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MINUTES OF 8th MEETING OF AM-26 OF THE EPCG COMMITTEE HELD UNDER THE CHAIRMANSHIP OF SHRI ABHINAV GUPTA, ADDITIONAL DIRECTOR GENERAL OF FOREIGN TRADE HELD ON 15.01.2026.

Eighth Meeting for AM-26 of the EPCG Committee was held on 15.01.2026 under the chairmanship of Shri Abhinav Gupta, 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 Joy Prakash, Foreign Trade Development Officer, DGFT

II. Minutes of the last Meeting were confirmed. Thereafter, the Committee deliberated upon the following cases presented before it, namely:-

III. The Committee made the following recommendations to DG, DGFT, for each of the aforesaid cases, as mentioned below:-

<u>Case No- 01: M/s Balmer Lawrie-Van Leer Limited, Bangalore</u>

HQREPCGPRAPP00001555AM26

Subject: Request for

i. **Consideration of Manual EODC application for EPCG Authorisation closure.**
ii. **Revocation of Order in Original against the EPCG Authorisation.**

In respect of EPCG Authorization No. 0730007723 dated 05.01.2009 under 3% Concessional duty and 0730009689 dated 15.12.2010 under 0% Concessional duty

In support of their request, the firm has submitted the following:

2. The firm has stated that they were engaged in the manufacturing and export of Drum Closures, Lever Latches, Locking Rings, and Drum Closure Gaskets used in industrial drums. The company held an Import Export (IE) Code 0790004933. In 2014, Pro-seal became a 100% subsidiary

of Balmer Lawrie Van Leer Ltd (BLVL). Subsequently, in 2017, the company was amalgamated with BLVL on 23.06.2017. BLVL holding Import Export (IE) code 0388027703.

3. During independent operations prior to the amalgamation, Pro-seal procured multiple EPCG licenses and successfully fulfilled the export obligation and redeemed the Authorisations. The merger was duly intimated to the Director General of Foreign Trade on 10/7/2017. However, the merger process was not carried out through the online system, as the procedures were manual at that time.

4. The representatives of RA, Bangalore attended the meeting and the matter was discussed in detail and RA submitted that:

In respect of EPCG Authorization No. 0730007723 dated 05.01.2009, the firm has not complied with the documents as per deficiency letter dated 07.01.2016;

- Copy of the shipping bills has not been furnished.
- Copy of the realizations proof (BRC) has not been furnished.
- The date of installation of the imported capital goods has not been mentioned in the Installation Certificate.

In respect of EPCG Authorization No. 0730009689 dated 15.12.2010, the firm has not complied with the requirements as per deficiency letter dated 18.09.2024;

- An online file number has not been created as required under Trade Notice No. 01 dated 06.04.2023.

Decision:

In respect of 1st request: The Committee deliberated the case in detail, and representatives from RA, Bangalore informed that in respect of EPCG Authorization No. 0730007723 dated 05.01.2009, the EODC has already been granted. Accordingly, request is treated as **withdrawn.**

In respect of 2nd request: In respect of EPCG Authorization No. 0730009689 dated 15.12.2010, an order-in-original has been issued. It has been decided that firm may avail remedies available as per law.

<u>Case No- 02: M/s. Bharat Silks, Bangalore</u>

01/36/218/387/AM-20/EPCG

Subject: Request of M/s Bharat Silks, Bangalore for change of IEC in the EPCG Authorization Nos. 0730009969 dated 05.03.2020 and 0730009874 dated 25.02.2011.

In support of the request, the firm has stated as under:

i. Background and EPCG Authorisations: M/s Bharat Silks, engaged in the manufacture and export of high-quality silk fabrics, silk-based made-ups, and apparel, was issued IEC 0788000446 on 05.04.1988. The firm obtained two EPCG Authorisations No. 0730009969 dated 24.03.2011 and No. 0730009874 dated 25.02.2011, under the 3% concessional duty scheme from RA, Bangalore.

ii. Business Expansion, Adverse Market Conditions, and Reorganisation: The firm expanded operations and established new divisions, some of which functioned as 100% EOUs. However, due to adverse global market conditions and recessionary pressures, the original line of business became commercially unviable. Consequently, the group diversified into textile/apparel manufacturing as an EOU under the entity M/s Bharat Fashion & Apparels (IEC 3999001160, issued by CSEZ). With continued financial stress, the management decided to reorganize operations by merging M/s Bharat Fashion & Apparels with M/s Bharat Silks.

iii. Merger of Entities and Surrender of IEC 0788000446: The merger of the two entities was effected on 13.01.2012, with the consolidated business continuing under the name "Bharat Silks." All assets and liabilities of Bharat Silks (IEC 0788000446) were transferred to Bharat Silks (IEC 3999001160). As an entity may hold only one IEC, IEC 0788000446 was surrendered to RA, Bangalore, which formally cancelled it on 19.04.2012 without imposing any conditions.

iv. Request for Amendment of IEC in EPCG Authorisations: On 05.02.2015, the firm approached RA, Bangalore seeking amendment of the IEC number in both EPCG Authorisations by replacing IEC 0788000446 with IEC 3999001160, on the ground that the former entity had ceased to exist post-merger. The firm also applied for EODC, submitting that all exports were made under the surviving IEC 3999001160. RA, Bangalore informed the firm that unless the IEC in the authorisations was duly amended to reflect the surviving IEC, exports under IEC 3999001160 could not be considered toward fulfillment of the export obligation.

v. Present status: The firm had requested to permit the amendment of IEC in both the EPCG authorisations and export obligations can be taken into account and considered for closure of the case and issue of EODC. The request was again examined by the EPCG Committee in its meeting held on 11.06.2021 and the Committee decided to withdraw the case for further examination on file.

2. The representatives of RA, Bangalore attended the meeting and the matter was discussed in detail.

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- 03: Deccan Mining Syndicate Private Limited, Bangalore</u>

HQRPRCAPPLY00011025AM25

Subject: Request for Waiver of Interest payable on Central Excise Duty for Amnesty Scheme in respect of EPCG Authorization No. 0730006694 dated 25.02.2008 under 05% Concessional Duty.

In support of the request, the firm has submitted as under:

i. The firm has stated that they had been issued the subject EPCG license on 25.02.2008 for import of Tippers for mining activity. They invalidated the license in favour of M/s Ashok Leyland Ltd. and were allowed procurement of the said CGs without the payment of Central Excise Duty, and by saving the Central Excise Duty of Rs. 1,62,366/-.

ii. The firm further stated that there was a ban on the export of Iron Ore by the State Government of Karnataka, due to which they were unable to export the resultant product and eventually unable to fulfill the export obligation.

iii. Further, the firm stated that they applied for the Amnesty Scheme. However, upon the scrutiny of the said application, RA issued DL dated 29.12.2023, insisting on payment of Customs Duty and interest and rectification of defects.

iv. The firm also stated that in the meantime, Asst. DGFT, Bangalore issued a letter dated 19.03.2024 referring to internal circular/letter dated 02.02.2024 directing the firm to regularize the cases by way of payment of excise duty with interest under Amnesty Scheme on the goods procured against the Invalidation letter.

v. The firm, in compliance to the DGFT letter dated 19.03.2024, furnished a declaration dated 25.03.2024, stating that neither they or their vendor (Ashok Leyland ltd.) have availed any Advance Authorization benefit in respect of the said invalidation letter.

vi. The firm has further stated that vide e-receipt dated 26.03.2024, they have deposited the said amount of Rs. 1,62,366/- towards the applicable excise duty and also submitted an indemnity bond dated 25.03.2024 for any revenue loss in case of incorrect declaration with respect to non-availment of advance authorization benefit. The firm stated that on scrutiny of the compliance letter, RA had issued a DL dated 30.03.2024, directing the firm to pay the interest on the central excise duty under Amnesty Scheme

vii. The firm, in response to the above DGFT letter, issued a letter dated 19.04.2024, stating that the Additional customs duty leviable under Section 3 of the Customs Tariff Act, 1975 is being equal to Central Excise Duty leviable under Central Excise Act, 1944, the interest waiver granted to the Additional Duty under said amnesty scheme will equally apply to Central Excise Duty leviable under Central Excise Act, 1944 and therefore, they are not liable to pay interest on the said Central Excise Duty. The firm lastly stated that Regional Authority rejected their request vide letter dated 27.08.2024 for waiver of interest under the said scheme, without accepting their contention.

