Minutes of the Policy Relaxation Committee Meeting held under the Chairmanship of DGFT, Shri Pravir Kumar, IAS on 03.09.2014

Meeting No. 07/AM15 held on 03.09.2014 at 11.00 A.M.

List of officers present in the meeting is given below:

1.	Shri D. K. Singh	Addl. DGFT
2.	Shri L.B. Singhal	Addl. DGFT
4.	Shri K.C. Rout	Addl. DGFT
5.	Shri Jaikant Singh	Addl. DGFT
6.	Shri Darshan Singh	Jt. DGFT
7.	Shri S.K. Samal	Jt. DGFT
8.	Shri A. K. Srivastava	Jt. DGFT
9.	Shri Jay Karan Singh	Jt. DGFT
10.	Shri AkashTaneja	Jt. DGFT
11.	Shri S.K. Mohapatra	Dy. DGFT
12.	Smt. N.R.Choudhury	FTDO

The decision taken in the individual cases is as under:-

Case No.1 Special Protection Group (SPG)
F.No. 01/53/8/436/AM-12/S-11/AM-13/IC
PRC Meeting No. 07/AM15 dated 03.09.2014
Subject: -Grant of 2nd revalidation of import license No. 0550002471 date 07.12.2011 and 0550002472 dated 07/12/2011 in relaxation of Para 2.13 of Handbook of Procedures, Vol.I.

Decision:

The Committee observed that the request for revalidation of the import license No. 0550002471 date 07.12.2011 and 0550002472 dated 07/12/2011 has been received from the Special Protection Group. Committee decided to grant 2nd revalidation to import license No. 0550002471 dt. 07.12.2011 and 0550002472 dated 07/12/2011 for 6 months, from the date of endorsement.

Case No.2 Sandoz Pvt. Ltd. Mumbai
F.No. 01/60/162/696/AM12/EFGC/PRC
PRC Meeting No. 07/AM15 dated 03.09.2014
Subject: - Request for waiver from of PC-18 condition in Advance Authorization No. 0310410008 dt. 28.11.2006 issued under PC-9 condition for regularization Purpose.

Decision:

The Committee noted the request of the firm and decided that shortfall in fulfillment of stipulated export obligation against above referred Authorization may be regularized. PC-18 conditions stands waived, subject to the following condition:

The applicant shall submit to RA proof of payment of Duty + Interest on unutilized imported goods and Composition fee of Rs. 1000/-.

(Action: RA Mumbai)

Case No.3 Softech Pharma Pvt. Ltd. Daman
F.No. 01/60/162/140/AM15/PRC
PRC Meeting No. 07/AM15 dated 03.09.2014
Subject: - Request for accepting Drawback shipping bill no. 3720343 dt. 30.01.2012 & 3743785 dt. 31.01.13 for redemption in License no. 0310672938 dt. 27.12.2011 issued under PC-9 condition.

Decision:

The Committee observed that export made under drawback shipping bill cannot be taken into account towards discharge of EO against Advance Authorization as the drawback is paid automatically into the bank account of exporter. The Committee, therefore, rejected the request.

However, PC-18 condition stands waived to the extent of requirement of re-export/destruction certificate on export made under drawback shipping bills subject to payment of duty + interest.

(Action: RA Mumbai)

Case No.4 MPD Industries Pvt. Ltd. Indore
F.No. 01/60/162/195/AM15/PRC
PRC Meeting No. 07/AM15 dated 03.09.2014
Subject: - Request for condonation the procedural lapse of not generating Bill of Exports under the following 5 Advance Authorization for regularization purpose:

1 1110026700 dt. 24.01.2012
2 1110026719 dt. 30.01.2012
3 1110027256 dt. 11.09.2012
4 5610002192 dt. 23.05.2013 &
5 5610002193 dt. 23.05.2013

Decision:

The Committee observed that the payment against supply to SEZ has not been received from foreign currency accounts. Since such transactions cannot be accounted towards fulfillment of export obligation as per rule 30 of SEZ Rules, 2006, the Committee decided to reject the request of the applicant.

