

MINUTES OF THE POLICY RELAXATION COMMITTEE (PRC) MEETING No. 04/07-08 HELD ON 07-08-2007 AT 3.30 PM UNDER THE CHAIRMANSHIP OF SHRI R.S. GUJRAL, DGFT.

PRC Meeting was held under the Chairmanship of DGFT, and list of officers present in the meeting is given in **Annexure –I.**

2. Individual cases taken up for discussion and following decision were taken. Decisions are elaborated in **Annexure –II.**

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S.No.	Name of the firm	File Number	Subject/Request	Decision Taken
1.	M/s Siemens Ltd., Mumbai	01/80/162/471/AM07/DES-II	EOP Extension beyond 36 months against advance licence No.310209068 dt 18.06.03.	Approved for EOP extension upto 26.2.2007 without composition fee.
2.	M/s BPL Limited	01/81/162/299/AM06-DES-II	Request of regularization against GR Waiver granted by RBI for part non-realisation of foreign exchange against advance licence No.070002824 dt.5.10.98.	Rejected.
3.	M/s Man Industries (India) Limited, Mumbai	01/80/162/61/AM07/DES-1	Extn. In EOP and revalidation of adv. Licence no.0313149876 dated 25.07.2002 without composition fee.	Approved for EOP extension upto 29.2.2008 without composition fee.
4.	M/s Adler Mediequip Pvt. Limited, Ratnagiri (Mah.)	01/80/50/50/AM05/DES-1	Revalidation of adv. Licence No.0310263483 dt. 13.4.2004.	Approved for revalidation upto 29-2-2008 with payment of composition fee @ 2% for the CIF value of the balance import.
5.	M/s L T Overseas Limited, New Delhi	01/85/162/542/AM07/DES-VI	EOP Extn. against 2 adv. Licences. Nos. 2309066 dated 8.9.1994 and N0. 0083471 dated 25-6-1997.	Approved for EOP extension for 9 months upto 31.5.2008 without composition fee.

6.	M/s Margra Industries Limited, New Delhi	01/36/218/110/AM06/EPCG-I	Clubbing of 3 adv. Licences & adjustment of shortfall in EO against one licence to the excess of another licence.	To examine the case on file. Deferred for the next meeting.
7.	M/s R.D. Extrusions Pvt. Limited, Haryana	20/944/94/EPCG-III	Re-export of imported CG and to count its sale proceeds towards fulfillment of EO against EPCG licence No. P/CG/2133733 dt. 21.12.1994.	Approved subject to payment of requisite B.G.
8.	M/sNik-San Engineering Co. Mumbai	01/80/162/148/AM07/DES-1	Revalidation of adv. Licence No.3410008662 dt. 7.7.2003.	Approved for revalidation upto 29-2-2008 with payment of composition fee @ 2% for the CIF value of the balance import.
9.	M/sNik-San Engineering Co. Mumbai	01/80/162/147/AM07/DES-1	Revalidation of adv. Licence No.3410007992 dt. 24.07.2003	Approved for revalidation upto 29-2-2008 with payment of composition fee @ 2% for the CIF value of the balance import.
10.	Shri Naveen Jindal (MP) New Delhi	01/53/8/584/AM05/N-33/ILS	Revalidation of import licence No.P/Z/0260788 dated 11.02.2005.	Approved for revalidation upto 29-2-2008.
11.	M/s Dex-Vin Polymers Pvt. Limited, Mumbai	01/83/162/587/AM07/DES-IV	Revalidation of adv. Licence No.0310249572 dated 26.01.2004	Approved for revalidation upto 29-2-2008 with payment of composition fee @ 2% for the CIF value of the balance import.
12.	M/s. Buchh Sons, New Delhi	01/84/162/1221/AM05/DES-V	To condone delay in filing DEPB Claim against 11 shipping bills.	DEPB to be allowed subject to conditions.
13.	M/s Reliance Industries Limited.	01/83/162/917/AM07/DES-IV	Revalidation of adv. Licences No.0310282187 dt. 21.07.2004	Approved for revalidation upto 29-2-2008 with payment of composition fee @ 2% for the CIF value of the balance import.
14.	M/s Reliance Industries Limited.	01/83/162/918/AM07/DES-IV	Revalidation of adv. Licences No.0310277590 29.6.04	Approved for revalidation upto 29-2-2008 with payment of composition fee @ 2% for the CIF value of the balance import.
15.	M/s Reliance Industries Limited.	01/83/162/919/AM07/DES-IV	Revalidation of adv. Licences	Approved for revalidation upto 29-

