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MINUTES OF 13th 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 3.30 PM ON 10.03.2023

Thirteenth Meeting for AM-23 of the EPCG Committee was held on 10.03.2023 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:-

Case No- 1: Narayani Technocontainers Private Limited, Patna
F. No. HQREPCGPRAPP00000336AM23

Subject: Review Application for:

i. **Request for consideration of export to Nepal against payment in INR toward fulfillment of export obligation**

ii. **Condonation of non-mentioning of EPCG Authorization No. and Date in Shipping Bills**

In respect of EPCG Authorization No. 5030000476 dated 06.05.2014 under 0% Concessional Duty.

Earlier, the firm vide F. No. HQREPCGPRAPP00170194AM22 dated 25.08.2021 had requested for consideration of export to Nepal against payment in INR toward fulfillment of export obligation. The case was considered in the 13th Meeting of AM-22 wherein the Committee went through the statements made by the firm and noted that the applicant has not submitted any cogent reason/justification in support of any genuine hardship faced by them and accordingly, the committee decided to reject the request of the applicant.

2. The firm vide application dated 28.06.2022 has filed a review Application in respect to above mentioned request in respect of EPCG Authorization No. 5030000476 dated 06.05.2014. The firm has submitted the following :-

i. <u>Non-mentioning of EPCG Authorization No. and Date on Shipping Bills:</u> The firm stated that it was the first time they were engaged in exports and it was an inadvertent error by not mentioning EPCG Authorization No. and date on the shipping bills.

ii. <u>Realization of export proceeds in INR:</u>

a. The Para 2.40 of FTP 2009-14 read with Para 5.7.2 of HBP 2009-14 required EO under EPCG to be fulfilled by realization of export proceeds in freely convertible currency. The firm stated that they had exported goods to Dabur Nepal Private Limited and EO in equivalent INR terms was 100% fulfilled by them.
b. The firm had an understanding with Dabur Nepal that payment of exports would be made in USD but the firm later communicated that as per foreign exchange regulations of Nepal Rashtra Bank USD payments against import from India can only be made for notified products and corrugated boxes was not a notified product.
c. RBI master Circular No. 14/2015-16 dated 01.07.2015 provided that in cases where Nepal Rashtra Bank does not allow payment in freely convertible currency such transactions may be settled in Indian rupees.
d. Weak global outlook for corrugated boxes from 2015 led to exports only to Nepal.
e. Goods being exported and consumed in Nepal is not a case of circular trading.
f. No other export incentives being claimed for subject exports. All raw materials were domestically sourced, no benefit under Advance Authorization or duty drawback scheme has been claimed.

3. The representative of the firm appeared before the EPCG Committee to explain their case.

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- 2: Calprin Ads Private Limited, Kolkata</u>
F. No. HQREPCGPRAPP00000362AM23

Subject: Request for Condonation of delay in submission of Installation Certificate issued by Chartered Engineer in respect of EPCG Authorization No. 0230008253 dated 04.09.2012 under 0% Concessional Duty.

The firm has stated that they had imported capital Goods vide B.E. No. 8007392 dated 21.09.2012 and same were installed at their factory on 02.01.2013. They had submitted Installation Certificate dated 27.12.2021 to RA, Kolkata on 08.02.2022. The installation certificate was issued by Chartered Engineer on time but due to lack of information the certificate could not be submitted to RA within the prescribed time period.

2. The firm further stated that on 06.04.2016 there was a large fire accident in their factory in which all the original documents relating to EPCG has been burnt and recently when it is came to their notice that the Installation certificate against subject EPCG has not been submitted to RA they have again approached their Chartered Engineer and accordingly an Installation certificate has been issued by him with current date 27.12.2021 and the certificate has been submitted to RA Kolkata on 08.02.2022.

3. The firm was granted a Personal hearing but none appeared on their behalf.

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

<u>Case No- 3: Shri Swami Samarth Shetkari Wa Vinkari Sahakari Soot Girni Niyamit Valsang, Maharashtra</u>
F. No. HQRPRCAPPLY00003373AM23

Subject: Request for Policy provision to allow benefit of Para 5.04 (c) as provided in current FTP (Benefit of reduced EO of 75% available for domestic capital goods) in respect of EPCG Authorization Nos. 3130002281 dated 13.02.2007 and 3130002295 dated 23.02.2007 respectively under 05% Concessional Duty.

The firm has submitted the following:-

i. The firm has requested to make the benefit of reduced EO of 75% available to domestic capital goods as per new FTP to their above mentioned licenses which has been issued in the earlier policy i.e. 2007 policy period. The firm further stated that current provisions are not inconsistent with the earlier policy provision and hence can be applied to earlier license also.

ii. The firm has requested to allow redemption of above mentioned licenses with reduced EO available to domestic capital goods procurements based on the above provision.

2. The representative of the firm appeared before the EPCG Committee to explain their case.

Decision: The Committee noted that the provision in FTP that in case of indigenous sourcing of Capital Goods, specific EO shall be less than the normal EO has come into force after the issue of subject EPCG authorisations.

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. The firm may consider to regularize the case on payment of Customs duty plus interest on unfulfilled EO.

Case No- 4: Gopalakrishna Textile Mills Private Limited, Bangalore
F. No. HQRPRCAPPLY00003197AM23

Subject: Request for Condonation of Procedural Lapse for not making Endorsement of Group Company in the EPCG Authorization in respect of EPCG Authorization No. 0730007089 dated 19.06.2008 under 03% Concessional Duty.

