

**Minutes of the Policy Relaxation Committee Meeting held under the  
Chairmanship of DGFT, Shri Pravir Kumar, IAS on 21.07.2015**

Meeting No. 06/AM16 held on 21.07.2015 at 4:30 PM.in the Room No 11, Udyog  
Bhawan, New Delhi-110011

List of officers present in the meeting is given below:

|                         |            |
|-------------------------|------------|
| 1. Shri D. K. Singh     | Addl. DGFT |
| 2. Shri L.B. Singhal    | Addl. DGFT |
| 3. Shri Jaikant Singh   | Addl. DGFT |
| 4. Shri Darshan Singh   | Jt. DGFT   |
| 5. Shri S.K.Samal       | Jt. DGFT   |
| 6. Shri Jay Karan Singh | Jt. DGFT   |
| 7. Shri AkashTaneja     | Jt. DGFT   |
| 8. Shri J. M. Gupta     | Jt. DGFT   |
| 9. Shri S. P. Roy       | Jt. DGFT   |
| 10. Shri S.K. Mohapatra | Dy. DGFT   |

**Personal Hearing Case:**

**Case No.1. M/s. Electrotherm (India) Ltd. Ahmedabad**

F.No. 01/60/162/150/AM15/PRC

PRC Meeting No. 06/AM16 dated 21.07.2015

Subject: - Request for EOP extension of the following 19 Advance Authorizations  
under Corporate Debt Restructuring (CDR).

1. 810070175 date 18.02.08
2. 810071348 date 21.04.08
3. 810069560 date 11.01.08
4. 810069559 date 11.01.08
5. 810068175 date 30.10.07
6. 810067211 date 18.09.07
7. 810069085 date 19.12.07
8. 810067141 date 13.09.07
9. 810064615 date 04.05.07
10. 810069743 date 23.01.08
11. 810071619 date 02.05.08
12. 810071274 date 16.04.08
13. 810071346 date 21.04.08
14. 810071617 date 02.05.08
15. 810071347 date 21.04.08
16. 810069744 date 23.01.08
17. 810079002 date 18.11.08
18. 810076004 date 18.11.08
19. 810067212 date 18.09.07

**As per request of the applicant, the committee granted personal hearing in terms of Para 2.59 of FTP. Mr. Bankat Somani, Asstt. Vice President and Mr. Anand, Asstt. Manager of M/s. Electrotherm (India) Ltd. appeared before the Committee and made the following submissions:**

- i. They have imported goods against all authorisations and utilised it in manufacturing of the resultant product.
- ii. The resultant products so manufactured have been sold in the local market without discharging the stipulated export obligation.
- iii. They have paid customs duty against all 19 Advance Authorisations but did not deposit interest component.
- iv. Now, the company has been registered with BIFR being sick unit but no rehabilitation package is sanctioned so far.
- v. They therefore requested to allow either EOP extension for 3 years or waiver from payment of the interest component.

The Committee, after having heard patiently and on careful perusal of facts of the case, noted the followings:

- i. The Authorisations, as referred above, were issued with 'Actual User' condition. Therefore, raw material imported as duty free or finished product manufactured out of it was not transferable till fulfilment of stipulated export obligation.
- ii. M/s. Electrotherm (India) Ltd. Ahmedabad has imported raw materials against the said Advance Authorisations and the said raw materials have been consumed fully in the resultant products and the said resultant products have already been sold in the local market. Thus, the said Authorisations have already been exhausted.
- iii. At present, neither the duty free imported raw materials nor the finished products manufactured out of it is available with company. Thus, the question of granting further extension in export obligation period does not arise.
- iv. The BIFR has not given any rehabilitation package so far.
- v. Waiver of interest does not fall under the purview of DGFT, as the duty and interest thereon is collected under the provisions of Customs Act.

Hence, the Committee decided as follows:

- i. The request for further extension of EOP be rejected.
- ii. The applicant is hereby directed to get their case regularized in terms of Para 4.49 of HBP 2015-2020.

(Action: RA, Ahmedabad- If the party fails to get the case regularized in terms of Para 4.49 of HBP (2015-2020) within a month from the date of communication of this decision, RA shall take action against the applicant under the provision of FT (D&R) Act. 1992 and submit an Action Taken Report).

