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MINUTES OF 2nd MEETING OF AM-25 OF THE EPCG COMMITTEE HELD UNDER THE CHAIRMANSHIP OF SHRI HARDEEP SINGH, ADDITIONAL DIRECTOR GENERAL OF FOREIGN TRADE HELD ON 09.05.2024

Second Meeting for AM-25 of the EPCG Committee was held on 09.05.2024 at 03.00 PM under the chairmanship of Shri Hardeep Singh, Additional Director General of Foreign Trade in Vanijya Bhawan, New Delhi. Following officers attended the meeting :-

i. Shri Sandeep Poonia, OSD, Department of Revenue
ii. Shri Randheep Thakur, Joint Director General of Foreign Trade, DGFT
iii. Shri Rajesh Kumar Malhotra, Deputy Director General of Foreign Trade, 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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Case No- 1: 3B Advanced Composites Private Limited, Goa
F. No. HQREPCGPRAPP00001953AM24

Subject: Request for Relaxation of provisions of Para 5.01 of FTP (read with entry 12 of Appendix 5F) for import of Bushing Transformers in respect of EPCG Authorization No. 0331029708 dated 28.12.2023 under 0% Concessional Duty.

The firm has stated that they had applied for the subject EPCG Authorization to RA, Mumbai. However, RA issued a DL dated 20.12.2023 stating that the bushing transformers are covered under Appx. 5F, hence are not eligible for imports under EPCG Scheme.

2. The firm has further stated that they ready to pay composition fees on duty saved amount equal to unfulfilled portion of EO for the above EPCG licence. The firm has also stated that imported items i.e. bushing transformers will be used in glass melting furnace to convert molten glass into fibre glass strands. This bushing transformer supplies high current to bushings installed in glass furnace to attain desired temperature of molten glass and formation of glass fibre

strands/filaments. The bushing transformers are not used for any power generation or distribution purpose.

Decision: The representative of the Department of Revenue stated that the case is clarification and not a policy relaxation. The Committee deliberated upon the case and decided to **withdraw** the case for further examination on file.

Case No- 2: Fresenius Kabi Oncology Limited, New Delhi
F. No. HQREPCGPRAPP00002101AM24

Subject: Request for allowing Installation of CGs and acceptance of Installation Certificates beyond stipulated time period in respect of the following 6 EPCG Authorizations.

i. **0230008212 dated 21.08.2012**
ii. **0230008350 dated 09.10.2012**
iii. **0230008474 dated 12.12.2012**
iv. **0230008487 dated 18.12.2012**

The firm has stated that they are expanding the existing facility for manufacturing Anti-Infective medicines. Being a large project and due to integration requirement of processes, they were unable to install the machinery within the time limit prescribed under Para 5.04(a) of HBP and hence the delay in obtaining and submission of IC.

2. Further, the firm has stated that all the capital goods are of international standards, requiring pre-step of installation Qualification(Q), Operational Qualification(OQ) and Performance Qualification(PQ) before issuance of Installation Certificate. The firm has also stated that all the installation certificates are ready for submission and have requested to allow submission of IC beyond the extended time limit without payment of composition fees.

3. The representative of the firm, Shri Sukhdev Singh Parmar appeared through video conferencing and made the following submissions :-

Applicant's statement: The representatives stated that due to expansion in their existing facility, they are establishing a new manufacturing unit for Anti Infective medicines and are investing approximately Rs. 100 Crores to set up this new facility and have imported new CGs. Due to integration requirement of processes, they were unable to install the machines.

Decision: The Committee deliberated upon the case and decided to **recommend to DG for relaxation under Para 2.59 of FTP, 2023** to allow condonation of delay in submission of installation certificate, subject to payment of late fee of Rs. 10,000/- per authorization and submission of installation certificate. RA to verify that no ECA/DRI/Customs action is pending.

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- 3: National Textile Corporation Ltd, Delhi
F. No. HQRPRCAPPLY00007894AM24

Subject: Request for Re-fixation of Average Export Obligation based on direct export in respect of EPCG Authorization No. 1030001036 dated 15.11.2006 under 5% Concessional Duty.

The firm has stated that they could not fulfil the Average EO stipulated on the Authorization, they had sought re-fixation of average only based on the direct exports. While calculating the EO, they will only take the direct exports for reckoning.

2. Further, the firm has also stated that this matter was taken up with the office of DGFT who referred the matter to RA, Cochin vide their letter dated 10.08.2015 and RA vide their email dated 30.11.2015 informed DGFT, New Delhi that *"The AEO originally fixed of Rs. 13,74,00,000.00 and the new proposed average based on only direct exports as Rs. 33,10,056./-."* RA further requested DGFT, to clarify whether AEO can be re-fixed based on the revised CA certificate and also to intimate the decision on condonation of block-wise EO. RA informed the firm that, re-fixation of AEO cannot be considered as per DGFT letter dated 18.02.2016

Decision: The Committee deliberated upon the case and decided to approve and **remand** the case back to RA for re-fixation of annual Average export obligation. RA may examine and decide the case as per policy on merit.

<u>Case No- 4: Aroras J.K. Natural Marbles Limited, Udaipur</u>
F. No. HQRPRCAPPLY00000024AM24

Subject: Request for acceptance of RC book for proof of installation of capital goods in respect of EPCG Authorization No. 1330005346 dated 06.03.2017 under 0% Concessional duty- reg.

As per ANF-2D Form, the firm has stated that they had procured the capital goods (i.e. 3 nos. of Dumpers) from local manufacturer. They had submitted the RC book as proof of installation. It has also been stated by the firm that they had submitted Chartered Engineer certificate for proof of installation which was not mandatory. RA is not accepting the same. The firm is requesting to accept RC book as proof of installation of capital goods.

Decision: The Committee deliberated upon the case and decided to approve and **remand** the case back to RA to allow acceptance of RC book for proof of installation of capital goods which are moveable in nature, subject to payment of late fee of Rs. 10,000/-. RA to verify that no ECA/DRI/Customs action is pending. -

<u>Case No- 5: M/s Pune Metagraph, Pune</u>
F. No. HQRPRCAPPLY00008659AM24

Subject: Request for extension of 1st Block EOP in respect of EPCG Authorization No. 3130007529 dated 19.08.2013 under Zero duty EPCG Scheme.

In support of their request the firm has submitted that they have made the shipment towards fulfillment of EO during the year 2013-2014 and 2014-2015 amounting to Rs. 4, 99, 74,369.00 and Rs. 60132463.00 respectively. However, through oversight their Custom Broker has passed shipping bill under free shipping bill, hence their exports were not considered towards meeting the export obligation. They completed their EO in 2nd block.

Decision: The Committee deliberated upon the case and decided to **recommend to DG for relaxation under Para 2.59 of FTP, 2023** to allow Condonation of delay in approaching the RA for extension in block-wise EOP 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.

Case No- 6: M/s Perfect Filaments, Mumbai
F. No. HQREPCGPRAPP00001970AM24

Subject: Request for 1st Block EOP extension in respect of EPCG Authorization No.0330033628 dated 07.09.2012 under 03% duty EPCG Scheme.

The firm has stated that they are manufacturer exporter and holding valid Two Star Export House Status Certificate and had obtained the subject authorization for duty saved amount Rs. 1,14,93,800.00. No exports were made during the first block period of EPCG authorization. Export Obligation for the first block period is Rs. 4,59,75,199,76 and the proportionate duty saved amount for the same is Rs. 57,46,899.97. However, the EO for the first block period was fulfilled during the second block period and the total EO fulfilled against the subject authorization is 120.01% within period of 8 years.

2. They had applied for redemption of EPCG authorization to RA Mumbai. RA Mumbai after considering their application for redemption informed them to approach DGFT (HQ) for relaxation to condone the delay. During the first block period of EPCG authorization, they had total 15 valid EPCG authorizations and the non-fulfilment of first block export obligation is attributed to the fulfilment of EO of their other EPCG authorizations simultaneously. They however, could achieve 100% EO within the 8 years of EO period

Decision: The Committee deliberated upon the case and decided to **recommend to DG for relaxation under Para 2.59 of FTP, 2023** to allow Condonation of delay in approaching the RA for extension in block-wise EOP 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.

Case No- 7: M/s Perfect Filaments, Mumbai
F. No. HQREPCGPRAPP00001971AM24

Subject: Request for 1st Block EOP extension in respect of EPCG Authorization No.0330029639 dated 02.06.2011 under 3% duty EPCG Scheme.

The firm has stated that they are manufacturer exporter and holding valid Two Star Export House Status Certificate and had obtained the subject authorization for duty saved amount Rs. 142,17,216.0. During the first block period of subject authorization there was shortfall in EO to the extent of FOB value for Rs. 4,19,12,211.60 and the proportionate duty saved amount for the same is Rs. 52,39,026.45. However, the shortfall in FOB value for the first block period was fulfilled during the second block period and the total EO fulfilled against the subject authorization is 101.74% within period of 8 years.

2. They had applied for redemption of EPCG authorization to RA Mumbai. RA Mumbai after considering their application for redemption informed them to approach DGFT (HQ) for relaxation to condone the delay. During the first block period of EPCG authorization, they had total 15 valid EPCG authorizations and the non-fulfilment of first block export obligation is attributed to the fulfilment of export obligations of their other EPCG authorizations simultaneously. They have achieved 100% EO within the 8 years of EO period.

Decision: The Committee deliberated upon the case and decided to **recommend to DG for relaxation under Para 2.59 of FTP, 2023** to allow Condonation of delay in approaching the RA for extension in block-wise EOP 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.

Case No- 8: M/s Perfect Filaments Ltd, Mumbai
F. No. HQREPCGPRAPP00001969AM24

Subject: Request for 1st Block EOP extension in respect of EPCG Authorization No. 0330030786 dated 10.10.2011 under 3% duty EPCG Scheme.

The firm has stated that they are manufacturer exporter and holding valid Two Star Export House Status Certificate and had obtained the subject authorization for duty saved amount Rs. 2,79,94,001.43. No exports were made during the first block period of EPCG authorization. Export Obligation for the first block period is Rs. 11,16,79,252.32 and the proportionate duty saved amount for the same is Rs. 1,39,59,906.54. However, the EO for the first block period was fulfilled during the second block period and the total EO fulfilled against the subject authorization is 100.40% within period of 8 years.

2. During the first block period of EPCG authorization, they had total 15 valid EPCG authorizations and the non-fulfilment of first block export obligation is attributed to the fulfilment of export obligations of their other EPCG authorizations simultaneously. They however, could achieve 100% EO within the 8 years of EO period.

Decision: The Committee deliberated upon the case and decided to **recommend to DG for relaxation under Para 2.59 of FTP, 2023** to allow Condonation of delay in approaching the RA for extension in block-wise EOP 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.

