

APPENDIX - 5 E

COMPUTATION OF ANNUAL AVERAGE EXPORT OBLIGATION UNDER EPCG SCHEME (PARA 5.04 (b) OF FOREIGN TRADE POLICY 2015-20 READ WITH PARA 5.12 OF HBP 2015-20).

The average Export Obligation under EPCG scheme shall be fixed as under:

- (i) In respect of EPCG authorizations issued to an applicant during a licensing year, the Average Export Obligation will be same for same and similar products. While calculating Average Export Obligation, exports counted/being counted for fulfilling specific EO against EPCG Authorisations within valid EO Period (whether original or extended) that have been made in the preceding 3 years will not be taken into account.
- (ii) If an applicant has been in existence for more than 3 years, the exports in each of the past 3 years (even if for some years, it may be zero) are aggregated and the aggregate export is divided by 3.
- (iii) If an applicant has been in existence for less than 3 years, the denominator in the above calculation will be the number of year and not 3. The following table illustrates the fixation of average Export Obligation (in case a firm/company has applied for EPCG authorizations in the year 2017-18).

Firm/Company in existence for more than 1 year but less than 2 years			
	Year 1 (2016-17)	Year 2 (2015-2016)	Average Export Obligation
Exports	Nil	Not Applicable	Nil
	X	Not Applicable	X/1
Firm/Company in existence for more than 2 year but less than 3 years			
	Year 1 (2016-17)	Year 2 (2015-2016)	Average Export Obligation
Exports	Nil	Nil	Nil
	Nil	X	X/2
	X	Y	X+Y/2