MINUTES OF THE POLICY RELAXATION COMMITTEE (PRC) MEETING NO.21/AM11 HELD ON 29.03.2011 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. Gupta	Addl. DG
3.	Shri N.P.S Monga	Addl. DG
4.	Shri A. Mishra	Stats Advisor
5.	Shri D.C. Sharma	Stats Advisor
6.	Shri Rajiv Arora	Jt. DGFT
7.	Shri L.B. Singhal	Jt. DGFT
8.	Shri A.K. Singh	Jt. DGFT
9.	Shri Hardeep Singh	Jt. DGFT
10.	Ms. Shubhra	Jt. DGFT
11.	Ms. Vibha Bhalla	Jt. DGFT
12.	Shri A.K. Cashyap	Dy. DGFT
13.	Smt. Sonika Khattar	FTDO

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

Case No. 1 M/s Ashapura Minechem Ltd, Mumbai.
File No. 01/60/162/1027/AM11/EFGC(PRC)
PRC Meeting No. 21/AM11 dated 29.03.2011
Subject: EOP extension of 2 advance authorization nos. 0310376175 dt. 18.04.2006 and 031042956 dt. 06.10.2006.

The Committee noted the request and decided to grant EOP extension of 0310376175 dt. 18.04.2006 upto the last date of export i.e upto 24.06.2009 as claimed by the firm and of advance authorization nos. 031042956 dt. 06.10.2006 upto 24.5.2010 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. 2: M/s Parmeshwari Silk Mills Ltd., Ludhiana.
File No. 01/60/162/1936/AM11/EFGC(PRC)
PRC Meeting No. 21/AM11 dated 29.03.2011
Subject: EOP extension of advance authorization no. 3010053184 dt. 18.09.2007.

The Committee noted that EO fulfilled against aforesaid Advance Authorization was more than 50% both Qty.-wise and value-wise within valid EOP, as claimed by the firm. 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 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 at the time of EOP extension.

Case No. 3: M/s Suraj Stainless Ltd., Gujarat.
File No. 01/60/162/1932/AM11/EFGC(PRC)
PRC Meeting No. 21/AM11 dated 29.03.2011
Subject: Revalidation of advance authorization no. 0810069449 dt. 08.01.2008.

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. 4: M/s Reliance Industries Ltd., Mumbai.
File No. 01/60/162/1922/AM11/EFGC(PRC)
PRC Meeting No. 21/AM11 dated 29.03.2011
Subject: Revalidation of advance authorization no. 0310469740 dt. 28.04.2008.

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. 5: M/s Fourrts (India) Laboratories Ltd.,
File No. 01/60/162/1914/AM11/EFGC(PRC)
PRC Meeting No. 21/AM11 dated 29.03.2011
Subject: EOP extension of advance authorization no. 0410094256 dt. 05.03.2008.

The Committee noted the request and agreed that the firm may pay the customs duty by surrendering the DEPB and 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 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 by surrendering DEPB as stated above. RA to check and verify the aspect of raw material utilization and evaluate the duty-saving default and take necessary action as per the PRC's decision.

Case No. 6: M/s Cadila Healthcare Ltd., Ahmedabad.
File No. 01/60/162/1952/AM11/EFGC(PRC)
PRC Meeting No. 21/AM11 dated 29.03.2011
Subject: EOP extension of advance authorization no. 0810049378 dt. 18.07.2005 issued under Policy Circular No. 9 dated 30.06.2003.

The Committee decided to grant EOP extension upto 31.03.2007 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. 7 :M/s Promac Engineering Industries Ltd., Bangalore.
File No. 01/60/162/1919/AM11/EFGC(PRC)
PRC Meeting No. 21/AM11 dated 29.03.2011
Subject: Revalidation of 9 DEPB licences Nos. 0710054125 dt. 25.10.2007 (2) 0710056469 dt. 19.3.2008 (3) 0710059180 dt. 19.8.2008 (4)0710061271 dt. 26.11.2008 (5) 0710056938 dt. 16.4.2008 (6) 0710059193 dt. 19.8.2008 (7) 0710063023 dt. 12.2.2009 (8) 0710056277 dt. 7.3.2008 (9) 0710062382 dt. 15.1.2009.

The Committee noted the request of the firm and decided to reject as there is no delay on the part of Customs or Regional Authority of DGFT.

