Date of Uploading- 16.12.2022

MINUTES OF 9th MEETING OF AM-23 OF THE EPCG COMMITTEE HELD UNDER THE CHAIRMANSHIP OF SHRI S.B.S. REDDY, ADDITIONAL DIRECTOR GENERAL OF FOREIGN TRADE AT 3.00 PM ON 12.12.2022

Ninth Meeting for AM-23 of the EPCG Committee was held on 12.12.2022 at 3.30 PM under the chairmanship of Shri S.B.S. Reddy, Additional Director General of Foreign Trade through Video Conferencing. Following officers attended the meeting:-

i. Shri Chandan Kumar, OSD, Department of Revenue
ii. Shri Randheep Thakur, Joint Director General of Foreign Trade, DGFT
iii. Shri Sanjeev Kumar Kala, Deputy Director General of Foreign Trade, DGFT
iv. Shri Satish Kumar Oza, Foreign Trade Development Officer, DGFT

2. Minutes of the last Meeting were confirmed. Thereafter, the Committee deliberated upon all the cases and following decisions were taken:-

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<u>Case No- 1: Kobelco Industrial Machinery India Pvt. Ltd., Kanchipuram</u>

F. No. 18/82/AM-22/P-5

Subject: Request for issue of EPCG License for import of capital goods i.e. Cranes-reg.

Kobelco Construction Equipment India Pvt. Ltd, Kanchipuram vide e-mail dated 29.02.2022 has requested RA, Chennai to issue EPCG License for import of capital goods i.e. Cranes required for manufacturing an "**over head travelling cranes on fixed support**". **In this case EPCG Committee accorded personal hearing to the company to present their case.**

Decision: The Committee deliberated upon the case and decided to **defer** it as the applicant didn't appear before EPCG Committee for Personal Hearing to explain their case.

Case No- 2: Lambodhara Textiles Ltd., Coimbatore

F. No. HQREPCGPRAPP00176056AM22

Subject: Request for condonation of the shortfall in AEO in respect of EPCG Authorization No. 3230027378 dated 29.10.2018 under 0% Concessional Duty.

i. The applicant in their application have given the reason/justification i.e. Covid-19 Government Restrictions for shortfall in AEO and also requested for PH to explain their case.
ii. The representative of the applicant appeared before the EPCG Committee and submitted that due to Covid-19 Pandemic they were unable to maintain the average EO. However it has been noticed that the EO period of the subject EPCG authorization is valid up to 29.10.2024.
iii. The Committee heard the submissions of the representative of the firm. Committee observed that, reduction in AEO has already been given to the applicant to the tune of 20% due to general reduction of exports for the product group. The Committee further observed that EOP of the subject license is valid up to October, 2024.

Decision: The Committee went through the statements made by the applicant and noted that the applicant has not submitted any cogent reason/justification in support of any genuine hardship faced by them. Accordingly, the Committee decided to **reject** the request.

Case No- 3: Chandra Polyplast Pvt. Ltd., Aurangabad

F. No. 01/36/218/32/AM-21/EPCG (HQREPCGPRAPP00000325AM23)

Subject: Review of decision taken in the EPCG Committee Meeting dated 11.09.2020 i.e. Conversion of FOB value of EO based on duty saved amount instead of CIF value in terms of Notification No. 28 dated 28-1-2004.

The applicant has requested for review application of conversion of CIF value into Duty Saved Amount in respect of EPCG license no. P-CG01109118 Dated 11.08.1999. The applicant has stated that the committee considered their case in its meeting no. 14^{th} dated 30.03.2022 and after approving partial request, rejected other request, stating that "The EO period is not valid on the date of request. The committee is not recommending the case of conversion of EPCG authorization to Duty Saved Amount. The applicant has made following submissions:

a. The request for the said relaxation was made before the EPCG Committee simply because the license was not valid on the date of export as the committee is empowered to relax the procedure/ Policy in case of genuine hardship.
b. As the said relaxation is based on a bonafide and genuine ground, the request for the said relaxation has complete merit.
c. There are several instances when the Honorable committee has considered the request for such a relaxation in the past. Some examples are cited for the sake of convenience of the

committee. The case against EPCG Lic No. CG/2156099 dated 19.12.1996, and EPCG Lic No. 0330000677 dated 06.11.2000, 0330001131 dated 01.06.2001 & 0330002501 dated 05.09.2002, of M/s Sanghi Industries Ltd, New Delhi, and M/s Shirpur Gold Refinery ltd. Dhule (last three cases) in its meeting held on 04.05.2011 at S. No. 15 and 24.08.2011 at S. No. 19 respectively.

In view of the above, the applicant has stated that their case has complete merit for consideration of the relaxation regarding permission to convert EO based on duty saved amount instead of CIF value, in terms of the Notification No. 28.01.2004.

i. The representative of the applicant appeared before the EPCG Committee in the 7th Meeting of AM-23 held on 14.10.2022/17.10.2022 and the Committee heard the submissions of the representative of the firm. The Committee went through the statements made by the representative of the applicant and decided to defer the case for further examination.

Decision: The Committee went through the statements made by the applicant and noted that case may be placed before committee with minutes of previous cases mentioned by the applicant in their submissions. Accordingly, the Committee decided to **defer** the request.

Case No- 4: Star Engineers, Gujarat

F. No. HQREPCGPRAPP00148579AM22

Subject: Request for acceptance of job work for fulfilment of Export Obligation in respect of EPCG authorization No. 3430002507 dated 10.06.2014 under 0% Concessional Duty.

i. The applicant has stated that with the change in business scenario and severe suffering from Covid-19, an SSI unit can survive and complete EO with amendment of EPCG authorization as requested by them in the present application. They have made partial physical and SEZ export during first block of EO. Thereafter, they get only job work orders from SEZ units. Further, they manufacture important component called dished end of a product namely reactor used in chemical, petrochemical, fertilizer units which is exported by SEZ. They import raw material - steel in very large quantity at very cheap rate, supply to them and they undertake job work and get job work charges thereby their high tech capital goods imported through EPCG scheme are utilized for export production.
ii. The applicant has submitted that with this business strategy of SEZ units, now it is impossible for an SSI unit like them to import small quantity Steel of and export finished product - Chemical reactor in competition with SEZ units having various cost cutting benefits. They have realized Rs. 1.40 Crores from job work charges from SEZ unit from 2015 to 2021 using EPCG capital goods.

iii. The representative of the applicant appeared before the EPCG Committee in the 7th Meeting of AM-23 held on 14.10.2022/17.10.2022 and the Committee heard the submissions of the representative of the firm. The Committee went through the statements made by the representative of the applicant and decided to defer the case for further examination.

iv. In this connection it is stated that the exports by way of job work towards fulfillment of EO, is not covered under the definition of third party export under the EPCG Scheme.

Decision: The Committee deliberated upon the case and decided to **defer** it with the directions to call for the actual details of job work done towards fulfillment of Export Obligation like product supplied etc and export items endorsed on the EPCG authorization of the firm.

Case No- 5: Valiathu Institute of Medical Science Research Centre, Kerala

F. No. HQRPRCAPPLY00401239AM22

Subject: Request for second EOP Extension i.e. beyond 6+2 years in respect of EPCG Authorization No. 5330001517 dated 14.08.2013 under 0% Concessional Duty.

The applicant has requested for second EOP Extension i.e. beyond 6+2 years in respect of the EPCG Authorization No. i.e. 5330001517 dated 14.08.2013 under 0% Concessional Duty. The applicant has stated that they have already got total 8 years (6+2 years) of EOP for completing their EO but during this period they couldn't fulfil their 100% EO due to Covid-19 pandemic situation wherein foreign patients were not coming to their Hospital for treatments. Hence the applicant has requested for another two years of Extension i.e. beyond 6+2 years for completing their EO.

Decision: After due deliberation on the request of the firm, the Committee decided to **defer** the case for further examination.

Case No- 6:APU Corrumate Packaging Pvt. Ltd., New Delhi

F. No. HQREPCGPRAPP00405618AM22

Subject: Request for:
Condonation in fulfilment of block wise EO against EPCG Authorization. Request for extension of EOP for 2 years from 6 years to 8 years against EPCG Authorization in respect of EPCG Authorization no. 0530164487 dated 02.03.2015 under 0% Concessional duty.

In respect of the EPCG Authorization No. 0530164487 dated 02.03.2015, the applicant has stated that they couldn't fulfill their EO in stipulated time period due to non-availability export order. Now, they have export order from third party. The applicant has also stated that they could not apply for extension of EOP to RA in time. Therefore, the applicant has requested for extension of EOP for two years in order fulfill their EO.

Decision: The Committee deliberated upon the case and decided to **recommend to DG for relaxation under Para 2.58 of FTP, 2015-20** to allow:-

(a) Extension in block-wise EOP, as the applicant could not apply to RA within the prescribed time period. This shall be subject to payment of 2% composition fee on duty saved amount in proportion to the shortfall at the end of each block in terms of the provisions of Para 5.8.3 of HBP 2009-14 and late fee of Rs. 10,000/-.

(b) Condonation of delay in approaching RA for EO extension for 2 years (from 6th year to 8th year) on payment of composition fee or imposition of additional export obligation in terms of Para 5.11 of HBP 2009-14 and late fee of Rs. 10,000/-.

The above relaxation is also subjected to the condition that the proper installation certificate has been submitted within time limits as specified in FTP/HBP.

This has the approval of DG, DGFT.

<u>Case No- 7: Alisha Torrent Closures India Pvt. Ltd., Jaipur</u>

F. No. HQREPCGPRAPP00297820AM22

Subject: Request for Re-fixation of AEO in respect of 12 EPCG Authorizations under 0% Concessional duty -reg.

i. **0530167764 dated 06.06.2016**
ii. **0530167765 dated 06.06.2016**
iii. **0530167766 dated 06.06.2016**
iv. **0530167777 dated 07.06.2016**
v. **0530168288 dated 09.08.2016**
vi. **0530168289 dated 09.08.2016**
vii. **0530168290 dated 09.08.2016**
viii. **0530168320 dated 11.08.2016**
ix. **0530168465 dated 01.09.2016**
x. **0530168526 dated 07.09.2016**
xi. **0530168527 dated 07.09.2016**
xii. **0530168528 dated 07.09.2016**

The applicant has stated that they had obtained above mentioned EPCG authorizations for import of CG. The applicant has mentioned that since they were new in doing exports, they were not well informed about the provisions of FTP. They were not guided properly in the process of calculation of Average EO and submission of CAC. The applicant with regard to previous three years exports made by them has submitted the details as under:-

Year	FoB Value of Export
2013-14	0.00
2014-15	29996845.00
2015-16	171916056
Total	201912901.00
Average	67304300.00

ii. The applicant has further stated that they missed out on availing the benefit of Para 5.12 of HBP. However, CLA, New Delhi did not point out this deficiency in their application at that stage. Therefore, the applicant has requested to allow the benefit based on revised CA certificate in App-5B. The revised calculation of AEO is given as under :-

Year		FOB Value of Export			
		Export under EPCG		Non EPCG Exports	
		USD	INR	USD	INR
2013-14	Nil	Nil	Nil	Nil	Nil
2014-15	299968545.00	Nil	Nil	445630.66	29996845.00
2015-16	171916056.00	2017020.51	132904502.00	652854.02	39011554.00
Total	201912901.00				69008399.00
				AVE	23002800.00

iii. They had approached the CLA, Delhi for seeking a correction in AEO, but CLA, New Delhi vide their letter dated 23.06.2021 has conveyed to them as under:

> ***"You have Re- Fixed Annual Average EO as claimed the benefit in terms of Para 5.2 of HBP, you are advised to approach DGFT."***

Decision: The Committee deliberated upon the case and decided to **remand** the case to RA with the direction to verify and examine the case as per policy based on documentary evidence. In case if it is found that the request of the applicant is genuine/correct, RA may accordingly re-fix the Annual Average EO as claimed by the firm.

<u>Case No- 8: Medicap Healthcare Limited, Vadodara</u>

F. No. HQREPCGPRAPP00184515AM22

Subject: Request for allowing late submission of Installation Certificates issued by Chartered Engineer against EPCG Authorization Nos. 3430003362 dated 16.04.2019 and 3430003370 dated 26.04.2019 under 0% Concessional duty - reg.

As per Installation certificates issued by Chartered Engineer on 05.12.2019 and 11.11.2019 against EPCG Authorization Nos. 3430003362 dated16.04.2019 and 3430003370 dated 26.04.2019 respectively. The Applicant has stated that due to Covid-19 pandemic, they were unable to submit the Installation certificate. However, they managed to submit the Installation Certificate with RA, Vadodara i.e. beyond the stipulated time period for submission of Installation Certificate. In response, RA, Vadodara issued D/L dated 04.08.2021 and informed as under:

> *"Installation Certificate has been submitted beyond 18 months from date of import cannot be accepted. You are advised to approach EPCG committee to regularize delay in submission of Installation Certificate."*

The applicant stated that due to Covid-19 pandemic they faced problems to continue their exports and their applicant was closed for 3-4 months. The applicant further stated that from 2021, DGFT launched a new system which was troublesome for the applicant to understand which led to delay in submission of Installation Certificate issued by Chartered Engineer.

Decision: The Committee deliberated upon the case and decided **to recommend to DG for relaxation under Para 2.58 of FTP 2015-20** to allow condonation of delay in submission of installation certificate in view of the peak period of Covid-19 Pandemic subject to payment of composition fee of Rs. 5000/. RA to verify that no ECA/DRI/Customs action is pending.

This has the approval of DG, DGFT.

Case No- 9: Srinidhi Granites Private Limited, Bangalore

F. No. HQREPCGPRAPP00000407AM23

Subject: Request for Condonation of Procedural Lapse for Consideration of the Undertaking on Stamp Paper and Purchase Order received from exporter as the Agreement in respect of EPCG Authorization No. 0730016014 dated 30.11.2016 under 0% Concessional Duty.

i. The applicant has stated that they were granted subject EPCG license with the obligation to make export turnover to the extent of Rs 90,23,484 wherein they fulfilled their obligation within stipulated time and have made direct exports to the extent of Rs 21,42,830 and third party exports to the extent of Rs. 88,38,388 (total of Rs 109,81,218).
ii. The applicant further stated that they were served with a deficiency letter by RA Bangalore wherein the only issue being highlighted was that they have not fulfilled the condition under 5.10 (d) (i) of Handbook relating to entering into an explicit agreement to supply goods. The applicant has responded to this letter stating that they have made undertaking in stamp paper with an agreement / understanding to supply goods for exports through their firm. The applicant further stated that they also received purchase order to supply material for exports and they treated this purchase order as agreement and commitment towards these exports.
iii. The applicant further mentioned that they have already submitted these purchase orders and undertakings with RA. However, RA Bangalore is not agreeing to this and hence the applicant is requesting for condoning this procedural lapse to consider the undertaking on stamp paper and purchase order received from exporter as the agreement.

Decision: The Committee deliberated upon the case and decided **to recommend to DG for relaxation under Para 2.58 of FTP 2015-20** to allow condonation of procedural lapse for consideration of the undertaking on stamp paper as the agreement in respect of the subject EPCG authorization as stipulated under 5.10 (d)(i) of HBP, 2015-20.

This has the approval of DG, DGFT.

Case No- 10: Srinidhi Enterprises, Bangalore

F. No. HQREPCGPRAPP00000409AM23

Subject: Request for Condonation of procedural lapse to consider the Undertakings on Stamp Paper and Purchase Orders received from exporters as the Agreement to Supply goods in respect of EPCG Authorization No. 0730011311 dated 25.05.2012 under 03% Concessional Duty.

i. The applicant has stated that they were granted subject EPCG license with the obligation to make export turnover to the extent of Rs. 89,28,816 wherein they have fulfilled their obligation within the stipulated time and have made third party exports to the extent of Rs. 1,00,60,015.

ii. The applicant stated that they were served with a D/L by RA Bangalore wherein the only issue being highlighted is that they have not fulfilled the condition under 5.10 (d) (i) of Handbook relating to entering into an explicit agreement to supply goods. The applicant stated that they responded to this letter stating that they have made undertaking in stamp paper with an agreement / understanding to supply goods for exports through their firm. The applicant further stated that they also received purchase order to supply material for exports and treated this purchase order as agreement and commitment towards these exports.

iii. The applicant further stated that the undertakings and purchase orders have been submitted to RA Bangalore as proof but they are not agreeing to this. The applicant mentioned that RA Bangalore has also served a letter threatening to forfeit the bank guarantee and hence they are requesting for condoning this procedural lapse to consider the undertakings on stamp paper and purchase orders received from exporters as the agreement to supply goods. The applicant further mentioned that they have enclosed the purchase orders and undertakings on stamp paper for consideration.

Decision: The Committee deliberated upon the case and decided **to recommend to DG for relaxation under Para 2.58 of FTP 2015-20** to allow condonation of procedural lapse for consideration of the undertaking on stamp paper as the agreement in respect of the subject EPCG authorization as stipulated under 5.10 (d)(i) of HBP, 2015-20.

This has the approval of DG, DGFT.

Case No- 11: Falcon Marine Exports Ltd., Bhubaneswar

F. No. HQREPCGPRAPP00271734AM22

Subject: Request for Condonation for late submission of Installation Certificate issued by Chartered Engineer against EPCG Authorization No. 0230013995 dated 05.11.2019 under 0% Concessional Duty.

The applicant has stated that the import happened at the initial stage of Covid-19 Pandemic i.e. during Dec-19 and after that due to lockdown and shut down their office was not fully functional and was operating with limited manpower and even work from home was adopted. As a result, they could not submit installation certificate within the stipulated time. As per Installation certificate issued by Chartered Engineer on 03.03.2020, CG was imported on 09.12.2019 and installed at the premises place on 28.02.2020.

Decision: The Committee deliberated upon the case and decided **to recommend to DG for relaxation under Para 2.58 of FTP 2015-20** to allow condonation of delay in submission of installation certificate in view of the peak period of Covid-19 Pandemic subject to payment of composition fee of Rs. 5000/-. RA to verify that no ECA/DRI/Customs action is pending.

This has the approval of DG, DGFT.

Case No- 12: Falcon Marine Exports Ltd. , Bhubaneswar

F. No. HQREPCGPRAPP00271728AM22

Subject: Request for Condonation for late submission of Installation certificate issued by Chartered Engineer against EPCG Authorization No. 0230013994 dated 05.11.2019 under 0% Concessional Duty.

The applicant has stated that the import happened at the initial stage of Covid-19 Pandemic i.e. during Dec-19 and after that due to lockdown and shut down their office was not fully functional and was operating with limited manpower and even work from home was adopted. As a result, they could not submit installation certificate within the stipulated time. As per Installation certificate issued by Chartered Engineer on 14.03.2020, CG was imported on 16.01.2020 and installed at the premises place on 11.03.2020.

Decision: The Committee deliberated upon the case and decided **to recommend to DG for relaxation under Para 2.58 of FTP 2015-20** to allow condonation of delay in submission of installation certificate in view of the peak period of Covid-19 Pandemic subject to payment of composition fee of Rs. 5000/- and submission of installation certificate. RA to verify that no ECA/DRI/Customs action is pending.

This has the approval of DG, DGFT.

Case No- 13: Versatile Wires Limited, Kolkata

F. No. HQREPCGPRAPP00173201AM22

Subject: Request for Acceptance of Supply Invoice (having ARE-3 No and EPCG Authorization details endorsement) along with ARE-3 having corresponding supply invoice for Deemed Exports to 100% EOU towards fulfillment of EO under EPCG Authorization No. EPCG Authorization No. 01500179 dated 02.01.1996.

The applicant has stated that the date of completion of EOP against the said license as specified was 02.01.2001. Their company became a sick industrial undertaking and a reference was made before Hon'ble BIFR which approved a rehabilitation scheme dated 19.1.2009, inter-alia, provided extension of time period for fulfilling export obligation under various authorization issued by DGFT by 10 years from the cut off date i.e. till 31.03.2018.

i. The applicant has submitted that they have made Direct and Deemed exports towards fulfillment of export obligation. The deemed exports were supply to 100% EOU towards fulfillment of EO as prescribed under FTP/HBP and submitted Supply Invoices having EPCG License details and ARE-3 No. along with Central Excise attested ARE-3 Forms for corresponding Invoices as proof of Supply towards fulfillment of Export Obligation towards deemed exports to 100% EOU.

ii. Their request has not been accepted by RA as the Central Excise attested ARE-3 do not have EPCG Authorization details. The applicant has submitted that the corresponding supply Invoices are having EPCG Authorization Details and ARE-3 number and there is direct co-relation of these documents along with Nexus with EPCG Authorization.

Decision: The Committee deliberated upon the case and decided to **remand** the case to RA with the direction to verify and examine the documents as per policy provisions and accordingly decide the case. This is further subjected to the condition that RA to verify that no ECA/ DRI/ Customs action is pending in this matter and case has not been adjudicated yet.