Case No.5 Motherson Automotive Elastomers Tecnology, New Delhi
F.No. 01/60/162/595/AM14/PRC
PRC Meeting No. 07/AM15 dated 03.09.2014
Subject: - Request to review PRC decision in meeting no. 27/AM14 / dated 29.10.2013 and condone the procedural lapse of not generating bill of Export against

SEZ export made against two Advance Authorization bearing Nos. 051026172 dated 05.04.2010 dated 05.04.2010 & 0510277403 dated 19.11.2010.

Decision:

Deferred for seeking details as to whether payments have been received from foreign currency account of SEZ unit?

(**Action: Applicant**)

Case No.6 Modelama Export Ltd. Gurgaon
F.No. 01/60/162/108/AM15/EFGC/PRC
PRC Meeting No. 07/AM15 dated 03.09.2014
Subject: - EOP extension of Annual Advance Authorization no. 0510280551 dated 28.12.2010

Decision:

The Committee decided the following:

I. **Export obligation period be extended upto 31.12.2014.**
II. **The extension is subject to payment of composition fee @ 0.5% on unfulfilled FOB value of exports. The minimum value addition of 15% as prescribed under Para 4.1.6 of FTP shall be maintained.**
III. **This is further subject to verification by RA that EO as claimed to have been fulfilled is more than 50% in proportion to imports made within original export obligation period.**
IV. **The applicant is advised to submit the Authorisation for endorsement to RA as early as possible. They are further advised to start discharging their stipulated balance export obligation on the basis of these minutes without waiting for the endorsement to be done on the Authorisation.**

(Action: RA, CLA, Delhi / applicant)

Case No.7 Rusan Pharma Limited, mumbai
F.No. 01/60/162/171/AM15/PRC
PRC Meeting No. 07/AM15 dated 03.09.2014
Subject: - EOP extension of Annual Advance Authorization no. 0310712468 dated 11.10.2012 issued under PC-9 condition.

Decision:

The Committee decided the following:

I. **Export obligation period be extended from 12 months to 18 months i.e. upto 30/11/2014.**
II. **The extension is subject to payment of composition fee @ 0.5% on unfulfilled FOB value of balance exports to be made.**

III. **Minimum value addition of 15% as prescribed under Para 4.1.6 of FTP shall be maintained.**

(**Action: RA, Mumbai)**

Case No.8 Gandhar Oil Refinery India Ltd. Mumbai
F.No. 01/60/162/902/AM14/EFGC/PRC
PRC Meeting No. 07/AM15 dated 03.09.2014
Subject: - Clubbing of 4 Advance Authorizations no.

1. 0310517468 dt. 27.04.2009
2. 0310533741 dt. 13.08.2009
3. 0310552393 dt. 23.12.2009
4. 0310571491 dt. 27.04.2010

Decision:

Deferred for seeking comments from RA on following points:

- **(i) Whether the applicant made request for redemption of Authorization or waiver of BG / LUT.**
- **(ii) Whether imports were balance at the time of waiver of bond against each Authorization?**
- **(iii)BG / LUT have been cancelled by Customs prior to EODC issued by RA or later.**

(Action: RA Mumbai

Case No.9 Geecy Engineering Pvt. Ltd. Mumbai
F.No. 01/60/162/143/AM15/EFGC/PRC
PRC Meeting No. 07/AM15 dated 03.09.2014
Subject: - Acceptance of 'Free Shipping Bill' towards discharge of export obligation against Advance Authorization no. 0310443471 dt. 18.09.2007

Decision:

The committee observed that the shipment had been affected under "free shipping bills", the same can't be accounted for discharge of export obligation against Advance Authorization. The applicant is hereby directed to get their case regularized in terms of Para 4.28 of HBP.

(**Action: RA, CLA Delhi-** If the party fails to get the case regularized in terms of Para4.28 of HBP within a month from the date of communication of this decision, RA shall take action against the firm under the provision of FT (D&R) Act. 1992 and submit an Action Taken Report).

