Directorate General of Foreign Trade
(PRC-section)

Minutes of the Policy Relaxation Committee Meeting held under the Chairmanship of DGFT Shri Alok Vardhan Chaturvedi, Director General of Foreign Trade on 10.10.2017

Meeting No. 21/AM18 held on 10.10.2017 at 03:00 PM

The following members were present in the meeting:

1.	Shri N. P. S. Monga	Addl. DGFT
2.	Shri Jaikant Singh	Addl. DGFT
3.	Shri Darshan Singh	Addl. DGFT
4.	Shri N. K. Srivastava	Addl. DGFT
5.	Shri Jay Karan Singh	Jt. DGFT
6.	Shri Rajbir Sharma	Jt. DGFT

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

Case No.1: M/s. Glenmark Pharmaceuticals Ltd., Mumbai
F. No. 01/60/162/13/AM18/PRC
PRC Meeting No. 21/AM18 dated 10.10.2017

Subject: Request for accounting of export of two Shipping Bills no. 4993154 dated 30.12.2015 and 6887309 dated 05.04.2016 under Advance Authorisation No.0310799864 dated 30.10.2015 instead of Advance authorisation No.0310796900 dated 26.06.2015 for regularization and discharge of export obligation.

Aggrieved by the decision of the committee meeting held on 08.08.2017, the applicant sought personal hearing in terms of Para 2.59 of FTP, 2015-2020 which was afforded to them on 10.10.2017. Mr. Anurag khera, Vice President from M/s Glenmark Pharmaceuticals Ltd., Mumbai appeared before the committee and made the following submissions stating inter alia that:

1. The Advance authorization No. 0310796900 dated 26.06.2015 has already been closed, and the export made under above said 2 shipping bills were not accounted for closure of that license.
2. Advance Authorization No. 0310799864 dated 30.10.2015 was initially issued under PC 9 condition, but later on it was converted to non PC-9 license by RLA, Mumbai (Amendment sheet was attached with the representation, wherein PC 9 conditions have been deleted by RLA, Mumbai). Therefore, pre-import condition was not applicable to that license.
3. Therefore, they requested the committee to kindly allow them accounting of export made under above said 2 shipping bills

against the Advance license no. 0310799864 dated 30.10.2015 for regularization purpose.

Decision: The case was discussed at length. It was noted that the Authorisation No 0310796900 dtd 26.06.2015 was issued with condition stipulated under Policy Circular 9 dated 30.06.2003. However, the said condition was got deleted subsequently. Import of drugs from registered sources are considered to be import under Authorisation with normal conditions. The committee, therefore, decided the following:

i. Accounting of two shipping Bills No 4993154 dated 30.12.2015 and 6887309 dated 05.04.2016 be allowed against Authorisation No No.0310799864 dated 30.10.2015.
ii. This will, however, be subject to payment of Rs. 200/- per shipping bill as composition fee to RA concerned.
iii. RA shall ensure that these shipping bills have not been utilised for EODC/redemption of Authorisation No 0310796900 dtd 26.06.2015.
iv. The applicant shall furnish an affidavit cum indemnity bond duly Notarised affirming therein that these shipping bills have not been utilised/shall not be utilised for any other purpose except discharge of EO against Authorisation No 0310799864 dated 30.10.2015.

(Action: Applicant/RA, Mumbai)

Case No.2: M/s. Glenmark Pharmaceuticals Ltd., Mumbai

F. No. 01/60/162/14/AM18/PRC
PRC Meeting No. 21/AM18 dated **10**.10.2017

Subject: Request for accounting of export of Six Shipping Bills no. 1567054 dt 03.07.2015, 3546340 dated 21.08.2015, 2574122 dated 24.08.2015, 2637421 dated 26.08.2015, 2661304 dated 27.08.2015 and 2719711 dated 31.08.2015 under advance authorization No.0310796497 dated 08.06.2015 towards discharge of E.O. instead of Advance authorization No.0310783595 dated 29.05.2014.

Aggrieved by the decision of the committee meeting held on 08.08.2017, the applicant sought personal hearing in terms of Para 2.59 of FTP, 2015-2020 which was afforded to them on 10.10.2017. Mr. Anurag khera, Vice President from M/s Glenmark Pharmaceuticals Ltd., Mumbai appeared before the committee and made the following submissions stating inter alia that:

1. The Advance authorization No. 0310783595 dtd 29.05.2014 has already been closed, and the export made under above said 6 shipping bills were not accounted for closure of that Authorisation.
2. Advance Authorization no. 0310796497 dated 08.06.2015 was issued under with normal conditions and it is not a PC 9 license.

Therefore, no pre-import conditions are applicable to that Authorisation.

3. They, therefore, requested to the committee to allow them accounting of export made under above said 6 shipping bills against the Advance license No. 0310796497 dated 08.06.2015 for regularization purpose.

