MINUTES OF THE POLICY RELAXATION COMMITTEE (PRC) MEETING NO. 34/AM12 HELD ON 27.12.2011 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 D.K Singh	Addl. DG
2.	Shri V.K. Gupta	Addl. DG
3.	Shri. V.K. Srivastava	Addl. DG
4.	Shri N.P.S. Monga	Addl. DG
5.	Dr. Rajiv Arora	Jt. DGFT
6.	Shri A.K. Singh	Jt. DGFT
7.	Shri R.S. Ratna	Jt. DGFT
8.	Shri.HardeepSingh	Jt. DGFT
9.	Smt. Subhra	Jt. DGFT
10.	Smt. Vibha Bhalla	Jt. DGFT
11.	Shri A. Mishra	Stats Advisor
12.	Shri D.C. Sharma	Stats Advisor
13.	Smt. Sonika Khattar	FTDO

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

Case No.1. M/s. Shantai Exim Ltd. Surat
F.No. 01/60/162/837/AM12/EFGC(PRC)
PRC Meeting No. 34/AM12 dated: 27.12.2011
Subject:- Request for revalidation of advance authorization No. 5210026300 dt. 24.4.2009.

The Committee noted the request of the firm and decided to reject as no cogent and justified reasons establishing genuine hardship warranting relaxation under Para 2.5 of the FTP have been provided by the firm.

Case No.2. M/s. Copper Strips (P) Limited
F.No. 01/60/162/846/AM12/EFGC(PRC)
PRC Meeting No. 34/AM12 dated: 27.12.2011
Subject:- Request for revalidation of Advance AuthorizationNo.1110019749 dt. 2.3.2009.

The Committee noted the request of the firm and decided to reject as the reasons cited are only commercial risk and not a genuine hardship warranting relaxation under Para 2.5 of FTP.

Case No.3. M/s. Dheeraj Industries Mumbai
F.No. 01/60/162/853/AM12/EFGC(PRC)
PRC Meeting No. 34/AM12 dated: 27.12.2011
Subject:- Request for revalidation with enhancement of advance authorization No. 0310478026 dt. 9.7.2008

The Committee noted the request of the firm and decided to reject as the reasons cited are only commercial risk and not a genuine hardship warranting relaxation under Para 2.5 of FTP.

Case No.4. M/s. Dheeraj Industries Mumbai
F.No. 01/60/162/855/AM12/EFGC(PRC)
PRC Meeting No. 34/AM12 dated: 27.12.2011
Subject:- Request for revalidation of advance authorization No 0310461860 dt. 20.2.2008.

The Committee noted the request of the firm and decided to reject as the reasons cited are only commercial risk and not a genuine hardship warranting relaxation under Para 2.5 of FTP.

Case No.5. M/s. Kopran Limited Mumbai
F.No. 01/60/162/751/AM12/EFGC(PRC)
PRC Meeting No. 34/AM12 dated: 27.12.2011
Subject:- Request for clubbing of 4 advance authorization Nos. 0310458869 dt. 23.1.2008 (2) 0310459501 dt.30.01.2008 (3) 0310584838 dt. 23.7.2010 (4) 0310602300 dt. 22.11.2010.

The committee noted that as per Public Notice no. 79 dt. 13.10.2011, Regional Authorities of DGFT could do clubbing for authorizations which are issued within 3 years from the date of issue of the earliest authorization sought to be clubbed and conditions as stipulated in the aforesaid Public Notice. As such, this case could have been considered at the level of RA also. However, since this application was already filed in DGFT prior to issuance of PN. NO. 79 dt. 13.10.2011, the Committee decided to allow the clubbing of EO fulfilled upto 200% (quantity wise) only in advance authorization No. 0310458869 dt. 23.1.2008 with advance authorizations at sr. no. 2 to 4 for the purpose of regularization. RA may grant necessary extension in EO required with the stipulated composition fee for clubbing and regularization. RA is also 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.6. M/s. Philips Carbon Black Limited
F.No. 01/60/162/849/AM12/EFGC(PRC)

PRC Meeting No. 34/AM12 dated: 27.12.2011
Subject:- Request for EOP extension of advance authorization No. 0210112954 dt. 29.5.2008.