2. The representatives of RA, Bangalore attended the meeting and the matter was discussed in detail.

Decision: The Committee deliberated upon the case and decided that the firm may submit the requisite information to the RA, Bangalore with respect to the letter dated 29.12.2023. The case is **refer** to RA.

<u>Case No- 04: Maxpreci Machines Private Limited, Bangalore</u>

HQRPRCAPPLY00000988AM26

Subject: Request for Re-fixation of Annual Average Export Obligation in respect of EPCG Authorization No. 0730013959 dated 24.11.2014 under Zero duty Scheme in terms of Para 5.17(b) of HBP 2023.

The firm has stated that the Chartered Accountant certificate extended initial submission for closure was not covering the exports in ernest which resulted shortfall in Annual Average. They have attached a revised CA Certificate which had been submitted to RA Office in later stage, which has been rejected by the office for the closure during the proceeds.

2. The representatives of RA, Bangalore attended the meeting and the matter was discussed in detail.

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- 05: M/s. E-Land Apparel Limited, Bangalore</u>

HQREPCGPRAPP00000487AM25

Subject: Request for acceptance the HS Codes mentioned in the shipping bills in respect of 16 EPCG Authorizations under 3% concessional duty;

1.	0330030715	dated 30.09.2011
2.	0330028793	dated 25.02.2011
3.	0330027896	dated 25.11.2010
4.	0330026737	dated 03.08.2010
5.	0330026612	dated 15.07.2010
6.	0330026414	dated 24.06.2010
7.	0330026167	dated 31.05.2010
8.	0330025999	dated 12.05.2010
9.	0330025623	dated 29.03.2010
10.	0330025334	dated 26.02.2010
11.	0330025199	dated 12.02.2010
12.	0330023818	dated 18.09.2009
13.	0330023626	dated 19.08.2009
14.	0330023476	dated 27.07.2009
15.	0330023043	dated 02.06.2009
16.	0330022490	dated 19.02.2009

In support of the request, the firm has stated as under:

i. The firm has stated that they have imported capital goods comprising a complete plant for textile fabric and garment manufacturing, which are being utilized in their pre-production, production, and post-production processes.

ii. It has been clarified that although there is a variation between the HS Codes mentioned in the condition sheets and those in the shipping bills, the HS Codes in the shipping bills pertain to the same/similar products that are manufactured using the imported capital goods.

iii. The firm has affirmed that the imported capital goods have been used for the intended purpose of textile and garment manufacturing and has provided a detailed Annexure (HS Codes from shipping bills) for reference

iv. The firm has attached a CA certificate confirming that the HS codes mentioned in the shipping bills correspond to the same or similar products manufactures using the capital goods imported under the EPCG Authorizations.

2. The representatives of RA, Bangalore attended the meeting and the matter was discussed in detail.

Decision: The Committee deliberated upon the case and decided to **refer** the case to RA for acceptance of the HS Codes mentioned in the shipping bills. RA may examine and decide the case as per policy on merit.

<u>Case No- 06: M/s MSPL Limited, Karnataka</u>

HQREPCGPRAPP00000656AM23

Subject: Request for EOP Extension against the ban of exports and subsequent lift of ban by Hon'ble Supreme Court in respect of 7 EPCG Authorization Nos.

S. No.	License No	Date
1	0730007913	24.03.2009
2	0730008083	03.07.2009
3	0730008036	10.06.2009
4	0730008369	13.11.2009
5	0730008433	10.12.2009
6	0730008672	05.03.2010
7	0730008786	06.04.2010

In support of their request, the firm has submitted as under:

i. The firm has stated that they imported the machinery and installed at the 1.2 MTPA pellet plant and the production was started on 30.03.2011. However, due to illegal mining in Karnataka, the export was banned which was upheld by the Judicial Authorities in 2010.

ii. The firm has further stated that due to the effect of ban on exported, they filed a representation dated 12.06.2015 for an automatic extension in EOP to fulfill the EOP; to which, they received a letter dated 29.03.2019 by DGFT Hqrs. (copy enclosed) stating that the matter is kept in abeyance as the ban which was imposed by the Hon'ble Supreme Court of India was still continuing at the time.

iii. Further, the ban was lifted vide Order dated 20.05.2022 passed in WP 562 of 2009. The firm again filed a request for automatic extension of DO to DGFT Hqrs on 04.06.2022.

2. The representatives of RA, Bangalore attended the meeting and the matter was discussed in detail.

Decision: The Committee deliberated upon the case and decided to **refer** the case to RA. RA may examine and decide the case as per policy on merit.

<u>Case No- 07: M/s Ashok Iron Works Private Limited, Belgaum</u>

HQRPRCAPPLY00000877AM26

Subject: Request for Condonation for Non-Filing of Bill of Exports in respect of EPCG Authorization No. 6530000003 dated 13.10.2017 under zero Concessional duty.

In support of their request, the firm has submitted the following:

i. Their staff handling the matter was not aware of the procedures of filing bill of export. One reason for this was that the staff handling this matter of supplies to SEZ were aware of the 100% EOU unit procedures where in Bill of Export is not required for supplies made to 100% EOU. Since they could not make out the difference between SEZ Units and 100% EOU Units, this confusion has taken place.

ii. They have exported the goods to the SEZ against the above-referred EPCG Authorization in full.

iii. Exports made to SEZ. RLA Bangalore insisting for Bill of Export to redeem the EPCG Authorization. Bill of Export was not filed due to lack of knowledge, since for EOU Bill of Exports were not required they assumed it is not required for SEZ as well. They have already discharged their export obligation to SEZ units in terms of quantity as well as value. They have also received payments against for all the supplies made to the SEZ unit.

2. The representatives of RA, Bangalore attended the meeting and the matter was discussed in detail.

Decision: The Committee deliberated upon the case and decided to **refer** the case to RA. RA may examine and decide the case as per policy on merit.

<u>Case No- 08: M/s Ashok Iron Works Private Limited, Belgaum</u>

HQRPRCAPPLY00000878AM26

Subject: Request for Condonation for Non-Filing of Bill of Exports in respect of EPCG Authorization No. 6530000019 dated 02.01.2019 under zero Concessional duty.

In support of their request, the firm has submitted the following:

i. Their staff handling the matter was not aware of the procedures of filing bill of export. One reason for this was that the staff handling this matter of supplies to SEZ were aware of the 100% EOU unit procedures where in Bill of Export is not required for supplies made to 100% EOU. Since they could not make out the difference between SEZ Units and 100% EOU Units, this confusion has taken place.

ii. They have exported the goods to the SEZ against the above-referred EPCG Authorization in full.

iii. Exports made to SEZ. RLA Bangalore insisting for Bill of Export to redeem the EPCG Authorization. Bill of Export was not filed due to lack of knowledge, since for EOU Bill of Exports were not required they assumed it is not required for SEZ as well. They have already discharged their export obligation to SEZ units in terms of quantity as well as value. They have also received payments against for all the supplies made to the SEZ unit.

2. The representatives of RA, Bangalore attended the meeting and the matter was discussed in detail.

Decision: The Committee deliberated upon the case and decided to **refer** the case to RA. RA may examine and decide the case as per policy on merit.

