MINUTES OF THE POLICY RELAXATION COMMITTEE (PRC) MEETING NO.18/AM11 HELD ON 03.03.2011 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 N.P.S Monga	Addl. DG
5.	Shri A. Mishra	Stats Advisor
6.	Shri D.C. Sharma	Stats Advisor
7.	Shri Rajiv Arora	Jt. DGFT
8.	Shri L.B. Singhal	Jt. DGFT
9.	Ms. Shubhra	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 Goodwill Chemical Industries, Mumbai.
File No. 01/94/180/72/AM10/PC-4
PRC Meeting No. 18/AM11 dated: 03.03.2011
Subject: EOP extension of advance authorization no. 0310255907 dt. 03.03.2004.

The Committee considered the case and decided to re-examine the matter with respect to actual exports made within the export obligation period and impact of norms revision on export performance admissibility, and import entitlements.

Case No. 2: M/s Ajanta Pharma Ltd., Mumbai.
File No. 01/60/162/1770/AM11/EFGC(PRC)
PRC Meeting No. 18/AM11 dated: 03.03.2011
Subject: EOP extension of advance authorization no. 0310503424 dt. 22.01.2009 issued under Policy Circular No. 9 dated 30.06.2003.

The Committee noted that EO fulfilled against aforesaid Advance Authorization No. 0310503424 dt. 22.01.2009 issued under Policy Circular No. 9 dated 30.06.2003 (with an EOP of six months from the date of 1st importation), was 16.53% Qty.-wise and 21.92% value-wise within the valid EOP, as claimed by the firm and the balance EO was fulfilled within 12 months from the date of 1st import i.e. upto 31.01.2010. The Committee noted that EOP expired on 30.07.2009 itself. Accordingly, the Committee decided to extend EOP, against the aforesaid advance authorization only upto 31.01.2010 for regularization of exports, 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, Mumbai 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. 3: M/s Matrix Laboratories Ltd., Secunderabad, A.P.
File No. 01/60/162/1870/AM11/EFGC(PRC)
PRC Meeting No. 18/AM11 dated: 03.03.2011
Subject: EOP extension of advance authorization no. 0910016729 dt. 09.12.2003.

The Committee considered the case and decided to re-examine it with regard to the policy of conversion of DTA to EOU and as to whether the balance duty-free material was duly declared at the time of conversion from DTA to EOU.

Case No. 4: M/s Marksans Pharma Ltd., Mumbai.
File No. 01/60/162/1840/AM11/EFGC(PRC)
PRC Meeting No. 18/AM11 dated: 03.03.2011
Subject: Redemption and clubbing of advance authorization nos. 0310261736 dt. 30.03.2004 & 0310289674 dt. 02.09.2004 issued under Policy Circular No. 9 dated 30.06.2003.

The Committee noted that the firm have 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 as there are no merits for consideration due to highly delayed request.

Case No. 5: M/s. L. M. Wind Power Blades (India) Pvt. Ltd.
File No. 01/60/162/574/AM11/EFGC(PRC)
PRC Meeting No. 18/AM11 dated: 03.03.2011
Subject: EOP extension of advance authorization no. 0710048700 dt. 29.11.2006.

The Committee noted that EO fulfilled against aforesaid Advance Authorization No. 0710048700 dt. 29.11.2006 was 53.33% both Qty.-wise and value-wise within the valid EOP. Therefore, the Committee decided to extend EOP against the aforesaid advance authorization upto 31.12.2011 for further exports, 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. It was also decided that no further extension will be given and if the firm wants only six months time to complete the exports, they can apply accordingly.

Case No. 6: M/s. Benara Autos Pvt. Ltd.
File No. 01/60/162/1903/AM11/EFGC(PRC)
PRC Meeting No. 18/AM11 dated: 03.03.2011
Subject: Revalidation and EOP extension of advance authorization 06100011843 dt. 23.3.2007.

The Committee noted that the firm have made less than 50% exports during the valid EOP and, therefore, 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. 7: M/s. National Exports Corporation

File No. 01/60/162/1902/AM11/EFGC(PRC)
PRC Meeting No. 18/AM11 dated: 03.03.2011
Subject: Revalidation of advance authorization 1210005807 dt. 09.07.2008.

