

MINUTES OF THE POLICY RELAXATION COMMITTEE
MEETING NO.01/AM07 HELD ON 25TH APRIL, 2006

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.
Firm's Name	M/s. Indo Euro Exports, Mumbai.
File No.	01/80/162/987/AM06/DES-I
Subject:	Request for waiver of customs duty and interest against short fall in EO under Advance licence No.0332557 dated 23.3.1995.

The Committee considered the case as per details given in the Agenda. The Committee agreeing with the recommendation of GRC decided to condone shortfall of 4.09% in terms of value against the subject advance licence. RLA concerned may allow release of bond etc. after taking into consideration waiver of shortfall to the extent mentioned above for regularization of default subject to the condition that all other prescribed parameters of EO are met with by the licence holder.

Case No.	2.
Firm's Name	M/s. Deccan Mechanical & Chemical Inds. Ltd.,Pune.
File No.	01/80/162/1549/AM05/DES-I
Subject:	Extension in validity of five DEPBs No.3110008929 dt. 26.11.02, 3110009674 dated 27.1.03, 3110008897 dt. 25.11.02, 3110008497 dt. 10.10.2002 and 3110008851 dt. 20.11.02.

The Committee considered the case as per details given in the Agenda. The Committee observed that the Agenda was not exhaustive and did not have the details as to how long these licences were in the custody of customs and what was the rationale for RLA to have reduced the entitlement subsequently. It was decided that the DES division concerned should immediately call for a report from the RLA concerned as to what was the cause of action for reduction in the value of these DEPB scrips and whether

the applicant had claimed higher value in spite of a lower entitlement or it was the RLA which has wrongly allowed higher entitlement and subsequently reduced the same after this was pointed out by the customs authorities. These details may be obtained from the Regional Authority in respect of all 5 DEPB scrips within 7 days time and case be put up before the PRC with a detailed note on these issues.

Case No.	3.
Firm's Name	M/s. K.K. Intec Pvt. Ltd.
File No.	01/82/162/178/AM05/DES-III
Subject:	Request for revalidation of 3 expired DEPBs alongwith change of licence from non- transferable to transferable.

The Committee considered the case as per details given in the Agenda. The Committee agreeing with the recommendation of GRC and taking into consideration the reasoned justification by the applicant, decided to revalidate the 3 DEPB scrips bearing No.0510063868 dated 19.7.2002, 0510072416 dated 11.11.2002 and 0510072417 dated 11.11.2002 for a period of six months and this six months period will commence from the date the endorsement is made on each of these DEPB scrips. However, on the GRC recommendation regarding endorsing transferability on these DEPBs, it was not agreed on the premise that PRC has been consistently following the policy of not allowing any revalidation on any transferable instrument unless extreme hard circumstances come to the fore and in the instant case no such situation has been brought up. It was therefore decided that this revalidation as agreed to by the PRC as above will be subject to the condition that non transferable status of these DEPB scrips will continue to be there, further imports against subject licence will be made only by the original licence holder. Therefore, for revalidation following endorsement will be made on the licence:

“This scrip is revalidated for a further period of three months with a condition that the same shall be utilized against imports made by M/s. K.K. Intec Pvt. Ltd and the materials imported against the said scrip shall be utilized by the importer for its use and shall not be sold or transferred.”

Case No.	4.
Firm's Name	M/s. TVS Motor Company, Chennai
File No.	01/93/180/105/Am06/PC-I(B)
Subject:	Request for import of vehicle manufactured in Japan, from UK.

The Committee considered the case as per details given in the Agenda. It was decided to bring up similar cases discussed in the past on file before a view in the present case can be taken. In case it is felt that there is a need to put up the case to PRC once more, all these details should get reflected in the agenda. In the meantime, the case stands deferred.

Case No.	5.
Firm's Name	M/s. Panacea Biotech Ltd.
File No.	01/83/162/1168/Am06/DES-IV
Subject:	To allow deemed export duty drawback claim against supplies made prior to issue of advance licence against invoices not taken into account for any export incentive.

The Committee considered the case as per details given in the Agenda. The Committee observed that onus was on the DGFT office as they had wrongly advised the applicant to file their claim for drawback with Department of Revenue in stead of the Regional Authority concerned (this being a case of deemed export drawback and is administered by DGFT and not by DOR). The applicant is stated to have filed the claim with Regional Authority concerned on 1.12.2004. The Committee therefore agreed to relax the provisions of policy and accept the application submitted on 1.12.2004 to the Regional Authority as having been submitted within the last prescribed date.