Case No- 14: Virtual Rice Mills Private Limited, Kolkata

F. No. HQREPCGPRAPP00265514AM22

Subject: Request for transfer of Rice Mill Unit in respect of EPCG Authorization Nos. 0230011202 dated 07.04.2016, 0230011203 dated 07.04.2016,0230011579 dated 01.08.2016,0230011753 dated 14.09.2016 and 0230011875 dated 18.10.2016 under 0% Concessional Duty - reg.

i. The applicant has stated that they had procured CGs for Rice Mill for their unit situated and the respective EOs are yet to be fulfilled as the applicant has not been able to run the mill for several months due to ongoing financial crisis.

ii. Due to the above situation, the applicant has further stated that they have decided to close the Rice Mill business and have entered into an agreement with Adani Wilmar Limited for transfer of the said unit which has been intimated to RA Kolkata.

Decision: The Committee deliberated upon the case and decided **to recommend to DG for relaxation under Para 2.58 of FTP, 2015-20** to accept transfer of Virtual Rice Mills Private Limited in respect of subject EPCG authorizations to M/s Adani Wilmar Limited subject to the following conditions:

i. Average export obligation (AEO) shall be re-fixed by adding AEO of M/s Adani Wilmar Limited for same and similar products on date of acquisition.

ii. M/s Adani Wilmar Limited also shall execute necessary Bond and Bank Guarantees with Customs Authorities for fulfilment of Export Obligation.

This has the approval of DG, DGFT.

Case No- 15: Diamond Footcare Udyog Pvt. Ltd., Bahadurgarh (Haryana)

F. No. HQRPRCAPPLY00000137AM23

Subject: Request For:

i. **Condone non-mentioning of EPCG Authorization No. 0530160909 dated 28.05.2013 on Shipping Bill Nos. 3416400 dated 07.10.2015 & 3496950 dated 12.10.2015.**

ii. **Extension of EOP for 2 years from date of endorsement (i.e. from 6 years to 8 years).**

In respect of EPCG Authorization No. 0530160909 dated 28.05.2013 under 0% Concessional duty.

The applicant has stated that they were granted an EPCG authorization no. 0530160909 dated 28.05.2013 under 0% Concessional duty and have exported Footwear of USD 214400.37 within six years from the date of issue of the authorization. They had supplied the goods manufactured by them to M/s Super Shine Exim Pvt. Ltd for exports as they had orders and they are in to export trading of footwear. They supplied them with the understanding that goods shall be exported and our EPCG details will be included on the export documents so that EO as imposed can be met. Only after they received the documents from the exporter it came to notice that their company's name and EPCG License number was included in the shipping bills. It came to their notice while filling documents to redeem the imposed obligation.

i. The applicant has informed that their supplies were made under H-Form confirming that goods are for exports only hence the goods supplied by them were actually exported. Their efforts and intention was very clear to fulfill the EO with in time and they did by supplying the goods manufactured by them and same were exported by M/s Super Shine Exim Pvt. Ltd vide their shipping bill nos. 3416400 dated 07.10.2015 & 3496950 dated 12.10.2015. However, due to inadvertent fault on their part is that they could not notice that the details of their EPCG License are missing because of error made by the CHA while filling the shipping bills.
ii. The applicant has requested that the exports made vide 2 shipping bill nos. 3416400 dated 07.10.2015 & 3496950 dated 12.10.2015 may be allowed to set off the obligation towards EPCG authorization. Alternately, extension in obligation period may be granted for 2 years from the date of endorsement to make fresh export to meet the export obligation.

Decision:

In respect of 1st request of the applicant: The Committee went through the statements made by the applicant and noted that the applicant has not submitted any cogent reason/justification in support of any genuine hardship faced by them. Accordingly, the Committee decided to **reject** the request.

In respect of 2nd request of the applicant: The Committee deliberated upon the case and decided **to recommend to DG for relaxation under Para 2.58 of FTP, 2015-20** to allow condonation of delay in approaching RA for EOP extension for 2 years (from 6 years to 8 years) on payment of composition fee or imposition of additional export obligation in terms of Para 5.11 of HBP 2009-14 and late fee of Rs. 10,000/-.

The above relaxation is also subject to the following conditions:-

a. The proper installation certificate has been submitted within time limits as specified, and

b. The payment of balance duties of Customs plus interest on unfulfilled EO since the extended EOP (from 6 to 8 years) has already expired.

This has the approval of DG, DGFT.

Case No- 16:D M South India Hospitality Pvt. Ltd. v/s UOI & Others

F. No. 01/36/218/22/AM-22/EPCG

Subject: W.P.(C) 5197/2021 & C.M. Appl. 15972/2021, WP No. 16551 of 2022 in the High Court of Delhi at New Delhi in the matter of M/s. D M South India Hospitality Pvt. Ltd. Versus Union of India & Ors.

Hon'ble Court has passed a final order dated 01.12.2022 in the WP No. 16551 of 2022. The operative portion of the order is reproduced below:-

"…… (i) The representation dated 11th June, 2021 as also the averments made in Writ Petition (C) 5197/2021 and the present writ petition shall be considered comprehensively as one representation of the Petitioner by the DGFT

(ii) Decision shall be taken in the said representation by 31st January, 2023.

(iii) In the meantime, the bank guarantee/s submitted by the Petitioner shall not be invoked without two weeks' advance notice given to the Petitioner on the e-mail address manjul.cs@dmgfi.com and sushen@dmgfi.com.

(iv) If the Petitioner redeems any further EPCGs in the interregnum, the same shall be also brought to the notice of the DGFT.

(v) If the representation of the Petitioner is rejected, the Petitioner would be given four weeks time to avail of its remedies in accordance with law and for the said four week period, the Bank guarantees shall not be invoked…."

2. In compliance to the above directions of the Hon'ble High Court, an opportunity of personal hearing was granted to the petitioner firm before the EPCG Committee.

Decision: The Committee heard the submissions of the representative of the petitioner firm. The Committee deliberated upon the case and decided to **defer** it with a direction to the petitioner firm to submit their written submissions. After receipt of written submissions, the matter will be placed for a decision before the Committee.

<u>Case No- 17: Jan Overseas, Kolkata</u>

F. No. HQREPCGPRAPP00000171AM23

Subject: Request for condonation of delay in submission of Installation Certificate issued by Chartered Engineer in respect of EPCG Authorization No. 0230010122 dated 11.02.2015 under 0% Concessional Duty –reg.

The applicant has stated that RA Kolkata have directed them to approach DGFT HQ for Condonation of delay in submission of Installation Certificate. The applicant stated that P.N. 01 dated 07.04.2020 has its coverage up to 31.03.2021 and hence have requested to accept Installation Certificate submitted beyond stipulated time i.e. 31.03.2021.The applicant further stated that they have not been able to trace out the proof of submission of the installation certificate but they had the installation certificate ready in the specified time period. As per Installation Certificate dated 30.04.2015 issued by Chartered Engineer enclosed by the firm, machinery was installed at the firm's premises on 22.03.2015 vide BOE No. 8543708 dated 10.03.2015.

Decision: The Committee went through the statements made by the applicant and noted that the applicant has not submitted any cogent reason/justification in support of any genuine hardship faced by them. Accordingly, the Committee decided to **reject** the request.

<u>Case No- 18: Ideal Knit Fab Private Limited, Kolkata</u>

F. No. HQREPCGPRAPP00000297AM23

Subject: Request for condonation of delay in late submission of Installation Certificate issued by Chartered Engineer in respect of EPCG Authorization No. 0230008512 dated 27.12.2012 under 03% Concessional Duty.

The applicant has stated that they are not registered with respective Excise Authority during the EOP.RA Kolkata has issued a D/L to the applicant stating that the date of import was 08.01.2013 whereas the applicant has submitted Installation Certificate on 02.05.2022. The applicant was requested to submit copy of acknowledgement receipt of submission of Installation Certificate, if submitted earlier within time period, if not submitted they were advised to approach DGFT HQ for Condonation of delay in submission. As per Installation Certificate dated 11.02.2013 issued by Chartered Engineer enclosed by the firm, machinery was installed at the firm's premises on 01.02.2013 vide BOE No. 8975204 dated 08.01.2013.

Decision: The Committee went through the statements made by the applicant and noted that the applicant has not submitted any cogent reason/justification in support of any genuine hardship faced by them. Accordingly, the Committee decided to **reject** the request.

<u>Case No- 19: MJ Grain Products Pvt. Ltd., Kolkata</u>

F. No. HQREPCGPRAPP00000084AM23

Subject: Request for extension of 1st Block in respect of EPCG Authorization No. 0230009652 dated 25.07.2014 under 0% Concessional duty.

The applicant has stated that they could not complete 50% EO in the 1st Block within stipulated time period i.e. 4 years due to the unfavorable reasons. The applicant has requested for extension of 1st Block in order to fulfill their EO against the above license.

Decision: The Committee deliberated upon the case and decided **to recommend to DG for relaxation under Para 2.58 of FTP, 2015-20** to allow extension in block-wise EOP, as the applicant could not apply to RA within the prescribed time period. This shall be subject to payment of 2%composition fee on duty saved amount in proportion to the shortfall at the end of each block in terms of the provisions of Para 5.8.3 of HBP 2009-14 and late fee of Rs. 10,000/-.

The above relaxation is also subject to the following conditions:-

a. The proper installation certificate has been submitted within time limits as specified, and

b. The payment of balance duties of Customs plus interest on unfulfilled EO since the EO period has already expired.

This has the approval of DG, DGFT.

<u>Case No- 20: Kisan Ginning And Pressing, Nagpur</u>

F. No. HQRPRCAPPLY00000065AM23

Subject: Request for 2 years EOP Extension up to 26.11.2022 i.e. 6+2 years in respect of EPCG Authorization No. 5030000528 dated 26.11.2014 under 0% Concessional Duty.

The applicant has stated that due to unawareness of the policy provisions regarding the procedure for fulfilling EO they have missed to apply for EOP extension within the stipulated time period. The applicant further stated that they have new export orders to be fulfilled and are trying to apply for EOP extension in the EPCG portal but the Dept is not accepting the applications and they are raising Deficiencies in the application stating that the application has not been made within the stipulated time frame

Decision: The Committee deliberated upon the case and decided **to recommend to DG for relaxation under Para 2.58 of FTP, 2015-20** to allow Condonation of delay in approaching RA for EO extension for 2 years (from 6th year to 8th year) on payment of composition fee or imposition of additional export obligation in terms of Para 5.11 of HBP 2009-14 and late fee of Rs.10,000/-.

The above relaxation is also subject to the following conditions:-

a. The proper installation certificate has been submitted within time limits as specified, and

b. The payment of balance duties of Customs plus interest on unfulfilled EO since the EO period has already expired.

This has the approval of DG, DGFT.

Case No- 21: Interpump Hydraulics India Private Limited, Hosur, TN

F. No. HQRPRCAPPLY00266289AM22

Subject: Request for Condonation of delay in submitting Installation Certificate issued by Chartered Engineer in respect of EPCG authorization No.0430013380 dated 18.02.2014 under 0% Concessional Duty.

i. The applicant has stated that they are manufacturer and exporter of auto components with factory at Hosur, TN and Pantnagar, Uttarakhand and had applied for EPCG authorization 0430013380 and also obtained installation certificate within 6 months and submitted to RA. They are not able to trace the acknowledgment for submission of installation certificate to RA.
ii. The applicant has furnished the installation certificate issued by Chartered Engineer on 06.08.2014, as per installation certificate CG was imported vide invoice no. 103012702 dated 27.01.2014 and installed at the premises on 30.07.2014.

Decision: The Committee went through the statements made by the applicant and noted that the applicant has not submitted any cogent reason/justification in support of any genuine hardship faced by them. Accordingly, the Committee decided to **reject** the request.

Case No- 22: Sumangal Handlooms, Surat

F. No. HQRPRCAPPLY00000241AM23

Subject: Request for:

i. **1st EOP Extension (8+2 years)**
ii. **2nd EOP Extension (8+2+2 years)**
iii. **3rd EOP Extension up to 2020 i.e. from 12th year to 13th year**

In respect of EPCG Authorization No. 5230002186 dated 11.06.2007 under 05% Concessional Duty.

i. The applicant has stated that they have 2 unfulfilled EPCG Authorization i.e. 5230001230 dated 17.10.2006 and 5230002186 dated 11.06.2007 (*Subject License*).The applicant stated that they couldn't fulfill their 100% EO for both these licenses in stipulated time period of 8 years. The applicant further stated that they could start exports only from 29.06.2018 (11 years after license was issued) and from them onwards they had good direct exports.
ii. The applicant further stated that if they get an extension of two years from 2018 to 2020 they can club the above mentioned 2nd Authorization with the 1st Authorization and fulfill the combined EO with their direct exports that they have made during the year 2018-20. The applicant is also ready to pay 2% composition fees and 50% duty to customs for 1st and 2nd Extension for the mentioned authorization but has also requested for extension beyond 2nd extension i.e. from 12th to 13th year.

Decision:

In respect of 1st and 2nd request: The Committee deliberated upon the case and decided **to recommend to DG for relaxation under Para 2.58 of FTP, 2015-20** to allow:-

i. Condonation for delay in approaching RA for EOP extension for 2 years (from 8th year to 10th year) on payment of composition fee or imposition of additional export obligation in terms of Para 5.11 of HBP 2004-09 and late fee of Rs. 10,000/-.

ii. Condonation for delay in approaching RA for second extension in EOP (10th year to 12th year) with a condition that 50% of duty payable in proportion to the unfulfilled EO is paid by the authorization holder to custom authorities in terms of provisions contained in Para 5.11 of HBP 2004-09.

The above relaxation is also subject to the following conditions:-

a. The proper installation certificate has been submitted within time limits as specified, and

b. The payment of balance duties of Customs plus interest on unfulfilled EO since the extended EOP (from 10 to 12 years) has already expired.

This has the approval of DG, DGFT.

In respect of 3rd request: The Committee went through the statements made by the applicant and noted that the applicant has not submitted any cogent reason/justification or any genuine hardship faced by them in support of request for EO extension beyond 12th year and accordingly, the Committee decided to **reject** the request of the applicant.

<u>Case No- 23: Shamina Textile, Maharashtra</u>

F. No. HQRPRCAPPLY00002123AM23

Subject: Request for EOP Extension for 2 years up to 15.04.2022 i.e. 6+2 years in respect of EPCG Authorization No. 5030000471 dated 15.04.2014 under 0% Concessional Duty.

The applicant has stated that due to unawareness of the policy provisions, industry not being completely aware about the rules and regulations of the EPCG and its repercussions for defaulting regarding the procedures for fulfilling EO they couldn’t apply for EOP extension within the stipulated time period. The applicant further stated that they have new export orders to be fulfilled and are applying for EOP for 2 years as they couldn’t fulfill their 100% EO in stipulated time.

Decision: The Committee deliberated upon the case and decided to **recommend to DG for relaxation under Para 2.58 of FTP, 2015-20** to allow condonation of delay in approaching RA for EOP extension for 2 years (from 6 years to 8 years) on payment of composition fee or imposition of additional export obligation in terms of Para 5.11 of HBP 2009-14 and late fee of Rs. 10,000/-.

The above relaxation is also subject to the following conditions:-

a. The proper installation certificate has been submitted within time limits as specified, and
b. The payment of balance duties of Customs plus interest on unfulfilled EO since the extended EOP (from 6 to 8 years) has already expired.

This has the approval of DG, DGFT.

<u>Case No- 24: Shrijee Lifestyle private Limited, Mumbai</u>

F. No. 01/36/218/02/AM-23/EPCG

Subject: Request for Waiver of Penalty Amount of Rs. 5000/ per year and additional Composition fees of Rs. 5000/ per year for Utilization of Excess Duty Saved Value in respect of EPCG Authorization No. 0330035745 dated 10.05.2013.

i. Earlier the applicant vide F. No. HQREPCGPRAPP00129277AM22 dated 02.07.2021 had requested for regularization of excess duty credit utilized within 10% on EPCG Authorization No. 0330035745 dated 10.05.2013.

ii. The case was considered in the 12th EPCG Committee of AM-22 Meeting held on 28.01.2022 wherein the Committee deliberated upon the case and decided to recommend to DG for relaxation under Para 2.58 of FTP, 2015- 20 for condonation of procedural lapse of delay of more than a month in payment of fee for excess duty saved amount as envisaged in the Para 5.16(a) of HBP, 2015-20, subject to payment of composition fee of Rs. 5000/- per year and to the condition that the excess utilization is not more than 10% of duty saved mentioned in the subject EPCG authorization. The party was also required to pay an additional composition fee of Rs. 5,000/- for each year of delay beyond the expiry of the period of two years of the excess import taking place for the subject authorization. The permission was subjected to the installation of capital goods as per policy.

iii. The applicant vide e-mail dated 14.11.2022 has requested for waiver of penalty amount of Rs. 5,000/ per year and additional composition fees of Rs. 5,000/ per year for utilization of excess Duty Saved value with respect to relaxation provided in 12th EPCG Committee Meeting of AM-22 held on 28.01.2022. The applicant has stated the following in support of its request :

iv. The applicant stated that they have been allowed duty saved amount against subject EPCG authorization for Rs. 625828 but have utilized for Rs. 643101 resulting in excess utilization of only about Rs. 17273/- (2.76% of duty saved amount allowed.

v. The applicant further stated that they are a recognized two star export house and in exports for last 4 decades but due to Covid-19 lockdowns and various other factors in exports like increased prices of raw materials had led to very high cost of maintaining raw materials, transportations and overseas freight rates which has multiplied by more than 300% comparing to Jan 2020 they have to go through very high cost of maintaining exports.

Decision: The Committee deliberated upon the case and decided **to recommend to DG for relaxation under Para 2.58 of FTP 2015-20** for condonation of procedural lapse of delay of more than a month in payment of fee for excess duty saved amount as envisaged in the Para 5.16(a) of HBP 2015-20, subject to payment of composition fee of flat Rs. 5000/- and to the condition that the excess utilization is not more than 10% of duty saved mentioned in the subject EPCG authorization.

This has the approval of DG, DGFT.

Case No- 25: Alwar Roller Flour Mills Pvt. Ltd., Delhi

F. No. HQREPCGPRAPP00000144AM23

Subject: Request for condonation of Block-wise EO fulfilment in respect of EPCG Authorization No. 0530163549 dated 14.10.2014 under 0% Concessional duty- reg.

The applicant has stated that as per Notification No. 28 dated 23.09.2021; the EOP was extended till 31.12.2021 by adding an additional 5% EO. They had fulfilled 100% + 5% additional EO in terms of INR and US$ on date 18.12.2021 that falls within the time frame of extended EOP i.e. 31.12.2021 of the EPCG. They were under the impression that Block-wise extension can be condoned by paying 2% composition fee; therefore, they did not make any request for block-wise extension. They had paid the composition fee and applied for EODC with CLA, Delhi. Therefore, the applicant has requested to condone the delay in applying for Block-wise extension.

Decision: The Committee deliberated upon the case and decided **to recommend to DG for relaxation under Para 2.58 of FTP, 2015-20** to allow extension in block-wise EOP, as the applicant could not apply to RA within the prescribed time period. This shall be subject to payment of 2%composition fee on duty saved amount in proportion to the shortfall at the end of each block in terms of the provisions of Para 5.8.3 of HBP, 2009-14 and late fee of Rs. 10,000/-.

The above relaxation is also subject to the following conditions:-

a. The proper installation certificate has been submitted within time limits as specified in FTP/HBP,

This has the approval of DG, DGFT.

Case No- 26: Thermosol Glass Private Limited, Ahmedabad

F. No. HQRPRCAPPLY00002563AM23

Subject: Request for 2 years EOP Extension i.e. beyond 6+2 years in respect of EPCG Authorization No. 0830006014 dated 19.12.2013 under 0% Concessional Duty.

As per License Amendment Sheet, the applicant has availed 1st Block Extension and 2 years EOP Extension from 6th to 8th year. The applicant has stated that they had filed for EOP Extension request to RA Ahmedabad with a request for PH which was later cancelled due to transfer of Shri Rohit Soni (DDGFT). The applicant has further submitted that they have successfully received orders for supply of RP3 Solar Parabolic Mirrors and that their manufacturing facility is well-maintained and in state of ready to produce. The applicant has not provided proper justification for not being able to fulfill their 100% EO in extended EOP.

Decision: The Committee went through the statements made by the applicant and noted that the applicant has not submitted any cogent reason/justification or any genuine hardship faced by them in support of request for EO extension beyond 8th year and accordingly, the Committee decided to **reject** the request of the applicant.

