MINUTES OF THE POLICY RELAXATION COMMITTEE HELD ON 12TH MAY, 2005

The meeting was held under the Chairmanship of DG and the list of officers present in the meeting is given in Annexure-I. The decision taken in each individual case taken up for discussion by PRC is detailed below:

Case No. 1

File No. 01/53/162/1002/AM03/K-32/ILS

Name of the applicant - Principal Chief Conservator of Forest, Karnataka Forest Deptt. Bangalore.

The Committee taking into consideration the fact that the applicant had sought duty exemption for imports under the subject licence and the same was pending with the Ministry of Finance, agreed to the request of the applicant to allow revalidation for a further period of six months w.e.f. 17.1.2005 (the licence is stated to have been valid upto 27.1.2005 as per earlier revalidation allowed in the instant case).

Case No. 2

File No.01/92/180/249/AM05/PC.II

Name of the applicant - M/s. Manasa Industries Pvt. Ltd.

In the instant case, the export was stated to have been made directly from the premises of the job worker instead of getting the goods manufactured from the said job worker and getting them back to the premises of the EOU before exports. The

Committee felt that this was only a procedural lapse and taking into consideration the plea put forth by the applicant and the recommendation made by the BOA regularised the exports as if the export have been made directly from the EOU.

Case No.3

File No.01/81/162/887/AM'05/DES-II

Name of the applicant - M/s. Shree Precoated Steel Ltd. Mumbai

The case related to the revalidation of annual advance licence. Policy at the time of issue of licence provided the period of validity the for the purpose of imports as 12 months, which was subsequently extended to 18 months by way of Public Notice, dated 28.1.2004. Therefore in the instant case the licence having been issued on 18.6.2003 is deemed to be valid upto 17.12.2004. It was also brought to the notice of the Committee that ALC/RLA had taken a decision about enhancement in the CIF subsequent to the expiry of the validity period of the licence, that too, because, earlier the financial powers for RLA were restricted to 50 crores which was subsequently increased to 100 crores for each licence. Taking these factors into consideration, the Committee agreed to grant revalidation for a period of six months in the instant case, which shall be effective from the date of endorsement of such revalidation.

Case No. 4

File No. 01/81/162/1040/AM05/DES.II

Name of the applicant - M/s. Roos Tempkool Ltd. Kolkata

The Committee on perusal of the case found that the applicant had filed an application for obtaining Export Obligation Discharge Certificate on 29.11.2001 and the same had been allowed to them after a lapse of more than two years. The agenda papers placed before the Committee did not specify the reasons as to why the Kolkata Office had taken more than 2 years to issue EODC. The plea put forth by the applicant is that they intended to utilize the licence only after obtaining EODC. This facility in all fairness cannot be denied. Further, since records did not reveal the reasons for delay on the part of Kolkata office to issue EODC, it was decided to call for a detailed report from the RLA as to the reasons that led them to delay in issuing EODC by more than 2 years. The case shall be placed before the PRC by DES-II once again on receipt of the said report from RLA.

Case No. 5

File No. 01/89/214/002/AM02/PC-I(A)

Name of the applicant - M/s. Air France, New Delhi

It was decided to allow ex-post facto approval to the exemption granted on file in the instant case for the following conditions:-

(a) At least 25% of samples are drawn for testing instead of 100%

(b) While drawing the samples, it will be ensured by Customs that majority samples are drawn from consignments originating from countries where there is no legal prohibition on the use of harmful hazardous Dyes.

(c) The test report will be valid for a period of six months in cases where the textile/textile articles of the same specification/quality are imported and the importer, supplier and the country of origin are the same.

Case No.6

File No. 01/93/180/M-132/AM05/PCI-B

Name of the applicant - Shri Sarabhit Singh Lamba, New Delhi

The Committee agreed to relax the policy in the instant case for clearance of suzuki motorcycle 2001 model and number AB12102369

Case No.7

File No. 01/83/50/887/AM02/DES VIII

Name of the applicant - M/s. Maruti Techno Rubber Pvt. Ltd.
Noida

The Committee observed that the enhancement in adhoc norms in the instant case had been allowed by ALC only after the subject licence had expired. Therefore, denying the facility to the exporter to utilize this licence for the enhanced quantity of DOP plasticiser is not justified. Accordingly, it was decided to allow six months revalidation in the instant case for import of this item alone and this six months will be reckoned from the date of endorsement of such revalidation made on the licence.

Case No.8

File No.01/83/162/1011/AM.04/DES-IV

Name of the applicant - M/s. Punjab Rubber & Allied Industries, Jalandhar

It was noted that old cases relating to non-auditing of DEEC by customs had been taken up with DOR. DOR time and again through their field formations have informed the exporters about non-availability of the records pertaining to earlier periods and shown their inability to audit these DEECs for purpose of issuing EODC and closure of the case. In the instant case the licence is stated to have been issued in 1987 and EO is stated to have been fulfilled except for the fact the DEEC etc. is not available with them and is stated to have been lost/misplaced. The Committee observed that in case a duplicate DEEC is issued at this stage for completion of the formalities of auditing by customs, it will be a futile exercise as customs authorities will not be in a position to complete this formality in the absence of their records. Therefore, it was decided to relax the policy in the instant case and allow waiver from submission of original licence and DEEC book. However, RLA shall examine all other documents and related evidence before allowing EODC.