Case No- 9: M/s Synchron Machine Tools Private Limited, Bangalore
F. No. HQRPRCAPPLY00009203AM24

Subject: EOP extension for 16 days beyond (6+Covid extension-Notification-28/2015-20 dated 23.09.2021+2 years) in respect of EPCG Authorization No. 0730014171 dated 03.02.2015 under Zero duty EPCG Scheme.

They are the manufacturer and exporter of engineering goods and have availed the subject EPCG authorization in February, 2015 and regularly exporting over the period. However, there was a mismatch in HS Code and description along with incorrect category of shipping bill – free shipping bill. Further other shipments made under INR category also resulted in disqualification for export obligation fulfilment.

2. After realization, they begun the shipments in line with EPCG Authorization requirement from the year 2022 and also availed the additional extension by which the licence expired on 31.12.2023. The total specific obligation based on actual duty saved about is USD 91,362.46. They fulfilled the Specific EO to the extent of USD 69,210.39 which was within the expiry period which is 68% of the SEO. Subsequently exports were made within 16 days, by 16th January, 2024, which fulfilled the balanced SEO of USD 22,152.07 by the direct export shipment. They had attempted for early schedule of export to the maximum extent to cover the EO within the expiry date, however, due to certain logistic issues the shipment could not be lifted.

Decision: The Committee deliberated upon the case and decided to **recommend to DG for relaxation under Para 2.59 of FTP, 2023** to allow extension in EO period for 16 days beyond 6 years plus COVID period for regularization purposes subject to payment of a composition fee of Rs. 25,000/-. -

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- 10: M/s Vishindas Holaram, Mumbai
F. No. HQRPRCAPPLY00009230AM24

Subject: Request for Condonation of Delay in submission of installation certificate in respect of EPCG Authorization No. 0330042778 dated 13.10.2015 under Zero duty EPCG Scheme.

The firm has stated that They have imported the capital goods under Bill of Entry No.3107429 dated 31.10.2015 and capital goods installed at factory premises address Plot No.5-6, 4th floor, Amba Complex, Dummaswala compound, Hirabug, Surat-395006. They could not submit original Installation Certificate to RA Mumbai within stipulated time. Further, they approached RA Mumbai for the subject request and also paid fees of Rs. 15, 000/- for the same.

2. The firm further stated that they have received a deficiency letter from RA, Mumbai stating that submission of installation Certificate is delayed beyond prescribed time limit, you may approach EPCG Committee for regularization. As per installation certificate dated 11.03.2016 issued by Chartered Engineer the date of installation of CG is 13.11.2015.

Decision: The Committee deliberated upon the case and decided to **recommend to DG for relaxation under Para 2.59 of FTP, 2023** to allow condonation of delay in submission of installation certificate, subject to payment of late fee of Rs. 10,000/- and submission of installation certificate. RA to verify that no ECA/DRI/Customs action is pending.

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- 11: Sara Textiles Limited, Noida
F. No. HQREPCGPRAPP00001094AM24

Subject: Request for Condonation of delay in submission of Installation Certificate issued by Chartered Engineer in respect of EPCG Authorization No. 0530164654 dated 30.03.2015 under 0% Concessional Duty.

As per ANF-2D, the firm has stated that they were unable to submit the installation certificate to RA within time period due to shifting of their office premise from Delhi to Noida, in the process of which many vital documents along with the IC was misplaced. As per Installation Certificate dated 22.09.2016 issued by Chartered Engineer enclosed by the firm, the date of installation of CGs is 22.09.2016**.**

Decision: The Committee deliberated upon the case and decided to **recommend to DG for relaxation under Para 2.59 of FTP, 2023** to allow condonation of delay in submission of installation certificate, subject to payment of late fee of Rs. 10,000/- and submission of installation certificate. RA to verify that no ECA/DRI/Customs action is pending.

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- 12: Jupiter Laminators Private Limited, New Delhi
F. No. HQREPCGPRAPP00001946AM24

Subject: Request for 2 years EOP Extension up to 23.07.2025 i.e. 8+2 years in respect of EPCG Authorization No. 0530165480 dated 27.07.2015 under 0% Concessional Duty.

The firm has stated that they could fulfill only 39.64% for 1st block and 17.53% for the 2nd block. The firm also stated that they non-fulfilment was due to cancellation of orders owing to COVID-19, migration of labours due to pandemic, heavy price competition in the international market, and tremendous increase in raw material and transport prices.

2. Further, the firm stated that they have received extension of 1st block until 23.07.2023 from CLA, Delhi, for which the firm has also paid the composition fees. The firm has requested for 2 years further extension up to 23.07.2025, so that they could fulfill 100% EO.

Decision: The Committee deliberated upon the case and decided to advise the firm to **approach RA** for extension of Export Obligation Period beyond 8 years in terms of Public Notice No. 53 dated 20.01.2023 where extension is permitted on account of COVID.

Case No- 13: Meera Cotton And Synthetic Mills Private Limited, Mumbai
F. No. HQREPCGPRAPP00000571AM24

Subject: Request for Amendment of ITC-HS Code in respect of 9 EPCG Authorization Nos. under 03% & 05% Concessional duty.

The firm has stated that due to lack of policy procedures and knowledge, they have failed to add all the ITC-HS code of their products in the license within the stipulated time. The firm further stated that they have now submitted all the necessary documents for closure of EPCG license to RA Mumbai. However, RA has issued a DL that no amendments of ITC-HS code can be considered as the licenses are not valid.

2. The firm also stated that the ITC-HS code mentioned in the subject license is 'fabrics-5515' and the products exported by them is also 'fabrics' with chapter heading '5407' or '5208'. Further, the firm stated that bring a composite unit, they are manufacturing yarn, fabrics, and readymade garments; they have exports of readymade garments under ITC-HS 6206/6214, which the firm wants to add in their in their EPCG License as the same has been manufactured and exported by them.

Decision: 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.

Case No- 14: Greatoo (India) Private Limited, Kolkata
F. No. HQRPRCAPPLY00007674AM24

Subject: Request for Second EOP Extension for 2 years up to 31.12.2025 i.e. beyond 6+2 years in respect of EPCG Authorization No. 0430014627 dated 17.04.2015 under 0% Concessional Duty.

The firm has stated that they were not having export orders due, due to which they had earlier applied for first block extension, which was approved. Now, the firm has enough export orders to fulfill the EO. As per email dated 02.04.2024, the firm's existing EOP is 31.12.2023 and they have requested EO Extension up to 31.12.2025.

Decision: The Committee deliberated upon the case and decided to advise the firm **to approach RA** for extension of Export Obligation Period beyond 8 years in terms of Public Notice No. 53 dated 20.01.2023 where extension is permitted on account of COVID.

Case No- 15: M/s AGL Polyfil Private Limited, West Bengal
F. No. HQRPRCAPPLY00009126AM24

Subject: EOP extension for 6+2+2 years i.e. up to 25.02.2020 in respect of EPCG Authorization No. 0230004975 dated 25.02.2010 under Zero duty EPCG Scheme

In support of their request the firm has submitted that :-

i. They have obtained the subject EPCG authorization for a duty saved value of Rs. 2810791.00 against the EO to export "Polyester Staple Fibre of Synthetic and Pet Flakes" for six times of the duty saved value i.e. 16864746.00(USD 361904.42) within a period of 6 years. As per condition sheet of the authorization the AEO to be maintained against the said EPCG authorization is NIL.
ii. Based on the actual duty saved value of Rs.2771575.00 their actual export obligation stands at Rs. 16629450.00 (USD356855.15) and minimum of 50% Rs. 8314725.00 (USD178427.58) was to be completed within 1st block. Since they could not fulfill any EO during the 1stblock, hence they obtained block wise EOP extension.
iii. But unfortunately they could not fulfill any EO in 2nd block also. This was due to a big fire in its factory premises manufacturing Polyester Staple Fibre in early 2015 the company could not manufacture the export product in its factory for a long time up to mid 2018, when the damaged shed and machineries were either repaired/replaced.
iv. Thereafter when the manufacturing and export started in or around May 2018, the firm commenced its journey towards fulfillment of the export obligation against the subject authorization.
v. It is pertinent to take note of the fact that, once the exports restarted in May, 2018, the firm could complete their balance EO of USD 382985.17 covering the required EO of USD 356855.15 within July, 2019 i.e. within approx a year or little more time.
vi. The firm could not make any substantial exports in 2015, 2016, 2017 and half of 2018 due to the devastating fire and its related formalities to insurance and other departments including repairs and replacement of machines and equipments.

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- 16: M/s AGL Polyfil Private Limited, West Bengal
F. No. HQRPRCAPPLY00009138AM24

Subject: EOP extension for 6+2+2 years i.e. up to 27.01.2020 in respect of EPCG Authorization No. 0230004876 dated 27.01.2010 under Zero duty EPCG Scheme.

In support of their request the firm has submitted that:

i. They have obtained the subject EPCG authorization for a duty saved value of Rs. 16022733.44 against the EO to export six times of the duty saved value i.e. 108258714.00 (USD 2293616.82) within a period of 6 years.
ii. They fulfill only USD 440037.57 within the 1st block period and accordingly they were short of USD 578356.505(Rs.27298427.036) towards fulfilment of 1st block period EO. Subsequently they obtained block wise EOP extension.
iii. In the second block of 5-6 years, the firm could complete another USD 294504.35. The firm has completed USD 734541.92(almost 36.06%) of its required EO of USD 2036788.15 within the initial 6 years expiry date 27.01.2016.
iv. But thereafter due to a big fire in its factory premises manufacturing Polyster Staple Fibre in early 2015 the company could not manufacture the export product in its factory for a long time up to mid 2018, when the damaged shed and machineries were either repaired/replaced in the meantime the firm made few shipments in 2015-2016 through whatever export product it could reclaim from the fire ravaged factory.
v. Thereafter when the manufacturing and export started in or around May 2018, the firm commenced its journey towards fulfillment of the export obligation against the subject authorization.
vi. It is pertinent to take note of the fact that, once the exports restarted in May, 2018, the firm could complete their balance EO of USD 1302246.23 within March, 2019 i.e. within 8-9 months.
vii. The firm could not make any substantial exports in 2015, 2016, 2017 and half of 2018 due to the devasting fire and its related formalities to insurance and other departments including repairs and replacement of machines and equipments.

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- 17: Aero Pistons Private Limited, Chennai
F. No. HQREPCGPRAPP00002138AM24

Subject: Request for Condonation of delay in submission of Installation Certificate issued by Chartered Engineer in respect of EPCG Authorization No. 0430014466 dated 02.03.2015 under 03% Concessional Duty.

As per ANF-2D, the firm stated that they had imported the subject capital goods and installed the same within the stipulated time the factory premises. However, due to delay in receiving export orders, they were concentrated on overseas marketing, due to which they were unable to submit the installation certificate to the concerned RA. They had also missed the opportunity to utilize the PN 22 dated 13.07.23, due to lapse of knowledge.

