MINUTES OF THE POLICY RELAXATION COMMITTEE (PRC) MEETING NO.14/AM11HELD ON 11.01.2011 AT 11:00 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 Rajiv Arora	Jt. DGFT
5)	Shri L.B. Singhal	Jt. DGFT
6)	Shri Satyan Sharda	Jt. DGFT
7)	Shri Tapan Mazumdar	Jt. DGFT
8)	Ms. Shubhra	Jt. DGFT
9)	Shri A.K. Cashyap	DDG
10)	Smt. Sonika Khattar	FTDO

The decision taken on the individual cases are as under:

Case No. 1: M/s Ruchi Infrastructure Ltd., New Delhi.
File No. 01/60/162/1259/AM11/EFGC(PRC)
PRC Meeting No.14/AM11 dated: 11.01.2011
Subject: Revalidation of 3 DEPB Authorization Nos.

i. 0510195785 dt. 06.12.2006
ii. 0310414585 dt. 04.01.2007
iii. 0310415994 dt. 15.01.2007

The committee considered the case for revalidation of DEPB on the ground of custom assessment order dt. 7.4.2010 export which has ordered re-credit to DEPB. The Committee allowed revalidation for 6 months from the date of communication of the decision of PRC.

Case No. 2: M/s Polybond India Pvt. Ltd., Pune.
File No. 01/60/162/1709/AM11/EFGC(PRC)
PRC Meeting No.14/AM11 dated: 11.01.2011
Subject: Revalidation & Enhancement of DFIA No. 3110028620 dt. 20.03.2007.

The Committee considered the request of the firm and noted that the licence of March, 2007 and the firm did not avail benefit of pro-rata enhancement when the licence was valid for imports. The committee also did not find any cogent reasons to revalidate the same for additional inputs and therefore, decided to reject the request.

Case No. 3: M/s Glasstech Industries India Pvt. Ltd., Mumbai.
File No. 01/60/162/1744/AM11/EFGC(PRC)
PRC Meeting No.14/AM11 dated: 11.01.2011
Subject: EOP extension of Advance Authorization No. 0310369957 dt. 03.03.2006.

The Committee noted that the firm has made a request for EOP extension of above mentioned advance authorization after the period of expiry of advance authorization of more than 1½ years from the date of expiry of EO period of authorization. The Committee rejected the request of the firm as there were no merits for consideration due to highly delayed request.

Case No. 4: M/s Indoco Remedies Pvt. Ltd., Mumbai.
File No. 01/60/162/1704/AM11/EFGC(PRC)

PRC Meeting No.14/AM11 dated: 11.01.2011
Subject: EOP extension of Advance Authorization No. 0310439353 dt. 13.08.2007.

The Committee noted that the firm has made a request for EOP extension of above mentioned advance authorization after the period of expiry of more than 1½ years from the date of expiry of EO period of authorization. The Committee rejected the request of the firm as there was no merit for consideration due to delayed request.

Case No. 5: M/s Rama Cylinders Pvt. Ltd., Mumbai.
File No. 01/60/162/1751/AM11/EFGC(PRC)
PRC Meeting No.14/AM11 dated: 11.01.2011
Subject: EOP extension of Advance Authorization No. 0310435549 dt. 10.07.2007.

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

Case No. 6: M/s Danashmand Organic Pvt. Ltd., Mumbai.
File No. 01/60/162/1756/AM11/EFGC(PRC)
PRC Meeting No.14/AM11 dated: 11.01.2011
Subject: Revalidation of Advance Authorization No. 0310460236 dt. 06.02.2008.

The Committee considered the request of the firm and decided to reject it as there was no ground establishing genuine hardship.

Case No. 7: M/s Wockhardt Ltd., Mumbai.
File No. 01/60/162/1747/AM11/EFGC(PRC)
PRC Meeting No.14/AM11 dated: 11.01.2011
Subject: EOP extension of Advance Authorization No. 0310471329 dt. 15.05.2008.

The Committee noted that the firm has made a request for EOP extension of advance authorization after a period of expiry of more than 1½ years from the date of expiry of EO period. The Committee rejected the request of the firm as there was no merit for consideration due to delayed request.

