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MINUTES OF 4th MEETING OF AM-24 OF THE EPCG COMMITTEE HELD UNDER THE CHAIRMANSHIP OF SHRI AKASH TANEJA, ADDITIONAL DIRECTOR GENERAL OF FOREIGN TRADE AT 03.00 PM ON 12.09.2023.

Fourth Meeting for AM-24 of the EPCG Committee was held on 12.09.2023 at 03.00 PM under the chairmanship of Shri Akash Taneja, Additional Director General of Foreign Trade at Vanijya Bhawan, New Delhi. Following officers attended the meeting:-

i. Shri Chandan Kumar, OSD, Department of Revenue
ii. Shri Sandeep Poonia, OSD, Department of Revenue
iii. Shri Randheep Thakur, Joint Director General of Foreign Trade, DGFT
iv. Shri Rajesh Malhotra, Deputy Director General of Foreign Trade, DGFT
v. Shri Satish Kumar Oza, Foreign Trade Development Officer, DGFT

2. The minutes of 3/AM24 EPCG Committee Meeting held on 12.07.2023 were finalized and uploaded on DGFT's website on 28.07.2023. However, while finalizing the minutes, a typographical error had occurred inadvertently in the decision of Case No. 34 of the minutes pertaining to Carborundum Universal Limited, as informed by the applicant vide email dated 31.07.2023. The Committee decided to amend the decision taken in the last meeting as under:

S. No.	Applicant's name	Subject	Decision in EPCG Committee meeting held on 12.07.2023	Amended Decision
34.	Carborundum Universal Limited	Request for condonation of lapse for mentioning wrong EPCG Authorization Number in 36 Shipping Bills in respect of EPCG authorization No. 0430010842 dated13.02.2012.	The Committee deliberated upon the case and decided to advise the firm to approach concerned Export Promotion Circle, Customs for necessary rectification in the **Installation Certificate.**	The Committee deliberated upon the case and decided to advise the firm to approach concerned Export Promotion Circle, Customs for necessary rectification in the **Shipping Bills.**

The minutes of last meeting, as corrected, are unanimously approved.

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

Case No.	Firm's Name	Page No.
1	Spectrum Printers, Mumbai	3-4
2	Gyansagar Textile Pvt. Ltd., Saravali Bhiwandi (Maharashtra)	4-5
3	Kuber Texlen Pvt. Ltd., Surat	5
4	Alex Extrusions Limited, Kolkata	5-6

<u>Case No- 1: Spectrum Printers, Mumbai</u>
F. No. HQRPRCAPPLY00004601AM23

Subject: Request for

1. **Blockwise Extension**
2. **Second EOP Extension for 9 months i.e. 14.09.2018 to 15.06.2019**

In respect of EPCG Authorization No. 0330027212 dated 14.09.2010 under 0% Concessional Duty.

The firm has stated that their major export orders were canceled in the year 2013-14 due to the war in Crimea. After issuance of Public Notice No. 35 dated 25.10.2017, they applied for extension of Export obligation period and block extension which was approved by Zonal DGFT, Mumbai on 13.09.2018 by that time EO extension period was over. Further, they obtained some orders, keeping in view that they shall get one more extension from DGFT, Delhi as per Para 2.58 of FTP. When the firm contacted DGFT, they were informed that since the block period is expired and no exports were done during this period, they would have to pay 50% duty with interest and only 50% exports needs to be made.

Decision: The Committee deliberated upon the case and decided to **recommend to DG for relaxation under Para 2.59 of FTP, 2023** 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 6th year to 8th year) on payment of composition fee or imposition of additional export obligation 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:-

1. The proper installation certificate has been submitted within time limits as specified, and
2. 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 2nd request i.e. Second EOP Extension for 9 months i.e. 14.09.2018 to 15.06.2019:

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 6+2 years and accordingly, the Committee decided to **reject** the request of the applicant.

The Committee further deliberated upon the case and decided that if the applicant desire they may approach RA for regularizing the case under the Amnesty Scheme notified vide Public Notice No. 02/2023 dated 01.04.2023 as per the conditions specified therein. RA may examine such request as per policy on merit.

Case No- 2: Gyansagar Textile Pvt. Ltd., Saravali Bhiwandi (Maharashtra)
F. No. HQREPCGPRAPP00000004AM24

Subject: Request for extension of 1st block against EPCG Authorization No. 0330028311 dated 03.01.2011 under 03% Concessional duty.

The firm has stated that they could not complete their 50% EO in the first block but they have completed the entire EO in the second block. The firm has also stated that they could not apply for the extension of the first block within 90 days. Hence, the firm has requested for extension of 1st block against above EPCG Authorization.

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

(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 8th year to 10th year) *(if not availed)* on payment of composition fee or imposition of additional export obligation 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 :-

1. The proper installation certificate has been submitted within time limits as specified, and
2. 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.

The Committee further deliberated upon the case and decided that if the applicant desires, they may approach RA for regularizing the case under the Amnesty Scheme notified vide Public Notice No. 02/2023 dated 01.04.2023 as per the conditions specified therein. RA may examine such request as per policy on merit.

Case No- 3: Kuber Texlen Pvt. Ltd., Surat
F. No. HQRPRCAPPLY00004353AM23

Subject: Request for extension of EOP for two years i.e. upto 08.04.2023 beyond 8 years in respect of EPCG authorization no. 5230011468 dated 09.04.2013 under 03% Concessional duty.

The firm has stated that they have already exported $1,549,708.54 out of EO of $1,688,833.36 imposed on them. Further, their export was pending due to Covid and now they are exporting on regular basis. But their EPCG Authorization has expired on 08.04.2021. The firm has stated that they had applied for EOP extension by 2 years i.e. upto 08.04.2023 and the penalty has already been paid as per PN No. 03/2015-20 dated 13.04.2022. But RA, Surat informed that EO period extension after 31.03.2021 cannot be allowed.

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 Export Obligation 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.

The Committee decided to advise that if the applicant desires, they may approach RA for regularizing the case under the Amnesty Scheme notified vide Public Notice No. 02/2023 dated 01.04.2023 as per the conditions specified therein. RA may examine such request as per policy on merit.

Case No- 4: Alex Extrusions Limited, Kolkata
F. No. HQRPRCAPPLY00004354AM23

Subject: Request for extension of EOP for two years from the date of endorsement i.e. beyond 8+2 years in respect of EPCG authorization no. 0230008634 dated 20.02.2013 under 03% Concessional duty.

