Directorate General of Foreign Trade
(PRC Section)

Minutes of the Policy Relaxation Committee (PRC) Meeting No. 29/AM18 held on 06.03.2018 under the Chairmanship of Shri Alok Vardhan Chaturvedi, Director General of Foreign Trade

The following members were present in the meeting:

1.	Shri N. P. S. Monga	Addl. DGFT
2.	Shri K. C. Rout	Addl. DGFT
3.	Shri J. V. Patil	Addl. DGFT
4.	Shri S. B. S. Reddy	Addl. DGFT
5.	Shri N. K. Srivastava	Addl. DGFT
6.	Shri Jay Karan Singh	Jt. DGFT
7.	Shri Akash Taneja	Jt. DGFT
8.	Shri S.P. Roy	Jt. DGFT
9.	Shri Lokesh H.D.	Jt.DGFT

Following cases were discussed. The decisions taken on the individual cases are as under:-

Case No.1: M/s. Arkray Healthcare Pvt. Ltd., Mumbai (PH Case)

F. No. 01/60/162/631AM18/PRC (Meeting No. 29/AM18 held on 06.03.2018)

Subject: Re-credit of 4% SAD – issuance of consolidated certificate (credit note) regarding.

Shri Prasad Bhat, Advocate appeared before the Committee. He stated that the firm was issued a consolidated certificate being the amount towards 4% SAD in the year-2011-12 but the same could not be entered into the DEPB due to change in policy and also due to unforeseen circumstances. He further stated that original scrips, submitted by the firm to RA, Mumbai, were lost by O/o DGFT Mumbai. Hence the firm has requested for revalidation of scrips re-credit of 4% SAD – issuance of consolidated certificate (credit note).

Decision: The Committee heard the submissions made by Shri Bhat and noted that the claim of the firm of submitting the original documents to RA, Mumbai was not corroborated by any evidence. The Committee further noted that the case pertains to the year 2012 and the documents should have been deposited by 2013. In absence of any evidence of documents having been deposited in DGFT (RA, Mumbai), the Committee found no merit in the case and decided to reject the case.

Case No.2: M/s.Mahalaxmi Seamless Ltd., Raigad (PH Case)

F. No. 01/60/162/347/AM17/EFGC PRC) (Meeting No. 29/AM18 held on 06.03.2018)

Subject: Request for extension for regularization of advance authorization No.0310562067 dated 25.2.2010 for further 28 months i.e. up to 25.6.2016 and allow them fulfill the balance export obligation 346.382MT during 2018-19.

Shri K S Ganesh, Manager of the firm appeared before the Committee. However, he admitted that he came for another meeting with DG in a review case and was not prepared for this case.

Decision: In view of the submission of the firm, the Committee decided to defer the case.

Case No.3: M/s. S.R.V. Synthetics Mumbai (PH Case)

F. No. 01/60/162/675/AM18/PRC(Meeting No. 29/AM18 held on 06.03.2018)

Subject: Second revalidation of advance authorization No.031080427 dated 29.4.2016.

Decision: No one appeared before the Committee. Therefore, the Committee decided to defer the case.

Case No.4: M/s. Fine Line Circuts Ltd., Mumbai (PH Case)

F. No. 01/60/162/712/AM18/PRC(Meeting No. 29/AM18 held on 06.03.2018)

Subject: Request for condonation of procedural error for not mentioning "Yes" for declaration of intent to claim inventive under MEIS against Shipping Bill mentioned in Annexure "A"

Shri Abhay Doshi, Managing Director of the firm appeared before the Committee. He explained that the firm has made a procedural error in not making "Y" Yes for the declaration of intent in the S/bills to claim the incentive under MEIS. They regretted the procedural error and sought condonation of their error for shipping bills from 01.10.2015 to 05th Dec 2016. Para 3.14 of Hand Book of Procedure for EDI Shipping Bills stipulates that "Marking/ticking "y" (for Yes) in "Reward" column of shipping bills against each item, which is mandatory, would be sufficient to declare intent to claim the benefit or reward under Chapter 3 of FTP exporter shall tick "N"(for No). Such marking/ticking shall be required even for export shipments under any of the schemes of Chapter 4 [(including drawback), Chapter 5 or Chapter 6 of FTP]. But the firm have erred on this procedural aspect till 5th December 2016 and hence request for suitable condonation for not mentioning "Yes" for declaration of intent to claim incentive under MEIS and to allow the MEIS benefit Against S/Bills mentioned in Annexure "A" does not merit any relaxation.