Case No. 8: M/s Indoco Remedies Pvt. Ltd., Mumbai.
File No. 01/60/162/1702/AM11/EFGC(PRC)
PRC Meeting No.14/AM11 dated: 11.01.2011
Subject: EOP extension of Advance Authorization No. 0310377691 dt. 26.04.2006 for regularization purpose.

The Committee noted that the firm has made a request for EOP extension of above advance authorization after a period of expiry of more than 1½ years from the date of expiry of EO period of authorization. The Committee rejected the request of the firm as there was no merit for consideration due to delayed request.

Case No. 9: M/s Arihant Industrial Corporation Ltd., Thane.
File No. 01/60/162/1750/AM11/EFGC(PRC)
PRC Meeting No.14/AM11 dated: 11.01.2011
Subject: Revalidation of Advance Authorization No. 0310468529 dt. 16.04.2008.

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 markets. Since price fluctuation in the international markets is essentially a commercial risk, it cannot be construed as genuine hardship warranted for relaxation of policy. In view of this, the Committee rejected the case.

Case No. 10: M/s Indoco Remedies Pvt. Ltd., Mumbai.
File No. 01/60/162/1700/AM11/EFGC(PRC)
PRC Meeting No.14/AM11 dated: 11.01.2011
Subject: EOP extension of Advance Authorization No. 0310410392 dt. 30.11.2006.

The Committee noted that the firm has made a request for EOP extension of above mentioned advance authorization after the expiry of more than 1½ years from the date of expiry of EO period of authorization. The Committee rejected the request of the firm as there were no merits for consideration due to delayed request.

Case No. 11: M/s Jyoti Structures Ltd., Mumbai.
File No. 01/60/162/1748/AM11/EFGC(PRC)
PRC Meeting No.14/AM11 dated: 11.01.2011
Subject: Revalidation of Advance Authorization No. 0310442616 dt. 11.09.2007.

The Committee considered the request of the firm and decided to reject it as there was no fact justifying genuine hardship.

Case No 12: M/s Tata Chemical Ltd., Ahmedabad.
File No. 01/60/162/1085/AM11/EFGC(PRC)
PRC Meeting No.14/AM11 dated: 11.01.2011
Subject: Revalidation of 2 DFIA No. 0810061973 dt. 27.12.2006 and 0810064001 dt. 29.03.2007.

The Committee noted that the above mentioned DFIA have already been endorsed with transferability and request is rejected.

Case No. 13: M/s Netafim Irrigation India Pvt. Ltd., Gujarat.
File No. 01/60/162/1754/AM11/EFGC(PRC)
PRC Meeting No.14/AM11 dated: 11.01.2011
Subject: Revalidation of Advance Authorization No. 3410021266 dt. 29.04.2008.

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 markets. Since price fluctuation in the international markets is essentially a commercial risk, it cannot be construed as genuine hardship warranting relaxation, and rejected the case for Policy Relaxation.

Case No. 14: M/s JSW Steel Ltd., Mumbai.
File No. 01/60/162/1732/AM11/EFGC(PRC)
PRC Meeting No.14/AM11 dated: 11.01.2011
Subject: Revalidation of Advance Authorization No. 0310474372 dt. 12.06.2008.

The Committee considered the case and noted that the firm could not import the inputs in time due to price fluctuation in the international markets. Since price fluctuation in the international markets is essentially a commercial risk, it cannot be treated as genuine hardship warranting relaxation and rejected the case for Policy Relaxation.

Case No. 15: M/s JSW Steel Ltd., Mumbai.
File No. 01/60/162/1733/AM11/EFGC(PRC)
PRC Meeting No.14/AM11 dated: 11.01.2011
Subject: Revalidation of Advance Authorization No. 0310470328 dt. 01.05.2008.

The Committee considered the request and noted that the applicant could not import the inputs in time owing to price fluctuation in the international markets. Since price fluctuation in the international markets is essentially a commercial risk, it cannot be treated as genuine hardship warranting for relaxation, and committee rejected the case for Policy Relaxation.