The firm has stated that they applied for EODC for subject Authorization with RA Bangalore and had submitted the required documents for EODC with Third party Export and Group Company of the exports which are in the same premises. The firm further stated that they were informed that their case was rejected as they had not obtained the endorsement in the EPCG authorization.

2. The firm further stated that due to unavoidable circumstances and global recession they couldn't fulfill 100% EO for which their group company M/s Vikram traders (The same partners are the directors of the company) had sufficient exports and they made an agreement with them to provide their exports to complete their 100% EO. The Group Company did not have any EPCG license to complete the obligation. The firm further stated that as per the policy 50% of their exports have taken for the obligation and their case was rejected due to non compliance of endorsement in the authorization.

3. The firm was granted a Personal hearing but none appeared on their behalf.

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

Case No- 5: Dharampal Satyapal Ltd, New Delhi
F. No. HQREPCGPRAPP00000087AM23
01/36/218/159/AM-21/EPCG

Subject: Reviewing the decision of RA, Panipat rejecting their request dated 02.12.2020 for issuing EPCG Authorization for the import items pertaining to "Green House Plant & its Foundation material", "Live Trees" & "Pots" like retractable roof cooling house/greenhouse, its foundation/installation materials, planting material (Bearer Plants) and pots(holding Bearer Plants), in terms of Appendix 5-F and to give opportunity of personal hearing. The request of the firm for import items pertaining to "Green House Plant & its Foundation material", "Live Trees" & "Pots" was considered in 3rd EPCG Committee meeting held on 04.08.2021.

The firm vide application dated 28.04.2022 has requested for review of the decision taken in EPCG Committee meeting held on 04.08.2021 i.e. issuing EPCG Authorization for the import items pertaining to "Green House Plant & its Foundation material", "Live Trees" & "Pots" like retractable roof cooling house/greenhouse, its foundation/installation materials, planting material(Bearer Plants) and pots(holding Bearer Plants), in terms of Appendix 5-F and firm also requested to grant Personal Hearing in the matter.

2. The firm was granted a Personal hearing but none appeared on their behalf.

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

<u>Case No- 6: Mahasakthi Bio Enercon Pvt. Ltd., Coimbatore</u>
F. No. HQRPRCAPPLY00000912AM23

Subject:

i. **Request for extension of EOP for 4 years from the date of endorsement without any composition fees against above EPCG Authorizations.**

ii. **Condonation of late submission of installation certificate against above EPCG Authorizations.**

Mahasakthi Bio Enercon Pvt. Ltd., Coimbatore vide their 7 applications dated 29.04.2022 has made requests against below mentioned 7 EPCG Authorizations under 3% Concessional duty:

S. No.	File No.	License no and date
i.	HQRPRCAPPLY00000923AM23 HQREPCGPRAPP00000079AM23	3230016432 dated 07.03.2011
ii.	HQRPRCAPPLY00000921AM23 HQREPCGPRAPP00000080AM23	3230017027 dated 26.07.2011
iii.	HQRPRCAPPLY00000920AM23 HQREPCGPRAPP00000078AM23	3230016378 dated 23.02.2011
iv.	HQRPRCAPPLY00000919AM23 HQREPCGPRAPP00000077AM23	3230016337 dated 17.02.2011
v.	HQRPRCAPPLY00000918AM23 HQREPCGPRAPP00000076AM23	3230016336 dated 17.02.2011
vi.	HQRPRCAPPLY00000915AM23 HQREPCGPRAPP00000074AM23	3230016177 dated 17.01.2011
vii.	HQRPRCAPPLY00000916AM23 HQREPCGPRAPP00000075AM23	3230016178 dated 17.01.2011

2. The firm was granted a Personal hearing but the firm has sent an email dated 06.03.2023 seeking adjournment and sought a hearing in person after 09.04.2023.

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

<u>Case No- 7: TN India Private Limited, Dadra And Nagar Haveli</u>
F. No. HQRPRCAPPLY00003930AM23

Subject: Request for

i. **EOP Extension i.e. 6+2 years**
ii. **Second EOP Extension up to December 2024 and September 2024**
iii. **Consideration of exports made under EPCG License No. 0330041859 dated 08.06.2015 to be treated as exports under subject 3 EPCG Licenses**

In respect of 3 EPCG Authorization Nos. 0430012945 dated 20.09.2013, 0430012483 dated 17.05.2013 and 0430012484 dated 17.05.2013 under 0% Concessional Duty.

2. The firm has stated that they are engaged in manufacture, sale and export of various kinds of steel balls classifiable under Chapter 84 of Customs tariff. They couldn't fulfill 100% EO in stipulated time and applied for EO extension to RA Chennai on 30.03.2021 and replied to their DL on 10.05.2021 online. Later, they were issued a SCN dated 22.02.2022 stating that the firm had not redeemed the license or sought regularization of the same and actions including imposition of penalty are required to be undertaken.

