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MINUTES OF 12th MEETING OF AM-24 OF THE EPCG COMMITTEE HELD UNDER THE CHAIRMANSHIP OF SHRI HARDEEP SINGH, ADDITIONAL DIRECTOR GENERAL OF FOREIGN TRADE HELD ON 21.03.2024

Twelfth meeting of AM-24 of the EPCG Committee was held on 21.03.2024 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

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

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<u>Case No- 1: ASP Exports Pvt. Ltd., Thane, Mumbai</u>
F. No. HQREPCGPRAPP00000374AM23

Subject: Request for

i. **Condonation/exemption/exemption may be given for non-completion of export of the first block for which they have already paid aggregate duty @ 2% on pro-rata basis**
ii. **Allow enhancement of 2 years of overall EOP for which they are ready to take up 20% enhancement of EO for 10% for each year**
iii. **The said exports made by their Group Company i.e. M/s Chisel Sports Pvt. Ltd with effect from June 2012 to December 2016 i.e. up to eligible extended EOP, may kindly be allowed to be considered for discharge of EO**

In respect of EPCG Authorization no. 0330014319 dated 13.12.2006 under 5% Concessional duty.

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

"The Committee observed that the request of the party was first placed in its meeting held on 19.07.2017 wherein it was decided to defer the case with direction to ask the party to submit the documents for EO fulfilment to RA concerned and to obtain a fresh report from RA.

The Committee noted that RA, Mumbai, vide their report dated 18.04.2018, has stated that the firm has fulfilled EO by self and through Group Company.

The Committee deliberated upon the case and decided to remand the case back to RA. RA may decide the case as per policy."

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

i. It took a long time to set up the entire plant. They were able to start testing production very late after they have met the initial and technical problems. Their products are subject to meeting various stringent quality control standards in the international market.

ii. The export of their products also requires acceptance by the international market as it takes a lot of time and energy to gain acceptance in India and abroad due to the competitive and tough times. They got such approval very late. It takes a long time to produce export products of international standard specifications and get them approved abroad.

iii. During the initial few years their products were not price compatible in the international markets as they were not able to get any positive value addition as the international market has undergone huge changes and fluctuations.

iv. Over the years, there has been a lack of skill and conductive environment for export of services to international markets. Recently this situation is showing a positive trend. Despite the unfavorable outlook, they were able to fulfill their EO by October 2016 with the support of their group company.

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

4. The firm has stated that RA is insisting acknowledgement from them regarding submission of request for consideration of exports of group company w.e.f. June 2012, however due to old matter and also that they have shifted record to new location they are not able to locate the same in their office. In absence of the said acknowledgement RA is not ready to accept their request to allow Group Company's export.

5. RA is not able to take a decision as RA want a clear decision whether exports are to be allowed by the group company or not. Accordingly, the applicant is applying for review of the said earlier decision by the Hon'ble EPCG Committee.

6. The case was considered in the 4th EPCG Committee Meeting of AM-24 held on 12.09.2023. The decision of which is as under:

> *The Committee deliberated upon the case and decided to defer the case for further examination on file the policy relating to fulfilment of EO through the group company.*

7. The applicant was called for a Personal hearing today.

8. The representative of the firm (Shri Shivam Mishra) appeared through Video Conferencing and made the following submissions :-

Applicant's statement: The firm has fulfilled the EO against the said EPCG authorization by self and through Group Company and submitted all the documents to RA, Mumbai. The applicant has already completed the Specific EO and Average EO against the subject EPCG authorisation. However, the firm is unable to locate the Acknowledgement slip received from RA for submission of request for consideration of exports of Group Company.

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

(i) Condonation of delay in applying for extension in block-wise EO period 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, 2004-09 and late fee of Rs. 10,000/-.

(ii) Condonation of delay in approaching RA for EO extension for 2 years as the applicant could not apply to RA within the prescribed time period. This shall be subject to payment of composition fee or imposition of additional EO in terms of Para 5.11 of HBP, 2004-09 and late fee of Rs. 10,000/-.

(iii) To regularize the exports made by the Group Company for the purpose of fulfilment of EO subject to the party fulfilling the criteria of Group Company as per the applicable policy provisions.

The above relaxations are 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- 2: Appu Hotels Limited , Coimbatore</u>
F. No. HQREPCGPRAPP00000576AM24

Subject: Request for

i. **Acceptance of fulfillment of Export Obligation of Rs. 82.45 Crores (USD 1,28,58,069) till FY 2022-23 i.e 5.4 % surplus to the Specific EO of Rs. 78.25 Crore in respect of Le Meridien, Coimbatore since the machines (CGs) imported under the EPCG Scheme has been exclusively installed in Le Meridien, Coimbatore Hotel and the foreign exchange have been earned by rendering services by the Coimbatore Hotel only**
ii. **Acceptance of AEO in respect of Le Royal Meridien, Chennai Hotel on "as is where is" basis**

Appu Hotels Limited, Coimbatore vide their application dated 12.10.2023 has requested for acceptance of Average EO fulfilled by the Le Royal Meriden, Chennai on 'as is where is' basis and consideration of Specific export made towards discharge of EO till the year 2022-23 by Le Meridien, Coimbatore under EPCG Authorizations obtained during FY 2008-09 to FY 2011-12. The list of EPCG Authorisations is given below :-