The firm has stated that they are making continuous efforts to complete their Export obligation. They are confident of completing the remaining EO within 2 years from the date of endorsement. As of 10.02.2023, they have completed exports totaling Rs. 14.48 crore. The firm attributes the export delays to the violation of the MOU by their main buyer, STP Ltd, after production commenced in 2014. The firm also mentions that due to no sales they became a NPA on 28.01.2015, as per their banker, State Bank of India.

2. Further, the firm states that they successfully revived their business after extensive efforts in 2017, with sales proceeds coming from M/s. Pidilite Industries Ltd., Berger Paints Ltd., and ultimately Asian Paints Ltd. It took them nearly four years to recover from the NPA status. The firm also highlights significant challenges faced during the COVID-19 pandemic, including cash flow issues, reduced demand, fivefold increase in sea freight costs, higher salaries and wages, increased bank interest and electricity bills.

Decision: The Committee deliberated upon the case and decided **to recommend to DG for relaxation under Para 2.59 of FTP, 2023** to allow Condonation for delay in approaching RA for second extension in EOP (10th year to 12th year) with a condition that 50% of duty payable in proportion to the unfulfilled EO is paid by the authorization holder to custom authorities in terms of provisions contained in Para 5.11 of HBP 2009-14.

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.

Alternatively, the firm may approach RA for extension of Export Obligation Period in terms of Public Notice No. 53/2015-20 dated 20.01.2023 where extension is permitted on account of COVID.

The Committee further deliberated upon the case and decided to advise that if the applicant desire they may approach RA for regularizing the case under the Amnesty Scheme notified vide Public Notice No. 02/2023 dated 01.04.2023 as per the conditions specified therein. RA may examine such request as per policy on merit.

Case No- 5: Spectrum Printers, Mumbai
F. No. HQRPRCAPPLY00004599AM23

Subject: Request for
1. **Blockwise Extension**
2. **Second EOP Extension for 2 years i.e. beyond 6+2 years**

In respect of EPCG Authorization No. 0330027665 dated 29.10.2010 under 0% Concessional Duty.

The firm has stated that their major export orders were canceled in the year 2013-14 due to the war in Crimea. After issuance of Public Notice No. 35 dated 25.10.2017, they applied for extension of EO period and block extension which was approved by Zonal DGFT, Mumbai on 28.10.2018, which they received after the export obligation extension period was over. Firm further stated that they tried to get exports orders and they obtained some orders, keeping in view that they shall get one more extension from DGFT, Delhi as per Para 2.58 of FTP. When the firm contacted DGFT, they were informed that since the block period is expired and no exports were done during this period, they would have to pay 50% duty with interest and only 50% exports needs to be made.

Decision: The Committee deliberated upon the case and decided to **recommend to DG for relaxation under Para 2.59 of FTP, 2023** 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 6th year to 8th year) *(if not availed)* on payment of composition fee or imposition of additional export obligation 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:-

1. The proper installation certificate has been submitted within time limits as specified, and
2. 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 2nd request i.e. Second EOP Extension for 2 years i.e. beyond 6+2 years: 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 6+ 2 years and accordingly, the Committee decided to **reject** the request of the applicant.

The Committee further deliberated upon the case and decided to advise that if they desire, the applicant may approach RA for regularizing the case under the Amnesty Scheme notified vide Public Notice No. 02/2023 dated 01.04.2023 as per the conditions specified therein. RA may examine such request as per policy on merit.

Case No- 6: Shiv Shanker Shawls, Amritsar
F. No. HQREPCGPRAPP00000047AM24

Subject: Request for Block-wise Extension in respect of EPCG Authorization No. 1230001272 dated 16.01.2015 under 0% Concessional duty.

The firm has stated that they could not fulfill their EO due to problems which were beyond their control. Now, they have sufficient export orders and they have submitted the request for extension to RA, Ludhiana, as per P.N. 3 dated 03.04.2022. However, they were served a DL stating that their request cannot be considered as the authorization has been issued prior to FTP, 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:-

(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 6th year to 8th year) *(if not availed)* 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: -

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

2. 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.

The Committee further deliberated upon the case and decided to advise that if the applicant desires they may approach RA for regularizing the case under the Amnesty Scheme notified vide Public Notice No. 02/2023 dated 01.04.2023 as per the conditions specified therein. RA may examine such request as per policy on merit.

<u>Case No- 7: Banco Products (India) Ltd., Vadodara</u>
F. No. HQRPRCAPPLY00004596AM23

Subject: Request for extension of 1st block for two years against EPCG Authorization Nos. 3430002606 dated 09.01.2015 and 3430002643 dated 27.02.2015 under 0% Concessional duty.

The firm has stated that during the physical period of EO, there was a global slowdown in economic activity, especially in the engineering sector, which resulted in cancellation/rejection of orders placed by foreign customers in the first block period of the authorization. So, they could not complete their 50% EO in the first block. Hence the firm applied for extension of 1st block to RA, Vadodara but the same was rejected as they had not filed the application for extension of 1st block EO within 3 months from the expiry of the block.

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

(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 6th year to 8th year) *(if not availed)* 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: -

1. The proper installation certificate has been submitted within time limits as specified, and
2. 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.

The Committee further deliberated upon the case and decided to advise that if the applicant desires they may approach RA for regularizing the case under the Amnesty Scheme notified vide Public Notice No. 02/2023 dated 01.04.2023 as per the conditions specified therein. RA may examine such request as per policy on merit.

<u>Case No- 8: Rupa & Company Limited, Kolkata</u>
F. No. HQREPCGPRAPP00000165AM24

Subject: Request for 1st Block Extension in respect of EPCG Authorization No. 0230009366 dated 28.02.2014 under 0% Concessional Duty.

The firm has stated they could not export during the first block period due to problems which were beyond their control. The firm has stated that they could not apply for extension of 1st block EO within 3 months from the expiry of the block.

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

(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 6th year to 8th year) *(if not availed)* 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: -

1. The proper installation certificate has been submitted within time limits as specified, and
2. 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.

The Committee further deliberated upon the case and decided to advise that if the applicant desires they may approach RA for regularizing the case under the Amnesty Scheme notified vide Public Notice No. 02/2023 dated 01.04.2023 as per the conditions specified therein. RA may examine such request as per policy on merit.

Case No- 9: Atlas Castalloy Limited, Mumbai
F. No. HQREPCGPRAPP00000009AM24

Subject: Request against 3 EPCG Authorization Nos. 3130004312 dated 09.11.2009, 3130005311 dated 10.12.2010 and 3130005421 dated 12.01.2011 under 0% Concessional duty:

i. Extension of 1st block

ii. Extension of EOP for 2 years.

