

MINUTES OF THE POLICY RELAXATION COMMITTEE MEETING
NO. 02 /AM07 DATED 17TH MAY, 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. Control Engineering Co., Kolkata
File No.	01/81/162/698/AM06/ DES-II
Subject:	Request for revalidation of Advance License No. 0210040474 dated 20.10.2002 for a period of 6 months

Perusal of the details reflected in the agenda revealed that Export Obligation in the instant case has been fulfilled and bond condition waived. Therefore, to facilitate imports, though belatedly, it was decided that the Advance Licence No. 0210040474 dated 20.10.2002 be revalidated for a period of six months in relaxation of the policy provisions subject to payment of composition fee to the extent of 2% of the unutilized CIF value of the licence. This revalidated period of six months will be effective from the date, endorsement to this effect is made on the licence.

Case No.	2.
Firm's name	M/s. Sterlite Optical Tech Ltd.
File No.	1/81/162/231/AM06/DES-II
Subject	Waiver of composition fee imposed by PRC against advance licence 310050707 da ted 24.8.2000

The Committee observed that the case had come up before PRC on the recommendation of Grievance Redressal Committee in the DOC who had recommended grant of extension in EO period without payment of composition fee. This was considered in the PRC on 5.7.2005 when it was decided to extend the EO in line with recommendations of GRC. However,

waiver of composition fee was not agreed to. The case has again come up before PRC in line with the O.M. dated 19.4.2006 issued by Convenor, Grievance Redressal Committee conveying that the GRC has desired that PRC should review its decision regarding imposition of composition fee on various grounds stated therein. However, it was not clear whether the case had gone to GRC once again after the decision taken by PRC on 5.7.2005. The said OM issued by Convenor of the GRC has stated various reasons on account of which composition fee was sought to be waived, which also included a reference to the case of M/s. Marson's Electrical Industry and M/s.Saw Pipes Limited, New Delhi where, as stated in the said communication, composition fee has been waived under similar situation. However, this aspect had not got reflected in the agenda whether the reasons/grounds on which composition fee was waived against these two applicants are same or similar to the one in the present case. It was decided that DES Division concerned should go into all the merits and demerits of the case as recommended by GRC as also carry out a comparative analysis of this case vis-à-vis the other two cases quoted by the GRC. These details will be brought in the agenda and put up before PRC in its next meeting.

Case No.	3.
Firm's name	M/s Shashi Cables Ltd, Lucknow
File No.	1/81/162/565/AM06/DES-II
Subject	Extension of export obligation period for 12 advance licences

The Committee took note of the recommendations of the Advance License Committee and decided to allow six months revalidation of advance license No. 0610006216 dated 10.10.2003. This revalidation will however be subject to the condition of verification of the fact that EO against the subject advance license has been fulfilled and also subject to payment of a composition fee of 2% on the unutilized balance of the license and this unutilized balance will include the enhanced value as already allowed by ALC. The period of six months will commence from the date, the endorsement to this effect is made on the license.

Case No.	4.
Firm's name	M/s. The National Leather Cloth Manufacturing Co, Mumbai
File No.	1/87/162/507/AM05/DES-VIII
Subject	Extension of export obligation period for 12 advance licences

The case has come up before the Committee based upon the recommendation of GRC in the DOC. The Committee noted that although there was a merit in the instant case for treating it at par with a BIFR unit, (this being a partnership company and declared as a sick unit) , the only stumbling block was that atleast 5 of the licences have been issued during the licensing period 1996-97 when VABAL was in vogue. The agenda papers however do not reflect as to whether any of the licence from amongst the list, on which EO had been sought to be extended, were value based advance licences. This information is necessitated because the same parameters cannot apply to value based advance licences and extension has not been allowed against any value based licence in the past even in such cases where the company has come under the purview of Board of Industrial and Financial Reconstruction. It was therefore decided to revert the case backs to ALC who will verify these details and get back to PRC in the next meeting.