S. No.	EPCG Authorization details	S. No.	EPCG Authorization details
1.	0430007587 dated 10/08/2009	38.	0430008706 dated 30/06/2010
2.	0430008254 dated 25/02/2010	39.	0430008710 dated 01/07/2010
3.	0430008266 dated 26/02/2010	40.	0430008711dated 01/07/2010
4.	0430008319 dated 12/03/2010	41.	0430008724 dated 06/07/2010
5.	0430008320 dated 12/03/2010	42.	0430008725 dated 06/07/2010
6.	0430008361 dated 19/03/2010	43.	0430008752 dated 15/07/2010
7.	0430008362 dated 19/03/2010	44.	0430008753 dated 15/07/2010
8.	0430008363dated 19/03/2010	45.	0430008754 dated 15/07/2010

9.	0430008432 dated 09/04/2010	46.	0430008778 dated 22/07/2010
10	0430008433 dated 09/04/2010	47.	0430008785 dated 26/07/2010
11.	0430008434 dated 09/04/2010	48.	0430008799 dated 30/07/2010
12.	0430008438 dated 09/04/2010	49.	0430008800 dated 30/07/2010
13.	0430008441 dated 12/04/2010	50	0430008814 dated 04/08/2010
14.	0430008446 dated 15/04/2010	51.	0430008828 dated 09/08/2010
15.	0430008484 dated 30/04/2010	52.	0430008841 dated 11/08/2010
16.	0430008485 dated 30/04/2010	53.	0430008860 dated 16/08/2010
17.	0430008505 dated 06/05/2010	54.	0430008882 dated 20/08/2010
18.	0430008540 dated 18/05/2010	55.	0430008897 dated 25/08/2010
19.	0430008541 dated 18/05/2010	56.	0430008922 dated 01/09/2010
20.	0430008568 dated 31/05/2010	57.	0430008955 dated 13/09/2010
21.	0430008618 dated 15/06/2010	58.	0430008988 dated 21/09/2010
22.	0430008619 dated 15/06/2010	59.	0430008989 dated 21/09/2010
23.	0430008636 dated18/06/2010	60.	0430008990 dated 21/09/2010
24.	0430008637 dated 18/06/2010	61.	0430009017 dated 28/09/2010
25.	0430008638 dated 18/06/2010	62.	0430009057 dated 07/10/2010
26.	0430008645 dated 18/06/2010	63.	0430009081 dated 13/10/2010
27.	0430008646 dated 18/06/2010	64.	0430009122 dated 29/10/2010
28.	0430008647 dated 18/06/2010	65.	0430009123 dated 29/10/2010
29.	0430008648 dated 18/06/2010	66.	0430009154 dated 08/11/2010
30.	0430008649 dated 18/06/2010	67.	0430009155 dated 08/11/2010
31.	0430008650 dated 18/06/2010	68.	0430009156 dated 08/11/2010
32.	0430008672 dated 24/06/2010	69.	0430009176 dated 11/11/2010
33.	0430008673 dated 24/06/2010	70.	0430009230 dated 26/11/2010
34.	0430008674 dated 24/06/2010	71.	0430009246 dated 30/11/2010
35.	0430008675 dated 24/06/2010	72.	0430009247 dated 30/11/2010
36.	0430008704 dated30/06/2010	73.	0430009507 dated 08/02/2011
37.	0430008705 dated 30/06/2010		

2. In support of their request the firm submitted that :-

i. Le Meridien, Coimbatore Hotel, a unit established under the umbrella group of M/s Appu Hotels ltd (IEC 0494016868) had obtained EPCG Authorizations and imported various machines(CG) during the FY 2008-09 to FY 2011-12 under service export category.

ii. The said authorizations were obtained for construction of a new Hotel in the name and expression of Le Meridien, Coimbatore which started rendering of services from the year 2011 and CG imported were installed in Coimbatore Hotel only. M/s Appu Hotels Ltd was also running a Hotel in Chennai in the name of Le Royal Meridien, Chennai and Le meridian, Coimbatore is a new and separate Hotel unit at a different location.

iii. At the time of obtaining these EPCG Authorizations , the Le Royal Meridien Chennai hotel was performing very well, therefore , they decided to obtain the said Authorizations in the name of parent company i.e. M/s Appu Hotels Ltd. Accordingly, the Annual

Average EO was determined on basis of past export performance of Chennai Hotel. There would be no AEO for new establishment having no past performance.

iv. Unfortunately, the Le Royal Meridien, Chennai faced major setbacks due to several factors and forex earnings have declined drastically. The Chennai hotel has not performed as per their expectations due to circumstances which were beyond their control which amounts to "Force majeure".

v. Due to their wrecked financial position as explained above, they had no option but to move to NCLT and NCLAT and subsequently the case was decided finally by the Hon'ble Supreme court vide Order dated 03.05.2023 (M.K. Rajagopalan Vs Dr. Periasamy Palani Gounder; Civil Appeal Nos. 1682-1683 of 2022) . Hon'ble Supreme court while passing order has observed under para 10 that M/s Appu Hotels Ltd, had availed project loans to construct Le Meridian Coimbatore which makes it clear that it is a separate entity(Copy of the order attached as Annexure-C).

vi. All the EPCG Authorisations were placed under obligation to achieve Rs. 78.25 Crore against actual duty foregone amount of Rs. 9.78 Crore i.e. 8 times of duty saved amount . Whereas, they have already fulfilled EO by rendering services to the extent of Rs. 82.45 Crore (USD 1,28,58,069) till FY 2022-23 i.e. 5.4% surplus of the Specific Export Obligation.

3. The Applicant did not appear for a Personal hearing before the EPCG Committee in the meeting held on 19.01.2024. The applicant was given another opportunity for appearing before the EPCG Committee today but none appeared.