<u>Case No- 27: India Fashions Private Limited, Mumbai</u>

F. No. HQRPRCAPPLY00002113AM23

Subject: Request for Acceptance of Installation Certificate issued by Chartered Engineer instead of Central Excise in respect of EPCG Authorization No. 0330032370 dated 02.04.2012 under 03% Concessional Duty.

i. The applicant has stated that they are exporter of readymade garments and are holding one star export house status. The applicant mentioned that as per Para 5.3.1 (a) of HBP Vol 1 read with FTP, capital goods imported under EPCG Scheme needs to be installed at the factory premises by the importer. The authorization holder would have to produce the Installation Certificate as issued by Jurisdictional Central Excise Department within six months from the date of completion of import to the Regional Authority (DGFT office).The applicant further stated that in case of units not registered with central excise department/ authorities, the authorization holder shall produce a certificate from an independent Chartered Engineer confirming the installation of capital goods/spare.
ii. The applicant further mentioned that they were registered with excise up to February 2013 and have surrendered their registration certificate on 26.03.2013 and hence their unit is as good as unregistered. The applicant further stated that they have obtained installation certificate from chartered engineer confirming the installation of capital goods.
iii. As per applicant they have been issued EPCG Authorization No.0330032370 dated 02.04.2012 under 03% concessional duty and have completed their EO in time. Further they have submitted that in case of Units not registered with Central Excise Department, the authorization holder shall produce a certificate from an independent Chartered Engineer confirming the installation of CG. However, they were registered with Central Excise up to February, 2013 and surrendered their registration certificate on 26.03.2013.
iv. The DL dated 13.08.2013 issued by RA, Mumbai to the applicant states as under :-

    "Firm's name is registered with Central Excise as given in ANF 5B and also at the time of application with registration No. AABC1429KXM003, submit installation certificate issued by Central Excise, Thane.

Submit ANF 5B as per PN 32 dated 27.11.2012 with full details of imports and installation along with declaration as per PN 21 dated 09.10.2012."

Decision: The Committee went through the statements made by the applicant and noted that the applicant has not submitted any cogent reason/justification in support of any genuine hardship faced by them. Accordingly, the Committee decided to **reject** the request.

Case No- 28: Derik Monofil Private Limited, Kanyakumari

F. No. HQRPRCAPPLY00001564AM23

Subject: Request for 2 years EOP Extension i.e. beyond 6+2 years in respect of EPCG Authorization No. 3530004570 dated 23.06.2011 under 0% Concessional Duty.

i. As per ANF-2D, the applicant has availed 6+2 years of EOP Extension and their license was valid up to 23.06.2019.The applicant has stated that they imported wooden plastic composite decking manufacturing machine to manufacture wooden plastic composite decking and got export orders through their overseas buying agent. The applicant further mentioned that they couldn't export the final product directly to overseas buyer within stipulated time period and couldn't fulfill EO owing to quality issues which affected their domestic sale too.
ii. The applicant further stated that their machine got impaired in 2015 and machine suppliers in Germany were unable to give service for repairing and reconditioning of the machine as they had closed their unit. The applicant partially repaired the machine for production capacity through Indian experts available. The applicant mentioned that they have export orders in hand for which they are trying to manufacture and fulfill EO. The applicant further mentioned that they couldn't fulfill EO also due to Covid-19 pandemic and lockdowns as their main market was Europe and Middle East where the pandemic restarted.

Decision: The Committee went through the statements made by the applicant and noted that the applicant has not submitted any cogent reason/justification or any genuine hardship faced by them in support of request for EO extension beyond 8th year and accordingly, the Committee decided to **reject** the request of the applicant.

<u>Case No- 29: H.P. Cotton Casuals Private Limited, Kolkata</u>

F. No. HQREPCGPRAPP00000169AM23

Subject: Request for first EOP Extension for 2 years up to 31.12.2023 (since initial EOP expired on 31.12.2021 as per DGFT Notification No. 28 2015-20) in respect of EPCG Authorization No. 0230009915 dated 02.12.2014 under 0% Concessional Duty.

The applicant has stated that they couldn't fulfill their 100%EO in stipulated time due to unfavorable market situation of textile sector as they were unable to export balance EO. The applicant has requested for EOP Extension for 2 years i.e. up to 31.12.2023 since their initial EOP expired on 31.12.2021 as per DGFT Notification No. 28/2015-20 dated 23.09.2021. The applicant further stated that they are hopeful of fulfilling the balance EO with 25% enhancement (20% enhancement as per Para 5.11 of HBP 2009-14 + 5% enhancement as per Notification No. 28/2015-20 within extended EOP.

Decision:

In respect of request for EOP Extension up to 31.12.2021:

The Committee deliberated upon the case and decided to advise the applicant to approach RA for extension of Export Obligation Period up to 31.12.2021 as per DGFT's Public Notice No. 67 dated31.3.2020 and Notification No. 28/2015-2020 dated 23.09.2021.

In respect of request for EOP Extension up to 31.12.2023:

The Committee deliberated upon the case and decided **to recommend to DG for relaxation under Para 2.58 of FTP, 2015-20** to allow condonation of delay in approaching RA for EOP extension for 2 years (from 6 yrs to 8 yrs) i.e. up to 30.12.2023 (subsequent to they get EO extension upto 31.12.2021 as per DGFT's Public Notice No. 67 dated31.3.2020 and Notification No. 28/2015-2020 dated 23.09.2021) on payment of composition fee or imposition of additional export obligation in terms of Para 5.11 of HBP 2009-14 and late fee of Rs.10,000/- .

The above relaxation is also subject to the condition that the proper installation certificate has been submitted within time limits as specified in FTP/HBP.

This has the approval of DG, DGFT.

Case No- 30: Intech Additive Solutions Pvt. Ltd., Bangalore

F. No. HQREPCGPRAPP00365199AM22

Subject: Request for EOP Extension for further two years up to 11.12.2023 i.e. beyond 6+2 years in respect of EPCG Authorization no. 0730012973 dated 13.12.2013 under 0% Concessional duty.

i. As per ANF-2D, the applicant has stated that they could not fulfill export obligation within the extended period i.e. 11.12.2021 due to Covid-19 pandemic. Therefore, the applicant has requested for extension of EOP for further two years i.e. 11.12.2023 in order to fulfill their EO against the above authorization.
ii. As per amendment sheet issued by RA, Bangalore on 18.02.2020, their EOP has been changed form 6 years to 8 years.

Decision: The Committee went through the statements made by the applicant and noted that the applicant has not submitted any cogent reason/justification or any genuine hardship faced by them in support of request for EO extension beyond 8th year and accordingly, the Committee decided to **reject** the request of the applicant.

Case No- 31: Annpurna Dall Mill Gaya

F. No. HQREPCGPRAPP00000321AM23

Subject: Request for extension of 1st Block in respect of EPCG Authorization No. 2130000184 dated 01.04.2014 under 0% Concessional duty.

The applicant has stated that they could not complete 50% EO in the 1st Block within stipulated time period i.e. 4 years due to prohibition of export of pulses till November 2017. The applicant has requested for extension of 1st Block in order to fulfill their EO against the above license.

Decision: The Committee deliberated upon the case and decided **to recommend to DG for relaxation under Para 2.58 of FTP, 2015-20** to allow extension in block-wise EOP, as the applicant could not apply to RA within the prescribed time period. This shall be subject to payment of 2%composition fee on duty saved amount in proportion to the shortfall at the end of each block in terms of the provisions of Para 5.8.3 of HBP 2009-14 and late fee of Rs. 10,000/-.

The above relaxation is also subject to the following conditions:-

a. The proper installation certificate has been submitted within time limits as specified, and

b. The payment of balance duties of Customs plus interest on unfulfilled EO since the extended EOP (from 6 to 8 years) has already expired.

This has the approval of DG, DGFT.

<u>Case No- 32: Sri Maruti Agro Commodities Private Limited, Raichur Karnataka</u>

F. No. HQRPRCAPPLY00002095AM23

Subject: Request for:

Accepting Shipping Bills that do not have mentioned EPCG Authorization No. but instead have mentioned Company's name and GST No. towards EO fulfilment

OR

EOP Extension up to 19.09.2023

In respect of EPCG Authorization No. 0730012719 dated 20.09.2013 under 0% Concessional Duty.

i. The applicant has stated that they have made third party exports against the subject license and have fulfilled their 100% EO but few of the third party exporters have failed to mention the subject EPCG License No. on the shipping bills due to non-awareness of policy provisions. The applicant has enclosed the following:

- Statement of exports 1 in which shipping bills have included the EPCG License No. and supporting manufacturer's name. The exports made in this category amount to 48% of EO.
- Statement of exports 2 in which Shipping Bills have not included EPCG License No. but have included the name and GST of supporting manufacturer. The exports made in this category cover up to 52% of EO.

ii. The applicant further stated that combined together of the above they have fulfilled their 100% EO but due to non-mentioning of EPCG License No. on Shipping Bills as explained above in Statement of exports 2, the exports in this category are not being accepted by RA.

iii. The applicant has stated that they have made the above mentioned exports and have supporting documents in regard to the same. The applicant further stated that they intended to do additional exports against the subject license but were unable to do because the validity of the license expired on 19.09.2019, Covid-19 lockdowns and severe losses due to the pandemic and loss of manpower faced by their third party exporters. The applicant further stated that they couldn't take the benefits of automatic extension in EOP provided by DGFT in view of the pandemic under the stipulated timeline.

iv. Upon request, the applicant has furnished the copy of subject Shipping Bills that don't mention EPCG Authorization No. but have Company's Name and GST No.

Decision: The Committee went through the statements made by the applicant and noted that the applicant has not submitted any cogent reason/justification in support of any genuine hardship faced by them. Accordingly, the Committee decided to **reject** the request.

<u>Case No- 33: Tata Cummins Pvt. Ltd., Jamshedpur</u>

F. No. HQREPCGPRAPP00048759AM22

Subject: Request for condonation of delay in installation of Capital Goods beyond stipulated time period by February 2021 i.e. 3 months beyond stipulated time of 18 months from date of import in respect of EPCG Authorization No. 3130010553 dated30.11.2018 under 0% Concessional Duty.

i. The applicant had obtained EPCG license No. 3130010553 dated30.11.2018 from RA, Pune for import of CGs to be used in manufacture of export products namely ITCHS Codes 84082020 (Internal combustion engines and parts thereof), 84089090 (Internal combustion engines and parts thereof) and 84089090 (Internal combustion engines and parts thereof) wherein the Jharkhand factory would be a supporting manufacturer. The import of CGs was completed by 20th May 2019 but they could complete installation of the CGs in February 2021.

ii. The applicant has informed that majority of goods have been installed within stipulated time of 18 months, some CGs could not be installed in the stipulated time period (including extension, as per Para 5.04 of the HBP 2015-20).

iii. The applicant has stated that they could not install all the CGs within stipulated time at their factory, due to major change in equipment design to make it fit for installation. Also, there was delay in installation on account outbreak of Covid-19 in February/March 2020 and related lockdown/travel restrictions, as experts required for installation of the equipment, were not available/ready to install CGs. They could install all the CGs by February 2021 i.e., 3 months beyond stipulated time of 18 months from date of import.

iv. The applicant vide letter dated 31.11.2020 to RA, Pune for seeking condonation for submission of certificate as per Para 5.04 of HBP 2015-20. RA, Pune issued D/L informed that CG is not installed within time period as per Para 5.04 of HBP, and approach to DGFT (HQ), New Delhi for condonation of delay in installation.

v. The matter was examined by EPCG Committee in its meeting held on 15.09.2021. The decision of the Committee is as under:

> "*The applicant has stated that they imported the Capital Goods by May 2019. The majority of CGs were installed within the stipulated time of 18 months, some CGs could be installed 3 months beyond the stipulated time period due to a change in equipment design, an outbreak of Covid-19, and related lockdown/travel restrictions. The applicant had requested for condonation of delay in installation of Capital Goods beyond the stipulated time period. The Committee deliberated upon the case and it was decided to defer it with the direction to call a report from RA.*"

Decision: The Committee deliberated upon the case and decided **to recommend to DG for relaxation under Para 2.58 of FTP 2015-20** to allow condonation of delay in installation of Capital Goods beyond stipulated time period subject to payment of a late fee of Rs. 5000/- and submission of installation certificate.

RA to verify that no ECA/DRI/Customs action is pending.

This has the approval of DG, DGFT.

<u>Case No- 34: H.P. Cotton Casuals Private Limited, Kolkata</u>

F. No. HQREPCGPRAPP00000166AM23

Subject: Request for first EOP Extension for 2 years up to 31.12.2023 (since initial EOP expired on 31.12.2021 as per DGFT Notification No. 28 2015-20) in respect of EPCG Authorization No. 0230009852 dated 28.10.2014 under 0% Concessional Duty.

The applicant has stated that they couldn't fulfill their 100%EO in stipulated time due to unfavorable market situation of textile sector as they were unable to export balance EO. The applicant has requested for EOP Extension for 2 years i.e. up to 31.12.2023 since their initial EOP expired on 31.12.2021 as per DGFT Notification No. 28/2015-20 dated 23.09.2021. The applicant further stated that they are hopeful of fulfilling the balance EO with 25% enhancement (20% enhancement as per Para 5.11 of HBP 2009-14 + 5% enhancement as per Notification No. 28/2015-20 within extended EOP.

Decision:
In respect of request for EOP Extension up to 31.12.2021:

The Committee deliberated upon the case and decided to advise the applicant to approach RA for extension of Export Obligation Period up to 31.12.2021 as per DGFT's Public Notice No. 67 dated31.3.2020 and Notification No. 28/2015-2020 dated 23.09.2021.

In respect of request for EOP Extension up to 30.12.2023:

The Committee deliberated upon the case and decided **to recommend to DG for relaxation under Para 2.58 of FTP, 2015-20** to allow condonation of delay in approaching RA for EOP extension for 2 years (from 6 yrs to 8 yrs) i.e. up to 30.12.2023 (subsequent to they get EO extension upto 31.12.2021 as per DGFT's Public Notice No. 67 dated31.3.2020 and Notification No. 28/2015-2020 dated 23.09.2021) on payment of composition fee or imposition of additional export obligation in terms of Para 5.11 of HBP 2009 -14 and late fee of Rs.10,000/- .

The above relaxation is also subjected to the condition that the proper installation certificate has been submitted within time limits as specified in FTP/HBP.

This has the approval of DG, DGFT.

<u>Case No- 35: Triveni Rice Mills, Kaithal (Haryana)</u>

F. No. HQRPRCAPPLY00002175AM23

Subject: Request for 1st EOP Extension for 6 months beyond 6 years in respect of EPCG Authorization No. 3330003154 dated 03.01.2014 under 0% Concessional Duty.

The applicant has stated that due to some unavoidable circumstances & down fall in international market they could not make export in time in respect of above mentioned EPCG authorization. Further, they have submitted that now they are in position to make export but their EPCG authorization EOP is over. Now they have requested for EOP extension up to six months and in case they are fail to fulfill EO they will deposit custom duty along with interest. As per documents furnished by the applicant it is not clear whether they have obtained 1st EOP extension i.e. beyond 06 years or not.

Decision: The Committee deliberated upon the case and decided to **recommend to DG for relaxation under Para 2.58 of FTP, 2015-20** to allow Condonation of delay in approaching RA for EOP extension for 1 year (from 6 years to 7 years) on payment of composition fee or imposition of additional export obligation in terms of Para 5.11 of HBP 2009-14 and late fee of Rs. 10,000/-

The above relaxation is also subject to the following conditions:-

a. The proper installation certificate has been submitted within time limits as specified, and

b. The payment of balance duties of Customs plus interest on unfulfilled EO since the extended EOP (from 6 to 8 years) has already expired.

This has the approval of DG, DGFT.

Case No- 36: L&T Special Steels and Heavy Forgings Pvt. Ltd., Mumbai

F. No. HQREPCGPRAPP00404008AM22

Subject: Request for Regularization of Excess Duty Credit utilized within 10% on EPCG Authorization No. 0330030208 dated 03.08.2011 under 0% Concessional duty.

The applicant has stated that at the time of import they have utilized excess duty saved which is less than 10% permitted as Para 5.16 (a) of HBP 2015-20. However, there was a delay in the payment of differential fees.

Decision: The Committee deliberated upon the case and decided **to recommend to DG for relaxation under Para 2.58 of FTP 2015-20** for condonation of procedural lapse of delay of more than a month in payment of fee for excess duty saved amount as envisaged in the Para 5.16(a) of HBP 2015-20, subject to payment of composition fee of Rs. 5000/- and to the condition that the excess utilization is not more than 10% of duty saved mentioned in the subject EPCG authorization.

This has the approval of DG, DGFT.

Case No- 37: Deepesh Pressing, Pune

F. No. HQREPCGPRAPP00406261AM22

Subject: Request for extension of EOP up to 05.04.2022 for regularization of goods manufactured and exported against EPCG Authorization No. 3130005942 dated 05.09.2011 under 0% Concessional duty.

i. The applicant has stated that the delay in the exports was due to several factors which were out of the control of the company. They succeeded in exporting the products manufactured out of the imported capital goods and fulfilled the EO. It is informed that the company was not permitted by the customs to file the shipping bills in this EPCG authorization as the EOP had expired. The shipping bills however were filed by them under drawback scheme. Hence the applicant has request to consider these shipping bills for completion of the export obligation.
ii. The applicant has stated that the goods exported are eligible for EPCG scheme and are manufactured out of the imported capital goods. The said shipping bills are not utilized for any other EPCG authorization. As per the firm, they have completed the EO of USD 5,70,533.01 by 05.04.2022 i.e., much after the valid EOP.

Decision: The Committee went through the statements made by the applicant and noted that the applicant has not submitted any cogent reason/justification in support of any genuine hardship faced by them. Accordingly, the Committee decided to **reject** the request.

<u>Case No- 38: Vizag General Cargo Berth Private Limited, Visakhapatnam</u>

F. No. HQREPCGPRAPP00000322AM23

Subject: Request for additional 18 Months time for installation of spares up to 25.07.2019 in respect of EPCG authorization No. 0530163079 dated 17.07.2014 under 0% Concessional Duty.

i. The applicant had stated that they have availed subject EPCG authorization for Spares for their unit located at General Cargo Berth, Outer Harbour Visakhapatnam Port Trust, Visakhapatnam -530035. They completed the import of Spares well within the stipulated period, by 03.09.2014 but the Spares were not been consumed / installed so far. The applicant had requested for additional 18 Months' time for installation of Spares as the spares could not be installed/ consumed within 3 year from the date of last import because the original equipment is functioning properly and the spares were not needed for any replacement.
ii. As per Para 5.3.1 (b) of HBP Vol.(RE:2013)/2009-14 which stipulates as " *In the case of import of spares, the installation certificate shall be submitted by the Authorization holder within a period of three years from the date of import".*
iii. The case was considered in the 07/AM-18 EPCG Committee Meeting held on 20.02.2018 vide F. No. 01/37/218/186/AM-18/EPCG-II wherein the Committee deliberated upon the case and decided to recommend to DG for relaxation under Para 2.58 of FTP 2015-20 to allow extension in time for one year from the expiry of stipulated time of three years, in terms of provisions of Para III of Appendix 5C of HBP 2015-20, subject to payment of Rs.5000/- against the Authorization.
iv. The applicant vide letter dated 17.09.2019 (received on 09.03.2021) requested for condonation of delay of installation of spares beyond extended period granted in respect of EPCG authorization No. 0530163079 dated 17.07.2014 under 0% Concessional Duty.
v. The applicant had then stated that they took extension of 1 year from the expiry of stipulated time of 3 years i.e. 16.07.2018. But, they could not install within the extension period which was approved by EPCG Committee. The applicant had stated that the Spares have been installed in July 2019. In view of the same, the applicant had requested that the additional time for installed of Spares i.e. July, 2019 in term of 5.3.1 of HBP 2009-14 may be granted for regularization purpose only.
vi. The case was considered again in the 2nd EPCG Committee Meeting of AM-22 held on 11.06.2021 wherein the Committee deliberated upon the case and decided to defer the matter for further examination.

vii. The applicant vide letter dated 16.06.2022 has applied for the same request i.e. for additional time for installation of spares (beyond extended period granted) up to 25.07.2019 in respect of EPCG Authorization No. 0530163079 dated 17.07.2014 under 0% Concessional Duty. The applicant has submitted the following :-

a. The applicant has stated that they availed EPCG Authorization for spares for their unit located at General Cargo Berth, Outer Harbour Vishakhapatnam Port Trust and had completed the import of spares within stipulated time period by 03.09.2014. the applicant further stated that spares couldn't be installed within extended time period of 1 year granted to them by EPCG Committee vide its meeting dated 20.02.2018.
b. The applicant has requested for granting additional time for installation of spares in terms of Para 5.3.1 of HBP 2009-14 for regularization purpose only.
c. The applicant has provided justification that as the original equipment was functioning properly, the spares were not needed for replacement. The applicant further stated that spares have been installed in July 2019.

viii. The applicant stated that as their unit is non-excisable, the certificate from Chartered Engineer has been obtained in terms of Para 5.3.1(c) of HBP 2009-14. As per Installation Certificate issued by Chartered Engineer (date *of IC not mentioned*), spares received as per listed EPCG were installed and commissioned by 25.07.2019.

Decision: The Committee went through the statements made by the applicant and noted that the applicant has not submitted any cogent reason/justification in support of any genuine hardship faced by them. Accordingly, the Committee decided to **reject** the request.