			No.0310234706 dt. 5.11.2003	2-2008 with payment of composition fee @ 2% for the CIF value of the balance import.
16.	M/s Reliance Industries Limited.	01/83/162/921/AM07/DES-IV	Revalidation of adv. Licences No.0310226076 dt. 22.09.2003	Approved for revalidation upto 29-2-2008 with payment of composition fee @ 2% for the CIF value of the balance import.
17.	M/s K. Uttamlal (Exports) Pvt. Limited	01/82/162/958/AM08/DES-IV	Extension in Export Obligation period against 2 adv. Licences Nos. 0310078941 dt. 29-3-2001 and Nos. 0310070205 dt. 24.1.2001.	Approved for EOP extension upto 31.12.2007 without composition fee.
18.	M/s Infravio Software Technologies Pvt. Limited, Chennai (Reference received from Ministry of Communication & IT)	01/92/180/53/AM08/PC II	Condoning the delay in renewal of Letter of Permission and for renewal of LOP for a further period of 5 years.	Approved.
19.	M/s Photon Infotech Pvt. Limited, Chennai (Reference received from Ministry of Communication & IT)	01/92/180/63/AM08/PC II	Condoning the delay in renewal of Letter of Permission and for renewal of LOP for a further period of 5 years.	Approved.

ANNEXURE--I

LIST OF OFFICERS PRESENT IN PRC MEETING HELD ON 7.8.2007 AT 3.30 PM

1. Shri R.S. Gujral, DGFT - in the Chair
2. Dr Maya D. Kem, Addl.DGFT
3. Shri S.K. Prasad, Addl.DGFT
4. Smt Sangeeta Singh, Jt DGFT

5. Smt. Aditi Das Rout, Jt.DGFT
6. Shri S. K. Samal, Jt.DGFT
7. Shri Amitabh Jain, Jt.DGFT
8. Shri A.K. Singh, Jt.DGFT
9. Shri Anil Agarwal, Jt.DGFT
10. Shri O.P. Hisaria, Jt.DGFT
11. Shri Tapan Mazumder, Jt. DGFT
12. Shri S.N. Dubey, Dy.DGFT

ANNEXURE—II

Details of decision taken against individual cases:

Case No.1: M/s Siemens Ltd., Mumbai,

F. No. 01/80/162/471/AM07/DES-II

Meeting No: 4/08 Date: 7-8-07

Subject EOP Extension beyond 36 months against advance licence
No.310209068 dt 18.06.03.

The Committee noted that the advance authorization was issued for supply to project and in terms of paragraph 2.12 of the Handbook of Procedures Vol. 1, the export obligation is co-terminus with the period of project execution mentioned in the Project Authority and so the request of export obligation period extension is well-covered under the existing provision. Accordingly the Committee decided to extend the EOP up to 26.02.2007 for regularization of the exports.

Case No.2: M/s BPL Limited

F. No. 01//81/162/299/AM06-DES-II

Meeting No: 4/08 Date: 7-8-07

Subject Request of regularization against GR Waiver granted by RBI for
part non-realisation of foreign exchange against advance licence

No.070002824 dt.5.10.98.

Committee members noted that though the firm was granted waiver by RBI for non-realization of export proceeds against part shipments, the case is not covered within the existing policy provision. Further, the members could not recollect any such precedent in the past. It further noted that the case was earlier rejected by PRC and subsequently GRC vide its decision dated 14.02.2007 has only referred the matter to DGFT to deal with it in accordance with the provisions of the FTP. So, the Committee decided to reject the request of the firm.

Case No.3: M/s Man Industries (India) Limited, Mumbai

F. No. 01/80/162/61/AM07/DES-1

Meeting No: 4/08 Date: 7-8-07

Subject Extn. in EOP and revalidation of adv. Licence no.0313149876
dated 25.07.2002 without composition fee.

Committee noted that the firm could not fulfill its export commitment due to conditions in Iraq. The Committee therefore taking into account the peculiarity of the situation and the Force Majeure condition, decided to extend the export obligation period up to 29.02.2008 without payment of any composition fee.

Case No.4: M/s Adler Mediequip Pvt. Limited, Ratnagiri (Mah.) ,

F. No. 01/80/50/50/AM05/DES-1

Meeting No: 4/08 Date: 7-8-07

Subject Revalidation of adv. Licence No.0310263483 dt. 13.4.2004.

Committee noted that export obligation had been fulfilled to the extent of 100%. Hence, it was decided to allow revalidation of the advance licence for a period of six months i.e. up to 29.02.2008 with payment of composition fee @ 2% for the CIF value of the balance import.

Case No.5: M/s L. T Overseas Limited, New Delhi

F. No. 01/85/162/542/AM07/DES-VI

Meeting No: 4/08 Date: 7-8-07

Subject EOP Extn. against 2 adv. Licences. Nos. 2309066 dated 8.9.1994

and N0. 0083471 dated 25-6-1997.