Case No.10 Kim Chemicals Ltd. Mumbai
F.No. 01/60/162/832/AM14/EFGC/PRC
PRC Meeting No. 07/AM15 dated 03.09.2014

Subject: - Request for waiver of limit of 48 month on export for clubbing of two Advance Authorization no. 0310478479 dated 14.07.208 with 0310511442dt. 13.03.2009

Decision:

The Committee observed that the grounds for consideration of the so called precedence cases cited by the applicant are different from the case of the applicant. Therefore, the Committee decided to reject the case, reiterating its earlier decision in (case No.19) meeting No.36/AM14 dated 11/02/2014.

Case No.11 VEM Technologies Pvt. Ltd., Hyderabad
F. No. 01/91/110/459/AM-11/EC(S)
PRC Meeting No. 07/AM15 dated 03.09.2014
Subject:- Request for Third time revalidation of SCOMET export license 0950000351 dated 01.06.2012.

Decision:

The Committee, taking into consideration that since it is a SCOMET Export License, allowed revalidation of Authorization for 6 months from the date of endorsement.

Case No.12 Amit Pabuwal Designerware Pvt. Ltd.
F.No. 01/91/180/1582/AM10/PC3(pt)
PRC Meeting No. 07/AM15 dated 03.09.2014
Subject: - Request for relaxation for the grant of FPS benefit/incentives under the Foreign Trade Policy.

Decision:

The committee observed that since the shipment had been affected under free shipping bills, and items exported falls under Chapter 71 of ITC (HS) code, the request for allowing FPS benefits can't be acceded to.

Case No.13 Jaguar Land Rover India Limited, Mumbai
F.No. 01/93/180/06/AM13/PC-2(B)
PRC Meeting No. 07/AM15 dated 03.09.2014
Subject: - Request for issuance of License for import of "10nos. of prototype vehicles from jaguar cars and 10 nos. of Prototoype vehicle from Land Rover / Range Rover, UK.

Decision:

The Committee decided to relax the provisions of Policy Conditions No. 2 (II) (f) under Chapter 87 of ITC (HS), 2012 for the import of 10 Nos. of Prototype vehicles from Jaguar cars and 10 Nos. of Prototype vehicle from Land Rover / Range Rover, UK and to use these vehicles for R&D purpose for a period of 24 months,

subject to condition that these vehicles shall be re – exported within three months of completion of 24 months from the date of import.

Case No.14 Halliburton Offshore Services Inc, Mumbai
F.No. 01/89/180/12/AM-10/PC-2(A)
PRC Meeting No. 07/AM15 dated 03.09.2014
Subject:- Exemption/relaxation from the Policy Conditions no. of 1 (II) of chapter 87 of ITC(HS), 2012 Schedule 1 (Import Policy) for import of one no. HOT OIL UNIT MOUNTED ON TRAILER "HOT OIL UNIT TRLR MTD, SUPERTHERM OIL.
Decision:

The Committee decided to relax the provisions of Policy Conditions 1(II) (a), (b) (i), (ii), (iii) (c), (d) (i), (ii), (iii) and (e) of Chapter 87 for import of one no. HOT OIL UNIT MOUNTED ON TRAILER "HOT OIL UNIT TRLR MTD, SUPERTHERM OIL equipment. The trailer will be re-exported after completion of the contract and that the same would not ply on public road except at the time of mobilization and de-mobilization and that the equipment would be used only at the project site.

Case No.15 M/s. Mercedes Benz Research and Development India Pvt. Ltd. (MBRDI), Bangalore
F.No. 01/89/180/Misc.-14/AM-10/PC-2(A)/Pt.
PRC Meeting No. 07/AM15 dated 03.09.2014
Subject:-Request for import of two no. of Left Hand Drive Mercedes-Benz E-Class Tested Car (E350 CDI) from parent company ; Daimler AG, Germany
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Decision:

The Committee decided to relax the provisions of Policy Conditions no. 2 (II) (f) of Chapter 87 of ITC(HS), 2012 Schedule 1 (Import Policy) for the import of two Left Hand Drive Mercedes-Benz E-Class tested cars (E350 CDI) from Parent Company; Daimler AG, Germany for conducting exhaust emission research and validation testing with existing Indian fuel quality in order to achieve lower pollution levels, subject to the condition that these two vehicles are to be re-exported back to its origin after completion of the research activities / testing, before the end of year 2015.