The firm has stated that they could not complete their 50% EO in the first block as well as in 2nd block within the stipulated time period i.e. 6 years but they have completed the entire EO within extension period of 2 years. The firm has also stated that they had earlier applied for extension of 1st block and extension of EOP against above 3 EPCG Authorizations but RA, Pune issued a D/L dated 23.01.2023 informing the applicant that the extension of 1st block of EOP and EOP is not made within time period as per Para 5.8.3 and 5.11 of HBP and also asked the applicant to approach DGFT (HQ) for condonation.

Decision: The Committee deliberated upon the case and decided to **recommend to DG for relaxation under Para 2.59 of FTP, 2023** 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 6th year to 8thyear) *(if not availed)* on payment of composition fee or imposition of additional export obligation 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:-

1. The proper installation certificate has been submitted within time limits as specified, and
2. 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.

The Committee further deliberated upon the case and decided that if the applicant desires, they may approach RA for regularizing the case under the Amnesty Scheme notified vide Public Notice No. 02/2023 dated 01.04.2023 as per the conditions specified therein. RA may examine such request as per policy on merit.

Case No- 10: Jagdambay Cotspin Limited, Punjab
F. No. HQRPRCAPPLY00004430AM23

Subject: Request for extension of EOP for 3 years i.e. beyond 6+2 years in respect of EPCG Authorization No. 3030011468 dated 19.08.2013 under 0% Concessional duty- reg.

The firm has stated that they could not fulfill the EO due to adverse impact of COVID-19 on exports. The firm has further stated that they will complete 100% EO within the extended time period. Therefore, the firm has requested for extension of EOP for 3 years against the above EPCG authorization.

Decision: The Committee deliberated upon the case and decided to advise the firm to approach RA for extension of Export Obligation Period beyond 8 years in terms of Public Notice No. 53/2015-20 dated 20.01.2023 where extension is permitted on account of COVID.

The Committee further deliberated upon the case and decided to advise that if the applicant desires they may approach RA for regularizing the case under the Amnesty Scheme notified vide Public Notice No. 02/2023 dated 01.04.2023 as per the conditions specified therein. RA may examine such request as per policy on merit.

Case No- 11: Viraj Hi-Tech Weaving Private Limited, West Bengal
F. No. HQRPRCAPPLY00004712AM23

Subject: Request for 1st Block Extension in respect of EPCG Authorization No. 3130007903 dated 11.04.2014 under 0% Concessional Duty.

The firm has stated that they have submitted E-Challan of Rs. 12,970 for 2% composition fees on duty saved amount equal to unfulfilled portion of EO of the 1st block of 4 years for the above EPCG license. The firm has also stated that they have submitted E-Challan of Rs. 10,000/- for Onetime condonation of time period in respect of obtaining block-wise extension in Export Obligation period under EPCG Scheme as per P.N. 3/2015-20.

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

(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 6th year to 8th year) *(if not availed)* 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: -

1. The proper installation certificate has been submitted within time limits as specified, and
2. 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.

The Committee further deliberated upon the case and decided to advise that if the applicant desires they may approach RA for regularizing the case under the Amnesty Scheme notified vide

Public Notice No. 02/2023 dated 01.04.2023 as per the conditions specified therein. RA may examine such request as per policy on merit.

Case No- 12: King Rice Mills Pvt. Ltd., East Singhbhum (Jharkhand)
F. No. HQREPCGPRAPP00001056AM23

Subject: Request for extension of 1st block against EPCG Authorization No. 2130000183 dated 31.03.2014 under 0% Concessional duty.

The firm has stated that they could not complete 50% EO in the first block due to problems which were beyond their control. The firm has stated that they could not apply for extension of 1st block EO within 3 months from the expiry of the block. Therefore, the firm has requested for extension of the first block to fulfil its EO against above EPCG authorization.

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

(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 6th year to 8th year) *(if not availed)* 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: -

1. The proper installation certificate has been submitted within time limits as specified, and
2. 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.

The Committee further deliberated upon the case and decided to advise that if the applicant desires they may approach RA for regularizing the case under the Amnesty Scheme notified vide Public Notice No. 02/2023 dated 01.04.2023 as per the conditions specified therein. RA may examine such request as per policy on merit.

Case No- 13: Bharat Heavy Electricals Limited (BHEL), Tiruchirappalli
F. No. HQREPCGPRAPP00000684AM23

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

BHEL, Tiruchirappalli is a manufacturer of steam generators (boilers) and auxiliaries (boiler drums, separator vessels, collector vessels, economizer coils, super heater coils, re-heater coils, headers etc.), which are key components of thermal/nuclear power plants. As a part of augmentation of facilities under 20000 MW modernization plan in anticipation of increased power and industrial segment orders, BHEL, Trichy had obtained above mentioned EPCG authorization from RA, Chennai. As per Notification No. 107 (RE-2010)/2009-2014 dated 21.03.2013, supply to non-mega power projects shall not be entitled to any deemed export benefit. When the annual supplement to FTP is brought out, the consequential changes of this decision will be reflected in various provisions of chapter 8 of FTP & also HBP vol. 1. Deemed export benefits were withdrawn for all power projects other than the listed 112 mega power projects, so that the export obligation could not be achieved through normal power projects.

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

Decision: After deliberation on the request of the firm, the Committee decided to **defer** the case with the directions to call for clarification from RA concerned, along with Appendix 5B (CA Certificate).

<u>Case No- 14: Ardent Steel Pvt. Ltd., Kolkata</u>
F. No. HQREPCGPRAPP00001063AM23

Subject: Request for extension of 1st block for 6 months, without payment of 2% composition fee and late fee against EPCG Authorization No. 2330001023 dated 21.08.2014 under 0% Concessional duty- reg.

The firm has stated that an export duty of 5% had been imposed on iron ore pellets in the year 2014 and due to high competition in the international market; they were unable to secure any orders in their favor and had to sell the products in the domestic market. In addition, prices in the domestic market fell by 35% and because of this, their company stopped production for more than a year, and there were no exports in fiscal 2014 and 2015. Hence, they could not meet 50% EO in 1st block within stipulated time period i.e. 4 years due to problems which were beyond their control. The firm has stated that they could not apply for extension of 1st block EO within 3 months from the expiry of the block.

2. The firm has also stated that they have completed EO of 1st block on 30.01.2019 after a delay of 5 months through third party exports and have earmarked additional Rs. 113 Crores towards EO. Therefore, the firm has requested for extension of first block for 6 months, without payment of 2% composition fee and late fee for the purpose of regularization.

Decision: The Committee deliberated upon the case and decided to **reject** the request for extension of 1st block for 6 months without payment of 2% composition fee and late fees.