Decision: The Committee heard the submissions but it did not find any merit for acceding to the request, as many cases of such nature have been rejected by PRC earlier. The Committee observed that DGFT vide PN No. 47 dated 08.12.2015, having considered the requests from exporters, trade and industry for condoning the inadvertent mistake of marking "N" in the reward item box (even though wishing to seek MEIS benefits), had extended the time line (from previous period of 01.04.2015 – 31.05.2015) by another three months (i.e. 01.06.2015 - 30.09.2015). Beyond this period, there is no justification, more so when the lapse continued as long as Dec, 2016. Therefore the Committee decided to reject the case.

Case No.5: M/s. Shiva Pharmachem Ltd., Vadodara (PH Case)

F. No. 01/60/162/903/AM16/PRC(Meeting No. 29/AM18 held on 06.03.2018)

Subject: Waiver of pre-import condition against advance license No.03020742 dated 19.12.1997 and acceptance of BRCs for redemption and extension in E.O. EOP for further 6 months.

Decision: No one appeared before the Committee and it was decided to defer the case.

Case No.6: M/s. Kore Foods Limited Mumbai

F. No. 01/60/162/645/AM18/PRC(Meeting No. 29/AM18 held on 06.03.2018)

Subject: Waiver of Pre-import condition against advance License No. 03020742 dated 29.12.1997 & acceptance of BRCs for redemption and extension in EOP for further 6 months

The firm submitted that after declaration as sick unit all its directors have changed. There is no one who is aware about the previous obligation/Liability but the company wants to clear all required formalities. There is export prior to import only against two shipping bills. They have submitted documents to RA, Mumbai, in respect of EODC but RA raised the query in respect of export done prior to import, besides the seal and stamps of the bank being not sufficient in BRC. The applicant firm has indicated all the documents are prior to year 2000. Bank staff has changed in 15 years and as per DGFT policy BRC now issued by bank is online, so it is not possible for the bank staff to sign and stamp again. Further, their company already having been declared a sick unit by the BFIR, they are unable to pay the duty but want to close their case but they have only those documents, because in a fire in 2005 all other documents were burnt.

Decision: After going through the submissions made by the firm, the matter was discussed at length. The Committee, considering all aspects, decided to reject the case.

Case No.7: M/s. Malwa Industries Limited Ludhiana

F. No. 01/60/162/647/AM18/PRC(Meeting No. 29/AM18 held on 06.03.2018)

Subject: Acceptance of drawback shipping bill No.4745839 dated 28.7.2011 under advance authorization No.3010070670 dated 08.11.2010 for redemption.

The firm has submitted that by mistake they exported one shipment under "Drawback Shipping bill". As the mistake came to notice, they submitted the request to customs for conversion of shipping bill into free shipping bill. But as 3 months period from date of LEO allowed as per Para 2.56 of HBP 2009-14 had lapsed, they could not get the Drawback-shipping bill conversion request sanctioned. They deposited Drawback against the above shipping bill along with interest but erroneously claimed drawback to the customs at JNPT, Mumbai. After redeposit of drawback, they filed request to RA, Ludhiana for redemption and for accepting above Drawback shipping bill under this authorization. However, RA, Ludhiana has not accepted the same till date and had not redeemed the license for more than 3 years in spite of above facts, citing that they don't have power to accept that. In the recent letter dated 23.08.2017, RA, Ludhiana has advised the firm to pay the customs duty +interest after excluding export made under said Drawback Shipping bill. Company has indicated that it is being penalized unfairly. There is no loss to the Government of India nor has they benefited anything. Hence, they have requested to accept drawback shipping bill no.4745839 dated 28.07.2011 under above advance authorization for redemption.

Decision: The Committee, after consideration, did not find the case to be one of genuine hardship and adverse impact on trade. Therefore, the Committee decided to reject the case.

Case No.8: M/s. Anvil Cables Pvt. Ltd., Kolkata

F. No. 01/60/162/261/AM18/PRC(Meeting No. 29/AM18 held on 06.03.2018)

Subject: Request for Revalidation of Advance Authorization No.0210206050 dated 06.08.2015

The firm has submitted that after completing shipment they have got ARO in favour of Bharat Aluminum Co. Ltd. to procure the Import Item (Aluminum Alloy Wire Rod) indigenously. But due to non-availability of the material from Bharat Aluminum co. as well as other local supplier, they have applied for change item description in wire Rod to Primary Unalloyed Aluminum as allowed in SION SL No. C1394 and for 1st time EO extension on 16.11.2016. The import item has been changed and the 1st time EO extension granted by RA, Kolkata on 02.02.2017. But unfortunately the revalidated original authorization was delivered to their office on 06.02.2017 (i.e. the last date of the extended validity of the authorization) and because of this they had no time to make import or to procure indigenously from the local supplier. Hence, they have requested for 2nd revalidation with at least three months time in hand from the date of receipt of revalidation authorization so that they can import or procure indigenously from the local supplier.

