MINUTES OF THE POLICY RELAXATION COMMITTEE (PRC) MEETING NO.17/AM11 HELD ON 21.02.2011 AT 12:00 P.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 Rajiv Arora Jt. DGFT
5. Shri L.B. Singhal Jt. DGFT
6. Shri A.K.Singh Jt. DGFT
7. Shri R.S.Ratna Jt. DGFT
8. Ms. Shubhra Jt. DGFT
9. Ms. Vibha Bhalla Jt. DGFT
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 Savio Texcone P. Limited Hapur.
File No. 01/60/162/1795/AM11/EFGC(PRC)
PRC Meeting No. 17/AM11 dated: 21.02.2011
Subject: Revalidation of DFIA no. 0510215402 dt. 24.01.2008.

The Committee considered the case and decided to re-examine the case with special reference to the delay made both by the firm and by the Regional Authority.

Case No. 2: M/s Clariant Chenicals Limited Thane.
File No. 01/60/162/1860/AM11/EFGC(PRC)
PRC Meeting No. 17/AM11 dated: 21.02.2011
Subject: Revalidation of advance authorization no. 0310470888 dt. 09.05.2008.

The Committee noted the request of the firm and decided to reject as the reasons given by the firm are not cogent and justified.

Case No. 3: M/s Lanova Silks Pvt. Ltd Bangalore.

File No. 01/60/162/721/AM10/EFGC(PRC)
PRC Meeting No. 17/AM11 dated: 21.02.2011
Subject: Revalidation and EOP for advance authorization no. 0710015789 dt. 26.08.2002, 0710016371 dt. 26.09.2002 for the purpose of clubbing with advance authorization no. 0710021617 dt. 05.06.2003.

The Committee noted that the firm’s two authorizations pertain to year 2002 and one pertains to year 2003. Further, two authorizations are based on SION and one based on adhoc norms. The committee noted that the adhoc norms were actually approved by the norms committee in May, 2010. In view of the aforesaid, the Committee decided to club the three authorizations nos. 0710015789 dt. 26.08.2002, 0710016371 dt. 26.09.2002 and 0710021617 dt. 05.06.2003 subject to a close verification by the Regional Authority regarding complete accounting of the imported inputs with the exports product especially when the imports include both Mulberry Raw Silk and Dupion. 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 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 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. 4: M/s Indoco Remedies Limited Mumbai.
File No. 01/60/162/1780/AM11/EFGC(PRC)
PRC Meeting No. 17/AM11 dated: 21.02.2011
Subject: Regularization of shipment after expiry of EO advances authorization No. 0310477349 dt. 03.07.2008.

The Committee noted the request and decided to extend EOP against the aforesaid advance authorization upto 27.08.2010 for redemption purpose only, 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. 5: M/s Aditya Birla Nuvo Limited New Delhi.
File No. 01/60/162/463/AM10/EFGC(PRC)
PRC Meeting No. 17/AM11 dated: 21.02.2011
Subject: Grant of extension EO period against advance authorization no. 0710048646 dt. 24.11.2006.

The Committee considered the case and decided to re-examine the case with respect to the value-wise export fulfillment and also the value addition achieved by the firm. The reasons of low value addition may also be ascertained.

Case No. 6: M/s Mercury Containers Ltd., Kanpur.
File No. 01/60/162/1835/AM11/EFGC(PRC)
PRC Meeting No. 17/AM11 dated: 21.02.2011
Subject: Request for revalidation of DFIA no. 0610014600 dt. 17.11.2008 deletion of transferability condition.

The Committee noted the request of the firm and decided to reject as the reasons given by the firm are not cogent and justified.

Case No. 7: M/s J.K. Papers Limited Delhi.
File No. 01/60/162/1155/AM11/EFGC(PRC)
PRC Meeting No. 17/AM11 dated: 21.02.2011
Subject: Revalidation of 2 DEPB authorization nos. 0510144152 dt. 29.11.2004 & 0510156598 dt. 02.05.2005.

The Committee noted the request and decided to call for a report from Regional Authority to ascertain as to whether the second duplicate licence was issued or not, whether the firm approached Regional Authority regarding the revalidation of duplicate DEPB or not and reasons to approach DGFT after such a delayed time.

