

MINUTES OF THE POLICY RELAXATION COMMITTEE
MEETING NO.04/AM06 HELD ON 27th JULY, 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
Firm's Name	M/s Nicholas Piramal India Ltd., Mumbai
File No.	01/86/162/268/AM04/DES-IV
Subject:	Relaxing the necessity of submitting the certificate of payment against SIL

The Committee considered the case as per details given in the Agenda. It was brought to the notice of the Committee that all the requisite documents except Certificate of Payment from WHO have been furnished by the applicant for redemption of the subject Special Imprest Licence. The Licensing Authority however has not redeemed the case because Certificate of Payment is one of the prescribed documents to be submitted. It was decided to relax the policy provision and allow redemption without insisting upon the Certificate of Payment of WHO provided all other mandatory requirements have been met with for seeking closure of the case.

Case No.	2
Firm's Name	M/s Eastman Impex, Ludhiana
File No.	01/80/162/446/AM05/DES-I
Subject:	Revalidation of DEPB licenses

The Committee considered the case as per details given in the Agenda. The case was considered earlier by PRC on 22.3.2005 and at that point of time the Committee had desired to have the following information:-

- (i) To call for the facts and circumstances leading to late realization of payment and whether RBI's permission was obtained in this regard; and

- (ii) Whether the facts and circumstances of the instant case were similar to the case of M/s Vinifine Textile Mills Pvt. Ltd., Mumbai which was considered by the PRC in its meeting held on 1.11.2004.

It has since been confirmed that the applicant had submitted sufficient proof of RBI having given the permission for receipt of delayed payments. The agenda papers also reflect that the delayed payments were received because of the exports were made to countries like Republic of Panama and Argentina where there was foreign exchange crisis. ALC also confirmed that the case was similar to one of M/s Vinifine Textile Mills Pvt. Ltd, Mumbai where PRC had allowed revalidation.

Taking all these factors into consideration it was decided to allow revalidation for a period of 6 months from the date of endorsement in respect of 8 DEPB licences listed in the Agenda. As far as the commission aspect involved in the case is concerned, the RLA should consider extending the benefits against commission portion within the existing parameters and guidelines issued by RBI from time to time.

Case No.	3
Firm's Name	M/s Nandyala Satyanarayana, AP
File No.	01/94/180/58/AM06/PC-I
Subject:	To condone delay of one day in submitting application for Status

The Committee considered the case as per details given in the Agenda. The Committee taking a lenient view of one day's delay in submitting the application for grant of status, agreed to relax the policy for accepting the application for grant of Status Certificate for the year 2004-05 subject to meeting other applicable conditions related to grant of status certificate.

Case No.	4
Firm's Name	M/s Hero Cycle Ltd.,
File No.	01/37/162/1248/AM04/EPCG- II
Subject:	Clarification whether average EO can be discharged through 3rd party annual export

The Committee considered the case as per details given in the Agenda. It was observed that in the instant case, the exports for maintaining the average export performance against subject EPCG licences was made through another arm of the same company i.e. M/s Hero Exports. It was therefore, decided that in the instant case keeping in view the special circumstances of the case, the exports made by M/s Hero Exports be accepted towards maintenance of the average export performance by M/s Hero Cycle Ltd against the subject EPCG licences.

Case No.	5
Firm's Name	M/s Vishnu Fabrics Pvt. Ltd.,
File No.	01/84/162/263/AM05/DES-IV
Subject:	Closure of pending issues on import and payment of duty

The Committee considered the case as per details given in the Agenda. The Committee observed that the applicant had requested for waiver of the customs duty and penalty payable on account of non-fulfillment of export obligation against subject Advance licence. The basic issue of waiver of duty and penalty thereof for non-fulfillment of EO is outside the purview of the DGFT. Hence DGFT is not the forum which can decide on the request. Hence the matter was filed.

Case No.	6
Firm's Name	M/s National Mineral Development Corpn., Hyd
File No.	Pt. 01/82/40/84/AM98/ DES-I
Subject:	Waiver of submitting the original SB's for redemption of EO

The Committee considered the case as per details given in the Agenda. The Committee agreed to accept the photocopies of the S/ Bills duly certified by MMTC in lieu of the original ones for final scrutiny with regard to discharge of export obligation by the RLA subject to furnishing all other prescribed documents for said redemption and closure of case.

