MINUTES OF THE POLICY RELAXATION COMMITTEE MEETING NO.09/AM06 HELD ON 27th October, 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. Kalpataru Power Transmission Ltd.
File No.	6/25/2003/PC-II
Subject:	Condonation of time limit with regard to filing of application for refund of TED.

The Committee considered the case as per details given in the Agenda. The Committee was of the view that so long as the excise duty paid is legitimately refundable the same should not be denied. The circumstances leading to delay in filing the claim are genuine and therefore the Committee decided to relax the policy provision in the instant case and consider the application filed for said TED refund as having been filed in time. It was also brought to the notice of the Committee that there may be similar such cases and there may be claimants on the lines as in the instant case. To that extent, it was decided that last date of 31.3.2005 be prescribed for all such claims to be filed for refund of terminal excise duty whenever applicable. PC-II Division will issue a suitable clarificatory circular in this regard.

Case No.	2.
Firm's Name	M/s. Paramount Conductors Ltd.
File No.	1/81/162/187/AM 06/DES-II
Subject:	Revalidation of advance licence No. 0310063241 dated 30.11.2000 for a period of six months

The Committee considered the case as per details given in the Agenda. It was agreed to revalidate the licence No.0310063241 dated 30.11.2000 for a period of six months and this six months period will commence from the date of endorement of this revalidation on the licence. This will however be sobject to payment of 2% composition fee on the unutilized CIF value of the licence.

Case No.	3.
Firm's Name	M/s. Ispat Industries Ltd.
File No.	1/80/162/575/AM06/DES-I
Subject:	Revalidation of DEPB licence No. 0310255837 dt. 1.3.2004.

The Committee considered the case as per details given in the Agenda. It was observed that the onus was on the applicant to utilize the licence within its validity and presumption on the part of the applicant that the same is valid upto to 1.3.2005 and not 28.2.2005 cannot be accepted as a plea for seeking revalidation. Moreover, this being a transferable scrip and the same having already been transferred by the applicant, it was decided to reject the request.

Case No.	4.
Firm's Name	M/s. Star International
File No.	1/85/162/339/AM04/DES-VI
Subject:	Revalidation of DEPB licence No. 0510028755 dt. 7.12.2000.

The Committee considered the case as per details given in the Agenda. From the Agenda it is revealed that the applicant has pleaded that they had taken a great amount of time to locate the licence. This plea does not provide justification for seeking revalidation. It was decided to reject the request.

Case No.	5.
Firm's Name	M/s. Indian Ceramic House, New Delhi
File No.	1/85/161/242/AM06/DES-VI
Subject:	Revalidation of advance licence No. 0510068863 dt. 23.9.2002.

The Committee considered the case as per details given in the Agenda. Although agenda papers placed before the Committee reveal that bond waiver was allowed upto 22.3.2005 and the licence alongwith ARO was valid upto 22.3.2005, it does not provide the details as to when the same had been submitted for said bond waiver / issue of advance release order. It was therefore decided that the details as to when the original request for seeking bond waiver was submitted by the applicant to the RLA concerned be obtained from the applicant/RLA. The case may be placed before the PRC alongwith these details.

Case No.	6.
Firm's Name	M/s. CMS Balan & Co.
File No.	01/85/50/14 & 20/AM04/DES-VI
Subject:	Ratification of norms of advance licence No. 350008486 dt. 28.3.2002 and 3510009138 dt. 2.5.2003.

The Committee considered the case as per details given in the Agenda. It was observed that this is basically a case of norms. The GRC had given some directions and the ALC is competent to decide on the norms issue and PRC has no role at this stage. It was decided to revert the case back to ALC for appropriate decision in the matter.

Case No.	7.
Firm's Name	M/s. Advance Ventilation Pvt. Ltd.
File No.	1/92/180/203/AM05/PC-II
Subject:	Request for relaxation in Para 8.31(ii) of HBP Vol.1.

The Committee considered the case as per details given in the Agenda. The Committee agreed that in such cases where advance payment has been received and supplies are made subsequent to receipt of payment, the last date for making a claim for TED refund cannot be co-related with the receipt of the payment. Accordingly, the application filed in the instant case may be treated as having been received within the last prescribed date. It was also decided that while carrying out the annual review of the Foreign Trade Policy, this aspect may be taken care of and in such cases where payment is received in advance, last date for submission of application may be co-related with the date of supply instead of date of receipt of the payment.

Case No.	8.
Firm's Name	M/s. Ramsarup Engg. Industries Ltd.
File No.	1/81/162/922/AM 05/DES-II
Subject:	Waiver of imposition of payment of 2% on the unutilized CIF value of advance licence No.0210029594 dated 19.12.2001.