Decision: The Committee noted that the applicant had the option either to source from domestic market or import the item, and hence did not find the case to be one of genuine hardship and adverse impact on trade. Therefore, the Committee decided to reject the case.

Case No.9: M/s. Polynova Industries Ltd., Mumbai

F. No. 01/60/162/122/AM18/EFGC(PRC) (Meeting No. 29/AM18 held on 06.03.2018)

Subject: Request for EOP extension of advance authoristion No.0310708244 dated 10.09.2012 upto 30.11.2015.

The firm has submitted that due to slack in International market conditions they could not complete the EO within the initial or the extended EO period i.e. within 30 months i.e. 31.03.2015 (date of expiry of export validity period) from the date of issue of AA. However Even after expiry of EO they kept exporting the goods and completed the EO 100% both in terms of quantity and value w.r.t actual imports made. Hence, they have requested for EOP extension.

Decision: The Committee, did not find any reason or justification as of genuine hardship and noted that adverse suffered due to the dynamics of the market can not be a cause for seeking policy relaxation and advised the applicant to get his AA regularized within a period of 30 days from the publication of this minutes.

Case No.10: M/s. Regalia Laminates New Delhi

F. No. 01/60/162/568/AM18/EFGC(PRC) (Meeting No. 29/AM18 held on 06.03.2018)

Subject: Consideration of export made under shipping bill No.4843783 dated 03.11.2011, 5394146 dated 13.09.2011 and 6664937 dated 14.12.2011 and AA No.0510315471 dated 24.01.2012.

The firm submitted that their export was completed in full value/quantity in proportion to import made. The export was made directly and also through 3rd party. There were total 21 shipping bills covering all exports in which 6 s/bills were direct shipments and 15 s/bills through third party. In case of third party exports out of 15 s/bills, the name of license holder i. e. Regalia Laminates did not appear in 3 shipping bills. In its place IEC code along with file no. of authorization was appearing on s/bills. Since on 3 s/bills the name of license holder, Regalia Laminates, did not appear, CLA office did not consider these 3 s/bills for discharge of EO and asked them to approach PRC, even though IEC and file no. of authorization was present. Presence of IEC and authorization number in the shipping bills, establishes direct linkage of export of these 3 s/bills with the authorization in the name of Regalia laminates. The firm vide their letter dated 5.1.2018 has submitted the EP copy of shipping bills in original. Hence, they have requested to count the export in above 3 shipping bills against AA no. 0510315471 dated 24.01.2012 for EODC.

Decision: The Committee noted that even if the name of the license holder did not appear in the Shipping Bills, the authorization number and IEC appears in the said shipping bills. Hence, the Committee decided to count exports made under these three shipping bills in question for EODC. The RA may accordingly take appropriate action.

Case No.11: M/s Tetra Pack India Private Limited, Pune

F. No. 01/60/162/694/AM15/EFGC (PRC) (Meeting No. 29/AM18 held on 06.03.2018)

Subject: Condonation of procedural lapse of not mentioning GSM of bleached paper/bleached paper board/duplex paper board on shipping bill of exports made against advance authorization No.3110053613 dated 20.04.2012 3110059464 dated 18.07.2012 and 3110057232 dated 21.02.2013.

The firm indicated that it was issued above advance authorization to import items including "Bleached paper / bleached paper Board / Duplex paper board" to manufacture and export Aseptic Packaging material". Due to the fact that there was no condition in the above mentioned SION to mention GSM of "Bleached paper / Bleached paper Board / Duplex Paper Board on export documents, they ignorantly could not mention the GSM of the particular import item on shipping bills while furnishing details of consumption of imported inputs against export product. When they have completed export obligation against all the Advance Authorization and filed their application for redemption with the office of RA, Pune, the RA, Pune directed them to submit a certificate either from Customs or Central Excise, showing use of different GSM of import item namely "Bleached paper / Bleached Paper Board / Duplex paper Board" in the end product. The firm response is that since they have already completed their EO against above authorization and the export documents have already been generated, it is not possible for them to get the documents further attested by the customs Authority showing GSM of import item namely "Bleached Paper / Bleached Paper Board / Duplex paper Board". Hence, they have requested to condone the procedural lapse of not mentioning GSM of the imported item "Bleached Paper/Bleached Paper Board / Duplex paper Board" on shipping bills.

