

MINUTES OF THE POLICY RELAXATION COMMITTEE
MEETING NO.04/AM07 HELD ON 26TH JULY, 2006

The meeting was held under the Chairmanship of DG and the list of officers present in the meeting is given in Annexure-I.

At the outset, it was observed that the details with regard to date of receipt of the request, date of consideration of request by Norms Committee etc. and date on which request was forwarded to PRC are not reflected in the Agenda, although specific columns for the same are provided in there. DG directed that, henceforth, each agenda that comes to the PRC should reflect these details, without fail. DG also noticed that in a number of cases there was considerable time gap between the receipt of the request in the DGFT office and the case finally being put up before the PRC. He therefore directed that Norms Committee should nominate a nodal officer, preferably Chairman or Convenor of each Committee, who could personally monitor such receipts and ensure that these requests are disposed off expeditiously and placed before the PRC wherever need be, within a period of 45 days from the date of receipt of such request.

Thereafter the individual cases were taken up for discussion and the decision taken by PRC in each individual case is detailed below:

Case No.	1.
Firm's Name	M/s. Boss Profiles Ltd., Chennai.
File No.	01/83/50/Dy. No.12 dt. 20.4.06/AM07/DES-IV
Subject:	Request for grant of EOP extension for one year in r/o advance licence No. 0410023575 dated 21.2.2002.

The Committee considered the case as per details given in the Agenda. The Committee took note of the plea put forth by the applicant that because of Tsunami that struck Pondicherry shore in December 2004, they were unable to meet the requisite export obligation within the extended validity of said EO period. It was also noted that they have already paid an amount of Rs.37,49,129/- as composition fee for extension already granted to them upto March 2006. Taking a lenient view and cognizance of Tsunami, hampering the efforts of exporters of these coastal areas in making exports, it was decided to extend the EO period by a period of six months and this six months period will commence from the date endorsement to this effect is made on the licence. This extension will however be subject to payment of composition fee on the non-fulfilled portion of EO, as provided in the current Foreign Trade Policy.

Case No.	2.
Firm's Name	M/s. D.B. Desai & Associates, New Delhi
File No.	01/93/180/016/AM07/ PC-I(B)
Subject:	Request for permission to Import vehicle through road route form Bangladesh to Meghalaya via Dawki Border.

The Committee considered the case as per details given in the Agenda. The Committee agreed to consider the request in relaxation of the Import Licensing Notes to Chapter 87 of ITC (HS) Classifications of Export and Import Items 2004-09 to the extent that the applicant may be permitted to import Fire Fighting Vehicle from Bangladesh, stated to be destined for Meghalaya, through Dawki Border connecting Meghalaya and Bangladesh as against the requirement of such imports through Mumbai port.

Case No.	3.
Firm's Name	M/s. Punjab Stainless Steel Industries, New Delhi.
File No.	01/81/162/250/AM04/ DES-I I
Subject:	Request to allow DEPB benefit retrospectively against entry No.353 for the exports made between the date of their representation in 2003 and the date of issue of P.N.No. 67 dated 21.6.2004.

The Committee considered the case as per details given in the Agenda. The Committee took note of the recommendation of GRC. The Committee was also informed that the revised description covering “stainless steel utensils with or without handle/lid/anti-skid rubber gasket irrespective of what material the handle/lid may have been made of” was covered within the existing entry No.353 of the DEPB schedule for Engineering Items. Since there is no change in the DEPB rate, this could be treated as a correction only and should not affect the admissibility of such benefits on exports made prior to this correction in the Schedule. It was therefore decided that exports made between 1.4.2003 to 21.6.2004 within the scope of revised description notified vide Public Notice No.67 dated 21.6.2004 should be allowed benefits in such cases where shipping bills have already been provisionally assessed by the customs. It was further decided that since retrospectivity is involved in this case, approval of C&IM be obtained on file before finally allowing these benefits. Regarding second issue of reviewing Note 11 in General Instructions for DEPB Schedule, the same should be discussed in Norms Committees concerned and thereafter DEPB Committee for appropriate disposal.