Case No. 8: M/s Fourrts India Laboratories Limited, Chennai.
File No. 01/60/162/1842/AM11/EFGC(PRC)
PRC Meeting No.17/AM11 dated: 21.02.2011
Subject: Request for clubbing of advance authorization no. 0410086717 dt. 04.01.2007 with advance authorization no. 0410086716 dt. 04.01.2007.

The Committee considered the request of the firm for Advance Authorization Nos. 0410086717 dt. 04.01.2007 and 0410086716 dt. 04.01.2007and decided to permit clubbing of these authorizations. 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 authorizations where there is a shortfall 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. 9: M/s Chandan Steel Limited Mumbai.
File No. 01/60/162/1858/AM10/EFGC(PRC)
PRC Meeting No. 17/AM11 dated: 21.02.2011
Subject: Revalidation of advance authorization no. 0310462020 dt. 21.02.2008.

The Committee noted the request of the firm and decided to reject as the reasons given by the firm are not cogent and justifiable.

Case No. 10: M/s Lupin Limited Mumbai.
File No. 01/60/162/1774/AM11/EFGC(PRC)
PRC Meeting No. 17/AM11 dated: 21.02.2011
Subject: Request for EOP extension of advance authorization no 0310541135 dt. 09.10.2009.

The Committee noted the request and decided to extend EOP against the aforesaid advance authorization upto 31.12.2010 for regularization purpose only, 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. 11: M/s Bafna Silk Creations Pvt. Ltd.
File No. 01/60/162/1853/AM11/EFGC(PRC)
PRC Meeting No. 17/AM11 dated: 21.02.2011
Subject: Revalidation of advance authorization no. 0710054709 dt. 30.11.2007.

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 markets. Since price fluctuation in the international markets is essentially a commercial risk, it cannot be treated as genuine hardship warranting for policy relaxation. The Committee, therefore, rejected the case for Policy Relaxation.

Case No. 12: M/s The Indure Private Limited, New Delhi.
File No. 01/60/162/1833/AM11/EFGC(PRC)
PRC Meeting No. 17/AM11 dated: 21.02.2011
Subject: Request for EOP extension & revalidation of advance authorization no. 0510217071 dt. 27.02.2008.

The Committee considered the request of the firm and decided to grant revalidation of the above said authorization upto 31.03.2011, subject to payment of composition fee @ 1% of the unutilized cif value of the authorization and EOP extension also upto 31.03.2011 as the supplies are against a project.

Case No. 13:   M/s Transocean Offshore International Ventures Limited Mumbai.
File No. 01/93/180/26/AM11/PC-2(B)
PRC Meeting No. 17/AM11 dated: 21.02.2011
Subject: Relaxation by PRC from 2.21 of FTP for deferring the Re-export of duty paid Rig “Randolph Yost”.

The case of M/s Transocean Offshore International Ventures Limited Mumbai was considered by the Committee and it was noted that capital goods have been imported with full payment of Customs duty during 2003. The only condition which was imposed at the time of import was re-export but the company has been able to find use of the capital goods in the country and they desired to retain the capital goods. The Committee observed that there is no loss to the public exchequer nor any violation of extant Policy. The capital goods as such are free for import in the current policy. It was therefore decided that re-exports condition may be relaxed and M/s Transocean Offshore International Ventures Limited Mumbai be allowed to keep the capital goods in India subject to payment of dues, if any, to the Customs Authorities.

Case No. 14: M/s Shah Brothers Ispat Ltd. And M/s Mega Polymers Pvt. Ltd.,
File No. 01/89/180/46/AM09/PC-2(A)Pt.
PRC Meeting No. 17/AM11 dated: 21.02.2011
Subject: Request for import of HR Steel Products (not in coil form) during the transitional period.

The Committee was informed that the two cases pertain to import of HR Steel products-not in coil form, during 21.11.2008 to 18.02.2009. HR coils under 7208 were restricted for import on 21.11.2008. The Committee deferred the matter and directed that case may be further examined w.r.t. the fact whether the items under reference were also covered under the scope of restriction as per the notification and subsequent clarification issued on 12.12.2008 and 18.02.2009. The effect of the High Court decision in the matter may also be brought forward. The extant import Policy in relation to this may also be informed to the Committee.