Decision: The case was discussed at length. It was noted that the Authorisation No 0310783595 dtd 29.05.2014 was issued with condition stipulated under Policy Circular 9 dated 30.06.2003. However, the said condition was got deleted subsequently. Import of drugs from registered sources are considered to be import under Authorisation with normal conditions. The committee, therefore, decided the following:

i. Accounting of six shipping Bills No 1567054 dt 03.07.2015, 3546340 dated 21.08.2015, 2574122 dated 24.08.2015, 2637421 dated 26.08.2015, 2661304 dated 27.08.2015 and 2719711 dated 31.08.2015 be allowed under advance authorization No.0310796497 dated 08.06.2015 towards discharge of E.O.
ii. This will, however, be subject to payment of Rs. 200/- per shipping bill as composition fee to RA concerned.
iii. RA shall ensure that these shipping bills have not been utilised for EODC/redemption of Authorisation No 0310783595 dtd 29.05.2014.
iv. The applicant shall furnish an affidavit cum indemnity bond duly Notarised affirming therein that these shipping bills have not been utilised/shall not be utilised for any other purpose except discharge of EO against Authorisation No 0310796497 dated 08.06.2015.

(Action: Applicant/RA, Mumbai)

Case No.3: M/s. Becton Dickinson India Pvt. Ltd., Rewari
F. No. 01/60/162/101/AM18/PRC
PRC Meeting No. 21/AM18 dated **10**.10.2017

Subject: Request for allowing filing of MEIS shipping Bill for not mentioning by Customs in the reward column after 30.09.2015.

Aggrieved by the decision of the committee meeting held on 17.08.2017, the applicant sought personal hearing in terms of Para 2.59 of FTP, 2015-2020 which was afforded to them on 10.10.2017. Mr. Salil Tripathi, Plant controller from M/s Becton Dickinson India Pvt. Ltd., Rewari appeared before the committee and made the following submissions stating inter alia that:

1. They made exports worth Rs. 11 Crores from 15.05.2015 to 22.03.2016 from Rewari port (INREA6).
2. The intent i.e. to claim reward under Merchandise Exports from India Scheme (MEIS) was mentioned in the shipping bills, as per DGFT PN no. 40 dt. 09th October 2015 and 47/2015-20 dated 8th December 2015.

3. Despite the above intent on shipping bill, due to lack of understanding at Rewari Port 'Y' was not tacked in the Shipping bill for above mentioned exports. Since 'Y' was not tacked, they were unable to transfer the Shipping from repository to E-com file.
4. Thereafter, they approached Customs and highlighted the error on their part, which they also acknowledged. Upon their request, they agreed to correct the error by mentioning Intent into 'Y'. While trying to correct the same due to some technical error in the system Customs were unable to get this corrected online. Since, there was no fault of them, they did approach to the Joint Commissioner and NIC to guide them on this issue.
5. Accordingly, they were advised by the Customs that a **certificate to the effect that the reward column is tacked Y' from relevant Custom port may serve the purpose.** The customs authorities after verification of the same have issued such certificate for the shipping bill mentioned in Annexure-A.
6. Hence they requested to allow benefits against Shipping Bills where "Y" was not ticked by customs in the reward column after 30.09.2015.

Decision: The averments of the applicant were heard and the case was discussed again at length. It was noted that shipping is filled by Export or CHA on behalf of exporter and not by the Customs Authority. It is examined and assessed by Customs Authority on the basis of declaration made by exporter. Therefore, the applicant cannot blame the Customs Authority for not ticking 'Y'. Further, Vide Public No 40 dated 09.10.2015 and vide CBEC Circular No 14/2015 dated 20.04.2015 it was categorically instructed that exporter intending to avail benefits of MEIS shall indicate "Y" in the shipping bill while making shipment. Not selecting "Y" shows that they are not intending to avail the benefits. Such shipping bills are not transmitted from ICEGATE to DGFT server. Hence, online application cannot be filled against such shipping bills. There is no provision of allowing manual issue of scrip against EDI shipping bills which will again create problem of transmission and verification of scrip at the time of import.

It was felt that the applicant was fully aware of these facts. Therefore, while making shipment they (or the persons applying on their behalf) must be careful of choosing the scheme while making shipment. Ignorance or negligence cannot be construed to be a case of genuine hardship. The committee, therefore, reiterated its decision taken in the meeting dated 17.08.2017.

Case No.4: Singhal Industries pvt. Ltd., Gujarat
F. No. 01/60/162/868/AM17/PRC
PRC Meeting No. 21/AM18 dated **10**.10.2017

Subject: Request for clubbing & redemption of 5 advance Authorisation No. (1) 0810111956 dated 24.05.2012 (2) 0810116885 dated 14.12.2012 (3) 0810117506 dated 11.01.2013, (4) 0810135006 and (5) 810135009 dated 08.04.2015

Aggrieved by the decision of the committee meeting held on 17.01.2017, the applicant sought personal hearing in terms of Para 2.59 of FTP, 2015-2020 which was afforded to them on 10.10.2017. Mr. Tusar Sighal, CEO from M/s Singhal Industries pvt. Ltd., Gujarat appeared before the committee and made the following submissions stating inter alia that:

1. The AA No.0810111956 was availed on 24.05.2012 with an E.O. period as 36 months, and the validity of import as 24 months, the Authorisation availed as per SION H-241.
2. That within the gap of 7 months only they have availed another AA No.0810116885 on 14.12.2012 though the input was same, the separate Authorization was availed only because of the fact that the export product as well as the SION was altogether different from the previous Advance Authorization, however the authorization was issued with an export obligation period as 18 months and validity was restricted upto 31.03.2014.
3. The inventory which they had on hand and with an intention to use the entitlements of inputs in replenishment; they had discharged the export obligation against both the above authorization at first, i.e. before effecting imports. However, due to price viability and various marketing reasons beyond their control and also reasons described in their request letter dated 15.11.2016.
4. That after availing of the above two AA subsequently they have availed another AA No.0810117507 on 11.01.2013 under SION H-97 the authorization was issued with an export obligation period of 18 months and validity was restricted upto 31.03.2014 and within a gap of 8 months they have availed three different advance authorizations and the reason for availing different authorizations were that the export items are different one to each other though the inputs are common. They have exported the committed quantity, however they have been able to import only 27.30% of their export entitlement against Polypropylene Granules and 58.26% of LDPE Granules.
5. That the prime reason for availing different authorization was only because of a change in export product and also due to the fact they were unaware the provision of extension of import validity and availing single advance authorization for multiple export product.
6. The validity of second and third authorizations are restricted upto 31.03.2014 therefore, the validity period in months are works out to 15 months and 14 months only. Thus due to shorter validity they have been able to import only 27.30% and they have not been able to import 72.70% of entitlement as against their actual export.
7. That during March, 2015 they have received substantial export orders from their regular overseas buyer; on the contrary the inventory of inputs was almost exhausted; so to meet with their export shipments they made two separate applications on 31.03.2015 in line with SION and export item for which they intended to import inputs; upon their specific request the RA has issued with both the AA No.0810135006 and 0810135009 on 08.04.2015.
8. As per Para 4.47 (a) (ii) of HBP 2015-2020 where an exports are made first (before effecting imports) on pro-rata basis, RA may revalidate the authorization in continuation for further 6 months for replenishment of inputs used in manufacture of export items from the date of endorsement provided applicant has made a specific request for the same. It will be further subject

to condition that the applicant had not obtained revalidation earlier in terms of Para 4.41(a) of HBP 2015-2020.

9. They have not availed any extension in import validity on first two authorizations, however on third authorization No.0810117507 dt. 11.01.2013 they have availed the initial revalidation as per 4.41.a of HBP, Vol.1. They have imported 35.34% of Polypropylene Granules and 58.26% LDPE Granules against their actual export entitlement. Therefore, on pro rata basis they have 64.66% of Polypropylene Granules and 41.74% of LDPE Granules entitlements unutilized on third authorization alone and as per amended provision of PN No.17 d. 8.6.2016 they were entitled for pro-rata revalidation, therefore it is their humble submission that if the PRC accede their request this would not amount to indirect revalidation.
10. Their entire export obligation was fulfilled within a gap of 36 months from the earliest authorization which was issued on 24.05.2012 and the last authorization was applied on 31.03.2015 and authorization issued on 07.04.2015 thus the gap between these authorizations could be worked out to 34/35 months.
11. The entire inputs which imported within initial validity period and imported inputs against above authorization were fully consumed in manufacturing as a replenishment inputs all the exports which discharged under above authorization are fully realized. Thus if the clubbing is not allowed, this will amount to export of finished goods along with duty and tax, since the objective of duty exemption scheme is to extend duty free import of inputs for export production, including replenishment of input.
12. Hence, they requested to club these above five advance authorization for regularization purpose.

Decision: The averments of the applicants during the hearing were discussed again at length by the Committee. It was noted that Authorisation at Sl No 1 was issued under FTP, 2009-2014 having 24 months to import and 36 months to fulfil export obligation. Remaining 4 Authorisations were issued under FTP, 2015-2020 having 12 month's validity to import and 18 months to fulfil export obligation. Facility of clubbing is allowed where shortfall in fulfilment of export obligation occurred against earliest issued Authorisation and surplus exports made in subsequent Authorisation using duty free goods imported under earliest Authorisation and exports are completed within the initial/extended obligation period of first Authorisation. However, that is not the case here. The Authorisation at Sl No 4 and 5 were obtained after expiry of validity of first Authorisation and imports are made without any exports under these Authorisations. Clubbing of such Authorisations are not allowed.

The committee, therefore, did not accede to the request and reiterated its decision taken in the meeting dated 17.01.2017.

The applicant is hereby directed to get the cases regularised in terms of Para 4.49 of HBP, 2015-2020 within a month from the date of uploading of these minutes on the directorate website. In case of failure, action under the provision of FT(DR)Act, 1992, as amended shall be initiated by the RA.