2. As per Installation Certificate dated 26.04.2015 issued by Chartered Engineer enclosed by the firm, machinery was installed at the firm's premises on 22.04.2015 vide BOE No. 8737997 dated 27.03.2015.

Decision: The Committee deliberated upon the case and decided to **recommend to DG for relaxation under Para 2.59 of FTP, 2023** to allow condonation of delay in submission of installation certificate, subject to payment of late fee of Rs. 10,000/- and submission of installation certificate. RA to verify that no ECA/DRI/Customs action is pending.

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- 18: Sri Shandar Snacks Pvt Ltd, Kashipur
F. No. HQREPCGPRAPP00001956AM24

Subject: Request for 2nd EOP Extension for 2 years i.e. beyond (6+2 years) up to 31.12.2025 in respect of EPCG Authorization No. 6130000424 dated 22.05.2014 under 0% Concessional Duty.

The firm has stated that due to tough competition in Global business and impact of the Covid Pandemic, they were unable to complete the EO. The firm has also stated that the EOP was automatically extended up to 31.12.2021 also they had granted the 1st EOP Extension up to 31.12.2023 and they have fulfilled almost 30% of the EO.

2. The firm has further stated that in previous years the business was badly affected for food sectors and regularly cancelled the export orders by the customers. However, they have currently joint venture with the company and have a very large order.

Decision: The Committee deliberated upon the case and decided to advise the firm to **approach RA** for extension of Export Obligation Period beyond 8 years in terms of Public Notice No. 53 dated 20.01.2023 where extension is permitted on account of COVID.

Case No- 19: M/s Swathi Exports., Bangalore
F. No. HQRPRCAPPLY00009193AM24

Subject: Request for Condonation of Delay in submission of installation certificate in respect of EPCG Authorization No. 0730009586 dated 16.11.2010 under EPCG concessional Duty 3%.

In support of their request the firm has submitted that all the documents were with the person, who was ill health and was passed away. They have procured the Capital Goods under invalidation letter and they could not able to upload the installation certificate through online and requesting to provide them an opportunity to submit the hard copy of the installation certificate on payment of late fee of Rs. 10,000/- which has already been paid.

Decision: The Committee deliberated upon the case and decided to **recommend to DG for relaxation under Para 2.59 of FTP, 2023** to allow condonation of delay in submission of installation certificate, subject to payment of late fee of Rs. 10,000/- 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- 20: M/s Swathi Exports., Bangalore

F. No. HQRPRCAPPLY00009187AM24

Subject: Request for Condonation of delay in submission of installation certificate in respect of EPCG Authorization No. 0730009119 dated 12.07.2010 under 3% duty EPCG Scheme.

In support of their request the firm has submitted that all the original documents were with the person, who was ill health and he passed away. So they have not submitted installation certificate to DGFT and also they have procured the Capital Goods under invalidation letter. They could not able to upload the installation certificate through online.

Decision: The Committee deliberated upon the case and decided to **recommend to DG for relaxation under Para 2.59 of FTP, 2023** to allow condonation of delay in submission of installation certificate, subject to payment of late fee of Rs. 10,000/- 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- 21: Dan Hospitality India Private Limited, Bangalore
F. No. HQREPCGPRAPP00002132AM24

Subject: Request for waiver of Interest on payment of Duty Saved Amount towards penalty for non-fulfillment of EO in respect of 2 EPCG Authorization Nos. 0730015162 dated 19.02.2016 & 0730015541 dated 13.06.2016 under 0% Concessional duty.

The firm has stated that due to various procedural and administrative delays, there was delay in the starting of the hotel.

2. The firm further stated that they were unable to earn sufficient foreign exchange due to prevailing conditions of the pandemic and the lockdown. The firm decided to voluntarily pay the duty amount of both the licenses. However, they have requested for waiver of the interest on the duty saved amount.

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: Sai Srinivasa Cotton Industries, Telangana
F. No. HQREPCGPRAPP00001684AM24

Subject: Request for Acceptance of the central sales tax Form-H in lieu of Central Excise ARE Form for grant EODC in respect of EPCG Authorization No. 0930006777 dated 08.02.2011 under 03% Concessional Duty.

In support of their request the firm has submitted that:

i. During 2011-12, the firm has completed the export obligation through third party exports & the SBs covered under Central Sales tax Form-H-Certificate of Exports (As cotton is exempted from Central Excise, so they cannot be registered with CE).

ii. The firm has stated that while exporting the goods through third party, that party have declared their DFIA details and missed to declare EPCG details on SBs. whereas they are not eligible to register with CE. Their supplies to third party took place against Central Sales Tax Form-H Certificate of exports, pertaining to Revenue Department of GOI which accepted the same as proof of exports and discharged our sales tax liability

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- 23: M/s Elite Knits, Chennai
F. No. HQREPCGPRAPP00002139AM24

Subject: Request for Condonation of delay in submission of Installation Certificate issued by Chartered Engineer in respect of EPCG Authorization No. 0430015530 dated 04.03.2016 under 0% Concessional Duty.

As per ANF-2D, the firm stated that they had imported the subject capital goods and installed the same within the stipulated time the factory premises. However, due to delay in receiving export orders, they were concentrated on overseas marketing, due to which they were unable to submit the installation certificate to the concerned RA. They had also missed the opportunity to utilize the PN 22 dated 13.07.23, due to lapse of knowledge.

2. As per Installation Certificate dated 10.06.2016 issued by Chartered Engineer enclosed by the firm, machinery was installed at the firm's premises as under :-

S. No.	BOE details	Date of installation
1	4636028 dated 19.03.2016	11.04.2016
2	4798580 dated 05.04.2016	27.04.2016
3	5703077 dated 20.06.2016	13.07.2016
4	4798580 dated 05.04.2016	27.04.2016

Decision: The Committee deliberated upon the case and decided to **recommend to DG for relaxation under Para 2.59 of FTP, 2023** to allow condonation of delay in submission of installation certificate, subject to payment of late fee of Rs. 10,000/- 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- 24: Ramani Hotels Ltd, Mumbai
F. No. HQREPCGPRAPP00002134AM24

Subject: Request for Condonation of Block-wise EO fulfilment in respect of EPCG Authorization No. 0330031833 dated 09.02.2012 under 03% Concessional Duty.

The firm has stated that due to low business, less presence in foreign market, online portal & delay in getting contract signed with overseas travel agent, OTA, which affected their foreign tourist business. The firm has also stated that they could not complete their block within time whereas they have fulfilled the EO with overall validity of EPCG Authorization

Decision: The Committee deliberated upon the case and decided to **recommend to DG for relaxation under Para 2.59 of FTP, 2023** to allow Condonation of delay in approaching the RA for extension in block-wise EOP 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.

Case No- 25: M/s Indotex Exports, Pune
F. No. HQRPRCAPPLY00000285AM25

Subject: Request for 1st Block Extension & EOP extension for 2 years i.e. 6+2 in respect of EPCG Authorization No. 3130007477 dated 22.07.2013 under Zero duty EPCG Scheme.

In support of their request the firm has submitted that they were unable to fulfil the 1st block EO in 1st block EO period and specific EO in initial EO period i.e. within 6 years. However, they have fulfilled their EO beyond 6 years but within 8 years.

Decision:

In respect of 1st request: The Committee deliberated upon the case and decided to **recommend to DG for relaxation under Para 2.59 of FTP, 2023** to allow Condonation of delay in approaching the RA for extension in block-wise EOP 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: The Committee deliberated upon the case and decided to **recommend to DG for relaxation under Para 2.59 of FTP, 2023** 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 EO 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- 26: Jupiter Aluminium Industries Private Limited, Gurugram
F. No. 01/36/218/05/AM-25/EPCG

Subject: Request for grant of EPCG Authorization for import of 1 No. of Furnace Tending Combi Vehicle.

The firm has stated that in continuation to their request to CLA, Delhi (vide F. No. 05EAEPC15592AM240) for issuance of EPCG Authorization for import of 1 No. of Furnace Tending Combi Vehicle, they have requested this office to issue EPCG Authorization or issue guidance to them if they can re-request CLA, Delhi for the same.

2. The firm has further requested for an early action since the goods have already arrived at final Port of discharge. In addition to above, in support of their request the firm vide their email dated 08.04.2024 submitted that:

i. The proposed Furnace Tending Combi Vehicle will charge the metal and scraps in the melting furnace in fast, energy efficient and safe method to avoid manual charging and heat exposure to operators.

ii. However, O/o Additional DGFT (CLA) has raised a query stating that "Vehicle of any kind are not allowed in EPCG scheme under Appendix 5F".

iii. As per Para 11.08 of FTP: "Capital Goods" means any plant, machinery, equipment or accessories required for manufacture or production, either directly or indirectly, of goods or for rendering services, including those required for replacement, modernization, technological up-gradation or expansion. It includes packaging machinery and equipment, refrigeration equipment, power generating sets, machine tools, equipment and instruments for testing, research and development, quality and pollution control. Capital goods may be for use in manufacturing, mining, agriculture, aquaculture, animal husbandry, floriculture, horticulture, pisciculture, poultry, sericulture and viticulture as well as for use in services sector.

iv. This kind of Furnace Tending Combi Vehicle is exclusively designed only for melting furnace and is required for smooth, safe and efficient manufacturing process at their manufacturing Unit and is directly /indirectly required for production of their goods (Aluminium Sheets, Aluminum Circles, Electrolytic Sheets and aluminium Foils) at their own production Unit at Plot No.3, SIDCO Industrial Estate Complex, Bhagthali, Kathua Industrial Area, Jammu and Kashmir.

v. They undertake that proposed Furnace Tending Combi Vehicle shall be used at their own manufacturing unit at Plot No. 3, SIDCO Industrial Estate Complex, Bhagthali, Kathua Industrial Area, Jammu and Kashmir and they are ready to give an undertaking to the concerned RA that this proposed Furnace Tending Combi Vehicle shall be used within their own manufacturing Unit without any fail.

Decision: The representative of the Department of Revenue stated that the case is for clarification and not a policy relaxation. The Committee deliberated upon the case and decide to **withdraw** the case for further examination on file.

Case No- 27: M/s Print Zone, Gujarat
F. No. 01/60/162/388/AM-21/PRC/EPCG

Subject: Request for extension of EOP for further two years in respect of EPCG License No. 2430001786 dated 26.11.2012.

The applicant has stated that they have obtained EPCG Authorization no. 2430001786 dt. 26.11.2012 for US $ 804,440.41 i.e. 6 times the duty saved on Capital Goods on FOB basis within a period of 6 year (12 years in case duty saved is Rs. 100 Crore or more) from the date of issue of authorization. The annual average of the past export performance to be maintained by the Authorization Holders is Rs. 0.00 as per Condition sheet of Authorization.