<u>Case No- 09: M/s Ashok Iron Works Private Limited, Belgaum</u>

HQRPRCAPPLY00000900AM26

Subject: Request for Condonation for Non-Filing of Bill of Exports in respect of EPCG Authorization No. 6530000018 dated 02.01.2019 under zero Concessional duty.

In support of their request, the firm has submitted the following:

i. Their staff handling the matter was not aware of the procedures of filing bill of export. One reason for this was that the staff handling this matter of supplies to SEZ were aware of the 100% EOU unit procedures where in Bill of Export is not required for supplies made to 100% EOU. Since they could not make out the difference between SEZ Units and 100% EOU Units, this confusion has taken place.

ii. They have exported the goods to the SEZ against the above-referred EPCG Authorization in full.

iii. Exports made to SEZ. RLA Bangalore insisting for Bill of Export to redeem the EPCG Authorization. Bill of Export was not filed due to lack of knowledge, since for EOU Bill of Exports were not required they assumed it is not required for SEZ as well. They have already discharged their export obligation to SEZ units in terms of quantity as well as value. They have also received payments against for all the supplies made to the SEZ unit.

2. The representatives of RA, Bangalore attended the meeting and the matter was discussed in detail.

Decision: The Committee deliberated upon the case and decided to **refer** the case to RA. RA may examine and decide the case as per policy on merit.

Case No- 10: M/s Ashok Iron Works Private Limited, Belgaum

HQRPRCAPPLY00000899AM26

Subject: Request for Condonation for Non-Filing of Bill of Exports in respect of EPCG Authorization No. 6530000027 dated 21.06.2019 under zero Concessional duty.

In support of their request, the firm has submitted the following

i. Their staff handling the matter was not aware of the procedures of filing bill of export. One reason for this was that the staff handling this matter of supplies to SEZ were aware of the 100% EOU unit procedures where in Bill of Export is not required for supplies made to 100% EOU. Since they could not make out the difference between SEZ Units and 100% EOU Units, this confusion has taken place.

ii. They have exported the goods to the SEZ against the above-referred EPCG Authorization in full.

iii. Exports made to SEZ. RLA Bangalore insisting for Bill of Export to redeem the EPCG Authorization. Bill of Export was not filed due to lack of knowledge, since for EOU Bill of Exports were not required they assumed it is not required for SEZ as well. They have already discharged their export obligation to SEZ units in terms of quantity as well as value. They have also received payments against for all the supplies made to the SEZ unit.

2. The representative of RA, Bangalore attended the meeting and the matter was discussed in detail.

Decision: The Committee deliberated upon the case and decided to **refer** the case to RA. RA may examine and decide the case as per policy on merit.

Case No- 11: M/s Ashok Iron Works Private Limited, Belgaum

HQRPRCAPPLY00000879AM26

Subject: Request for Condonation for Non-Filing of Bill of Exports in respect of EPCG Authorization No. 0731001848 dated 03.09.2021 under zero Concessional duty.

In support of their request, the firm has submitted the following:

i. Their staff handling the matter was not aware of the procedures of filing bill of export. One reason for this was that the staff handling this matter of supplies to SEZ were aware of the 100% EOU unit procedures where in Bill of Export is not required for supplies made to 100% EOU. Since they could not make out the difference between SEZ Units and 100% EOU Units, this confusion has taken place.

ii. They have exported the goods to the SEZ against the above-referred EPCG Authorization in full.

iii. Exports made to SEZ. RLA Bangalore insisting for Bill of Export to redeem the EPCG Authorization. Bill of Export was not filed due to lack of knowledge, since for EOU Bill of Exports were not required they assumed it is not required for SEZ as well. They have already discharged their export obligation to SEZ units in terms of quantity as well as value. They have also received payments against for all the supplies made to the SEZ unit.

2. The representatives of RA, Bangalore attended the meeting and the matter was discussed in detail.

Decision: The Committee deliberated upon the case and decided to **refer** the case to RA. RA may examine and decide the case as per policy on merit.

Case No- 12: M/s Umbrey Engineering Pvt Ltd

HQRPRCAPPLY00012367AM25

Subject: Request for exemption of Bill of Export for supplies to SEZ & Consideration of Bank Certified Statement in lieu of E- BRC in respect of EPCG Authorization No. 0730011700 dated 08.10.2012 under 0% Concessional Duty.

In support of their request, the firm has stated that they have completed the EO by 31.05.2017 within licensing period and their supplies has been to SEZ it was on a job work basis, where the raw materials were issued to them and they had to supply back the finished products. The supplies were under Delivery Challans, hence no BOE or ARE1 were issued.

2. The firm was given an opportunity for personal hearing. However, no one appeared.

3. The representatives of RA, Bangalore attended the meeting and the matter was discussed in detail.

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

Case No- 13: M/s Maa Bhatyani Textile, Surat

HQRPRCAPPLY00000908AM26

Subject: Request for Amendment of HSN code in respect of EPCG Authorization No. 0330042891 dated 29.10.2015 under zero Concessional duty.

The firm has submitted that due to lack of knowledge regarding amendment of HSN code, they would not be aware of this earlier. Although the license has expired.

2. The representative of RA, Mumbai attended the meeting and the matter was discussed in detail and RA submitted that the HSN code endorsed in the authorisation were: 55133100- Woven fabric polyester fabric, 54071029-Grey cloth synthtetic, 55150000- Woven Fabrics Synthetic (Semi Finished) & 55151200-Woven Man Made Fibre Fabrics. As per the SB's copies shared, it seems that the exports were made with different HSN code for export items then those endorsed on the authorisation. Hence, the authorisation holder might have applied to EPCG committee for amendment of HSN code of the export items. However, it is observed in the document shared that the firm has not submitted chartered engineer's certificate to showcase the linkage of the CG's with the export product they want to add in the authorization.

Decision: The Committee deliberated upon the case and decided to **refer** the case to RA for acceptance of the HS Codes mentioned in the shipping bills. RA may examine and decide the case as per policy on merit.

Case No- 14: M/s Jyotitech Solar LLP, Mumbai

HQRPRCAPPLY00000848AM26

Subject: Request for Consideration of Job Work 33.29% towards EO Fulfilment in respect of EPCG Authorization No. 0330043084 dated 27.11.2015 under zero Concessional Duty.

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

i. They had imported capital goods of "Semi-Automatic Production Line for Photovoltaic Modules 1 Set" and established a modernized manufacturing facility at their premises. This facility was set up with the intention of Export/ supporting export activities of Solar Cells/Photovoltaic Cells, Solar/PV Street Lighting Systems, Solar Panels, Solar Rooftops, Solar Domes, Solar Greenhouses, Centrifugal Pumps, and Solar Water Pumps.

ii. Advanced facility enabled them to meet the growing domestic demands, thereby contributing to the "Make in India" initiative. However, the solar manufacturing sector is characterized by rapid technological advancements, and new MSMEs like their face difficulties due to competition from mass producers like China to grab the international export orders.

iii. They received an opportunity from SEZ unit M/s. PV Power Technologies Pvt. Ltd., Mumbai, to undertake job work for their export production. Under this arrangement, all raw materials are supplied free of cost to them by the SEZ unit, and they carry out manufacturing of Solar Cells which were then exported back to the same unit. Their invoices reflect job work/labour charges for manufacturing and all such invoices are duly endorsed with the relevant EPCG Authorization number.

iv. However, full payment for this job work was receive, and they have fulfilled the export obligation within the validity period of the EPCG license through these transactions.