Further, the Committee deliberated upon the case and decided **to recommend to DG for relaxation under Para 2.59 of FTP, 2023** to allow extension in block-wise EOP, as the applicant could not apply to RA within the prescribed time period. This shall be subject to payment of 2% composition fee on duty saved amount in proportion to the shortfall at the end of each block in terms of the provisions of Para 5.8.3 of HBP 2009-14 and late fee of Rs. 10,000/-.

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- 15: Garware Technical Fibres Limited, Pune
F. No. HQREPCGPRAPP00000030AM24

Subject: Request for regularization of excess duty credit utilized more than 10% on EPCG Authorization No. 3130011303 dated 10.11.2020 under 0% Concessional duty.
The firm has stated that they have utilized more than 10% duty saved as mentioned on the authorization. The firm has also stated that they have completed their EO in the first block and have applied for the redemption to RA, Pune. RA, Pune issued a D/L dated 03.04.2023 informing the applicant that the duty saved utilized more than 10% and also asked the applicant to approach the DGFT Hqrs for condonation.

Decision: The Committee deliberated upon the case and decided to advise the party to approach RA concerned in respect of their request for regularization of excess duty credit utilized more than 10% in terms of para 5.16(b) of HBP 2015-20, and to pay Customs duty plus interest for an excess utilization of more than 10% of duty saved mentioned in the subject EPCG authorization. This will be further subject to payment of composition fees of Rs. 5000/-.

Case No- 16: SPPL Hotels Pvt. Ltd., Kolkata
F. No. HQRPRCAPPLY00000068AM24
Subject: Request for 1st Block Extension in respect of EPCG Authorization No. 0230009182 dated 22.11.2013 under 0% Concessional Duty.

The firm has stated that they have fulfilled the EO with overall validity of EPCG Authorization, but they could not fulfill the 1st block EO due to delay in opening of the hotel and restrictions of overseas travelers. The firm further stated that they did not apply for condonation of 1st block EO within the time frame of FTP and when they applied for EODC on 21.11.2019, they were issued a DL by RA, Kolkata to approach EPCG Committee for relaxation, as their EPCG Authorization is that of 2009-14 and PN 3 dated 18.01.2023 is not applicable to it.

Decision: The Committee deliberated upon the case and **decided to recommend to DG for relaxation under Para 2.59 of FTP, 2023** 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 6th year to 8th year) *(if not availed)* 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: -

1. The proper installation certificate has been submitted within time limits as specified, and
2. 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.

The Committee further deliberated upon the case and decided to advise that if the applicant desires they may approach RA for regularizing the case under the Amnesty Scheme notified vide Public Notice No. 02/2023 dated 01.04.2023 as per the conditions specified therein. RA may examine such request as per policy on merit.

Case No- 17: Shri Ram Rice & General Mills, Moradabad
F. No. HQREPCGPRAPP00000166AM24

Subject: Request for EOP Extension i.e. 6+2 years in respect of EPCG Authorization No. 2930000285 dated 04.07.2013 under 0% Concessional Duty.
The firm has stated that they were unable to export against the duty saved amount due to market loss, family issues, and some other financial reasons. The firm further stated that due to bad market conditions, broken in raw material paddy, and power failure while installation of new plant and machinery, they were not able to find the experienced staff and mechanic for the machinery and production line , which resulted low and bad quality of finished product rice.

Decision: The Committee deliberated upon the case and decided **to recommend to DG for relaxation under Para 2.59 of FTP, 2023** to allow Condonation of delay in approaching RA for EO extension for 2 years (from 6th year to 8th year) on payment of composition fee or imposition of additional EO in terms of Para 5.11 of HBP 2009-14 and late fee of Rs. 10,000/-.

The above relaxation is also subject to the following conditions:-

1. The proper installation certificate has been submitted within time limits as specified, and
2. 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.

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 the applicant desires they may approach RA for regularizing the case under the Amnesty Scheme notified vide Public Notice No. 02/2023 dated 01.04.2023 as per the conditions specified therein. RA may examine such request as per policy on merit.

<u>Case No- 18: HP Cotton Casuals Pvt. Ltd, Kolkata</u>
F. No. HQREPCGPRAPP00000057AM24

Subject: Request for extension of EOP for two years i.e. upto 31.12.2023 in respect of EPCG Authorization No. 0230010073 dated 28.01.2015 under 0% Concessional duty.

The firm has stated that they could not complete 100% EO within stipulated time period i.e. 6 years due to the unfavorable market situation of the Textiles sector. The firm has also stated that they can fulfill EO with 25% enhancement (20% enhancement as per Para 5.11 of HBP 2009-14 + 5% enhancement as per Notification No. 28/2015-20 dated 23.09.2021) within extended EOP.

Decision: The Committee deliberated upon the case and decided **to recommend to DG for relaxation under Para 2.59 of FTP, 2023** to allow Condonation of delay in approaching RA for EO extension for 2 years (from 6th year to 8th year) on payment of composition fee or imposition of additional EO in terms of Para 5.11 of HBP 2009-14 and late fee of Rs. 10,000/-.

The above relaxation is also subject to the following conditions:-

1. The proper installation certificate has been submitted within time limits as specified, and
2. 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.

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 the applicant desires they may approach RA for regularizing the case under the Amnesty Scheme notified vide Public Notice No. 02/2023 dated 01.04.2023 as per the conditions specified therein. RA may examine such request as per policy on merit.

<u>Case No- 19: Naxalbari Flour & Rice Mill Private Limited, Kolkata</u>
F. No. HQREPCGPRAPP00000063AM24

Subject: Request for EOP Extension for 2 years i.e. upto 31.12.2023 in respect of EPCG Authorization No. 0230009421 dated 25.03.2014 under 0% Concessional duty.

The firm has stated that they could not fulfill their export obligation due to problems which were beyond their control. The firm has stated that they could not apply for extension of 1st block EO within 3 months from the expiry of the block. The firm has further stated that they are hopeful that they can fulfill EO with 25% enhancement (20% enhancement as per para 5.11

of HBP (2009-2014) + 5% enhancement as per Notification No. 28/2015-2020 dated 23.09.2021), within the extended EO period.

Decision: The Committee deliberated upon the case and decided **to recommend to DG for relaxation under Para 2.59 of FTP, 2023** to allow Condonation of delay in approaching RA for EO extension for 2 years (from 6th year to 8th year) on payment of composition fee or imposition of additional EO in terms of Para 5.11 of HBP 2009-14 and late fee of Rs. 10,000/-.

The above relaxation is also subject to the following conditions:-

1. The proper installation certificate has been submitted within time limits as specified, and
2. 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.