The Committee considered the case as per details given in the Agenda. The Committee was not agreeable to relax the condition of payment of 2% composition fee as stipulated earlier by the Committee for this case. It was observed that apart from steel, zinc is also an input permitted to be imported and carries 15% customs duty and therefore position has not been correctly reflected by the applicant which states that they are importing only 5% duty items. The request was rejected and the revalidation will be allowed in the instant case only on payment of composition fee of 2% on unutilized CIF of the licence as decided earlier.

Case No.	9.
Firm's Name	M/s. Tractors & Farm Equipment Ltd.
File No.	1/81/162/911/AM05/DES-II
Subject:	To accept all the exports made either within the EOP or expiry of EOP and to regularize three advance licence Nos.4011650 dt. 13.11.02, 410005766 dt. 02.05.00 and 410012325 dt. 28.01.04.

The Committee considered the case as per details given in the Agenda. There are two issues before the Committee as decided by GRC. (i) Extension of EO period on payment of composition fee. This is already provided in the Foreign Trade Policy and therefore should be permitted within the scope of the said policy. (ii) As regard the second issue, to accept free Shipping Bills towards fulfillment of EO it was decided to seek the status report from the applicant as to what prompted them to export these items under free Shipping Bill when their intention was to fulfill the EO against outstanding advance licences. This issue will be decided by PRC on receipt of the details.

Case No.	10
Firm's Name	M/s. Abhijit Exports
File No.	01/89/180/Misc-43/AM06/PC-I(A)
Subject:	Request for restoration of policy regarding EXIM Code 68021000 (Marble tiles, cubes powder) & 68022110 (marble blocks/tiles).

The Committee considered the case as per details given in the Agenda. The Committee observed that no case is made out for seeking relaxation in the instant case because there is nothing to conclusively justify that advance payment made was in respect of the supply of tiles/marble blocks. The case was therefore rejected.

Case No.	11.
Firm's Name	M/s. Endurance Systems (I) Pvt. Ltd.
File No.	1/53/8/105/AM06/E-II/ILS/PC-I(B)
Subject:	Import of motor bike for R&D-relaxation/exemption from the condition of Licensing Note Para 2(II) e (ii) to Chapter of 87 of ITC(HS).

The Committee considered the case as per details given in the Agenda. The Committee decided to allow import of one number Motor Bike by M/s Endurance Systems (I) Pvt Ltd., Aurangabad for R&D purposes as it was brought to the notice of the Committee that they had given an undertaking that they will not register said vehicle for use on road and also that they are actually the manufacturer of the components used for the manufacture of the Motor Bike and a registered R&D unit.

Case No.	12
Firm's Name	M/s. Diamond International, New Delhi
File No.	01/93/180/76/AM06/PC-I(B)
Subject:	Import of Marble – clearacne regarding in the relaxation of Notifiation o.23/2005 dated 31.8.2005.

The Committee considered the case as per details given in the Agenda. The Committee observed that no case is made out for seeking relaxation in the instant case because there is nothing to conclusively justify that advance payment made was in respect of the supply of tiles/marble blocks. The case was therefore rejected.

Case No.	13
Firm's Name	M/s. Virtus Exports & Imports, Gurgaon
File No.	01/89/180/105/Misc.65/AM05/PC-I(B)
Subject:	Import of Marble – clearacne regarding in the relaxation of Notifiation o.23/2005 dated 31.8.2005.

The Committee considered the case as per details given in the Agenda. The Committee rejected the request to allow containers stuffed with HMS Scrap to be imported through Bandar Abbas Port merely because they claim the transaction was mutually agreed upon by the two parties by making some advance payment in respect of the said imports and not adhering to the mandatory requirement of establishing an irrevocable letter of credit.

The meeting ended with vote of thanks to the Chair.

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Annexure-I

LIST OF PARTICIPANTS

1. Dr(Ms.) Maya D.Kem, Addl.DGFT
2. Shri S.K.Prasad, Addl. DGFT
3. Shri Vipin Saxena, EC
4. Shri A.K.Singh, Jt. DGFT
5. Shri S.B.S. Reddy, Jt. DGFT
6. Shri Anil Aggarwal, Jt. DGFT
7. Shri Tapan Mazumdar, Jt. DGFT
8. Shri P.K. Santra, Dy. DGFT
9. Shri S.K. Srivastava, Dy. DGFT
10. Shri H.C. Azad, Dy. DGFT
11. Smt. Kiran Sehgal, Dy. DGFT
12. Shri M.K.Parimoo, Dy.DGFT

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