Case No. 8: M/s Dura-line India Pvt. Ltd., New Delhi.
File No. 01/60/162/1934/AM11/EFGC(PRC)
PRC Meeting No. 21/AM11 dated 29.03.2011
Subject: EOP extension of advance authorization no. 0510221885 dt. 10.06.2008.

The Committee noted that EO fulfilled against aforesaid Advance Authorization was more than 50% both Qty.-wise and value-wise within valid EOP, as claimed by the firm. Therefore, the Committee decided to extend EOP, against the aforesaid advance authorization, for a period of 12 months from the date of expiry of EOP, 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 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 at the time of EOP extension.

Case No. 9: M/s Superfine Syntex Ltd., Mumbai
File No. 01/60/162/1958/AM11/EFGC(PRC)
PRC Meeting No. 21/AM11 dated 29.03.2011
Subject: EOP extension of advance authorization no. 5120021810 dt. 10.07.2007.

The Committee noted that EO fulfilled against aforesaid Advance Authorization was more than 50% both Qty.-wise and value-wise within valid EOP, as claimed by the firm. 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 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 at the time of EOP extension.

Case No. 10: M/s Savita Oil Technologies Ltd., Mumbai
File No. 01/60/162/1508/AM11/EFGC(PRC)
PRC Meeting No. 21/AM11 dated 29.03.2011
Subject: Revalidation of DFIA No. 0310459296 dt. 28.01.2008.

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. 11: M/s Avery Dennison (India) Pvt. Ltd., New Delhi.
File No. 01/60/162/1904/AM11/EFGC(PRC)
PRC Meeting No. 21/AM11 dated 29.03.2011
Subject: Revalidation of advance authorization no. 0510219121 dt. 08.04.2008.

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. 12: M/s Ravin Cables Ltd., Mumbai..
File No. 01/60/162/1433/AM11/EFGC(PRC)
PRC Meeting No. 21/AM11 dated 29.03.2011
Subject: Revalidation of advance authorization no. 0310419429 dt. 13.02.2007.

The Committee noted the request of the firm and decided to re-examine the case by obtaining the specific reasons from the firm for not making

The Committee noted the request of the firm and decided to re-examine the case by obtaining the specific reasons from the firm for not making import and then place before the PRC.

Case No. 13: M/s Wendt India Ltd., Bangalore.
File No. 01/60/162/1931/AM11/EFGC(PRC)
PRC Meeting No. 21/AM11 dated 29.03.2011
Subject: EOP extension of advance authorization no. 0710051707 dt. 22.05.2007.

The Committee noted that the firm have made less than 50% exports during the valid EOP and, therefore, it was 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. 14: M/s General Export Enterprises Mumbai
File No. 01/60/162/1956/AM11/EFGC(PRC)
PRC Meeting No. 21/AM11 dated 29.03.2011
Subject: Revalidation of DFRC no. 0310462519 dt. 25.02.2008.

The Committee noted that above mentioned DFRC has already endorsed as transferable. The Committee therefore rejected the request of the firm.

Case No. 15 : M/s Indiahorsesale. Com, Hyderabad.
File No. 01/53162/895/AM11/I-25/IC
PRC Meeting No. 21/AM11 dated 29.03.2011
Subject: Import of 1000 Mts of Oats for Animal Feed for stock & sale.

The Committee considered the case for grant of permission for stock & sale of 1000 MT Oats and granted the approval. Further, Committee decided that all such cases for permission for stock and sale of Oats and Rice in future should be considered by EFC.

Case No. 16: M/s Punj Lloyd Ltd., New Delhi.
File No. 01/53/162/Mics/AM11/P-38/IC01/53/162/Mics/AM11/P-38/IC
PRC Meeting No. 21/AM11 dated 29.03.2011
Subject: Request for grant permission to sale the imported helicopter-deletion of actual user condition.

The Committee considered the request and granted approval for deletion of AU condition for the helicopter imported against Import Licence No. P/D/2323827 dated 13.7.1994

Case No. 17: M/s 3M India Ltd., Bangalore.

File No. 01/94/180/539/AM11/PC-4
PRC Meeting No. 21/AM11 dated 29.03.2011
Subject: Whether "Labeling" would be considered as an activity for the purpose of availing advance authorization scheme.

As the case was pertaining to Policy Interpretation, it was decided to defer it and take up in the next PIC meeting.

Case No. 18: M/s ForDe International.
File No. 01/91/180/1216/AM10/PC-3
PRC Meeting No. 21/AM11 dated 29.03.2011
Subject: Revalidation of FMS duty credit scrip no. 0510210906 dt. 22.10.2007.