Case No.	6.
Firm's Name	M/s. Hindustan Composites Ltd.
File No.	01/82/162/196/Am06/DES-III
Subject:	For correction in Advance licence No. mentioned in PRC decision of 8.2.2006.

The Committee considered the case as per details given in the Agenda. This was a case of correction of licence number and should have been dealt by

the concerned division on file. There is no need for such corrections to be brought up in the PRC. The case was withdrawn by the DES division.

Case No.	7.
Firm's Name	M/s. St. John Freight Systems Ltd., Tuticorin
File No.	01/94/162/1391/AM05/PC-I
Subject:	Revalidation of DFEC No. 3510011463 dated 23.1.2004.

The Committee considered the case as per details given in the Agenda. The Committee taking a lenient view and agreeing to a certain extent, the plea put forth by the applicant that they should get 24 months validity, decided to revalidate the subject DFCEC by 3 months and this 3 months period will commence from the date this endorsement is made on the said DFCEC scrip issued under Served from India Scheme.

Case No.	8.
Firm's Name	M/s. Green Dot Electric Corporation, New Delhi
File No.	01/80/162/1144/Am06/DES-I
Subject:	Request for revalidation of advance licence No.0510057334 dated 22.4.2002.

The Committee considered the case as per details given in the Agenda. Perusal of the agenda reveals that the exports do not conform to the SION at C-1327 under which the subject licence had been issued. It also brought to the fore the fact that Export Obligation Discharge Certificate had not been issued so far. It was therefore decided to revert the case back to Norms Committee who should verify the details as to whether EO stands fulfilled. The case may come back to Policy Relaxation Committee if need be only after these facts are verified and brought up in the Agenda.

Case No.	9.
Firm's Name	M/s. AVN Tubes Ltd., Malanpur.
File No.	01/80/162/1117/Am06/DES-I
Subject:	Request for revalidation of DEPB licence No.110007415 dated 17.12.2003.

The Committee considered the case as per details given in the Agenda. The Committee, agreeing with the recommendation of Norms Committee and relying upon the communication issued by the Assistant Commissioner of

Customs, Malanpur stating that jurisdictional range officer has finalized this DEPB on 26.2.2005, decided to revalidate the subject DEPB for a period of 3 months provided the DEPB credit has not been transferred and further import on the subject licence will be made only by the original licence holder subject to actual user condition. The period of 3 months as above will commence from the date of endorsement of this revalidation to this effect made on the DEPB. To make this decision operational following endorsement will be made on the DEPB licence:

“This scrip is revalidated for a further period of three months with a condition that the same shall be utilized against imports made by M/s. AVN Tubes Ltd., Malanpur and the materials imported against the said scrip shall be utilized by the importer for its use and shall not be sold or transferred.”

Case No.	10.
Firm's Name	M/s. Associate Exports, Mumbai.
File No.	01/91/180/451/AM06/PC-III
Subject:	Extension in validity period of contract registered with CAPEXIL for export of sawn teak timber made out of imported logs/timber- recommendation from - CAPEXIL for extension.

The Committee considered the case as per details given in the Agenda. The Committee taking note of the fact that the applicant could not fulfill EO within the prescribed last date due to unprecedented rain and absorption of moisture by the imported logs, decided that EO in respect of timber made out of Teak Logs imported against Bill of entries No.302376 dated 14.3.2005 and 302377 dated 29.9.2005 be extended by a period of 3 months and this 3 months period will commence from the date this endorsement is made on the licence.

Case No.	11.
Firm's Name	M/s. Margra Industries Ltd., NOIDA
File No.	01/85/162/24/AM05/DES-IV
Subject:	Request for regularization of advance licence No. 3230937 dated 14.4.1998.

The Committee considered the case as per details given in the Agenda. In this case, it was seen that the licence has been issue in 1988 and applicant has requested for waiver of the requirement of mention of licensing details

on Shipping Bill so that the exports against the subject Shipping Bill No.585185 dated 8.2.1988 can be considered towards discharge of EO against this advance licence. The Committee was of the view that although licence details / file details are not available on Shipping Bill there has to be some corroborative evidence to amply prove that the exports against the said Shipping Bill were made towards discharge of EO against the subject advance licence. This could include export order / AR 4 or any other similar other document which may be available on advance licence file from which the said licence has been issued. Accordingly, the DES division should call for the file from the Regional Authority concerned and verify whether any co-lateral evidence is available to substantiate the claim of the applicant. The details thereof may be put up on record before PRC to enable the Committee to take a view on the request made by the applicant.