Case No.9

File No.01/84/162/142/AM04/DES-V

Name of the applicant - M/s. Monika India, Ludhiana

The Committee observed that this is basically an issue of nexus and matching of technical characteristics in respect of the material imported and the one used in the export product. This aspect has to be looked into by ALC and PRC does not have a role. The case therefore is reverted back to ALC to examine the matter in its entirety and take a view.

Case No.10

File No. 01/84/50/341/AM04/DESV

Name of the applicant - M/s. Zazman Exports, Kanpur

Instant case has come through GRC. The details however, were not clear as to what actually the applicant's request was. Apparently, it appears that they have exported product with unit soles whereas in respect of Dual Density Soles the norms had been revised and they are seeking application of these norms in respect of products exported with unit soles by them/proposed to be exported by them. PRC however could not take a decision in the matter in the absence of various details which included -

i) Whether in the instant case they had already exported or whether some of the exports were yet to be made.
ii) Whether they have exported/ proposed to export product with unit soles or Dual Density soles.
iii) In case the exports had been already effected, whether the exempt materials declaration on the shipping bills

with details thereof and quantities etc. are in conformity with the inputs sought to be included for the purpose of imports.

iv) The status of the licence, about its validity etc .

It was decided to revert the case to ALC who will provide these details and call the applicant in PH if need be to address all the corresponding issues and provide adequate inputs for PRC to take a decision in the matter.

Case No.11

File No.01/94/162/01391/AM05/PCIV

Name of the applicant - St.John Freight Systems

The applicant in the instant case had claimed revalidation on the premise that since Tuticorin had not been notified as ICD for imports, they were unable to import the machinery within the initial validity period of the Duty Entitlement Certificate. The Committee took a view that they were free to import it from any other port and this plea could not be accepted as the reason for not utilizing DFEC within its initial validity. It was therefore decided to reject the request of revalidation.

Case No. 12

File No. 94/162/1260/AM05/PC-IV

Name of the applicant - M/s. Omprakash Purshotamdas Exports Pvt. Ltd. Bhopal

The Committee agreed to allow revalidation for a period of six months in this case subject to the condition that RLA concerned verifies the fact that proper RBI's approval has been obtained for receipt of delayed payments/inward remittances of Foreign Exchange against these exports. The said revalidation, subject to the condition as above, will be for a period of six months from the date the same is endorsed on the DEPB

Case No.13

File No.01/94/180/DEPB-Ajay Apparels/AM05/PC-IV

Name of the applicant - M/s. Ajay Apparels, Kolkata

It was decided that this case should first be examined by ALC and thereafter if ALC deems it to be a fit case for relaxation, the same be referred to PRC for a decision in the matter.

Case No.14

File No. P.1(6)/AM.03/DBK Cell &
P.1(3)/AM.03/DBK Cell

Name of the firm - M/s. Prime Energy Private Ltd. New Delhi

The applicant in this case had filed the application for deemed export drawback claim with the RLA concerned whereas they were required to file it with Development Commissioner. They have pleaded that once they filed the application with RLA, RLA did not guide them properly about the change in the policy, which provided that the application had to be filed with the Development Commissioner concerned. The Committee took note of the fact that amendment in the policy to file the application instead of RLA was to facilitate the disposal and taking a view on this it was decided that RLA concerned shall process the same and finalise their claim, provided the claim is otherwise admissible.

Case No. 15

File No.01/92/180/238/AM05/PC.II

Name of the applicant - M/s. Muthoot Hotel and tourism Ventures (P) Ltd.

The Committee agreed with the recommendations of BOA and decided that they are entitled to re-imbursement of CST amount paid by them and refund of Central Excise Duty (if paid) in terms of Para 7.23 of FTP. Accordingly, the firm should be refunded the amount already paid as Duty Drawback as SEZ Developers. .

Case No. 16

File No.01/91/162/71/AM04/PC-III

Name of the applicant - M/s. Pyramid Timber Associates Pvt. Ltd. Mysore

Taking into consideration the plea put forth by the applicant of its inability to supply to war prone Iraq within the initial validity period, the Committee agreed to the extension of validity period of the contract registered with CAPEXIL vide No.CPX/SR/REG-CONTRACT/P-06, dated 9.12.2003 for 283.165 CBM valid upto 30.12.2003 (Bill of entry No.505209, dated 30.6.2003) for a period of six months. It was further decided to relax the policy and permit the registration of contract for balance 15000 Cft. Of Teak wood for export to Iraq.

Annexure-I

LIST OF PARTICIPANTS

Smt. Seema Bahuguna, Addl. DGFT
Shri Surat Singh, Addl. DGFT
Shri S.K.Prasad, Addl. DGFT
Shri Vipin Saxena, EC
Smt. Pratima Dixit, Jt. DGFT
Shri Anil Bamba, Jt. DGFT
Shri A.K.Singh, Jt. DGFT
Shri P.C.Tripathi, Jt. DGFT
Shri S.B.S. Reddy, Jt. DGFT
Shri Ajay Srivasatava, Jt. DGFT
Shri Raj Kamal, Jt. DGFT
Shri Anil Aggarwal, Jt. DGFT
Shri P.K.Santra, Dy. DGFT
Smt. Kiran Sehgal, Dy. DGFT
Shri M.K.Parimoo, Dy.DGFT