(Action: Applicant/RA, Ahmedabad)

Case No.5: M/s Ravin Cables Limited, Mumbai
F. No. 01/60/162/526/AM16/PRC
PRC Meeting No. **21**/AM18 dated **10**.10.2017

Subject: Request for Revalidation of Authorisation No 3107485434 dated 05.09.2013 and clubbing and redemption of three advance Authorisation No. (1) 0310673064 dt. 27.12.2011 (2) 030673069 dated 27.12.2011 (3) 0310748534 dated 05.09.2013

Aggrieved by the decision of the committee meeting held on 06.01.2016, the applicant sought personal hearing in terms of Para 2.59 of FTP, 2015-2020 which was afforded to them on 10.10.2017. Mr. Sonal Gariba, Director procurement, planning and logistic and Mr Promod Gnorpale, manager of M/s Ravin Cables Limited, Mumbai appeared before the committee and made the following submissions stating inter alia that:

1. Total FOB value of all above 03 AA is US$ 14575957.65 & total CIF utilization for all above 03 AA is in US$ 5850864.04, thus Average value addition at the time of Redemption / Clubbing will be 249.12 %, which is much more than VA required for clubbing & Redemption. All Authorisations were issued with 36 months of EOP.
2. Vide PN 151 dated 26.02.2009, Para 4.22 was amended & EOP of 24 months was replace by 36 months, based on this PN earlier & existing AA having EOP 24 months was extended to 36 months & later on PN 79 dt. 13.10.2011 was issued which was a guideline for allowing clubbing & Redemption of all such AA & their requested all AA are within parameter of PN 151 dtd. 26.02.2009 & PN 79 dt. 13.10.2011.
3. Issue dated of AAs were within 36 months, i.e. between December, 2011 to December 2013.
4. Exports in totality qty. & Value wise achieved is much higher w.r.t qty. & value of import.
5. Out of the three eligible inputs i.e. copper, Aluminium, & XLPE, two inputs namely copper & XLPE were partly lapsed.
6. Out of the 03 AAs, in 02 AAs EOP is 36 months & in 01 AA is 18 months, DGFT has issued one PN 79 dt. 13.10.2011 for allowing clubbed & redemption of all AA issued within 36 months. Even today as per the guideline of that PN.
7. In AA. 0310673069 dt. 27.12.2011there was 'Nil' import, in AA 0310747534 dt. 05.09.2013 there was excess export and for both these AA Revalidation / Enhancement has been denied by Add, DGFT- Mumbai as well as PRC thus eligible Duty-free inputs lapsed in huge quantity.
8. Hence they requested to club & redeemed the AAs without imposing composition fee.
9. In the revised representation submitted by them, they requested to allow clubbing of 11 Advance Authorisations submitted earlier in two sets: three Authorisations in one set and 7 Authorisations in second set issued during 2008 to 2013.

10. Some exports were made to Syria through third party that is BHEL and payments (foreign exchange) against that exports have not been realised though they have received payment from BHEL in rupees.
11. They, therefore, requested to allow clubbing of all 11 Authorisations.

Decision: Having heard to the applicant, the case was discussed again at length. In the case under consideration, Authorisation at Sl No 1 and 2 were issued under FTP, 2009-2014 having 24 month's validity to import and 36 months to fulfil stipulated export obligation. The applicant has fulfilled more than 100% export obligation against these two Authorisations and made partial import under first Authorisation and no import under second Authorisation. The third Authorisation was issued under amended FTP as on 05.06.2012 having 12 month's validity to import and 18 months to fulfil stipulated export obligation. However, this third Authorisation is issued within the validity of first two Authorisations. The committee, therefore, decided the following:

i. Clubbing of three Authorisations be allowed.
ii. Exports made within 36 months from the date of issue of first Authorisation shall only be accounted for clubbing and discharge of EO.
iii. Only exports where payments have been realised in free foreign exchange shall be accounted.
iv. Minimum 15% value addition on clubbed CIF and FOB value shall be maintained;
v. Inputs shall be accounted as per SION;
vi. The facility of clubbing shall be allowed provided no adjudication order has been issued against any Authorisation either by RA or Customs Authority.
vii. No exports or imports are allowed after clubbing. Hence, request for revalidation was not allowed.
viii. Shortfall, if any, shall be regularised in terms of Para 4.49 of HBP, 2015-2020.

(Action: Applicant/RA, Mumbai)

Case No 6: M/s. Ravin Cables Ltd., Mumbai
File No: 01/60/162/504/AM16/AM17/PRC

Subject: Request for Clubbing & Redemption for their AA. No. (1) 0310497430 dt. 12.12.2008, (2) 0310500368 dt. 30.12.2008, (3) 0310500376 dt. 30.12.2008, (4) 0310544872 dt. 10.11.2009, (5) 0310544878 dt. 10.11.2009, (6) 0310546893 dt. 23.11.2009 & (7) 0310608911 dt. 31.12.2010 and request for waiver in Composition fee.

Aggrieved by the decision of the committee meeting held on 06.01.2016, the applicant sought personal hearing in terms of Para 2.59 of FTP, 2015-2020 which was afforded to them on 10.10.2017. Mr. Sonal Gariba, Director procurement, planning and logistic and Mr Promod Gnorpale, manager of M/s Ravin Cables Limited, Mumbai appeared before the committee and made the submissions as stated in the case No 5 above:

Decision: Having heard to the applicant, the case was discussed at length. It was noted that Authorisations listed at Sl 1 to 3 in the subject were issued under FTP, 2004-2009 having 18 month's validity to import and 24 months to fulfill stipulated export obligation. Whereas, Authorisations at Sl No 4 to 7 were issued under FTP, 2009-2014 having 24 month's period to import and 36 month's period to fulfill stipulated export obligation. Export obligation period has been extended from 24 months to 36 months under Authorisations issued during 2007-2008 vide PN 151 dated 26.02.2009. The applicant has fulfilled more than 100% export obligation against these Authorisations. So far as Authorisations listed at Sl No 4 to 7, export obligation period has been extended from 36 to 48 months by the committee considering genuine hardship.