Case No. 16: M/s Phillips Carbon Black Ltd., Kolkata.
File No. 01/60/162/1736/AM11/EFGC(PRC)
PRC Meeting No.14/AM11 dated: 11.01.2011
Subject: EOP extension of Advance Authorization No. 0210096426 dt. 18.12.2006 & 0210096432 dt. 18.12.2006.

The Committee considered the request of the firm and took a decision that the issue be re-examined for future PRC.

Case No. 17: M/s Bhushan Power & Steel Ltd., Kolkata.
File No. 01/60/162/1706/AM11/EFGC(PRC)
PRC Meeting No.14/AM11 dated: 11.01.2011
Subject: EOP extension of Advance Authorization No. 0210105479 dt. 24.10.2007.

The Committee considered the request of the firm and decided to re-examine the case with reference to the balance quantity of import items and genuine hardship, if any, decided to place in future PRC.

Case No. 18: M/s Mega Corporation Ltd., New Delhi.
File No. 01/89/180/55/AM-10/PC-2(A)
PRC Meeting No.14/AM11 dated: 11.01.2011
Subject: Request for Policy Relaxation from conditions under ILN 7 to Chapter 87 of ITC (HS) for import of one Motor Home (Caravans).

The Committee considered the request of the firm and noted that Ministry of Tourism in order to promote Caravan Tourism in India, has recommended that exemptions provided in import licensing note 7 of Chapter 87 may be extended to the import of new Motor Homes (Caravans) where the engine capacity is less than the mandatory 2500 cc. Accordingly, the Committee granted permission for import of one new Motor Home (Caravans) subject to the condition that the 'Motor Home' (Caravans) being imported is complete in itself and its body structure shall will not be altered in future and the vehicle would be continued to be used for the purpose of Caravan Tourism only.

Case No. 19: M/s Sun Pharmaceutical Industries Gujarat.
File No. 01/94/180/761/AM10/PC-4
PRC Meeting No.14/AM11 dated: 11.01.2011
Subject: Re-consideration of our request for clubbing of 2 Advance Authorization Nos. 0310493274 dt. 17.11.2008 & 0310493284 dt. 07.11.2008 with another 2 Advance Authorization Nos. 0310089088 dt. 19.06.2001 & 0310113312 dt. 07.12.2001.

The Committee considered the request of the firm and decided to re-examine the matter keeping in view the reasons for delay at RA stage. It was decided to ascertain the complete facts of the case from RA. After that matter may be placed before PRC.

Case No. 20: M/s Oswal Cables Pvt. Ltd.
File No. Misc.32/AM11/DBK Cell/Policy-VI
PRC Meeting No.14/AM11 dated: 11.01.2011
Subject: Under Para 8.3 (c) of FTP, supplies covered under Para 8.2 (d) are eligible for exemption from payment of TED, where ICB procedure has been complied with. However, M/s Oswal Cables Pvt. Ltd. Instead of supplying material availing exemption from payment of TED has paid Excise Duty to Customs Excise Department and claiming refund of the same.

The Committee discussed the case and noted that basically supplies covered under Para 8.2 (d) and 8.2 (g) are to be effected without Terminal Excise Duty. Para 8.3 (c) fo FTP enables such supplies to be effected without payment of TED ab-initio if the supplies are under ICB. After considering all pros and cons of the matter, the Committee decided to relax provisions of paragraph 8.3 (c) of FTP as there is no revenue implication is involved, without payment of duty ab-initio or paying TED first and then similar claiming refund. The Committee also took note of the fact that PRC has approved such claiming relaxation in similar cases in the past as well.

Case No. 21: M/s Rashmi Metaliks Ltd., Kolkata.

File No. 1/36/218/144/AM11/EPCG-1

PRC Meeting No.14/AM11 dated: 11.01.2011
Subject: Partial review/ elaboration of the decision taken by the PRC on 04.09.2009 in respect of Circular No. 48 dated 19.12.2008.

The Committee noted the request of the firm and decided to re-examine the case for the PRC.