Case No.	7
Firm's Name	M/s R.S. Impex International, Kolkata
File No.	01/83/50/670/AM03/DES-IV
Subject:	Change in description of Export product and grant of 3rd revalidation

The Committee considered the case as per details given in the Agenda. The Committee observed that ALC had decided that export documents furnished by the firm showing description of the export product is acceptable towards discharge of export obligation. Since considerable time was taken to decide the issue the exporter could not utilize the licence for the purpose of import within its original validity. It was decided to allow one revalidation for a period of 6 months and this period of six months shall commence from the date the said endorsement of revalidation is made on the licence.

Case No.	8
Firm's Name	M/s Plant Organics Ltd., Hyd.
File No.	01/83/162/771/AM04/DES-IV
Subject:	Clubbing of licenses

The Committee considered the case as per details given in the Agenda. The Committee observed that the issue of clubbing is basically an issue to be decided by the ALC/ RLA within the parameters of the policy in force on the date of issue of licence and not a PRC issue. The case was therefore

referred to the ALC for deciding on the issue of admissibility of clubbing of Licences as per Policy parameters.

Case No.	9
Firm's Name	M/s Yamaha Motors India Pvt. Ltd., UP
File No.	01/53/8/58/Y-1/AM06/ ILS
Subject:	Import of motorcycle for display purpose

The Committee considered the case as per details given in the Agenda. The Committee rejected the request of the applicant to relax the provision contained in Chapter 87 of ITC(HS) No.87114010 (Import licensing notes Sr.No.2(c)) which permits the import of Motor Cycle for display purpose subject to a re-export condition within 6 months of the said import as there was no merit for allowing the relaxation from this requirement.

Case No.	10
Firm's Name	M/s Thermax Babcock & Wilcox Ltd., Pune
File No.	01/81/50/360/AM04/ DES- II
Subject:	For reconsideration in PRC- endorsement of names of job workers, condone the lapse of using the duty free material for domestic production

The Committee considered the case as per details given in the Agenda. There were two basic issues before the Committee. On the first issue of non endorsement of the names of the job workers on the licence it was decided to relax the condition in the instant case and allow the same within the provision available in para 4.16 of the Handbook of Procedures Vol.I 2004-09 updated as on 31.3.2005. Regarding the second issue of utilization of materials imported against the advance licence for export production other than that for the subject licence, the Committee decided to allow this facility to be availed by the applicant in the instant case. However, the duty free imported material cannot be used for domestic production purposes.

Case No.	11
Firm's Name	M/s Thermax Ltd., Pune
File No.	01/81/50/360/AM04/ DES- II
Subject:	To condone the lapse of using the duty free material for other export production

The Committee considered the case as per details given in the Agenda. Regarding the issue of utilization of materials imported against the advance licence for export production other than for the subject licence, the Committee decided to allow this facility to be availed by the applicant in the instant case.

Case No.	12
Firm's Name	M/s Aqdas maritime Agency P Ltd.
File No.	01/94/180/128/AM06/PC-I
Subject:	Return of BG taken towards interest on duty saved amount in EPCG licence.

The Committee considered the case as per details given in the Agenda. The Committee observed that the provision of execution of Bank Guarantee including 15% interest component was not there in the earlier policy and had been incorporated only in August 2004. Subsequently vide Public Notice No.45 dt.14.1.2005 the interest component was not required to be taken into account for execution of BG. It was further observed that even customs authorities do not have a provision of asking for BG including interest component and therefore, it was decided to allow relaxation in the instant case to allow the exporter to execute a fresh BG without taking into account the 15% interest amount as provided vide Public Notice No.45/2004-09 dt.14.1.2005.

Case No.	13
Firm's Name	M/s Samrat Cotspin Ltd. Chandigarh
File No.	01/94/162/10/AM06/PC I
Subject:	Permission to transfer goods imported against EPCG Lic. No. 2230000148 dt. 15.3.2005 and 2230000150 dt. 16.3.2005 along with EO.

The Committee considered the case as per details given in the Agenda. The Committee agreed to allow transfer of capital goods imported against subject 2 EPCG licences to M/s Fertichem Colspun Limited, Chandigarh so long as the company, to whom the said capital goods are transferred undertakes to fulfill the conditions of the licence including fulfillment of export obligation fixed thereof.

Case No.	14
Firm's Name	M/s Indian Handicrafts, New Delhi
File No.	01/84/162/261/AM04/DES-V
Subject:	Regularisation of Advance Licenses.