3. The firm stated that they have invested Rs. 84 crores in setting up manufacturing facility and generating employment and livelihood of approx 162 families. The firm further feels bullish and optimistic with their presence in India by purchasing 15 acre land for a consideration of Rs. 44 crores in Gujarat and signing MOU with Government of Gujarat in pursuance of investment promotion activity. They want to further invest Rs. 600 crores till 2027 and generate employment for 500-600 people. The firm further mentioned the following reasons due to which they couldn't fulfill 100% EO in stipulated time :

i. They were required to meet their domestic sales failing which there would have been effect on downstream users. Hence shifting from domestic sales to export sales during EOP was not a viable option.
ii. Customers in automobile sector were significantly affected by transition from November, 2016. The production from country was unable to satisfy domestic demand leading to imports from other jurisdictions.
iii. Export side demand was reduced.
iv. Covid-19 pandemic effects in late 2019 till 2021.

4. Their another EPCG license No. 0330041859 dated 08.06.2015 has effected exports to tune of Rs. 1,63,35,721 and as the EOP of this license is still valid, it has been requested that the exports effected under this license to be treated as exports under subject 3 EPCG Licenses.

Decision:

Committee decided to defer the case for detailed examination.

Case No- 8: Yutaka Autoparts India Private Limited, Bhiwadi
F. No. HQREPCGPRAPP00000484AM23

Subject: Request for Waiver of Average Export Obligation in respect of EPCG Authorization No. 0530169078 dated 02.12.2016 and 0530170068 dated 07.04.2017 under 0% Concessional Duty.

The firm has requested for Waiver of Average Export Obligation for the above mentioned license. The firm has requested for Personal Hearing to explain their case.

2. The firm was granted a Personal hearing but none appeared on their behalf.

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

Case No- 9: Biological E. Limited, Hyderabad
F. No. HQREPCGPRAPP00000439AM23

Subject: Request for consideration partial waiver/condonation of Average Exports towards fulfillment of Export Obligation against the EPCG Licenses No. 0930012219 dated 19.07.2016 under 0% Concessional duty - reg.

The firm has stated that they have completed the specific EO in 1st Block itself i.e. in 4 year, but they could not maintain AEO which was fixed at Rs. 6,440,590,726.66**.** The applicant has submitted the details of exports made by them as under:

S. No.	Year	Export Turn Over (FOB)
i.	2016-17	489,69,58,072.27
ii.	2017-18	203,08,09,200.69
iii.	2018-19	364,58,09,308.97
iv.	2019-20	381,82,63,657.03
v.	2020-21	655,89,84,406.91
vi.	2021-22	829,93,30,197.00
	Total	2925,01,54,842.80
	Average Export	487,50,25,807.13

2. The firm has informed that their company is an FDA approved plant and the approval was issued in FY 2019 and it took around two and a half years from the date of import made against EPCG authorization to get FDA approval. They have manufactured additional products like

Daptomycin Injection, Neostigmine Injection and Forsaprepentant Injection in the pharma unit and the specific export obligation has been fulfilled in the financial year 2019-20 only.

3. The firm has stated that due to the COVID-19 pandemic which has disturbed the global supply chain since 2019 till date, resulting in acute shortage of raw material/pacing material and critical consumables for manufacturing of vaccines. The pandemic has severely affected their imports and exports in the last three years; this resulted in reduction in the export business of their company resulting in non-maintenance of partial annual average export obligation for EPCG Authorization no. 0930012219 dated 19.07.2016.

4. The representative of the firm appeared before the EPCG Committee to explain their case.

Decision: The Committee deliberated upon the case and decided that the applicant may approach RA for extension of EO period on account Covid-19 pandemic and 2 years EOP extension to maintain their AEO in accordance with the Public Notice No. 53/2015-20 dated 20.01.2023. RA may examine the request on merit.

Case No- 10: Biological E. Limited, Hyderabad
F. No. HQREPCGPRAPP00000436AM23

Subject: Request for consideration partial waiver/condonation of Average Exports towards fulfillment of Export Obligation against the EPCG Licenses No. 0930012064 dated 09.05.2016 under 0% Concessional duty-reg.

The firm has stated that they have completed the specific EO in 1st Block itself i.e. in 4 year, but they could not maintain AEO which was fixed at Rs. 644,05,90,726.66 (as per the condition sheet, the AEO was fixed at Rs. 3,042,878,581.66). The applicant has submitted the details of exports made by them as under:

S. No.	Year	Export Turn Over (FOB)
i.	2016-17	489,69,58,072.27
ii.	2017-18	203,08,09,200.69
iii.	2018-19	364,58,09,308.97
iv.	2019-20	381,82,63,657.03
v.	2020-21	655,89,84,406.91
vi.	2021-22	829,93,30,197.00
	Total	2925,01,54,842.80
	Average Export	487,50,25,807.13

2. The reasons in support of the request are the same as Case No. 9 and not being reproduced here.

3. The firm has stated that due to the COVID-19 pandemic which has disturbed the global supply chain since 2019 till date, resulting in acute shortage of raw material/pacing material and critical consumables for manufacturing of vaccines. The pandemic has severely affected their imports and exports in the last three years; this resulted in reduction in the export business of their company resulting in non-maintenance of partial annual average export obligation for EPCG Authorization no. 0930012064 dated 09.05.2016.

4. The representative of the firm appeared before the EPCG Committee to explain their case.

Decision: The Committee deliberated upon the case and decided that the applicant may approach RA for extension of EO period on account COVID-19 pandemic and 2 years EOP extension to maintain their AEO in accordance with the Public Notice No. 53/2015-20 dated 20.01.2023. RA may examine the request on merit.