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- 3: 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 :-

Decision: 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 representative of the firm (Shri Jagan Nath Dang, Managing Director) appeared in person and made the following submissions :-

Applicant's statement: The applicant received its Completion cum Occupancy Certificate after a delay of 18 months and their account was declared NPA. The representative further stated that the Government converted their hotel into COVID-19 Health Centre during the COVID-19 pandemic.

Decision: 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**.

<u>Case No- 4: Zazsons Exports Limited and Z Square Mall, Kanpur</u>
F. No. 18/51/AM-21/P-5

Subject: Request for Review of Committee decision taken in 5th EPCG Committee Meeting held on 29.09.2021- Clarification about nexus of Capital Goods in respect of following 5 EPCG Authorizations for processing their EODC Applications:

- **i. 0630001620 dated 05.12.2008**
- **ii. 0630001690 dated 19.02.2009**
- **iii. 0630001672 dated 30.01.2009**
- **iv. 0630001435 dated 01.07.2008**
- **v. 0630001434 dated 01.07.2008.**

The firm vide e-mail dated 03.09.2022 has requested for review of Committee decision taken in 5th EPCG Committee Meeting held on 29.09.2021-Clarification about nexus of Capital Goods in respect of following 5 EPCG Authorizations.

The representative of the firm appeared before the EPCG Committee on 12.07.2023 to explain their case.

The firm has submitted the following :-

i. M/s. Zazsons Exports Limited and Z Square Mall are group companies operating under single IEC. In Z Square Mall, they are having pre-production/production/post-production activities. Some of the raw inputs are first brought at Z-Square Mall, after doing some cutting/initial processes, inputs are sent to Zazsons Exports Ltd., on receipt of finished product from Z-Square Mall, post-production activities such as labelling/packing/dispatch is done in Zazsons Exports Ltd.

ii. The firm has stated that due to inadvertence, the place of installation in EPCG License Nos. 0630001434 dated 01.07.2008, 0630001672 dated 30.01.2009 & 0630001690 dated 32 19.02.2009 was mentioned as Zazsons Exports Ltd. Jajmau, Kanpur instead of Z Square Shopping Mall, 16/113 MG Marg, The Mall, Kanpur. Subsequently, request was made to RA Kanpur by letter dated 04.11.2008 to change the factory address as Z-Square Shopping Mall Pvt. Ltd. and accordingly, subsequently installation certificates have been obtained/submitted for said address.

iii. The firm further stated that RA Kanpur team came for inspection at Z-Square Shopping Mall Pvt. Ltd. wherein inspection was conducted and all the activities/manufacturing process of leather shoes was seen by the inspection team at the manufacturing department at Z Square Mall. Also the capital goods imported under EPCG installed at Z Square Mall were inspected and verified and all the facts of nexus were established to their satisfaction. A complete video of the manufacturing process of shoes was also made during inspection by the team

iv. The firm mentioned that as in the record of RA Kanpur, the place of installation of the above capital goods is Z-Square Shopping Mall Pvt. Ltd. 16/113 MG Marg, The Mall, Kanpur, that is why the inspection team came to Z Square Mall. If the place of installation was Zazsons Exports Ltd., Jajmau Kanpur, then the team should have gone there but because the address change was already requested and subsequently in the latest issued EPCG License Nos.. 0630001672 dated 30.01.2009 & 0630001690 dated 19.02.2009, the address is mentioned as ZSquare Shopping Mall Pvt. Ltd. 16/113 MG Marg, The Mall, Kanpur.

v. The firm further stated that as per license, the Bill of Entry has been passed by Customs in the name of Z-Square Shopping Mall and there has been no Revenue loss to the Government or misuse of any Government scheme and if there has been any procedural lapse, the same may be condoned to regularize the case.

vi. The firm further stated that EPCG Scheme allows import of capital goods for use at Pre-Production/Production/Post-Production stage and the goods imported by them have been used at Pre-Production & Post-Production Scheme. The nexus is asked at the time of issuance of license and same has been submitted by them. Escalators/elevators are not allowed to normal unit under EPCG Scheme. These are used by Mall premises where they are having additional activities of stores/packing/dispatch and small manufacturing unit and that the licenses have been granted after checking the nexus.

vii. The firm further stated that EPCG scheme allows import of capital goods as per FTP (2008-09) as per the following provision. *"EPCG for Retail Sector Para 5.1 C To create modern infrastructure in retail sector, concessional duty benefits under EPCG scheme shall be extended for import of capital goods required by retailers having minimum area of 1000 sq meters. Such retailer shall fulfilll export obligation i.e. 8 times of duty saved, in 8 years."* Therefore, they have stated that EPCG authorization was rightly issued as per the prevailing FTP.

3. The firm requested to examine/consider their request with respect to eligibility criteria under policy provision for Retail Sector i.e. Para 5.1 (c).

4. The EPCG Committee in its meeting held on 12.07.2023 took the following decision :-

*"**Decision**: The Committee deliberated upon the case and decided to defer the case for further examination of the request in terms of the policy provisions for EPCG for retail sector"*

5. The policy provision under Para 5.1 (c) of FTP 2004-2009 (w.e.f. 01.04.2008) reads as under :-

"To create modern infrastructure in retail sector, concessional duty benefits under EPCG scheme shall be extended for import of capital goods required by retailers having minimum area of 1000 sq. meters. Such retailer shall fulfill export obligation i.e. 8 times of duty saved, in 8 years."