Case No.	12.
Firm's Name	M/s. K.L.F. Oil Industries, Trichur.
File No.	01/85/162/581/AM06/DES-VI
Subject:	Regularisation of imports made/to be made under advance licence No. 1010016265 dt. 11.6.2004, 1010019790 dt. 4.3.2005, 1010020931 dt. 15.7.2005 and 1010021183 dt. 11.8.2005.

The Committee considered the case as per details given in the Agenda. The Committee observed that although import of Copra was put under restriction, permitting import through STEs only on 4.1.2005, customs having permitted direct import in spite of this stipulation, the onus was squarely on the customs which should not have permitted it to be imported directly. Therefore taking a lenient view, it was decided to relax the policy and treat the import of copra under the subject advance licence No.1010016265 dated 11.6.2004 as regular import. Regional Authority / DES division may take further necessary action accordingly.

Case No.	13.
Firm's Name	M/s. The Mahalakshmi Glass Works Ltd., Mumbai
File No.	01/85/162/546/AM06/DES-VI
Subject:	Request for revalidation of advance licence No. 0310201397 dt. 12.5.2003.

The Committee considered the case as per details given in the Agenda. The Committee taking note of the fact that EO has been fulfilled and imports not having been made, decided that some relaxation should be allowed to the

applicant to utilize the licence. It was therefore decided in relaxation to the policy to allow revalidation of the subject licence by a period of 3 months subject to payment of composition fee equivalent to 2% of the unutilized CIF balance on the licence. This revalidation will be effective from the date this endorsement of revalidation is made on the licence.

Case No.	14.
Firm's Name	M/s. Shakti Pumps (I) Ltd.
File No.	01/81/162/702/AM06/DES-II
Subject:	Revalidation of advance licence No. 1110002235 dated 24.7.2001.

The Committee considered the case as per details given in the Agenda. The Committee taking note of the fact that EO has been fulfilled and imports not having been made, decided that some relaxation should be allowed to the applicant to utilize the licence. It was therefore decided in relaxation to the policy to allow revalidation of the subject licence by a period of 3 months subject to payment of composition fee equivalent to 2% of the unutilized CIF balance on the licence. This revalidation will be effective from the date this endorsement of revalidation is made on the licence.

Case No.	15.
Firm's Name	M/s. REI Agro Ltd., New Delhi.
File No.	01/85/162/775/AM06/DES-VI
Subject:	Revalidation of DEPB licence No.0510136346 dated 25.8.2004 and 0510124230 dated 26.4.2004.

The Committee considered the case as per details given in the Agenda. It was seen that DEPB licence No.0510136346 dated 25.8.2004 is covered by Public Notice No.2 and therefore, the Regional Authority concerned should endorse its validity till 24.8.2006 within the scope of above Public Notice. As far as DEPB licence No. 0510124230 dated 26.4.2004, the same should also have been allowed 24 months validity within the scope of above said Public Notice. However, since Regional Authority has rejected it and onus is on Regional Authority, it was decided to allow a revalidation for a period of six months to compensate for this lapse on the part of Regional Authority in respect of this DEPB and this six months period will commence from the date of the said endorsement is made on the licence.

Case No.	16.
Firm's Name	M/s. Zeus Exports (P) Ltd., Kochi
File No.	01/85/162/624/AM06/DES-VI
Subject:	Request for issue of DFRC for the Table Eggs exported.

The Committee considered the case as per details given in the Agenda. The Committee agreeing with the recommendation of Norms Committee decided to relax the policy provision within the scope of para 9.12 of HBP and Regional Authority concerned should admit DFRC claim against Shipping Bill No.1276379 dated 16.11.2004, 1275769 dated 11.11.2004, 1276626 dated 17.11.2004, 1275792 dated 11.11.2004 and 1275768 dated 11.11.2004 for issue of DFRC. However while admitting this claim Regional Authority should issue DFRC strictly as per SION and no deviation from SION should be allowed.

Case No.	17
Firm's Name	M/s. Marco Cables Pvt. Ltd., Mumbai
File No.	01/60/162/64/AM06/EFGC(Gr. Cell)
Subject:	Request for enhancement in the cif value and revalidation of deemed export advance licence No. 0310188822 dt. 21.3.12003.

The Committee considered the case as per details given in the Agenda. The Committee taking note of the fact that EO has been fulfilled and imports not having been made, decided that some relaxation should be allowed to the applicant to utilize the licence. It was therefore decided in relaxation to the policy to allow revalidation of the subject licence by a period of 3 months subject to payment of composition fee equivalent to 2% of the unutilized CIF balance on the licence. This revalidation will be effective from the date this endorsement of revalidation is made on the licence. As far as the enhancement in the CIF etc. is concerned, this aspect should be looked into within the existing policy parameters by Norms Committee/Regional Authority.