2. The applicant has stated that they made export to the tune of 81.95% i.e. US$ 6,83,858.38 within original EOP (6+2 years). However, due to Covid-19, they could not complete 100% EO within stipulate time of EO and even their orders were got cancelled from buyers.

Decision: After deliberation on the request of the firm, the Committee decided to **defer** the case with the directions to call for a detailed report from RA concerned regarding the present status of the case.

Case No- 28: Laser Power & Infra Private Limited, Kolkata
F. No. HQRPRCAPPLY00003248AM24

Subject: Request for Rectification of wrong endorsement of Average Export Performance based on third-party exports of past 3 years in respect of 4 EPCG Authorization Nos. under 0% Concessional Duty.

The firm has stated that their application for re-fixation of Average EO was rejected by RA, Kolkata. They have received DL dated 23.09.2023, wherein it is stated that the third-party exports made by the AH in previous three financial years considering which the AEO was fixed by the RA, was correctly accounted by the RA, as per para III (c) of Appendix 5B. In view of the same, the request of the firm was rejected by RA and they were directed to pay Customs Duty along with applicable interest for failure to meet AEO within 10 days and submit the receipts, failing which action as per FTDR Act to be initiated.

2. The firm has further submitted justifications regarding the DL issued by RA as under:

i. The firm have observed that the contents of the Appendix 26 (CA Certificate) submitted by them at the time of application towards previous three years export performance, clearly stated the export figures of 2011-12 under the third-party exports column of S. No. 2 (1B). Ideally, the said figures should not have been considered towards AEP fixation by RA. But, if at all, inadvertently, it has been considered, then the said mistake needs to be rectified by the RA.

ii. Neither any provision of the FTP and HBP, nor any Notice, Circular, etc which would indicate that third-party exports can be considered 'as our own direct exports towards calculation of annual export turnover. These exports cannot be considered as the firm's direct exports.

iii. The firm has also gone through the respective para III (c) of Appendix 5B, which only lays that the details of direct/indirect exports, third-party exports or deemed exports mentioned by the applicant, has been verified by the Chartered Accountant. The statement nowhere says that the third-party exports are to be considered for the purpose of completion of EOP.

3. The case was considered in the 1st EPCG Committee Meeting of AM-25 held on 19.04.2024. The decision of which is as under:

"The Committee deliberated upon the case and decided to grant one last opportunity of Personal hearing to the firm. Accordingly, the case stands ***deferred****."*

4. The firm was granted an opportunity for hearing today but none appeared.

Decision: The Committee deliberated upon the case and decided to **withdraw** it on the basis of the information sent by the firm.

Case No- 29: Seven Seas Hospitality Private Limited, Delhi
F. No. HQREPCGPRAPP00000269AM24

Subject: Request for

i. **EOP Extension for 4 years from date of endorsement**
ii. **Partial relaxation of EO**

In respect of 43 EPCG Authorizations.

S. No.	EPCG Authorization details	S. No.	EPCG Authorization details
1	0530162571 dated 31-03-14	23	0530166540 dated 15-12-15
2	0530163649 dated 03-11-14	24	0530166801 dated 22-01-16
3	0530163710 dated 12-11-14	25	0530166902 dated 05-02-16
4	0530163798 dated 25-11-14	26	0530166903 dated 05-02-16
5	0530164354 dated 13-02-15	27	0530166905 dated 05-02-16
6	0530164491 dated 03-03-15	28	0530166958 dated 12-02-16
7	0530164506 dated 04-03-15	29	0530166960 dated 12-02-16
8	0530164881 dated 12-05-15	30	0530167524 dated 10-05-16
9	0530164900 dated 13-05-15	31	530168446 dated 31-08-16
10	0530165494 dated 28-07-15	32	530167583 dated 16-05-16
11	0530165650 dated 18-08-15	33	530166904 dated 05-02-16
12	0530165659 dated 19-08-15	34	530166800 dated 22-01-16
13	0530165676 dated 20-08-15	35	530167737 dated 01-06-16
14	0530165697 dated 24-08-15	36	0530167142 dated 11-03-16
15	0530165769 dated 04-09-15	37	530167216 dated 21-03-16
16	0530165770 dated 04-09-15	38	530167217 dated 21-03-16

17	**0530165819 dated 11-09-15**	**39**	**530167582 dated 16-05-16**
18	**0530165866 dated 17-09-15**	**40**	**0530169431 dated 11-01-17**
19	**0530165867 dated 17-09-15**	**41**	**0530169432 dated 11-01-17**
20	**0530166536 dated 15-12-15**	**42**	**0530169433 dated 11-01-17**
21	**0530166538 dated 15-12-15**	**43**	**0530169745 dated 27-02-17**
22	**0530166539 dated 15-12-15**		

The firm has stated that there was delay in obtaining of the Completion cum Occupancy Certificate for their Five-star Hotel expansion project from Delhi Development Authority, which was applied by them on 18.08.2015, although the same was approved till 16.12.2016 i.e. delay of about 18 months.

2. The firm further stated that the Occupancy Certificate is an essential pre-requisite for Department of Tourism application and approval process. There was delay from also because of Covid Lockdown and there account getting NPA.

3. The case was listed before the 7th EPCG Committee in the meeting held on 30.11.2023 wherein the following decision was taken :-

"After deliberation on the request of the firm, the Committee decided to defer the matter with the direction to call the applicant for Personal Hearing to explain their case."

4. The case was also considered in the 12th EPCG Committee Meeting of AM-24 held on 21.03.24. The decision of which is as under:

"The Committee went through the request made by the applicant and submissions of the representative of the firm in the PH.

The Committee deliberated upon the case and decided to ask the applicant to submit written submissions in support of their request within a period of one week from the date of uploading of the Minutes. The applicant to also submit copies of the Government Order converting their hotel into COVID-19 Health Centre, account becoming NPA etc. with the written submissions. Accordingly, the case stands deferred."

5. The case was once again considered in the 1st EPCG Committee Meeting of AM-25. The decision of which is as under :-

"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."*

6. The applicant was given an opportunity for appearing before the EPCG Committee today but none appeared. The Committee deliberated upon the case and decided to take a decision as per the written submissions made by the firm.

7. The firm has submitted the following justification in their written submissions :-

(i) Delay of about 18 months in obtaining the completion cum occupancy certificate for their five-star hotel expansion project from Delhi Development Authority.

(ii) Delay of about 24 months in obtaining operational approval for 5-star category from the Department of Tourism, Government of India.

(iii) Designation of their Hotel as an extended Covid Hospital by Government of Delhi from April, 2021 to March, 2022. Later, an additional 2-4 months were consumed in restoring the Hotel for its normal usage.

(iv) Decline in customers for 2-3 years on their hotel being designated as a Covid Hospital.

(v) Bank account becoming NPA.

Decision:

In respect of 1st request: The Committee noted that the EPCG Authorisation holder has faced delays in fulfilling of its EO against the subject 43 EPCG authorizations due to various factors like delay in issue of necessary clearances and approval from Government departments and adverse impact of Covid-19 pandemic due to the hotel being designated as a Covid hospital which lead to decline in tourist arrivals.

The Committee deliberated upon the case and decided to **recommend to DG for relaxation under Para 2.59 of FTP, 2023** to allow extension in EO period for 2 years from date of endorsement subject to payment of a composition fee of Rs. 25,000/- per subject authorisation.

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

This has the approval of DG, DGFT.

In respect of 2nd 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- 30: M/s Indotex Exports, Sangli Maharashtra
F. No. HQRPRCAPPLY00000284AM25

Subject: Request for 1st Block EOP extension and EOP extension for 2 years i.e. 6+2 in respect of EPCG Authorization No. 3130007476 dated 22.07.2013 under Zero duty EPCG Scheme.

In support of their request the firm has submitted that they were unable to fulfill the 1st block EO in 1st block EO period and specific EO in initial EO period i.e. within 6 years. However, they have fulfilled their EO beyond 6 years but within 8 years.

Decision:

In respect of 1st request: The Committee deliberated upon the case and decided to **recommend to DG for relaxation under Para 2.59 of FTP, 2023** to allow Condonation of delay in approaching the RA for extension in block-wise EOP 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: The Committee deliberated upon the case and decided to **recommend to DG for relaxation under Para 2.59 of FTP, 2023** 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 EO 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- 31: Piccadily Hotels Pvt Ltd, Delhi</u>
F. No. HQREPCGPRAPP00000019AM25

Subject: Request for

i. **1st Block Extension along with EOP extension up to 31st March 2022 as per PN 53/2015-20 dated 20.01.2023**
ii. **Condonation of delay in submission of Installation Certificate**

In respect of EPCG Authorization No. 0530158149 dated 13.04.2012 under 03% Concessional Duty.

The firm has stated that they have fulfilled the EO @ 42.76% up to 31stMarch 2020 and balance 57.24 % of EO is fulfilled up to 31stMarch 2022. The firm has also stated that the delay in filling the installation certificate was primarily due to the unforeseen departure of the responsible individual form their position without prior notification.

2. The firm has further stated that they obtained the required certificate within the stipulated timeframe. However, due to the absence of the concerned personnel, they were unaware of the non-submission until recently.

Decision: 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.

<u>Case No- 32: Piccadily Hotels Pvt Ltd, Delhi</u>
F. No. HQREPCGPRAPP00002142AM24

Subject: Request for Condonation of delay in submission of Installation Certificate in respect of EPCG Authorization No. 0530156542 dated 21.09.2011 under 03% Concessional Duty.

The firm has stated that the delay in filling the installation certificate was primarily due to the unforeseen departure of the responsible individual form their position without prior notification. The firm has also stated that they obtained the required certificate within the stipulated timeframe. However, due to the absence of the concerned personnel, they were unaware of the non-submission until recently.

2. Further, It has been observed that the firm has submitted the same request in other 14 files which are as follow:

S. No.	File Nos.	Authorization Nos.	CD
1.	HQREPCGPRAPP00002143AM24 dated 27.03.2024	0530156180 dt 05.08.2011	03%
2.	HQREPCGPRAPP00002144AM24 dated 27.03.2024	0530152788 dt 15.07.2010	03%
3.	HQREPCGPRAPP00000001AM25 dated 01.04.2024	0530156544 dt 21.09.2011	03%
4.	HQREPCGPRAPP00000002AM25 dated 01.04.2024	0530158733 dt 05.07.2012	03%
5.	HQREPCGPRAPP00000003AM25 dated 01.04.2024	0530156520 dt 19.09.2011	03%
6.	HQREPCGPRAPP00000004AM25 dated 01.04.2024	0530157700 dt 22.02.2012	03%
7.	HQREPCGPRAPP00000005AM25 dated 01.04.2024	0530157241 dt 21.12.2011	03%
8.	HQREPCGPRAPP00000006AM25 dated 01.04.2024	0530161227 dt 17.07.2013	03%
9.	HQREPCGPRAPP00000007AM25 dated 01.04.2024	0530157243 dt 21.12.2011	03%
10.	HQREPCGPRAPP00000008AM25 dated 01.04.2024	0530161226 dt 17.07.2013	03%
11.	HQREPCGPRAPP00000012AM25 dated 01.04.2024	0530161172 dt 10.07.2013	03%
12.	HQREPCGPRAPP00000013AM25 dated 01.04.2024	0530156545 dt 21.09.2011	03%
13.	HQREPCGPRAPP00000014AM25 dated 01.04.2024	0530161544 dt 12.09.2013	03%
14.	HQREPCGPRAPP00000015AM25 dated 01.04.2024	0530161543 dt 12.09.2013	03%

Decision: 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.