6. M/s Zazsons Exports Pvt. Ltd., Kanpur has sent an email dated 23.02.2024 informing that M/s. Z Square Shopping Mall Private Limited is a unit of M/s. Zazsons Exports Limited. Due to inadvertence the place of installation in EPCG licence no. 0630001434 dated 01.07.2008, 0630001435 dated 01.07.2008 & 0630001620 dated 05.12.2008 was mentioned as Zazsons Exports Ltd. Jajmau, Kanpur instead of Z-Square Shopping Mall, 16/113 MG Marg, Kanpur.

Subsequently, licences have been amended in the name of Z-Square Shopping Mall and accordingly installation certificates have been obtained/submitted for said address. Zazsons Exports Ltd. & Z Square Mall Pvt. Ltd. are group company and the para 5.5 of FTP, 2009-14 provides for fulfillment of upto 50% EO though Group Company.

7. The applicant was called for a Personal hearing today.

8. The representative of the firm (Shri Tahir Hussain, MD) appeared through Video Conferencing and made the following submissions :-

Applicant's statement: The firm had applied for issue of subject EPCG authorizations within the purview of the relevant rules and regulations. EPCG Scheme at that time allowed the import of CGs under the EPCG by retailers having more than 1000 sqft. of retail sector. They had fulfilled the EO and had submitted all the relevant documents to RA, Kanpur. It was also requested that they be allowed to regularize their case through fulfilment of EO through Group Company.

Decision: The Committee deliberated upon the case and decided **to recommend to DG for relaxation under Para 2.59 of FTP, 2023** to regularize the exports made by the Group Company upto 50% EO for the purpose of fulfilment of EO against the subject EPCG authorizations subject to the party fulfilling the criteria of Group Company as per the applicable policy provisions. The balance of duty plus interest towards the unfulfilled EO maybe paid by the firm under Amnesty Scheme if the firm has already applied.

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- 5: 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 firm 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 Average EO 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 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. 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.

2. In view of the above, the firm has requested for Rectification of wrong endorsement of Average Export Performance based on third-party exports of past 3 years, for the above mentioned licenses.

Decision: The Committee deliberated upon the case and decided to call the applicant for a Personal hearing to explain their case. Accordingly, the case stands **deferred.**

Case No- 6: Krishna Knitts, Surat
F. No. HQRPRCAPPLY00005449AM24

Subject: Request for EOP Extension for 2 years up to 31.12.2023 in respect of EPCG Authorization No. 5230017780 dated 07.08.2015 under 0% Concessional Duty.

The firm has stated that they had obtained 2 EPCG licenses Nos. 5230017780 dated 07.08.2015 & 5230021132 dated 24.06.2016, now for the license dated 07.08.2015 EOP can be extended only till 07.08.2023 and as per application of Notification No. 28, that license could be validated till 31.12.2023 because Notification No. 28 dated 23.09.2021 grants extra validity if the license expiry between 01.08.2020 to 31.07.2021, but the firm were 7 days overdue for this benefit. The firm has further stated that they stand at such a juncture where they can neither opt for amnesty scheme nor do they have validity for exports.

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 5.17 of HBP, 2015-20 and late fee of Rs. 10,000/-.

The above relaxation is also subjected to the condition that the proper installation 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 EO Period (beyond 8 years) in terms of Public Notice No. 53/2015-20 dated 20.01.2023 where extension is permitted on account of COVID.

Case No- 7: Rocksand Minerals Private Limited, Hyderabad
F. No. HQREPCGPRAPP00000034AM24

Subject: Request for EOP Extension for 1 year i.e. 8+1 years in respect of EPCG Authorization No. 0930001327 dated 20.01.2005 and 0930004176 dated 12.04.2005 under 05% Concessional Duty.

The firm has stated that their manufacturing operations got severely impacted due to blanket ban imposed on iron ore mining in the State due to Environmental concerns by Government/Courts in Karnataka, also upheld by the Hon'ble Supreme Court. The firm further stated that to get over the problem they stated manufacturing other alternate possible products like stone aggregated and sand, which was permitted in their industrial permit as well as their EPCG Authorization. However, when they tried to exports it, Customs Department did not allow it as the export of Sand and Stone Aggregate are restricted for export.

2. The representative of the firm (Shri Sri Purnachand Potluri, Managing Director) appeared through Video Conferencing and made the following submissions :-

Applicant's statement: The firm stated that on environmental concerns Government/ Courts in Karnataka imposed a blanket ban on iron ore mining in Karnataka, due to which they were unable to fulfill the EO imposed against the EPCG Authorisations and require extension in EO period for fulfillment of EO.

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 8th year to 9th year) on payment of composition fee or imposition of additional EO in terms of Para 5.11 of HBP, 2004-09 and late fee of Rs. 10,000/-.

Before taking any decision, RA may also examine the documentary evidence submitted by the firm in support of its contention that the EO could not be fulfilled due to the ban imposed on iron ore mining in Karnataka.

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 the EO period has already expired.

This has the approval of DG, DGFT.

Case No- 8: Krishna Intertex Pvt Ltd., Vadodara
F. No. HQRPRCAPPLY00007845AM24

Subject: EOP extension for 3 years from 05.02.2024 in respect of EPCG Authorization No.3430002971 dated 23.11.2016 under Zero duty EPCG Scheme.

The firm has stated that they have completed import of machineries and obtain Chartered Engineer Certificate evidencing installation. During that period they were in export import business but due to reshuffling of organization they could not have trained manpower hence could not be monitored with reference to its export obligation as per policy provision. Further, due to COVID pandemic also their export got affected adversely. Now in order to comply the terms and condition of the subject license they have vigorously made efforts to get viable export order for the value and product mentioned in the license.

