MINUTES OF THE POLICY RELAXATION COMMITTEE MEETING HELD ON 14.9.06 AT 3.00 P.M. UNDER THE CHAIRMANSHIP OF DGFT.

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

The individual cases taken up for discussion and the decision taken by PRC is detailed below:

Case No.	1
PRC Meeting No.	No. 07/AM 07
Date	14.09.2006
Firm's Name	M/s Hindoostan Spinning & Weaving Mills Ltd., Mumbai
File No.	**18/707/AM 06/EPCG II**
Subject	**Request for waiver of average EO on account of past performance on BIFR recommendation.**

Decision: The Committee members observed that the Grievance Committee had earlier considered the case in its meeting held on 31.7.2006 and it had recommended for waiver of average export obligation. It was also noted by the Committee that out of the five units of the Company, four of them had closed down and the only operating unit was the applicant unit, which had been converted from 100% EOU unit to a DTA Unit under the EPCG Scheme. Hence the Committee members agreed that taking the export turnover of the four non-functional units for calculation of the average export obligation would not be appropriate. Moreover, BIFR had also recommended waiver of Export obligation on account of past performance in respect of four closed units. The Committee, after careful consideration of the above facts, decided to allow waiver of average E.O. arising out of the past performance of the four non-functional units against EPCG Licence No.0330000137 dated 21.02.2000.

Case No.	2
PRC Meeting No.	No. 07/AM 07
Date	14.09.2006
Firm's Name	M/s Heaven Diamonds Pvt. Ltd., Mumbai
File No.	**01/36/21/514/AM 96/EPCG II**
Subject	**Request for issuance of EODC by counting exports upto**

	31.03.2006.

Decision: The Committee observed that a report had already been called for from the O/o the JDGFT., Mumbai and therefore, it was decided to defer the case for the next meeting. The case be placed before PRC again on receipt of report from JDGFT Mumbai.

Case No.	3
PRC Meeting No.	No. 07/AM 07
Date	14.09.2006
Firm's Name	M/s Humboldt Wedag India Pvt. Ltd., Kolkata
File No.	**01/80/162/1150/AM 06/DES-I**
Subject	**Request for revalidation of advance licence No. 0210053291 dated 04.08.2003.**

Decision: The matter was discussed in detail by the PRC. In view of the fact that the firm had fulfilled 100% export obligation against the said advance licence, it was decided to grant revalidation for six months, from the date of endorsement, against advance licence No. 0210053291 dated 4.8.2003 subject to the payment of 2% of the balance cif value of the import, as composition fee.

Case No.	4
PRC Meeting No.	No. 07/AM 07
Date	14.09.2006
Firm's Name	M/s Deccan Chromates Ltd., Hyderabad
File No.	**01/83/162/264/AM 07/DES-IV**
Subject	**Request for extension of EO period against advance licence No. 0910014512 dated 30.5.2003.**

Decision: The matter was discussed by the Committee and it was observed that the firm had fulfilled export obligation to the extent of 58.30% quantity-wise and 90.90% in Dollar terms. The Committee, after careful consideration, decided to accept the recommendation of ALC to grant extension in E.O. period of six months from the date of endorsement on the said advance licence. The composition fee @ 2% per month of the duty saved on the unutilized imported items would, however, be calculated starting from the date of expiry of 30 months from the date of issuance of the licence, since licences issued prior to 1.4.2004 could be granted e.o.p. extension upto 30 months only and not 36 months from the date of the issuance of the licence. RLA should cross verify the facts and call for composition fee for this intervening period as well.

Case No.	5
PRC Meeting No.	No. 07/AM 07
Date	14.09.2006
Firm's Name	M/s Siddhartha Tubes Ltd., Indore
File No.	**01/81/162/679/AM 05/DES-II**
Subject	**Request for clubbing of six advance licence (details as given in the agenda)**

Decision: The matter was discussed at length by the Committee and it was observed that the firm had requested for clubbing 6 licences, out of which one licence bearing No.111004469 dated 19.9.02 had already been redeemed by the Regional Authority. Hence the Committee decided to reject the request of the firm for clubbing with the redeemed advance licences.

Case No.	6
PRC Meeting No.	No. 07/AM 07
Date	14.09.2006
Firm's Name	M/s TTL Ltd., Noida
File No.	**01/81/162/1545/AM 05/DES-II**
Subject	**Request for revalidation against DEPB licence No. 0510118573 dated 20.2.2004.**

Decision: The matter was discussed by the Committee and it was decided to defer consideration of the request. The Committee desired that the firm should be asked to submit copies of documents evidencing their claim that they had been pursuing constantly with the customs authority for registration of the subject DEPB licence prior to its expiry. It was decided that on receipt of such corroborative evidence, the case should again be placed before the PRC.