Case No- 39: **Sanjay Soya Private Limited, Maharashtra**

F. No. HQRPRCAPPLY00002653AM23

Subject: Request for EOP Extension up to 12.11.2021 i.e. beyond 6+2 years in respect of EPCG Authorization No. 0330030538 dated 12.09.2011 under 0% Concessional Duty.

As per License Amendment Sheet, EOP has been changed from 6th to 8th year. The applicant has stated that their EO was extended till 12.09.2019 (6+2 years), product was amended by RA Mumbai on 17.08.2021 and balance EO was fulfilled between 08.09.2021 to 12.11.2021. The applicant stated that Lecithin was the export product under subject authorization but they received less overseas orders and as they manufactured soya meal they applied for addition of product to RA Mumbai on 18.06.2018 but received the same on 17.08.2021 wherein EOP was over. The applicant was granted Block-wise and 1st EOP Extension from 6th to 8th year in 1st EPCG Committee Meeting of AM-23 held on 04.05.2022.

Decision: The Committee went through the statements made by the applicant and noted that the applicant has not submitted any cogent reason/justification or any genuine hardship faced by them in support of request for EO extension beyond 8^{th} year and accordingly, the Committee decided to **reject** the request of the applicant.

Case No- 40: L&T Special Steels and Heavy Forgings Pvt. Ltd., Mumbai

F. No. HQREPCGPRAPP00404021AM22

Subject: Request for Regularization of Excess Duty Credit utilized within 10% on EPCG Authorization No. 0330026708 dated 28.07.2010 under 0% Concessional duty.

The applicant has stated that at the time of import they have utilized excess duty saved which is less than 10% permitted as Para 5.16 (a) of HBP 2015-20. However, there was a delay in the payment of differential fees.

Decision: The Committee deliberated upon the case and decided **to recommend to DG for relaxation under Para 2.58 of FTP 2015-20** for condonation of procedural lapse of delay of more than a month in payment of fee for excess duty saved amount as envisaged in the Para 5.16(a) of HBP 2015-20, subject to payment of composition fee of Rs. 5000/- and to the condition that the excess utilization is not more than 10% of duty saved mentioned in the subject EPCG authorization.

This has the approval of DG, DGFT.

Case No- 41: Nageen Prakashan Private Limited, Meerut

F. No. HQRPRCAPPLY00002798AM23

Subject: Request for second EOP Extension i.e. beyond 6+2 years in respect of EPCG Authorization No. 0530161925 dated 02.12.2013 under 0% Concessional Duty.

As per License Amendment Sheet, EOP has been changed from 6 years to 8 years. The applicant has stated that they couldn’t fulfill their 100% EO in stipulated time period due to foreign buyers backing out and cancellation of export orders, Covid-19 pandemic and global slowdown. The applicant stated that they have export orders to fulfill pending EO and have requested for second EOP Extension for 2 years with payment of 50% duty submission.

Decision: The Committee went through the statements made by the applicant and noted that the applicant has not submitted any cogent reason/justification or any genuine hardship faced by them in support of request for EO extension beyond 8th year and accordingly, the Committee decided to **reject** the request of the applicant.

Case No- 42: Jain Resource Recycling Private Limited, Chennai

F. No. HQREPCGPRAPP00000313AM23

Subject: Request for Condonation of late submission of Installation Certificate issued by Chartered Engineer in respect of the following EPCG Authorizations under 0% Concessional Duty:

i. **0430014409 dated 11.02.2015**

ii. **0430016656 dated 28.03.2017**

iii. **0430016063 dated 19.08.2016**

i. The applicant had not furnished subject Installation Certificates along with the application and the same was requested vide D/L dated 17.08.2022. The applicant has replied to the D/L with respective ICs and EPCG Authorizations.
ii. The applicant has stated that they had submitted the above EPCG EODC Applications to RA Chennai in April & August month of 2021 wherein they received deficiency letter for late submission of installation Certificate and directed them to approach EPCG committee for relaxation.
iii. The applicant stated that as per DGFT Public Notice No. 01/2015-20 dated 07.04.2020 they had to submit their installation Certificate on or before 31.03.2021 but due to Covid-19 restrictions their staffs was not able to come to office and therefore, the Installation Certificate was not submitted on time. The applicant further stated that they have submitted the Installation Certificates along with EODC Application and have requested to condone the delay in submission of installation certificate and waive of the penalties.
iv. As per Installation Certificates issued by Chartered Engineer enclosed by the firm:

S. No.	Date of Installation Certificate	EPCG Authorizations	Date of Installation	BOE Details
1	23.04.2021	0430016063 dated 19.08.2016	28.10.2016	6561143 dated 31.08.2016
2	29.04.2021	0430014409 dated 11.02.2015	05.05.2015	8459123 (date not mentioned)
3	04.08.2021	0430016656 dated 28.03.2017	10.05.2017	9137591 dated 03.04.2017

Decision: The Committee went through the statements made by the applicant and noted that the applicant has not submitted any cogent reason/justification in support of any genuine hardship faced by them. Accordingly, the Committee decided to **reject** the request.

Case No- 43: Sahaj Solar Private Limited, Ahmedabad

F. No. HQREPCGPRAPP00000323AM23

Subject: Request for 2 years EOP Extension (6+2 years) without payment of composition fees or additional EO in respect of EPCG Authorization No. 0830006993 dated 17.02.2015 under 0% Concessional Duty.

The applicant has stated that the license was valid up to 17.02.2021 and during the validity of the EPCG Authorization they were unable to fulfill their 100% EO due to Covid-19 pandemic and related lockdowns in India which affected them towards getting raw materials. The applicant further stated that they were unable to apply for EOP Extension in stipulated time period.

Decision: The Committee deliberated upon the case and decided **to recommend to DG for relaxation under Para 2.58 of FTP, 2015-20** to allow Condonation of delay in approaching RA for EOP extension for 2 years (from 6 years to 8 years) on payment of composition fee or imposition of additional export obligation in terms of Para 5.11 of HBP 2009-14 and late fee of Rs. 10,000/-.

The above relaxation is also subjected to the condition that the proper installation certificate has been submitted within time limits as specified in FTP/HBP.

This has the approval of DG, DGFT.

Case No- 44: N.R.U. Spinning Mills Limited, Salem

F. No. HQRPRCAPPLY00002808AM23

Subject: Request for Waiver of payment of 50% of duty saved value for 2nd EOP Extension in respect of EPCG Authorization No. 3230009208 dated 01 .03 .2007 under 05% Concessional duty.

i. Earlier the applicant i.e. N.R.U. Spinning Mills Limited, Salem Vide F. No. 01/37/218/155/AM-18/EPCG-II had requested for second EOP Extension for 2 years for EPCG Authorization Nos. 3230009954 dated 07 .06 .2007 and 3230009208 dated 01 .03 .2007 under 05% Concessional Duty.

ii. EPCG Committee in its meeting held on 04.10.2017 deliberated upon the case and decided to recommend to DG for relaxationunder Para 2.58 of FTP 2015-20 to allow second extension in EOP beyond 2 years with a condition that 50% of duty payable in proportion to the unfulfilled EO is paid by the authorization holder to custom authorities before endorsement of extension in made on EPCG authorization by RA concerned in terms of provisions contained in Para 5 .11 of HBP 2004 -09.

iii. The applicant vide letter dated 15.12.2017 had requested for Review of the decision taken in the EPCG Committee meeting held on 04.10.2017 and sought waiver of payment of 50% custom duty for second extension in EOP granted by EPCG Committee in respect of EPCG authorization No.3230009954 dated 07.06.2007 and 3230009208 dated 01.03.2007 issued to them under 5% EPCG duty scheme.

iv. The party had submitted that the spinning mill unit incorporated in 1994 and started its commercial production in the year 1997. For their expansion project, in the year 2007 they have imported machineries under the above EPCG authorizations and due to instability in the export market, they are not able to concentrate on the export market and total of their production had gone only for domestic markets. However at present as they have to fulfill Export Obligation within the extended further period of two years. They have all infrastructures to meet the export quality and are approaching their customers in various countries to get orders. Therefore, the party has requested for waiving the payment of 50% of import duty saved amount, being a precondition set by the EPCG Committee.

v. The case was again presented in the EPCG Committee Meeting held on 18.04.2018 with the request for Review of decision taken in the EPCG Committee meeting held on 04.10.2017 and for waiver of payment of 50% customs duty for second extension in EOP. The Committee deliberated upon the case and decided to reject the request of the party as there is no provision for waiver of custom duty on the ground mentioned by the party.

vi. The applicant vide letter dated 16.08.2018 requested for second extension without payment of 50% custom duty in respect of EPCG authorizations No.3230009208 dated 01.03.2007 and No.3230009954 dated 07.06.2007.

vii. The party has stated that they have filed application for second extension of EO Period for the above referred EPCG Licenses for another two years in the month of June, 2017. EPCG Committee, New Delhi had sanctioned the second extension in the month of November, 17 with a condition that 50% of the duty saved value should be paid before applying for amendment with JDGFT, Coimbatore. In their case, the 50% of the Duty Saved Value will be coming around 67 Lacs for the above Licenses. Hence, they have applied for waiver from the payment of 50% of Duty Saved Value to the EPCG Committee, New Delhi in the month of December, 17 against the sanction of the second extension. But even after their frequent representations, there is more delay in sanctioning the second extension without paying of 50 % Duty Saved Value. The party had requested CIM to recommend their case to the EPCG Committee, New Delhi for the waiver of payment of 50% of Duty Saved Value and recommend expediting the issue at the earliest possible. The party requested to recommend to EPCG Committee for the waiver of payment of 50% of duty saved value.

viii. The case was again considered in the EPCG Committee Meeting held on 29.03.2019 with similar request wherein The Committee heard the submission made by the representative of the party. The Committee deliberated upon the case and decided to maintain its earlier decision of rejection taken in the meeting held on 18.04.2018 as there is no merit in the request**.**

ix. Now, the applicant vide application dated vide application dated 23.06.2022 has again requested for Waiver of payment of 50% of duty saved value for 2nd EOP Extension in respect of EPCG Authorization No. 3230009208 dated 01 .03 .2007 under 05% Concessional duty. The applicant has submitted the following :-

- The applicant has stated that the EPCG Committee had provided them 2nd EOP Extension with the condition that 50% of duty payable in proportion to the unfulfilled EO is paid by them to Customs Authorities.
- The applicant further stated that at present their financial resources are deployed for procurement of cotton being as raw material for manufacturing cotton yarn. The applicant further stated that their core business is power and labor intensive and they don’t have much leverage over the working capital and they operate with thin margins and consistent sale prices. The applicant further mentioned that due to severe pressure on working capital for business operations, payment of 50% Customs Duty will put their company into undue hardship and they will be required to pay Rs. 51.82 lakhs to honor condition imposed for second EOP Extension.

Decision: The Committee went through the statements made by the applicant and noted that the applicant has not submitted any cogent reason/justification or any genuine hardship faced by them and accordingly, the Committee decided to **reject** the request of the applicant.

<u>Case No- 45: N.R.U. Spinning Mills Limited, Salem</u>

F. No. HQRPRCAPPLY00002809AM23

Subject: Request for Waiver of payment of 50% of duty saved value for 2nd EOP Extension in respect of EPCG Authorization No. 3230009954 dated 07.06.2007 under 05% Concessional duty.

i. Earlier the applicant i.e. N.R.U. Spinning Mills Limited, Salem Vide F. No. 01/37/218/155/AM-18/EPCG-II had requested for second EOP Extension for 2 years for PECG Authorization Nos. 3230009954 dated 07 .06 .2007 and 3230009208 dated 01 .03 .2007 under 05% Concessional Duty.

ii. EPCG Committee in its meeting held on 04.10.2017 deliberated uponthecase and decided to recommend to DG for relaxationunder Para 2.58 of FTP 2015-20 to allow second extension in EOP beyond 2 years with a condition that 50% of duty payable in proportion to the unfulfilled EO is paid by the authorization holder to custom authorities before endorsement of extension in made on EPCG authorization by RA concerned in terms of provisions contained in Para 5 .11 of HBP 2004 -09.

iii. The applicant vide letter dated 15.12.2017 had requested for Review of the decision taken in the EPCG Committee meeting held on 04.10.2017 and sought waiver of payment of 50% custom duty for second extension in EOP granted by EPCG Committee in respect of EPCG authorization No.3230009954 dated 07.06.2007 and 3230009208 dated 01.03.2007 issued to them under 5% EPCG duty scheme.

iv. The party had submitted that the spinning mill unit incorporated in 1994 and started its commercial production in the year 1997. For their expansion project, in the year 2007 they have imported machineries under the above EPCG authorizations and due to instability in the export market, they are not able to concentrate on the export market and total of their production had gone only for domestic markets. However at present as they have to fulfill Export Obligation within the extended further period of two years. They have all infrastructures to meet the export quality and are approaching their customers in various countries to get orders. Therefore, the party has requested for waiving the payment of 50% of import duty saved amount, being a precondition set bv the EPCG Committee.

v. The case was again presented in the EPCG Committee Meeting held on 18.04.2018 with the request for Review of decision taken in the EPCG Committee meeting held on 04.10.2017 and for waiver of payment of 50% customs duty for second extension in EOP. The Committee deliberated upon the case and decided to reject the request of the party as there is no provision for waiver of custom duty on the ground mentioned by the party.

vi. The applicant then vide letter dated 16.08.2018 requested for second extension without payment of 50% custom duty in respect of EPCG authorizations No.3230009208 dated 01.03.2007 and No.3230009954 dated 07.06.2007.

vii. The party has stated that they have filed application for second extension of Export Obligation Period for the above referred EPCG Licenses for another two years in the month of June, 2017. The EPCG Committee, New Delhi had sanctioned the second extension in the month of November, 17 with a condition that 50% of the duty saved value should be paid before applying for amendment with JDGFT, Coimbatore. In their case, the 50% of the Duty Saved Value will be coming around 67 Lacs for the above Licenses. Hence, they have applied for waiver from the payment of 50% of Duty Saved Value to the EPCG Committee, New Delhi in the month of December, 17 against the sanction of the second extension. But even after their frequent representations, there is more delay in sanctioning the second extension without paying of 50 % Duty Saved Value. The party had requested CIM to recommend their case to the EPCG Committee, New Delhi for the waiver of payment of 50% of Duty Saved Value and recommend expediting the issue at the earliest possible. The party, vide their letter addressed to CIM has requested to recommend to EPCG Committee for the waiver of payment of 50% of duty saved value.

viii. The case was again considered in the EPCG Committee Meeting held on 29.03.2019 with similar request wherein The Committee heard the submission made by the representative of the party. The Committee deliberated upon the case and decided to maintain its earlier decision of *rejection* taken in the meeting held on 18.04.2018 as there is no merit in the request.

ix. Now, the applicant vide application dated vide application dated 23.06.2022 has again requested for Waiver of payment of 50% of duty saved value for 2nd EOP Extension in respect of EPCG Authorization No. 3230009954 dated 07.06.2007 under 05% Concessional duty. The applicant has submitted the following :-

- The applicant has stated that the EPCG Committee had provided them 2nd EOP Extension with the condition that 50% of duty payable in proportion to the unfulfilled EO is paid by them to Customs Authorities.
- The applicant further stated that at present their financial resources are deployed for procurement of cotton being as raw material for manufacturing cotton yarn. The applicant further stated that their core business is power and labor intensive and they don’t have much leverage over the working capital and they operate with thin margins and consistent sale prices. The applicant further mentioned that due to severe pressure on working capital for business operations, payment of 50% Customs Duty will put their company into undue hardship and they will be required to pay Rs. 51.82 Lakhs to honor condition imposed for second EOP Extension.

Decision: The Committee went through the statements made by the applicant and noted that the applicant has not submitted any cogent reason/justification or any genuine hardship faced by them and accordingly, the Committee decided to **reject** the request of the applicant.

<u>Case No- 46: TRDP Happy World Private Limited, New Delhi</u>

F. No. HQRPRCAPPLY00002779AM23

Subject: Request for:

i. **Consideration of Shipping Bills wrongly filed with other EPCG Licenses at the time of EO fulfilment**

ii. **EOP Extension i.e. 6+2 years**

In respect of EPCG Authorization No. 0530161642 dated 03.10.2013 under 0% Concessional Duty.

The applicant has stated to consider Shipping Bills wrongly filed with other EPCG License Nos. by an accountant mistakenly at the time of EO fulfillment. The applicant stated there are 7 Shipping Bills which were filed with other EPCG License Nos. stated as following:

Shipping Bill No.	Date	FOB realized value (US$)	FOB realized value (INR)
9286021	01.12.2018	2059.80	146760.75
1568059	25.01.2019	7909.04	556796.42
4687716	25.08.2020	23196.38	1720011.58
4826763	29.08.2020	20059	1487374.85
4826192	29.08.2020	20059	1487374.85
5462633	26.09.2020	23188	1690405.20
5587138	01.10.2020	15228	1110121.20

The applicant has stated that they have completed their 100% EO in 7th year and have requested to consider 7th year against the fulfillment of EO.

Decision:

In respect of 1st request: The Committee went through the statements made by the applicant and noted that the applicant has not submitted any cogent reason/justification in support of any genuine hardship faced by them. Accordingly, the Committee decided to **reject** the request.

In respect of 2nd request: The Committee deliberated upon the case and decided **to recommend to DG for relaxation under Para 2.58 of FTP, 2015-20** to allow Condonation of delay in approaching RA for EOP extension for 2 years (from 6 years to 8 years) on payment of composition fee or imposition of additional export obligation in terms of Para 5.11 of HBP 2009-14 and late fee of Rs. 10,000/-.

The above relaxation is also subject to the following conditions:-

a. The proper installation certificate has been submitted within time limits as specified, and

b. The payment of balance duties of Customs plus interest on unfulfilled EO since the extended EOP (from 6 to 8 years) has already expired.

This has the approval of DG, DGFT.

Case No- 47: TRDP Happy World Private Limited, New Delhi

F. No. HQRPRCAPPLY00002780AM23

Subject: Request for Consideration of Shipping Bills filed in the 7th year after original EOP/ EOP Extension i.e. 6+1 years in respect of EPCG Authorization No. 0530162334 dated 14.02.2014 under 0% Concessional Duty.

The applicant has stated to consider Shipping Bills filed in the 7th year after original EOP. The applicant stated delay occurred due to Covid-19 pandemic at the time of expiry of subject EPCG License. The applicant further stated that they were not able to fulfill 100% EO in stipulated time period due to Covid-19 pandemic as their company's export volume had come down before 3 months of expiry of EPCG License. The applicant has stated that they have completed their 100% EO in 7th year and have requested to consider 7th year against the fulfillment of EO.

Decision: The Committee deliberated upon the case and decided **to recommend to DG for relaxation under Para 2.58 of FTP, 2015-20** to allow Condonation of delay in approaching RA for EOP extension for 1 year (from 6 years to 7 years) on payment of composition fee or imposition of additional export obligation in terms of Para 5.11 of HBP 2009-14 and late fee of Rs. 10,000/-

The above relaxation is also subject to the following conditions:-

a. The proper installation certificate has been submitted within time limits as specified, and

b. The payment of balance duties of Customs plus interest on unfulfilled EO since the extended EOP (from 6 to 8 years) has already expired.

This has the approval of DG, DGFT.

Case No- 48: TRDP Happy World Private Limited, New Delhi

F. No. HQRPRCAPPLY00002781AM23

Subject: Request for Consideration of Shipping Bills filed in the 7th year after original EOP/ EOP Extension i.e. 6+1 years in respect of EPCG Authorization No. 0530162526 dated 26.03.2014 under 0% Concessional Duty.

The applicant has stated to consider Shipping Bills filed in the 7th year after original EOP. The applicant stated delay occurred due to Covid-19 pandemic at the time of expiry of subject EPCG License. The applicant further stated that they were not able to fulfill 100% EO in stipulated time period due to Covid-19 pandemic as their company's export volume had come down before 3 months of expiry of EPCG License with stopped export shipments and export order cancellations. The applicant has stated that they have completed their 100% EO in 7th year and have requested to consider 7th year against the fulfillment of EO.

Decision: The Committee deliberated upon the case and decided **to recommend to DG for relaxation under Para 2.58 of FTP, 2015-20** to allow Condonation of delay in approaching RA for EOP extension for 1 year (from 6 years to 7 years) on payment of composition fee or imposition of additional export obligation in terms of Para 5.11 of HBP 2009-14 and late fee of Rs. 10,000/-.

The above relaxation is also subject to the following conditions:-

a. The proper installation certificate has been submitted within time limits as specified, and

b. The payment of balance duties of Customs plus interest on unfulfilled EO since the extended EOP (from 6 to 8 years) has already expired.

This has the approval of DG, DGFT.

Case No- 49: TRDP Happy World Private Limited, New Delhi

F. No. HQRPRCAPPLY00002782AM23

Subject: Request for Consideration of Shipping Bills filed in the 7th year after original EOP/ EOP Extension i.e. 6+1 years in respect of EPCG Authorization No. 0530162818 dated 28.05.2014 under 0% Concessional Duty.

The applicant has stated to consider Shipping Bills filed in the 7th year after original EOP. The applicant stated delay occurred due to Covid-19 pandemic at the time of expiry of subject EPCG License.