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 5.17 of HBP, 2015-20 and late fee of Rs. 10,000/-.

The above relaxation is also subjected to the condition that the proper installation 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 (beyond 8 years) in terms of Public Notice No. 53/2015-20 dated 20.1.2023 where extension is permitted on account of COVID.

Case No- 9: Sumeco Metal Pressing Private Limited, Pune
F. No. HQRPRCAPPLY00007859AM24

Subject: Request for 1st block EO Extension in respect of EPCG Authorization No. 3130001721 dated 28.04.2006.

The firm has stated that their license is issued prior to 01.04.2015 and they have not applied for the extension within 6 months from the expiry of the first block. RA, Pune has asked the firm to approach PRC. The firm wishes to pay 2% composition fees on 50% duty saved as per Para 5.13(c) HBP 2015-20.

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 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 5.11 of HBP 2004-09 and late fee of Rs. 10,000/-.

This has the approval of the DG, DGFT.

Case No- 10: Real Links Engineering India Private Limited, Coimbatore
F. No. HQREPCGPRAPP00000601AM24

Subject: Request to consider export made by their customer to fulfill the EO in respect of EPCG Authorization No. 3230021747 dated 30.01.2015 under Zero duty EPCG Scheme.

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

i. They are in the business field for more than 25 years and earlier they were exclusively only in trading business. While they entered into manufacturing activity, there was good demand for valves and other accessories from Oil and Gas industry but due to their misfortune all of a sudden there was a dip in the Oil prices in international market. All their customers shelved their expansion plans and substantially reduced their production level to cut their overhead expenses.

ii. As they were planning to recover from that crisis, there came yet another huge tragedy in the form of COVID 19 Pandemic and added to the losses, amounting to more than Rs.30.00 Cr and their establishment could not function for last 2 years majority due to those 2 big external uncontrollable reasons.

iii. Now due to their terrible situation they are unable to pay the export benefit compensation amount to DGFT. They had approached RA Coimbatore and explained their situation but they denied supporting in this regard explaining the rules and regulations of DGFT.

iv. However, they have directly exported materials worth USD 8330.00 and Euro 3496.00, because of huge losses and total mesh up they could not involve in the management, their staff did not mention their EPCG license number in these export invoices.

v. Further, they are doing business with M/s GTN Engineering India Private Limited for the past 15 years and have purchased material valued Rs. 17.45 Lakhs in 2014-15 (100% EOU), Rs. 1.56 Cr in 2017-18, Rs. 5.29 Cr. In 2018-19, Rs. 3.16 Cr. In 2019-20, Rs. 10.43 Lakhs in 2021-22 and Rs. 4.96 Lakhs in 2022-23 and the same material were exported to FMC Singapore and Austria.

vi. Whereas their EPCG fulfillment of Rs. 1.26 Cr their customer M/s GTN Engineering India Private Limited we have supplied more than Rs. 10.43 Cr also understanding their critical situation customer are ready to give no objection undertaking letter. Their EOP is expiring on 31.12.2023.

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.

The Committee further deliberated upon the case and noted that Amnesty Scheme was notified vide Public Notice No. 02/2023 dated 02.04.2023 for settlement of EO default cases. The applicant may get their case regularized under the Amnesty Scheme if they have already applied.

Case No- 11: Universal Textile Mills, Bengaluru
F. No. HQRPRCAPPLY00004592AM24

Subject: Request for Waiver of Average EO in respect of EPCG Authorization No. 0730017036 dated 31.10.2017 under 0% Concessional Duty.

The firm has stated that they have fulfilled the EO requirement during the first block of the fiscal year 2018-19 however, despite their strong performance at the time of license application, the firm has encountered significant challenges since 2017-18, resulting in a decline in export performance because of difficult economic conditions, impact of Brexit, and Covid-19.

2. The firm has also stated that they have been unable to achieve the required annual average export performance of Rs. 26,93,71,151.33 over the past six years due to these unforeseen circumstances and they were able to achieve Rs. 19,55,63,669.38 only. Year-wise shortfalls in EPCG license are as under:

2017-18	195563669.38	Shortfall 27.40%
2018-19	170419063.43	Shortfall 36.73%

2019-20	144307762.50	Shortfall 46.43%
2020-21	126117272.53	Shortfall 53.18%
2021-22	172240101.46	Shortfall 36.06%
2022-23	189223658.17	Shortfall 29.75%

3. The firm has further stated that they have completed the EO in one year against the EO fixed of Rs. 1,05,52,383.30 / USD 164495.45 and they have discharged the EO by exporting Rs. 2,35,65,706.41/ USD 3,48,704.67. In Addition, the firm has mentioned that over the years they have been fulfilling their EO in the past in timely manner and have never defaulted or reported shortfall.

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.

The Committee deliberated upon the case and decided that the firm may refer to DGFT Policy Circulars for relief in Average Export Obligation in terms of the para 5.19 of HBP, 2015-20.

<u>Case No- 12: Bonie Enclave Private Limited, Howrah, West Bengal</u>
F. No. HQREPCGPRAPP00000670AM23

Subject: Request for Condonation of delay in submission of Installation Certificate issued by Chartered Engineer in respect of EPCG Authorization No. 0230013313 dated 05.10.2018 under 0% Concessional Duty.

The firm has stated that they were unable to submit the IC to RA within the prescribed time period due to ignorance. As per letter dated 07.02.2024, the firm has stated that the date of submission of Installation Certificate (IC) to RA is 11.03.2021. They have also stated that they have paid a Condonation fee of Rs. 10,000 for delayed submission of IC as per PN 22 dated 13.07.2023 along with Rs. 5,000 towards composition fee as per para 5.04 (a) of HBP 2009-14.