Case No.	4.
Firm's Name	M/s. Lupin Ltd.
File No.	01/82/162/1132/AM06/ DES-III
Subject:	Request for revalidation and enhancement of advance licence No.0310183894 dated 13.2.2003.

The Committee considered the case as per details given in the Agenda. The Committee observed that EO had been fulfilled in excess of the original imposed EO and this excess export was to the tune of approximately 10% of the original quantity. Therefore, it was decided that enhancement proportionate to the excess quantity exported, be permitted, and thereafter to facilitate imports, revalidation by six months be allowed. This six months period will commence from the date such endorsement is made on the licence. Further it was seen that, applicant's plea, that the licence was in the custody of customs authorities is not supported by any documentary evidence and therefore the revalidation in question shall be allowed on payment of composition fee of 2% on the unutilized CIF value of the licence. This composition fee will be chargeable even on the enhanced value.

Case No.	5.
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Firm's Name	M/s. Lupin Ltd.
File No.	01/82/162/1352/AM05/ DES-III
Subject:	Request for regularization of pre-import condition in r/o Penicillin G Crystals.

The Committee considered the case as per details given in the Agenda. The Committee observed that the violation of the licensing condition has been done, not in one, but in 34 licences by not adhering to the pre-import condition of the Penicillin G Potassium First Crystals. Therefore there was no merit in the request for regularization and the same stands rejected. Regional authority concerned to take suitable action against the licence holder for violation of conditions of the licence.

Case No.	6.
Firm's Name	M/s. Steel Authority of India Ltd., New Delhi
File No.	01/81/162/326/02/AM99/DES-II
Subject:	Revalidation and endorsement of transferability of 29 Nos. VBALs and QBALs.

The Committee considered the case as per details given in the Agenda. The Committee took note of the fact that the matter had come up before the Committee of Disputes in the Cabinet Secretariat who had directed that DGFT should resolve this dispute in his personal supervision. Taking note of this, it was decided that 29 advance licences on which transferability has not been endorsed, be revalidated for a period of six months and this six months period will commence from the date this endorsement is made on each of these licences. From amongst these 29 licences, Value Based Advance Licences should first be converted into Quantity Based Advance Licence as per applicable policy and procedure and revalidation should be endorsed on the same after the conversion of these licences. After endorsement of revalidation, the licences will be subject to actual user condition and no transferability shall be allowed on any of these licences. Further no composition fee shall be chargeable on revalidation of these licences.

Case No.	7.
Firm's Name	M/s. Godrej Industries Ltd.
File No.	01/82/162/504/AM06/ DES-III

Subject:	Request for permitting exports made from Petrapole for closure of DEPB licence No. 0310015176 dated 2.11.99.
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The Committee considered the case as per details given in the Agenda. The Committee took note of the fact that only 2% of the total obligation against the pre-export DEPB has been made thru Petropole, the non-recognized port of registration. It was agreed to take a lenient view and treat these as regular exports towards fulfillment of the obligation against the subject DEPB licence. Regional authority should regularize this pre-export DEPB accordingly.

Case No.	8.
Firm's Name	M/s. Plethico Pharmaceuticals Ltd., Indore.
File No.	01/82/162/1144/AM05/ DES-III
Subject:	Request for grant of revalidation of DEPB licence No.1110006445 dated 24.7.2003.

The Committee considered the case as per details given in the Agenda. The Committee taking note of the fact that the DEPB was in custody of customs authorities for 11 months which prevented the DEPB holder to utilize the licence within its original validity, and taking note of the recommendations of GRC, decided to revalidate the subject DEPB licence by a period of six months and this six months period will commence from the date this endorsement is made on the licence. It was further decided that this revalidated DEPB shall be non transferable and subject to actual user condition, to be utilized by the licence holder, only.

Case No.	9.
Firm's Name	M/s. Lactose India Ltd.
File No.	01/82/162/324/AM06/ DES-III
Subject:	Request for grant of revalidation of Advance licence No. 0310162787 dated 11.10.2002.