Case No- 33: M/s Electropneumatics & Hydraulics (India) Pvt Ltd., Pune
F. No. HQRPRCAPPLY00000316AM25

Subject: Request for 1st Block EOP extension in respect of EPCG Authorization No. 3130005306 dated 01.12.2010 under 3% duty EPCG Scheme.

In support of their request the firm has submitted that they fulfilled the 100% EO. However, they were unable to fulfill the 1st block EO in 1st block EO period.

2. In addition to above it is submitted that earlier this firm request for EOP extension for one year i.e. 8+1 year was considered in the EPCG Committee Meeting No.11/AM24 dated 29.02.2024(Case No.22), decision of the Committee is as under:

> *"The Committee deliberated upon the case and decided to recommend to DG for relaxation under Para 2.59 of FTP, 2023 to allow condonation of delay in approaching RA for EO extension for 1year (from 8th year to 9th year) on payment of composition fee or imposition of additional EO 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:

i. *The proper installation certificate has been submitted within time limits as specified, and*
ii. *The payment of balance duties of Customs plus interest on unfulfilled EO since he EO period has already expired."*

Decision: The Committee deliberated upon the case and decided to **recommend to DG for relaxation under Para 2.59 of FTP, 2023** to allow Condonation of delay in approaching the RA for extension in block-wise EOP 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, 2019-14 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- 34: M/s U Like Fabrics, Delhi</u>
F. No. HQREPCGPRAPP00001952AM24

Subject: Request for Condonation of delay in submission of Installation Certificate in respect of EPCG Authorization No. 0530171260 dated 07.11.2017 under 0% Concessional Duty

The firm has stated that they could not submit the installation certificate because their factory was renovating and it was not their intention at all. The firm has also stated that they are submitting the original Installation Certificate and late fee for the challan of Rs. 15000/-.

Decision: The Committee deliberated upon the case and decided **to recommend to DG for relaxation under Para 2.59 of FTP, 2023** to allow condonation of delay in submission of installation certificate, subject to payment of late fee of Rs. 10,000/- 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- 35: M/s Laxmi Ginning and Pressing Industries, Wardha, Maharashtra</u>
F. No. HQRPRCAPPLY00000297AM25

Subject: Request for Condonation of delay in submission of installation certificate in respect of EPCG Authorization No. 50300000717 dated 21.07.2016 under Zero duty EPCG Scheme

In support of their request the firm has submitted that RA, Nagpur has rejected their application for EODC on a single ground that they have not submitted the Installation Certificate within the prescribed time and directed them to pay the customs duty along with interest

Decision: The Committee deliberated upon the case and decided **to recommend to DG for relaxation under Para 2.59 of FTP, 2023** to allow condonation of delay in submission of installation certificate, subject to payment of late fee of Rs. 10,000/- 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- 36: M/s Youngman Woollen Mills Private Limited , Ludhiana
F. No. HQREPCGPRAPP00002147AM24

Subject: Request for EOP extension for 2 years beyond (8+2) years in respect of EPCG Authorization No. 3030009687 dated 11.06.2012 and No. 3030009734 dated 15.06.2012 under 3% duty EPCG Scheme

In support of their request the firm has submitted that :-

i. They have fulfilled only USD 404852.33 (22.03%) of the total export obligation and the remaining EO of USD 1432776.91 (77.97%) was completed after 10.06.2022 in respect of EPCG authorization No. 3030009687 dated 11.06.2012.
ii. In respect of authorization No.3030009734 dated 15.06.2012 during the validity and extendable period of the license i.e. up to 14.06.2022, they have fulfilled only USD 450091.70 (19.71%) of the total export obligation, and the remaining export obligation of USD 1833953.88 (80.29%) was completed after 14.06.2022.
iii. There was a huge financial burden, and then there was a situation where it was not possible for them to export because foreign buyers cancelled the export orders due to the shutdown of all international markets due to the COVID19 pandemic.
iv. Show-cause notice issued against EPCG license No. 3030009734 dated 15.06.2012 vide ECA File Number: LDAECAAPPLY00000390AM24 and against license No.3030009687 dated 11.06.2012 vide ECA File No. LDAECAAPPLY00000470 AM24.

Decision: The Committee deliberated upon the case and decided **to recommend to DG for relaxation under Para 2.59 of FTP, 2023** to allow Condonation for delay in approaching RA for second extension in EOP (10^{th} year to 12^{th} 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 2009-14.

This has the approval of DG, DGFT.

The Committee further deliberated upon the case and decided to advise the firm to **approach RA** for extension of Export Obligation Period from 12^{th} year in terms of Public Notice No. 53 dated 20.01.2023 where extension is permitted on account of COVID.

Case No- 37: M/s R&H Spaces Private Limited, Mumbai
F. No. HQREPCGPRAPP00000030AM25

Subject: Request for Condonation of Block wise EOP in respect of EPCG Authorization No. 0330041411 dated 31.03.2015 under Zero duty EPCG Scheme.

In support of their request the firm has submitted that due to low business, less presence in foreign market, online portal & delay in getting contract signed with overseas travel agent

OTA, which affected their foreign tourist business. Due to this they were unable to complete their Block wise EO within the time.

Decision: The Committee deliberated upon the case and decided to **recommend to DG for relaxation under Para 2.59 of FTP, 2023** to allow Condonation of delay in approaching the RA for extension in block-wise EOP 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.

Case No- 38: M/s CK Industries, Vadodara
F. No. HQREPCGPRAPP00000018AM25

Subject: Request for Condonation of delay in submission of Installation Certificate issued by Central Excise in respect of EPCG Authorization No. 3430002933 dated 20.09.2016 under 0% Concessional Duty.

The firm has stated that are a small scale manufacturer of turned and machined components as per requirement of the customers. They also export such parts /components to UK/USA. The firm has further stated that due to abrupt leaving of job by the employee handling the matter and by oversight on their part, they failed to submit a copy of the installation certificate to RA, Vadodara.

2. The firm has also stated that they had already fulfilled the specific EO and the average EO. A deficiency letter was issued on 31/12/2023 which was the last day of extension of public Notice (PN22/2023-DGFT dated 13/07/2023) and they were told to approach EPCG Committee for regularisation.

3. As per Installation Certificate dated 15.02.2017 issued by Central Excise enclosed by the firm, machinery was installed at the firm's premises on 12.12.2016 vie BOE No. 7564460 dated 23.11.2016.

Decision: The Committee deliberated upon the case and decided to **recommend to DG for relaxation under Para 2.59 of FTP, 2023** to allow condonation of delay in submission of installation certificate, subject to payment of late fee of Rs. 10,000/- 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- 39: M/s C.D. Thapar International, Ludhiana
F. No. HQREPCGPRAPP00000020AM25

Request for 1st Block Extension in respect of EPCG Authorization No. 3030013220 dated 05.11.2014 under 0% Concessional Duty.

The firm has stated that they have received EOP extension from 6 to 8 years on 15.02.2021 along with EOP Extension up to 31.12.2023 on 14.08.2023 in terms of Notification No. 28 dated 23.09.2021.

2. The firm had further stated that they have completed the EO within the extended EOP and have submitted the redemption application with RA, Ludhiana. However, RA has issued a DL stating that the first block was not condoned.

3. The firm has also stated that due to oversight and mistake, they were unable to condone the first block and composition fees was not deposited, while the EOP was extended from 6 to 8 years from RA, Ludhiana.

Decision: The Committee deliberated upon the case and decided to **recommend to DG for relaxation under Para 2.59 of FTP, 2023** to allow Condonation of delay in approaching the RA for extension in block-wise EOP 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, 2019-14 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- 40: M/s Shakti Apparels Private Limited., Delhi
F. No. HQRPRCAPPLY00000283AM25

Subject: Request for Condonation of Delay in submission of installation certificate in respect of EPCG Authorization No. 0530168688 dated 28.09.2016 under Zero duty EPCG Scheme.

In support of their request the firm has submitted that they have completed their EO. However, company has closed its production activities due to some unavoidable reasons, so they have not submitted the installation certificate within time.

Decision: The Committee deliberated upon the case and decided to **recommend to DG for relaxation under Para 2.59 of FTP, 2023** to allow condonation of delay in submission of installation certificate, subject to payment of late fee of Rs. 10,000/- 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- 41: M/s Satnam Parboiling, Balaghat, Madhya Pradesh
F. No. HQRPRCAPPLY00009226AM24

Subject: Request for condonation of Delay in submission of installation certificate in respect of EPCG Authorization No. 5030000971 dated 20.02.2020 under Zero duty EPCG Scheme.

In support of their request the firm has submitted that they were delayed in submitting the installation certificate to RA due to lack of knowledge of time line. They have fulfilled their

EO. RA, Nagpur rejected their redemption application stating that the installation certificate is not furnished within prescribed period and required to regularize the case by payment of customs duty with interest.

Decision: The Committee deliberated upon the case and decided to **recommend to DG for relaxation under Para 2.59 of FTP, 2023** to allow condonation of delay in submission of installation certificate, subject to payment of late fee of Rs. 10,000/- 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- 42: Cargill India Private Limited, New Delhi
F. No. HQREPCGPRAPP00001830AM24

Subject: Request for Condonation of delay in submission of Installation Certificate issued by Chartered Engineer instead of Central Excise Department in respect of 7 EPCG Authorization Nos. under 0% Concessional Duty.

The firm has stated that while applying for redemption application, they were apprised that they had to submit an installation certificate from Central Excise. Accordingly, they filed an application for issuance of Installation Certificate to Jurisdictional Central Excise Office. However, they did not receive any further communication, and they later arranged an Installation Certificate from an independent Chartered Engineer.

2. The firm further stated that they have met the export obligations in a timely manner and submitted all the documents required in the RA concerned. The firm has also stated various judicial pronouncements for similar cases viz. Mangalore Chemicals & Fertilizers ltd. V. Deputy Commissioner, 1991- (055)-ELT-0437–SC, M/s. S.L. Polypack Private Limited Vs. Commissioner of CGST & CX, Howrah Commissionerate [Excise Appeal No. 75342 of 2018 dated January 20, 2023, and Bombay-II vs. Roshan Tin Printers reported in 1994 (74) ELT 325 (Tribunal).