The Committee considered the request and decided to extend EOP against the aforesaid advance authorization for 6 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 exports 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. Oil Country Tubular Limited Hyderabad
F.No. 01/60/162/851/AM12/EFGC(PRC)
PRC Meeting No. 34/AM12 dated: 27.12.2011
Subject:- Request for EOP extension of advance authorization No. 0910035323 dt.18.09.2008

The Committee considered the request and decided to extend EOP against the aforesaid advance authorization for 6 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 exports 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.8. M/s. Oil Country Tubular Limited Hyderabad
F.No. 01/60/162/852/AM12/EFGC(PRC)
PRC Meeting No. 34/AM12 dated: 27.12.2011
Subject:- Request for EOP extension of advance authorization No. 0910035024 dt.12.08.2008.

The Committee considered the request and decided to extend EOP against the aforesaid advance authorization for 6 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 exports 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. United Phosphorus Limited Mumbai
F.No. 01/60/162/841/AM12/EFGC(PRC)
PRC Meeting No. 34/AM12 dated: 27.12.2011
Subject:- Request for EOP extension of advance authorization No. 0310475255 dt. 18.6.2008.

The Committee considered the request and decided to extend EOP against the aforesaid advance authorization for 6 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 exports 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.10. M/s. Supreet Chemicals Pvt. Limited
F.No. 01/60/162/840/AM12/EFGC(PRC)
PRC Meeting No. 34/AM12 dated: 27.12.2011
Subject:- Request for EOP extension of advance authorization No. 0310487920 dt. 25.9.2008.

The Committee considered the request and decided to extend EOP against the aforesaid advance authorization for 6 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 exports 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.11. M/s. The Western India Plywoods Limited Kerala
F.No. 01/60/162/856/AM12/EFGC(PRC)
PRC Meeting No. 34/AM12 dated: 27.12.2011
Subject:- Request for EOP of advance authorizationNo.1010030392 dt. 30.7.2008.

The Committee noted that the firm have made less than 50% exports during the valid EOP and, therefore, decided to reject the case on account of low exports made within the valid EOP.

Case No.12. M/s. Alkem Laboratories Limited Mumbai
F.No. 01/60/162/847/AM12/EFGC(PRC)
PRC Meeting No. 34/AM12 dated: 27.12.2011
Subject:- Request for EOP extension of advance authorization No. 0310437291 dt. 24.7.2007.

The committee noted that the firm has not operated the aforesaid advance authorization under the condition of PC-9 but has imported/sourced indigenously the raw material from registered sources. The authorization therefore is to be treated as a normal authorization. Committee decided to grant extension for 1 month beyond the permitted 36 months 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 the permissible export obligation period of 36 months. 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. However RA should ensure that in case there was an ARO release against this authorization, the sourcing of raw material is only from registered sources.

Case No.13. M/s. TVS Motor Company Ltd Tamil Nadu.
F.No. 01/89/180/21/AM11/PC2 (A)
PRC Meeting No. 34/AM12 dated: 27.12.2011
Subject:- Request for import of one no. second Hand Motorcycle for R&D Testing.

The Committee decided to relax the provisions of Para 2(II) (f) of Import Licensing Note of Chapter 87 for import of Motorcycle (Honda NT 400 BROS Motorcycle (400 cc) for R&D testing and valuation purpose, being second hand vehicle.

Case No.14. M/s. Reliance Infrastructure Limited Mumbai
F.No. 01/89/180/11/AM-12/PC-2(A)
PRC Meeting No. 34/AM12 dated: 27.12.2011
Subject:- Request for policy relaxation for import of 55 nos. of MT 4400 AC Left Hand Drive Dumpers from USA.

The Committee noted that in this case though PRC had considered the request, the firm has now requested for deletion of conditions of EPCG authorization as the import is not through EPCG route. It was further noted that the import is to be made for trading purpose i.e. stock and sale. It was therefore decided to defer for re-examine the case ab initio from the aspect of usage.

Case No.15. M/s. SAS International Chennai
F.No. 01/60/162/832/AM12/EFGC(PRC)
PRC Meeting No. 34/AM12 dated: 27.12.2011
Subject:- Request for EOP extension of annual advance authorization No. 0410095977 dt. 21.5.2008.