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 the applicant desires they may approach RA for regularizing the case under the Amnesty Scheme notified vide Public Notice No. 02/2023 dated 01.04.2023 as per the conditions specified therein. RA may examine such request as per policy on merit.

Case No- 20: Shree Salasarhanumanji Grains Private Limited, Kolkata
F. No. HQREPCGPRAPP00000061AM24

Subject: Request for 1st Block Extension in respect of EPCG Authorization No. 0230009468 dated 25.04.2014 under 0% Concessional Duty.

The firm has stated that could not fulfill the EO to the tune of 50% for the first block as required due to problems which were beyond their control. The firm has stated that they could not apply for extension of 1st block EO within 3 months from the expiry of the block.

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

(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 6th year to 8th year) *(if not availed)* 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: -

1. The proper installation certificate has been submitted within time limits as specified, and
2. 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.

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 the applicant desires they may approach RA for regularizing the case under the Amnesty Scheme notified vide Public Notice No. 02/2023 dated 01.04.2023 as per the conditions specified therein. RA may examine such request as per policy on merit.

<u>Case No- 21: Nirvan Silk Mills Private Limited, Mumbai</u>
F. No. HQREPCGPRAPP00000181AM24

Subject: Request for:

i. **1^{st} Block Extension**
ii. **1^{st} EOP Extension for 1 year up to 12.07.2020 i.e. 8+1 years**
iii. **Automatic EOP Extension up to 31.12.2021 in view of Notification No. 28/2015-20 dated 23.09.2021**
iv. **6 months EOP Extension from 01.02.2020 upto 31.07.2020 as per PN 67 dated 31.03.2020**
v. **EOP Extension from 01.08.2020 upto 31.07.2021 as per Notification No. 28 dated 23.09.2021**
vi. **2^{nd} EOP Extension for 1 year from 31.12.2021 up to 31.12.2022 i.e. beyond 8+2 years**
vii. **Additional 2 years EOP Extension from 31.12.2022 upto 31.12.2024 i.e. beyond 8+2 years**

In respect of EPCG Authorization No. 0330029990 dated 12.07.2011 under 03% Concessional Duty**.**
The firm has stated that they are a MSME Unit, manufacturing of Fabrics, Readymade Garments, Made-ups and Other Textile Products. The firm further stated that they couldn't fulfill their 100% EO in stipulated time period due to:

i. They are new in the industry
ii. There is heavy price competition against Pakistan, Bangladesh, Taiwan, Bangkok and China as yield of raw cotton is very low by Indian farmers
iii. The Covid-19 Pandemic resulted in sudden fall of textile goods and products domestically and internationally till date
iv. The lockdown forced worker migration to native places resulted in stopping of production in pandemic and rehabilitation period

v. Tremendous increase in raw material and transport prices

2. The firm further stated that they are gradually restoring the problems related to production, transportation, financial hardships, non-availability of skilled worker and Export Orders from foreign buyers.

Decision:

In respect of request for 1st Block Extension:

The Committee deliberated upon the case and decided **to recommend to DG for relaxation under Para 2.59 of FTP, 2023** to allow extension in block-wise EOP, as the applicant could not apply to RA within the prescribed time period. This shall be subject to payment of 2% composition fee on duty saved amount in proportion to the shortfall at the end of each block in terms of the provisions of Para 5.8.3 of HBP 2009-14 and late fee of Rs. 10,000/-.

In respect of request for EOP Extension up to 12.07.2020:

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 2009-14 and late fee of Rs. 10,000/-.

In respect of request for EOP Extension up to 31.12.2021:

The Committee deliberated upon the case and decided to advise the firm to approach RA for extension of Export Obligation Period up to 31.12.2021 as per DGFT's Public Notice No. 67 dated
31.3.2020 and Notification No. 28/2015-2020 dated 23.09.2021.

In respect of request for EOP Extension up to 31.12.2022:

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 9th 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.

Case No- 22: Shree Sai Organic Foods Private Limited, Bihar
F. No. HQREPCGPRAPP00000028AM24

Subject: Request for EOP extension for 2 years from 31.12.2021 to 31.12.2023 in respect of EPCG Authorization No. 2130000189 dated 11.06.2014 under 0% Concessional Duty.

The firm has stated that they could not complete 100% EO within the extended time period due to the unfavorable market situation. The firm has requested for extension of EOP for 2 years i.e. upto 31.12.2023 since the initial EOP expired on 31.12.2021 as per DGFT Public Notice No. 67/2015-2020 dated 31.03.2020 read with Notification No. 28/2015-2020 dated 23.09.2021 and they are hopeful that they can fulfill the EO with 25% enhancement (20% enhancement as per para 5.11 of HBP (2009-14) + 5% enhancement as per Notification No. 28/2015-2020 dated 23.09.2021, within extended EOP.

Decision: The Committee deliberated upon the case and decided **to recommend to DG for relaxation under Para 2.59 of FTP, 2023** to allow Condonation of delay in approaching RA for EO extension for 2 years (from 6^{th} year to 8^{th} year) on payment of composition fee or imposition of additional EO in terms of Para 5.11 of HBP 2009-14 and late fee of Rs. 10,000/-.

The above relaxation is also subject to the following conditions:-

1. The proper installation certificate has been submitted within time limits as specified, and
2. 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.

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 the applicant desires they may approach RA for regularizing the case under the Amnesty Scheme notified vide Public Notice No. 02/2023 dated 01.04.2023 as per the conditions specified therein. RA may examine such request as per policy on merit.

Case No- 23: Rana Denim Private Limited, Maharashtra
F. No. 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.

The firm has stated that they have fulfilled the EO but they have been delay in completion of EO due to force majeure. 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.

Decision: 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.

Case No- 24: Shree Sai Organic Foods Private Limited, Bihar
F. No. HQREPCGPRAPP00000027AM24

Subject: Request for Condonation for 1st block EOP in respect of EPCG Authorization No. 2130000189 dated 11.06.2014 under 0% Concessional Duty.

The firm has stated that they could not export due to problems which were beyond their control. The firm has stated that they could not apply for extension of 1st block EO within 3 months from the expiry of the block.

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

(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 6th year to 8th year) *(if not availed)*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: -

1. The proper installation certificate has been submitted within time limits as specified, and
2. 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- 25: Rukshmani Syntex Private Limited, Mumbai
F. No. HQREPCGPRAPP00000006AM24

Subject: Request for Blockwise EOP Extension in respect of EPCG Authorization No. 0330034690 dated 01.01.2013 under 0% Concessional Duty.