Committee noticed that the earlier request of the firm to consider the exports under free shipping bills for the fulfillment of export obligation against the advance licences could not be accepted because of no co-relation of exports to that of the licence particulars could be established by the exporter. However, since the exporter could not avail any benefit against those shipping bills the Committee decided to extend the export obligation period against the aforesaid two advance licences for a period of 9 months i.e. up to 31.05.2008 without payment of composition fee.

Case No.6: M/s Margra Industries Limited, New Delhi

F. No. 01/36/218/110/AM06/EPCG-I

Meeting No: 4/08 Date: 7-8-07

Subject Clubbing of 4 EPCG Licences & adjustment of shortfall in EO against one licence to the excess of another licence (details in agenda)

Committee decided to examine the case in detail on file by the concerned division. Accordingly, the case was deferred for the next meeting.

Case No.7: M/s R.D. Extrusions Pvt. Limited, Haryana

F. No.20/944/94/EPCG-III

Meeting No: 4/08 Date: 7-8-07

Subject Re-export of imported CG and to count its sale proceeds towards fulfillment of EO against EPCG licence No. P/CG/2133733 dt. 21.12.1994.

The Committee noted the circumstances under which the export obligation could not be fulfilled by the firm against the aforesaid EPCG licences issued to them. It further noted that the firm had requested for re-export of the imported capital goods. In view of specific circumstances of the case, the Committee decided to relax the policy provision by allowing re-export of the imported capital goods and adjust the customs duty and interest out of the sale proceeds of the said capital goods subject to the condition that the firm would submit

bank guarantee for the duty saved amount and interest to the Regional Authority. In case the payment of the duty and interest is not made within six months time, the bank guarantee would be revoked by the RA concerned.

Case No.8: M/s Nik-San Engineering Co. Mumbai

F. No. 01/01/80/162/148/AM07/DES-1

Meeting No: 4/08 Date: 7-8-07

Subject Revalidation of adv. Licence No.3410008662 dt. 7.7.2003.

Committee noted that export obligation had been fulfilled to the extent of 70%. Hence, it was decided to allow revalidation of the advance licence on pro-rata of exports for a period of six months i.e. up to 29.02.2008 subject to payment of composition fee @ 2% for the CIF value of balance import.

Case No.9: M/s Nik-San Engineering Co. Mumbai

F. No. 01/01/80/162/147/AM07/DES-1

Meeting No: 4/08 Date: 7-8-07

Subject Revalidation of adv. Licence No.3410007992 dt. 24.07.2003

Committee noted that export obligation had been fulfilled to the extent of 70%. Hence, it was decided to allow revalidation of the advance licence on pre-rata of exports for a period of six months i.e. up to 29.02.2008 subject to payment of composition fee @ 2% for the CIF value of balance import.

Case No.10: Shri Naveen Jindal (MP) New Delhi

F. No. 01/53/8/584/AM05/N-33/ILS

Meeting No: 4/08 Date: 7-8-07

Subject Revalidation of import licence No.P/Z/0260788 dated 11.02.2005.

Committee noted that the applicant could not utilize the import licence within its validity for reason beyond their control and agreed to grant revalidation of the import licence for a period of six months i.e. 29.02.2008.

Case No.11: M/s Dex-Vin Polymers Pvt. Limited, Mumbai

F. No. 01/83/162/587/AM07/DES-IV

Meeting No: 4/08 Date: 7-8-07

Subject Revalidation of adv. Licence No.0310249572 dated 26.01.2004

Committee noted that export obligation had been fulfilled to the extent of 100%. Hence, it was decided to allow revalidation of the advance licence for a period of six months i.e. up to 29.02.2008 subject to payment of composition fee @ 2% for the CIF value of balance import.

Case No.12: M/s Buchh Sons, New Delhi

F. No. 01/ 84/162/1221/AM05/DES-V

Meeting No: 4/08 Date: 7-8-07

Subject Condonation of delay in filing DEPB claim against 11 shipping bills as mentioned below:

Sl. No.	Shipping bills and Date	Date of Let export	Date of issue of BRC
1.	6591628 dt.18.10.02	18.10.02	03.08.04
2.	6643671 dt. 11.12.02	11.12.02	-do-
3.	6669706 dt. 10.01.03	10.01.03	-do-
4.	6694285 dt. 04.02.03	04.02.03	-do-
5.	6549374 dt.04.09.02	05.09.02	-do-
6.	6520734 dt. 05.08.02	08.08.02	20.09.04
7.	6528589 dt. 13.08.02	15.08.02	-do-
8.	6555233 dt. 10.09.02	12.09.02	-do-
9.	6542668 dt. 28.08.02	31.08.02	-do-
10.	6535897 dt. 31.08.02	22.08.02	-do-

11.	6555149 dt. 10.09.02	12.09.02	-do-
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Committee considered the request of the firm and noted from the detailed fact sheet as per agenda that in a number of cases there had been considerable delay on the part of the authorized dealers to issue BRC. It was also observed that in some cases delay in making the request to the bank for issuance of BRC was on account of the firm itself. Hence, the Committee decided that the period from the date company made request for issuing of BRCs to their banker to the date such BRCs were issued, would be deducted from the period between the date of realization and the date of filing of the DEPB application with the RAs to arrive at the application date. The shipping bills will be considered by the RA concerned for DEPB claim as per above laid down principle as per policy including the then late cut provision.

