Committee decided to grant extension for 3 months i.e. nine 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 ensure a value addition of minimum 15% or as stipulated in the authorization whichever is higher.

Case No. 4 M/s S.R.F. Limited Chennai
F.No. 01/60/162/1966/AM11/EFGC(PRC)
PRC Meeting No. 04/AM12 dated: 3.05.2011
Subject:- Request for revalidation of advance authorization no. 0410091321 dt. 10.5.2007

The Committee noted that the authorization was in the possession of the firm itself for almost 20 months and that the firm themselves took 9 months to approach for change in IEC. Further, the reason of price fluctuation in the international market is essentially a commercial risk, which cannot be treated as a genuine hardship warranting any relaxation. In view of this, the Committee rejected the case for Policy Relaxation.

Case No. 5 M/s Ajanta Pharma Limited Mumbai
F.No. 01/60/162/1782/AM11/EFGC(PRC)
PRC Meeting No. 04/AM12 dated: 3.05.2011
Subject:- Request for regularization of export made out of EOP for advance licence no. 0310477468 dt. 4.7.08 issued under PC-9
The Committee considered the request of the firm and noted that the request has been made only for the purpose of regularization of export made outside the valid EOP. The Committee decided to grant extension for 5 months i.e. 11 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 ensure a value addition of minimum 15% or as stipulated in the authorization whichever is higher.

Case No. 6 M/s Indian Metals & Ferro Alloys Ltd., Bhubaneswar
F.No. 01/60/162/1950/AM11/EFGC(PRC)
PRC Meeting No. 04/AM12 dated: 3.05.2011
Subject:- Request for revalidation of DFIA authorization (i) 2310001649 dt. 17.4.08 (ii) 2310001677 dt. 27.5.2008

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. 7 M/s Mantri Plast Pvt. Limited Mumbai
F.No. 01/60/162/1640/AM11/EFGC(PRC)
PRC Meeting No. 04/AM12 dated: 3.05.2011
Subject:- Revalidation of adv. Lic. No. 0310456648 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. 8 M/s Marvel Industries Limited Mumbai
F.No. 01/60/162/1791/AM11/EFGC(PRC)
PRC Meeting No. 04/AM12 dated: 3.05.2011
Subject:- Request for clubbing adv. Lic no. 0310405561 dt. 26.10.2006 (ii) 0310362555 dt. 9.1.2006

The Committee considered the request of the firm and decided to allow clubbing of the 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. 9 M/s Anwar –UL- Islam Ghaziabad
F.No. 01/60/162/1908/AM11/EFGC(PRC)
PRC Meeting No. 04/AM12 dated: 3.05.2011
Subject:- Revalidation of DFIA No. 0510230660 dt. 11.11.2008

The Committee considered the case and decided to call for the details from the firm as to why the firm could not utilize DFIA for first 1 ½ year when the authorization was valid and available with the firm.

Case No. 10 M/s Western Cans Pvt. Ltd. Mumbai
F.No. 01/60/162/1901/AM11/EFGC(PRC)
PRC Meeting No. 04/AM12 dated: 3.05.2011
Subject:- Request for acceptance of goods supplied against Intermediate advance licence No. 0310251427 dt. 6.2.2004 to the ultimate exporter against their advance licence holder IEC No. 0388124156

The Committee noted that the firm could have made the application for inter mediate advance authorization well-in-time pending the grant of advance authorization to register their intent. It decided to reject as it did not find the cited reasons cogent and justified establishing genuine hardship.

Case No. 11 M/s Glow Pharma Pvt. Ltd. Mumbai
F.No. 01/60/162/1475/AM11/EFGC(PRC)
PRC Meeting No. 04/AM12 dated: 3.05.2011
Subject:- Request for grant of EODC/redemption of advance authorization no. 0310436946 dt. 20.7.2007.

The Committee noted that the firm had already availed 6 months extension beyond the permitted EOP of 6 months from the date of 1st import. The committee regularized the same since it was not within the preview of RA to have granted such an extension. The request for extension beyond 1 years from the date 1st import i.e. 9.8.2007 was rejected. 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. 12 M/s Sun Pharmaceutical Industries Ltd. Mumbai
F.No. 01/94/180/761/AM10/PC-4/EFGC(PRC)
PRC Meeting No. 04/AM12 dated: 3.05.2011
Subject:- Request for clubbing of 4 advance authorization Nos. (i) 0310089088 dt. 19.6.01 (ii) 0310113312 dt. 7.12.2001 (iii) 0310493274 dt. 7.11.2008 (iv) 0310493284 dt. 7.11.2008

The committee noted that the firm had applied for 4 advance authorizations in the year 2001-02. While two advance authorizations were granted in 2001 itself, the firm despite having applied for other two advance authorization in 2001 and having obtained file numbers (03/24/40/187/AM01 & 03/24/40/43/AM01) in 2001, obtained these authorizations only in 2008 their records were not traceable in the RA. However the firm exported against the two file numbers during the period 2000-01. The Committee considered the request of the firm and decided to allow clubbing of the above four advance authorizations for the purpose of regularization and closure only. 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 and ensure 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. RA should carefully examined the aspects of export made under the two advance authorizations of 2008 in 2001 against E-com numbers.

Case No. 13 M/s Adcock Ingram Ltd Bangalore
F.No 01/60/162/1981/AM-1/EFCG(PRC)
PRC Meeting No. 04/AM12 dated: 3.05.2011
Subject:- Request for EOP extension of advance licence No. 0710061427 dt. 1.12.2008

The Committee considered the representation of the firm and noted that the request has been made only for the purpose of regularization. Therefore, the Committee decided to grant extension for 6 months i.e. 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.

Case No. 14 M/s Marksans Pharma td Mumba
F.No 01/60/162/1762/AM-1/EFCG(PRC)
PRC Meeting No. 04/AM12 dated: 26.04.2011
Subject:- Clubbing of 6 advance authorization (i) 0310248586 dt. 11.2.04 (ii) 0310261726 dt. 30.3.2004 (iii) 0310267645 dt. 10.5.2004 (iv) 0310279544 dt. 8.7.2004 (v) 0310343609 dt. 19.8.2005 (vi) 0310359583 dt. 14.12.2005

The Committee considered the case and decided to re-examine the case on file and views of Addl. DG(VKG) may be obtained and then be placed before PRC.

Case No.15 M/s Godavari Biorefineries Ltd., Mumbai
F.No 01/60/162/1991/AM11/EFGC(PRC)
PRC Meeting No. 04/AM12 dated: 03.05.2011
Subject:-Clubbing of Advance licences for redemption/regularization Purpose against (6) advance licence (i) 0310279976 dt. 9.7.2004 (ii) 0310304378 dt. 30.11.2004 (iii) 0310316071 dt. 9.2.2005 (iv) 0310509937 dt. 2.3.2009 (v) 0310533736 dt. 13.8.2009 (vi) 0310524814 dt.

The Committee noted that the request has been made for clubbing of six authorizations issued from 2004 to 2009. It was noted that the gap between the above authorizations issued is substantial and the Committee therefore did not agree to club these these authorizations.

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