2. The representative of RA, Mumbai attended the meeting and the matter was discussed in detail and RA submitted that the firm has not submitted copy of Bill of Export as export being made to SEZ and requested for relaxation in the provision of submission of Bill of export as evidence of export obligation discharge for supplied made to SEZ unit for supply made prior to 01.07.2017 as per P.N. 4 dated 03.06.2024. It may be noted that under PN no. 4 dated 03.06.2024, for the purpose of fulfillment of export obligation, under Advance Authorizations/DFIA Schemes, relaxation was given to submit certain corroborative evidence in lieu of 'Bill of Exports in case of supplies made to SEZ unit/developer/co-developer prior to 01.07.2017.

Decision: The Committee deliberated upon the case and decided to **refer** the case to RA. RA may examine and decide the case as per policy on merit.

Case No- 15: Dhananjay Industrial Engineer Private Limited, Mumbai

HQRPRCAPPLY00000919AM26

Subject: Request for Relaxation regarding submission of Bill of Export against the Export Obligation in respect of EPCG Authorization No. 0330038873 dated 29.05.2014 under zero Concessional duty.

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

i. The procedural lapse in their export documentation pertaining to supplies made to a Special Economic Zone (SEZ) unit under the EPCG scheme. M/s. Dhananjay Industrial Engineer Pvt. Ltd, having IEC Number: 0301029857 have supplied goods to SEZ unit and had issued invoices and prepared ARE-1 forms duly signed by the authority, both of which carried the required EPCG Licence No. They had taken the above-mentioned Licence for the physical export. They were also supplying to EOU, the documents were prepared in the same condition every document was supplied under the EPCG licence. However, they receive the orders from the SEZ also, and they prepared the documents in same manner. At the time of supplies, they were not having any idea that they have to prepare the Bill of Export.

ii. The omission was purely unintentional, and they wish to emphasize that the intent to fulfil their EPCG export obligation was always present, as evidenced by the licence number mentioned in both the Invoice and ARE-1 duly signed by the authority. All other transaction records, such as shipping details, ARE-1, proof of delivery to SEZ, and payment realization documents, are available and in order. The period of export obligation is 2015-16 & 2016-17.

2. The representative of RA, Mumbai attended the meeting and the matter was discussed in

detail and RA submitted that the AH is seeking relaxation regarding submission of Bill of Exports against for the subject EPCG authorisation even though the supplies are made to SEZ. As per PC No. 43/2015-20 dated 27.07.2022, for the purpose of discharge of export obligation under EPCG authorisations, in case of supplies made to SEZ units prior to 01.04.2015 , the exporters can submit corroborative evidence in lieu of 'Bill of Exports'.

Decision: The Committee deliberated upon the case and decided to **refer** the case to RA. RA may examine and decide the case as per policy on merit.

<u>Case No- 16: Gimatex Industries Private Limited, Maharashtra</u>

HQRPRCAPPLY00000751AM26

Subject: Request for Policy Relaxation under Public Notice No. 13 dated 09.06.2022 for EPCG Authorizations Issued Prior to AM-23 in respect of 10 EPCG Authorizations under 0% concessional duty

1. 0331011229 dated 09-02-2022
2. 0330052427 dated 20-04-2022
3. 0331003522 dated 03-05-2021
4. 0331003621 dated 06-05-2021
5. 0330052428 dated 20-04-2022
6. 0330052429 dated 20-04-2022
7. 0331009553 dated 26-12-2021
8. 0331003692 dated 13-05-2021
9. 0331013061 dated 17-03-2022
10. 0331004260 dated 03-06-2021

In support of their request, the firm has submitted as under:

i. The firm has stated that they are seeking consideration for a waiver of the late fee of Rs. 5,000 per licence levied under Public Notice No. 13 dated 09.06.2022, in view of the subsequent relaxation provided under Public Notice No. 24 dated 20.09.2024

ii. The firm has further stated that they have received deficiency letters from the RA, Mumbai directing payment of a late fee due to non-submission of the Annual Report for AM-23, under the provisions of Public Notice No. 13. However, Public Notice No. 24 introduced to reduce the compliance burden, explicitly waives the requirement for Annual Reports if the EO is fulfilled within the first block. Unfortunately, this relaxation has only been made applicable prospectively to authorizations issued post-AM-23, and not retrospectively.

iii. The firm has also stated that the subject licences have met their respective EO requirements within the first block, thereby falling under the scope of exemption as per Public Notice No. 24. Despite timely EO completion, they are asked to pay a cumulative amount of Rs. 50,000

(Rs. 5,000 × 10 licences) solely for non-submission of Annual Reports, which are now explicitly not required under current policy for such cases. This penalizes compliant exporters and imposes an avoidable financial burden.

2. The representative of RA, Mumbai attended the meeting and the matter was discussed in detail and RA submitted that as per Public Notice 3 of 15-2020 dated 13th April 2022, the EPCG Authorisation holder was required to submit to the concerned RA, by 30th June of every year, a report on fulfilment of export obligation through online. Any delay in filing such an annual report shall be regularised on payment of Rs. 5000/- late fees. Further, as per Public Notice 13/15-2020 dated 09.06.2022, extension of last date for filing of annual returns under Para 5.15 of HBP 2015-20 along with a clarification that imposition of penalty of Rs.5000/- for late filing of annual returns is applicable from 2022-23. It seems that the firm is seeking relaxation from payment of late fee for delayed filing of annual reporting/returns on similar lines of Public Notice no. 24 of 2024-25 dated 20.09.2024 issued under Handbook of Procedures (HBP) 2023 which removed the penalty provision. However it is pertinent to note that all the 10 authorisations are not covered under HBP 2023.

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: M/s Aar Dee Extrusions (India) Private Limited, Mumbai

HQRPRCAPPLY00013085AM25

Subject: Request for consideration of Third Party Export Shipping Bills in respect of 2 EPCG Authorizations No. 0330029989 dated 12.07.2011 and 0330029904 dated 04.07.2011 under zero Concessional duty.

M/s Aar Dee Extrusions (India) Private Limited, Mumbai vide application dated 05.02.2025 has requested for consideration of Third Party Export Shipping Bills in respect of 2 EPCG Authorizations No. 0330029989 dated 12.07.2011and 0330029904 dated 04.07.2011 under zero Concessional duty.

In support of their request, the firm has submitted as under:

i. The firm has submitted that they have exported most of the Goods under above Authorisations manufactured by them. But lack of Export Orders and slowdown of export of same product, they have to export the remaining goods through Third Party Export orders.

ii. They have completed the export as per the following route:

- Goods supplied to Third Party under our ARE-1 No. and Excise Invoice No. carrying EPCG details and their details.
- The ARE-1 No’s are appearing on each Shipping Bill of Third Party Export.

iii. The above co-relation of Authorization holder (M/s. Aar Dee Extrusions (India) Pvt. Ltd. –Manufacturer) and Third Party Exporter (M/s. Sanjay chemicals can be justified.

iv. Due to lack of knowledge, only Authorization No. and IEC No. of Authorisation holder is missing in the Third Party Shipping Bills. The firm request to kindly allow considering the Third Party Export.

2. The representative of RA, Mumbai attended the meeting and the matter was discussed in detail and RA submitted that the firm has claimed to have fulfilled the export obligation through third-party exports, however the authorisation number and third party details are not mentioned in the relevant shipping bills.

Decision: The Committee deliberated upon the case and decided to **refer** the case to RA. RA may decide the case in terms of procedure prescribed in Policy Circular No. 07 dated 11.07.2002.