The Committee considered the case as per details given in the Agenda. The Committee noted that 70% of the EO has been fulfilled. It was decided that the import entitlement be reduced proportionately to the export obligation fulfilled and thereafter the licence will be revalidated to enable the exporter to import this eligible quantity and value. This revalidation shall be for a period of six months and this six months period will commence from the date this endorsement is made on the licence. Further, this endorsement is to be allowed subject to payment of composition fee of 2% on the unutilized CIF value of the licence.

Case No.	10.
Firm's Name	M/s. ARTEK SURFIN CHEM Ltd.
File No.	01/82/162/193/AM06/ DES-III
Subject:	Request for grant of revalidation of Advance licence No. 0310155790 dated 29.08.2002

The Committee considered the case as per details given in the Agenda. The Committee on perusal of agenda noted that ALC had taken more than 2 ½ years to finalize the norms in this case and this prevented the exporter from utilizing the subject advance licence. It was therefore decided to revalidate this licence for a period of six months and this six months period will commence from the date this endorsement is made on the licence. Since ALC who took a long time to finalize the norms, no composition fee is to be charged.

Case No.	11.
Firm's Name	M/s. Ranbaxy Laboratories Ltd.
File No.	01/82/162/758/AM04/ DES-III
Subject:	Request for revalidation of Post Export DEPB No. 0510089272 dated 8.5.2003.

The Committee considered the case as per details given in the Agenda. The case had come up in PRC earlier on when it was decided to allow revalidation of the subject DEPB scrip and as per information available, the six months period had taken effect on 12.9.2005. As per the facts and figures before the Committee the applicant could not utilize this DEPB because of the delay in issue of TRA by the customs authorities. It was therefore decided that the subject DEPB be revalidated for a period of four months and this four months period will commence from the date this endorsement is made on the licence. Further other conditions of non transferability etc. imposed while revalidating the DEPB scrip on the earlier occasion shall continue to be in force.

Case No.	12.
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.

The Committee considered the case as per details given in the Agenda. The Committee taking note of the report furnished by the Regional authority that the DEPB copy of the shipping bill was lying in their records which became the cause for non utilization of the same, decided to revalidate it for a period of six months and this six months period will commence from the date this endorsement is made on the licence. It was further noted that the onus was on the applicant to submit the DEPB copy of shipping bill along with the application and therefore after revalidation this will be a non-transferable DEPB and will be subject to actual user condition, to be utilized by the licence holder only.

Case No.	13.
Firm's Name	M/s. Plasticizers & Allied Chemicals
File No.	01/83/50/242/AM04/ DES-IV
Subject:	Request for revalidation of advance licence No. 0510091663 dated 30.5.2003.

The Committee considered the case as per details given in the Agenda. The Committee taking note of the fact that there was delay on the part of the Regional Authority concerned in issuing invalidation letter and subsequently correcting wrong endorsement made on the same, decided to allow revalidation of the subject licence for a period of three months and this three months period will commence from the date this endorsement is made on the licence. No composition fee shall be charged for this revalidation.

Case No.	14.
Firm's Name	M/s. Marco Cables Ltd., Mumbai.
File No.	01/60/162/87/AM06/EFGC
Subject:	Request for cif enhancement and revalidation of advance licence for deemed exports No. 0310185123 dated 25.02.2003.

The Committee considered the case as per details given in the Agenda. The Committee agreed to allow enhancement in the subject advance licence for deemed export to the extent of excess supplies made. However, this endorsement should be allowed subject to verification of the fact that the revised PAC has been issued for this enhanced value and quantity. After enhancement is allowed, the subject licence shall be revalidated for a period of six months and this six months period will commence from the date this endorsement is made on the licence. Further, composition fee of 2% on the unutilized CIF including the enhanced value shall be charged for allowing this revalidation.

