

MINUTES OF THE POLICY RELAXATION COMMITTEE
MEETING NO.03/AM07 HELD ON 20TH JUNE, 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. Themis Medicare Ltd., Gujarat.
File No.	01/83/162/296/AM06/PC-I
Subject:	Request for relaxation in Policy procedures due to non-realisation of payment for exports made to Soviet Union.

The Committee considered the case as per details given in the Agenda. In this case, the licence is stated to have been issued in the year 1996. ALC has confirmed that the licence in question is a quantity based licence. The firm is stated to have fulfilled the export obligation by exporting to the erstwhile Soviet Union. Whereas the exports in terms of quantity have been completed by exporting the materials vide 20 different shipping bills, realization is stated to have been received only in respect of 10 shipping bills and in view of the non-realization of the sale proceeds against the remaining 10 shipping bills the exports made against the same cannot be accepted towards fulfillment of export obligation. The exporter is now willing to undertake extra export obligation provided the extension for the same is granted.

The Committee on perusal of the request of the firm was of the view that this is a genuine request as realization against 10 shipping bills could not be made on account of disintegration of the erstwhile Soviet Union. Moreover, the applicant having shown willingness to undertake extra export obligation in terms of quantity and value, it was decided to extend the export obligation period upto 31.12.2006 to enable the exporter to fulfill the outstanding EO. No composition fee shall be charged for fulfillment of this balance EO. However, no further extension beyond 31.12.2006 shall be permitted.

Case No.	2.
Firm's Name	M/s. Rishabh Impex, Mumbai
File No.	01/84/162/783 /AM06/ DES-V
Subject:	Request for condonation of delay of 8 days for issue of DEPB.

The Committee considered the case as per details given in the Agenda. The Committee observed that this was a special dispensation allowed for filing applications for DEPB where Let export date is prior to 1.2.2002 and this last date for filing the application had been extended from time to time, the last extension having been allowed upto 31.3.2004. It was observed that provision of late cut as per para 9.3 of HBP cannot be made applicable to these type of cases. The applicant having failed to file the application within the last prescribed specific date, there is no merit in considering the request of the applicant for condonation of delay. Accordingly, this case was rejected.

Case No.	3.
Firm's Name	M/s. Mahesh Weaving Factor, Bangalore.
File No.	01/84/162/1055/AM06/ DES-V
Subject:	Request for revalidation of advance licence No. 0710021700 dt. 11.06.2003.

The Committee considered the case as per details given in the Agenda. As per the details available on the agenda and as per the endorsement of the said details by the Norms Committee, export obligation stands fulfilled. It was therefore decided in relaxation to the policy to allow revalidation of the subject licence by a period of 6 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.	4.
Firm's Name	(i) M/s. Scope eKnowledge Centre P. Ltd., Chennai. (ii) M/s. ETA General Pvt. Ltd., Chennai.
File No.	(i) 01/53/8/48/S-13/ AM07/ ILS (ii) 01/53/8/466/E.41/AM06/ILS & (iii) 01/53/8/192/E-18/AM06/ILS
Subject:	(i) Request for grant of licence for import of Air Conditioners containing ODS-For consignment cleared by customs under provisional duty assessment (bond with surety) for pending verification of licence. (ii) Request for endorsement on the import licence "Valid for goods already cleared against bond with surety."

The Committee considered the case as per details given in the Agenda. The Committee agreed to regularize the import of Air Conditioners containing ODS, made in these two cases. It was further decided that Import Licence No.04500000294 dated 08.03.2006 and No.04500000295 dated 13.03.2006 be endorsed as "Valid for goods already shipped, arrived and cleared from the port under Bond".

Case No.	5.
Firm's Name	M/s. Sea Princess Hotel & Properties Pvt. Ltd., Mumbai.
File No.	18/45/AM06/EPCG-I I
Subject:	Request for disposal of Mercedes Benz Car imported under EPCG licence No. 0330002477 dated 28.8.2002.