The Committee considered the case of the firm as per agenda and accepted the submission made by applicant firm that the scrip was expired due to non-verification of the scrip by Customs because the scrip was deficient with details viz. Port of Registration 'blank' and duty credit shown as 'zero'. Accordingly, the Committee decided to give extended validity of six months from the date of endorsement. However, the applicant should approach RA immediately within the next 15 days of communication of PRC decision and RA shall take necessary action within a maximum of 7 days thereafter.

Case No. 19: M/s Airports Authority of India, New Delhi.
File No. 01/89/180/39/AM11/PC-2(A)
PRC Meeting No. 21/AM11 dated 29.03.2011
Subject: Request for policy relaxation for import of Pavement Testing Machine (Van Mounted Heavy Falling Weight Deflectometer-VMHFWD).

The Committee considered the request for relaxation of policy condition of ILN 7 and approved the relaxation from production of TAC. Further, the Committee decided to endorse the condition that the vehicle will be off the public highways.

Case No. 20: M/s GMR Hyderabad International Airport Ltd., Hyderabad.
File No. 01/89/180/30/AM11/PC-2(A)
PRC Meeting No. 21/AM11 dated 29.03.2011
Subject: Request for policy relaxation for import of "Fire Fighting Vehicle and Spares" under Chapter 87.

The Committee considered the request of relaxation of policy condition of ILN 7 and approved the relaxation from production of TAC. Further, the Committee decided to put to the condition that the vehicle will be off the public highways.

Case No. 21: M/s Mega Corporation Ltd., New Delhi.
File No. 01/89/180/55/AM10/PC-2(A)
PRC Meeting No. 21/AM11 dated 29.03.2011
Subject: Request for policy relaxation from conditions under ILN 7 to Chapter 87 of ITC (HS) for import of 2 (two) Motor Home (Caravans).

The Committee considered and granted exemption from the conditions of ILN 7 of Chapter 87 for import of a second Motor Home (Caravans) where the engine capacity is less than the mandatory 2500 cc in addition to the permission granted earlier for one vehicle on 11.01.2011.

Case No. 22: M/s Cooper Pharma, Delhi
File No. 01/60/162/1925/AM11/EFGC(PRC)
PRC Meeting No. 21/AM11 dated 29.03.2011
Subject: Extension of EO period of Adv. Lic. No. 0510097470 dt. 29.7.2003 under Policy Circular No. 41 (re-2005/2004-09 dt. 12.12.2005

The Committee considered the request of the firm and decided to evaluate the extent of exports both quantity and value-wise made within the EOP and beyond EOP status of utilization of imports and imported material, reasons of delay in approaching PRC and then the case be placed before PRC.

Case No. 23: M/s Cooper Pharma, Delhi
File No. 01/60/162/1928/AM11/EFGC(PRC)
PRC Meeting No. 21/AM11 dated 29.03.2011
Subject: Extension of EO period of Adv. Lic. No. 0510103637 dt. 26.9.2003 under Policy Circular No. 41 (re-2005/2004-09 dt. 12.12.2005

The Committee considered the request of the firm and decided to evaluate the extent of exports made within the EOP and thereafter, status of imported material and reasons of delay and then the issue be placed before PRC.

Case No. 24: M/s Cooper Pharma, Delhi
File No. 01/60/162/1928/AM11/EFGC(PRC)
PRC Meeting No. 21/AM11 dated 29.03.2011
Subject: Extension of EO period of Adv. Lic. No. 0510103637 dt. 26.9.2003 under Policy Circular No. 41 (re-2005/2004-09 dt. 12.12.2005

The Committee considered the request of the firm and decided to evaluate the extent of exports made within the EOP and thereafter, status of imported material and reasons of delay and then the issue be placed before PRC.