Taking into consideration the above facts, the committee decided the following:

i. Clubbing of above referred 7 Authorisations be allowed.
ii. Export made within 48 months from the date of issue of first Authorisation shall only be accounted for clubbing and EODC.
iii. Export obligation period be extended from 36 to 48 month against Authorisation No 0310497430 dt. 12.12.2008.
iv. This will, however, be subject to payment of composition fee @ 0.5% of clubbed FOB value of exports made after 36th months but upto 42nd month and @ 0.5% per month of clubbed FOB value of exports made after 42nd month but upto 48th months;
v. Minimum 15% value addition on clubbed CIF and FOB value shall be maintained;
vi. Inputs shall be accounted as per SION;
vii. Only shipments for which payments in free foreign exchange have been realised shall be accounted;
viii. Shortfall, if any, shall be regularised in terms of Para 4.49 of HBP, 2015-2020;
ix. No adjudication order against any Authorisation is issued either by RA or Customs Authority.

(Action: Applicant/RA, Mumbai)

Case No.7: M/s Ravi Foods Pvt. Ltd.., Hyderabad
F. No. 01/60/162/058/AM17/PRC
PRC Meeting No. **21**/AM18 dated **10**.10.2017

Subject: Request for revalidation of DFIA No.0910055370 dated 12.03.2013

Aggrieved by the decision of the committee meeting held on 09.03.2017, the applicant sought personal hearing in terms of Para 2.59 of FTP, 2015-2020 which was afforded to them on 10.10.2017. The applicant through e-mail dated 09.10.2017 informed that due to sudden demise of his father, he was unable to attend the hearing.

Decision: As per request of the applicant, the case was deferred for next meeting.

(Action: applicant)

Case No.8: M/s Genext Logistics Pvt. Ltd., New Delhi
F. No. 01/60/162/69/AM18/PRC
PRC Meeting No. 21/AM18 dated **10**.10.2017

Subject: Application for seeking policy relaxation in terms of para 2.58 of FTP request for relief under para 3.08 (i) FTP not having IEC at the time of rendering services for claiming SEIS benefit.

Aggrieved by the decision of the committee meeting held on 22.09.2017, the applicant sought personal hearing in terms of Para 2.59 of FTP, 2015-2020 which was afforded to them on 10.10.2017. Ms Rito Bhatt, Director of M/s Ltd., New Delhi appeared before the committee and made the following submissions stating inter alia that:

1. CLA, Delhi did not consider the application for grant of reward benefit under SEIS against specified services rendered during 2015-16 on the ground that as per para 3.8(f) of FTP 2015-20, IEC granted to them was not active at the time of rendering the service. The firm obtained IEC during 2016-17 before filing the application for SEIS
2. Section 7 of Foreign Trade (Development & Regulation) Act, 1992 which is regarding Importer –Exporter Code Number. The provision in FT(D&R) before amendment is as under;

   "No person shall make any import or export except under an Importer-exporter Code Number granted by the Director General or the officer authorized by the Directorate General in this behalf, in accordance with the procedure specified in this behalf by the Director General."

   However, the para 7 of FT(D&R) after amendment on 20.08.2010 is as under:

   "Provided that in case of import or export of services or technology, the Importer-exporter Code Number shall be necessary only when the service or technology provider is taking benefits under the foreign trade policy or is dealing with specified services or specified technologies."

3. The firm have submitted that as per section 7 of FT(DR) Amendment, 2010, IEC number is necessary only when the service provided is taking benefit under the FTP and the firm obtained IEC no. before filing their claim for SEIS benefit against service rendered during 2015-16.
4. The firm had been obtaining the benefit in previous policy 2009-14 without having IEC no. as there was no such requirement. Non-compliance of this new provision of FTP 2015-20 was unintentional.
5. They have fulfilled the other conditions:
   - Exported/rendered services as per policy
   - Payment were realized in foreign exchange.
   - Applied for IEC before filing the claim

6. Hence, they requested for, relief under para 3.08(f) of FTP for not having IEC at the time of rendering services for claiming SEIS benefits.

Decision: Having heard to the applicant, the case was again discussed at length. It was noted that in terms of section 7 of FT(DR)Act, 1992, as amended by Act of 2010, "*No person shall make any import or export except under an Importer-exporter Code Number granted by the Director General or the officer authorised by the Director General in this behalf, in accordance with the procedure specified in this behalf by the Director General. Provided that in case of import or export of services or technology, the Importer-exporter Code Number shall be necessary only when the service or technology provider is taking benefits under the foreign trade policy or is dealing with specified services or specified technologies*". Para 3.08(f) of FTP, 2015-2020 categorically provides, "*In order to claim reward under the scheme, Service provider shall have to have an active IEC at the time of rendering such services for which rewards are claimed.*"

In view of above provisions the committee was of the view that no IEC is required where services are exported with intent of not to claim any incentive on earning of foreign exchange against the services rendered. However, IEC is mandatory before exporting/rendering services where exporter intends to claim benefits under FTP. Therefore, dispensation from such condition cannot be allowed. The applicant has not given any reason of genuine hardship due to which they could not obtained Importer Exporter Code (IEC) before rendering services. The committee, therefore, reiterated its earlier decision.