**Case No.2. M/s. SGM Paper Products, Gurgaon.**  
F.No. 01/60/162/736/AM-14/EFGC (/PRC)

PRC Meeting No. 06/AM16 dated 21.07.2015

Subject: -Request for revalidation of 3 DFIA Nos.0510287323 dt. 31.03.2011, 0510286117 dt. 15.03.2011 and 0510281038 dt. 07.01.2011.

**Decision:**

The Committee noted that endorsement of transferability/waiver of bond is a facility available with DFIA scheme. It does not prevent the Authorisation holder from importing of goods within validity of DFIA. The applicant should have imported goods within its validity. Difficulty, if any, in discharging of export obligation due to mentioning two DFIA Nos in the S/Bs could have been referred to PRC for relaxation. Hence, the Committee decided not to accede to the request.

**Case No.3. M/s. Sentiss Pharma Pvt. Ltd., Delhi.**

F.No. 01/60/162/41/AM-16/EFGC(PRC)

PRC Meeting No. 06/AM16 dated 21.07.2015

Subject: -Request for waiver from destruction certificate in Advance Authorization No.0510275524 dt. 22.10.2010 issued under PC-9 condition for regularization purpose.

**Decision:**

The Committee noted that there was a manufacturing process loss of 0.703 Kg. of imported raw material and they have already paid duty + interest on the said unavailable raw material. Some exports are made outside the EOP but within 18 months from the date of first import consignment. The Committee therefore decided the following:

- I. PC-18 condition stands waived to the extent of requirement of destruction certificate/re-export.
- II. This will be allowed subject to payment of Rs. 2000/- as composition fee.
- III. Export obligation period be extended by six months in continuation i.e. upto 30.05.2012.
- IV. This will subject to payment of composition fee @ 0.5% of FOB value of exports made after initial export obligation period.

**(Action: RA Mumbai)**

**Case No.4. M/s. Gardex, Jalandhar.**

F.No. 01/60/162/24/AM-16/EFGC(/PRC)

PRC Meeting No. 06/AM16 dated 21.07.2015

Subject: - Request for EOP extension of Advance Authorization No.3010082800 dt. 19.01.2012.

**Decision:**

The Committee decided to remand the case to the RA concerned for necessary action in accordance with PN 16 dated 4<sup>th</sup> June, 2015 read with PN 20 dated 9<sup>th</sup> June, 2015.

**Case No.5. M/s. Glenmark Generics Ltd., Mumbai.**

F.No. 01/60/162/17/AM-14/EFGC(PRC)

PRC Meeting No. 06/AM16 dated 21.07.2015

Subject: - Request for waiver of PC-18 condition to produce destruction certificate against 2 Advance Authorizations No. 0310701241 dt. 09.07.2012 and 0310713264 dt. 19.10.2012 for regularization purpose.

**Decision:**

The Committee observed that the applicant has imported 2 Kgs raw materials against two Advance Authorisations and fulfilled 50% export obligation. However, balance quantity they have exported against No.0310679330 dated 31/01/2012 which the firm claims to have done excess exports and the said Authorisation has been redeemed on 15/05/2014. Hence, the Committee decided as follows:

- i. PC-18 condition stands waived to the extent of requirement of destruction certificate/re-export.
- ii. This will be allowed subject to payment of composition fee of Rs. 2000/-.
- iii. Excess quantity of 0.985kgs exported against the Advance Authorisation No.0310679330 dated 31/01/2012, which has been redeemed on 15/05/2014, shall not be accounted against the Advance Authorizations No. 0310701241 dated. 09.07.2012 and 0310713264 dated. 19.10.2012 for regularization purpose.
- iv. The applicant has to pay duty + interest on equivalent quantity in proportion to shortfall in EO against the Advance Authorizations No. 0310701241 dated 09.07.2012 and 0310713264 dated 19.10.2012 for regularization purpose.

**(Action: RA Mumbai)**

**Case No.6. M/s. Glenmark Generics Ltd., Mumbai.**

F.No. 01/60/162/06/AM-16/EFGC(PRC)

PRC Meeting No. 06/AM16 dated 21.07.2015

Subject: -Request for clubbing of 2 Advance Authorizations No. 0310692112 dt. 25.04.2012 and 0310716887 dt. 11.12.2012 issued under PC-9 condition.