3. The details regarding the installation of CGs under 7 applications is as under:

S. No.	File No.	Authorization Details	Date of Installation Certificate	Date of Installation of CGs	BOE Details
1	HQREPCGPRAPP00001830AM24	0530164218 dt. 27.01.2015	09.05.2016	30.09.2015	8367050, 8367344
2	HQREPCGPRAPP00001831AM24	0530164163 dt. 14.01.2015	09.05.2016	15.09.2015	8559485, 8442383, 8376485
3	HQREPCGPRAPP00001833AM24	0530163548 dt. 14.10.2014	09.05.2016	20.11.2015	7434140
4	HQREPCGPRAPP00001834AM24	0530164572	09.05.2016	30.03.2016	9004652

		dt. 18.03.2015		and 20.07.2015	
5	HQREPCGPRAPP00001835AM24	0530164020 dt. 19.12.2014	09.05.2016	24.07.2015	7957103
6	HQREPCGPRAPP00001836AM24	0530164340 dt. 12.02.2015	09.05.2016	10.11.2015	8576204
7	HQREPCGPRAPP00001875AM24	0530164132 dt. 08.01.2015	09.05.2016	15.09.2015	8308109

Decision: The Committee deliberated upon the case and decided to **defer** it with the direction to call for proof of submission of application to Central Excise Department by the firm.

Case No- 43: M/s ENGSER Ltd, Howrah, West Bengal
F. No. HQREPCGPRAPP00000033AM25

Subject: Request for extension of Block wise EOP in respect of EPCG Authorization No. 0230008298 dated 18.09.2012 under 3% duty EPCG Scheme.

In support of their request the firm has submitted that :-

i. RA, Kolkata issued a DL stating that their application is time barred as per Para 5.8.3 of HBP-2009-14.
ii. They have fulfilled the required EO in INR 24,55,064 (USD 43,958.17), as per actual duty saved amount i.e. Rs.3,06,883 by direct export under shipping Bill No.8754042 dated 05.12.2019 of INCCU1, Export made USD 53020.10, which is 20% excess from the required EO within valid 2nd block.
iii. There were significant changes in management and lack of buyers for the specified only export item mentioned in the EPCG authorization. Further, their factory faced a lockdown from 06.07.2014 to 18.07.2015.

Decision: The Committee deliberated upon the case and decided to **recommend to DG for relaxation under Para 2.59 of FTP, 2023** to allow Condonation of delay in approaching the RA for extension in block-wise EOP 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, 2019-14 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- 44: M/s JAPS Holdings Pvt Ltd., Tamilnadu
F. No. HQRPRCAPPLY00000279AM25

Subject: EOP extension for 4 years beyond 6 years in respect of EPCG Authorization No.3230026464 dated 22.11.2017 under Zero duty EPCG Scheme.

In support of their request the firm has submitted that :-

i. Their company has faced due to the unprecedented impact of Covid-19 pandemic on global trade and after Russian and Ukraine war upset to them for their already develop Export Market.
ii. As per FTP they are eligible for 2 years EOP extension but they required 4 years EOP extension so that they may complete their EO. This extension is must crucial for their company to navigate the challenges posed by the Covid-19 and fulfill the commitment to achieve the export targets outlined in the subject authorization.
iii. They understand the importance of adhering to trade policies and regulations, and they assure that their company remains fully committed to meeting the export obligation. The extension will provide them with necessary time to recover from the adverse effect of the pandemic and resume normal business operations.

Decision: The Committee deliberated upon the case and decided to **recommend to DG for relaxation under Para 2.59 of FTP, 2023** 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 EO 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.

The Committee further deliberated upon the case and decided to advise the firm to approach RA for extension of Export Obligation Period in terms of Public Notice No. 53 dated 20.01.2023 where extension is permitted on account of COVID.

Case No- 45: M/s JAPS Holdings Pvt Ltd., Tamilnadu
F. No. HQRPRCAPPLY00000281AM25

Subject: EOP extension for 4 years beyond 6 years in respect of EPCG Authorization No. 3230026631dated 10.01.2018 under Zero duty EPCG Scheme.

In support of their request the firm has submitted that :-

i. Their company has faced challenges due to the unprecedented impact of Covid- 19 pandemic on global trade and after Russian and Ukraine war upset to them for their already develop Export Market.
ii. As per FTP they are eligible for 2 years EOP extension but they required 4 years EOP extension so that they may complete their EO. This extension is most crucial for their company to navigate the challenges posed by the Covid -19 and fulfill the commitment to achieve the export targets outlined in the subject authorization.
iii. They understand the importance of adhering to trade policies and regulations, and they assure that their company remains fully committed to meeting the export obligation. The

extension will provide them with necessary time to recover from the adverse effect of the pandemic and resume normal business operations.

Decision: The Committee deliberated upon the case and decided to **recommend to DG for relaxation under Para 2.59 of FTP, 2023** 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 EO 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.

The Committee further deliberated upon the case and decided to advise the firm to approach RA for extension of Export Obligation Period in terms of Public Notice No. 53 dated 20.01.2023 where extension is permitted on account of COVID.

Case No- 46: M/s Vedant Hospital, Bhivandi
F. No. HQRPRCAPPLY00008973AM24

Subject: EOP extension for 6 years beyond 8 years in respect of EPCG Authorization No. dated 10.03.2011 under 3% EPCG concessional duty.

In support of their request the firm has submitted that :-

i. Ved Hospital is located in Kalyan. It is a 153 bed multi-specialty hospital with state of the art facilities located strategically 3 km from Kalyan and 7 km from Bhivandi.
ii. The project had to be started in the year 2010 but the project delayed as the construction was not completed due to:

a. Their Managing Director had a Brain stroke and was on bed for almost 6 months relulsted in delay in project. Near to Hospital there is a hotel named Monarch which is situated in their premises. The owner of the said hotel has taken objection and stays from court and filed a case against on their Electric Transformer installation and commencing. To vacate the stay they fought the case in the court and took order in their favor. For their entire process of taking part judgment from the court in their favor, they took almost 2 years and delayed the entire project.
b. They imported the Medical equipments CT scan and Cath Lab machine from Japan under EPCG license from the part Term Loan disbursed by bank which were not operative and not installed till 2013.
c. The imported machines were against the LC in Japanese Yen where Canara Bank stood guarantee. The sudden increase in Yen resulted in huge Exchange rate fluctuation debiting their OD account (working capital) by Canara Bank. Even Canara Bank did not guide them to book forward purchase contract to recover from exchange rate fluctuation. They were not able use their working capital for their day to day requirements.

d. They had also imported furniture's partitions and refurbished medical equipments under EPCG license by paying custom duty from the Promoters pocket. The Canara Bank disbursed the loan in the favor of the parties after submitting the invoice for the particular item lacking confidence.
e. As per their Strategic Geographical location, they are situated almost 60 km away from the International Airports. Their patients had big issue in travelling towards their hospital for their treatments due to poor road and infrastructural challenges, heat and dust particles on the road. Power Fluctuation factor also give huge impact on their business as there is heavy fluctuation and tripping by MSEDCL.
f. Normally a Hospital business takes up to 3 years to pick up, but all these factors resulted in huge losses affecting their business. The time period where they had to generate the business generated huge losses. It took almost 4 years for the Hospital to be operational, i.e. in the year 2014. Their CT scan and Cathlab machines were not operational for 4 years from 2010 which affected to generate foreign income from International patients.
g. Lack of awareness in Medical Tourism, International Patients only knows big brands an accredited hospital and they prefer to go in such Hospitals. Though they tried to convince the patients, patients won't get convince as travelling time more than 3 hours.
h. Their major Machines were unable to install in speculated time period, due to unforeseen reasons and costs huge amounts in maintenance and repairs. Even their warranty was exhausted before installation of machines.
i. From March, 2020, Bhiwandi Municipal Corporation declared as Covid Hospital and during that pandemic period , lockdown, all international airlines were cancelled affecting medical tourism.
j. Now they have setup marketing team for International patients in their hospital and they will be making promotional activities for generation of international patients and foreign income. They had also coordinated with their international tie up for generation of international patients and foreign income.

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- 47: M/s SLN Hitech Laser, Bangalore
F. No. HQRPRCAPPLY00005999AM24

Subject: EOP extension for 1 year from the date of extension in respect of EPCG Authorization No. 0730014731 dated 31.08.2015 under Zero duty EPCG Scheme.

In support of their request the firm has submitted that :-

i. They were unable to complete EO in the first block due to Covid and cancellation of orders from their overseas buyers-USA which was largely affected. They tried with several other customers, they were unable to succeed as specifications and designs were not able to match that scenario due to time constraints.
ii. They had applied for closure now and were informed by RA to pay the duties and interest for the non-fulfillment of EO for the first block. They are a small unit and

payment of duties and interest would be a huge burden on the company financials which may lead to more losses.

2. In this regard it is submitted that earlier this case was placed before the EPCG Committee Meeting No.6/AM24 dated 26.10.2023 for 1st block extension. The decision of the Committee is as under:

"*The Committee deliberated upon the case and decided to recommend to DG for relaxation under Para 2.59 of FTP, 2023 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.*"

Decision: The Committee deliberated upon the case and decided to **recommend to DG for relaxation under Para 2.59 of FTP, 2023** to allow EO extension for 2 years (from 6th to 8th year) on payment of payment of composition fee or imposition of additional EO in terms of Para 5.17 of HBP, 2015-20 and late fee of Rs. 10,000/-.

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

This has the approval of DG, DGFT.

The Committee further deliberated upon the case and decided to advise the firm to **approach RA** for extension of Export Obligation Period from 12th year in terms of Public Notice No. 53 dated 20.01.2023 where extension is permitted on account of COVID.

Case No- 48: Alok Industries Limited, Mumbai
F. No. HQREPCGPRAPP00002028AM24

Subject: Request to Allow Consideration of 4 Shipping Bills for regularization of imports in respect of EPCG Authorization No. 0331001362 dated 05.02.2021 under 0% Concessional Duty.

The firm has stated that under BOE No. 3486826 dated 08.04.2021 filed with Customs Authorities under S.No. 153 for the subject license, they had initially received only one invoice from the supplier i.e. IN91009422 dated 31.03.2021.

2. The firm further stated that the shipment was cleared from Customs Authority under RMS facility and it was delivered to the firm's factory. However, during the reconciliation, they found that the supplier had erroneously missed to provide them another 4 invoices in pre-alert documents. Now, the Customs Authorities have denied accepting the 4 invoices as the validity of the subject Authorization has been expired on 04.02.2023.