(Action: Applicant)

Case No.9: M/s D.L. Tanumal Pvt. Ltd., Mumbai
F. No. 01/60/162/321/AM17/PRC
PRC Meeting No. **21**/AM18 dated **10**.10.2017

Subject: Request for condonation of delay in claim of benefit of chapter 3 incentive for the shipping bill No. 700120 dated 06.01.2012, 4664175 dated 22.07.2011 and 7139705 dated 16.01.2012

Aggrieved by the decision of the committee meeting held on 06.07.2016, the applicant sought personal hearing in terms of Para 2.59 of FTP, 2015-2020 which was afforded to them on 10.10.2017. Shri Anil Wadhwa, General manager from M/S D.L. Tanumal Pvt. Ltd., Mumbai appeared before the committee and made the following submissions stating inter alia that:

1. Their office building collapsed on 12.9.2011 and all their documents messed up and misplaced. In this connection, The Muncipal Corporation letter dated 15.9.2011 and repair Board's letter dated 14.10.2011 are enclosed. Hence they could not submit their claim in time for benefits of chapter 3 for three Shipping Bill.s

2. Hence they requested to condone the delay in claim of benefit of chapter 3 incentive of above three shipping bills.

Decision: Having heard to the applicant, the committee wanted to know from him that how documents, which were generated in 2012, were destroyed in the year 2011 due to collapse of office building? He could not give a satisfactory reply to the question. It is a case where contention of the applicant is about the destruction of the documents in fire in 2011 whereas the documents for exports were generated much later the incidence of fire. The committee was of the view that there was no case of genuine hardship. The justification has been created without any base or supporting facts. The committee, therefore, did not accede to the request and reiterated its earlier decision.

(Action: Applicant)

Case No.10: M/s Oginibene India Pvt. Ltd, Pune
F. No. 01/60/162/955/AM17/PRC
PRC Meeting No. 21/AM18 dated 10.10.2017

Subject: Request for relaxation of requirement of export documents in Advance Authorisation No.3110045249 dt 27.10.2010

Aggrieved by the decision of the committee meeting held on 07/09.03.2017, the applicant sought personal hearing in terms of Para 2.59 of FTP, 2015-2020 which was afforded to them on 10.10.2017. Shri Vikash M Despande, Dy. GM Finance from M/s Oginibene India Pvt. Ltd, Pune appeared before the committee and made the following submissions stating inter alia that:

1. They were having one star Export House status and a group company of Ognibene Power SpA, Itlay. In India operation have been established since 2007.
2. In respect of export, they have been availing export incentives under Duty Drawback, EPCG and Advance Authorization scheme.
3. In respect of some of the deemed exports made towards EO fulfillment against Advance Authorisation, the invoices /ARE3 documents have been made without mentioning of authorization number/file number against the subject advance authorization, as such they were unable to meet the EO as those are being treated as free exports.
4. Hence, they requested PRC for grant of relaxation in respect of the documentary procedural lapse.

Decision: The Committee heard the averments made by the applicant and discussed the case again at length. It was noted that documents without having specific File Number/Authorisation Number cannot be allowed towards fulfilment of Export Obligation against the Advance Authorisation. The committee, therefore, did not find it to be a case of genuine hardship and hence did not accede to the request and reiterated its earlier decision.

The applicant is hereby directed to get the case regularised within a month from the date of uploading of these minutes on the Directorate website in terms of para 4.49 of HBP, 2015-2020. Failing which, action under the provisions of FT(DR)Act, 1992, as amended, shall be taken by RA.

(Action: Applicant/RA, Pune)

Case No.11: M/s Oginibene India Pvt. Ltd., Pune
F. No. 01/60/162/955/AM17/PRC
PRC Meeting No. 21/AM18 dated 10.10.2017

Subject: Request for relaxation of requirement of export documents in Advance Authorisation No.3110062548 dt 14.02.2014

Decision: Same submissions as per case No 9. Hence decision at case number 9 is reiterated.

Case No.12: M/s Oginibene India Pvt. Ltd., Pune
F. No. 01/60/162/989/AM17/PRC
PRC Meeting No. 21/AM18 dated 10.10.2017

Subject: Request for relaxation of requirement of export documents in Advance Authorisation No.3110052275 dt 01.01.2012

Decision: Same submissions as per case No 9. Hence decision at case number 9 is reiterated.

Case No.13: M/s ABB India Ltd Bangalore
F. No. 01/60/162/614/AM15/PRC
PRC Meeting No. 21/AM18 dated 10.10.2017

Subject: Request for condone the procedural lapse in obtaining the Bill of export three advances Authorisation No. 1. 0710065927 dated 14.07.2009 (2) 0710068577 dated 01.12.2009 and (3) 0710065928 dated 14.07.2009.