Decision: The Committee, after consideration, did not find the case to be one of genuine hardship and adverse impact on trade. Therefore, the Committee decided to reject the case.

Case No.12: M/s Renault Nissan Technology & Business Centre India Pvt. Ltd. Chennai

F. No. 01/89/180/29/AM09/PRC(Meeting No. 29/AM18 held on 06.03.2018)

Subject: Request for amendment of PRC decision

The firm's request is for amendment in the decision taken by PRC in its meeting No.27/AM18 dated 09.01.2018 Case No.45 for relaxation of para 1 (ii)(b) (i) (ii)(iii) of Chapter 87 of ITC HS 2017 schedule – I (Import policy) for import of used left hand drive car for trail testing and programming. The Committee had recommended that after completion of testing, the car would be re- exported back after three year from the date of import. The firm had however sought permission to scrap the car after completion of the testing.

Decision: The Committee, after detailed deliberations, rescinded its earlier recommendation and further recommended for scrapping of the car before the central excise/GST authorities under intimation to DGFT.

Case No.13: M/s Mahindra & Mahindra Ltd., Mumbai

F. No. 01/89/180/17/AM12/PRC(Meeting No. 29/AM18 held on 06.03.2018)

Subject: Grant of policy relaxation for import of used vehicles for R & D purpose from EUROPE.

M/s Mahindra & Mahindra Ltd., Mumbai vide letter dated 12.01.2018 has stated that they wanted to import following two used Motorcycle registered in Europe for their Benchmarking – Research and Development purpose and have sought relaxation of the following provisions in the matter, as under:

S. No.	Description of vehicle	Type of	Vehicle identification no.	Make	Year of Make	Country of origin
1.	Motor Cycle Model PEGASO 650 IE	Used	ZD4RW00001S 100224	APRILIA	2001	Austria
2.	Motor Cycle Model PEGASO 650 IE	Used	ZD4RW00104S 000474	APRILIA	2004	Austria

Relaxation sought for compliance with Rule (1) (II) (a), (b) (iii), (c), (d) (i) (ii) (iii) (iv) and (e) of Policy conditions at the end of chapter 87 of ITC(HS) 2017.

Decision: The PRC considered the request and recommended relaxation of the provisions of (1) (II) (a), (b) (iii), (c), (d) (i) (ii) (iii) and (e) of Chapter 87 of ITC(HS) 2017 to permit import of two used vehicles by M/s Mahindra & Mahindra Ltd., Mumbai.

Case No.14: Shri P S Patwalia Additional Solicitor General, Supreme Court of India

F. No. 01/89/180/Misc/14/AM10PC-2A part-A(Meeting No. 29/AM18 held on 06.03.2018)

Subject: Relaxation of condition 1(ii) (a) and Part E of schedule of the import policy.

The is a request from Shri P S Patwalia, Additional Solicitor General of India, Supreme Court of India for relaxation of policy conditions 1 [II] [a], [d] and part [e] of Schedule I of the import policy for import of a used/ second hand 1981 Model Mercedes Benz 380 SL with automatic transmission Car from the United Kingdom, The issue had been discussed in PRC Meeting No.05/AM18 held on 16.05.2017 wherein it was decided to defer the case for seeking NOC from Department of Heavy Industry (DHI) and Ministry of Road Transport and Highways (MORTH). Accordingly, the application was forwarded to DHI and Ministry of Road Trans-port and Highways for seeking No Objection.

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DHI vide O.M dated 16.11.2017 has stated that since the vehicle is more than 36 years old, request for relaxation of policy conditions 1 [II] [a], [d] and part [e] of Schedule I of the import policy for import of used/second hand 1981 Model Mercedes Benz 380 SL with automatic transmission car from United Kingdom is not acceded to.

MORTH vide OM dated 22.11.2017 has given references of Hon'ble Tribunal's order dated 07.04.2015 in which it was directed that "Petrol vehicles", which are more than 15 years old and diesel vehicles that are more than 10 years old shall not be registered in the NCR, Delhi and Hon'ble Supreme Court's Order dated 29.03.2017 in which it has directed that on and from 01.04.2017 such vehicles that are not BS-IV, compliant shall not be sold in India by any manufacturer or dealer. In view of above Orders, they are not in a position to issue NOC for the import of vehicle by Shri P.S. Patwalia, ASG.