The Committee considered the case as per details given in the Agenda. The Committee agreed to allow extension in EO period in respect of advance licence No.0514081 dt.17.2.1992 beyond 31.3.1999 upto 5.11.1999 for regularization purpose subject to payment of composition fee between 31.3.1999 and 5.11.1999 as provided in the Foreign Trade Policy 2004-09. In case of Advance Licence No.0537736 dt.23.8.1994, No.2445307 dt.9.8.1996 and No.0501483 dt.17.11.1998 it was observed that the import DEECs had been submitted to the RLA and subsequent to that these DEEC books had been lost/misplaced. At the time of submission of these import DEECs to RLA, the validity of the licence had expired and therefore no further imports were possible. It was therefore, decided that in respect of these licences DEEC (import) be not insisted upon for redemption of the case provided all other requisite documents including logged DEEC for Export had been submitted and the condition of the licence with regard to fulfillment of EO has been made.

Case No.	15
Firm's Name	M/s Smarts Private Limited, Karol Bagh, N. Delhi
File No.	01/92/180/058/AM06/PC II
Subject:	Extension of time for Export of Gold jewellery.

The Committee considered the case as per details given in the Agenda. The Committee accorded ex-post-facto approval for allowing extension of six weeks from the expiry of normal period of 90 days for making exports against gold procured from the nominated agency on loan basis.

Case No.	16
Firm's Name	M/s Elque Polyester, Kolkata
File No.	01/92/180/65/AM05/PC- II
Subject:	Provision of the FTP/HBP required relaxation.

The Committee considered the case as per details given in the Agenda. The Committee observed that the company has been declared sick by the BIFR in 2000. In view of liberal provisions for BIFR units for their revival in Appendix 14-I-M of Handbook, the Committee agreed with the recommendation of BOA for grant of extension in adjustment of Advance DTA sale upto 30.9.2006. No further extension will be allowed.

Case No.	17
Firm's Name	M/s Priyaranjai Fibres Ltd; R.R. Dist.
File No.	01/92/180/113/AM06/PC- II
Subject:	Request for Advance DTA Sale Permission.

The Committee considered the case as per details given in the Agenda. The Committee observed that because of internal problems and take over of the unit by the new Management, the unit is being restarted and for all practical purposes it can be taken as a new unit. The unit has also filed an application before the BIFR for declaring it a sick unit. The Committee accordingly agreed with the recommendation of BOA for allowing Advance DTA Sale permission for a value of Rs.4 crore which is to be adjusted against their future DTA sale entitlement in two years as per the Policy.

Case No.	18
Firm's Name	Mr. Peter Heuzeroth, Bayerische Motoren Werke, Muenchen
File No.	01/93/180/46/AM06/PC-I(B).
Subject:	Clarification on homologation of vehicles for the purpose of test driving of four cars and exemption thereof.

The Committee considered the case as per details given in the Agenda. The Committee agreed to accord ex-post-facto approval for waiver of homologation procedure in the instant case as already allowed on file subject to the condition that the vehicle is used for the purpose they have been imported in the country i.e. for test drive and subject to the condition that all the four cars thus imported shall be re-exported within a period of 6 months from the date of such import.

Case No.	19
Firm's Name	M/s Primrose Multiplast Pvt. Ltd. Delhi M/s Gomati Impex (P) Ltd., Delhi
File No.	01/93/180/1388/AM99/PC-IA
Subject:	Ex post facto approval for delay in submission of application for permission to import Diphenyl Methane Di-Isocynate under ITC(HS).

The Committee considered the case as per details given in the Agenda. The Committee agreed to accord ex-post-facto approval for grant of one time relaxation for delay in submission of application for permission to import Diphenyl Methane Di-Isocynate under ITC(HS).

The meeting ended with vote of thanks to the Chair.

LIST OF PARTICIPANTS

1. Ms. Seema Bahuguna, Addl.DGFT
2. Shri Surat Singh, Addl. DGFT
3. Shri S.K.Prasad, Addl. DGFT
4. Shri Vipin Saxena, EC
5. Dr(Ms.) Pratima Dikshit, Jt.DGFT
6. Shri Anil Bamba, Jt. DGFT
7. Shri P.C.Tripathi, Jt. DGFT
8. Shri A.K.Singh, Jt. DGFT
9. Shri S.B.S. Reddy, Jt. DGFT
10. Shri Anil Aggarwal, Jt. DGFT
11. Shri Ashutosh Jindal, Jt.DGFT
12. Shri P.K.Santra, Dy. DGFT
13. Smt. Kiran Sehgal, Dy. DGFT
14. Shri M.K.Parimoo, Dy.DGFT