The details of the 4 invoices are as under :-

Invoice No.	Value	Freight Amount	Total Invoice Value
91009420	CHF 34411.86	CHF 3065.54	CHF 37,477.40

91009421	CHF 99957.35	CHF 8904.27	CHF 1,08,861.62
91009425	CHF 58273.23	CHF 5191.08	CHF 63,464.30
91009426	CHF 29199.43	CHF 2601.16	CHF 31,800.60

Decision: The Committee deliberated on the request of the firm and decided to call for a report from Department of Revenue (Drawback Division) in the matter regarding verification from the port clearance. Accordingly, the case stands **deferred.**

Case No- 49: Yogi Cotex Pvt Ltd, Mumbai
F. No. HQRPRCAPPLY00006042AM24

Subject: Request for Automatic Extension as per Notification No. 28/2015-20 dated 23.09.2021 up to 31.12.2022 in respect of EPCG Authorization No. 0330037308 dated 25.11.2013 under 0% Concessional Duty.

The firm has obtained subject EPCG Authorization for duty saved value of Rs. 780,000. The annual average of the past export performance is Rs. 0.00 as per the condition sheet. The firm has stated that they have met the 5% additional export obligation as per the Notification terms and have applied for 1st and 2nd EOP extensions by payment of Composition fees.

Decision: The Committee deliberated on the request of the firm and decided to call for a report from Department of Revenue (Drawback Division) in the matter. Accordingly, the case stands **deferred.**

Case No- 50: Shreas Industries Ltd, Hyderabad
F. No. HQREPCGPRAPP00002130AM24

Subject: Review Application for Condonation of delay in submission of Installation Certificate and grant time up to 05.03.2023 in respect of EPCG Authorization No. 0931000008 dated 17.12.2020 under 0% Concessional Duty.

The firm had earlier requested for extension required for installation of Capital Goods up to 05.03.2023 and late submission of Installation Certificate in respect of subject EPCG Authorization. The case was rejected in 10th EPCG Committee Meeting of AM-24 held on 09.02.2024 wherein the Committee observed that applicant has not submitted any cogent reason/justification in support of the request or any genuine hardship faced by them. Accordingly, the Committee decided to reject the request.

2. Now, the firm vide Review Application dated 14.03.2024 had requested for Condonation of delay in submission of Installation Certificate and grant time up to 05.03.2023 in respect of EPCG Authorization No. 0931000008 dated 17.12.2020 under 0% Concessional Duty. The firm has submitted the following :-

i. The firm has stated that they could not submit the Installation Certificate within time due to Covid-19 pandemic.

ii. The firm has also stated that they have submitted the IC to the RA, Hyderabad on 02.01.2023

3. A deficiency letter has been issued by RA, Hyderabad which stated that as per para 5.04 of HBP the firm is required to submit installation certificate within 6 months from the date of import and it is installed after 23 months from import.

Decision: The Committee deliberated upon the case and decided to **recommend to DG for relaxation under Para 2.59 of FTP, 2023** to allow condonation of delay in submission of installation certificate, subject to payment of late fee of Rs. 10,000/- 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- 51: Navya Foods Private Limited, Chittoor, Andhra Pradesh
F. No. HQREPCGPRAPP00000524AM23

Subject: Request for Consideration of Excess Exports made against EPCG Authorization No. 0930011846 dated 04.02.2016 for fulfillment of EO of another EPCG Authorization No. 0930010065 dated 20.02.2014 under 0% Concessional Duty.

The firm has stated that against EPCG Authorization No. 0930011846 dated 04.02.2016, based on imports made, the specific EO was US$ 170734.14 (Fast Track - 5.09 Incentive for early EO fulfillment) and they have discharged the same vide following Shipping bills :-

0930011846 dated 04.02.2016 - Specific Exports made for EODC				
S. No.	Product	No.	Date	Total US$
1	Totapuri Mango Puree	7484020	10.09.2018	31803.00
2	Totapuri Mango Puree	7511976	11.09.2018	11427.00
3	Alphanso Mango Puree	7514918	11.09.2018	16735.00
4	Totapuri Mango Puree	7539365	12.09.2018	9105.00
5	Alphanso Mango Puree	8058900	05.10.2018	34648.00
6	Alphanso Mango Puree	7999311	03.10.2018	31712.00
7	Alphanso Mango Puree	8172390	10.10.2018	41824.20
				177254.20

2. The firm further stated that after completion of the specific EO, erroneously they have mentioned same EPCG Authorization No. 0930011846 instead of mentioning subject EPCG Authorization No. 0930010065 dated 20.02.2014 on the following shipping bills :-

0930011846 dated 04.02.2016 - Excess Exports made				
S. No.	Product	No.	Date	Total US$
1	Mango Puree	4163532	12.04.2018	12998.80
2	Alphanso Mango Puree	4202403	13.04.2018	39679.00
3	Mango Puree	4265812	17.04.2018	21451.40
4	Totapuri Mango Puree	8081716	06.10.2018	9432.00
5	Alphanso Mango Puree	8111840	08.10.2018	16885.99
6	Alphanso Mango Puree	8137670	09.10.2018	15055.99
7	Alphanso Mango Puree	8059472	05.10.2018	35231.99
				150735.17

3. The firm further stated that against EPCG Authorization No. 0930010065 dated 20.02.2014, based on imports made, the specific EO was US$ 148272.49 and they have made exports to that extent i.e., 150735.17, but erroneously, EPCG Authorization No. 0930011846 dated 04.02.2016 was mentioned on these shipping bills.

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- 52: Bharat Heavy Electricals Limited (BHEL), Tiruchirappalli</u>
F. No. HQREPCGPRAPP00000684AM23

Subject: Relaxation for shortfall in AEO in respect of 2 EPCG Authorization Nos. 0430011146 dt. 27.04.2012 and 0430012974 dated 04.10.2013.

The submission of the firm is as under :-

i. BHEL, Tiruchirappalli is a manufacturer of steam generators (boilers) and auxiliaries (boiler drums, separator vessels, collector vessels, economizer coils, super heater coils, re-heater coils, headers etc.), which are key components of thermal/nuclear power plants. As a part of augmentation of facilities under 20000 MW modernization plan in anticipation of increased power and industrial segment orders, BHEL, Trichy had obtained above mentioned EPCG authorization from RA, Chennai.

ii. As per Notification No. 107 (RE-2010)/2009-2014 Dt. 21.03.2013, Noting-1 Notification No. 107 dated 21 March 2012 supply to non-mega power projects shall not be entitled to any deemed export benefit. When the annual supplement to FTP is brought out, the consequential changes of this decision will be reflected in various provisions of chapter 8 of FTP & also HBP, vol. 1. Deemed export benefits were withdrawn for all power projects other than the listed 112 mega power projects, so that the export obligation could not be achieved through normal power projects.

iii. Over the last six years, they received 20 nos. export orders in Non-DEEC category and 7 nos. export orders fell into the DEEC category, of which 6 nos. export orders were secured during AM-14 and 01 nos. were placed during AM-16 period.

iv. Most of the orders, which have been secured by them during the period between AM-13 and AM-19, fall under the non- DEEC category (20 Nos). They are executing / completing multiple orders since AM 17 in the range of 17 x 800 MV, 9x660 MW, 1x 525 MW, 2x 500 MW, 4x 270 MW with a total Power Capacity of 22145 MW. However, these orders do not fall under the category of "Physical Export / Deemed Export project". The reasons for decline in exports due decline in Thermal sector business, Re-categorization of Power projects, Environmental factors & Bankruptcy of customers. These factors resulted in the drastic decline in their overall export performance during the period AM- 13 to AM-19.

2. The case was considered in the 1st EPCG Committee Meeting of AM-25 held on 19.04.24. The decision of which is as under:

> *"The Committee deliberated upon the case and decided to grant one last opportunity of Personal hearing to the firm. Accordingly, the case stands* ***deferred****."*

3. The firm was granted opportunity of personal hearing today.

4. The representatives of the firm, Shri Avinash Sharma, Manager, BHEL, Delhi (appeared in person) and Smt. N Nithya, Manager BHEL, Tirichy, Shri Anshuman Mukherjee, AGM, BHEL Trichy, and Shri R Narayan, Consultant, MGR, Import Export Consultancy Services, Trichy (appeared through Video Conferencing) and made the following submissions :-

Applicant's statement: The representatives of the firm stated that the reasons for decline in exports were decline in Thermal sector business, re-categorization of Power projects, environmental factors & bankruptcy of customers. These factors resulted in the drastic decline in their overall export performance during the period AM-13 to AM-19. The representatives further stated that as per Notification No. 107 (RE-2010)/2009-2014 dated 21.03.2013, supply to non-mega power projects shall not be entitled to any deemed export benefit. When the annual supplement to FTP is brought out, the consequential changes of this decision will be reflected in various provisions of chapter 8 of FTP & also HBP vol. 1. Deemed export benefits were withdrawn for all power projects other than the listed 112 mega power projects and EO obligation could not be achieved through normal power projects.

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- 53: Bharat Heavy Electricals Limited (BHEL), Tiruchirappalli
F. No. HQREPCGPRAPP00000685AM23

Subject: Request for re-fixation of AEO as Rs. 83,15,00,000.00 in respect of 3 EPCG Authorizations.

The submission of the firm is as under :-

i. BHEL, Tiruchirappalli is a manufacturer of steam generators (boilers) and auxiliaries (boiler drums, separator vessels, collector vessels, economizer coils, super heater coils, re-heater coils, headers etc.), which are key components of thermal/nuclear power plants

ii. As per para 5.04(e), Export shall be physical export. However, supplies as specified in paragraph 7.02 (a), (b), (e), (f) & (h) of FTP shall also be counted towards fulfilment of export obligation, along with usual benefits available under paragraph 7.03 of FTP

iii. The AEO to be maintained by them during filling of the EPCG authorization application was inflated due to inadvertent clubbing of deemed export portion with physical exports

iv. CA certificate is submitted as per App-5B (Period AM-13, 14 & AM-15) for revision of AEO.

2. BHEL has sent stating that Tamil Nadu state is undergoing Phase–I of Lok Sabha Election 2024, which is on 19.04.2024. The present case pertains to BHEL Manufacturing Unit Trichy, which is situated in Tamil Nadu. Hence, it has been requested to allow them for Personal Hearing after 19.04.2024.

3. The case was considered in the 1st EPCG Committee Meeting of AM-25 held on 19.04.24. The decision of which is as under :-

> *"The Committee deliberated upon the case and decided to grant one last opportunity of Personal hearing to the firm. Accordingly, the case stands **deferred**."*

3. The firm was granted opportunity of personal hearing today.

4. The representatives of the firm Shri Avinash Sharma, Manager, BHEL, Delhi (appeared in person) and Smt. N Nithya, Manager BHEL Tirichy, Shri Anshuman Mukherjee, AGM, BHEL Trichy, and Shri R Narayan, Consultant, MGR, Import Export Consultancy Services, Trichy (appeared through Video Conferencing) and made the following submissions :-

Applicant's statement: The representatives of the firm stated that the reasons for decline in exports were decline in Thermal sector business, re-categorization of Power projects, environmental factors & bankruptcy of customers. These factors resulted in the drastic decline in their overall export performance during the period AM-13 to AM-19. The representatives further stated that as per Notification No. 107 (RE-2010)/2009-2014 dated 21.03.2013, supply to non-mega power projects shall not be entitled to any deemed export benefit. When the annual supplement to FTP is brought out, the consequential changes of this decision will be reflected in various provisions of chapter 8 of FTP & also HBP vol. 1. Deemed export benefits were withdrawn for all power projects other than the listed 112 mega power projects and EO could not be achieved through normal power projects.