Case No- 18: Lava Cast Private Limited, Mumbai

HQRPRCAPPLY00000864AM25

Subject: Request for

i. **Amendment of shipping bills to include the name of the Third-party.**
ii. **EOP Extension for 1 year i.e. 6+1 years in respect of EPCG Authorization No. 0330040833 dated 28/01/2015.**
iii. **Condonation for delay in submission of Installation Certificate.**
iv. **Regularization of excess duty credit utilized more than 10%.**
v. **Closure of 4 SCNs issued to the firm.**

In respect of 7 EPCG Authorization Nos. under 0% Concessional Duty as under:

1. 0330040371 dt. 04/12/2014
2. 0330040780 dt. 21/01/2015
3. 0330040833 dt. 28/01/2015
4. 0330041008 dt. 19/02/2015
5. 0330041342 dt. 26/03/2015
6. 0330041810 dt. 29/05/2015
7. 0330043075 dt. 27/11/2015

In support of their request, the firm has submitted the following-

In respect of 1st request for Amendment of shipping bills to include the name of the Third-party:

i. The firm has stated that they are the Authorization Holder and are manufacturing the goods and there is no supporting manufacturer. However, the firm has not exported any goods directly, but has done the same through third-party exports.

ii. The firm further stated that the name of the third-party firms were not mentioned in the shipping bills, BRC, SDP, or the export orders and invoices. However, the firm states that they are in a position to corroborate that the third-party firms have manufactured the Castings and supplied the same to the third-party firm, and that the third-party firm exported the products, by way of invoices issued and shipping bills of the third-party firm, notifying the export of CGs.

iii. The firm has also referred to DGFT Policy Circular No. 07 dated 11.07.2002 for Condonation of procedural lapse of not mentioning EPCG Licence No. and date on the shipping bills relating to exports effected for fulfillment of EO. They have also attached the NOC, declarations, and undertakings issued by the third-party firms; recognizing that the exports have been done by them.

In respect of 2nd request for EOP Extension for 1 year i.e. 6+1 years in respect of EPCG Authorization No. 0330040833 dated 28/01/2015:

i. The firm has stated that they have fulfilled the EO for the 6 EPCG Authorizations. However, for 1 EPCG Authorization i.e. 0330040833 dated 28/01/2015, they were unable to fulfill within the EOP, and are in need of 1 year (334 days) EOP Extension, post obtaining Extension as per PN No. 28 dated 23.09.2021.

ii. The firm has also stated that they have not received EODC for all of the 7 subject EPCG Authorizations.

iii. The firm has further stated that the reasons for non-fulfilment of EO is due to Brexit and the global slowdown, and later due to COVID-19 pandemic.

In respect of 3rd request for Condonation of delay in submission of Installation Certificate.

i. The firm has stated that they have failed to submit the IC within the stipulated time periods, which was due to the passing away of their CFO-Director, who handled the procedures and had the knowledge.

ii. The firm has attached the Installation Certificates issued from Central Excise Department as under:

S. No.	EPCG Authorization No.	Date of Installation	BOE Details
1	0330040371 dated 04/12/2014	18.08.2015	7700836 15.12.2014
2	0330040780 dated 21/01/2015	18.08.2015	8213737 05.02.2015
3	0330040833 dated	18.08.2015	8224181

	28/01/2015		06.02.2015
4	0330041008 dated 19/02/2015	18.08.2015	8538774 09.03.2015
5	0330041342 dated 26/03/2015	18.08.2015	8871969 10.04.2015
6	0330041810 dated 29/05/2015	18.08.2015	9478252 05.06.2015
7	0330043075 dated 27/11/2015	20.07.2016	3986931 21.01.2016

In respect of 4th request for Regularization of excess duty credit utilized more than 10%:

i. The firm has stated that in respect of 3 subject EPCG Authorizations, they have utilized more than the authorized duty saved value. Out of the 3 EPCG Authorizations, only 1 is more than 10%; the other two are less than 10%.

ii. The firm has further stated that they shall produce the bill of entries for perusal, and will furnish the excess application at the time of filing for EODC

In respect of 5th request for Closure of 4 SCNs issued to the firm:

i. The firm has stated that they have received Show-cause notice from RA, Mumbai in respect to 4 of the subject EPCG Authorizations for noncompliance of certain conditions stipulated under the FTP and HBP, which inter-alia allege that the firm has failed to meet its export obligations.

ii. The firm has attached the details of the said 4 SCNs as under:

a. SCN dated 2 May, 2023 vide ECA File No. MUMECAAPPLY00000206AM24 for EPCG Authorisation No. 330041008

b. SCN dated 8 May, 2023 vide ECA File No. MUMECAAPPLY00000335AM24 for EPCG Authorisation No. 330041342

c. SCN dated 23 May, 2023 vide ECA File No. MUMECAAPPLY00000425AM24 for EPCG Authorisation No.330040833

d. SCN dated 20 Jun, 2023 vide ECA File MUMECAAPPLY00000905AM24 for EPCG Authorisation No. 330040371

iii. The firm has further stated that they have responded to the SCNs from time-to-time and have also appeared in the personal hearings. However, the power to condone the non-compliances vests with PRC Division as per Para 2.59 of FTP.

2. The representative of RA, Mumbai attended the meeting and the matter was discussed in detail and RA submitted that amendment for Shipping bill do not fall under the purview of DGFT

EOP extension is granted as per respective FTP and HBP. It seems that the firm might have not submitted the Installation Certificate (IC) to the RA within time period as mentioned in the applicable FTP/HBP and hence requesting for condonation of delay is submission of IC.

Decision:

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

In respect of 2nd request: The Committee further 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 1 year (from 6th year to 7th year).

This shall be subject to payment of composition fee as per policy provisions 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.

In respect of 3rd 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 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.

In respect of 4th request: The Committee further deliberated upon the case and **decided to recommend to DG for relaxation under Para 2.59 of FTP, 2023** for condonation of the excess utilization beyond 10% of duty saved mentioned in the subject EPCG Authorizations subject to a payment of a composition fee of Rs. 10,000/- and condition that the EO shall automatically stand enhanced proportionately as per the actual duty saved. The Authorization holder shall furnish additional BG/ LUT to the Customs Authority.

In respect of 5th 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.

<u>Case No- 19: M/s Rungta Rayon Tex Pvt. Ltd. Maharashtra</u>

HQREPCGPRAPP00001941AM24

Subject: Request for clarification or relaxation for addition/amendment of ITCHS for redemption in respect of EPCG Authorization No.0330019367 dated 10.03.2008 under 5% duty and 0330030132 dated 27.07.2011, 0330031167 dated 29.11.2011 and 0330031514 dated 04.01.2012 under 3% duty EPCG Scheme.

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

i. At the time of issuance of subject license, they had export order of the ITCHS mentioned on the license. However, during course of time m they received orders from their buyers of knitted readymade garments under chapter heading 6104 which can be manufactured using he machines imported/procured locally under the subject licenses.

ii. Now they have submitted all the necessary documents for closure of EPCG license to RA Mumbai but no amendments of ITCHS code can be considered as he licenses are not valid ITCHS mentioned in their license is Knitted Fabrics-60033000 and the product exported by them is Knitted Readymade Garments.

iii. Being a composite unit, where they are manufacturing yarn, Fabrics and Readymade Garments, they have exports of Readymade Garments under ITCHS 6104 which they want clarify in their license as the same have been manufactured by them.

2. The representative of RA, Mumbai attended the meeting and the matter was discussed in detail and RA submitted that:

i. Authorisation No. 0330030132 dated 27.07.2011, the firm has paid CD Rs.2001603/- plus interest Rs.556000/- under Amnesty Scheme.

ii. Authorisation No. 0330031167 dated 29.11.2011, the firm has paid CD Rs.3840292/- plus interest Rs.1066747/- under Amnesty Scheme.In both above said cases, the firm has been issued a deficiency letter dated 03.05.2024 to submit (i)copy of Bill of Entries (ii)a letter from the Customs Authority that the entire DSV utilized against the said authorisation is paid with interest under Amnesty scheme & (iii) a declaration on the letter head that the CGs imported have not been diverted and are in possession of the firm.

iii. Authorisation No. 0330031514 dated 04.01.2012, the authorization has been Surrendered by the firm unutilsed and the surrender memo dated 14.12.2023 has been issued.

iv. Authorisation No.0330019367 dated 10.03.2008, it was decided by the EPCG Committee that the firm may be called in personal hearing.