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

Case No. 8: M/s. Unichem Laboratoris Ltd.
File No. 01/60/162/1882/AM11/EFGC(PRC)
PRC Meeting No. 18/AM11 dated: 03.03.2011
Subject: EOP extension of advance authorization no. 0310525732 dt. 25.6.2009 for regularization purpose.

The Committee noted the request and decided to extend EOP against the aforesaid advance authorization upto 30.11.2010 for regularization purpose only, 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. 9: M/s. Netafim Irrigation India Pvt. Ltd.
File No. 01/60/162/1567/AM11/EFGC(PRC)
PRC Meeting No. 18/AM11 dated: 03.03.2011
Subject: Revalidation of advance authorization 3410020969 dt. 3.3.2008.

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 market is essentially a commercial risk, it cannot be treated as genuine hardship warranting for policy for relaxation. In view of this, the Committee rejected the case for Policy Relaxation.

Case No. 10: M/s. Indoco Remedies Ltd. Mumbai.
File No. 01/60/162/1887/AM11/EFGC(PRC)
PRC Meeting No. 18/AM11 dated: 03.03.2011
Subject: Clubbing of 3 advance authorizations no. 0310370193 dt. 07.03.2006, 0310434252 dt. 27.06.2007 and 0310339093 dt. 13.07.2005

The Committee considered the request of the firm and decided to club advance authorizations No. 0310370193 dt. 07.03.2006, 0310434252 dt. 27.06.2007 and 0310339093 dt. 13.07.2005 for the purpose of regularization. A composition fee @1% of the unutilized cif value, to be levied for revalidation of the required advance authorization for the purpose of clubbing. 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 6.1.2010. RA is, therefore, 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. RA must ensure proper accounting of the duty free inputs with reference to the export product while clubbing the authorizations. It is further clarified that no further imports or exports will be allowed upon revalidation/EOU extension in any of the clubbed authorizations.

Case No. 11: M/s. Indoco Remedies Ltd. Mumbai
File No. 01/60/162/1884/AM11/EFGC(PRC)
PRC Meeting No. 18/AM11 dated: 03.03.2011
Subject: Clubbing of 3 advance authorizations 0310342172 dt. 09.08.2005, 0310341583 dt. 04.08.2005 and 0310389352 dt. 13.07.2006

The Committee considered the request of the firm and decided to club advance authorizations No. 0310342172 dt. 09.08.2005, 0310341583 dt. 04.08.2005 and 0310389352 dt. 13.07.2006 for the purpose of regularization. A composition fee @1% of the unutilized cif value to be levied for revalidation of the required advance authorization for the purpose of clubbing. Extension in EO required for clubbing and regularization of authorization 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 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 value and CIF value of the authorization. RA should ensure proper accounting of the duty free inputs with reference to the export product while clubbing the authorizations. It is further clarified that no further imports or exports will be allowed upon revalidation/EOU extension in any of the clubbed authorizations.

Case No. 12: M/s. Sigma Laboratories Ltd..
File No. 01/60/162/718/AM10/EFGC(PRC)
PRC Meeting No. 18/AM11 dated: 03.03.2011
Subject: EOP extension of advance authorization no. 0310460874 dt. 13.02.2008.

The Committee noted that EO fulfilled against aforesaid Advance Authorization No. 0310460874 dt. 13.02.2008 was 96.5% Qty.-wise and within the valid EOP. Therefore, the Committee decided to extend EOP against the aforesaid advance authorization upto 09.03.2009 for regularization purpose, 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. 13: M/s Lakshya Enterprises, Varanasi .
File No. 01/94/180/518/AM11/PC-4
PRC Meeting No. 18/AM11 dated: 03.03.2011
Subject: Redemption of DFIA No. 1510012050 dated 22.12.2010 and Non-generation of EDI File No. due to Holidays.

The Committee noted the request of the firm regarding non-acceptance of the exports made by them against an E-com number pending grant of file number for the DFIA. In view of the circumstances explained by the firm, the Committee considered the exports made by the firm against the E-com umber towards fulfillment of EO against the aforesaid DFIA and decided that Regional Authority should co-relate the DFIA file number with the E-com number.