**Decision:**

The Committee noted that the applicant has fulfilled 100% export obligation but the last date of shipments under two Authorisations, as referred above, is beyond 18 months from the earliest issued Advance Authorisation No. 0310692112 dated 25.04.2012. The Committee, therefore, decided as follows:

- i. The Committee did not accede to the request for Clubbing.
- ii. The Committee did not allow further extension in EOP.
- iii. The applicant has to get the cases regularised individually.
- iv. However, PC-18 condition stands waived to the extent of requirement of destruction certificate/re-export proof.
- v. The applicant has to pay duty plus interest on inputs consumed and exported after the expiry of Export Obligation Period.

**(Action: RA Mumbai)**

**Case No.7. M/s. Glenmark Generics Ltd., Mumbai.**

F.No. 01/60/162/16/AM-16/EFGC(PRC)

PRC Meeting No. 06/AM16 dated 21.07.2015

Subject: - Request for EOP extension of Advance Authorization No.0310723707 dated 12.02.2013 issued under PC-9 condition for regularisation purpose.

**Decision:**

The Committee observed that the applicant has fulfilled 100% export obligation however part exports are made after 12 months but within 18 months from the date of first import consignment. The Committee, therefore, decided as follows:

- i. Export obligation period be extended for six months in continuation i.e. upto 30.09.2014.
- ii. This is subject to a payment of composition fee @ 0.5% of FOB value of exports made after initial obligation period.
- iii. The minimum value addition of 15% as prescribed under Para 4.09 of FTP (2015-2020) shall be maintained.
- iv. 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.

**(Action: RA Mumbai)**

**Case No.8. M/s. Akry Organics Pvt. Ltd., Mumbai.**

F.No. 01/60/162/215/AM-15/EFGC(PRC)

PRC Meeting No. 06/AM16 dated 21.07.2015

Subject: - Request for EOP extension of Advance Authorization No.0310502288 dated 13.01.2009.

**Decision:**

The Committee noted that the applicant has fulfilled 100% export obligation. However, part supplies were made to SEZ unit but the said unit did not make payment from foreign currency account. Therefore, they were seeking further extension in EOP to discharge additional export. The committee was of the view that putting additional burden on the applicant would not be in the interest of justice. The Committee, therefore, decided to refer the matter

to the SEZ Division in the Department of Commerce for taking remedial action through Development Commissioner concerned.

**Case No.9. M/s. Ruchira Papers Ltd., Himachal Pradesh.**

F.No. 01/94/180/00219/AM15/PC-4(B)

PRC Meeting No. 06/AM16 dated 21.07.2015

Subject: - Request for extension of the validity of DEPB Licence bearing No.2210011736 upto 31.08.2014.

**Decision:**

The justification given by the applicant that they did not receive any consignment of import thus could not utilise the said DEPB, could not convince the Committee, as DEPB is freely transferable instrument. The said DEPB scrip was issued having validity of 24 months. Hence, the Committee did not accede to the request of the applicant for revalidation of the DEPB.

**Case No.10. M/s. Fiat Group Automobiles India Pvt. Ltd., Mumbai.**

F.No. 01/89/180/14/AM-10/PC-2(A)/Part-II

PRC Meeting No. 06/AM16 dated 21.07.2015

Subject: - Request for Policy relaxation for import of one No. of used Car Alfa Romeo Guilietta year of manufacture 2010 for testing purpose.

**Decision:**

Withdrawn as the same has already been allowed in the PRC meeting No 4 dated 9.6.2015.

**Case No.11. M/s. Ford India Pvt. Ltd., Gurgaon.**

F.No. 01/89/180/01/AM-13/PC-2(B).

PRC Meeting No. 06/AM16 dated 21.07.2015

Subject: - Request for permission to import 2 Nos. New Left Hand Drive Diesel Vehicles to India from Brazil for testing purpose.

**Decision:**

The Committee decided to relax the policy conditions under Chapter 2 (II) (f) of Chapter 87 of ITC (HS), 2012, Schedule – I (Import Policy) for import of 2 numbers of new Left Hand Drive Diesel vehicles from Brazil for R&D purpose only subject to the condition that these vehicles will not be used or sold for any commercial purpose and shall not ply on the public roads.