The applicant further stated that they were not able to fulfill 100% EO in stipulated time period due to Covid-19 pandemic as their company's export volume had come down before 3 months of expiry of EPCG License with stopped export shipments and export order cancellations. The applicant has stated that they have completed their 100% EO in 7th year and have requested to consider 7th year against the fulfillment of EO.

Decision: The Committee deliberated upon the case and decided **to recommend to DG for relaxation under Para 2.58 of FTP, 2015-20** to allow condonation of delay in approaching RA for EOP extension for 1 year (from 6 years to 7 years) on payment of composition fee or imposition of additional export obligation in terms of Para 5.11 of HBP 2009-14 and late fee of Rs. 10,000/-.

The above relaxation is also subject to the following conditions:-

a. The proper installation certificate has been submitted within time limits as specified, and

b. The payment of balance duties of Customs plus interest on unfulfilled EO since the extended EOP (from 6 to 8 years) has already expired.

This has the approval of DG, DGFT.

<u>Case No- 50: Minda Westport Technologies Limited, Gurgaon</u>

F. No. HQREPCGPRAPP00000155AM23

Subject: Request for 2 years EOP Extension up to 09.07.2024 i.e. beyond 6+2 years in respect of EPCG Authorization No. 0530163040 dated 09.07.2014 under 0% Concessional Duty.

As per license amendment sheet, EOP Extension has been taken from 6th to 8th year. The applicant has stated that they obtained subject EPCG Authorization to manufacture and export "CNG Cylinder valve, Multi valve, Filter and LPG and CNG components". The applicant further stated that they couldn't fulfill their 100% EO in their extended time period due to:

i. *Various approvals and testing authentication before manufacturing and supply to overseas customers was required as CNG components are used at high pressure and considered as safe product.*

ii. *The applicant is manufacturing 1st time in India and took longer time than expected*

iii. *Their export products required prior approvals being safety components*

iv. *Slowdown in demand in European countries due to Covid-19 pandemic*

v. *Product identified as declined in exports by Government of India*

Decision: The Committee went through the statements made by the applicant and noted that the applicant has not submitted any cogent reason/justification or any genuine hardship faced by them in support of request for EO extension beyond 8th year and accordingly, the Committee decided to **reject** the request of the applicant.

Case No- 51: Mangal Dal & Oil Mill, Kota

F. No. HQRPRCAPPLY00002459AM23

Subject: Request for second EOP Extension up to 02.01.2023 i.e. beyond 6+2 years in respect of EPCG Authorization No. 1330004020 dated 02.01.2014 under 0% Concessional Duty.

i. The applicant has stated that they received demand notice from Office of Commissioner of Customs (Export), Mumbai demanding payment of duty on 28.08.2020. The applicant stated they had lost their original EPCG License and filed an FIR for the same on 31.10.2020. The applicant further stated that they had applied for EOP Extension for 6+2 years in November 2020 which was granted to them on 08.02.2021. The applicant further stated that they couldn't fulfil their 100% EO even in extended EOP due to:

- Loss of original documents as the partners of the applicant had no knowledge of obligation period and amount of exports to e done
- Non-direct exporters as the applicant is not directly engaged in exports of goods which made it difficult for them to make contacts with export making organizations
- Covid-19 pandemic and 2nd wave.

ii. RA, Jaipur issued a Deficiency letter to the applicant stating that they had applied for EOP Extension up to 02.01.2023 whereas EOP has already been granted for 2 years up to 02.01.2022 and hence their request cannot be considered as per Para 5.11 (c) of HBP 2009-14 and Para 5.17 (b) of HBP 2015-20.

Decision: The Committee went through the statements made by the applicant and noted that the applicant has not submitted any cogent reason/justification or any genuine hardship faced by them in support of request for EO extension beyond 8th year and accordingly, the Committee decided to **reject** the request of the applicant.

<u>Case No- 52: Magam INC, Chennai</u>

F. No. HQRPRCAPPLY00376828AM22

Subject: Request for

i. **Extension of EOP up to 25.01.2022 (date of last export)**
ii. **Condonation of delay in approaching RA for extensions of block periods and**
iii. **Waiver of composition fee and proportionate payment of 50% duty on unfulfilled EO**

In respect of EPCG Authorization No. 0430012887 dated 02.09.2013 under 0% Concessional duty.

i. The applicant has stated that they had obtained EPCG Authorization No. 0430012887 dated 02.09.2013 for import of Capital Goods. However, they did not import any Capital Goods and procured only indigenous equipment viz Hydraulic Excavator for quarry. They got exemption of excise duty to the tune of Rs.7,60,000/- only.
ii. The applicant has stated that since issue of above EPCG License and installation of machinery on 15.05.2014 they faced number of operational problems due to uncertainties in State/ Central Govt. policy and procedures on Environmental Clearance and they were not able to mine the raw material i.e. granite from the quarry because of the policy of State/ Central Govt. in enforcing the MOEF policy of holding Environmental Clearance to be obtained by all quarries based on the Supreme Court Judgement Dated 27.02.2012. Thereafter matter was represented to Courts/Sate and Central Government and the granite industry were not able to function especially those leases (quarries) of less than 5 ha area. This resulted in losing more than five years during the validity period of their EPCG License issued on 02.09.2013. The applicant has further stated that in view of the above, the overseas buyers were reluctant to place any orders because of the fear of delivery bottlenecks. However, with lot of difficulty they managed to procure overseas orders and fulfilled the entire E.O.
iii. The applicant has requested for extension of EOP for a period up to dated 25.01.2022 (date of last export) and condonation of delay in approaching RA for extensions of block periods and also waiver of composition fee and proportionate payment of 50 % duty on unfulfilled E.O.

Decision:

In respect of 1st request: The Committee went through the statements made by the applicant and noted that the applicant has not submitted any cogent reason/justification in support of any genuine hardship faced by them. Accordingly, the Committee decided to **reject** the request.

In respect of 2nd request: The Committee deliberated upon the case and decided **to recommend to DG for relaxation under Para 2.58 of FTP, 2015-20** to allow:-

(a) Extension in block-wise EOP, as the applicant could not apply to RA within the prescribed time period. This shall be subject to payment of 2% composition fee on duty saved amount in proportion to the shortfall at the end of each block in terms of the provisions of Para 5.8.3 of HBP 2009-14 and late fee of Rs. 10,000/-.

(b) Condonation of delay in approaching RA for EO extension for 2 years (from 6th year to 8th year) on payment of composition fee or imposition of additional export obligation in terms of Para 5.11 of HBP 2009-14 and late fee of Rs. 10,000/-.

The above relaxation is also subject to the following conditions:-

a. The proper installation certificate has been submitted within time limits as specified, and

b. The payment of balance duties of Customs plus interest on unfulfilled EO since the extended EOP (from 6 to 8 years) has already expired.

This has the approval of DG, DGFT.

In respect of 3rd request: The Committee went through the statements made by the applicant and noted that the applicant has not submitted any cogent reason/justification in support of any genuine hardship faced by them. Accordingly, the Committee decided to **reject** the request.

Case No- 53: Adhitya Enterprises, Chennai

F. No. HQREPCGPRAPP00000150AM23

Subject: Request for:

i. **1st Block Extension**

ii. **6 months EOP Extension from 21.04.2020 to 21.10.2020 in view of DGFT P.N. No. 67 dated 31.03.2021**

iii. **2 years EOP Extension from 21.10.2020 to 20.10.2022.**

iv. **Condonation of late submission of Installation Certificate issued by Chartered Engineer**

In respect of EPCG Authorization No. 0430013653 dated 21.04.2014 under 0% Concessional Duty.

i. The applicant has obtained subject EPCG Authorization for duty saved value of Rs. 416123.50 and EO worth US$ 40433.05. The annual average of the past export performance is Rs. 0.00 as per the condition sheet. The applicant has stated that they couldn't fulfill their 100% EO in stipulated time period due to India's export of gold and jewellery ornaments being severely affected in International Trade as they were unable to obtain export orders with reasonable value addition.

ii. The applicant has further stated that there was a delay in submission of Installation Certificate and have requested for its Condonation. As per Installation Certificate dated 12.09.2015 issued by Chartered Engineer enclosed by the firm:

S. No.	Date of Installation	BOE Details
1	25.08.2015	2080836 dated 30.07.2015
2	20.06.2015	5568922 dated 22.05.2014
3	20.06.2015	5568997 dated 22.05.2014

iii. In view of the above, the applicant has requested for 1st Block Extension, 6 months EOP Extension from 21.04.2020 to 21.10.2020 in view of DGFT P.N. No. 67 dated 31.03.2020, 2 years EOP Extension from 21.10.2020 to 20.10.2022 and Condonation of late submission of Installation Certificate for fulfillment of their EO for the above mentioned license.

Decision:

In respect of 1st request of the applicant: The Committee deliberated upon the case and decided to **recommend to DG for relaxation under Para 2.58 of FTP, 2015-20** to allow:-

(a) Extension in block-wise EOP, as the applicant could not apply to RA within the prescribed time period. This shall be subject to payment of 2% composition fee on duty saved amount in proportion to the shortfall at the end of each block in terms of the provisions of Para 5.8.3 of HBP 2009-14 and late fee of Rs. 10,000/-.

The above relaxation is also subject to the condition that the proper installation certificate has been submitted within time limits as specified in FTP/HBP.

This has the approval of DG, DGFT.

In respect of 2nd request of the firm:

The Committee deliberated upon the case and decided to advise the applicant to approach RA for extension of Export Obligation Period from 21.04.2020 to 21.10.2020 as per DGFT's Public Notice No. 67 dated 31.03.2020.

In respect of 3rd request of the firm:

The Committee deliberated upon the case and decided **to recommend to DG for relaxation under Para 2.58 of FTP, 2015-20** to allow condonation of delay in approaching RA for EOP extension for 2 years (from 6 yrs to 8 yrs) i.e. **up to 20.10.2022** on payment of composition fee or imposition of additional export obligation in terms of Para 5.11 of HBP 2009 -14 and late fee of Rs.10,000/- .

The above relaxation is also subject to the condition that the proper installation certificate has been submitted within time limits as specified in FTP/HBP.

This has the approval of DG, DGFT.

In respect of 4th request of the applicant: The Committee went through the statements made by the applicant and noted that the applicant has not submitted any cogent reason/justification in support of any genuine hardship faced by them. Accordingly, the Committee decided to **reject** the request.

Case No- 54: Caddie Hotels Pvt. Ltd., New Delhi

F. No. HQREPCGPRAPP00000154AM23

Subject: Request for extension of 1st Block against EPCG Authorization nos. 0530160699 dated 11.04.2013, 0530160700 dated 11.04.2013 and 0530160727 dated 18.04.2013 under 3% Concessional duty.

The applicant has stated that the hospitality sector is one of the most affected sectors due to the Covid-19 pandemic, causing significant and far-reaching economic losses to the hospitality sector. The applicant has further stated that they have fulfilled / fulfilled the export obligation of USD $2,82,22,634.00. However, due to the outbreak of the pandemic in March 2020 and the complete lockdown and travel restrictions imposed by the government, hotels have received less revenue, resulting in huge operating cash losses. Therefore, they could not fulfil their 50% EO in 1st Block.

Decision: The Committee deliberated upon the case and decided **to recommend to DG for relaxation under Para 2.58 of FTP, 2015-20** to allow extension in block-wise EOP, as the applicant could not apply to RA within the prescribed time period. This shall be subject to payment of 2% composition fee on duty saved amount in proportion to the shortfall at the end of each block in terms of the provisions of Para 5.8.3 of HBP 2009-14 and late fee of Rs. 10,000/-.

The above relaxation is also subject to the condition that the proper installation certificate has been submitted within time limits as specified in FTP/HBP.

This has the approval of DG, DGFT.

<u>Case No- 55: Govinda Textiles, Hingoli (Maharashtra)</u>

F. No. HQRPRCAPPLY00002112AM23

Subject: Request for 2 years EOP Extension up to 09.10.2022 i.e. 8+2 years in respect of EPCG Authorization No. 5030000285 dated 09.10.2012 under 03% Concessional Duty.

The applicant has stated that due to unawareness of the policy provisions regarding the procedure for fulfilling EO they have missed to apply for EOP extension within the stipulated time period. The applicant further stated that they have new export orders to be fulfilled and are trying to apply for EOP extension in the EPCG portal but the Dept is not accepting the applications and they are raising Deficiencies in the application stating that the application has not been made within the stipulated time frame

Decision: The Committee deliberated upon the case and decided **to recommend to DG for relaxation under Para 2.58 of FTP, 2015-20** to allow Condonation of delay in approaching RA for EO extension for 2 years (from 8th year to 10th year) on payment of composition fee or imposition of additional export obligation in terms of Para 5.11 of HBP 2009-14 and late fee of Rs.10,000/-.

The above relaxation is also subjected to the condition that the proper installation certificate has been submitted within time limits as specified in FTP/HBP.

This has the approval of DG, DGFT.

Case No- 56: Galvano Track Solutions(P) Ltd, Bangalore

F. No. HQRPRCAPPLY00002514AM23

Subject: Request for EOP extension till 31.03.2022 i.e. 5 years and 31 days beyond 6 years in respect of EPCG Authorization No. 0730009892 dated 28.02.2011 under 0% Concessional Duty.

As per ANF-2D, the applicant has not availed 1st EOP Extension for 6+2 years and the license is valid up to 28.02.2017. The applicant stated that they have completed 100% EO till 31.03.2022 and 75% EO was completed before 31.12.2021 and the balance before 31.03.2022.

Decision: The Committee went through the statements made by the applicant and noted that the applicant has not submitted any cogent reason/justification or any genuine hardship faced by them in support of request for EO extension and accordingly, the Committee decided to **reject** the request of the applicant.

Case No- 57: MFAR Hotels & Resorts Pvt. Ltd., Chennai

F. No. HQREPCGPRAPP00000071AM23

Subject: Request for condonation for late submission of Installation Certificate issued by Chartered Engineer against EPCG Authorization Nos. 0430011005 dated 20.03.2012 and 0430010744 dated 13.01.2012.

The applicant has stated that they were unaware that the installation certificate should be submitted within six months from the date of bill of entry. RA, Chennai vide their D/L dated 04.02.2022 and 08.02.2022 has conveyed to them as under:

> *"Installation certificate submitted to this office on 31.01.2022 i.e. beyond 31.03.2021. You are advised to approach EPCG Committee."*

The applicant has further stated that they have completed their 100% EO.

Decision: The Committee went through the statements made by the applicant and noted that the applicant has not submitted any cogent reason/justification in support of any genuine hardship faced by them. Accordingly, the Committee decided to **reject** the request.

<u>Case No- 58: Metaforge Engineering (India) Private Limited, Nashik</u>

F. No. HQRPRCAPPLY00002762AM23

Subject: Request for second EOP Extension up to 02.08.2018 i.e. from 10th to 12th year Without payment of Customs Duty in respect of EPCG Authorization No. 3130001883 dated 03.08.2006 under 05% Concessional Duty.

i. Earlier, the applicant i.e. Metaforge Engineering (India) Private Limited, Nashik had requested for Extension in EOP for 4 EPCG Authorizations i.e. 3130001372 dated 17.10.2005, 3130001436 dated 05.12.2005, 3130001883 dated 03.08.2006 and 3130001884 dated 03.08.2006.

ii. The case was considered in the 9th EPCG Committee Meeting held on 24.01.2019. The Committee noted that the party has requested for extension of EOP in respect of 4 EPCG Authorizations and stated that they have made all the exports under Drawback after the expiry of EOP. In this regard, the party further states that due to Customs EDI systems constraint, they could not put EPCG License No. at the time of filing shipping bills for customs assessments. They are requesting to extend the EOP for a further period of 04 years to regularize the above-mentioned exports made after the expiry of original EOP. The Committee deliberated upon the case and decided to reject it as there is no merit in the request to consider shipping bills without endorsement of EPCG Authorizations.

iii. Now, the applicant vide application dated 16.06.2022 has requested for second EOP Extension up to 02.08.2018 i.e. from 10th to 12th year Without payment of Customs Duty in respect of EPCG Authorization No. 3130001883 dated 03.08.2006 under 05% Concessional duty. The applicant has submitted the following-

1. The applicant vide e-mail dated 11.09.2022 has submitted documents in support to its application.
2. The applicant has obtained subject EPCG Authorization for duty saved value of Rs. 1745372.0 and EO worth US$ 224967.38. The annual average of the past export performance is Rs. 73315.33 as per the condition sheet**.**

iv. The applicant has stated that EO fulfilled during the subsequent period after expiry of extended 1st block EOP i.e. 03.08.2016 to 31.05.2018 was Rs. 1,27,24,613.00. The applicant has further stated that this application is being made for 2nd extension of two years i.e. from 03.08.2016 to 02.08.2018 without payment of customs duty to the extent of 83.26% of duty saved amount i.e. Rs. 7,11,000.

Decision: The Committee deliberated upon the case and decided **to recommend to DG for relaxation under Para 2.58 of FTP, 2015-20** to allow condonation for delay in approaching RA for second extension in EOP (10th year to 12th year) with a condition that 50% of duty payable in proportion to the unfulfilled EO is paid by the authorization holder to custom authorities in terms of provisions contained in Para 5.11 of HBP 2004-09.

The above relaxation is also subject to the following conditions:-

a. The proper installation certificate has been submitted within time limits as specified, and

b. The payment of balance duties of Customs plus interest on unfulfilled EO since the extended EOP (up to 12 years) has already expired.

This has the approval of DG, DGFT.

Case No- 59: Bhagwati Agro Processors, Nagpur

F. No. HQRPRCAPPLY00002565AM23

Subject: Request for EOP Extension up to 29.09.2022 i.e. 6+2 years in respect of EPCG Authorization No. 5030000504 dated 29.09.2014 under 0% Concessional Duty.

The applicant has stated that due to unawareness of the policy provisions regarding the procedure for fulfilling EO they have missed to apply for Block wise extension and EOP extension within the stipulated time period. The applicant further stated that they have new export orders to be fulfilled and are trying to apply for EOP extension in the EPCG portal but the Dept is not accepting the applications and they are raising Deficiencies in the application stating that the application has not been made within the stipulated time frame.

Decision: The Committee deliberated upon the case and decided **to recommend to DG for relaxation under Para 2.58 of FTP, 2015-20** to allow Condonation of delay in approaching RA for EO extension for 2 years (from 6^{th} year to 8^{th} year) on payment of composition fee or imposition of additional export obligation in terms of Para 5.11 of HBP 2009-14 and late fee of Rs.10,000/-.

The above relaxation is also subjected to the condition that the proper installation certificate has been submitted within time limits as specified in FTP/HBP.

This has the approval of DG, DGFT.

Case No- 60: MFAR Hotels & Resorts Pvt. Ltd., Chennai

F. No. HQREPCGPRAPP00000068AM23

Subject: Request for condonation for late submission of Installation certificate issued by Chartered Engineer against EPCG Authorization Nos. 0430011004 dated 20.03.2012 and 0430011162 dated 01.05.2012.

The applicant has stated that they were unaware that the installation certificate should be submitted within six months from the date of bill of entry. The applicant stated that they have completed their 100% EO. RA, Chennai vide their D/L dated 04.02.2022 and 02.03.2022 has conveyed to them as under:

> *"Installation certificate submitted to this office on 31.01.2022 i.e. beyond 31.03.2021). You are advised to approach EPCG Committee."*

Decision: The Committee went through the statements made by the applicant and noted that the applicant has not submitted any cogent reason/justification in support of any genuine hardship faced by them. Accordingly, the Committee decided to **reject** the request.

Case No- 61: Adhitya Enterprises, Chennai

F. No. HQREPCGPRAPP00000149AM23

Subject: Request for:

i. **1st Block Extension**

ii. **2 years EOP Extension i.e. 8+2 years**

iii. **Condonation of late submission of Installation Certificate issued by Chartered Engineer**

In respect of EPCG Authorization No. 0430012003 dated 19.12.2012 under 03% Concessional Duty.

1. The applicant has stated that they couldn't fulfill their 100% EO in stipulated time period due to India's export of gold and jewellery ornaments being severely affected in International Trade as they were unable to obtain export orders with reasonable value addition.

2. The applicant has further stated that there was a delay in submission of Installation Certificate and have requested for its Condonation. As per Installation Certificate dated (*not mentioned*) issued by Chartered Engineer enclosed by the firm:

S. No.	**Date of Installation**	**BOE Details**
1	15.07.2013	9222117 dated 05.02.2013
2	15.07.2013	2197245 dated 21.05.2013
3	15.07.2013	2647019 dated 08.07.2013
4	15.07.2013	2646863 dated 08.07.2013

Decision:

In respect of 1st and 2nd request of the firm:

The Committee deliberated upon the case and decided to **recommend to DG for relaxation under Para 2.58 of FTP, 2015-20** to allow:-

(a) Extension in block-wise EOP, as the applicant could not apply to RA within the prescribed time period. This shall be subject to payment of 2% composition fee on duty saved amount in proportion to the shortfall at the end of each block in terms of the provisions of Para 5.8.3 of HBP 2009-14 and late fee of Rs. 10,000/-.