The firm has stated that they have completed the export obligation in full in second block & submitted their redemption applications at RA, Mumbai. The firm further stated that they have received a deficiency letter dated 29.03.2023 from RA, Mumbai, requesting to approach EPCG Committee for the request. Further, the firm stated that due to lack of adequate opportunities, they could not complete their 50% EO in the first block. However, they have fulfilled their EO in the second block. The firm has already paid proportionate composition fees at DGFT for the extension.

Decision: The Committee deliberated upon the case and **decided to recommend to DG for relaxation under Para 2.59 of FTP, 2023** 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 6th year to 8th year) *(if not availed)*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: -

1. The proper installation certificate has been submitted within time limits as specified, and
2. 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- 26: Rukshmani Syntex Private Limited, Mumbai
F. No. HQREPCGPRAPP00000007AM24
Subject: Request for Blockwise EOP Extension in respect of EPCG Authorization No. 0330034689 dated 01.01.2013 under 0% Concessional Duty.

The firm has stated that they have completed the export obligation in full in second block & submitted their redemption applications at RA, Mumbai. The firm further stated that they have received a deficiency letter dated 29.03.2023 from RA, Mumbai, requesting to approach EPCG Committee for the request. Further, the firm stated that due to lack of adequate opportunities, they could not complete their 50% EO in the first block. However, they have fulfilled their EO in the second block. The firm has already paid proportionate composition fees at DGFT for the extension.

Decision: The Committee deliberated upon the case and **decided to recommend to DG for relaxation under Para 2.59 of FTP, 2023** 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 6th year to 8th year) *(if not availed)*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: -

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

2. 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- 27: Puniska Healthcare Private Limited, Ahmadabad
F. No. HQREPCGPRAPP00001090AM23

Subject: Request for Amendment for addition of R&D Services along with existing products in EPCG Authorization No. 0830010436 dated 31.05.2018.

The firm has stated that they have filed an application for Amendment in EPCG License No. 0830010436 dated 31.05.2018 vide Amendment Application No. ARNEPCGAMEND02749022AM23, F. No. 08EBEPC01126AM23 dated 27.10.2022. The firm further stated that after personal hearing with ADG, Ahmedabad, the said application was rejected and they were advised to approach EPCG Committee. The firm has requested to amend their application by adding R&D Services along with existing products mentioned in Authorization, so that they may fulfill the Export obligation based on AEP imposed by RA for their R&D Services.

Decision: The Committee decided to call for a report from RA concerned and **deferred** the case.

Case No- 28: Choco Nutri, Rajkot (Gujarat)
F. No. HQREPCGPRAPP00000691AM23

Subject: Request for considering exports made in INR for fulfillment of EO in respect of EPCG Authorization No. 2430002602 dated 30.09.2014 under 0% Concessional duty.

The firm has stated that they had made exports to Nepal with rupees realization for which BRC was also realized in rupees. However, RA did not accept the export to Nepal made by them for fulfilment of EO under EPCG. The firm has submitted copies of some of the shipping bills with BRC enclosed with statement of all shipping bills.

Decision: The Committee observed that applicant has not submitted any cogent reason/justification in support the request or any genuine hardship faced by them. Accordingly, the Committee decided to **reject** the request.

Case No- 29: SS Graphics, Surat
F. No. HQRPRCAPPLY00000074AM24

Subject: Request for Second EOP Extension for 1 year i.e. beyond 6+1 years in respect of EPCG Authorization No. 5230020199 dated 28.03.2016 under 0% Concessional Duty.

The firm has stated that they could fulfill 94% of EO due to COVD-19 pandemic within extended time period i.e. 6+ 1 years. Therefore, the firm has requested for extension of EOP for 1 year in order to fulfill their EO.

Decision: The Committee deliberated upon the case and decided to advise the firm to approach RA for extension of EOP in terms of Para 5.17(d) of HBP, 2015-20 (as amended vide PN No. 03/2015-20 dated 13.04.2022).

Case No- 30: AGL Polyfil Pvt. Ltd., Howrah (West Bengal)
F. No. HQREPCGPRAPP00000023AM24

Subject: Request for extension of 1st Block EOP in respect of EPCG Authorization No. 0230004876 dated 27.01.2010 under 0% Concessional duty.

The firm has stated that they could complete their 21.63% EO only in the first block within the stipulated time period i.e. 4 years but they could not fulfill balance export obligation 28.37 % due to problems which were beyond their control. The firm has stated that they could not apply for extension of 1st block EO within 3 months from the expiry of the block.

Decision: The Committee deliberated upon the case and decided **to recommend to DG for relaxation under Para 2.59 of FTP, 2023** to allow extension in block-wise EOP, as the party 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 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- 31: AGL Polyfil Pvt. Ltd., Howrah (West Bengal)
F. No. HQREPCGPRAPP00000021AM24

Subject: Request for extension of 1st Block EOP in respect of EPCG Authorization No. 0230004975 dated 25.02.2010 under 0% Concessional duty.

The firm has stated that they could not complete their 50% EO in the first block EOP i.e. 4 years. The firm has stated that they could not apply for extension of 1st block EO within 3 months from the expiry of the block.

Decision: The Committee deliberated upon the case and decided **to recommend to DG for relaxation under Para 2.59 of FTP, 2023** to allow extension in block-wise EOP, as the party 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 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- 32: AGL Polyfil Pvt. Ltd., Howrah (West Bengal)
F. No. HQREPCGPRAPP00000022AM24

Subject: Request for extension of EOP for 2 years i.e. beyond 6 years in respect of EPCG Authorization No. 0230004975 dated 25.02.2010 under 0% Concessional duty.

The firm has stated that they could not complete their 100% EO within the stipulated time period i.e. 6 years and they will fulfill the export obligation within the extended EOP with 20% increase as per para 5.11 of HBP (2009-2014). Hence, the firm has requested to extend the EOP for two years i.e. beyond 6 years.

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 EOP extension for 2 years (from 6 years to 8 years) on payment of composition fee or imposition of additional export obligation 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:-

1. The proper installation certificate has been submitted within time limits as specified, and
2. 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.

<u>Case No- 33: AGL Polyfil Pvt. Ltd., Howrah (West Bengal)</u>
F. No. HQREPCGPRAPP00000024AM24

Subject: Request for extension of EOP for 2 years i.e. beyond 6 years in respect of EPCG Authorization No. 0230004876 dated 27.01.2010 under 0% Concessional duty.

The firm has stated that they could complete their 33.59% EO only within the stipulated time period i.e. 6 years but they could not fulfill balance EO due to problems which were beyond their control. The firm has also stated that they will fulfill the export obligation within the extended EO period with 20% enhancement as per para 5.11 of HBP (2009-2014). Hence, the firm has requested to extend the EO period for two years i.e. beyond 6 years.