Case No.	15.
Firm's Name	M/s. Supreme Yarns Ltd., Ludhiana.
File No.	01/60/162/07/AM07/ EFGC(Gr. Cell)
Subject:	Regarding refund of terminal excise duty of Rs. 5,32,642/-.

The Committee considered the case as per details given in the Agenda. The Committee took note of the GRC decision that the supplies made against two invoices before issue of invalidation letter were against the supplies covered by invalidation letter issued against the subject licence. The exemption sought is only procedural in nature. It was therefore decided to condone the requirement of obtaining invalidation letter before the supply against two invoices and admissible TED refund should be allowed against these two invoices even though the supplies against the same were made before issue of this invalidation letter.

Case No.	16.
Firm's Name	M/s. Kundan Industries Limited, Mumbai.
File No.	01/60/162/05/AM07/ EFGC(Gr. Cell)
Subject:	Request for revalidation of DEPB No.0310241421 dated 11.12.2003.

The Committee considered the case as per details given in the Agenda. The Committee taking note of the recommendation of GRC and the fact that final assessment of shipping bills after making exports on the second occasion (some materials had been found defective in respect of the exports made on the earlier occasion when the shipping bills were issued originally and consequently the same were returned for replacement), it was decided to allow revalidation of the subject DEPB licence by a period of three months and this three months period will commence from the date this endorsement is made on the licence.

Case No.	17.
Firm's Name	M/s. Ray Chem RPG Ltd.
File No.	01/83/162/715/AM04/DES-IV
Subject:	Request for revalidation of advance licence No.0310085699 dated 24.5.2001.

The Committee considered the case as per details given in the Agenda. The Committee took note of the fact that ALC had taken considerable time to amend the SION details in the licence. In fact, this has been done only in the ALC meeting in May 2006 and this is one of the primary reasons licence could not be utilized within its validity. It was therefore decided to allow admissible enhancement in proportion to exports made as also revalidation for a period of six month and this six months period will commence from the date this endorsement is made on the licence. Since ALC took considerable time in carrying out corrections it was decided not to charge any composition fee.

Case No.	18.
Firm's Name	M/s. Atul Ltd., Ahmedabad
File No.	01/83/50/27/AM04/DES-IV
Subject:	Request for revalidation of advance licence No.810027399 dated 31.3.2003.

The Committee considered the case as per details given in the Agenda. The Committee agreeing to the recommendation of the ALC decided that entitlement for licence in terms of quantity and value may be reduced in proportionate to the exports already made and thereafter the licence be revalidated for a period of six months and this six months period will commence from the date this endorsement is made on the licence. This revalidation is subject to payment of composition fee of 2% on unutilized CIF value of the licence.

Case No.	19.
Firm's Name	M/s. S.R.Enterprises, Hoogly.
File No.	01/92/180/00045/AM07/PC-I I
Subject:	Request for extension of adjustment period of advance DTA sale permission.

The Committee considered the case as per details given in the Agenda. The Committee agreeing with the recommendation of the Board of Approvals decided to relax the policy and extend time for adjustment of advance DTA sale upto 31.3.2007.

Case No.	20.
Firm's Name	M/s. Yamuna Industries Ltd.
File No.	01/92/180/374/AM06/PC-I I
Subject:	Request for Extension of advance DTA sale availed.

The Committee considered the case as per details given in the Agenda. The Committee agreeing with the recommendation of the Board of Approvals decided to relax the policy and extend time for adjustment of advance DTA sale upto 10.9.2006.

Case No.	21.
Firm's Name	M/s. Magnum Apparels Pvt. Ltd.
File No.	01/84/162/843/AM04/DES-V
Subject:	Extension in EO period in r/o advance licence No.2281388 dated 28.01.1999.

The Committee considered the case as per details given in the Agenda. The Committee agreeing with the recommendation of ALC decided to allow extension in EO period against the subject advance licence for a period of six months effective from the date of endorsement of such extension subject to payment of applicable composition fee as prescribed in the current Foreign Trade Policy.