2. As per Installation Certificate dated 17.06.2019 issued by Chartered Engineer enclosed by the firm:

Date of Installation	BOE Details
03.06.2019	8487853 dated 16.10.2018
03.06.2019	9263301 dated 14.12.2018
03.06.2019	8487508 dated 16.10.2018

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- 13: Ritika Agencies Private Limited, Odisha</u>
F. No. HQREPCGPRAPP00000151AM24

Subject: Request for 1st block extension of EOP as per Para 5.8.3 of HBP, 2009-14 in respect of EPCG Authorization No. 2330000979 dated 03.02.2014 under 0% Concessional Duty.

The firm has stated that they could not fulfill EO within export obligation period due to market global slowdown and Covid-19. The firm has further stated that they couldn't submit application for block-wise extension of EOP to RA, Calcutta as per Para 5.8.3 of HBP, 2009-14 but they have made exports more than 100% within extended 2nd block as per Public Notice 67 dated 31.03.2020 and attached all the export documents viz. Shipping bill and eBRC.

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 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/-.

This has the approval of the DG, DGFT.

<u>Case No- 14: Grind Master Machines Private Limited, Aurangabad, Maharashtra</u>
F. No. HQREPCGPRAPP00001102AM24

Subject: Request for Reduction in Average export obligations Relief in respect of EPCG Authorization No. 0330050385 dated 18.12.2018 under 0% Concessional Duty.

The firm has stated that their Duty saved utilized against the above EPCG was Rs. 70,28,049.00. Subsequently their specific EO fulfillment computed was Rs. 4,21,68,294.00 / $5,78,043.78 as per utilized value.

2. The firm has also stated that they had submitted one amendment application to RA Mumbai for reduction Average EO as eligible as per Policy Circular No. 37/2015-20 and the same was approved revised as per the PC 37 for 2019-20 & 2020-21 and they could get a small reduction but they have not got the benefit of reduction for all the export products also the reduction granted was too negligible as against the drastic fall in exports. The details summary of the exports effected are as under:-

S. No	Financial Year	Export Turnover	
		(INR)	(USD)
1	2018-19	57,88,35,029.02	82,80,662.31
2	2019-20	35,99,94,127.00	51,14,653.65
3	2020-21	41,24,28,379.98	56,45,730.78

4	2021-22	14,99,38,222.70	56,85,489.41
5	2022-23	42,55,55,705.04	53,66,377.25
	Total	**2,19,67,51,463.74**	**3,00,92,913.40**

3. The firm has further stated that there was huge decline in their export during the year 2019-2020 due to global slowdown, which only got aggravated due to Covid-19 crisis, thus resulting in large scale disruption in their supply and demand & subsequent cancellation of existing orders.

4. In Addition, the firm has stated that they have not received any Average reduction benefits in respect of Export ITC HS Code, viz 84609010 & 84609090 which constitutes nearly 75.85% of their total exports and the benefits of Average EO reduction in the overall fall of these exports items have not appeared in the Policy Circular 37/2015-20, thus denying them the benefit.

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- 15: Roto Pumps Limited, Kolkata
F. No. HQREPCGPRAPP00000299AM24

Subject: Request to Allow Consideration of Shipping Bills for purpose of fulfillment of EO in respect of 4 EPCG Authorization Nos. under 03% Concessional Duty.

The firm has stated that due to inadvertence and lack of understanding of policy procedures, they could not prepare shipping bills under EPCG Scheme.

2. The firm has further stated that they have not claimed any duty drawback and the Specific EO and Annual Average has been fulfilled by exports under "free shipping bills" with the intent to claim chapter-3 incentive.

3. The firm has submitted the following submissions and grounds:

i. Free shipping bills are used in case of goods which neither attract any duty not entitled for duty drawback. It is also not considered for benefit of different export promotion scheme of FTP

ii. However, in terms of Para. 5.04(d) of FTP, shipments under Advance Authorization, DFIA, Drawback scheme or reward scheme under Chapter 3 of FTP, would also count for fulfillment of EO under EPCG Scheme

iii. As per Custom Circular No. 01/2009-Customs dated 13.01.2009 and Para 3.23.8 of FTP 2008-09, Export incentives under Chapter 3 of the FTP are available if the exporter declares intent to claim incentives of Free Shipping Bill

iv. Further, as per Custom Circular No. 6/2002-Cus dated 23.01.2002, the scale of examination of exports goods are also given

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- 16: Naini Tissues, Uttarakhand</u>
F. No. HQREPCGPRAPP00000244AM24

Subject: Request for

i. **Condonation for wrong mentioning of EPCG Authorization No. in Shipping Bills**
ii. **Waiver of Annual Average Export Obligation**
iii. **Condonation of delay in submission of Installation Certificate issued by Chartered Engineer**

In respect of ECPG Authorization Nos. 6130000222, 6130000223 dated 19.11.2010, 6130000230, 6130000231 dated 27.12.2010 & 6130000247 dated 18.02.2011 under 0% Concessional Duty.

The firm has stated that they have fulfilled the EO within stipulated period and the application for redemption of these above licenses was filed in 2018, since then the redemption was pending due to following procedural mistakes :-

- There were some shipping bills which contain different EPCG Authorization numbers but due to unawareness of dealing person and due to mistake on the part of CHA that the one EPCG license number were mentioned in so many shipping bills.

- The statement of AEO was submitted as prepared and certified by CA but the RA office was not satisfied with that format and also not providing any format to the firm.