Case No- 11: Biological E. Limited, Hyderabad
F. No. HQREPCGPRAPP00000447AM23

Subject: Request for consideration partial waiver / condonation of Average Exports towards fulfillment of Export Obligation against the EPCG Licenses No. 0930012129 dated 02.06.2016 under 0% Concessional duty-reg.

The firm has stated that they have completed the specific EO in 1st Block itself i.e. in 4 year, but they could not maintain AEO which was fixed at Rs.644,05,90,726.66. The applicant has submitted the details of exports made by them as under:

S. No.	Year	Export Turn Over (FOB)
i.	2016-17	489,69,58,072.27
ii.	2017-18	203,08,09,200.69
iii.	2018-19	364,58,09,308.97
iv.	2019-20	381,82,63,657.03
v.	2020-21	655,89,84,406.91
vi.	2021-22	829,93,30,197.00
	Total	2925,01,54,842.80
	Average Export	487,50,25,807.13

2. The firm has informed that their Company is one of the leading manufacturers of various Human Vaccines and Pharmaceuticals formulations i.e. TT, DPT, TD, Hepatitis B, Liquid Penta Vaccine, MR vaccine, Typhoid, Daptomycin, Nostigmine, Fosaprepitant etc. They supply these vaccines for Global Immunization program initiated by UNICEF and also National Immunization program initiated by Government of India Ministry of Health and to the global markets. The firm further stated that their company is the second company in the world to

manufacture Penta Vaccine in a single vaccine called Liquid Penta Vaccine or in other words it is called Diphtheria, Tetanus, Pertussis, Hepatitis B and Hib Vaccine which is WHO Pre-qualified.

3. The firm has stated that their major exports during 2013-14, 2014-15 and 2015-16 were Liquid Penta Vaccine which was supplied to UNICEF for the global immunization program initiated by UNICEF. UNICEF used to pay US$ 11.70 for the LPV 10 dose vaccine and US$ 2.35 for the LPV 1 dose. Based on the export turnover for the years 2013-14, 2014-15 and 2015-16, the annual average export for the year 2016-17 has been fixed at Rs .644.05 crore. Subsequently, during 2017-18, other players of the vaccine manufacturer also started manufacturing Liquid Penta Vaccine and created global competition resulting in reduced export product price and market share among other manufacturers. The price of LPV 10 Dosage vial declined from US$ 11.70 to US$ 7.50 and the price of LPV 1 Dosage was reduced from US$ 2.35 to US$ 1.10, resulting in reduction in export business.

4. The firm has stated that due to the COVID-19 pandemic which has disturbed the global supply chain since 2019 till date, resulting in acute shortage of raw material/pacing material and critical consumables for manufacturing of vaccines. The pandemic has severely affected their imports and exports in the last three years; this resulted in reduction in the export business of their company resulting in non-maintenance of partial annual average export obligation for EPCG Authorization no. 0930012129 dated 02.06.2016.

5. The representative of the firm appeared before the EPCG Committee to explain their case.

Decision: The Committee deliberated upon the case and decided that the applicant may approach RA for extension of EO period on account COVID-19 pandemic and 2 years EOP extension to maintain their AEO in accordance with the Public Notice No. 53/2015-20 dated 20.01.2023. RA may examine the request on merit.

Case No- 12: Biological E. Limited, Hyderabad
F. No. HQREPCGPRAPP00000446AM23

Subject: Request for consideration partial waiver / condonation of Average Exports towards fulfillment of Export Obligation against the EPCG Licenses No. 0930012086 dated 19.05.2016 under 0% Concessional duty-reg.

The firm has stated that they have completed the specific EO in 1st Block itself i.e. in 4 year, but they could not maintain AEO which was fixed at Rs.644,05,90,726.66. The applicant has submitted the details of exports made by them as under:

S. No.	Year	Export Turn Over (FOB)
i.	2016-17	489,69,58,072.27
ii.	2017-18	203,08,09,200.69
iii.	2018-19	364,58,09,308.97
iv.	2019-20	381,82,63,657.03

v.	2020-21	655,89,84,406.91
vi.	2021-22	829,93,30,197.00
	Total	2925,01,54,842.80
	Average Export	487,50,25,807.13

2. The reasons in support of the request are the same as Case No. 11 and not being reproduced here.

3. The firm has stated that due to the COVID-19 pandemic which has disturbed the global supply chain since 2019 till date, resulting in acute shortage of raw material/pacing material and critical consumables for manufacturing of vaccines. The pandemic has severely affected their imports and exports in the last three years; this resulted in reduction in the export business of their company resulting in non-maintenance of partial annual average export obligation for EPCG Authorization no. 00930012086 dated 19.05.2016.

4. The representative of the firm appeared before the EPCG Committee to explain their case.

Decision: The Committee deliberated upon the case and decided that the applicant may approach RA for extension of EO period on account COVID-19 pandemic and 2 years EOP extension to maintain their AEO in accordance with the Public Notice No. 53/2015-20 dated 20.01.2023. RA may examine the request on merit.

Case No- 13: Biological E. Limited, Hyderabad
F. No. HQREPCGPRAPP00000437AM23

Subject: Request for consideration partial waiver / condonation of Average Exports towards fulfillment of Export Obligation against the EPCG Licenses No. 0930012024 dated 26.04.2016 under 0% Concessional duty-reg.