(b) Condonation of delay in approaching RA for EO extension for 2 years (from 8th year to 10th year) on payment of composition fee or imposition of additional export obligation in terms of Para 5.11 of HBP 2009-14 and late fee of Rs. 10,000/-.

The above relaxation is also subject to the condition that the proper installation certificate has been submitted within time limits as specified in FTP/HBP.

This has the approval of DG, DGFT.

In respect of 3rd request of the applicant: The Committee went through the statements made by the applicant and noted that the applicant has not submitted any cogent reason/justification in support of any genuine hardship faced by them. Accordingly, the Committee decided to **reject** the request.

<u>Case No- 62: MFAR Hotels & Resorts Pvt. Ltd., Chennai</u>

F. No. HQREPCGPRAPP00000069AM23

Subject: Request for condonation for late submission of Installation Certificate issued by Chartered Engineer against EPCG Authorization Nos. 0430010800 dated 03.02.2012 and 0430010801 dated 03.02.2012 - reg.

The applicant stated that they were unaware that the installation certificate should be submitted within six months from the date of bill of entry. The applicant stated that they have completed their 100% EO. RA, Chennai vide their D/L dated 04.02.2022 has conveyed to them as under:

> *"Installation certificate submitted to this office on 31.01.2022 (i.e. beyond 31.03.2021). You are advised to approach EPCG Committee."*

Decision: The Committee went through the statements made by the applicant and noted that the applicant has not submitted any cogent reason/justification in support of any genuine hardship faced by them. Accordingly, the Committee decided to **reject** the request.

<u>Case No- 63: H.P. Cotton Casuals Private Limited, Kolkata</u>

F. No. HQREPCGPRAPP00000167AM23

Subject: Request for first EOP Extension for 2 years up to 31.12.2023 (since initial EOP expired on 31.12.2021 as per DGFT Notification No. 28 2015-20) in respect of EPCG Authorization No. 0230009853 dated 28.10.2014 under 0% Concessional Duty.

The applicant has stated that they could only fulfill 64.15% of their EO in stipulated time due to unfavorable market situation of textile sector as they were unable to export balance EO.

The applicant has requested for EOP Extension for 2 years i.e. up to 31.12.2023 since their initial EOP expired on 31.12.2021 as per DGFT Notification No. 28/2015-20 dated 23.09.2021. The applicant further stated that they are hopeful of fulfilling the balance EO with 25% enhancement (20% enhancement as per Para 5.11 of HBP 2009-14 + 5% enhancement as per Notification No. 28/2015-20 within extended EOP.

Decision:

In respect of request for EOP Extension up to 31.12.2021:

The Committee deliberated upon the case and decided to advise the applicant to approach RA for extension of Export Obligation Period up to 31.12.2021 as per DGFT's Public Notice No. 67 dated31.3.2020 and Notification No. 28/2015-2020 dated 23.09.2021.

In respect of request for EOP Extension up to 30.12.2023:

The Committee deliberated upon the case and decided **to recommend to DG for relaxation under Para 2.58 of FTP, 2015-20** to allow condonation of delay in approaching RA for EOP extension for 2 years (from 6 yrs to 8 yrs) **i.e. up to 30.12.2023** on payment of composition fee or imposition of additional export obligation in terms of Para 5.11 of HBP 2009 -14 and late fee of Rs.10,000/- .

The above relaxation is also subject to the condition that the proper installation certificate has been submitted within time limits as specified in FTP/HBP.

This has the approval of DG, DGFT.

<u>Case No- 64: Milsha Agro Exports Private Limited, Kolkata</u>

F. No. HQREPCGPRAPP00000163AM23

Subject: Request for Condonation of delay in submission of Installation Certificate issued by Chartered Engineer in respect of the following EPCG Authorizations under 0% Concessional Duty:

i. **0230012368 dated 04.04.2017**
ii. **0230012369 dated 04.04.2017**
iii. **0230012961 dated 13.03.2018**

As per ANF-2D, the applicant has stated that they have completed EO on time with single shipment but were unaware whether the installation certificate had to be submitted online or offline due to some up gradation on the FGDT site due to which they have submitted installation certificate along with an application for EODC before RA Kolkata. As per Installation Certificates issued by Chartered Engineer enclosed by the firm,

S. No.	EPCG Authorization	BOE & Date	Date of issue of Installation Certificate	Date of Installation
1	0230012368 dated 04.04.2017	9284924 dated 12.04.2017	20.06.2017	20.04.2017
2	0230012369 dated 04.04.2017	9689802 dated 15.05.2017	14.06.2017	30.05.2017
3	0230012961 dated 13.03.2018	5856438 dated 04.04.2018	18.05.2018	12.04.2018

Decision: The Committee went through the statements made by the applicant and noted that the applicant has not submitted any cogent reason/justification in support of any genuine hardship faced by them. Accordingly, the Committee decided to **reject** the request.

Case No- 65: Advance Multitech Ltd., Ahmedabad

F. No. HQRPRCAPPLY00387384AM22

Subject: Request for Second Extension of EOP for one year i.e. from 8 years to 9 years in respect of EPCG Authorization No. 0830005753 dated 30.08.2013 under 0% Concessional duty - reg.

i. The applicant has requested to extend the EOP for further period of one year from the date of endorsement. The applicant has stated that they could not fulfil their EO within the extended time period due to Covid-19. The applicant has further stated that they have confirmed order in hand. The applicant has also stated that they have not availed any relaxation for Covid-19 as per Notification No.28 dated 23.09.2021 or any other notification for the same.

ii. As per License Amendment sheet issued by RA, Ahmedabad on17.10.2019, 1^{st} Block is extended for 2 years w.e.f. 30.08.2017 to 30.08.2019. This endorsement is made as per Para 5.8.3 of HBP read with PN No. 35 DATED 25.10.2017. The EOP is extended for 2 years w.e.f. 30.08.2019 to 30.08.2021 in terms of Para 5.11 of HBP Vol 1 2009-14 with PN No. 36 dated 25.10.2017.

Decision: The Committee went through the statements made by the applicant and noted that the applicant has not submitted any cogent reason/justification or any genuine hardship faced by them in support of request for EO extension from 8th to 9th year and accordingly, the Committee decided to **reject** the request of the applicant.

<u>Case No- 66: Creative Stylo Packs Pvt. Ltd, Mumbai</u>

F. No. HQREPCGPRAPP00369969AM22

Subject: Request for extension of EOP and extension of validity of EPCG license in view of fulfillment of pending EO i.e. beyond 6+2 years in respect of EPCG authorization No.0330031784 dated06.02.2012 under 0% concessional duty.

i. Earlier, the applicant vide letter dated 13.11.2019, requested for 2nd extension of EOP in respect of EPCG authorization No. 0330031784 dated 06.02.2012 under 0% concessional duty. In application, the applicant stated that they had fulfilled 44.99 % of EO within stipulated time of six years i.e. up to 06.2.2018. The applicant obtained extension of EOP for one year i.e., up to 08.11.2019 from RA. During the extended period, they had fulfilled 45.31% of EO and balance left was 9.69% of EO. They could not fulfill 100% of EO in spited of extension of one year. Therefore, the applicant had requested for second extension in EOP for one more year to fulfill the remaining EO.

ii. The request was examined by the EPCG Committee in its meeting held on 10.06.2020.The case was defer for further examination. RA, Mumbai vide email dated 17.06.2021 was requested for detailed report along with recommendations on the submissions made by the applicant.

iii. The matter was again examined by EPCG Committee in its meeting held on 15.09.2021. The decision of the Committee as under :-

> “ *The applicant has stated that they have fulfilled 44.99% of EO within stipulated time of six years i.e. up to 06.2.2018 and during the extended period, they had fulfilled 45.31% of EO and balance left was 9.69% of EO. They could not fulfil complete EO due to recession in international market hence requested for second extension in EOP for one year to fulfill remaining EO.*
>
> *After discussion, the Committee decided to recommend to DG for relaxation under Para 2.58 of FTP 2015-20 that the Export Obligation period would be extended till 31.12.2021 without any composition Fees. However this extension is subject to 5% additional export obligation in value terms (in free Foreign Exchange) on the balance Export Obligation on the date of expiry of the original/extended export obligation period.*
>
> *This has the approval of DG.”*

iv. Now, the applicant has stated that they are unable to meet the export obligation due to following reasons:

a. EPCG license has been issued in the year 2012 and during the said period the US $ rate was within the range of Rs. 50 per USD and due to volatile foreign exchange fluctuations the export fulfillment has been delayed.

b. In their products the volume is high and value is less due to which the freight cost which leads to short fall in export fulfillment as it is calculated on FOB value of exports. Due to the COVID -19 pandemics the manufacturing and supply has been disrupted which lead to manufacturing and export of the goods.

c. Their shipment value is about US $ 20000 to 25000 which has more component of Freight only.
d. There is downfall in the exports in many sectors and as per the Policy Circular No. 18/ 2015-20 dated 31.01.2019 this can be verified wherein HSN 39 has been covered in broad category. The authority will appreciate that there is Negative Growth of (-34.9% to -5.61%) for Plastic Sector. Their export of products viz. Plastic Tubes, Caps and Closures has very small portion of exports in overall county's exports hence not getting highlighted in overall short fall.
e. In order to cope with disruption in the overall manufacturing, supply and un-rest in the economics they are in the process of fund raising by way of merging/ amalgamation with the Limited company. With this the share holding pattern will be revised and hence they would be able to fulfill the export obligation be exporting their products through the Group Companies. As their EPCG license pertains to the period of 2009-14 the group company will be eligible as per Para 5.5 FTP.
f. The applicant has submitted the status of exports made from the EPCG license till the end of 31st December 2021 duty certified by the Chartered Accountant. The applicant has also mentioned that the EO has been fulfilled in terms of Rupees but due to volatile fluctuation in the foreign currency there is short fall in terms of EO in FC.

Decision: The Committee went through the statements made by the applicant and noted that the applicant has not submitted any cogent reason/justification in support of any genuine hardship faced by them. Accordingly, the Committee decided to **reject** the request.

Case No- 67: Ferrero India Pvt. Ltd., Mumbai

F. No. HQRPRCAPPLY00408503AM22

Subject: Request for condonation for late submission of Installation certificate issued by Office of the Superintendent of Central Excise, Pune against EPCG Authorization No. 0330044295 dated 09.05.2016 under 0% Concessional duty.

The applicant has stated that they could not submit the installation certificate within the stipulated time period due to lack of knowledge. The applicant has also stated that they have applied for closure, but they have received the D/L issued by the RA against their closure application. As per Installation certificate issued by office of the Superintendent of Central Excise, Pune on 10.02.2017, CGs were imported on 12.05.2016, installed at the premises place on 25.05.2016.

Decision: The Committee deliberated upon the case and decided **to recommend to DG for relaxation under Para 2.58 of FTP 2015-20** to allow condonation of delay in submission of installation certificate, subject to payment of composition fee of Rs. 5000/- and submission of installation certificate.

RA to verify that no ECA/DRI/Customs action is pending.

This has the approval of DG, DGFT.

Case No- 68: Tata Cummins Pvt. Ltd., Pune

F. No. HQREPCGPRAPP00048749AM22

Subject: Request for condonation of delay in installation of Capital Goods beyond stipulated time period by January 2021 i.e. 4 months beyond stipulated time of 18 months from date of import in respect of EPCG Authorization No. 3130010727 dated 12.03.2019 - reg.

i. The applicant has stated that they have obtained subject EPCG Authorization from RA, Pune for import of capital goods namely 26SP Power Macs 4000Nutrunner System and accessories for Cylinder Had Tightening System to be used in manufacture of export products namely internal combustion engines and parts thereof wherein the factory located at Cummins Road, Telco, Township, Jamshedpur, Jharkhand-831004.
ii. The applicant has further stated that they had imported CGs on 25.3.2019. The applicant vide letter dated 31.10.2020 to RA, Pune for seeking for condonation of delay in installation of CGs as per Para 5.04 of HBP 2015-20. RA, Pune issued D/L dated 17.11.2020 for payment of condonation fee of Rs. 5000/- and condonation fee was paid by the firm. The request of the applicant was approved.
iii. The applicant has informed that they could not install CGs within stipulated time at their factory due to major change in equipment design to make it fit for installation. Thereafter, further delay in installation was on account outbreak of Covid-19 and related lockdown/travel restrictions, as experts required for installation of the equipment, were not available/ready to install CGs. They could install of CGs by January 2021 i.e., 4 months beyond stipulated time of 18 months from date of import.
iv. The applicant vide letter dated 08.03.2021 to RA, Pune for seeking condonation for submission of certificate of installation as per Para 5.04 of HBP 2015-20. RA, Pune issued D/L stating that CG is not installed within time period as per Para 5.04 of HBP, and approach to DGFT (HQ), New Delhi for condonation of delay in installation.
v. The matter was examined by EPCG Committee in its meeting held on 15.09.2021. The decision of the Committee is as under:

> *"The applicant has stated that they imported the Capital Goods by March 2019. The majority of CGs were installed within the stipulated time of 18 months, some CGs could be installed 4 months beyond the stipulated time period due to a change in equipment design, an outbreak of Covid-19, and related lockdown/travel restrictions. The applicant has requested condonation of delay in installation of Capital Goods beyond the stipulated time period. The Committee*

deliberated upon the case and it was decided to defer it with the direction to call a report from RA."

Decision: The Committee deliberated upon the case and decided **to recommend to DG for relaxation under Para 2.58 of FTP 2015-20** to allow condonation of delay in installation of Capital Goods beyond stipulated time period subject to payment of a late fee of Rs. 5000/- and submission of installation certificate.

RA to verify that no ECA/DRI/Customs action is pending.

This has the approval of DG, DGFT

<u>Case No- 69: Veekay Surgicals Pvt. Ltd, New Delhi</u>

F. No. HQREPCGPRAPP00275477AM22

Subject: Request for Re-fixation and Removal of Annual AEO wrongly mentioned in respect of EPCG Authorization No. 0530155466 dated 11.05.2011 Under 03% Concessional duty.

i. The applicant has stated that by oversight, Annual Average Export Obligation of Rs. 5,872,265.25 has been wrongly mentioned while applying for EPCG Authorization No. 0530155466 dated 11.05.2011 as their entire exports made which are accounted for fulfilment of Specific EO are against their other EPCG Authorization No. 0530135720 dated 19.02.2004.
ii. The applicant further stated that on the basis of above mentioned wrong figure, CLA Office had imposed the Annual AEO of Rs. 5,872,265.25 in respect to EPCG Authorization No. 0530155466 dated 11.05.2011 which is not applicable in their case. The applicant has further stated that EPCG Authorization No. 0530135720 dated 19.02.2004 has been redeemed by CLA Office. The CLA Office had raised the deficiency letter stating for re-fixation of AEO.
iii. The case was considered in the 2nd Meeting of AM-23 held on 18.05.2022 wherein after due deliberation on the request of the firm, the Committee decided to defer the case with the directions to call for a report from RA concerned on the request of the firm. Accordingly, CLA New Delhi was requested vide e-mails dated 05.07.2022 and 01.08.2022 to send a report.

Decision: The Committee deliberated upon the case and decided to **remand** the case to RA with the direction to verify the documents as per policy provisions and re-fix AEO if submissions made by the applicant are correct.

<u>Case No- 70: Tamra Dhatu Udyog Pvt. Ltd, Kolkata</u>

F. No. HQREPCGPRAPP00000337AM23

Subject: Request for Condonation of late submission of Installation Certificate issued by 2 authorities i.e. Central Excise and Chartered Engineer in respect of EPCG Authorization No. 0230007110 dated 06.09.2011 under 0% Concessional Duty.

i. The applicant has stated that they had submitted 2 Installation Certificates issued by different authorities:

- Installation Certificate issued by Office of the Asst. Commissioner, Central Excise Division, Bhiwadi Rajasthan covering main machines imported and installed under subject EPCG Authorization.
- Installation Certificate issued by Chartered Engineer covering 3 ancillary items (DIE, Toolbox and Brush for cleaning) which are used manually without installation.

ii. The applicant further stated that the reason for obtaining 2 different Installation Certificate was due to unawareness as they were unknown about the matter.
   - As per Installation Certificate dated 20.04.2012 issued by Office of the Asst. Commissioner, Central Excise Division, Bhiwadi Rajasthan enclosed by the firm, machinery was installed at the firm's premises on 04.03.2012 vide BOE No. 5484925 dated 16.12.2011.
   - As per Installation Certificate dated 10.05.2022 issued by Chartered Engineer enclosed by the firm, spares were installed/ found in use at the firm's factory on 04.03.2012 vide BOE No. 5484925 dated 16.12.2011.

Decision: The Committee deliberated upon the case and decided to **recommend to DG for relaxation under Para 2.58 of FTP 2015-20** to allow condonation of delay in submission of installation certificate, subject to payment of composition fee of Rs. 5000/- and submission of installation certificate.

RA to verify that no ECA/DRI/Customs action is pending.

This has the approval of DG, DGFT.

Case No- 71: Ganesh Weaving Mills, Nagpur

F. No. HQRPRCAPPLY00000134AM23

Subject: Request for extension of EOP for 2 years (i.e. from 8 years to 10 years) in respect of EPCG Authorization No. 5030000315 dated 13.12.2012 under 3% Concessional duty.

i. The applicant has stated that due to their unawareness of the policy provisions regarding the procedure for fulfilling export obligation they have missed to apply for EOP extension within the stipulated time period. At Present, they have new export orders to be fulfilled and they are trying to apply for EOP extension in the EPCG portal. However, the Dept is not accepting the application and they are raising Deficiencies in the application stating that the application has not been made within the stipulated time frame Due to this they are unable go forward with the EOP extension application in the portal.

ii. The applicant has submitted that DGFT has given relaxation in time period for applying for block-wise extension by paying Condonation fee through various Public Notices. The 1st such PN was issued on 25.10.2017 and has been updated recently on 07.04.2020. The notice provided relaxation till 31.03.2021 and thereafter it has been stopped after introduction of the online modules. Such relaxation is beneficial to the exporters especially the exporters with EPCG license as the industry is completely aware/ educated about the rules and regulations of the EPCG license and its repercussions for defaulting.

Decision: The Committee deliberated upon the case and decided **to recommend to DG for relaxation under Para 2.58 of FTP, 2015-20** to allow Condonation of delay in approaching RA for EO extension for 2 years (from 8th year to 10th year) on payment of composition fee or imposition of additional export obligation in terms of Para 5.11 of HBP 2009-14 and late fee of Rs.10,000/-.

The above relaxation is also subjected to the condition that the proper installation certificate has been submitted within time limits as specified in FTP/HBP.

This has the approval of DG, DGFT.

Case No- 72: Aneeta Plastpack LLP, Ahmedabad

F. No. HQRPRCAPPLY00371635AM22

Subject: Request for condonation of delay in applying for invalidation in respect of EPCG Authorization no. 0830011840 dated 09.06.2020 under 0% Concessional duty.

i. M/s Aneeta Plastpack LLP has obtained the above mentioned EPCG Authorization for import of Capital Goods Laminated Tube Body Making Machine. They were under obligation to export equivalent to the six times to the amount of duty saved thereon within a period of 6 years from the date of issuance of the license. The applicant instead of importing the required capital goods, they sought to procure the said machinery form a domestic manufacturer. The said capital goods were installed at the registered premise of the applicant and manufacturing process thereon was also initiated in August 2020. The applicant has stated that since the receipt, installation and use of the said capital goods, the applicant has been able to manufacture and export several consignments of goods being in the nature of 'laminated tube, laminated web and collapsible tubes' having a cumulative value of Rs. 8,82,92,995/- (till dated 14 the February 2022). The applicant has further submitted that as the capital goods in question were supplied under the EPCG Scheme, the amount of IGST (Integrated Tax) i.e., Rs.39,06,000/ paid thereon, has also been refunded by the concerned authorities.
ii. However, inadvertently their request for invalidation of EPCG License instead of being filed on 09.06.2021 was tendered on 19.06.2021. The applicant has submitted that if the said procedural infraction is regularized, the revenue would not be adversely affected and they will still be in a position to meet with the substantive condition under the EPCG Scheme of exporting the required goods.
iii. Under the circumstances, the applicant has requested that the procedural infraction in delay in submission of letter for invalidation may be condoned. The applicant has also requested that the exports of 3,76,79,880/- (total required EO against EPCG) out of total export till 14th February 2022 of Rs. 8,82,92,995/- made by the applicant during the period from August 2020 to 14th February 2022 may also be adjusted against the export obligation of the applicant.

Decision: After deliberation on the request of the firm, the Committee decided to **defer** the case with the directions to call for a factual report from RA concerned on the submissions made by the applicant. DoR may also take up with concerned GST authorities as to how refund was sanctioned on supplies made before invalidation?