Case No. 22: M/s Marksans Pharma Ltd., Mumbai.
File No. 01/60/162/1743/AM11/EFGC(PRC)
PRC Meeting No.14/AM11 dated: 11.01.2011
Subject: Redemption and clubbing of Advance Authorization Nos. (i) 0310248017 dt. 16.01.2004 (ii) 0310310693 dt. 04.01.2005 issued under Policy Circular No. 9 dated 30.06.2003.

The Committee noted that the firm has made a request for clubbing of above mentioned advance authorizations after the period of expiry of more than 4 years from the date of expiry of authorizations. The Committee rejected the request of the firm for wants of merits.

Case No. 23: M/s Unichem Laboratories Ltd., Mumbai.
File No. 01/60/162/1734/AM11/EFGC(PRC)
PRC Meeting No.14/AM11 dated: 11.01.2011
Subject: EOP extension of Advance Authorization No. 01000936 dt. 08.05.1997.

The Committee noted the request of the firm and found that PRC has already approved EOP extension in its Meeting dated 20.7.2004, upto 17.8.2005. The firm exported the material on 31.8.2005 and export obligation completed against two shipments dated 02.09.2005 and 12.9.2005 respectively causing delay of 2 days and 9 days in each EO due to closure of roads which seems to be a genuine hardship. The Committee, therefore, decided to extend EOP against the aforesaid advance authorizations for a period 2 days and 9 days respectively for regularization purpose only.

Case No. 24: M/s Bhaskar Industries Ltd., Bhopal.
File No. 01/60/162/1727/AM11/EFGC(PRC)
PRC Meeting No.14/AM11 dated: 11.01.2011
Subject : Revalidation of DEPB Authorization No. 1110017604 dt. 26.06.2008.

The Committee noted from the report dated 09.08.10 of Office of Customs, Mandideep, Distt. Raisen that Release Advice was in their custody from 22.06.09 to 08.06.2010 (11 months and 17 days) for confirmation. The Committee therefore, decided to revalidate the aforesaid DEPB for 1 year from the date of communication of the decision of the PRC.

Case No. 25: M/s Bhushan Power & Steel Ltd., Kolkata.
File No. 01/60/162/1701/AM11/EFGC(PRC)
PRC Meeting No.14/AM11 dated: 11.01.2011
Subject: EOP extension of Advance Authorization No. 0210105215 dt. 12.10.2007.

The Committee noted the request of the firm in respect of aforesaid Advance authorization and 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. 26: M/s Mauria Udyog Ltd., Faridabad.

File No. 01/60/162/1738/AM11/EFGC(PRC)
PRC Meeting No.14/AM11 dated: 11.01.2011
Subject: Clubbing and redemption of Advance Authorization Nos.

i. 0510182064 dt. 05.05.2006
ii. 0510182199 dt. 15.05.2006
iii. 0510220748 dt. 21.05.2008

The Committee considered the request of the firm for relaxation of Policy provision for the purpose of clubbing of above mentioned advance authorizations. The committee decided to relax the policy provision to allow revalidation of advance authorization no. 0510182064 dt. 05.05.2006 for six months for the purpose of clubbing with advance authorization nos. 0510182199 dt. 15.05.2006 and 0510220748 dt. 21.05.2008. RA may revalidate advance authorization subject to payment of composition fee @1% of the unutilized Cif value of the authorization as required for purpose of clubbing. RA should verify EO fulfillment status as claimed by the firm. Extension in EO required for clubbing and regularization of authorization no. 0510182199 dt. 15.05.2006 will be done by imposing a composition fee @5% per year as already decided in the PRC meeting held on 06.01.2010. RA is further directed to examine the case in terms of Public Notice No. 23 dated 4.12.2009 and take necessary action and make necessary endorsements at the time of revalidation. 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. 27: M/s Marksans Pharma Ltd., Mumbai.
File No. 01/60/162/1762/AM11/EFGC(PRC)
PRC Meeting No.14/AM11 dated: 11.01.2011
Subject: Redemption and clubbing of Advance Authorization Nos.

i. 0310248586 dt. 22.01.2004
ii. 0310261726 dt. 30.03.2004
iii. 0310267645 dt. 10.05.2004
iv. 0310279544 dt. 08.07.2004
v. 0310343609 dt. 19.08.2005
vi. 0310359583 dt. 14.12.2005

The Committee noted that the request for clubbing is delayed by more than 4 years. However, the firm has stated that they had approached Jt. DGFT, Mumbai in 2007. The Committee decided that case may be examined on file and views of ADG(VKG) may be obtained on the change in the procedure which may be made in such cases by issuing suitable instructions to Regional Authority.