The firm has stated that they have completed the specific EO in 1st Block itself i.e. in 4 year, but they could not maintain AEO which was fixed at Rs. 644,05,90,726.66 (as per the condition sheet, the AEO was fixed at Rs. 40,590,726.66). The applicant has submitted the details of exports made by them as under:

S. No.	Year	Export Turn Over (FOB)
i.	2016-17	489,69,58,072.27
ii.	2017-18	203,08,09,200.69
iii.	2018-19	364,58,09,308.97
iv.	2019-20	381,82,63,657.03
v.	2020-21	655,89,84,406.91

vi.	2021-22	829,93,30,197.00
	Total	2925,01,54,842.80
	Average Export	487,50,25,807.13

2. The reasons in support of the request are the same as Case No. 11 and not being reproduced here.

3. The representative of the firm appeared before the EPCG Committee to explain their case.

Decision: The Committee deliberated upon the case and decided that the applicant may approach RA for extension of EO period on account COVID-19 pandemic and 2 years EOP extension to maintain their AEO in accordance with the Public Notice No. 53/2015-20 dated 20.01.2023. RA may examine the request on merit.

Case No- 14: Biological E. Limited, Hyderabad
F. No. HQREPCGPRAPP00000445AM23

Subject: Request for consideration partial waiver / condonation of Average Exports towards fulfillment of Export Obligation against the EPCG Licenses No. 0930012128 dated 02.09.2016 under 0% Concessional duty-reg.

The firm has stated that they have completed the specific EO in 1st Block itself i.e. in 4 year, but they could not maintain AEO which was fixed at Rs.644,05,90,726.66. The applicant has submitted the details of exports made by them as under:

S. No.	Year	Export Turn Over (FOB)
i.	2016-17	489,69,58,072.27
ii.	2017-18	203,08,09,200.69
iii.	2018-19	364,58,09,308.97
iv.	2019-20	381,82,63,657.03
v.	2020-21	655,89,84,406.91
vi.	2021-22	829,93,30,197.00
	Total	2925,01,54,842.80
	Average Export	487,50,25,807.13

2. The reasons in support of the request are the same as Case No. 11 and not being reproduced here.

3. The firm has stated that due to the COVID-19 pandemic which has disturbed the global supply chain since 2019 till date, resulting in acute shortage of raw material/pacing material and critical consumables for manufacturing of vaccines. The pandemic has severely affected their

imports and exports in the last three years; this resulted in reduction in the export business of their company resulting in non-maintenance of partial annual average export obligation for EPCG Authorization no. 0930012128 dated 02.09.2016.

4. The representative of the firm appeared before the EPCG Committee to explain their case.

Decision: The Committee deliberated upon the case and decided that the applicant may approach RA for extension of EO period on account COVID-19 pandemic and 2 years EOP extension to maintain their AEO in accordance with the Public Notice No. 53/2015-20 dated 20.01.2023. RA may examine the request on merit.

Case No- 15: Biological E. Limited, Hyderabad
F. No. HQREPCGPRAPP00000438AM23

Subject: Request for consideration partial waiver / condonation of Average Exports towards fulfillment of Export Obligation against the EPCG Licenses No. 0930012313 dated 19.08.2016 under 0% Concessional duty-reg.

The firm has stated that they have completed the specific EO in 1st Block itself i.e. in 4 year, but they could not maintain AEO which was fixed at Rs. 6,440,590,726.66. The applicant has submitted the details of exports made by them as under:

S. No.	Year	Export Turn Over (FOB)
i.	2016-17	489,69,58,072.27
ii.	2017-18	203,08,09,200.69
iii.	2018-19	364,58,09,308.97
iv.	2019-20	381,82,63,657.03
v.	2020-21	655,89,84,406.91
vi.	2021-22	829,93,30,197.00
	Total	2925,01,54,842.80
	Average Export	487,50,25,807.13

2. The reasons in support of the request are the same as Case No. 9 and not being reproduced here.

3. The firm has stated that due to the COVID-19 pandemic which has disturbed the global supply chain since 2019 till date, resulting in acute shortage of raw material/pacing material and critical consumables for manufacturing of vaccines. The pandemic has severely affected their imports and exports in the last three years; this resulted in reduction in the export business of their company resulting in non-maintenance of partial annual average export obligation for EPCG Authorization no. 0930012313 dated 19.08.2016.

4. The representative of the firm appeared before the EPCG Committee to explain their case.

Decision: The Committee deliberated upon the case and decided that the applicant may approach RA for extension of EO period on account COVID-19 pandemic and 2 years EOP extension to maintain their AEO in accordance with the Public Notice No. 53/2015-20 dated 20.01.2023. RA may examine the request on merit.

<u>Case No- 16: Biological E. Limited, Hyderabad</u>
F. No. HQREPCGPRAPP00000440AM23

Subject: Request for consideration partial waiver / condonation of Average Exports towards fulfillment of Export Obligation against the EPCG Licenses No. 0930012357 dated 08.09.2016 under 0% Concessional duty-reg.