Case No.	7

PRC Meeting No.	No. 07/AM 07
Date	14.09.2006
Firm's Name	M/s Krebs Biochemicals Ltd., Hyderabad
File No.	01/82/91/01/AM 07/DES-III
Subject	Request for grant of DEPB benefit on Post Export basis against shipping bill No. 08529 dated 26.3.97 assessed under Pass Book Scheme and subsequently converted under DEPB (Post Exports).

Decision: The committee members observed that under the policy provision, benefit of an Export Promotion Scheme can be permitted against shipping bills that have been converted from one Export Promotion Scheme to another E.P. Scheme. Keeping in view this fact and also the fact that Pass Book Scheme was withdrawn w.e.f. 1.4.1997, the Committee decided to allow grant of DEPB benefit on Post Export basis against shipping bill No. 08529 dated 26.3.97 (with shipment date as 2.4.97) assessed under Pass Book Scheme and subsequently converted under DEPB (Post Exports) Scheme.

Case No.	8
PRC Meeting No.	No. 07/AM 07
Date	14.09.2006
Firm's Name	M/s Kim Chemicals Ltd., Mumbai
File No.	**01/82/162/1404/AM06/DES III**
Subject	**Request for revalidation of advance licence no. 0310197144 dated 24.4.2003.**

Decision: The matter was discussed by the Committee and it was observed that the application had been filed in terms of Paragraph 4.7 of the Policy. Moreover, the firm had also fulfilled the export obligation. They could not make any imports due to reasons, inter-alia, fire in their factory, which disrupted production for two months. The Committee also observed that the firm had furnished necessary documentary evidence in this regard. After careful consideration, the Committee decided to grant revalidation for six months, from the date of endorsement, against advance licence No. 0310197144 dated 24.4.2003 without payment of any composition fee.

Case No.	9
PRC Meeting No.	No. 07/AM 07

Date	14.09.2006
Firm's Name	M/s M.S. Shoes and its group of Companies.
File No.	**01/85/162/46/AM 07/DES-VI**
Subject	**Request for revalidation, pro-rata reduction or transferability for 22 Value Based Advance Licences (details as per agenda).**

Decision: The matter was deliberated by the Committee and took note of the facts as given in the agenda. The Committee also took note of the fact that the firm had applied to the Regional Authority on a number of occasions for revalidation and /or transferability on the licences issued in their favour. It was also observed by the Committee that there was a direction from the Court to consider the request of the firm. After careful consideration, Committee decided that the requests made by the firm from time to time for grant of revalidation/pro-rata reduction/and/or transferability in respect of Licences mentioned at S.Nos.4 to 22 of Annexure 1 of the agenda, may be deemed to have been made in terms of Public Notice 2 dated 31-3-2001 and accordingly the JDGFT, CLA should take the following action in the matter:-

1) Since the cases mentioned at S.Nos.1-3 of Annexure 1 have already been redeemed, no further action is required to be taken in these cases.

2) The remaining licences may be processed in terms of Public Notice 2 after taking into account the exports made during the validity of these licences. In the case of value based licences, the same should be converted to Quantity based licences, first.

3) The licences, duly converted to Quantity based, may be granted revalidation for a period of 6 months from the date of endorsement and
may also be made transferable.

The Regional Authority may cross verify the documents, as required as per policy and procedure for processing all these cases and send a compliance report to the Headquarters within thirty days.

Case No.	10
PRC Meeting No.	No. 07/AM 07
Date	14.09.2006

Firm's Name	M/s Network Clothing Co. P. Ltd., Tirupur
File No.	01/84/162/569/AM 06/DES-V
Subject	Request for grant of extension in E.O. period in respect of advance licence No. 3210003992 dated 27.4.2001.

Decision: The matter was discussed by the Committee as per the recommendation of the Grievance Committee. It was decided to grant extension in E.O. period for three months beyond 36 months from the date of issuance of the licence No. 3210003992 dated 27.4.2001 subject to payment of composition fee @ 2% per month on the duty saved on the unutilized imported item.

Case No.	11
PRC Meeting No.	No. 07/AM 07
Date	14.09.2006
Firm's Name	M/s Network Clothing Co. (P) Ltd., Tirupur
File No.	01/84/162/477/AM 06/DES-V
Subject	Request for extension in E.O period in respect of advance licence No. 3210003993 dated 27.4.2001.