Case No. 28: M/s Ranbaxy Laboratories Ltd., New Delhi.
File No. 01/60/162/1720/AM11/EFGC(PRC)
PRC Meeting No.14/AM11 dated: 11.01.2011
Subject: EOP extension of Advance Authorization No. 0510075524 dt. 16.12.2002 for the purpose of clubbing of advance authorization nos.

i. 0510094664 dt. 30.06.2003
ii. 0510075524 dt. 16.12.2002
iii. 0510185823 dt. 05.07.2006

The Committee noted that the firm has made a request for clubbing of advance authorizations at Sr. No. 1 & 2 after expiry of more than 4 years from the date of expiry of EO period of authorizations. The Committee therefore, rejected the request of the firm as one advance authorization (Sr. No. 3) cannot be taken into account for clubbing.

Case No. 29: M/s National Standard (India) Ltd., Mumbai.
File No. 01/60/162/429/AM10/EFGC(PRC)
PRC Meeting No.14/AM11 dated: 11.01.2011

Subject: The BIFR sanctioned scheme for Central Government (DGFT) - Revalidation of advance licence no. 0310070603 dt. 29.01.01 / EOP extension of Advance Licence No. P/L/2074516 dt. 08.07.1996 for six months and 31.7.2001 respectively, and clubbing/redemption of exports there under.

The Committee considered the request of the firm and decided that exports effected against the shipping bills under the DEPB claim may be taken into account for discharge of export obligation against advance authorization by Regional Authority in case the product exported in the advance authorization and DEPB shipping bills are same. RA should verify this aspect thoroughly, after the aforesaid shortfall in exports in any be regularized in terms the existing provisions of the FTP.

Case No. 30: M/s Dhanuka Laboratories Ltd., Gurgaon.
File No. 01/60/162/1452/AM11/EFGC(PRC)
PRC Meeting No.14/AM11 dated: 11.01.2011
Subject: Clubbing of Advance Authorization Nos. 0510154504 dt. 30.03.2005 & 0510185607 dt. 30.06.2006.

The Committee considered the request of the firm for relaxation of policy provisions for the purpose of clubbing of advance authorizations. The committee decided to relax the policy provision to allow revalidation of advance authorization nos. 0510154504 dt. 30.03.2005 for six months for the purpose of clubbing with advance authorization no. 0510185607 dt. 30.06.2006 . RA may revalidate advance authorization subject to payment of composition fee @1% of the unutilized Cif value of the authorization as required for purpose of clubbing. RA should verify EO fulfillment status as claimed by the firm. RA is further directed to examine the case in terms of Public Notice No. 23 dated 4.12.2009 and take necessary action and make necessary endorsements at the time of revalidation. 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. 31: M/s Adler Mediequip Pvt. Ltd., Pune.
File No. 01/60/162/485/AM08/EFGC(PRC)
PRC Meeting No.14/AM11 dated: 11.01.2011
Subject: Revalidation of Advance Authorization No. 0310352035 dt. 17.10.2005.

The Committee considered the request of the firm and noted that the licence was valid till 16.04.2008 and RA issued redemption instead of EODC on 04.01.2008 erroneously. Therefore, the committee decided to revalidate the above said advance authorization for a period of three months from the date of communication of the decision of PRC, subject to payment of composition fee @ 1% of the unutilized cif value of the authorization and also subject to verification by RA of EO fulfillment status, as claimed by the firm. 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 at the time of revalidation at the time of revalidation.

****