Decision: The Committee in the light of the observations of Department of Heavy Industries and Ministry of Road Transport and Highways decided to reject the request.

Case No.15: M/s Maruti Suzuki India Ltd., Gurugram

F. No. 01/89/180/35/AM10PC-2A/(E-5913) (Meeting No. 29/AM18 held on 06.03.2018)

Subject: Relaxation sought under the para 1 (ii) (b) (c)(d) (i)(ii)(iii)and under chapter of Chapter 87 of ITC (HS) 2012 for allowing import of one pre-sold DFSK SOKON truck – Super Cab under R & D certification.

M/s Maruti Suzuki India Limited vide letter dated 05.01.2018 has stated that they want to import following passenger vehicles for strategy and R&D purposes and have sought the following relaxations as under:

1.	Model	DFSK SOKON truck – Super Cab
2.	Purpose	R&D
3.	Country of origin	China
4.	Country of Export	Indonesia

Relaxation sought for compliance with Rule (1) (II) (b) (c) (d) (i) (ii) (iii) and (e) of Policy conditions at the end of chapter 87 of ITC(HS) 2017..

Decision: The PRC considered the request and recommended relaxation of the provisions of 1 [II] [b], [c], [d] [i] [ii], [iii] & [e] under Chapter 87 of ITC [HS], 2017 subject to the condition that the cars be scrapped before the Central Excise/GST authorities under intimation to DGFT.

Case No.16: M/s Poddar Pigments Ltd., Jaipur

F.No.01/60/162/830/AM16(Meeting No. 29/AM18 held on 06.03.2018)

Subject: Request for 2nd revalidation of Advance Authorisation No.1310044952 dated 29.10.2013.

Decision: PH Case: No one attended the hearing and therefore the Committee decided to defer the case.

Case No.17: M/s. Thriveni Earthmovers Pvt. Ltd., Bhubaneswar

F.No.01/89/180/67/AM-09/PC-2[A]/ /Part-II / [E-4206] (Meeting No. 29/AM18 held on 06.03.2018)

Subject: Relaxation of condition in rule 126 of CMVR 1989 read with clause 1 (II) (a) (b) (i) (ii) & (iii), (c) (d) (iv) of Chapter 87 of ITC (HS) 2012 for the proposed import of 02 Nos. of Used Komatasu 830 E AC/DC (YOM : 2001, Residual life: 7 Years) Dump Truck

M/s Thriveni Earthmovers Pvt. Ltd vide letter dated 04.02.2018 has stated that they intended to import 02 Nos of Used Dump Truck of make : Komatsu, Model : 830E AC/DC whose year of manufacturing is 2001, that is 17 years old and residual life is 7 years left. It has further been stated that though the year of manufacturing of vehicles is 2001 -way more than the permissible age, that is 3 years from the date of manufacturing; however, the residual life of vehicle which is 7 years, satisfies the condition of import, i.e a minimum roadworthiness for a period of 5 years from the date of import. In view of above, the firm has requested for relaxation of rule in 1 (II) (a) (b) (i) (ii) & (iii), (c) (d) (iv) of Chapter 87 of ITC (HS) 2012.

Decision: The Committee observed that the firm has been seeking relaxation for import of old and used mining equipments –dump trucks and which have earlier been recommended by the Committee and conveyed to the firm (M/s. Thriveni Earthmovers Pvt. Ltd , Salem Tamil Nadu) vide letter F.No. 01/89/180/67/AM-09/PC-2A dated 2.9.2015 and to M/s. Thriveni Earthmovers Pvt. Ltd. Bhubaneshwar vide F.No. 01/89/180/67/AM-09/PC-2A/Vol.V dated 31.8.2016. Both the earlier requests were for 19 numbers each of used Dump Trucks. The Committee while recommending the case the second time (communicated vide letter dated 31.8.2016), had interalia also directed that the equipment so imported shall be re-exported on completion of the project and to this extent, applicant shall execute a legal undertaking with the Customs Authority before clearance of the goods.

While considering the present request from M/s. Thriveni Earthmovers Pvt. Ltd, Bhubaneshwar, the Committee decided to seek details of dump trucks imported and its corresponding deployment so far by both these firms under the previous applications and also to furnish a copy of the legal undertaking submitted to the Customs Authority, before considering the current request.

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