Case No- 73: R K Polymer Industries Private Limited, Mumbai

F. No. HQRPRCAPPLY00003309AM23

Subject: Request for Refixation of Average Export Performance wrongly mentioned due to incorrect Export figures in respect of EPCG Authorization Nos. 0330013730 dated 27.10.2006 and 0330017378 dated 07.09.2007 under 05% Concessional Duty.

i. The applicant has stated that they are manufacturers and exporters of switchgear parts and electrical accessories and were required to maintain its average export performance of past 3 years as Rs. 45003666.6. The applicant further stated on 09.06.2015 their IEC was placed in DEL and were not allowed to claim any fiscal benefit and vide email dated 07.02.2022 they were requested by RA to regularize the case on payment of custom duty and interest applicable in respect of EPCG Authorization No. 0330013730 dated 27.10.2006.

ii. The applicant has mentioned that there was a genuine error in declaring AEP in ANF 5B erroneously mentioned as Rs. 43003666.66. The applicant has stated that as per CA Certificate the average export performance for the past 3 years i.e. 2003-04, 2004-05 and 2005-06 would be approxRs. 13,42,495.66 instead of Rs. 4,30,03,666.6 as mentioned in the EPCG License No. 0330013730 dated 27.10.2006.

Financial year	Export Turnover (Sales INR)
2003-04	221081.00
2004-05	1842782.00
2005-06	1963624.00
2006-07	3022130.00

iii. The applicant further mentioned that they requested RA to amend the AEP of Rs. 4,30,03,666.6 mentioned in EPCG License No. 0330013730 dated 27.10.2006 to be read as Rs. 13,42,495.66 considering that there was genuine factual error. In regard to EPCG Authorization No. 0330017378 dated 07.09.2007 the applicant stated that AEP mentioned was Rs. 2291465.66 and there is no dispute related to this license and it can be regularized in accordance with provisions of FTP and HBP.

Decision: The Committee went through the statements made by the applicant and noted that the applicant has not submitted any cogent reason/justification in support of any genuine hardship faced by them. Accordingly, the Committee decided to **reject** the request.

Case No- 74: Narayan Cotex Private Limited, Maharashtra

F. No. HQRPRCAPPLY00003210AM23

Subject: Request for:

i. **1st Block Extension**

ii. **2 years EOP Extension (6+2 years)**

In respect of EPCG Authorization No. 0330036587 dated 16.08.2013 under 0% Concessional Duty.

The applicant stated that the license was valid up to 16.08.2019 and they have not taken 6+2 years of EOP Extension. The applicant has stated that due to unawareness of the policy provisions regarding the procedure for fulfilling EO, they missed to apply for Block wise extension and EOP extension within the stipulated time period. The applicant further mentioned that they have new export orders to be fulfilled and are trying to apply for EOP extension in the EPCG portal. However, the Dept is not accepting the applications and they are raising Deficiencies in the application stating that the application has not been made within the stipulated time frame.

Decision: The Committee deliberated upon the case and decided to **recommend to DG for relaxation under Para 2.58 of FTP, 2015-20** to allow:-

(a) Extension in block-wise EOP, as the applicant could not apply to RA within the prescribed time period. This shall be subject to payment of 2% composition fee on duty saved amount in proportion to the shortfall at the end of each block in terms of the provisions of Para 5.8.3 of HBP 2009-14 and late fee of Rs. 10,000/-.

(b) Condonation of delay in approaching RA for EO extension for 2 years (from 6th year to 8th year) on payment of composition fee or imposition of additional export obligation in terms of Para 5.11 of HBP 2009-14 and late fee of Rs. 10,000/-.

The above relaxation is also subject to the following conditions:-

a. The proper installation certificate has been submitted within time limits as specified, and

b. The payment of balance duties of Customs plus interest on unfulfilled EO since the extended EOP (from 6 to 8 years) has already expired.

This has the approval of DG, DGFT.

<u>Case No- 75: Atharva Textile , Nagpur</u>

F. No. HQRPRCAPPLY00002117AM23

Subject: Request for extension of EOP for 2 years (i.e. from 8 years to 10 years) in respect of EPCG Authorization No. 5030000219 dated 11.06.2012 under 3% Concessional duty - reg.

i. The applicant has stated that due to their unawareness of the policy provisions regarding the procedure for fulfilling export obligation they have missed to apply for EOP extension within the stipulated time period. At Present, they have new export orders to be fulfilled and they are trying to apply for EOP extension in the EPCG portal. However, the Dept is not accepting the application and they are raising Deficiencies in the application stating that the application has not been made within the stipulated time frame Due to this they are unable go forward with the EOP extension application in the portal.

ii. The applicant has submitted that DGFT has given relaxation in time period for applying for block-wise extension by paying Condonation fee through various Public Notices. The 1st such PN was issued on 25.10.2017 and has been updated recently on 07.04.2020. The notice provided relaxation till 31.03.2021 and thereafter it has been stopped after introduction of the online modules. Such relaxation is beneficial to the exporters especially the exporters with EPCG license as the industry is completely aware/ educated about the rules and regulations of the EPCG license and its repercussions for defaulting.

Decision: The Committee deliberated upon the case and decided **to recommend to DG for relaxation under Para 2.58 of FTP, 2015-20** to allow condonation of delay in approaching RA for EO extension for 2 years (from 8th year to 10th year) on payment of composition fee or imposition of additional export obligation in terms of Para 5.11 of HBP 2009-14 and late fee of Rs.10,000/-.

The above relaxation is also subjected to the condition that the proper installation certificate has been submitted within time limits as specified in FTP/HBP.

This has the approval of DG, DGFT.

<u>Case No- 76: ASP Exports Pvt. Ltd., Thane</u>

F. No. HQREPCGPRAPP00000374AM23

Subject: Request for condonation/waiver of block wise /overall EO fulfillment/period and acceptance of EO by Group company against EPCG Authorization no. 0330014319 dated 13.12.2006 under 5% Concessional duty.

i. Earlier, ASP Exports Pvt. Ltd., vide letter dated 05.04.2017 (F. No. 01/36/218/28/AM-18/EPCG-I) , requested for extension of block wise EOP and acceptance/regularization of exports of readymade garment made by the Group company against EPCG Authorization no. 0330014319 dated 13.12.2006 under 5% Concessional duty. The request of the applicant was considered in the Meeting of the EPCG Committee held on 05.06.2018 and decided under:

> *"The Committee observed that the request of the party was first placed in its meeting held on 19.07.2017 wherein it was decided to defer the case with direction to ask the party to submit the documents for EO fulfilment to RA concerned and to obtain a fresh report from RA.*
>
> *The Committee noted that RA, Mumbai, vide their report dated 18.04.2018, has stated that the applicant has fulfilled EO by self and through Group Company.*
>
> *The Committee deliberated upon the case and decided to remand the case back to RA. RA may decide the case as per policy."*

ii. Now, the applicant vide application dated 25.07.2022 has requested for condonation/waiver of block wise /overall EO fulfillment/period and acceptance of EO by Group company against EPCG Authorization no. 0330014319 dated 13.12.2006 under 5% Concessional duty. In their application, the applicant has stated that they could not meet their EOs in the first block as well as the overall EOP due to adverse international economy. The applicant has also mentioned that the reason for not fulfilling itself in both the blocks by exporting the goods permitted under the said license is due to the following reasons :

1. It took a long time to set up the entire plant. They were able to start testing production very late after they have met the initial and technical problems.
2. Their products are subject to meeting various stringent quality control standards in the international market.
3. The export of their products also requires acceptance by the international market as it takes a lot of time and energy to gain acceptance in India and abroad due to the competitive and tough times. They got such approval very late. It takes a long time to produce export products of international standard specifications and get them approved abroad.

4. During the initial few years their products were not price compatible in the international markets as they were not able to get any positive value addition as the international market has undergone huge changes and fluctuations.
5. Over the years, there has been a lack of skill and conductive environment for export of services to international markets. Recently this situation is showing a positive trend.
6. Despite the unfavorable outlook, they were able to fulfill their EO by October 2016 with the support of their group company.

iii. The applicant has stated that in terms of Para 5.4 of the FTP 2004-09, the 100% export obligation can be completed by exporting the goods manufacturing by Group Company. In support of the proposal, the applicant has stated that their group company M/s Chisel Sports Private Limited has been incorporated on 8th June, 2010 and is the manufacturer of readymade Garments the said group company is exporting the said goods since 2012. The applicant has further stated that they have not mentioned EPCG Authorization details on the S/Bill therefore they have given an affidavit/bond in terms of PN 7 dated 11.7.2002. The applicant has also stated that they are ready to take up average Export Obligation of their group company during the past three years from the year of the endorsement of name of Group Company.

iv. The applicant has also stated that RA is insisting acknowledgement from them regarding submission of request for consideration of exports of group company w.e.f. June 2012, however due to old matter and also that they have shifted record to new location they are not able to locate the same in their office. In absence of the said acknowledgement RA is not ready to accept their request to allow Group Company's export. The applicant has informed RA that they had already approached the Hon'ble Committee for its approval. The Hon'ble EPCG Committee has decided the matter in its meeting dated 05.06.2018 remitted the matter back to RA for consideration of the matter as per policy. However, the RA is not able to take a decision as RA want a clear decision whether exports are to be allowed by the group company or not. Accordingly, the applicant is applying for review of the said earlier decision by the Hon'ble EPCG Committee.

v. In view of the above, the applicant has requested as under:

a. Condonation/exemption/exemption may be given for non-completion of export of the first block for which they have already paid aggregate duty @ 2% on pro-rata basis.
b. Allow enhancement of 2 years of overall EOP for which they are ready to take up 20% enhancement of EO for 10% for each year.

The said exports made by their Group Company i.e. M/s Chisel Sports Pvt. Ltd with effect from June 2012 to December 2016 i.e. up to eligible extended EOP, may kindly be allowed to be considered for discharge of EO under against above EPCG Authorization.

Decision: The Committee went through the statements made and decided to **defer** the case for examination.

Case No- 77: Florence Shoe Company Private Limited, Vepery

F. No. HQREPCGPRAPP00285933AM22

Subject: Request for relaxation in Annual Average Export Performance shortfall of 2.26% in respect of EPCG authorization No. 0430015889 dated 17.06.2016 under 0% Concessional Duty.

i. The applicant has stated that due to the adverse market condition and impact on the trade and stated that they have fulfilled Export Obligation 100%. The applicant has submitted that with aggressive marketing and frequent visits, they achieved Export income of Rs.215 Crores towards the fixed target of Rs.220 Crores. The subject EPCG authorization has been issued for export of following items:

S. No.	ITCHS Code	Export Item Name
1	64035111	LEATHER FOOTWEAR (LEATHER SHOES FOR GENTS
2	64035112	Leather Footwear (Leather Shoes For Women)
3	64039190	Leather Footwear (Leather Half Boot For Clients, Women, Children)
4	64039990	Leather Footwear (Sandals)
5	64061020	Leather Shoe Uppers (Closed)

ii. The annual average of the past export performance to be maintained by the Authorization Holder is Rs.2,20,76,07,093.33. The matter was examined on file and the applicant was requested to approach RA for relaxation in AEO as per Policy Circular issued by DGFT in terms of Para 5.19 of HBP 2015-20.The applicant has stated that they had approached RA, Chennai and submitted their redemption application under Policy Circular No. 03/2015-20 dated 21.11.2017. But, RA, Chennai denied their request stating that As per DGFT direction in terms of Para 5.19 of HBP 2015-2020, there is no relaxation has been granted for the export product ITC HSCODE (6403) issued authorization.

iii. The applicant has also stated that they have received bulk orders to be executed in the year 2016-17, but due to certain market conditions and difficulties, their overseas buyer has reduced their purchases. The decline in export orders left a high impact on the company, as they had invested a lot of money on infrastructure, technical manpower and procurement to supply the initial overseas orders. With aggressive marketing and frequent visits, they were able to get export earnings of Rs. 216 crore, of which one crore has been compensated for export obligation, excluding an annual average of Rs. 215 crore at the end of the year. But there is a shortfall of Rs 5 crore in the Indian rupee on the required annual average of Rs 220 crore.

iv. It is submitted that the export obligation has been achieved in full (100%) but a shortfall of 2.26% of the annual average has been left. Also, due to fall in FOB price, the realization price has come down significantly as compared to the previous years. In the years 2017-18 and 18-19, AEO has sunk leaving a backlog, which they have to meet in the coming years.

Decision: After due deliberation on the request of the firm, the Committee decided to **defer** the case for further examination.

Case No- 78: Hrashva Storage &Warehousing Pvt. Ltd., Kolkata

F. No. HQRPRCAPPLY00267393AM22

Subject: Request for endorsement of name of SSP Intimation (IEC 0296010260) in respect of EPCG authorizations issued to M/s. Hrashva Storage &Warehousing Pvt. Ltd. (IEC AABCU5050C)- regarding

i. **0230014417 dated 26.05.2020**

ii. **0230014450 dated 11.06.2020**

iii. **0230014716 dated 19.10.2020**

iv. **0230014743 dated 02.11.2020**

v. **0230014754 dated 09.11.2020**

vi. **0231000060 dated 22.12.2020**

vii. **0231000062 dated 21.12.2020**

viii. **0231000063 dated 22.12.2020**

ix. **0231000143 dated 06.01.2021**

x. **0231000181 dated 18.01.2021**

i. M/s Hrashva Storage &Warehousing Pvt. Ltd.(HSWPL), Kolkata vide application dated 27.11.2021 have forwarded a copy of their letter dated 02.04.2021 addressed to RA, Kolkata and requested for endorsement of name of SSP Intimation (IEC 0296010260) in respect of EPCG authorizations issue to M/s.. Hrashva Storage &Warehousing Pvt. Ltd. (IEC AABCU5050C). The details of the EPCG authorizations are as given below:-

SI. No.	License No	Date
1	0230014417	05/26/2020
2	0230014450	06/11/2020
3	0230014716	10/19/2020
4	0230014743	11/2/2020
5	0230014754	11/9/2020
6	0231000060	12/22/2020
7	0231000062	12/21/2020
8	0231000063	12/22/2020
9	0231000143	01/06/2021
10	0231000181	01/18/2021

ii. The applicant has stated as under:

a. HSWPL was having two units namely a) Warehousing and Storage Activities as Unit 1 and b) Aluminum Foil Processing Unit as Unit II.

b. HSWPL was in the process of setting up Aluminum Foil Processing Unit (hereinafter referred as Unit-II) and in the process of setting the Unit-11, it as imported & cleared capital goods under cover of ten EPCG Authorizations.

c. Now, vide Order No. C.P(CAA) No. 793/KB/2020 dated 11/02/2021 issued by Hon'ble National Company Law Tribunal(NCLAT), Kolkata Bench, the Aluminum Foil Processing Unit OR the Unit-II has been demerged from HSWPL and merged with SSPL and consequently all the properties, rights and interest of Aluminum Foil Processing Unit of HSWPL has been transferred to and vested in SSPL and all liabilities and duties in relation to Aluminum Foil Processing Unit of HSWPL has been transferred to SSPL.

d. Consequent to the Order referred above, all Capital Goods imported & cleared by HSWPL under cover of EPCG Authorizations are now property of SSPL and therefore, condition to fulfill the export obligations as per the "condition sheets" of the Authorizations also needs to be complied by SSPL.

e. But, both HSWPL & SSPL, being different legal entity, has different IEC andconsequently exports made by SSPL in future, mentioning EPCG Authorization Nos. obtained by

HSWPL, may not be considered as fulfillment of Export Obligation by Department.

iii. Therefore, considering the facts mentioned above, the applicant has requested for the following:

a. to endorse/amend the name and IEC of SSPL on all EPCG Authorizations and in departments records; OR

b. to guide them with relevant provision and procedure to be followed by SSPL so that they can fulfil the export obligation and submit the Authorizations for redemption thereafter.

c. to allow them an opportunity for personal hearing.

d. let them know the amount of necessary fees required to be paid by us in this regard.

iv. Upon request, the applicant has sent a copy of the order of NCLT.

Decision: The Committee deliberated upon the case and decided **to recommend to DG for relaxation under Para 2.58 of FTP, 2015-20** to accept transfer of Aluminium Foil Unit from HSWPL to SSP Intimation (IEC 0296010260) in respect of subject EPCG authorizations issued to HSWPL subject to the following conditions:

i. Average export obligation (AEO) shall be re-fixed by adding AEO of SSP Intimation (IEC 0296010260) for same and similar products on date of transfer.

ii. SSP Intimation (IEC 0296010260) also shall execute necessary Bond and Bank Guarantees with Customs Authorities for fulfillment of Export Obligation.

This has the approval of DG, DGFT.

Case No- 79: Alpine Apparels Private Limited, Faridabad

F. No. HQREPCGPRAPP00363640AM22

Subject: Request for condonation for late submission of Installation certificate issued by Chartered Engineer on 11.06.2021 against EPCG Authorization No. 0530173861 dated 04.02.2019 under 0% Concessional duty.

i. The applicant was not furnished any justification with regard to their request. In this regard, the applicant was requested to furnish the details, justification of the request, and related documents. Now, the applicant has furnished details, justification as under :-

As per Installation certificate issued by Chartered Engineer on 10.05.2019, CG was imported on 01.03.2019, 13.03.2019, 23.04.2019 & 30.04.2019 and installed at the premises place on 28.03.2019 & 05.05.2019.The applicant has stated that they had obtained the authorization on 04.02.2019 and their import was completed on 30.04.2019. As per Para 5.04 the same was supposed to be submitted on or before 30.10.2020. But they could not submit the installation certificate within the stipulated time due to the lockdown situation, although the conditions were getting back to normal, their priority was to meet their export commitments and this was inadvertently delayed. Accordingly, they had submitted all the documents along with installation certificate for redemption to the CLA, New Delhi.

CLA, New Delhi vide D/ L dated 09.07.2021 has conveyed them as under:

> *"You have made last import on 15.01.2020 and submitted the installation certificate on 11.06.2021 i.e. beyond the prescribed period of time (including paid penalty of 12 months) i.e. 18 months in mentioned in Para 5.04 HBP. You are advised to approach DGFT for condonation."*

Decision: After due deliberation on the request of the firm, the Committee decided to **defer** the case for further examination.

Case No- 80: Gajjar Industries, Ahmedabad

F. No. HQRPRCAPPLY00088914AM21

Subject: Request for extension of EOP up to 24.02.2020 and allowing redemption by condoning of 5% of the obligation as per Para 5.12 of the FTP in respect of EPCG Authorization No. 0830003770 dated 12.08.2010 under 0% Concessional Duty.

i. Earlier, the applicant vide letter dated 06.06.2019 had requested for extension of EOP for 2 +2 years in respect of EPCG Authorization No. 0830003770 dated 12.08.2010. The case was examined and the applicant vide letter dated 09.07.2019 was informed that the request of extension in EOP for 4 years cannot be accepted as there is no provision in the FTP. Again, the applicant vide letter date 14.09.2020, requested for extension of EOP in respect of EPCG Authorization no. 0830003770 dated 12.08.2010 in the EPCG Committee.

ii. The request was examined by the EPCG Committee in its meeting held on 25.11.2020. The decision of the Committee as under:

> *"The party seeks extension for 2 years against the subject EPCG authorization issued under the Zero duty EPCG Scheme. The Committee noted that the party has fulfilled just over 60% of its EO against the subject EPCG Authorization.*
>
> *The Committee deliberated upon the case and decided to **reject** it as there is no merit in the request. "*

iii. The applicant has now stated that they were unable to export against the license as their license had expired and Custom did not allow them to make export under the expired EO period authorization during this period, even though they had export orders in their hand and they gradually did some export but were waiting for the extension to come so that it could be considered for the fulfillment of EO under the subject authorization.

iv. The applicant has also informed that after installation of the capital goods due to some fault in the machinery the production was stopped. Since it was under warranty period, supplier engineer visited their factory and repaired the faulty part which took 4 months to be completely functioning so they had lost valuable EO period, by the time they could not fulfil the export delivery in time and lost the export order.

v. Now, the applicant has claimed that they have fulfilled 95% EO out of which 39% obligation is fulfilled after the expiry of applied extension of EO period which they asked to extend up to 12.08.2018 i.e. 2 years after the initial obligation period. The applicant has requested for extension of EOP up to 24.02.2020 and allow them redemption to be issued by condoning of 5% of the obligation as per Para 5.12 of the FTP 2010-11.

Decision: The Committee deliberated upon the case and decided **to recommend to DG for relaxation under Para 2.58 of FTP, 2015-20** to allow condonation of delay in approaching RA for EOP extension for 2 years (from 6 years to 8 years) on payment of composition fee or imposition of additional export obligation in terms of Para 5.11 of HBP 2009-14 and late fee of Rs. 10,000/-.

The above relaxation is also subject to the following conditions:-

- The proper installation certificate has been submitted within time limits as specified.

This has the approval of DG, DGFT.