Case No.	5.
Firm's name	M/s. Gargi Industries, Mumbai
File No.	1/80/162/57/AM06/DES-I
Subject	Revalidation of advance licence dated 26.8.2002.

The Committee observed that from the agenda papers that it was not clear the EO in the instant case had been fulfilled. It was therefore decided that licence should be revalidated for a period of six months subject to the following conditions:-

- a) The exporter has already fulfilled the EO within the prescribed EO period and this fact is verified by the RLA before allowing any endorsement of revalidation.

- b) The applicant will pay composition fee of 2% on the unutilized CIF value of the licence.

Subject to the above two conditions, the period of revalidation of six months will commence from the date, endorsement to the effect is made on the licence.

Case No.	6.
Firm's name	M/s Economic Traders (Guj) Pvt Ltd, Rajkot
File No.	1/80/162/848/Am06/DES-I
Subject	Extension of validity period in respect of 12 DEPB licenses

The Committee relying upon the fact put up by Jt. DGFT Rajkot that the applicant had gone to the Hon'ble High Court of Gujarat by way of a Special Civil Petition and had subsequently withdrawn it on the premise that they will get benefits as applicable to other similar placed exporters and relying upon the fact that all such exporters have been allowed revalidation of DEPB licences, it was decided that these 12 DEPB Nos. RAJ-2400897, RAJ-2400907, RAJ-2400940, RAJ-2400944, RAJ-2401065, 2410000078, 2410000110, 2410000273, 2410000495, 2410000543, 2410000555 & 24100008277 issued to M/s. Economic Traders (Guj) Pvt. Ltd. Rajkot shall be revalidated for a period of six months subject to actual user condition which would mean that M/s. Economic Traders (Guj) Pvt. Ltd. who are the original holders of the DEPB licences issued to them by RLA concerned shall utilize the same for their own use within their manufacturing units and neither the licences nor goods imported against these DEPB licences shall be sold or transferred.

Subject to the conditions as above, the six months period as above will commence from the date, endorsement to this effect is made on the DEPB scrip.

Case No.	7.
Firm's name	M/s. Arvind Mills Ltd
File No.	18/100/AM06/EPCG- I I
Subject	Request for permission to transfer the CG imported under PEEG licence to group company.

The Committee observed that the present Foreign Trade Policy provides for transfer of capital goods imported under EPCG scheme within the group company and this is provided in Para 5.7.6 of the Hand Book of Procedures. The case has been placed before the Committee only because the licence is issued prior to incorporation of this provision of the policy. The Committee therefore decided to allow the transfer of capital goods imported under EPCG licence No. 0830000085 dated 12.12.2000 by the applicant within the group company within the provisions of Para 5.7.6 of Handbook of Procedures Vol.I

Case No.	8.
Firm's name	The Aero Club of India, New Delhi.
File No.	01/89/180/Misc.82/AM06/PC- I (A)
Subject	Ex-post facto approval for the permission granted for import of two Motor Gliders

The Committee accorded ex-post facto approval for grant of permission for import of two Motor Gliders by the applicant.

Case No.	9
Firm's name	M/s. Hindustan Composites Ltd.
File No.	01/82/162/11/AM06/DES-III. 01/82/162/12/AM06/DES-III. 01/82/162/13/AM06/DES-III. 01/82/162/14/AM06/DES-III. 01/82/162/15/AM06/DES-III. 01/82/162/16/AM06/DES-III. 01/82/162/197/AM06/DES-III
Subject	Request for revalidation of following advance licences: i) 0310154793 dt. 22.08.2002 ii) 0310153835 dt. 16.08.2002. iii) 0310154794 dt. 22.08.2002. iv) 0310154791 dt. 22.08.2002. v) 0310149585 dt. 24.07.2002. vi) 0310153834 dt.26.07.2002. vii) 0310156103 dt. 02.09.2002.