The firm has stated that they have completed the specific EO in 1st Block itself i.e. in 4 year, but they could not maintain AEO which was fixed at Rs. 6,440,590,726.66 **.** The applicant has submitted the details of exports made by them as under:

S. No.	Year	Export Turn Over (FOB)
i.	2016-17	489,69,58,072.27
ii.	2017-18	203,08,09,200.69
iii.	2018-19	364,58,09,308.97
iv.	2019-20	381,82,63,657.03
v.	2020-21	655,89,84,406.91
vi.	2021-22	829,93,30,197.00
	Total	2925,01,54,842.80
	Average Export	487,50,25,807.13

2. The reasons in support of the request are the same as Case No. 9 and not being reproduced here.

3. The firm has stated that due to the COVID-19 pandemic which has disturbed the global supply chain since 2019 till date, resulting in acute shortage of raw material/pacing material and critical consumables for manufacturing of vaccines. The pandemic has severely affected their imports and exports in the last three years; this resulted in reduction in the export business of their company resulting in non-maintenance of partial annual average export obligation for EPCG Authorization no. 0930012357 dated 08.09.2016.

4. The representative of the firm appeared before the EPCG Committee to explain their case.

Decision: The Committee deliberated upon the case and decided that the applicant may approach RA for extension of EO period on account COVID-19 pandemic and 2 years EOP extension to maintain their AEO in accordance with the Public Notice No. 53/2015-20 dated 20.01.2023. RA may examine the request on merit.

Case No- 17: Biological E. Limited, Hyderabad
F. No. HQREPCGPRAPP00000442AM23

Subject: Request for consideration partial waiver / condonation of Average Exports towards fulfillment of Export Obligation against the EPCG Licenses No. 0930012414 dated 26.09.2016 under 0% Concessional duty-reg.

The firm has stated that they have completed the specific EO in 1st Block itself i.e. in 4 year, but they could not maintain AEO which was fixed at Rs. 6,440,590,726.66**.** The applicant has submitted the details of exports made by them as under:

S. No.	Year	Export Turn Over (FOB)
i.	2016-17	489,69,58,072.27
ii.	2017-18	203,08,09,200.69
iii.	2018-19	364,58,09,308.97
iv.	2019-20	381,82,63,657.03
v.	2020-21	655,89,84,406.91
vi.	2021-22	829,93,30,197.00
	Total	2925,01,54,842.80
	Average Export	487,50,25,807.13

2. The reasons in support of the request are the same as Case No. 9 and not being reproduced here.

3. The firm has stated that due to the COVID-19 pandemic which has disturbed the global supply chain since 2019 till date, resulting in acute shortage of raw material/pacing material and critical consumables for manufacturing of vaccines. The pandemic has severely affected their imports and exports in the last three years; this resulted in reduction in the export business of their company resulting in non-maintenance of partial annual average export obligation for EPCG Authorization No. 0930012414 dated 26.09.2016.

4. The representative of the firm appeared before the EPCG Committee to explain their case.

Decision: The Committee deliberated upon the case and decided that the applicant may approach RA for extension of EO period on account COVID-19 pandemic and 2 years EOP extension to maintain their AEO in accordance with the Public Notice No. 53/2015-20 dated 20.01.2023. RA may examine the request on merit.

Case No- 18: Biological E. Limited, Hyderabad

F. No. HQREPCGPRAPP00000435AM23

Subject: Request for consideration partial waiver / condonation of Average Exports towards fulfillment of Export Obligation against the EPCG Licenses No. 0930012044 dated 03.05.2016 under 0% Concessional duty-reg.

The firm has stated that they have completed the specific EO in 1st Block itself i.e. in 4 year, but they could not maintain AEO which was fixed at Rs.644,05,90,726.66. The applicant has submitted the details of exports made by them as under:

S. No.	Year	Export Turn Over (FOB)
i.	2016-17	489,69,58,072.27
ii.	2017-18	203,08,09,200.69
iii.	2018-19	364,58,09,308.97
iv.	2019-20	381,82,63,657.03
v.	2020-21	655,89,84,406.91
vi.	2021-22	829,93,30,197.00
	Total	2925,01,54,842.80
	Average Export	487,50,25,807.13

2. The reasons in support of the request are the same as Case No. 9 and not being reproduced here.

3. The firm has stated that due to the COVID-19 pandemic which has disturbed the global supply chain since 2019 till date, resulting in acute shortage of raw material/pacing material and critical consumables for manufacturing of vaccines. The pandemic has severely affected their imports and exports in the last three years; this resulted in reduction in the export business of their company resulting in non-maintenance of partial annual average export obligation for EPCG Authorization no. 0930012044 dated 03.05.2016.

4. The representative of the firm appeared before the EPCG Committee to explain their case.

Decision: The Committee deliberated upon the case and decided that the applicant may approach RA for extension of EO period on account COVID-19 pandemic and 2 years EOP extension to maintain their AEO in accordance with the Public Notice No. 53/2015-20 dated 20.01.2023. RA may examine the request on merit.

Case No- 19: Biological E. Limited, Hyderabad
F. No. HQREPCGPRAPP00000441AM23

Subject: Request for consideration partial waiver / condonation of Average Exports towards fulfillment of Export Obligation against the EPCG Licenses No. 0930012358 dated 08.09.2016 under 0% Concessional duty-reg.