Case No.16 Halliburton Offshore Services Inc, Mumbai
F.No. 01/89/180/12/AM-10/PC-2(A)
PRC Meeting No. 07/AM15 dated 03.09.2014
Subject:- Exemption/relaxation from the Policy Conditions no. of 1 (II) of chapter 87 of ITC(HS), 2012 Schedule 1 (Import Policy) for import of two no. HOT OIL UNIT MOUNTED ON TRAILER "HOT OIL UNIT TRLR MTD, SUPERTHERM OIL.

Decision:

The Committee decided to relax the provisions of Policy Conditions no. 1(II) (a), (b) (i), (ii), (iii) (c), (d) (i), (ii), (iii) and (e) of Chapter 87 for import of two no.

HOT OIL UNIT MOUNTED ON TRAILER "HOT OIL UNIT TRLR MTD, SUPERTHERM OIL equipment. The trailer will be re-exported after completion of the contract and that the same would not ply on public road except at the time of mobilization and de-mobilization and that the equipment would be used only at the project site.

Case No.17 M/s Aakash Exploration Services Pvt. Ltd. Gujarat.
F.No. 01/89/180/21/AM-14/PC-2(A)
PRC Meeting No. 07/AM15 dated 03.09.2014
Subject:- Request for import of New Chandler Hot Oil Unit Mounted on KENWORTH Truck Model T800 6x4 Left Hand Drive from USA.

Decision:

The Committee decided to relax the provisions of Policy Condition No. 7 of Chapter 87 of ITC(HS), 2012, Schedule-1 (Import Policy) to import of a New Chandler Hot Oil Unit Mounted on KENWORTH Truck Model T800 6x4 Left Hand Drive from USA, subject to the condition that it will not ply on the public roads.

Case No.18 M/s BJ Services Company Middle East, Ltd. Mumbai.
F.No. 01/89/180/17/AM-14/PC-2(A)
PRC Meeting No. 07/AM15 dated 03.09.2014
Subject:- Request for import of one Vehicles/Equipment from USA by relaxating the policy Conditions under Para 1 (II) (a), (b) i, ii, iii, (c), (d) i, ii, iii, and (e) of the Import Licensing Note under Chapter 87 of ITC(HS).

Decision:

The Committee decided to relax the provisions of Policy Condition Para 1 (II) (a), (b), (c), (d) and (e) of Chapter 87 for import of (Tractor Conventional 8x6 Cummins ISX, LOADED WITH heavy duty coil tubing unit (CTU, TM GENERIC) "TRACTOR CONV, WET KIT ISX 8x6 VIN # 1XP-AD4TX- 4-7D692323). The tractor will be re-exported after completion of the contract and that the same would not ply on public road except at the time of mobilization and de-mobilization and that the equipment would be used only at the project site.

Case No.19: Reference from Shri Kumaresh Mishra, IAS.
F.No 01/89/180/29/AM-09/PC-2(A)/Pt.
PRC Meeting No. 07/AM15 dated 03.09.2014
Subject: - Request for permission to bring his LHD car on retirement.

Decision:

The Committee noted the request and decided to grant permission to import LHD Car. However, for plying on the public road, necessary permission/ approval of the concerned Regional Transport Authority need to be taken.

Case No.20: M/s MM Aqua Technologies Ltd. Gurgaon.
F.No. 01/06/162/192/AM15/EFGC (PRC)
PRC Meeting No. 07/AM15 dated 03.09.2014
Subject: - Request for EOP extension of Advance Authorization No. 0510300241 dated 25.08.2011.