Case No.	22.
Firm's Name	M/s. Mercury Exports.
File No.	01/84/162/67/AM07/DES-V
Subject:	Revalidation of advance licence No.0210049915 dated 30.05.2003.

The Committee considered the case as per details given in the Agenda. The Committee after perusal of the agenda papers found that confirmation with regard to fulfillment of EO had not been obtained from the RLA. It was therefore decided that subject to verification and confirmation of fulfillment of EO, against the subject advance licence, the same may be revalidated for a period of six months and this six months period will commence from the date this endorsement is made on the licence. This will further be subject to payment of 2% composition fee on the unutilized CIF value of the licence.

Case No.	23.
Firm's Name	M/s. Anuvarsha Exports
File No.	01/84/162/151/AM07/DES-V
Subject:	Condonation of 2 days' delay in filing DFRC application.

The Committee considered the case as per details given in the Agenda. The Committee agreeing with the recommendation of the ALC decided to

condone 2 days delay for submission of the application for claiming DFRC and the application will be deemed to have been received before the last prescribed date.

Case No.	24.
Firm's Name	M/s. Vinifine Textiles Mills Pvt. Ltd., Mumbai
File No.	01/84/162/1086/AM05/DES-V
Subject:	Request for revalidation of DEPB No. 2410006237 dated 27.12.2002, 2410006290 dated 30.12.2002 and 2410006241 dated 27.12.2002.

The Committee considered the case as per details given in the Agenda. The Committee observed that the DEPB licence related to the year 2002 and even after lapse of almost 3 ½ years part of the sale proceeds remain unrealized. Therefore there is no merit in the request of revalidation and the same stands rejected.

Case No.	25.
Firm's Name	M/s. Indo Rama Synthetics (I) Ltd.
File No.	01/84/162/1060/AM06/PC-I
Subject:	Request for grant of revalidation for three months in r/o advance licence No. 1110006171 dated 5.6.2003.

The Committee considered the case as per details given in the Agenda. The Committee agreeing with the recommendation of ALC and reviewing its earlier decision, decided to allow revalidation of the subject advance licence for a period of three months and this three months period will commence from the date this endorsement is made on the licence. This will further be subject to payment of composition fee of 2% on the unutilized CIF value of the licence.

Case No.	26.
Firm's Name	M/s. Arviva Industries Ltd., Mumbai.
File No.	20/1102/94/EPCG-III
Subject:	Request for EOP extension in r/o EPCG licence No. 2133226 dated 2.9.1994.

The Committee considered the case as per details given in the Agenda. The Committee taking note of the fact that only 11% of the EO remains unfulfilled, decided to allow extension in EO for a period of six months against the subject EPCG licence and this six months period will commence from the date such extension is endorsed on the licence. This will be subject to payment of applicable composition fee if any as provided in the current Foreign Trade Policy.

Case No.	27
Firm's Name	M/s IFGL Refractories Ltd
File No.	1/80/162/184/AM-07/DES-I
Subject:	Request for clubbing of six advance licences

The Committee considered the case as per details given in the Agenda. The Committee agreeing with the recommendation of the ALC decided to allow extension in EO period subject to payment of the composition fee as applicable under current Foreign Trade Policy for regularization only and thereafter allow clubbing within the scope of the existing provision of the policy.

Case No.	28
Firm's Name	M/s Matsushita Lakhanpal Battery India Ltd
File No.	1/80/162/470/AM-06/DES-I
Subject:	Request for issuance of Quantity based advance Licence, for the exports already completed in the year 2005

The Committee considered the case as per details given in the Agenda. The Committee agreeing with the recommendation of the ALC decided to condone the delay in submitting the hard copy against F.No.34/24/40/162/AM05 dated 2.5.2005 for claiming advance licence and the application will be deemed to have been submitted on the date the file number was generated online.

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 Sanjay Rastogi, E.C.
6. Shri S.K. Samal, Jt.DGFT
7. Shri A.K.Singh, Jt. DGFT
8. Shri Tapan Mazumdar, Jt. DGFT
9. Shri M.K.Parimoo, Jt.DGFT