The Committee considered the case as per details given in the Agenda. The Committee after taking a note of the recommendation of the EPCG Committee, Inspection Report furnished by the Office of Zonal Joint DGFT, Mumbai and submissions made by the applicant that the car in question was beyond repair, decided to relax the condition of the policy and allow the disposal of the said car. However, this will be subject to the condition that the car is sold as scrap and the Registration Certificate of the car is invalidated so that the vehicle in question does not ply on the road again.

Case No.	6.
Firm's Name	M/s. Pride Hotel , Mumbai
File No.	01/93/180/008/AM07/PC-I(B)
Subject:	Request for exemption form Homologation condition for BMW 7281 Car imported under EPCG licence issued to them prior to issuance of Notification No. 29 dated 28.1.2004.

The Committee considered the case as per details given in the Agenda. The Committee taking note of the existing policy which provided that petrol driven cars with Engine Capacity more than 3000 CC and price more than US\$ 40000 are exempted from the homologation procedure, and the car imported against EPCG licence No.0330002750 dated 23.10.2002 meeting this criterion, as also the fact that the EO is stated to have been fulfilled, decided to relax the condition of the policy and waive the requirement of homologation procedure to be followed in the instant case.

Case No.	7.
Firm's Name	M/s. Madhusudan Auto Limited, New Delhi.
File No.	20/562/93/EPCG-III
Subject:	Request for EOP extension for EPCG licence No.P/CG/2130612 dated 1.6.1993.

The Committee considered the case as per details given in the Agenda. The Committee observed that the issue had been taken up with Department of Revenue for their views about extension in EO period and DOR had not agreed to the same. It was further seen that during the initial validity of the EO period, which expired on 31.3.2001, no exports had been made and exporter did not avail the facility of EO extension which was available to such cases at that point of time. It was further noted that part of the demand raised on account of the default had been paid by the applicant and there was therefore no justification for allowing further extension in the instant case. It was, accordingly decided to reject the case and recover the balance amount due from the applicant on account of the said default.

Case No.	8.
Firm's Name	M/s. Sterlite Optical Technologies Ltd.
File No.	01/81/162/231/AM06/ DES- I I
Subject:	Request for waiver of composition fee imposed by PRC against Advance Licence No. 310050707 dated 24.08.2000 (as recommended by GRC).

The Committee considered the case as per details given in the Agenda. The Committee noted that the cases referred to by the GRC where the composition fee had been waived were not comparable to the present case. In the case of M/s Marson's Electrical Industry, the EO was required to be fulfilled by way of supply against an IBRD loan and not physical exports as in the instant case. The case of M/s Saw Pipes Ltd is an EPCG licence and not an advance licence. Moreover, the applicant at the time of making the request for extension in EO had agreed to payment of composition fee for such extension of EO period which has already been allowed subject to payment of applicable composition fee. There was no merit to allow the waiver of the composition fee. It was therefore decided that the EO extension already allowed for regularization of exports will be subject to payment of applicable composition fee as already decided in the earlier PRC meeting.

Case No.	9.
Firm's Name	M/s. Am-Tech Pack Ltd., Mysore.
File No.	01/92/180/312/AM06/ PC- I I
Subject:	Extension of validity period of Advance DTA sale by another year.

The Committee considered the case as per details given in the Agenda. The Committee noted that the unit had been basically set up on the premise that their collaborator in US will buy back 50% of the production. However, the US collaborator M/s DNI International Inc., USA is stated to have backed out from this buy back arrangement and this has resulted in the exporter not being able to export. Moreover, the total DTA sale entitlement being to the tune of Rs.2 crores and only Rs.1.30 crores of the DTA sale having been made by the end of 30.9.2005, as also the fact that Board of Approvals (BOA) has recommended for extension of the validity period of DTA sale permission, it was decided that this DTA sale permission may be extended upto 30.9.2006 in line with the recommendation by BOA.