Aggrieved by the decision of the committee meeting held on 29.08.2016, the applicant sought personal hearing in terms of Para 2.59 of FTP, 2015-2020 which was afforded to them on 10.10.2017. However, through e-mail dated 08.10.2017, the applicant requested for next date due to unavailability of the person conversant to the case.

Decision: The case was deferred and posted for next meeting.

(Action: Applicant)

Case No.14: M/s. Pankaj Overseas, New Delhi
F. No. 01/60/162/626/AM17/PRC
PRC Meeting No. 21/AM18 dated 10.10.2017

Subject: Request redemption of Advance AuthorisationNo.0510392703 dated 06.01.2015

Aggrieved by the decision of the committee meeting held on 05.05.2017, the applicant sought personal hearing in terms of Para 2.59 of FTP, 2015-2020 which was afforded to them on 10.10.2017. Shri Pankaj Gara, proprietor of the firm appeared before the committee and made the following submissions stating inter alia that:

1. They are a manufacturer Garment Exporters. They have applied for the advance Licence for import of, 100% Silk Crepe Georgette woven printed fabric, against the export of Ladies Dress, Blouse, Jumpsuit & short, under the SION J-288, J-290, J-197 and J-292. As per the normal course of advance licenses for the Readymade Garments, it is applied under SION J (Qutyt of imports/ Exports in Pcs.

2. In their previous representation they had agreed and accepted it as a Policy error on their part. They again clarify that they were not aware of SION for J-125 (for silk RMG).

3. In-spite of higher wastage in the subject Advance License, they re-exported the entire duty free imports with the 1.10 % wastage.

4. Moreover, they had established entire imports and exports in temrs of Kgs. with wastage allowed i.e.1% only (as required as per SION J-125) with the custom documents.

5. If they had to misuse the Policy provision, they could have fulfilled EO as per J-270 to J-296 SION (which allows the higher wastage) instead of 1.10% wastage only.

6 To establish the above, under the SION J-125 (within 1% wastage only) they had produced all related customs documents, like Bill of entry in Kgs, export invoices with exported quantity in Kgs. duly attested by the Customs.

7. There was a conversion method of UOM conversion method already mentioned in general Note for Textiles No. 19 – the GSM of the export item can be calculated on the basis of weight and Sq. Meters given in the Shipping Bill. They are convering Sq. Metrs to Kgs. only.

8. Hence they have requested for relaxation of the Unit of Measure (UOM) in SION of Textiles – Silk (To allow in Sq. Mtrs instead of Kgs. against above advance authorization for redemption.

Decision: having heard to the applicant, the case was discussed again at length. It was noted that norms of the item exported is already available at SION SL No J 125. Therefore, no policy relaxation is required. The applicant may approach the concerned Norms Committee for regularisation of Authorisation and ratification of norms as per J-125 treating it as No Norms case and allow wastage as deemed appropriate by the Committee.

(Action: Applicant/NC-4)

Case No.15: M/s Newage fire Protection Industries Ltd., Mumbai
F. No. 01/60/162/1268/AM17/PRC

D-6

PRC Meeting No. 21/AM18 dated **10**.10.2017

Subject: Request for Revalidation of Advance Authorization no. 0310798243 dt. 18.08.2015

Aggrieved by the decision of the committee meeting held on 17.08.2017, the applicant sought personal hearing in terms of Para 2.59 of FTP, 2015-2020 which was afforded to them on 10.10.2017. Shri Bharat J shah, Chief Executive of the company appeared before the committee and made the following submissions stating inter alia that:

1. They have fulfilled 100 % EO against the Advance authorization.
2. It is a fact that there was a provision for availing 6 month's revalidation of this authorization over and above the initial import period of 12 months and they did approach RA Mumbai for revalidation for a further period of 6 months in terms of para 4.41 of HBP which would have given them 6 months more i.e. up to 18.02.2017.
3. But there was a genuine delay in applying for the 1st revalidation which result into their getting revalidation for 3 weeks for effecting the balance imports. The short time of 3 weeks was hardly sufficient for them to effect the balance imports, particularly for the import Synthetic Rubber PVC Nitrile Rubber wherein they the other small quantities of other inputs are not imported but Nitrile rubber is the major import and if they do not get revalidation of import of this inputs, they will be put to several financial losses which they cannot afford as SSI units.
4. They were holding further exports order in hand for the exports of the same export product for which they also require Nitrile Rubber to be imported.
5. Hence they requested to allow another revalidation for atleast 4 months to import the balance inputs, particularly Nitrile rubber.

<u>Decision:</u> Having heard to the applicant, the case was discussed again at length. It was noted that request of policy relaxation is considered purely on the basis of genuine hardship and adverse impact on trade. No cogent reason of any genuine hardship is given by the applicant. The committee, therefore, did not accede to the request.

The applicant is hereby directed to submit documents to RA for closure of the case.