The firm has stated that they have completed the specific EO in 1st Block itself i.e. in 4 year, but they could not maintain AEO which was fixed at Rs. 6,440,590,726.66**.** The applicant has submitted the details of exports made by them as under:

S. No.	Year	Export Turn Over (FOB)
i.	2016-17	489,69,58,072.27
ii.	2017-18	203,08,09,200.69
iii.	2018-19	364,58,09,308.97
iv.	2019-20	381,82,63,657.03
v.	2020-21	655,89,84,406.91
vi.	2021-22	829,93,30,197.00
	Total	2925,01,54,842.80
	Average Export	487,50,25,807.13

2. The reasons in support of the request are the same as Case No. 9 and not being reproduced here.

3. The firm has stated that due to the COVID-19 pandemic which has disturbed the global supply chain since 2019 till date, resulting in acute shortage of raw material/pacing material and critical consumables for manufacturing of vaccines. The pandemic has severely affected their imports and exports in the last three years; this resulted in reduction in the export business of their company resulting in non-maintenance of partial annual average export obligation for EPCG Authorization no. 0930012358 dated 08.09.2016.

4. The representative of the firm appeared before the EPCG Committee to explain their case.

Decision: The Committee deliberated upon the case and decided that the applicant may approach RA for extension of EO period on account COVID-19 pandemic and 2 years EOP extension to maintain their AEO in accordance with the Public Notice No. 53/2015-20 dated 20.01.2023. RA may examine the request on merit.

Case No- 20: Biological E. Limited, Hyderabad
F. No. HQREPCGPRAPP00000444AM23

Subject: Request for consideration partial waiver / condonation of Average Exports towards fulfillment of Export Obligation against the EPCG Licenses No. 0930012210 dated 12.07.2016 under 0% Concessional duty-reg.

The firm has stated that they have completed the specific EO in 1st Block itself i.e. in 4 year, but they could not maintain AEO which was fixed at Rs.644,05,90,726.66. The applicant has submitted the details of exports made by them as under:

S. No.	Year	Export Turn Over (FOB)
i.	2016-17	489,69,58,072.27
ii.	2017-18	203,08,09,200.69
iii.	2018-19	364,58,09,308.97
iv.	2019-20	381,82,63,657.03
v.	2020-21	655,89,84,406.91
vi.	2021-22	829,93,30,197.00
	Total	2925,01,54,842.80
	Average Export	487,50,25,807.13

2. The reasons in support of the request are the same as Case No. 11 and not being reproduced here.

3. The firm has stated that due to the COVID-19 pandemic which has disturbed the global supply chain since 2019 till date, resulting in acute shortage of raw material/pacing material and critical consumables for manufacturing of vaccines. The pandemic has severely affected their imports and exports in the last three years; this resulted in reduction in the export business of their company resulting in non-maintenance of partial annual average export obligation for EPCG Authorization no. 0930012210 dated 12.07.2016.

4. The representative of the firm appeared before the EPCG Committee to explain their case.

Decision: The Committee deliberated upon the case and decided that the applicant may approach RA for extension of EO period on account COVID-19 pandemic and 2 years EOP extension to maintain their AEO in accordance with the Public Notice No. 53/2015-20 dated 20.01.2023. RA may examine the request on merit.

Case No- 21: RSB India Ltd., Bhiwadi, Rajasthan
F. No. 01/37/218/197/AM-19/EPCG-II

Subject: Request for review of the decision taken in EPCG Committee meeting held on 13.07.2020 in respect of EPCG Authorization No. 0230000515 dated 03.03.2004-reg.

The case was considered in the 10th Meeting of AM-23 dated 18.01.2023 and 20.01.2023 wherein the following decision was taken :-

> *"After deliberation on the request of the firm, the Committee decided to defer the case to call the applicant for Personal Hearing to explain the case."*

2. The representative of the firm appeared before the EPCG Committee to explain their case.

Decision: The Committee deliberated upon the case and decided to **defer** the case for next EPCG Committee meeting.

Case No- 22: S.E. Power Limited, Vadodara
F. No. HQREPCGPRAPP00000562AM23

Subject: Review Application w.r.t. Request for EOP Extension up to 36 months from the date of endorsement in respect of EPCG Authorization No. 0530161909 dated 27.11.2013 under 0% Concessional Duty-reg

S.E. Power Limited, Vadodara vide F. No. HQRPRCAPPLY00303345AM22 dated 31.12.2021 had requested for 2 years EOP Extension beyond 6+2 years in respect of EPCG authorization No. 0530161909 dated 27.11.2013 under 0% Concessional Duty. The case was considered in 3rd EPCG Committee Meeting of AM-23 held on 25.05.2022 wherein 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.

2. In the Review Application dated 08.12.2022, the firm has requested for EOP Extension upto 36 months from the date of endorsement against above EPCG Authorization. The firm has stated that they couldn't fulfill their 100% EO in stipulated time period due to :-

i. In April 2020, a major fire accident in their factory resulted in heavy damage of Plant and Machinery and its restoration took 6-9 months.
ii. Breakdown in production of regular business leading to standstill and regular customers shifted to source their requirements from their competitors.
iii. Struggle to get back old customers and re-build market demand which took 18-24 months.

3. The firm further stated that their EOP was extended up to 30.11.2021 as per license amendment sheet but the period from 01.03.2020 till 31.12.2021 was foregone due to Covid. They are exporting products but are not able to endorse the subject EPCG Authorization because Customs are not accepting shipment under EPCG on grounds that EOP is not valid on date of exports.