Case No. 15: M/s Shree Ganesh Forgings Limited Mumbai.
File No. 01/60/162/1899/AM11/EFGC(PRC)
PRC Meeting No. 17/AM11 dated: 21.02.2011
Subject: Requested for clubbing of two advance authorization No. 0310382088 dt. 29.05.2006 with 0310581209 dt. 29.06.2010 for the purpose of regularization/redemption.

The Committee noted that the request has been made for two authorizations issued in 2006 and 2010 respectively. The gap between two authorization issued is substantial and as such the Committee did not agree to club these two authorizations.

Case No. 16: M/s Indoco Remedies Limited Mumbai.
File No. 01/60/162/1883/AM11/EFGC(PRC)
PRC Meeting No. 17/AM11 dated: 21.02.2011
Subject: Regularization shipping bill no. 7475586 dt. 2.7.09 (Delayed by 20 days) as shipment effected after expiry of export period against the advance authorization no. 0310492951 dt. 05.11.2008 under Policy Circular no-9 dated 30.06.2003.

The Committee considered the request and decided to extend EOP, against the aforesaid authorization, only for 20 days i.e. upto 02.07.2009 for regularization of exports, subject to verification by RA of EO claimed to have been fulfilled by the firm within the valid EOP and subject to the payment of composition fee @ 6% on the duty saved amount for the balance inputs. 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. 17: M/s SJLT Textiles (P) Limited.
File No. 01/60/162/1069/AM11/EFGC(PRC)
PRC Meeting No. 17/AM11 dated: 21.02.2011
Subject: EOP extension of advance authorization No. 3210035287 dt. 25.04.2007.

The Committee noted that the firm have made only 18% exports during the valid EOP and, therefore, it was decided to reject the case as it does not merit consideration due to very meagre exports within the valid EOP.

Case No. 18: M/s Ajanta Pharma Limited Mumbai.
File No. 01/60/162/1789/AM11/EFGC(PRC)
PRC Meeting No. 17/AM11 dated: 21.02.2011
Subject: Request for EOP regularization of export made out of EOP for advance authorization no. 0310497678 dt. 12.12.08 issued under Para Policy Circular no-9 dated 30.06.2003.

The Committee noted the request and decided to extend EOP against the aforesaid advance authorization, for a period of six months i.e. upto 18.01.2010, 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 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. 19: M/s Lupin Limited Mumbai.
File No. 01/60/162/1207/AM11/EFGC(PRC)
PRC Meeting No. 17/AM11 dated: 21.02.2011
Subject: Representation against the decision taken in the Meeting No. 05/AM11 dt. 12.110.2010 request for EOP extension (which was wrongly taken as revalidation).

The Committed noted that the two authorizations have been issued under separate notifications as one is advance authorization and other is DFIA. Further, the exports made under advance authorization are quite low. The Committee did not find any merits and therefore decided to reject the request.

Case No. 20: M/s Welset Plast Extrusions Pvt. Limited Mumbai.
File No. 01/60/162/1872/AM11/EFGC(PRC)
PRC Meeting No. 17/AM11 dated: 21.02.2011
Subject: Request for revalidation of advance authorization no. 0310375633 dt. 12.04.2006.

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

Case No. 21: M/s Maxop Engineering Co. Pvt. Limited Gurgaon.
File No. 01/60/162/831/AM11/EFGC(PRC)
PRC Meeting No. 17/AM11 dated: 21.02.2011
Subject: Revalidation of advance authorization no. 0510204052 dt. 24.05.2007.

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 Bombay Rayon Fashions Limited Mumbai.
File No. 01/60/162/1862/AM11/EFGC(PRC)
PRC Meeting No.17/AM11 dated: 21.02.2011
Subject: Request for revalidation & EOP extension of advance authorization no. 0310442649 dt. 11.09.2007.

The Committee noted that the export obligation fulfilled in respect of aforesaid Advance Authorization was 95.60% Qty.-wise within the valid EO period. Therefore, the Committee decided to extend EO only, 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 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. 23: M/s Asha Penn Color Pvt. Limited Mumbai.
File No. 01/60/162/1859/AM11/EFGC(PRC)
PRC Meeting No. 17/AM11 dated: 21.02.2011
Subject: Request for revalidation of advance authorization no. 0310453631 dt. 11.12.2007.