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- 20: Veekayem Fashion and Apparels ltd, Maharashtra

HQREPCGPRAPP00001096AM24

Subject: Request for Clubbing of 2 EPCG Authorizations (i.e.0330029950 dated 07.07.2011 and 0330030461 dated 05.09.2011) for redemption with respect to EPCG Authorization No.0330030461 dated 05.09.2011 under 03% Concessional Duty

In support of their request, the firm has submitted as under:

i. The firm has stated that they procured an EPCG Licence No. 0330029950 dated 07.07.2011 for import of weaving looms and they completed their import of looms by March 2012, and started production of quality fabrics and also imported readymade garments machinery vide EPCG Authorization No. 0330030461 dated 05.09.2011. They fulfilled EO for both the above licences by export of readymade garments.

ii. The firm has also stated that they submitted both the licences clubbing together for redemption (EODC) to RA, Mumbai but they rejected their request by stating that their export products in the both licences are not same.

iii. The firm has further stated that all the provisions are applicable to them as mentioned in the HBP 2009-14, where it is clearly mentioned that the licences should be of same Party, same RA and same Policy period.

iv. In addition, the firm has stated that their specific export for fulfilment of EO was readymade garments, hence the average of past 3 years to be completed by readymade garments only. Since they have no past exports in the past 3 years for readymade garments, their average is NIL.

2. The representative of RA, Mumbai attended the meeting and the matter was discussed in detail and RA submitted that the firm had submitted the request for clubbing of authorisations on 23.11.2023 i.e., after expiry of EOP which was rejected on 19.12.2023 in terms of Para 5.18.5 of HBP 2009-14(File No.03EGEPC08461AM24). Para 5.18.5 of HBP 2009-14 reads as *"5.18.5 No clubbing would be permitted after expiry of EOP"*.

Decision: The Committee deliberated upon the case and decided **to recommend to DG for relaxation under Para 2.59 of FTP, 2023** to consider the request for clubbing as envisaged in the para 5.27 of HBP, 2015-20 for regularisation purpose.

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

<u>Case No- 21: Avenue Graphics Pvt. Ltd., Mumbai</u>

HQRPRCAPPLY00000418AM24

Subject: Review application w.r.t. Requests against EPCG Authorization No. 0330037729 dated 13.01.2014 under 0% Concessional duty.

i. **1st extension of EOP for 1 year i.e. from 12.01.2020 to 31.12.2021 as per Notification No. 28 dated 23.09.2021.**
ii. **EOP Extension till 13.07.2022 as per PN 53 dated 20.01.2023.**
iii. **Second EOP Extension till 13.07.2023 by payment of 2% Composition fees.**
iv. **Additional 1 year extension for period lost due to late response of EPCG**

Committee.

In support of their request, the firm has submitted the following:

i. The firm has stated that their initial EOP expired on 13.01.2020. They submitted the application for EOP Extension vide fresh application which was considered in the 2nd EPCG Committee Meeting of AM-23 held on 30.05.2023. The decision of which is as under:

*"The Committee deliberated upon the case and decided to**recommend to DG for relaxation under Para 2.58 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 subjected to the condition that the proper installation certificate has been submitted within time limits as specified in FTP/HBP.

The Committee further 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. 53/2015-20 dated 20.1.2023 where extension is permitted on account of COVID. The Committee further deliberated upon the case and decided to advise that if they desire, the applicant may approach RA for regularising the case under the Amnesty Scheme notified vide Public Notice No. 02/2023 dated 02.04.2023 as per the conditions specified therein. RA may examine such request as per policy on merit."

ii. Further, the firm has stated that there was no mention of the period lost due to the defective machinery, which they had included in the initial justification. They believe that it is essential to consider this factor as it directly impacted their ability to complete the exports within the original EOP.

iii. The firm also stated that they imported duty-free machinery in April 2014. However, it turned out to be defective and unfit for their needs. They returned the machinery to the supplier for replacement at their expense. In July, 2015, they re-imported the machinery under the same subject EPCG Authorization. However, they lost their planned export orders during this time period. Despite their best efforts, due to receiving faulty machinery at first and later the effect of COVID-19 pandemic, they have been unable to replace the lost orders and their export value stood nil.

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 defer it for further examination."

3. The representative of RA, Mumbai attended the meeting and the matter was discussed in detail and RA submitted that the applications related to authorization made to this office were studied. The firm had requested an EO extension to this office, however, the request was

subsequently withdrawn. Further, the firm had applied under the Amnesty Scheme, the case was then regularised, and the final duty regularisation letter was issued to the firm vide letter dated 13.03.2024.

Decision: After deliberation by the Committee, it was decided to uphold the decision taken by the EPCG Committee in the 2nd EPCG Committee Meeting of AM-23 held on 30.05.2023. The firm may **approach** the PRC, DGFT under para 2.59 of FTP, 2023 for any further extension in the EO period.

Case No- 22: M/s Natraj Polycot, Mumbai

HQREPCGPRAPP00000158AM25

Subject: Request for;

i. **EOP extension for 2 years (i.e. up to 31.12.2023).**
ii. **Addition of ITCHS Code.**

In respect of EPCG Authorization No. 0330034955 dated 30.01.2013 under 03% Concessional Duty.

In support of their request, the firm has submitted that they applied for extension on 01.06.2021 However, RA did not extend the validity nor they endorse the export product readymade garments and has raised the query and stated that-

"The export item claimed by you for fulfillment of partial EO in this case is readymade garments which is not endorsed on the authorizations, may clarify in this regard".

2. The firm replied and stated that –

> "*The export product is our post production product because EPCG Scheme allows machinery for production (We have imported weaving looms and we have manufactured garment by purchasing local garment machinery. The validity to be extended referring Notification No. 28 as follows; License issued on 30.01.20213 and license expired on 30.01.2021 and validity up to dt 31.12.2021 by notification 28".*

3. The representative of RA, Mumbai attended the meeting and the matter was discussed in detail and RA submitted that import items are looms and the firm has asked for addition of readymade garments of export products. The request was rejected as the name of the firm was under DEL and also there is no Nexus of RMG with import items. EOP extension was not granted as the firm has submitted statement of exports of readymade garments which is not endorsed in licence. Also the firm has claimed benefit of Notification No. 28 dated 23.08.2021, which was rejected by RA Mumbai as the said Notification is applicable only to the authorization issued under FTP 2015-20. The EPCG Committee decided to allow EOP with the directions to the firm to approach RA for request regarding addition of export product.

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 RA for EO extension for 2 years (from 8th to 10th 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 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.

In respect of 2nd request: The Committee deliberated upon the case and decided to **refer** the case to RA for Addition of ITCHS Code. RA may examine and decide the case as per policy on merit.

Case No- 23: M/s VKM Foods Pvt. Ltd, Mumbai

HQRPRCAPPLY00007874AM24

Subject: Request for Closure of EPCG Authorization – Wavier of maintaining the Average Export Obligation in respect of EPCG Authorization No. 0331016583 dated 25.07.2022 under 0% Concessional Duty.

In support of their request, the firm has submitted the following-

i. They have imported a packing line with quality control devices for exporting raw fish. They only process raw fish by cleaning, removing any metal particles and packing it in an export-worthy manner.

ii. The firm has further stated that RA, Mumbai has rejected their application stated that - *The CGs imported can be used for both fresh seafood as well as IQF products which are processed seafoods etc. In this regards, DGFT has clarified that Average EO will be applicable for processed Marine food products. Therefore as per the DGFT HQ clarification, the request for AEP to be deleted cannot be accepted and the request stands rejected.*

2. The representative of RA, Mumbai attended the meeting and the matter was discussed in detail and RA submitted that the request of the firm for Closure of EPCG Authorization (File No.03EEEPC00592AM24) by allowing wavier of maintaining the Average Export Obligation in respect of EPCG Authorization No. 0331016583 dated 25.07.2022 under 0% Concessional Duty has been rejected by this Office on 14.12.2023. The reasons for rejection are as under:-

- In this case, the authorisation was issued for export of Shrimp, Frozen Lock Lobster, Whole squid, squid tubes. Both items fresh as well as processed seafoods can be manufactured or processed.