Taking note of the fact that EO has been fulfilled and EODC issued against all the 7 advance licences bearing Nos. 0310154793 dt. 22.08.2002, 0310153835 dt. 16.08.2002, 0310154794 dt. 22.08.2002, 0310154791 dt. 22.08.2002, 0310149585 dt. 24.07.2002, 0310153834 dt.26.07.2002 and 0310156103 dt. 02.09.2002 as brought out by ALC and as per details available in the agenda, it was decided to allow revalidation for a period of six months in respect of all the seven licences which will subject to the following conditions:-

- a) The exporter has already fulfilled the EO within the prescribed EO period and this fact is verified by the RLA before allowing any endorsement of revalidation.

- b) The applicant will pay composition fee at 2% on the unutilized CIF value of the licence.
- c) The raw material i.e. asbestos raw in different grads may be modified and only Chrysotile form be permitted to be imported against the revalidated licences as recommended by ALC

The period of six months will commence from the date, the endorsement to this effect is made on the license.

Case No.	10.
Firm's name	M/s. Indo Rama Synthetics (I) Ltd
File No.	01/84/162/1060/AM06/DES-V
Subject	Revalidation and EO extension in r/o AL No.1110006171 dt. 5.6.2003.

The Committee after perusal of the details available in the agenda did not find any merit on the request made by the applicant seeking waiver of the composition fee for EO extension and maintained that composition fee at 2% for the period 18 months to 24 months and 5% for the period 24 months to 30 months as also to 2% per month thereafter till the time the EO is/has been fulfilled, be levied. The Committee also did not find any merit on the request of the applicant seeking revalidation and decided to reject it. It was decided that EO be reduced proportionate to the imports already made and if there any excess import in respect of any particular item, applicant should pay duty and interest as applicable for such excess imports and regularize the case.

Case No.	11
Firm's name	M/s. P.M. Enterprises
File No.	01/84/162/817/AM06/DES-V
Subject	Request for revalidation of advance licence 2475276 dt. 19.2.1999.

The Committee agreed to allow revalidation in the instant case for a period of six months subject to the following conditions:

- a) The exporter has already fulfilled the EO within the prescribed EO period and this fact is verified by the RLA before allowing any endorsement of revalidation.
- b) The applicant will pay composition fee of 2% on the unutilized CIF value of the licence.

The period of six months will commence from the date, the endorsement to the effect is made on the licence.

Case No.	12.
Firm's name	M/s. Govind Rubber Ltd., Mumbai
File No.	01/82/162/851/AM06/DES-III
Subject	Request for EOP extension for six months without composite fee in r/o advance licence No. 310056669 dt. 11.10.2000 and No. 03025199 dt. 14.9.1998.

The Committee agreeing with the recommendations of Grievance Committee in DGFT decided to allow extension in EO for a period of six months in line with para 4.1.9A of the Foreign Trade Policy.

Case No.	13
Firm's name	M/s. Brass Touch Mfg. Co., Moaradabad.
File No.	01/85/162/692/AM06/DES-VI
Subject	Request for EOP extension for advance licence No. P/L/2054538 dt. 24.6.1992

The agenda papers did not reflect clearly whether the licence was value based or quantity based licence. However, ALC representative present in the meeting confirmed that this was a value based licence. Accordingly, it was decided to reject the request of EO extension as there is no precedent of such extension having been allowed in respect of a value based licences.

Case No.	14
Firm's name	M/s. Keshdowala Foods, Gujarat
File No.	01/85/162/182/AM04/DES-VI
Subject	Request for revalidation of two DEPBs No. 2410004488 dt. 16.5.2004 and 2410004495 dt. 16.5.2002.

The Committee taking note of the recommendation of the GRC in the DOC that the applicant was prevented from utilizing the DEPB licence No. 2410004488 dated 16.5.2004 and 2410004495 dated 16.5.2002 because of the investigations by DRI decided to revalidate both these DEPB licences for a period of three months and the three months period will commence from the date, endorsement to this effect is made on the licence. The said revalidation will further be subject to actual user condition which would mean that M/s. Keshdowala Foods, Gujarat . who are the original holders of the DEPB licences, the same having been issued by the RLA concerned to them, shall utilize the same for their own use within their manufacturing units and neither the licences nor goods imported against these DEPB licences shall be sold or transferred

Case No.	15
Firm's name	M/s. Hindustan Lever Ltd., Bangalore
File No.	01/85/162/400/AM06/DES-VI
Subject	Request for revalidation of DEPB No.0410041907 dt. 9.6.2003.