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

Case No. 24: M/s Kopran Limited Mumbai.
File No. 01/60/162/1879/AM11/EFGC(PRC)
PRC Meeting No. 17/AM11 dated: 21.02.2011
Subject: Request for extension in export obligation period of advance authorization no. 0310543241 dt. 29.10.2009 issued under Policy Circular no-9 dated 30.06.2003.

The Committee considered the case and decided to re-examine the case with reference to Policy Circular no-9 dated 30.06.2003 conditions, date of 1st import and export items.

Case No. 25: M/s Nocil Limited Mumbai.
File No. 01/60/162/1850/AM11/EFGC(PRC)
PRC Meeting No. 17/AM11 dated: 21.02.2011
Subject: Request for revalidation of advance authorization no. 0310450977 dt. 21.11.2007

The Committee considered the request and noted that it is a case of better commercial management and not that of genuine hardship and therefore decided to reject the request.

Case No. 26: M/s Shalina Laboratories Pvt. Ltd., Mumbai.
File No. 01/60/162/996/AM11/EFGC(PRC)
PRC Meeting No. 17/AM11 dated: 21.02.2011
Subject: Request for EOP extension against advance authorization no. 0310378059 dt. 27.4.2006 and 0310416681 dt. 19.1.2007.

The Committee noted that the firm have 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 authorization. The Committee rejected the request of the firm as there were no merits for consideration due to delayed request.

Case No. 27: M/s Ajanta Pharma Limited Mumbai.
File No. 01/60/162/1788/AM11/EFGC(PRC)
PRC Meeting No. 17/AM11 dated: 21.02.2011
Subject: Request for EOP regularization of export made out of EOP for advance authorization no. 0310532447 dt. 05.08.2009 Policy Circular no-9 dated 30.06.2003.

The Committee noted the request and decided to extend EOP, against the aforesaid advance authorization, for a period of six months i.e. upto 27.08.2010, 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 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. 28: M/s. Aadi Plastic.
File No. 01/94/180/459/AM10/PC-4/PRC
PRC Meeting No. 17/AM11 dated: 21.02.2011
Subject: Request for revalidation of advance authorization no. 3110015605 dt. 12.05.2004.

The Committee considered the request and noted the reasons of genuine hardship regarding delay in obtaining non utilization certificate from Customs and decided to revalidate the aforesaid advance authorization for a period of six 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.

Case No. 29: M/s. Gland Pharma Ltd., Hyderabad
File No. 01/94/180/430/AM08/PC-4/PRC
PRC Meeting No. 17/AM11 dated: 21.02.2011
Subject: Request for revalidation and EOP extension of advance authorization no. 0910019003 dt. 22.6.2004.

The Committee considered the case and decided to re-examine the issue closely. The Committee also directed that all the facts may be placed before PRC chronologically. The firm may also be granted an opportunity of personal hearing before Jt. DG (PRC) and Jt. DG (PRU).

Case No. 30: M/s. Gland Pharma Ltd., Hyderabad
File No. 01/94/180/534/AM08/PC-4/PRC
PRC Meeting No. 17/AM11 dated: 21.02.2011
Subject: Request for revalidation and EOP extension of advance authorization no. 0910019930 dt. 31.8.2004.

The Committee considered the case and decided to re-examine the issue closely. The Committee also directed that all the facts may be placed before PRC chronologically. The firm may also be granted an opportunity of personal hearing before Jt. DG (PRC) and Jt. DG (PRU).

Case No. 31: M/s. Gland Pharma Ltd., Hyderabad
File No. 01/60/162/533/AM08/PRC

PRC Meeting No. 17/AM11 dated: 21.02.2011
Subject: Request for EOP extension and regularization of advance authorization no. 0910020164 dt. 17.9.2004.

The Committee considered the case and decided to re-examine the issue closely. The Committee also directed that all the facts may be placed before PRC chronologically. The firm may also be granted an opportunity of personal hearing before Jt. DG (PRC) and Jt. DG (PRU).

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