Case No.13: M/s Reliance Industries Limited.

F. No. 01/83/162/917/AM07/DES-IV

Meeting No: 4/08 Date: 7-8-07

Subject Revalidation of adv. Licences No.0310282187 dt. 21.07.2004

Committee noted that export obligation had been fulfilled to the extent of 100%. Hence, it was decided to allow revalidation of the advance licence for a period of six months i.e. up to 29.02.2008 subject to payment of composition fee @ 2% for the CIF value of balance import.

Case No.14: M/s Reliance Industries Limited.

F. No. 01/83/162/918/AM07/DES-IV

Meeting No: 4/08 Date: 7-8-07

Subject Revalidation of adv. Licences No.0310277590 29.6.04

Committee noted that export obligation has been fulfilled to the extent of 100%. Hence, it was decided to allow revalidation of the advance licence for a period of six months i.e. up to 29.02.2008 subject to payment of composition fee @ 2% for the CIF value of balance import.

Case No.15: M/s Reliance Industries Limited.

F. No. 01/83/162/919/AM07/DES-IV

Meeting No: 4/08 Date: 7-8-07

Subject Revalidation of adv. Licences No.0310234706 dt. 5.11.2003

Committee noted that export obligation has been fulfilled to the extent of 74.17% Quantity-wise. Hence, it was decided to allow revalidation of the advance licence on pre-rata of exports for a period of six months i.e. up to 29.02.2008 subject to payment of composition fee @ 2% for the CIF value of balance import.

Case No.16: M/s Reliance Industries Limited. ,

F. No. 01/83/162/921/AM07/DES-IV

Meeting No: 4/08 Date: 7-8-07

Subject Revalidation of adv. Licences No.0310226076 dt. 22.09.2003.

Committee noted that export obligation has been fulfilled to the extent of 97.14% Quantity-wise. Hence, it was decided to allow revalidation of the advance licence for a period of six months i.e. up to 29.02.2008 subject to payment of composition fee @ 2% for the CIF value of balance import.

Case No.17: M/s K. Uttamlal (Exports) Pvt. Limited

F. No. 01/82/162/958/AM08/DES-IV

Meeting No: 4/08 Date: 7-8-07

Subject Extension in Export Obligation period against 2 adv. Licences
Nos. 0310078941 dt. 29-3-2001 and Nos. 0310070205 dt.
24.1.2001.

Committee noted that as there was delay in granting extension of AR 4 form by the customs due to which the firm could not complete export obligation on time. Therefore, it was decided to grant extension in export obligation period in respect of two advance licences as mentioned above up to 31.12.2007 without payment of composition fee.

Case No.18: M/s Infravio Software Technologies Pvt. Limited, Chennai
(Reference received from Ministry of Communication & IT),
F. No. 01/92/180/53/AM08/PC II

Meeting No: 4/08 Date: 7-8-07

Subject Condoning the delay in renewal of Letter of Permission and for renewal of LOP for a period of 5 years for 100% EOU under STP scheme.

Committee noted that the firm had completed stipulated export obligation for the first 5 years of its operations. It further noted from the agenda that their LOP expired on 28.02.2005 and could not file for renewal of LOP within the validity period. Since, their request for condonation of delay in filing the LOP renewal had also been recommended by Department of Information Technology, the Committee decided to condole the delay in filing the request for renewal of Letter of permission by the firm so that their LOP could be renewed for the next 5 years under STP scheme.

Case No.19: M/s Photon Infotech Pvt. Limited, Chennai (Reference received from Ministry of Communication & IT) ,
F. No. 01/92/180/63/AM08/PC II

Meeting No: 4/08 Date: 7-8-07

Subject Condoning the delay in renewal of Letter of Permission and for renewal of LOP for a period of 5 years for 100% EOU under STP scheme.

Committee noted that the firm had completed stipulated export obligation for the first 5 years of its operations. It further noted from the agenda that their LOP expired on 28.02.2005 and could not file for renewal of LOP within the validity period. Since, their request for condonation of delay in filing the LOP renewal had also been recommended by Department of Information Technology, the Committee decided to condole the delay in filing the request for renewal of Letter of permission by the firm so that their LOP could be renewed for the next 5 years under STP scheme.