Case No.	10.
Firm's Name	M/s. KLF Oil Industries, Trichur.
File No.	01/94/180/104/AM07/ PC-I
Subject:	Modification of PRC minutes datd 25.4.2006 in order to apply the same to all the four licences.

The Committee considered the case as per details given in the Agenda. From the agenda papers available, it was seen that this case had been considered earlier and direct imports were treated as regular in respect of one licence on the premise that ALC has recorded in the agenda that in remaining 3 advance licences the firm is abiding by the terms and conditions of the Public Notice relating to the case. It was therefore not clear as to why the applicant was seeking a similar dispensation for these 3 licences as well. It was therefore decided that the case be reverted to ALC who will examine the issue before the case is brought to the PRC, if need be.

Case No.	11
Firm's Name	M/s.Pushpanjali Floriculture Ltd.
File No.	01/94/180/PN45-Marico/AM'05/PC-IV
Subject:	Permission to allow clearance of Coconut Oil under DFRC Scheme.

The Committee considered the case as per details given in the Agenda. The Committee taking note of the fact that STC had issued an 'NOC' to the applicant for direct import of cocoanut oil against the subject DFRC and applicant having imported the same based upon the said NOC but was pending clearance from the customs, decided to relax the provision of the policy and to treat this import as regular and customs authorities should release the same as having been imported within the parameters of the policy.

Case No.	12
Firm's Name	Case received from Policy-III Section
File No.	18/12/04-05/ECA-II (Dy NO.242/PC-III)
Subject:	Public Notice NO. 25 dated 30.3.2005 - decisions of Settlement Commission which are prior to the date of above Public Notice - action to be taken by DGFT office

The Committee considered the case as per details given in the Agenda. It was decided that the Regional Authority concerned should decide this case based upon the decision of the Settlement Commission. It was also decided that in all such cases where the Settlement Commission has given a decision prior to 1.4.2005, the same should also be dealt by the Regional Authority concerned at par with cases relating to the period on or after 1.4.2005. It was also decided that a Policy Circular to this effect be issued for convenience of all concerned to facilitate disposal of such cases.

Case No.	13.
Firm's Name	Sundaram Fasteners Ltd
File No.	1/81/162/765/AM-06/DES-II
Subject:	Revalidation of advance licence NO.0410037455 dated 13.3.2003

The Committee considered the case as per details given in the Agenda. As per the details available on the agenda and as per the endorsement of the said details by the Norms Committee, export obligation stands fulfilled. It was therefore decided in relaxation to the policy to allow revalidation of the subject licence by a period of 6 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 W.S. Industries (India) Ltd, Chennai
File No.	1/81/162/739/AM-06/DES-II
Subject:	Revalidation of advance Licence No. 0410035951 dated 21.10.2003 beyond 30 months -- for import of one raw material

The Committee considered the case as per details given in the Agenda. As per the details available on the agenda and as per the endorsement of the said details by the Norms Committee, export obligation stands fulfilled. It was therefore decided in relaxation to the policy to allow revalidation of the subject licence by a period of 6 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 Jindal Stainless Ltd, Hissar
File No.	01/80/162/136/AM07/DES.I
Subject:	Request for exemption from payment of 10% of unutilized value of DEPB license and issue the duplicate DEPB license for the unutilized value

The Committee considered the case as per details given in the Agenda. The Committee observed that there was nothing to substantiate that the DEPB licence No.3310007431 dated 31.08.2005 had been lost in the custody of customs authorities. To that extent payment of 10% of unutilized value of DEPB licence for issue of a fresh DEPB licence is mandatory and cannot be waived.

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. Samal, Jt.DGFT
5. Shri A.K.Singh, Jt. DGFT
6. Shri Tapan Mazumdar, Jt. DGFT
7. Ms. Kiran Sehgal, Dy.DGFT
8. Shri P.K. Santra, Dy.DGFT
9. Shri M.K.Parimoo, Jt.DGFT