Case No. 25: M/s Indoco Remedies Limited Mumbai
File No. 01/60/162/1877/AM11/EFGC(PRC)
PRC Meeting No. 21/AM11 dated 29.03.2011
Subject: EO extension /revalidation of 5 advance authorization issued under Policy Circular No. -9 dt. 30.6.2003 for clubbing and redemption purpose (1) 0310331449 dt. 25.5.2005 (ii) 0310383620 dt. 8.6.06 (iii) 0310393481 dt. 8.8.06 (iv) 0310399224 dt. 13.9.2006 (v) 0310418555 dt. 6.2.2007

The Committee considered the request of the firm and decided to club above five 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. 26: M/s Wockhardt Limited Mumbai
File No. 01/60/162/1889/AM11/EFGC(PRC)
PRC Meeting No. 21/AM11 dated 29.03.2011
Subject: EOP extension of advance authorization no. 0310460897 dt. 13.2.2008 issued under Policy Circular No. 9 dated 30.6.2003

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 EO period of authorization. The Committee rejected the request of the firm as there were no merits for consideration due to delayed request. The Committee, however, decided that the condition of re-export/destruction of imported raw material as stipulated in Policy Circular 18 dt. 30.10.2007 be waived off as the firm has stated to have already utilized the imported material fully by exporting the product manufactured from these. RA should ensure the utilization and exports made of these products as per Policy Circular 9 dated 30.3.2006 and Policy Circular 18 dated 30.10.2007. 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

Case No. 27: M/s Avasarala Technologies Limited Bangalore
File No. 01/60/162/1900/AM11/EFGC(PRC)
PRC Meeting No. 21/AM11 dated 29.03.2011
Subject: Revalidation of advance authorisation no. 0710056498 dt. 20.3.2008

The Committee noted that the firm has stated delay in obtaining approval of the Project Authority as the reason for delay in imports. It was further noted that the goods have already arrived at Port. The Committee expressed concern on this kind of the request after making imports. However, in view of exceptional circumstances of genuine hardship, the Committee 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 at the time of revalidation.

Case No. 28: M/s Indoco Remedies Limited Mumbai
File No. 01/60/162/1897/AM11/EFGC(PRC)
PRC Meeting No. 21/AM11 dated 29.03.2011

Subject: EOP extension/revalidation of 5 advance authorization for the purpose of clubbing (i) 031035281 dt. 20.10.2005 (ii) 0310376368 dt. 18.4.2006 (iii) 0310471387 dt. 15.5.2008 (iv) 0310437032 dt. 20.7.2007 (v) 0310443654 dt. 19.9.2007

18.4.2006 (iii) 0310471387 dt. 15.5.2008 (iv) 0310437033 dt. 20.7.2007 (v) 0310443654 dt. 19.9.2007

The Committee considered the request of the firm and noted that authorization nos. (i) and (ii) have been issued in continuity with a distinct overlap in the validity period and same is the case with authorizations at sl. no. (iv) and (v) and therefore, decided to club advance authorization nos. 031035281 dt. 20.10.2005 with 0310376368 dt. 18.4.2006 together (Block 1) and advance authorization nos 0310437033 dt. 20.7.2007 with 0310443654 dt. 19.9.2007 separately (Block 2) 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. 29: M/S SKY Industries Ltd.,
File No. 01/60/162/1398/AM11/EFGC(PRC)
PRC Meeting No. 21/AM11 dated 29.03.2011
Subject: Revalidation of advance authorization no. 0310385209 dt. 19.6.2006

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. 30: Flowserve India Controls Ovt., Limited
File No. 01/60/162/1924/AM11/EFGC(PRC)
PRC Meeting No. 21/AM11 dated 29.03.2011
Subject: Redemption of advance authorization no. 071005129

The Committee noted the request of the firm and decided to re-examine whether a duplicate Bill of Export could be issued in lieu of lost bill of exports, possible documents which can evidence supplies, decision of BOA in such cases, aspect of circumvention for a double benefit in such cases. The case be then placed before PRC.

Case No. 31: M/s Hoegh Autoliners (India) Pvt. Ltd., Mumbai
File No. 01/89/180/50/AM-10/PC-2A
PRC Meeting No. 21/AM11 dated 29.03.2011
Subject: Request for policy relaxation for import of “Terberg Tugmaster”.

The Committee re-considered the decision taken in the meeting dated 23.03.2010 and decided to permit import of a second hand vehicle namely “Terberg Tugmaster” with left hand drive with relaxation from the conditions under para I (II) (b) (i) (c) & (d) (i) (ii) (iii) of ILN under Chapter 87 of

"Terberg Tugmaster" with left hand drive with relaxation from the conditions under para I (ii) (b) (i) (c) & (d) (i) (ii) (iii) of ILN under Chapter 87 of ITC (HS). This is subject to the condition that vehicle will be used in the port premises and will be off the public highways.

DGFT

PRC Division

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The Draft Minutes of PRC Meeting NO. 21/AM11 held on 29.03.2011 under the Chairmanship of Dr. A.K. Pujari, DGFT are submitted for approval pl.