

MINUTES OF THE POLICY RELAXATION COMMITTEE
MEETING NO.08/AM07 HELD ON 26th OCTOBER, 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, DG informed that meeting had basically been scheduled to discuss the case of M/s Sterlite Industries India Ltd in which case the applicant had filed a Civil Writ Petition and a decision had to be taken before a formal reply could be filed before the Hon'ble High Court of Delhi. DG further desired that since he is demitting office on superannuation on 31.10.2006, he would not like to take any major policy decisions and therefore, only such other cases on agenda be discussed which do not involve major policy issues. Accordingly, the following cases came up for discussion and detailed decision taken in each of these is given below:-

Case No.	6.
PRC Meeting No.	No.08/AM07
Date.	26.10.2006
Firm's Name	Office of the Commissioner of Customs, Tuticorin (M/s Sterlite Industries India Ltd)
File No.	01/81/162/128/AM06/DES-II
Subject:	Revalidation of transferred 119 DEPB licences to re-credit the excess debit duty.

This case had come up before the PRC in its meeting held on 6.12.2005 when the Committee had decided to reject the request for revalidation of 119 DEPB licences. The applicant had approached High Court of Delhi and filed a Civil Writ Petition against the said decision. They have pleaded before the Court that in a similar situation, 215 acquired DEPB licences were permitted to be revalidated by the PRC in the past under similar circumstances. The convener of Norms Committee informed the Committee that the counter affidavit is yet to be filed in the case and case is fixed for next hearing on 7.11.2006. A decision is therefore to be taken before this next date of hearing as to whether we should agree to revalidate these licences in line

with the earlier decision taken in a similar situation, as pleaded by the applicant.

The Committee took note of the provisions in para 2.13.1 of the Handbook of Procedures Vol.I which provides that revalidation of freely transferable licences shall be permitted only where such licences have expired in the custody of either Customs authorities or Regional authorities. It was brought to the notice of the Committee that the customs authorities had wrongly debited excess amount for which the re-credit has been sought by the applicant and customs authorities have accepted their mistake. To that extent it was felt that wrong debit was done while the licences were in the custody of customs authorities and when the Customs authorities realized their mistake the DEPB licences had already expired. Therefore, the situation was similar to one as reflected in Para 2.13.1 of HBP and licences can be deemed to be expired in the custody of Customs authority.

Taking a view on these lines, it was decided to revalidate 119 acquired DEPB licence to enable the customs authorities to re-credit the wrongly debited amount of Rs.65,32,198/-. This revalidation shall be for a period of six months and shall be effective from the date, endorsement to this effect is made on these licences. This revalidation shall be further subject to the following conditions:-

- (i) The utilization of DEPB licences thus revalidated shall be restricted to the amount which may be re-credited by the Customs on account of provisional and final assessment of customs duty on imports by M/s Sterlite Industries (India) Ltd thereunder.
- (ii) The amount of customs duty thus re-credited shall be utilized only by M/s Sterlite Industries (India) Ltd for import of goods under the relevant DEPB licences.
- (iii) M/s Sterlite Industries (India) Ltd shall submit formal request for revalidation of the concerned DEPB licences to the respective Regional Authorities which issued the licences.

The Committee also observed that although these DEPB licences pertain to the year 2002-03, customs authorities have intimated the anomaly of excess debit only in April, 2005, i.e. nearly 3 years after the issue of the licence. It was therefore decided that a formal D.O. communication should go to JS(DBK) inviting their attention to this anomaly and requesting them to

investigate and take suitable action as to how and why there was delay on the part of the concerned customs authorities in detecting this mistake.

Case No.	10.
PRC Meeting No.	No.08/AM07
Date.	26.10.2006
Firm's Name	M/s Lion Services Ltd, New Delhi
File No.	01/93/180/041/AM07/PC-I(B)
Subject:	Clarification on ITC (HS) Classification in respect of Mechanical Vacuum Sweeping system imported from Italy – Exemption from homologation condition.

The Committee accorded ex-post-facto approval to the exemption already approved on file from the homologation condition that was required to be followed as per Chapter 87 of ITC (HS) Classifications for Export and Import Items 2004-09 in respect of import of Mechanical Vacuum Sweeping System to be used for purposes only at DIAL premises of Delhi International Airport.

Case No.	18
PRC Meeting No.	No.08/AM07
Date.	26.10.2006
Firm's Name	M/s Bajaj Auto Ltd, Pune
File No.	01/94/162/627/AM07/PC-I
Subject:	Permission for payment of full duty with applicable interest, in respect of item No.5 of the EPCG licence No.3130001113 dated 31.3.2005 and to exit from EPCG Scheme for the above CG.

This case relates to request made by the applicant firm for early exit from EPCG scheme in respect of EPCG licence No.3130001113 dated 31.3.2005 obtained by them. The Committee was informed that the applicant is willing to pay applicable customs duty and interest thereon in lieu of the obligation that was imposed on them on account of imports having been made under EPCG scheme. The case had already been examined on file and DG has approved the exit from EPCG scheme subject to the condition that the applicant firm pays full duty on which exemption

was availed at the time of clearance and the interest component will be calculated from the date of import upto the date, the duty is paid finally to the Customs authorities. Accordingly, the Committee accorded ex-post-facto approval to this decision and this will be applicable to EPCG licence No.3130001113 dated 31.3.2005 obtained by the applicant firm.

Regional Authority to take suitable action accordingly.

Case No.	19.
PRC Meeting No.	No.08/AM07
Date.	26.10.2006
Firm's Name	M/s Adonis Electronics Pvt Ltd, Mumbai
File No.	01/53/8/484/AM06/A-61/ILS
Subject:	Request for endorsement on the import licence No.0350001127 dated 12.4.2006 – endorsement of “Valid for goods already shipped, arrived and cleared”.

The Committee agreed to regularize the imports made against the subject licence for goods already cleared even before issue of the licence. The licence in question may be endorsed with the condition “valid for goods already shipped, arrived and cleared” to facilitate this regularization.

Case No.	20.
PRC Meeting No.	No.08/AM07
Date.	26.10.2006
Firm's Name	M/s DOT Com Infoway Ltd, Chennai
File No.	01/53/8/316/AM07/D-14/ILS
Subject:	Grant of import licence for restricted items for 24 units of Split ACs which have already been cleared from Customs against bond.

The Committee agreed to regularize the imports made against the subject licence for goods already cleared even before issue of the licence. The licence in question may be endorsed with the condition “valid for goods already shipped, arrived and cleared” to facilitate this regularization.

Case No.	21.
PRC Meeting No.	No.08/AM07
Date.	26.10.2006
Firm's Name	M/s Daikin Airconditioning India (P) Ltd, New Delhi
File No.	01/53/8/1279/AM06/D-11/ILS
Subject:	Request for endorsement on the import licence No.0550000409 dated 21.3.2006 – endorsement of “Valid for goods already shipped, arrived and cleared”.

The Committee agreed to regularize the imports made against the subject licence for goods already cleared even before issue of the licence. The licence in question may be endorsed with the condition “valid for goods already shipped, arrived and cleared” to facilitate this regularization.

As far as the other cases are concerned, the same are deferred and shall be discussed in the next meeting of Policy Relaxation Committee.

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 Amitabh Jain, Jt.DGFT
6. Shri A.K.Singh, Jt. DGFT
7. Shri O.P. Hisaria, Jt.DGFT
8. Shri Tapan Mazumdar, Jt. DGFT
9. Ms. Kiran Sehgal, Dy.DGFT
10. Shri P.K. Santra, Dy.DGFT
11. Shri M.K.Parimoo, Jt.DGFT