The Committee decided the following:

I. **Export obligation period be extended upto 31.03.2015.**
II. **The extension is subject to payment of composition fee @ 0.5% on unfulfilled FOB value of exports. The minimum value addition of 15% as prescribed under Para 4.1.6 of FTP shall be maintained.**
III. **This is further subject to verification by RA that EO as claimed to have been fulfilled is more than 50% in proportion to imports made within original export obligation period.**
IV. The applicant is advised to submit the Authorisation for endorsement to RA as early as possible. They are further advised to start discharging their stipulated balance export obligation on the basis of these minutes without waiting for the endorsement to be done on the Authorisation.

(Action: RA, CLA, Delhi / applicant)

Case No.21: M/s IPC Packaging Company Pvt. Ltd.
F.No. 01/06/162/969/AM14/EFGC(PRC)
PRC Meeting No. 07/AM15 dated 03.09.2014
Subject: - Request for revalidation of Advance Authorization No. 0710079012 dated 06.05.2011.

Decision:

The Committee noted the request of the firm and decided to reject the request as the reasons cited are only commercial risk and not genuine hardship warranting relaxation under Para 2.5 of FTP.

Case No. 22 M/s Lloyd Insulation (India) Ltd. New Delhi.
F.No. 01/60/162/41/AM15/PRC
PRC Meeting No. 07/AM15 dated 03.09.2014
Subject: -Request for condonation of not mentioning of Advance Authorization no. 0510148832 dt. 17.01.2005.

Decision:

The committee observed that the shipment had been affected under “free shipping bills”, the same can’t be taken into account towards discharge of export obligation against Advance Authorization. The Committee therefore did

not accede to the request. The applicant is hereby directed to get their case regularized in terms of Para 4.28 of HBP.

(**Action: RA, CLA Delhi-** If the party fails to get the case regularized in terms of Para4.28 of HBP within a month from the date of communication of this decision, RA shall take action against the firm under the provision of FT (D&R) Act. 1992 and submit an Action Taken Report).

Case No. 23 M/s Scott-Edil Pharmacia Ltd. Chandigarh.
F.No. 01/60/162/46/AM15/PRC
PRC Meeting No. 07/AM15 dated 03.09.2014
Subject: -Request for EOP extension of Advance Authorization no. 2210009441 dt. 20.11.2009.

<u>Decision:</u>

The Committee observed that Advance Authorization had been issued on 20/11/2009. And, no request for EOP extension beyond 48 months is being considered. The Committee, therefore, did not accede to the request. The applicant is hereby directed to get their case regularized in terms of Para 4.28 of HBP.

(**Action: RA Delhi-** If the party fails to get the case regularized in terms of Para 4.28 of HBP within a month from the date of communication of this decision, RA shall take action against the firm under the provision of FT (D&R) Act. 1992 and submit an Action Taken Report).

Case No. 24 M/s Ketan Plastic Industries Pvt. Ltd. Mumbai.
F.No. 01/60/162/323/AM14/PRC
PRC Meeting No. 07/AM15 dated 03.09.2014
Subject: -Request for review of PRC decision dt. 30.7.2013 for revalidation of Advance Authorization no. 0310599238 dt. 28.10.2010.

<u>Decision</u>:

The Committee observed that the applicant has sought revalidation of the Advance Authorization no. 0310599238 dt. 28.10.2010 on the ground of delay on the part of the concerned Regional Authority. After considering the Report of the concerned RA, in this regard, the Committee noted that there was no delay on the part of RA in taking action. Hence the Committee did not accede to the request.

Case No. 25 M/s Gajananya Silk Fabrics, Bangalore.
F.No. 01/60/162/336/AM13/PRC
PRC Meeting No. 07/AM15 dated 03.09.2014
Subject: -Request for deletion of EO period condition imposed as Public Notice no. 60 dt. 06.05.2010 in Advance Authorization no. 0710076967 dt. 28.01.2011.

<u>Decision</u>:

The Committee noted that the Authorization in question is issued after PN 60/2009-14 dated 06/05/2010, thus the said condition of reduced obligation period can't be waived off.

The meeting ended with a vote of thanks to the Chair.

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