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 EOP extension for 2 years (from 6 years to 8 years) on payment of composition fee or imposition of additional export obligation 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:-

1. The proper installation certificate has been submitted within time limits as specified, and
2. 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.

<u>Case No- 34: S R Overseas, Panipat</u>
F. No. HQREPCGPRAPP00000518AM23

Subject: Request for Second EOP Extension for 2 years i.e. beyond 6+2 years in respect of EPCG Authorization No. 3330003380 dated 05.09.2014 under 0% Concessional Duty.

The firm has stated that they have taken EOP extension for subject EPCG Authorization up to 05.09.2022 but due to some circumstances they couldn't fulfill 100% EO in stipulated time and want to take further EOP extension beyond 8th Year for 2 Years for completing their EO. Hence the firm has requested for extension in EOP beyond 8 Years up to dated 05.09.2024 so that they can complete their EO and will pay the composition fee required for further EOP Extension. Accordingly, the firm was requested to take EO extension as per Public Notice No-53 dated 20.1.2023 regarding their request for Second EOP Extension for 2 years i.e. beyond 6+2 years in respect of EPCG Authorization No. 3330003380 dated 05.09.2014 under 0% Concessional Duty.

Decision: The Committee decided to advise the firm to approach RA for extension of Export Obligation Period 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 that if the applicant desires, they may approach RA for regularizing the case under the Amnesty Scheme notified vide Public Notice No. 02/2023 dated 01.04.2023 as per the conditions specified therein. RA may examine such request as per policy on merit.

Case No- 35: Mahendra Kumar Ashok Kumar Goyal, Kota (Rajasthan)
F. No. HQRPRCAPPLY00004693AM23

Subject: Request for consideration of ECGC Claimed amount in the export realization value and waiver of interest & penalty for shortfall in fulfilling the Export Obligation in respect of EPCG Authorization No. 1330004294 dated 27.10.2014 under 0% Concessional duty.

The firm has stated that due to their lack of knowledge in international trade, they were able to execute only three export transactions (except Nepal), out of which two transactions landed with fraudulent buyers and they suffered huge losses. The firm has informed that they have received the support of ECGC Limited which sanctioned the claim of Rs. 30,90,793/-, which helped in settling the local creditor obligations.

Decision: The Committee decided to call for a report from RA concerned and **deferred** the case.

Case No- 36: Five Star Offset Printers, Kochi
F. No. HQREPCGPRAPP00000158AM24

Subject: Requested for review of EPCG Meeting decision held on 10.02.2023 i.e. extension of EOP for three years i.e. from 31.12.2021 in respect of EPCG Authorization No. 1030001809 dated 20.09.2010 under 3% Concessional duty.

The firm has stated that, even after increasing the Export Obligation Period (EOP) from 8 years to 10 years and considering notification number 28/201520 dated 23.09.2021, they could not fulfill their EO. The company's explanation for not meeting the EO is attributed to significant changes in the printing industry, transitioning from offset printing to digital printing, resulting in a drastic 90% decline in commercial printing. Additionally, slow exports were observed due to the global recession and the impact of Covid-19. Another contributing factor is the shortage of containers, which has significantly affected their export business. Furthermore, the steep increase in freight rates by shipping and flight companies has added to their challenges. Despite these difficulties, they are actively managing their exports with valuable clients in foreign countries and are continuing to do so by utilizing imported offset printing machines. At present, they have a sufficient number of export orders on hand and can fulfill the remaining EO requirements in accordance with the EPCG authorization mentioned above. The request of the firm was considered in the 11th Meeting of EPCG Committee held on 10.02.2023 and decided as under:

> *"The Committee deliberated upon the case and decided to recommend to DG for relaxation under Para 2.58 of FTP, 2015-20 to allow condonation for delay in approaching RA for second extension in EOP (10th year to 12th year) with a condition that 50% of duty payable in proportion to the unfulfilled EO is paid by the authorization holder to custom authorities in terms of provisions contained in Para 5.11 (b) of HBP 2009-14.*
>
> *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."*

2. Now, the firm vide application dated 24.05.2023 has requested for review of EPCG Meeting decision held on 10.02.2023. The firm has stated as under:

> *"At this stage, it is very difficult for them to pay 50% of duty in proportion to the unfulfilled EO to the custom authorities in terms of provisions contained in Para 5.11 (b) of HBP 2009-14, as their financial situation very poor and just surviving by borrowing external loans on higher interest."*

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 maintain the **rejection** of the request of the applicant.

Case No- 37: EKO Packaging Pvt. Ltd., Kolkata
F. No. HQREPCGPRAPP00000164AM24

Subject: Request for extension of EOP for 1 year in respect of EPCG Authorization No. 0230006072 dated 07.12.2010 under 03% Concessional duty.

The firm has stated that they could not complete 100% EO within the stipulated time period i.e. 8 years due to problems which were beyond their control. Therefore, the firm has requested to extend the EOP by 1 year to meet the above EPCG authorization.

Decision: The Committee deliberated upon the case and decided **to recommend to DG for relaxation under Para 2.59 of FTP, 2023** to allow Condonation of delay in approaching RA for EOP extension for 1 years (from 8 yrs to 9 yrs) on payment of composition fee or imposition of additional export obligation 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: -

1. The proper installation certificate has been submitted within time limits as specified, and
2. 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- 38: Shiv Knitwears, Mumbai
F. No. HQREPCGPRAPP00000211AM24

Subject: Request for condonation of procedure lapse of non-mentioning of EPCG Authorization Number on EDI Shipping Bills affecting the fulfillment of EO in respect of EPCG Authorization No. 3030013186 dated 27.10.2014 under 0% Concessional Duty.

The firm has stated that they have completed the EO and BRC has also been received against the subject shipping bills. The firm has also stated that the supporting manufacturer's name i.e. M/s Shiv Knitwears, Ludhiana have been mentioned on the said shipping bills. Further, the firm has stated that due to unawareness and by mistake, they could not mention subject EPCG Authorization number on the third-party S/bill No. 7773527 dated 27.01.2022 and S/bill No. 6969365 dated 23.12.2021.

Decision: 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 consideration of free Shipping Bills for purpose of fulfillment of EO. Accordingly, the Committee decided to **reject** the request.

Case No- 39: Tulip Granites Private Limited, Hyderabad
F. No. HQREPCGPRAPP00000066AM24
Subject: Request to Allow Consideration of Shipping Bills from for purpose of fulfillment of EO in respect of EPCG Authorization No. 0930010854 dated 18.12.2014 under 0% Concessional Duty.