- The CGs imported (Metal detector) can be used for both fresh Seafood as well as IQF products which are processed seafood, etc. As per the directions, the Average EO will be applicable for processed Marine food products; firm's request for deletion of Average EO was rejected.

Decision: The Committee deliberated upon the case and decided to **refer** the case 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- 24: M/s Pal Fashions Pvt. Ltd, Mumbai</u>

HQREPCGPRAPP00000333AM25

Subject: Request for EOP Extension up to March 2020 in respect of EPCG Authorization No. 0330031276 dated 12.12.2011 in respect of EPCG under 03% Concessional Duty.

In support of their request, the firm has submitted the following-

i. The firm has stated that they have fulfilled 78% EO within 9 years i.e. within 3 months after the expiry of the initial EOP of 11-12-2019. The balance 22 % could not be fulfilled within the initial EO Period since the overseas market for their product was not favourable during the relevant periods due to various reasons i.e. change in the fashion trend, dumping of the goods by the china etc.

ii. The firm has also stated that they could not apply for the block-extension within the prescribed time limit as the concerned staffs having the knowledge in the Exim Policy has left their company.

iii. The firm has further stated that they had applied under Amnesty Scheme also but the exports made after expiry of EOP was not accepted for want of block extensions due to which the entire duty was demanded.

2. The representative of RA, Mumbai attended the meeting and the matter was discussed in detail and RA submitted that the firm had requested a block period extension under the provisions of Para 5.8.3 of the HBP 2009– 14. As per the guidelines, an application for block period extension must be submitted within three months from the expiry of the block period. In this case, the firm did not submit the application within the prescribed time frame (File No.03EHEPC04939 AM25).

3. Accordingly, this office informed the firm that the cited Public Notice is not applicable in their case and advised them to approach the EPCG Committee for further consideration of their request. Further The firm has applied under the Amnesty Scheme; however, the exports made after the expiry of the EOP were not accepted due to the absence of a valid block extension.

Accordingly, this office has informed the firm to pay the entire customs duty utilized along with applicable interest as per Public Notice No. 02 dated 04.04.2023, and to submit the original challan and calculation sheet to this office for closure of the authorization. In this regard, the firm has not submitted any reply or documents in response to the deficiency letter issued by this office. Further, the authorization is issued on 12.12.2011 under 3% concessional duty. *Para 5.19A of HBP 2015-20 as amended vide PN No.3/2015-20 dated 13.04.2022, excess exports done towards the average export obligation during a year can be used to offset any shortfall in the average exports fulfilment in other years of the EO period or block period as the case may be, provided AEO imposed is maintained on an overall basis within the EOP.* This rule of AEP maintenance is applicable for authorisations issued under FTP2015-20. Since the authorization was issued in 2009-14 period, the said para is not applicable to this authorization and accordingly firm has not maintained AEP for the years AM16-17 to AM19-20.

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 8th to 10th 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/-.

Case No- 25: M/s Palm Grove Beach Hotels Pvt. ltd, Mumbai

HQREPCGPRAPP00000380AM25

Subject: Request for EOP Extension for 1 year as per PN 15 dated 25.07.2024 in respect of EPCG Authorization No. 0330041228 dated 16.03.2015 under 0% Concessional Duty.

In support of their request, the firm has submitted the following –

i. Due to Corona Pandemic, their hotels were partially operational for almost two years. During this period there was a staff turnover on higher side. Further there was a change in process of redemption in DGFT office. In view of this work related to EPCG license compliance was delayed from their side.

ii. Further, the firm has stated that as per para 5.17 (g) of PN 53/2015-2020 dated 20.01.2023 they got extension up to 30.04.2022.

iii. Later on, the firm has applied for one year EOP Extension from 01.05.2022 to 30.04.2023 as per PN 15 dated 25.07.2024. However RA, Mumbai issued deficiency letter dated 06.09.2024 to the firm stated that –

'P.N No.15 dated 25.07.2024 is not applicable on the authorizations issued under 2009-14 policy. You may approach EPCG Committee for EOP Extension'.

2. The representative of RA, Mumbai attended the meeting and the matter was discussed in detail and RA submitted that the firm had requested an extension of the Export Obligation Period (EOP) in terms of Public Notice No. 15 dated 25.07.2024. Authorization pertains to the Foreign Trade Policy 2009–2014, and therefore Public Notice No. 15 dated 25.07.2024 is not applicable to

authorizations issued under the 2009–2014 policy period. Accordingly, this office issued a deficiency letter to the firm on 07.11.2024(File No.03EHEPC05740AM25).

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 1 year (from 6th year to 7th 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 subjected to the condition that the proper installation certificate has been submitted within time limits as specified in FTP/HBP.

<u>Case No- 26: Rana Denim Private Limited, Maharashtra</u>

HQRPRCAPPLY00000169AM24

Subject: Request for:

i. **Second EOP Extension for 4 years i.e. beyond 8+1 years**
ii. **Automatic EOP Extension in view of Public Notice No. 67/2015-20 dated 31.03.2020**
iii. **Automatic EOP Extension up to 31.12.2021 in view of Notification No. 28/2015-20 dated 23.09.2021**

In respect of EPCG Authorization No. 0330016016 dated 10.05.2007 and 0330017462 dated 13.09.2007 under 05% Concessional Duty.

In support of their request, the firm has submitted the following:

i. The firm has stated that they have fulfilled the EO but they have been delay in completion of EO due to force majeure.
ii. The firm has further stated that the due to the demise of the firm's Managing Director, the firm was sold to a neighboring cotton yarn manufacturing unit, so as to keep the unit functioning, to provide continuous employment and all other statutory compliances could be met without any risk of default.

2. The request of the firm has been elaborated in the table as under:

EPCG Authorization No.	**0330016016 dated 10.05.2007**	**0330017462 dated 13.09.2007**
Second EOP Extension for 4 years i.e. beyond 8+1 years	From 09.05.2016 upto 09.05.2020	From 12.09.2016 upto 12.09.2020

Automatic EOP Extension in view of Public Notice No. 67/2015-20 dated 31.03.2020	09.05.2020 upto 09.11.2020	Not Applicable
Automatic EOP Extension up to 31.12.2021 in view of Notification No. 28/2015-20 dated 23.09.2021	From 09.11.2020 upto 31.12.2021	From 12.09.2020 upto 31.12.2021

3. The matter was considered in the 4th EPCG Committee Meeting held on 12.09.2023. The decision of the Committee was as under:

"The Committee decided to call for a report from RA concerned and deferred the case. The report to also include comments whether there was compliance with policy provisions in sale of EPCG Authorization holder."

4. Accordingly, vide email dated 04.10.2023, RA Mumbai was requested to furnish the report. Now, vide email dated 06.11.2023, RA has furnished the same.