As per details available in the agenda, it was seen that the applicant had sought revalidation on the DEPB licences on the grounds that there was delay on the part of Jt. DGFT Chennai Office in returning the triplicate copy of the shipping bill because of which the verification of these DEPB licences could not be carried out by the customs authorities and they were not able to utilize the same. It was therefore decided that a report to this effect be called for from RLA as to whether DEPB copy of shipping bills were submitted to that office along with the application or subsequent to that and if so whether they were not returned in time thus denying the applicant to register the scrip. RLA concerned may also be asked to provide other details if any relating to this case. This should be done within a fixed time frame and concerned Advance Licence Section should ensure to follow it up with the RLA concerned so that the report in question is obtained within 10-15 days of issue of communication to this effect. The case may be placed before PRC once again in its next meeting with the detailed inputs provided by the RLA

Case No.	16
Firm's name	O/o Jt. DGFT, Ludhiana
File No.	01/53/162/1409/AM04/ILS
Subject	Request for revalidation of import licence No. 3050000053 dt. 25.2.04 issued to Sh. Bikramjit Singh for a period of 2 months beyond 24 months validity allowed under the erstwhile EXIM Policy 2002-07

Jt,DGFT (ILS) informed the Committee that the revalidation for a period of six months had been already allowed in the instant case relying upon Para 2.13 of the current policy and the case was placed before PRC for ex-post facto approval. Accordingly, the Committee accorded ex-post facto approval

on the issue of revalidation already allowed in the instant case against import licence No. 3050000053 dated 25.2.2004.

Case No.	17
Firm's name	M/s. Steel Corporation of Gujarat Ltd.
File No.	01/53/8/384/AM04/S-88/ILS
Subject	Request for revalidation beyond 24 months validity allowed under the erstwhile EXIM Policy 2002-07 and amendment in CIF value of import licence No. 0350000601 dt. 24.12.2003.

On perusal of the agenda papers, it was revealed that imports against the licence has already been completed and to regularize the enhancement in the value of the licence on account of the assessment of the Assessment Officer to the extent of Euro 6743, the licence was required to be revalidated to complete the technical formality of endorsing this enhanced value. It was therefore decided to revalidate the licence for a period of six months.

Case No.	18
Firm's name	M/s. Ballarpur Industries Ltd.,
File No.	01/94/180/459/AM06/PC-I
Subject	Relaxation from the condition under Para 4.12 of HBP Vol. 1 regarding submission of hard copy of application in r/o exports in anticipation of licence within the prescribed limit of 15 days.

The Committee decided that in the instant case exports made from the date on which EDI generated file number is given against the application, be considered towards fulfillment of EO against the said application/licence issued against the said application in line with Para 4.12 of Hand Book of Procedures.

Case No.	19
Firm's name	M/s. Accel Transmatic Ltd. (formerly Transmatic Ltd.)
File No.	01/81/168/89/AM07/ DES- I I
Subject	Clubbing of two advance licences No. 10001827 dt. 13.09.1999 and No.1010000007 dt. 12.11.1999 under the Special Adv. Licensing Scheme, under Appendix 53 of HBP. 1997-2002 as amended on 01.04.1999.

The Committee took note of the fact that customs authorities had wrongly entered the exports made by them against one licence in another one. Incidentally, one of the licences having been redeemed the same could not be clubbed with the other licence under current dispensation. The applicant having since furnished a NOC from the customs to this effect, it was decided that two advance licence Nos. i) 10001827 dt 13.09.99 and ii) 1010000007 dt 12.11.1999 may be clubbed for the purpose of regularization of Export Obligation.