Decision: The matter was discussed by the Committee as per the recommendation of the Grievance Committee and decided to grant extension in E.O. period for three months beyond 36 months from the date of issuance of the licence No. 3210003993 dated 27.4.2001 subject to payment of composition fee @ 2% per month on the duty saved on the unutilized imported item.

Case No.	12
PRC Meeting No.	No. 07/AM 07
Date	14.09.2006
Firm's Name	M/s Jhagadia Copper Ltd.
File No.	01/92/180/116/AM 07/PC-II
Subject	Request for refund of Terminal Excise Duty paid.

Decision: The Committee members noted the recommendation of the Grievance Committee made in its meeting held on 25.8.2006. After careful consideration, it was decided to allow the refund of Terminal Excise duty paid by the unit in respect of deemed exports.

Case No.	13
PRC Meeting No.	No. 07/AM 07
Date	14.09.2006
Firm's Name	M/s Moserbaer India Pvt. Ltd., New Delhi
File No.	01/92/180/108/AM 06/PC-II
Subject	Request for Inter-Unit transfer of raw materials between two EOUs.

Decision: The case was placed before the PRC for allowing Inter-unit transfer of raw materials between the two EOUs. The Committee members were informed that recently Board of Approval had communicated their decision that such cases should be directly dealt by DGFT and need not require recommendation of BOA. Keeping in view this fact, the Committee members went through the details of the case and after detailed discussion decided to allow Inter-Unit transfer of raw materials between the two EOUs as per the request of the firm. It was also decided that the policy Division would examine the feasibility of allowing such transfer of raw material within the group companies for future incorporation in the policy.

Case No.	14
PRC Meeting No.	No. 07/AM 07
Date	14.09.2006
Firm's Name	M/s Cepham Milk Specialities Ltd., New Delhi
File No.	01/83/218/14/AM00/DESVI/III
Subject	Request for extension in export obligation for the 12 advance licences (as per list in the agenda) issued to various group companies of M/s Cepham Milk Specialities, Delhi.

Decision: The committee members observed that the matter was earlier considered by GRC in its meeting held on 26.9.2005 wherein they had recommended to PRC to extend the period of export obligation by 12 months from the date of endorsement subject to the firm depositing Rs.2 lakhs per month in a separate reserve account under DGFT and thereafter to remove the name of the Directors / companies from the defaulters list. The Committee discussed the issue at length and observed that the extension of export obligation period has been sought for licences pertaining to the period 1993 to 1995 when the duty structure was significantly high compared to the present duty structure. So it was decided that the concerned DES Division would prepare a fact sheet on the duty saved amount at the time of import vis-à-vis the duty structure prevailing today. Moreover, the justification for the extension alongwith applicable composition fee in case of extension in export obligation period would also be required to be examined. Accordingly it was decided that the concerned Division would bring the above facts to the notice of GRC for review of their decision.

Case No.	15
PRC Meeting No.	No. 07/AM 07
Date	14.09.2006
Firm's Name	M/s. Kopran Ltd.,
File No.	01/82/50/1054/AM 05/DES-III
Subject	Request for grant of EOP extension beyond 30 months till completion of E.O in respect of four advance licence (details as mentioned in the agenda) - reduction of composition fee from 2% to 1% per months after expiry of initial period of E.O of 30 months till completion of E.O. in each case.

Decision: The Committee members observed that the GRC recommended for reduction of composition fee to 1% per month instead of 2% with the approval of C&IM. Therefore, the Committee decided to implement the same.

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"ANNEXURE I"

LIST OF OFFICERS WHO ATTENDED THE POLICY RELAXATION COMMITTEE MEETING HELD ON 14.9.2006 AT 3.00 P.M.

1. Shri K. T. Chacko, DGFT – in the Chair
2. Shri N.K.Gupta, Addl.DGFT
3. Dr.(Mrs.) Maya D. Kem, Addl.DGFT
4. Shri Surat Singh, Addl.DGFT

5. Shri S.K. Prasad, Addl.DGFT
6. Shri Amitabh Jain, Jt.DGFT.
7. Mrs. Alka Bhatia, Jt.DGFT
8. Shri A.K. Singh, Jt.DGFT
9. Shri Tapan Mazumder, Jt. DGFT
10. Shri P.K. Santra, Dy. DGFT
11. Smt. Kiran Sehgal, Dy.DGFT