(Action: Applicant)

Case No.16: M/s. Reliance Communication Ltd., Mumbai
F. No. 01/60/162/1252/AM17/PRC
PRC Meeting No. 21/AM18 dated **10**.10.2017

Subject: Request for Revalidation of SFI Scrip No. 0310444782, 0310444784, 0310444790 dt. 01.10.2007, and 0310454992 to 0310454996, 0310454998, 0310455000, 0310455001 and 0310455003 dt. 20.12.2007 for six Months from date of endorsement.

Aggrieved by the decision of the committee meeting held on 15.06.2017 and 12.09.2017, the applicant sought personal hearing in terms of Para 2.59 of FTP, 2015-2020 which was afforded to them on 10.10.2017. Shri Venkat Ramana, Corporate Indirect Taxation of the company appeared before the committee and made the following submissions stating inter alia that:

1. The scrips were valid from Oct., 2007 to Sept., 2009 and the trade witnessed Global Economic Slowdown in the year 2008 and 2009. PRC considered a number of cases for revalidation of scrips issued during August and September, 2007 on account of Global Economic Slowdown in meeting No. 01/AM11, and 09/AM10.
2. The PRC decided to take a lenient view to revalidate SFIS Scrips in certain cases. The decision taken in meeting No. 07/AM10 dt. 06.01.2010 (case No. 11), meeting No. 09/AM10 dt. 23.03.2010 (case No. 28), meeting No. 09/AM10 dt. 23.03.2010 (case No. 29), meeting No. 09/AM10 dt. 23.03.2010 (case No. 30), meeting No. 09/AM10 dt. 23.03.2010 (case No. 60), meeting No. 11/AM11 dt. 30.04.2010 (case No. 24), meeting No. 03/AM11 dt. 29.07.2010 (case No. 28) and hence requested to treat their case similarly.
3. They had also applied at the same time when cases of other firms were decided positively by the Committee. They submitted application on 26.09.2009 and 04.12.2009. They have submitted a detailed list of correspondence with DGFT since 2009 for following up their case but the case was lying in PC-3 and only on 23.01.2017 they were informed to approach PRC.
4. The Global Economic Slowdown affects both exports as well as imports. Because of, Economic Slowdown they were not in position to place the order for import of capital goods and the validity of scrips got expired during the period.
5. They had submitted request at the same period when other firms applied and PRC took lenient view for revalidation of their scrips while the case of M/s Reliance Communication was kept pending till 2017 and the matter was not considered favourably in PRC meeting no7/AM18.
6. They, therefore, requested that all cases should be treated equally by PRC and that PRC should not take different decision on cases of same nature.

Decision: The Committee after hearing the applicant, discussed the matter again at length. The committee considers the plea of relaxing the provisions on the ground of genuine hardship and adverse impact on trade. In the case under consideration, Duty Credit Scrip were issued during 2007-2008 having initial validity of 24 months. These being transferable instruments, revalidation was not allowed unless the validity expired in the possession of the government Authorities. That is not the issue in this specific case. Moreover, as every case has its own unique situations, the Committee decides the issue on merit in the light of the circumstances of the case. Therefore, decision of Committee in some cases cannot be quoted for reference while seeking relaxation.

The applicant is a big exporter and has huge imports and exports. Considering their scale of operations, it was not difficult for them to utilise the Duty-Free Scrips on actual user basis. Therefore, their claim that due to economic showdown they could not utilise these scrips was not found to be a case of genuine hardship due to the reason that since

2007, exports and import of the company has increased in many fold. The committee, therefore, did not accede to the request and reiterated its earlier decision.

Case No.17: M/s. Tata Communication Ltd., Mumbai
F. No. 01/60/162/79/AM17/PRC
PRC Meeting No. 21/AM18 dated **10**.10.2017

Subject: Request for Revalidation of SFIS Sricp No. 0300000355 dt. 11.03.2014

Decision: Due to paucity of time, the case was deferred for next meeting.

Case No.18: M/s. Tata Communication Ltd., Mumbai
F. No. 01/60/162/969/AM16/PRC
PRC Meeting No. 21/AM18 dated **10**.10.2017

Subject: Request for Revalidation of SFIS Sricp No. 0300000354 dt. 11.03.2014

Decision: Due to paucity of time, the case was deferred for next meeting.

Case No.19: M/s. Tata Communication Ltd., Mumbai
F. No. 01/60/162/81/AM17/PRC
PRC Meeting No. 21/AM18 dated **10**.10.2017

Subject: Request for Revalidation of SFIS Sricp No. 0300000313 dt. 11.03.2014

Decision: Due to paucity of time, the case was deferred for next meeting.

Case No.20: M/s. Tata Communication Ltd., Mumbai
F. No. 01/60/162/80/AM17/PRC
PRC Meeting No. 21/AM18 dated **10**.10.2017

Subject: Request for Revalidation of SFIS Sricp No. 0300000356 dt. 11.03.2014

Decision: Due to paucity of time, the case was deferred for next meeting.

Case No.21: M/s. Tata Communication Ltd., Mumbai
F. No. 01/60/162/82/AM17/PRC
PRC Meeting No. 21/AM18 dated **10**.10.2017

Subject: Request for Revalidation of SFIS Sricp No. 0300000357 dt. 11.03.2014

Decision: Due to paucity of time, the case was deferred for next meeting.

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

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