<u>Case No- 81: ADS Associates, Chennai</u>

F. No. HQRPRCAPPLY00404038AM22

Subject: Request for Clubbing of 2 EPCG Authorization Nos. 0430009993 dated 21.06.2011 and 0430016401 dated 29.12.2016 issued under 0% Concessional duty.

i. The applicant has stated that they could not obtain export orders despite their best effort within stipulated time period. Therefore, they applied for extension of EOP and obtained block wise extension with composition fees. However, their efforts to export order did not fructify within extension period of EOP and the same expired by 2019.
ii. In the meantime, the applicant had obtained EPCG Authorization no. 0430016401 dated 29.12.2016. The applicant has further stated that they have enough orders not only to fulfil the EO imposed on this authorization but also of the EPCG no. 0430009993 dated 21.06.2011.
iii. The applicant has also stated that they are unable to club both the EPCG Authorities due to issues in different policy periods i.e. 2009-14 and 2016-2020.

Decision: The Committee went through the statements made by the applicant and noted that the applicant has not submitted any cogent reason/justification in support of any genuine hardship faced by them. Accordingly, the Committee decided to **reject** the request.

<u>Case No- 82: Evolv Clothing Company Pvt. Ltd., Chennai</u>

F. No. HQREPCGPRAPP00409509AM22

Subject: Request for condonation for late submission of Installation Certificate issued by Chartered Engineer against EPCG Authorization No. 0430010267 dated 13.09.2011 - reg.

i. As per ANF-2D Form, the applicant has stated that they had submitted the Installation Certificate on or before 6 months (Installation Certificate Ref No. 035/2011-12 dated 23.02.2012 duly signed with Chartered Engineer). The applicant has further stated that they have submitted the same to RA, Chennai for redemption. But, RA, Chennai vide their D/L dated 02.12.2021 has conveyed to them as under:

> *"Late submission of installation certificate beyond 31.03.2021 advises the applicant to approach EPCG Committee."*

ii. As per Installation certificate issued by Chartered Engineer on 23.02.2012, CGs were imported on 21.09.2011, 10.10.2011 and 30.11.2011 and installed at the premises place on 20.02.2012.

Decision: The Committee went through the statements made by the applicant and noted that the applicant has not submitted any cogent reason/justification in support of any genuine hardship faced by them. Accordingly, the Committee decided to **reject** the request.

<u>Case No- 83: Glovis India Ltd., Chennai</u>

F. No. HQRPRCAPPLY00307509AM22

Subject: Request for condonation for late submission of Installation Certificate issued by Chartered Engineer against EPCG Authorization No. 0430016899 dated 22.06.2017 - reg.

i. As per Installation certificate issued by Chartered Engineer on 31.10.2021, CG was imported on 14.07.2017 and installed at the premises place on 14.08.2017. The applicant has stated that they could not submit installation certificate within stipulated time period. The applicant has also stated that they have fulfilled 100% EO and applied for EODC against above authorization. The applicant has further stated RA, Chennai issued a D/L (not attached) informing the applicant to approached EPCG Committed for non-submission of installation certificate.
ii. The applicant stated that they have obtained EPCG License from RA, Chennai and completed 100% EO and submitted with JDGFT, Chennai. The applicant stated they received deficiency on 29.11.2021 stating to approach EPCG Committee for non submission of Installation certificate.

a. Copy of Installation Certificate**-** As per Installation Certificate dated 30.10.2021 issued by Chartered Engineer enclosed by the firm, machinery was installed on 14.08.2017 vide BOE No. 2447640 dated 14.07.2017.
b. Date of submission of Installation Certificate**-**Enclosed JDGFT Acknowledgement for date of Submission of Installation certificate. The applicant stated that they have submitted Installation certificate at the time of applying the EODC along with EODC Documents.
c. Total delay period for which relaxation is required**-** 237 days
d. Justification for seeking relaxation- the applicant stated that they were unaware of the subject that installation certificate should be submitted with JDGFT within six months from the bill of entry Date.

Decision: The Committee went through the statements made by the applicant and noted that the applicant has not submitted any cogent reason/justification in support of any genuine hardship faced by them. Accordingly, the Committee decided to **reject** the request.

<u>Case No- 84: Bio-Med Healthcare Products Pvt. Ltd., Faridabad</u>

F. No. HQREPCGPRAPP00356423AM22

Subject: Request for condonation for late submission of Installation Certificate issued by Chartered Engineer against EPCG Authorization No. 0530174511 dated 12.06.2019.

i. As per Installation certificate issued by Chartered Engineer, only date of Inspection i.e. 02.07.2019 mentioned but not mentioned issue date of Installation certificate, CGs were imported on 19.06.2019 and installed at the premises on 27.06.2019. The applicant has stated that they had fulfilled EO as well as AEO within the prescribed time and applied for redemption against above EPCG Authorization to CLA, New Delhi on 27.12.2021. In response, CLA, New Delhi issued D/L dated 25.01.2022 and informing as under:

> *"You have submitted Installation certificate beyond the prescribed time period as per 5.04 of HBP 2015-20. You are again advice to approach to DGFT for condonation for procedural lapse in submission of installation certificate. You are also advice to submit Annexure as per column no. 7 of revised ANF5B as same is not submitted with application."*

ii. The applicant has further stated that the CGs were installed in the factory premise and installation certificate was obtained from Chartered Engineer within 6 months from date of import but they could not submit installation certificate within stipulated time period due to procedural lapse in terms of Para 5.04 of HBP 2015-20. The applicant has informed that they have submitted Installation certificate to RA concerned on 23.08.2021. As The Import was completed on 19.06.2019 and installation certificate is required to be submitted within 6 months i.e. by 18.12.2019 in terms of Para 5.04 of HBP, therefore relaxation is required for a total delay period of 21 month (from 19.12.2019 to 23.08.2021).

Decision: After due deliberation on the request of the firm, the Committee decided to **defer** the case for further examination.

<u>Case No- 85: Eastern Healthcare, New Delhi</u>

F. No. HQREPCGPRAPP00347171AM22

Subject: Request for condonation of non-mentioning of EPCG Authorization details on 3rd party shipping bills against EPCG Authorization No. 0530158782 dated 10.07.2012 - reg.

The Applicant has stated that they have fulfilled 128% EO within the stipulated time period i.e. 8 years and filed the application to CLA, New Delhi for issuance of EODC. The Applicant has further stated that they have fulfilled EO through 3 rd party i.e. M/s. Izek Healthcare Pvt.

Limited. Therefore, the Applicant submitted additional documents to CLA, New Delhi in terms of Para 5.10 of HBP of 2015-20 for issuance of EODC. The additional documents submitted by them as per Para 5.10 of HBP of FTP 2015-20 as export obligation fulfilled through third party exports (i.e. M/s. Izek Healthcare Pvt. Ltd). Further, it is submitted that the following documents in terms of Policy Circular No. 7/2002 dated for condonation of procedural lapses not mentioning of EPCG Authorization No, date and the name on shipping bills relating to exports effected for fulfillment of EO:-

i. No objection certificate from the 3 rd party (i.e. M/s. Izek Healthcare Pvt. Ltd) for accepting the subject exports for fulfillment of EO against the EPCG license obtained by them.

ii. An Affidavit/ undertaking in a stamp paper duly certified by an independent CA, declaring that neither we nor the M/s. Izek Healthcare Pvt. Ltd has counted/shall count in future, the exports shown against a particular EPCG license towards fulfillment of EO against any other EPCG license.

iii. List of EPCG Licenses obtained by them and M/s. izek Healthcare Pvt. Ltd

iv. A declaration from m/s. Izek Healthcare Pvt. Ltd in a stamp paper, duly certified by an independent CA, declaring that the products exported for fulfilment of EO by them on behalf us as per details given in the statement of exports, were manufactured by them only.

However, CLA, New Delhi has not acceded their request and advised them to approach EPCG committee and stating that "All the shipping bills (pertain to Third Party Export) not having EPCG Authorization number, date and name of Authorization holder hence, export not considered for fulfillment of Export Obligation and also Policy Circular No. 7/2002 is not applicable on Third party Exports."

It was decided that before considering the case in the EPCG Committee meeting, a sample copy of shipping bills as well as letter issued by CLA to applicant may be called. Accordingly, applicant was requested vide letter dated 05.09.2022 to send a sample copy of shipping bills as well as letter issued by CLA to applicant. The applicant has furnished a sample copy of shipping bills as well as letter issued by CLA.

Decision: The Committee went through the statements made by the applicant and noted that the applicant has not submitted any cogent reason/justification in support of any genuine hardship faced by them. Accordingly, the Committee decided to **reject** the request.

<u>Case No- 86: V.S. Sujansi Textiles Private Limited, Madurai</u>

F. No. HQRPRCAPPLY00401645AM22

Subject: Review Application in respect to Request for relaxation on procedure on third party redemption on non-mentioning of EPCG authorization number and name in third party shipping bills in respect of EPCG Authorization No. 0430013536 dated 25.03.2014 under 0% Concessional duty.

i. Earlier the applicant vide letter dated 04.06.2019 under F. No. 01/37/218/185/AM-19/EPCG-II had requested for condonation of procedural lapse on non mention of EPCG authorization number and name in third party shipping bills in respect of EPCG authorization No.0430011399 dated 03.07.2012 and 0430013536 dated 25.03.2014 .The party had stated that they are one of the manufacturers and exporters of Fabrics, towels etc., in Tamil Nadu against the above EPCG authorization import of machinery for Fabric manufacture was made. However, due to difficulty in getting direct orders the export was made through a third party M/s. C.Swaminatha Mudaliar Sons & Co., Madurai. While preparing export documents by the third party there was omission of EPCG license number as well as name of the license holder in the shipping bills. Instead they produced an affidavit as per policy circular no.7/2002 dt 11.07.2002 for not mentioning license number and date in the shipping bills.

ii. They have also submitted to RA a copy of the agreement entered into by us with the third party as per Para 5.10 (d). The party had submitted that their application was rejected by the RA pointing out only the omission of EPCG license No. and the name of the license holder.

iii. The case was considered in the 5th EPCG Committee meeting held on 26.07.2019 wherein the Committee deliberated upon the case and decided to reject it as third party shipping bills without EPCG authorization number and name of authorization holder are not permitted under EPCG Scheme and reason for non-mentioning the same given by the party is devoid of any merit.

iv. Now the applicant vide application dated 25.03.2022 has submitted that they are one of the manufacturers and exporters of Fabrics, towels etc., in Tamil Nadu against the mentioned EPCG authorization import of machinery for Fabric manufacture was made. Due to difficulty in getting direct orders the export was made through a third party M/s. C. SwaminathaMudaliar Sons & Co., Madurai. The export obligation was completed within the stipulated period. While preparing export documents by the third party there was omission of EPCG license number as well as name of the license holder in the shipping bills. Instead the applicant stated that they produced an affidavit as per policy circular no.7/2002 dt 11.07.2002 for not mentioning license number and date in the shipping bills and also stated that they also submitted to RA a copy of the agreement entered into by them with the third party as per Para 5.10 (d) of HBP.

Decision: The Committee went through the statements made by the applicant and noted that the applicant has not submitted any cogent reason/justification in support of any genuine hardship faced by them. Accordingly, the Committee decided to **reject** the request.

<u>Case No- 87: Sarwati Home Furnishings, Panipat</u>

F. No. HQREPCGPRAPP00000486AM23

Subject: Request for 1st Block Extension and EOP Extension for 2 years i.e. 6+2 years in respect of following EPCG Authorizations under 0% Concessional Duty:

i. **3330003542 dated 23.02.2015**

ii. **3330003545 dated 25.02.2015**

iii. **3330003546 dated 25.02.2015**

iv. **3330003554 dated 02.03.2015**

v. **3330003555 dated 02.03.2015**

vi. **3330003939 dated 28.12.2015**

i. The applicant has stated that they had established a unit in June 2014 for manufacturing of different type of Fabrics, Sofa and Cushion Covers and Blankets for indigenous as well as overseas Market and obtained EPCG licenses for import of high quality Capital Goods for production of high quality products for Global Market. The applicant further stated that they couldn't fulfill their 100% EO in stipulated time period due to:

- Installed Capital were at testing stage but on 08.11.2016 they faced a fire accident in the factory due to which building, machinery and available stock was damaged more than 90% and put in the loss of Rs. 900 Lac approx.
- Covid-19 pandemic and its related lockdowns which led to shut down of their factory twice till mid-2021.
- Employees leaving the factory due to the pandemic and unforeseen circumstances

ii. The applicant further stated that they applied to RA, Panipat for extension in EOP under Public Notice No. 3 dated 13.04.2022 which was turned down by the Authorities stating that the same is not covered and hence the applicant has requested EPCG Committee for Block wise Extension and EOP extension for 2 years.

Decision:

In respect of EPCG Authorization No. 3330003939 dated 28.12.2015: The Committee deliberated upon the case and decided to advise the applicant to approach RA concerned for 1st Block Extension and EOP Extension in terms of relaxations provided vide Public Notice No. 03 dated 13.04.2022.

In respect of remaining 5 EPCG Authorizations: The Committee deliberated upon the case and decided **to recommend to DG for relaxation under Para 2.58 of FTP, 2015-20** to allow:-

(a) Extension in block-wise EOP, as the applicant could not apply to RA within the prescribed time period. This shall be subject to payment of 2% composition fee on duty saved amount in proportion to the shortfall at the end of each block in terms of the provisions of Para 5.8.3 of HBP 2009-14 and late fee of Rs. 10,000/-.

(b) Condonation of delay in approaching RA for EO extension for 2 years (from 6th year to 8th year) on payment of composition fee or imposition of additional export obligation in terms of Para 5.11 of HBP 2009-14 and late fee of Rs. 10,000/-.

The above relaxation is also subject to the condition that the proper installation certificate has been submitted within time limits as specified in FTP/HBP.

This has the approval of DG, DGFT.

Case No- 88: A & J Microns Pvt. Ltd., Rajkot

F. No. 01/36/218/19/AM-23/EPCG

Subject: Request for condonation /waiver of 1st block and extension of EOP for two years i.e. 6+2 years in respect of EPCG Authorization No. 2430002600 dated 30.09.2014 under 0% Concessional duty - reg.

i. The applicant has stated that due to adverse international economy, they could not be able to fulfil their export obligation of the first block/composite period, by exporting the goods permitted under the aforesaid license. The applicant has also stated that it took substantial time for the production of exports products of International Standard Specifications and gets them approved abroad. During the initial few years their products were not price compatible in the International Markets as there has been huge variation and fluctuation in the international market, as they were not able to get any positive value addition. The applicant has further stated that all their efforts in the last 2 years have been fruitless due to COVID 19 and they have not been able to take advantage of the possibilities they have explored. Now that the corona pandemic is giving subsidy, the initial EOP in our said license has expired. Over the years, there has been a skill shortage and a favorable environment for export of services to the international markets. Recently this situation is showing a positive trend.

ii. The applicant has informed that the main source of best and quality raw material for them comes from Rajasthan. However, the Government of Rajasthan has issued notification No. G.S.R 84 dated 04.10.2021 from Rajasthan from 05.10.2018 to 05.10.2021 for supply of the said raw material to other States Due to this restriction they could not get the supply of quality raw material and hence they did not find any demand for such poor quality goods in the international market during this period. Since the ban till 04.10.2021 continued, so they could not produce qualitative goods, resulting in non-fulfillment of EO. In recent times the international market for their export products has improved and their marketing team after rigorous efforts to identify some overseas buyers. After that the export situation of their products has improved.

Decision: The Committee deliberated upon the case and decided to **recommend to DG for relaxation under Para 2.58 of FTP, 2015-20** to allow:-

(a) Extension in block-wise EOP, as the applicant could not apply to RA within the prescribed time period. This shall be subject to payment of 2% composition fee on duty saved amount in proportion to the shortfall at the end of each block in terms of the provisions of Para 5.8.3 of HBP 2009-14 and late fee of Rs. 10,000/-.

(b) Condonation of delay in approaching RA for EO extension for 2 years (from 6^{th} year to 8^{th}year) on payment of composition fee or imposition of additional export obligation in terms of Para 5.11 of HBP 2009-14 and late fee of Rs. 10,000/-.

The above relaxation is also subjected to the condition that the proper installation certificate has been submitted within time limits as specified in FTP/HBP.

This has the approval of DG, DGFT.

<u>Case No- 89: Tecno Doors Pvt. Ltd., New Delhi</u>

F. No. 01/36/218/235/AM-21/EPCG

Subject: Request for condonation of procedural lapse for mentioning wrong EPCG Authorisation Number in Shipping Bills in respect of their EPCG Authorization No. 0430013595 dated03.04.2014-reg.

i. The applicant has stated that they had inadvertently mentioned EPCG No. 0530145029 dated 22.11.2007 on shipping bills instead of authorization No. 0430013595 dated 03.04.2014.
ii. The applicant has further stated that they applied for EODC to RA Chennai against above EPCG License. RA, Chennai issued D/L dated 18.02.2020 and informed them that to approach EPCG Committee for S/Bills endorsed with different EPCG License No. Issued by CLA and shown towards specific EO.
iii. The applicant has also informed that their EPCG No. 0530145029 dated 22.11.2007 has already been redeemed. They have also informed that the above mentioned shipping bills have not been claimed in the ANF5B filed.

Decision: The Committee went through the statements made by the applicant and noted that the applicant has not submitted any cogent reason/justification in support of any genuine hardship faced by them. Accordingly, the Committee decided to **reject** the request.

Case No- 90. Mundra Solar PV Limited (MSPVL)

F. No. HQRPRCAPPLY00003937AM23

Subject: Request for:

i. **Permission for export of scraped capital goods imported under EPCG No. 0831004392 dated 15.03.2022 capital goods uninstalled in modernization process.**

ii. **Permission for completing export obligation of EPCG Authorization No. 0831004392 dated 15.03.2022 by export of solar Modules from upgraded Plant & Machineries.**

The applicant has made following request in respect of the following two EPCG authorizations:

i. EPCG authorization No. 0831004392 dated 15.03.2022 with Export obligation (EO) of Rs. 760.81 crores. MSPVL imported capital goods for manufacturing solar cells and solar modules during the year 2016 & 2017. At that time, MSPVL was an SEZ Unit. Due to business requirement, MSPVL opted to exit from SEZ, and the capital goods installed in the factory premises were cleared on as is where is basis under this EPCG authorization. However, the solar modules produced by these Capital Goods are not efficient enough.
ii. For upgradation, an EPCG authorization No. 0831005688 dated 04.08.2022 was issued with EO of Rs. 750.90 crores. This EPCG License is being utilized for import of upgraded capital goods.
iii. The applicant wants to export the scrapped uninstalled Capital Goods under authorization mentioned in EPCG Authorization No. 0831004392 dated 15.03.2022 to a buyer in Germany who is offering higher value than scrap value of the CGs. The applicant is stating that it will meet the overall EO of Rs. 1511.71 crores under both the authorizations.

Decision: The Committee went through the statements made by the applicant and observed that as capital goods imported under EPCG shall be subjected to actual user condition till Export Obligation is completed and accordingly, the Committee decided to **reject** the request.

Case No- 91: Manas Automotive Systems Limited, Pune

F. No. HQREPCGPRAPP00000353AM23

Subject: Request for extension of 1st Block and extension of EOP for two years in respect of 2 EPCG Authorization Nos. 3130005714 dated 10.05.2011 and 3130005001 dated 02.08.2010 under 0% Concessional duty.

The applicant has stated that they have fulfilled the Their EO for both the EPCG Authorization within extended time period. The applicant has also stated that they were supposed to apply for block wise extension and EOP extension within 90 days from its expiry date but they could not apply for extension in requisite period and now, RA Pune is not allowing them for extension. Therefore, the applicant has requested for extension of 1st block and extension of EOP for two years in order to fulfill their EO.

Decision: The Committee deliberated upon the case and decided to **recommend to DG for relaxation under Para 2.58 of FTP, 2015-20** to allow:-

(a) Extension in block-wise EOP, as the applicant could not apply to RA within the prescribed time period. This shall be subject to payment of 2% composition fee on duty saved amount in proportion to the shortfall at the end of each block in terms of the provisions of Para 5.8.3 of HBP 2009-14 and late fee of Rs. 10,000/-.

(b) Condonation of delay in approaching RA for EO extension for 2 years (from 6th year to 8th year) on payment of composition fee or imposition of additional export obligation in terms of Para 5.11 of HBP 2009-14 and late fee of Rs. 10,000/-.

The above relaxation is also subject to the following conditions:-

a. The proper installation certificate has been submitted within time limits as specified

This has the approval of DG, DGFT.

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[DGFT= Directorate General of Foreign Trade, DG = Director General, FTP, = Foreign Trade Policy, HBPv1 = Handbook of Procedure Vol. I, EO = Export Obligation, EODC = Export Obligation Discharge Certificate, EOP = Export Obligation Period, B.O.E. =Bill of Entry, EPCG = Export Promotion Capital Goods, RA = Regional Authority, BG = Bank Guarantee, FFE = Free Foreign Exchange, IEC = Importer Exporter Code, DoR = Department of Revenue, IEM = Industrial Entrepreneurs Memorandum, RCMC = Registration-cum-Membership-Certificate.].

The meeting ended with a vote of thanks to the Chair

[Issued from F. No. 01/36/218/20/AM-23/EPCG]