- The firm has submitted Installation Certificate issued by the Chartered Engineer whereas the RA required the certificate from Jurisdictional Central Excise Authority since the unit was 100% exempt from Excise Duty under Notification No. 49/2003 dated 10.06.2003. Hence, Central Excise Department not entertained their application at that time for issuance of Installation Certificate and the firm opted to obtained certificate from CE to comply with the laws.

2. As per Installation Certificate dated 29.06.2011 issued by Chartered Engineer enclosed by the firm :-

BOE Details	Date of Installation
2404650 dated 07.12.2010	07.03.2011
2453281 dated 20.12.2010	07.03.2011
2587041 dated 14.01.2011	15.04.2011
677892 dated 24.01.2011	07.03.2011
2961699 dated 15.03.2011	15.04.2011

3. In Addition, the firm has stated that they have submitted affidavit as required vide Policy Circular No. 07/2002 dated 11.07.2002 duly signed by director of the company and also attested by Notary Public and confirmed that the shipping bills used for redemption of particular license were not used against any other license.

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: Naini Tissues, Uttarakhand
F. No. HQREPCGPRAPP00000245AM24

Subject: Request for

i. **Condonation for wrong mentioning of EPCG Authorization No. in Shipping Bills**
ii. **Wavier of Annual Average Export Obligation**
iii. **Consideration of Installation Certificate issued by Chartered Engineer instead of Central Excise**

In respect of ECPG Authorization Nos. 6130000229 dated 27.12.2010 and 6130000387 dated 10.06.2013 under 0% Concessional Duty.

The firm has stated that they have fulfilled the EO within stipulated period and the application for redemption of these above licenses were filed in 2018, since then the redemption was pending due to following procedural mistakes:

- There were some shipping bills which contain different EPCG Authorization numbers but due to unawareness of dealing person and mistake on the part of CHA that the one EPCG license number was mentioned in so many shipping bills.
- The statement of AEO was submitted as prepared and certified by CA but the RA office was not satisfied with that format and also not providing any format to the firm.
- The firm has submitted Installation Certificate issued by the Chartered Engineer whereas the RA required the certificate from Jurisdictional Central Excise Authority since the unit was 100% exempt from Excise Duty under Notification No. 49/2003 dated 10.06.2003. Hence, Central Excise Department not entertained their application at that time for issuance of Installation Certificate and the firm opted to obtained certificate from CE to comply with the laws.

2. As per Installation Certificate dated 29.06.2011 issued by Chartered Engineer enclosed by the firm:

BOE Details	Date of Installation
672459 dated 20.01.2011	07.03.2011
3936731 dated 28.11.2013	10.12.2013

3. In Addition, the firm has stated that they have submitted affidavit as required vide Policy Circular No. 07/2002 dated 11.07.2002 duly signed by director of the company and also attested

by Notary Public and confirmed that the shipping bills used for redemption of particular license were not used against any other license.

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- 18: Plastica Trading Pvt Ltd, Kanpur
F. No. HQREPCGPRAPP00001771AM24

Subject: Request for Re-fixation of Average Export Performance under EPCG scheme due to entity de-merger in respect of EPCG Authorization No. 0630007598 dated 15.06.2020 under 0% Concessional Duty.

The firm has stated that the Average EO was imposed based on combined segments of their business encompassing 2 segments :-

- Moulded Automotive sealing parts
- Injection Moulded Parts and other items

2. The firm has further stated that subsequent to this imposition, their business underwent a restructuring process resulting in the de-merger of their operation into two distinct entities. As the AEO imposed was for the combined segments, de-merger into separate entities has rendered them unable to fulfill this AEO.

3. The applicant was called for a Personal hearing today but none appeared.

Decision: The Committee deliberated upon the case and decided to **defer** it as the applicant did not appear before EPCG Committee for Personal Hearing to explain their case. In case the firm fails to appear, no further opportunity for the personal hearing shall be granted and a decision will be taken on merits of the case ex-parte.

Case No- 19: Veekayem Fashion and Apparels ltd, Maharashtra
F. No. 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.

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.

2. 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. 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.

3. 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.

Decision: After deliberation on the request of the firm, the Committee decided to **defer** the case with the directions to call for a report from RA concerned on the submissions made by the applicant.

Case No- 20: Ebell Fashions Mills Private Limited, West Bengal
F. No. HQREPCGPRAPP00001779AM24

Subject: Request for 1st Block Extension in respect of EPCG Authorization No. 0230010123 dated 11.02.2015 under 0% Concessional Duty.

The firm has stated that they were unable to fulfill the EO for the 1st block to the tune of 50% due to unavoidable reasons. The firm has requested for Block wise waiver so that they can get Block-wise waiver/ extension from RA, Kolkata after payment of composition fee as per Exim Policy.

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/-.

This has the approval of DG, DGFT.

Case No- 21: Prarthana Wooltex Private Limited, Panipat
F. No. HQREPCGPRAPP00001107AM24

Subject: Request for EOP Extension for 6 years up to 23.10.2025 i.e. beyond 6 years in respect of EPCG Authorization No. 3330003073 dated 23.10.2013 under 0% Concessional Duty.

The firm has stated that they were unable to complete the EO within the extended period due to technical fault in their printing/finishing plant. After the technical issue, all the manufacturing activities and supply chains were disturbed. The financial position of the firm was disrupted and they could not make the products in quality and in the quantity required.

2. The firm further stated that they started their plant by removing the technical faults with the help of technicians and the plant worked up to 2019. After which, COVID-19 affected the productions and sales activities, which led to non-completion of EO in time.