**Case No.12. M/s. Emcure Pharmaceuticals Ltd., Pune.**

F.No. 01/60/162/898/AM15/EFGC(PRC)

PRC Meeting No. 06/AM16 dated 21.07.2015

Subject: - Request for relaxation of the condition for import of Indian Origin Drugs against Advance Authorizations No.3110039723 dt. 26.08.2009, 3110044134 dt. 29.07.2010, 3110045645 dt. 26.11.2010, 3110052464

dt. 17.01.2012, 3110054408 dt. 22.05.2012, 3110056925 dt. 24.01.2013 and 3110063481 dt. 11.04.2014 for grant of redemption.

**Decision:**

The committee noted that the request of the applicant is not clear thus deferred for seeking revised request.

**Case No.13. M/s. Flexituff International Ltd., Dhar (M.P.)**

F.No. 01/60/162/597/AM15/EFGC(PRC)

PRC Meeting No. 06/AM16 dated 21.07.2015

Subject: - Request for clubbing of 2 Advance Authorizations No.111020023 dt. 09.04.2009 and 1110026066 dt. 03.11.2011 for regularization purpose.

**Decision:**

The Committee observed that the date of last shipment against Advance Authorisation No. 1110026066 dated 03.11.2011 is 26/08/2013 which is beyond the period of 48 months from the date of issue of the earliest Advance Authorizations No.111020023 dated 09.04.2009. Hence, the Committee decided the following:

- i. Clubbing of the 2 Advance Authorizations, as referred above, be allowed.
- ii. This is only for regularization of exports already effected and closure purpose and not for any further exports/imports.
- iii. Exports made within 48 months (i.e. upto 30.04.2013) from the date of earliest issued Authorization i.e. 111020023 dated 09.04.2009, shall only be taken into consideration for accounting and clubbing.
- iv. Export obligation period against Authorization No. 111020023 dated 09.04.2009 be extended from 36<sup>th</sup> month to 42<sup>nd</sup> month subject to payment of composition fee @ 0.5% of FOB value of exports made after 36<sup>th</sup> month but upto 42<sup>nd</sup> month and from period beyond 42<sup>nd</sup> month to 48<sup>th</sup> month subject to a composition fee @ 0.5% per month of FOB value of exports made beyond 42<sup>nd</sup> month upto 48<sup>th</sup> month.
- v. RA shall examine the case in terms of Para 4.09 of FTP (2015-2020) and ensure minimum 15% value addition. The 15% value addition for evaluating entitlement is to be applied on the entire FOB and CIF of the Authorizations to be clubbed.
- vi. RA should ensure proper accounting of the duty free inputs with reference to the export product while clubbing the Authorizations.
- vii. Even after clubbing, shortfall, if any, shall be regularized on payment of Customs Duty + Interest in terms of Para 4.49 of HBP 2015-20.

**Action: (RA, Bhopal)**

**Case No.14. Reference from Norms Committee-II**

**M/s. Nexus Electro Steel Ltd., Chennai. (2 cases) and M/s. Salzer Electronics Ltd., Coimbatore**

F.No. 01/81/50/230/AM-12/DES-II and 01/81/50/258/AM-12/DES-II & 01/81/50/400/AM11/DES-II

PRC Meeting No. 06/AM16 dated 21.07.2015

Subject: - Request for condonation of delay in submission.

**Decision:**

**The Committee recommended for ex – post facto approval condoning delay in filing representation beyond 4 months for consideration by NC-II in the following cases:**

| S.No. | Name of the firm                | AA No. & date               | Date of communication | Representation made on |
|-------|---------------------------------|-----------------------------|-----------------------|------------------------|
| 1     | M/s Nexus Electro Steel Limited | 0410127670 dated 30/08/2011 | 19/12/2013            | 25/11/2014             |
| 2     | M/s Nexus Electro Steel Limited | 0410128352 dated 21/09/2011 | 19/12/2013            | 25/11/2014             |
| 3.    | M/s Salzer Electronics Limited  | 3210044959 dated 03/08/2010 | 27/06/2011            | 05/04/2014             |

**The meeting ended with a Vote of Thanks to the Chair.**

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