Case No.	20
Firm's name	M/s. Pugalia Woollen Mills P. Ltd
File No.	01/84/162/896/AM06/DES-V
Subject	Revalidation of advance licence No. 0310154146 dt. 20.8.2002 and 0310199900 dt. 5.5.2003.

The Committee agreed to allow revalidation in the instant case for a period of six months subject to the following conditions:

- a) The exporter has already fulfilled the EO within the prescribed EO period and this fact is verified by the RLA before allowing any endorsement of revalidation.
- b) The applicant will pay composition fee of 2% on the unutilized CIF value of the licence.

The period of six months will commence from the date, the endorsement to the effect is made on the licence.

Case No.	21
Firm's name	M/s. Anwar-Ul- Islam, Ghaziabad
File No.	01/87/162/365/AM06/DES-VIII
Subject	Revalidation of advance licence No. 0510060262 dt. 4.6.2002.

The Committee agreed to allow revalidation in the instant case for a period of six months subject to the following conditions:

- a) The exporter has already fulfilled the EO within the prescribed EO period and this fact is verified by the RLA before allowing any endorsement of revalidation.
- b) The applicant will pay composition fee of 2% on the unutilized CIF value of the licence.

The period of six months will commence from the date, the endorsement to the effect is made on the licence.

Case No.	22
Firm's name	M/s. Hitkari Trading Corporation, Mumbai
File No.	01/84/162/632/AM06/DES-V
Subject	Request for relaxation in provisions of Para 4.51 of HBP-DEBP licence No. 0310259197 dt. 18.3.2004.

The Committee observed that there is no provision for issue of a fresh DEPB licence to the transferee and therefore it was decided to reject the case

Case No.	23
Firm's name	M/s. Jaypee Hotels Limited, New Delhi
File No.	01/94/180/290/AM06/PC-I
Subject	Request for endorsement of substitute items in EPCG licence No. 0530130829 dt. 7.3.2000

The EPCG licence in the instant case was revalidated vide decision taken in the PRC meeting held on 4.1.2006 to facilitate completion of imports against

this licence. The applicant has now approached PRC seeking endorsement of a substitute list of kitchen equipment with accessories and spares on the licence, on the grounds that the list of the items available on the licence and endorsed at the time of issue in March 2000, are not available now with the foreign supplier. It has also been pleaded that these items have now become technologically obsolete and do not meet the requirements of the modern technology. Considering this request of the applicant, the Committee, on merits, agreed to the endorsement of the revised list of kitchen equipment with accessories and spares as per the list provided by them along with the request dated 21.3.2006.

Case No.	24
Firm's name	G&J Divn/DOC (M/s. Gitanjali Jewels Ltd., Mumbai)
File No.	01/94/180/00085/AM07/PC-I
Subject	Request for condonation of delay in booking of gold for the jewellery sold in an exhibition held in Italy

The Committee agreed to condone the delay of 3 days in filing the application with Gem & Jewelry Export Promotion Council for release of gold by State Bank of India in the instant case.

Case No.	25
Firm's name	M/s. Jindal Stainless Ltd., Hissar
File No.	01/80/162/136/AM07/ DES-II
Subject	Request for exemption from payment of 10% of unutilized value of DEPB licence and issue the duplicate DEPB licence for the unutilized value

It was decided to revert the case back to ALC who will provide an opportunity of PH to the applicant. The case will thereafter be put up to PRC with details.

The meeting ended with a vote of thanks to the chair.

LIST OF PARTICIPANTS

Shri Neeraj Gupta, Addl. DGFT

Dr. (Ms.) Maya D.Kem, Addl. DGFT

Shri Surat Singh, Addl. DGFT

Shri S.K.Prasad, Addl. DGFT

Shri Ashutosh Jindal, Jt. DGFT

Shri S.K.Samal, Jt. DGFT

Smt. Pratima Dixit, Jt.DGFT

Shri A.K.Singh, Jt. DGFT

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Shri R.P.Singh, Dy. DGFT

Shri P.K.Santra, Dy. DGFT

Smt. Kiran Sehgal, Dy. DGFT

Shri M.K.Parimoo, Dy. DGFT