3. The firm has also stated that they had earlier applied for EOP Extension for 4 years, beyond 6th year. However, the file is still under process.

4. It is submitted that the request of relaxation against the subject EPCG authorisation was considered in the 10th EPCG Committee Meeting of AM-23 held on 18.01.2023 and 20.01.2023. The decision of which is as under:

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

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

b. Condonation of delay in approaching RA for EO extension for 2 years (from 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 following conditions:-

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

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

This has the approval of DG, DGFT.

In respect of 3rd request:

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

In view of the above, the firm has requested for EOP Extension for 6 years up to 23.10.2025 i.e. beyond 6 years for the above mentioned license.

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: SJ Colonisers Pvt Ltd, Lucknow
F. No. HQREPCGPRAPP00001942AM24

Subject: Request for EOP Extension for 2 years (i.e. 8+2 years) in respect of EPCG Authorization No. 0630003756 dated 28.12.2012 under 03% Concessional Duty.

The firm has stated that they applied for an application under the Amnesty Scheme to adjust the duty and interest paid on the higher side. However, RA was not considered their application and has advised them to approach DGFT, HQ. In addition, the firm has requested to clarify the applicability of the COVID extension, as allowed for licenses expiring from 01.02.2020 to 31.03.2022. they seek clarification on whether the period of extension will be available for 26 months from the date of expiry, as prescribed in PN 53 dated 20.01.2023.

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 year 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 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 EO Period (beyond 10 years) in terms of Public Notice No. 53/2015-20 dated 20.01.2023 where extension is permitted on account of COVID.

Case No- 23: Himalaya International Ltd., New Delhi

S. No.	File No.	EPCG Authorization Details
1	HQRPRCAPPLY00384729AM22	0530155254 dated 13.04.2011
2	HQRPRCAPPLY00381115AM22	0530148547 dated 05.03.2009
3	HQRPRCAPPLY00384710AM22	0530156390 dated 02.09.2011
4	HQRPRCAPPLY00384709AM22	0530157806 dated 02.03.2012
5	HQRPRCAPPLY00382875AM22	0530153729 dated 15.10.2010
6	HQRPRCAPPLY00381218AM22	0530145578 dated 11.02.2008
7	HQRPRCAPPLY00384735AM22	0530155208 dated 01.04.2011
8	HQRPRCAPPLY00381130AM22	0530146484 dated 24.06.2008
9	HQRPRCAPPLY00381140AM22	0530146215 dated 27.05.2008
10	HQRPRCAPPLY00381159AM22	0530144373 dated 20.08.2007
11	HQRPRCAPPLY00387290AM22	0530158956 dated 30.07.2012
12	HQRPRCAPPLY00387255AM22	0530158415 dated 24.05.2012
13	HQRPRCAPPLY00366164AM22	0530144234 dated 01.08.2007
14	HQRPRCAPPLY00384140AM22	0530154253 dated 15.12.2010
15	HQRPRCAPPLY00384137AM22	0530154324 dated 22.12.2010
16	HQRPRCAPPLY00382887AM22	0530152213 dated 25.05.2010
17	HQRPRCAPPLY00382873AM22	0530153744 dated19.10.2010
18	HQRPRCAPPLY00384720AM22	0530156021 dated 18.07.2011
19	HQRPRCAPPLY00384724AM22	0530155679 dated 03.06.2011

20	HQRPRCAPPLY00382877AM22	0530152761 dated 14.07.2010
21	HQRPRCAPPLY00397870AM22	0530154643 dated 28.01.2011
22	HQRPRCAPPLY00381188AM22	0530144715 dated 04.10.2007
23	HQRPRCAPPLY00387366AM22	0530147714 dated 12.11.2008
24	HQRPRCAPPLY00393207AM22	0530161787 dated 31.10.2013
25	HQRPRCAPPLY00384135AM22	0530155176 dated 31.03.2011
26	HQRPRCAPPLY00397887AM22	0530152214 dated 25.05.2010

Subject: Request for amendment in Specific EO and Average EO in respect 38 of EPCG Authorisations.

The applicant has stated that they were issued EPCG on the condition to Export 6 times the Duty saved Value in a period of 12 years. The firm has also stated that their Export products are sweets and appetizers, which are processed Foods. Therefore, the condition should be to export 8 times the duty saved value in 8 years. The firm has informed that they have completed their EO accordingly.

2. It is informed that the firm were a 100% EOU unit and became a DTA unit in 2006-07 when they were issued EPCG Authorisations for conversion to DTA. Subsequently they were also issued final de-bonding order Dated 09.05.2007.

3. CLA, Delhi was asked to furnish a report in the matter for a total of 38 applications filed by M/s Himalaya International Ltd.

4. The matter was earlier considered in 8th EPCG Committee Meeting of AM-24 held on 26.12.23. The decision of which is as under:

"The Committee deliberated upon the case and decided to defer the case for calling a report from CLA, New Delhi on request of the firm. The firm to be granted a Personal hearing for consideration of their request."

5. Now, CLA, Delhi vide email dated 27.02.23 and 06.03.24, have sent a report in the matter.

6. The representative of the firm (Shri Man Mohan Malik, Chariman & CEO) appeared through Video Conferencing and made the following submissions :-

Applicant's statement: The firm has fulfilled the EO against the said EPCG authorizations by executing fabrics production orders carried out from a unit operating in SEZ, Kochi

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

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[DGFT= Directorate General of Foreign Trade, DG = Director General, FTP, = Foreign Trade Policy, HBPv1 = 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

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