5. The representative of RA, Mumbai attended the meeting and the matter was discussed in detail and RA submitted that Authorisation No.0330016016 dated 10.05.2007- EOP was extended upto 10 years (upto 09.05.2017) and Authorisation No.0330017462 dated 13.09.2007- EOP was extended upto 9 years(upto 12.09.2016). The firm has applied for clubbing of two EPCG authorisations issued during the period 2007. On account of non-submission of documentary evidence towards fulfilment of EO, both the authorsations were adjudicated and OIO were issued on 23.02.2024. The firm filed a review Appeal against these OIOs before DGFT in terms of Section 16 of FT(D&R)Act,1992.The Appeal was heard and as sought, a detailed report was sent to DGFT. The review Appeal is pending at DGFT(Hqrs.). The documents submitted by the firm for clubbing were also examined in RA, Mumbai. Upon clubbing, status of fulfilment of EO is given below:

Period	**EO fulfilled (USD)**	**%age of E O fulfilled**
10.05.2007-09.05.2013 (1-6 years)	**2,64,217.24**	**7.65%**
10.05.2013-09.0.2015 (7-8 years)	**---**	**---**
2015-16	**13,91,046.54**	**80.59%**

2019-2021 **(beyond EOP)**	**35,99,966.64**	**101.74%**
Total	**51,67,230.42**	**189.98%**

6. The firm was conveyed the deficiencies as under:-

a. The request for clubbing is submitted beyond valid EO period.

b. Out of 108 shipping bills counted by the firm towards fulfilment of EO, 7 shipping bills are direct exports and 101 shipping bills (exports made during 2015-16 & 2021-22) are against third party exports (Documents as per Para 5.10(d) of HBP are not submitted.

c. In 4 shipping bills, authorization number is not mentioned and in a majority of shipping bills, EPCG authorisation number mentioned is of authorisations issued to the firm by different RA i.e., RA, Nagpur.

The review Appeal filed by the firm under Section 16 of FT(D&R)Act,1992 is pending before the DGFT.

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 8th to 10th 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 Committee further 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 10th to 12th 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 Committee deliberated upon the case and decided to advise the firm to approach RA for extension of Export Obligation Period beyond 10 years in terms of Public Notice No. 53 dated 20.01.2023 where extension is permitted on account of COVID.

<u>Case No- 27: M/s Palm Grove Beach Hotels Pvt. ltd, Mumbai</u>

HQREPCGPRAPP00000369AM25

Subject: Request for EOP Extension for 1 year as per PN 15 dated 25.07.2024 in respect of EPCG Authorization No. 0330041476 dated 17.04.2015 under 0% Concessional Duty.

In support of their request, the firm has submitted the following –

i. The Hotel business was severely affected due to Covid pandemic. Hotels were not getting tourists, this has affected hotel business very badly financially; hence the firm could not complete Export Obligation.

ii. Further, the firm has stated that as per para 5.17 (g) of PN 53 dated 20.01.2023 they got extension for Covid period from 16.04.2021 to 30.06.2022. *(Copy of Extension Attached)*

iii. Later on, the firm has applied for one year EOP Extension from 01.07.2022 to 30.06.2023. However RA, Mumbai issued deficiency letter dated 07.11.2024 to the firm stated that –

It has been observed that the subject authorization pertains to the 2009-14 policy and P.N 15 dated 25.07.2024 is not applicable for the authorization issued under 2009-2014 therefore, RA advise them to approach EPCG Committee.

2. The representative of RA, Mumbai attended the meeting and the matter was discussed in detail and RA submitted that the firm had requested an extension of the Export Obligation Period (EOP) in terms of Public Notice No. 15 dated 25.07.2024(File No.03EHEPC05816AM25). Accordingly, this office informed the firm on 11.09.2024 to: a) Pay a Composition Fee of Rs. 20,000/- in terms of Public Notice No. 15 dated 25.07.2024. b) Pay a Penalty of Rs. 15,000/- in terms of Para 5.16(c) & (d) of HBP 2023.The request for grant of EOP extension can be considered in terms of provision laid down under P.N.No.15 dated 25.07.2024.

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 1 year (from 6th year to 7th year) on 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 subjected to the condition that the proper installation

<u>Case No- 28: M/s Laxmi Cotspin Limited, Maharashtra</u>

HQREPCGPRAPP00000458AM25

Subject: Request for clarification on applicability of Para 5.5 of FTP 2009–14 for redemption of EPCG Authorization No. Authorization No. 3130004336 dated 13.11.2009 under 3% concessional duty.

The firm contends that Para 5.5 of FTP 2009–14 permits fulfillment of up to 50% EO through exports of other goods manufactured by the same firm and that the policy does not mandate prior endorsement for such inclusion.

2. The authorized representative of the firm, Shri Ritik Deora through video conferencing and made the following submissions:-

Applicant's statement: The firm submitted that they had exported cotton yarn as well as raw cotton towards their fulfilment of EO for the subject EPCG Authorization.

Decision: The Committee deliberated upon the case and decided to **withdraw** the case and further examine it on file.

<u>Case No- 29: M/s IndoChem Laboratories</u>

01/36/218/191/AM-21/EPCG

Subject: Request for transfer all the liabilities i.e. export obligation under EPCG Authorization no. 0530162890, dated 11.06.2014 issued to M/s Indo Chem Laboratories *(from IEC No. 0513080163 to New IEC 3415005364)* due to takeover of the firm by them and change of firm constitution etc.

The case was placed before the Committee in pursuance of the following order dated 23.12.2025 passed by the Hon'ble High Court of Delhi in the W.P.(C) 19536/2025 (M/S INDO CHEM LABORATORIES v/s. UNION OF INDIA & ORS.)

> *"…. 3. The present petition has been filed by the petitioner seeking appropriate directions against the inaction on the part of the respondent in transferring all liabilities i.e., export obligation imposed under the Export Promotion Capital Goods (EPCG) Authorization No.0530162890 dated 11.06.2014 from the old import of the proprietorship concern to the new IEC No.3415005364 of the re-constituted partnership firm.*
>
> *2. The petitioner submits that despite compliance with statutory requirements and repeated representations, the requisite transfer has not been effectuated.*
>
> *3. Issue notice.*
>
> *4. Learned counsel, as aforesaid, accepts notice on behalf of the respondents. She informs that the request of the petitioner for transfer of the EPCG authorization is pending before the EPCG Committee of the Directorate General of Foreign Trade (DGFT).*
>
> *5. Let the EPCG Committee bestow its urgent consideration to the same and take a decision within a period of four weeks from today. In the case the request is to be denied, let a reasoned order be passed by the EPCG committee.*
>
> *6. List for further consideration on 26.02.2026…."*

2. In the W.P.(C) 19536/2025 the Petitioner, M/s Indo Chem Laboratories though its authorized partner, is assailing the alleged arbitrary and unjust delay on the part of the Respondents particularly the Chief Licensing Authority (CLA), Delhi in transferring and amending EPCG Authorization No. 0530162890 dated 11.06.2014 from the erstwhile proprietorship's IEC No. 0513080163 to the new IEC No. 3415005364 of the partnership firm. The Petitioner concern, earlier a proprietorship under Mr. Salil Pawah, was lawfully reconstituted into a partnership on 31.03.2025, with the new partnership assuming all assets, liabilities, rights, and obligations of the former proprietorship.

3. In pursuance of this change in constitution, the Petitioner submitted a detailed representation to the CLA on 27.07.2020, followed by the submission of additional documents on 18.11.2020. Thereafter, the Petitioner approached the DGFT Headquarters.

4. Indo Chem Laboratories has also sent a letter dated 25.12.2025 (copy enclosed) for

compliance of the order of the Hon'ble High Court of Delhi.

5. The representatives of CLA, Delhi attended the meeting and the matter was discussed in detail.

Decision: The Committee deliberated upon the case and noted that no policy relaxation is required from the EPCG Committee in the matter. The Committee decided to **refer** the case to CLA, Delhi to take a decision on the application of the firm after giving an opportunity for personal hearing to the firm.

Approval Paragraph for cases considered during 8th EPCG Committee Meeting

IV. Based on the aforesaid recommendations of the Committee to DG, DGFT, the approval has been granted by DG, DGFT.

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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].

[Issued from F. No. 01/36/218/34/AM-26/EPCG]

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