The Committee considered the request and decided to extend EOP against the aforesaid annual advance authorization for 6 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 exports 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.16. M/s. G.K. Enterprises Pvt Limited New Delhi
F.No. 01/60/162/869/AM12/EFGC(PRC)
PRC Meeting No. 34/AM12 dated: 27.12.2011
Subject:- Request for revalidation of advance authorizationNo. 0510202242 dt. 9.4.2007.

The Committee noted the request of the firm and decided to reject as the reasons cited are only commercial risk and not a genuine hardship warranting relaxation under Para 2.5 of FTP.

Case No.17. M/s. Ellias International Mumbai
F.No. 01/60/162/865/AM12/EFGC(PRC)
PRC Meeting No. 34/AM12 dated: 27.12.2011
Subject:- Request for revalidation of DEPB no.0310522088 dt. 1.6.2009.

The Committee noted that the firm is a partnership firm (SSI) and the value of DEPB authorization is only Rs. 2,46,147. The firm has also not been able to utilize the DEPB on account of genuine hardship on account of death of the partner's father. The committee taking a sympathetic view decided to revalidate the aforesaid DEPB with a cut of 10% on the entitlement.

Case No.18. M/s. Livia Polymer Bottles Pvt Limited T.N.
F.No. 01/60/162/828/AM12/EFGC(PRC)
PRC Meeting No. 34/AM12 dated: 27.12.2011
Subject:- Request for revalidation of advance authorization No. 0410103811 dt.13.4.2009

The Committee noted the request of the firm and decided to reject as the reasons cited are only commercial risk and not a genuine hardship warranting relaxation under Para 2.5 of FTP.

Case No.19. M/s. Supreme Industries Limited Mumbai
F.No. 01/60/162/827/AM12/EFGC(PRC)
PRC Meeting No. 34/AM12 dated: 27.12.2011
Subject:- Request for EOP extension of advance authorization no. 0310460242 dt.6.2.2008.

The Committee considered the request and decided to extend EOP against the aforesaid advance authorization for 6 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 exports 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.20. M/s. Grauer & Weil (India) Limited Mumbai
F.No. 01/60/162/831/AM12/EFGC(PRC)
PRC Meeting No. 34/AM12 dated: 27.12.2011
Subject:- Request for revalidation of advance authorizationNo.0310490067 dt. 13.10.2008 & 0310506535 dt. 10.2.2009.

The Committee noted the request of the firm and decided to reject as the reasons cited establish no genuine hardship warranting relaxation under Para 2.5 of FTP.

Case No. 21: M/s. LM Wind Power Blades (India) Pvt. Ltd., Bangalore

File No. 01/60/162/574/AM10/EFGC(PRC)
PRC Meeting No. 34/AM12 dated: 27.12.2011
Subject: Extension of the EO period of Advance Authorization No. 0710048700 dated 29.11.2006.

The committee noted that an EOP extension has already been granted by PRC till 31.12.2011. The firm has not however been able to complete its exports even by this period. It was however noted that the firm has stated that on account of global recession, the foreign buyer is not sourcing the wind mills though the advance payment in full has already been made by them in 2008 itself. Further the foreign buyer has categorically stated that they would only be able to import the equipments by mid 2012 only and they have also requested M/s. LM Wind Power Blades (India) Pvt. Ltd., Bangalore to levy storage charges on them. Under these exceptional circumstances the committee felt that the firm is only waiting for the readiness at the level of foreign buyer to source the export product i.e. wind mills. The Committee decided to extend the EOP against the aforesaid advance authorization for another 6 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 exports 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.22. M/s SAS International Faridabad
F.No. 01/60/162/505/AM12/EFGC(PRC)
PRC Meeting No. 34/AM12 dated: 27.12.2011
Subject:- Request for clubbing of 4 advance authorization no.1. 0410056494 dt.29.4.2004 2. 0410063526 dt.28.10.2004 3. 0410092397 dt. 29.11.2007 4. 0410115965 dt. 02.08.2010.

The committee noted that the firm is stating their case was considered earlier by RA and rejected though the same could have been agreed to. It was decided to obtain complete facts from the RA and examine if there had been any explicit advice given to the firm to obtain another authorization a fresh to enable clubbing of their old authorizations. The case be then place before PRC.