4. The firm was granted a Personal hearing but none appeared on their behalf.

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

Case No- 23: JVH Met-Cut (P) Ltd., Chennai
F. No. 01/36/218/40/AM-22/EPCG

Subject: W.P. No. 15515 of 2008 in the Hon'ble High Court of Madras Order passed on 29.06.2021.

JVH Met-Cut(P) Ltd., Chennai vide letter dated 29.07.2021 (received on 05.08.2021) forwarded a copy of order dated 29.06.2021 passed by the Hon'ble High Court of Madras in the above WP.

2. Earlier, the firm had requested extension of EOP in respect of EPCG authorisation No. 04500221 dated 18.3.1997. The matter was examined by EPCG Committee in its meeting held on 26.11.2007. The decision of the Committee is as under:

> *"E.O. period (EOP) was extended under para 5.11 of current HBP, Vol. I, that is, subject to payment of composition fee @ 2% on total duty saved for initial 2 years general extension and payment of 50% of duty payable in proportion to the unfulfilled export obligation for subsequent extension of 2 years and accordingly 1/8th proportionate to the unfulfilled export obligation for remaining 3 months."*

3. The firm filed W.P. No.15515 of 2008 in the Hon'ble High Court of Madras which in its order dated 29.06.2021 directed as under:-

> *"Accordingly, the impugned order dated 26.11.2007, passed by the third respondent, communicated to the petitioner vide letter dated 20.12.2007, by the fourth respondent, is quashed and the matter is remanded back to the third respondent for fresh adjudication with reference to the facts and grounds raised by the petitioner who shall pass orders on merits and in accordance with law by following the procedures contemplated and by affording opportunity to the petitioner."*

4. The request was examined by the EPCG Committee in 4th meeting of AM-22 held on 15.09.2021. The decision of the Committee was as under :-

> *"The Committee deliberated upon the case and decided to defer it and call for report from RA and written submission with documents from the firm before taking a decision in the matter."*

5. The case was placed before the 5th Meeting of AM-22 held on 29.09.2021. The decision of the Committee was as under:-

> *"The Committee observed that during 4th meeting held on 15.4.2021, the representative of the applicant sought one week to submit the written submissions which have now been received. However, a report from the RA is awaited.*
>
> *The Committee decided to remind RA and **defer** the case for consideration in the upcoming EPCG Committee meeting."*

6. The report has been received from RA in November, 2022. The firm was granted a Personal hearing to explain their case.

7. The representative of the firm appeared before the EPCG Committee to explain their case.

Decision: The Committee went through the statements made by the applicant and decided to **defer** the case with the directions to call for documents and events in chronological order from the firm.

Case No- 24: Promas Research Laboratories Private Limited, Mumbai
F. No. HQREPCGPRAPP00000061AM23

Subject: Request for:

1. **1st Block Extension**
2. **EOP Extension for 3 years up to 2022 (6+3 years)**
3. **Another EOP Extension up to 2024 (beyond 6+3 years)**

In respect of EPCG Authorization No. 0330037302 dated 22.11.2013 under 0% Concessional Duty.

The firm has stated that they were granted EPCG Authorization for exports of services namely Technical Testing and Analysis Services and imported capital goods during February, 2014 which were installed before August, 2014. The firm further stated that they got Maharashtra FD Approval on 23.10.2015 and US FDA registration on 20.02.2019 before exports could take place. Later, a fire broke out in their factory on 27.02.2018 destroying all their major components and all the above factors led to considerable delay in fulfillment of EO. The firm stated that they have commenced export of services from 12.04.2019 after US FDA registration and repairs and replacement of all their capital goods affected by fire.

- Period of EO of 6 years to be re-fixed with effect from 1.04.2019
- 1st Block Extension
- Extension of 2nd Block to cover exports already made of US$ 27046 and exports made beyond EOP i.e. US$ 44113
- Further Extension up to 2022 (exports made beyond EOP
- Another Extension of 2 years up to 2024 (to fulfill remaining EO i.e. US$ 307101.0)

2. The case was considered in the 7th EPCG Committee Meeting of AM-23 held on 14.10.2022 & 17.10.2022 and decision of the Committee is as under:

> *"**In respect of 1st 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 extension in block-wise EOP, as the firm 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.

In respect of 2nd and 3rd request of the firm: *The Committee deliberated upon the case and decided to defer it with the directions to call for GST Returns from the firm for the period of 2017-18 and 2018-19."*

3. Accordingly the firm was requested vide e-mail dated 23.11.2022 to furnish the same. The firm vide e-mail dated 22.12.2022 has submitted the below mentioned details along with GST Returns for the period 2017-18 and 2018-19 :-

i) The firm has stated that subsequently fire broke out in their factory on 27.02.2018 which engulfed the entire factory including machinery, electrification, furniture on which machinery was fixed due to which they had to incur expenses for repairs of building, machinery and purchase of furniture etc. which took time in commencing operations and exports started from January 2020.

ii) Firm further stated that due to non-fulfillment of EO in both blocks they were issued SCN and summons and due to non-operation of factory activities the bank withdrew credit facilities.

In view of the above, the firm has requested for EOP Extension till 22.11.2022 and 22.11.2024 for the above mentioned license.

4. The representative of the firm appeared before the EPCG Committee to explain their case.

Decision: The Committee deliberated upon the case 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. The firm may consider to regularize the case on payment of Customs duty plus interest on unfulfilled EO.

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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. 01/36/218/30/AM-23/EPCG]