Case No.	18.
Firm's Name	M/s. ABB Ltd. ,Mumbai
File No.	01/60/162/67/AM06/EFGC(Gr. Cell)
Subject:	Request for grant of DEPB benefits on S/bills (rejected as time barred) under Policy Circular No. 34.

The Committee considered the case as per details given in the Agenda. The Committee agreeing with the recommendation of the Grievance Committee of DGFT decided to accept all the Shipping Bills submitted by them to Mumbai office under F.No.03/20/051/06313/AM05, 03/81/051/00842/AM06 and 03/81/051/00116/AM06 for claim of DEPB benefits irrespective of the fact that in some of the shipping bills under claim, shipments are prior to 28.1.2004. Regional Authority to take suitable action accordingly.

Case No.	19.
Firm's Name	M/s. Hiran Orgochem Ltd., Mumbai.
File No.	01/60/162/51/AM06/EFGC(Gr. Cell)
Subject:	Request for enhancement in the cif value and revalidation of advance licence No. 0310151687 dt. 05.08.2002.

The Committee considered the case as per details given in the Agenda. The Committee taking note of the fact that EO has been fulfilled and imports not having been made, decided that some relaxation should be allowed to the applicant to utilize the licence as recommended by the Grievance Committee. It was therefore decided in relaxation to the policy to allow revalidation of the subject licence by a period of 3 months subject to payment of composition fee equivalent to 2% of the unutilized CIF balance on the licence. This revalidation will be effective from the date this endorsement of revalidation is made on the licence.

Case No.	20.
Firm's Name	M/s. Jindal Polyfilms Ltd., New Delhi
File No.	01/87/162/1013/AM05/DES-VIII
Subject:	Revalidation of Annual Advance Licence No. 0510096846 dated 22.7.2003.

The Committee considered the case as per details given in the Agenda. The Committee taking note of the fact that EO has been fulfilled and imports not having been made, decided that some relaxation should be allowed to the applicant to utilize the licence. It was therefore decided in relaxation to the policy to allow revalidation of the subject annual advance licence by a period of 6 months as applicant had only 18 months to utilize the licence whereas in the present / current policy 24 months have been permitted. This revalidation will be effective from the date this endorsement of revalidation is made on the licence.

Case No.	21.
Firm's Name	M/s. Sree Krishna Strapping and Lables Pvt. Ltd.
File No.	01/87/162/517/AM05/DES-VIII
Subject:	Revalidation of advance licence No. 0410031164 dated 17.9.2002.

The Committee considered the case as per details given in the Agenda. The Committee taking note of the fact that EO has been fulfilled and imports not having been made decided that some relaxation should be allowed to the applicant to utilize the licence. It was therefore decided in relaxation to the policy to allow revalidation of the subject licence by a period of 2 months for effecting direct imports. This revalidation will be effective from the date this endorsement of revalidation is made on the licence.

Case No.	22.
Firm's Name	M/s. R.K. Latex/M/s. Merdec R.K. Latex Pvt. Ltd.
File No.	01/94/180/26/AM07/PC-I
Subject:	Regarding validity of RCMC.

The Committee considered the case as per details given in the Agenda. The Committee decided to clarify that for claiming any benefits under the export promotion schemes, the RCMC should be valid on the date of filing of application for claiming such benefits and may not necessarily be valid on the

date of export. The Rubber Board should therefore consider release of admissible benefits in the instant case in case the applicant was holding a valid RCMC on the date of filing the claim. It was further decided that Rubber Board should be advised to issue RCMC to be valid for 5 years as provided in para 3.12.3 of the HBP.

The meeting ended with vote of thanks to the Chair.

LIST OF PARTICIPANTS

1. Shri Neeraj Gupta, Addl.DGFT
2. Dr(Ms.) Maya D.Kem, Addl.DGFT
3. Shri Surat Singh, Addl.DGFT
4. Shri S.K.Prasad, Addl. DGFT
5. Shri Ashutosh Jindal, Jt.DGFT
6. Shri P.C. Tripathi, Jt.DGFT
7. Shri A.K.Singh, Jt. DGFT
8. Shri Tapan Mazumdar, Jt. DGFT
9. Ms. S.K. Ram, Dy.DGFT
10. Shri M.K.Parimoo, Dy.DGFT