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- 54: Shahi Exports Pvt Ltd, New Delhi
F. No. 01/60/162/401/AM-19/PRC/EPCG

Subject: Request for Personal Hearing in our pending matter before the EPCG Committee- Clarification that if the Glass-Wool could be treated as a capital goods in

respect of EPCG Authorization No. 0530155841 dated 24.06.2011 under 03% Concessional duty.

In support of the request, the firm has stated that :-

i. They installed a new Spinning Mill in Shimoga, Karnataka in 2011 with an investment of about 500 Cr. The mill is in operation. Since they were to export their entire production, the majority of the machinery of this Mill was imported under the EPCG Scheme by obtaining multiple ECPG Authorizations from CLA, New Delhi office.

ii. During this process, apart from others, they obtained an EPCG Authorization No. 0530155841 dated 21.06.2011 for duty saved value of Rs. 9,84,850/- for import of (ii) Rolls of Glass-wool with reinforced aluminum foil on one side.

iii. Later on, when they applied for a second Authorization for the same items, CLA, New Delhi approached the EPCG Committee asking a clarification if the Glass- wool could be treated as a CG.

iv. A Spinning Mill needs a humidification plant for maintaining a certain level of humidity in the production hall. The Humidification plant cannot be effective unless it is insulated. The item imported under the Authorization is "Rolls of Glass-wool with reinforced aluminum foil on one side" which has been used as insulating material in ducts of the Humidification plant. The item is not "Glass-wool", the item is "an article made out of Glass-wool". It seems that the EPCG Committee were mis-informed about the item and its exact usage. The committee considered it as a stand –alone Glass-wool, depending on its application, an item may be a CG or otherwise.

v. In this regard, they also approached 'Northern India Textiles Research Association". NITRA in its letter no. NITRA/ENGG/R-01/4214 dated 11.09.2019 concluded that: *"In light of the above we are in the opinion that Glass wool Density 32 Kgs/CBM – 50mm, thickness- 1.22X10 with reinforced aluminum foil secured one side referred by M/s Shahi Exports Pvt Ltd, comes under the heading of CG."*

2 In this regards, it is submitted that earlier the request for acceptance of 'Glass Wool' as capital goods under subject EPCG authorization was considered in 8th EPCG Committee Meeting dated 13.09.2019. The decision of the committee is as under :-

> *"The Committee deliberated upon the case and decided to reject it on the ground that the import item "Glass Wool" cannot be considered as capital goods under EPCG Scheme."*

3. Further, the case was considered in PRC committee meeting dated 11.02.2020 The decision of the PRC is as under :-

> *"The committee heard the submission made by the firm and discussed the matter at length and observed that it is an issued to ascertain whether glass wool imported by the firm is a capital good or not. It decided to refer the issue to EPCG Division for re-consideration and resolution the matter."*

4. Again the case was considered in 1st Meeting of EPCG AM-22 dated 13.04.2021 and the decision of the committee is as under:

> *"The Committee examined the case and decided to maintain the rejection on the above grounds."*

5. The representative of the firm (Shri Tarsem Sarpal, General Manager, Logistics and Commercial) appeared through Video Conferencing and made the following submissions :-

Applicant's statement: The representative of the firm stated the item is not "Glass-wool", the item is "an article made out of Glass-wool". The firm also approached Northern India Textiles Research Association (NITRA), which concluded that: *"In light of the above we are in the opinion that Glass wool Density 32 Kgs/CBM – 50mm, thickness- 1.22X10 with reinforced aluminum foil secured one side referred by M/s Shahi Exports Pvt Ltd, comes under the heading of CG."*

Decision: The Committee deliberated upon the case and decided to **defer** the case for further examination on file.

Case No- 55: M/s Innovative Textiles Ltd, Gurugram
F. No. 01/36/218/70/AM-20/EPCG

Subject: Request for transfer of 16 EPCG Authorization in the name of SD Polytech Pvt Ltd due to transfer to business unit by way of a slump sale.

The firm had earlier requested for transfer of ongoing business being carried at "Plot No. B-8, Phase-1 at Eldeco SIDCUL Industrial Park, Sitarganj, bearing Khasra No. 141, 142, Village Lalarpatti District Udham Singh Nagar, Uttarakhand by way of a slump sale to M/s S D Polytech Private Limited (IEC 02159002600 having its registered office at 13C, Kashinath Mullick Lane, Kolkata the business transfer on slump sale basis entails transfer of all the assets and liabilities to M/s S D Polytech Private Limited which has agreed to take over the pending export obligation of 16 EPCG licences.

2. The case was considered in 7th EPCG Committee Meeting held on 30.08.2019 wherein the Committee deliberated upon the case and decided to defer it for examination on file.

3. Now, the firm vide email dated 06.04.2024 has requested for transfer of 16 EPCG Authorization in the name of SD Polytech Pvt. Ltd. due to transfer to business unit by way of a slump sale and the firm has submitted the following. The applicant has obtained 34 EPCG authorizations and out of these, they have completed redemption of 15 Authorizations and EODC letter has been issued by DGFT and also application for redemption of 3 have been filed by them in DGFT.

4. The firm has stated that the consent and approval of the Board of Directors & Shareholders, the Company had transferred the ongoing business being carried out at Plot No 8, Block-B, Phase 1 SIDCUL Industrial Park, Sitarganj bearing Khasra No 141,142 village Lalarpatti District Udham Singh Nagar, Uttarakhand by way of Slump Sale to M/s SD Polytech Pvt Ltd (CIN: U5200WB2014PTC204625 and IEC 0215900260) having its Registered office at 13 C, Kashinath Mullick Lane, Kolkata, West Bengal 700073. M/s SD Polytech Pvt. Ltd. has

agreed to take over the pending export obligations of all 16 EPCG Authorisations. The Company had also obtained an advanced ruling from the GST Department regarding non-application of GST for the Slump Sale.

5. The firm submitted application vide dated 18.03.2019 addressed to CLA, Delhi along with copy of list of pending EPCG licenses along with CA certificate of Export Obligation under EPCG licenses of Sitarganj unit, EO completed, list of pending 16 EPCG Licenses, copy of Special Board Resolution, ANF2D, undertaking of M/s SD Polytech Pvt. Ltd. regarding fulfilment of EO for 16 EPCG licenses and certified copy of the Resolution passed in the meeting of the Board of Directors of M/s SD Polytech Pvt. Ltd. on 21st January, 2019.

6. The case was considered in the 1st EPCG Committee Meeting of AM-25 held on 19.04.2024. The decision of which is as under:

"The Committee deliberated upon the case and decided to ***defer*** *it for further examination."*

Decision: The Committee deliberated upon the case and decide to **defer** the case for further examination on file.

<u>Case No- 56: Reliance New Solar Energy Limited, Mumbai</u>

F. No. HQREPCGPRAPP00000080AM25

Subject: Request for Utilisation of goods importer under 13 EPCG Licenses – Relaxation from procedure as per Para 2.59 of FTP is as under:

i. **The EPCG License issued to M/s RNSEL may be assigned to M/s RIL**
ii. **Movement of CGs imported under the aforesaid EPCG Licenses to the MOOWR facility being set –up by RIL without payment of duty saved on clearance of these CG under EPCG Scheme.**
iii. **Redemption of these licenses with intimation to the customs authority for cancellation of corporate guarantee upon completion of movement of imported goods from RNSEL to MOOWR premises of RIL.**

Reliance New Solar Energy Limited (RNSEL), Mumbai vide application dated 25.04.2024 has requested for Utilisation of goods importer under 13 EPCG authorizations – Relaxation from procedure as per Para 2.59 of FTP under 0% Concessional Duty. The firm has submitted the following :-

i. EPCG Licenses issued to M/s RNSEL may be assigned to M/s Reliance Industries Limited (RIL). The list of 13 EPCG authorizations is as under :-

Sr. No.	EPCG License No. & Date
1	331023733 dated 19.05.2023
2	331024089 dated 31.05.2024

3	331024090 dated 31.05.2024
4	331024208 dated 05.06.2023
5	331025227 dated 07.07.2023
6	331025841 dated 28.07.2023
7	331026118 dated 08.08.2023
8	331027279 dated 21.09.2023
9	331027280 dated 21.09.2023
10	331028145 dated 25.10.2023
11	331029443 dated 19.12.2023
12	331029835 dated 03.01.2024
13	331030568 dated 31.01.2024

ii. Movement of Capital Goods (CGs) imported under the aforesaid EPCG authorizations to the MOOWR facility being set up by RIL without payment of duty saved on clearance of these CG under EPCG Scheme.

iii. Redemption of the authorizations with intimation to the Customs authority for cancellation of corporate guarantee upon completion of movement of imported CGs from RNSEL to MOOWR premises of RIL.

2. The justification given by the RNSEL is that they decided to set up 10 GW integrated photo voltaic module plant in Jamnagar for manufacturing of high efficiency Solar Modules. The manufacturing facilities of this integrated plant was to be set-up in phases and to be completed tentatively by 2026 with a total investment of Rs. 40,000 Cr.

3. RNSEL opted for EPCG Scheme for importing CGs required for setting up of solar module and started imports. However, the International Market for solar modules witnessed major upheaval with china and it has become unviable for RNSEL to set up the manufacturing of solar modules witnessed major upheaval with china and it has become unviable for M/s RNSEL to set up the manufacturing of solar modules in India and fulfil the requisite EO.

4. The firm has further stated that M/s RIL is in process of establishing solar power generating plants on a large scale and will require solar panels. Considering the current market price, customs duty of 44% on high efficiency solar modules, domestic manufacturing would only be viable if the plant is set under MOOWR by availing exemption of duty on CGs. RIL would be able to utilize the modules manufactured in the MOOWR unit for the first 3 years & subsequently export their output.

5. In addition, RIL has given the consent to acquire the CGs imported by Reliance New Solar Energy Ltd under EPCG Licenses and to utilize the same in their planned MOOWR facility at Jamnagar.

Decision: The Committee deliberated upon the case and decided to call for comments from the Department of Revenue (Drawback Division) on the request. Accordingly, the case stands **deferred.**

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[DGFT= Directorate General of Foreign Trade, DG = Director General, FTP, = Foreign Trade Policy, HBP,v1 = Handbook of Procedure Vol. I, EO = EO, EODC = EO Discharge Certificate, EOP = EO 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. 01/36/218/06/AM-25/EPCG]

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