The firm has stated that due to communication gap between their staff, lack of foreign trade document procedure knowledge, and inadvertent error; their CHA did not incorporate the relevant CPG License numbers and date on the shipping bills under no incentive free shipping bills. This has resulted in non-compliance of EPCG procedure due to which they could not submit proof of export to RA, Hyderabad. The firm further stated that all the exports pertaining to the company have been made directly without any 3rd party involvement. The export proceeds are also realized in normal banking channels. The firm has also stated that they will not use these shipping bills for closure of any other EPCG licenses and will not use it for any other licenses granted to them.

Decision: 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 consideration of free Shipping Bills for purpose of fulfillment of EO. Accordingly, the Committee decided to **reject** the request.

Case No- 40: EKO Packaging Pvt. Ltd., Kolkata
F. No. HQREPCGPRAPP00000162AM24

Subject: Request for extension of 1st block in respect of EPCG Authorization No. 0230006072 dated 07.12.2010 under 03% Concessional duty.

The firm has stated that they were unable to complete 50% EO in the first block within the stipulated time period i.e. 6 years due to problems which were beyond their control. The firm has stated that they could not apply for extension of 1st block EO within 3 months from the expiry of the block. Therefore, the firm has requested for extension of the first block to meet the above EPCG authorization.

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

(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 8th year to 10th year) *(if not availed)*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: -

1. The proper installation certificate has been submitted within time limits as specified, and
2. 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- 41: SPPL Hotels Pvt. Ltd., Kolkata
F. No. HQRPRCAPPLY00000238AM24

Subject: Request for 1st Block Extension in respect of EPCG Authorization No. 0230009186 dated 22.11.2013 under 0% Concessional Duty.

The firm has stated that they had fulfilled the EO with overall validity of EPCG Authorization, but they could not fulfill the 1st block EO due to delay in opening of the hotel and restrictions of overseas travelers. The firm has stated that they could not apply for extension of 1st block EO within 3 months from the expiry of the block and when they applied for EODC on 21.11.2019, they were issued a DL by RA, Kolkata to approach EPCG Committee for relaxation.

Decision: The Committee deliberated upon the case and **decided to recommend to DG for relaxation under Para 2.59 of FTP, 2023** 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 6th year to 8th year) *(if not availed)* 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: -

1. The proper installation certificate has been submitted within time limits as specified, and
2. 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- 42: Tulip Granites Private Limited, Hyderabad
F. No. HQREPCGPRAPP00000071AM24

Subject: Request to Allow Consideration of Shipping Bills from for purpose of fulfillment of EO in respect of EPCG Authorization No. 0930012681 dated 28.12.2016 under 0% Concessional Duty.

The firm has stated that due to communication gap between their staff, lack of foreign trade document procedure knowledge, and inadvertent error; their CHA did not incorporate the relevant CPG License numbers and date on the shipping bills under no incentive free shipping bills. This has resulted in non-compliance of EPCG procedure due to which they could not submit proof of export to RA, Hyderabad. The firm further stated that all the exports pertaining to the company have been made directly without any 3rd party involvement. The export proceeds are also realized in normal banking channels. The firm has also stated that they will not use these shipping bills for closure of any other EPCG licenses and will not use it for any other licenses granted to them.

Decision: 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 consideration of free Shipping Bills for purpose of fulfillment of EO. Accordingly, the Committee decided to **reject** the request.

Case No- 43: Vishant Traders Private Limited, Ludhiana
F. No. HQREPCGPRAPP00000054AM24

Subject: Request for Exemption of Average Level of Export in respect of 5 EPCG Authorization Nos. 3030010894 dated 06.05.2013, 3030011314 dated 11.07.2013, 3030011662 dated 25.09.2013, 3030012262 dated 28.03.2014, and 3030009410 dated 27.03.2012 under 0% Concessional duty.

The firm has stated that they have completed their EO against the said licenses and have applied for redemption with RA, Ludhiana for clubbing of redemption and deletion of Average level of export which was rejected by RA and they were advised to approach DGFT HQ for further relaxations. The firm has further stated that their firm falls under MSME Act, 2006 and as per the Act, Chapter III, Sr. No. 9, the classification describes as the micro or tiny enterprises, or the village enterprises, as part of small enterprises, and since their firm is a tiny sector, they have requested for exemption of average level of export.

Decision: The Committee went through the statements made by the firm and decided to call for detailed report from RA concerned along with copy of Appendix 5B & CA Certificate submitted by the firm at the time of issuance of EPCG Authorization. RA may also give comments whether the EPCG Authorization holder falls under the tiny sector.

Case No- 44: Alok Industries Limited, Mumbai
F. No. HQREPCGPRAPP00000572AM23

Subject: Request for regularization of import under EPCG License No. 0330050606 dated 01.02.2019 under 0% Concessional duty for redemption purpose-reg.

The firm has stated that they had obtained EPCG authorization from RA, Mumbai for imports of spare parts for duty saved value Rs. 44.77 Crores and utilized license for actual duty saved value for Rs. 22.79 Crores. As per actual duty saved of US$ 37589744, requested EO to be fulfilled was US$ 19136282 against which they have completed EO of US$ 18907923 (98.81% of required EO). As per the para 5.09 of FTP 2015-20, 75% of EO is required for fulfillment provided export is completed within 3 years of issuance of license. For the benefit of early EO fulfillment 75% of actual EO US$ 37589744 comes to US$ 14352212 where as they have fulfilled EO of US$ 17354161 as on 31.03.2020 within 2 years of issue of license.

2. The firm has also stated that they have completed the required AEP and EO within 2 years from the date of issue of license but some imports under license occurred after expiry of validity. The possible reason could be prior to FTP 2015-20 where there was a provision where the license expired during the month, such authorization would be considered valid till the last date of the concerned month.

3. The firm has further stated that as per FTP 2015-20, EPCG license is valid only for 24 months but the same may not have been modified in the Custom system which considered validity till the last date of the month of expiry of license at the time of import made by them. Since the date of issue of license was 01.02.2019, the Custom system has considered the validity of license up to 27.02.2021, whereas it should be 31.01.2021 as per FTP 2015-20.

Decision: The Committee noted that the firm has obtained EPCG authorization No. 0330050606 dated 01.02.2019 for import of spare parts. They have stated that they have fulfilled 75% of the specific Export obligation and 100% of Average EO against the EPCG authorization in less than half the original EO period of 6 years. Therefore, they are eligible for incentive for early EO fulfillment as per the para 5.09 of FTP, 2015-20. The firm has informed that they had made 86.14% of the import upto 31.01.2021 and only 13.86% was made in February, 2021.

The Committee further noted that firms obtain various multiple EPCG authorizations and import Capital Goods against the same on different occasions. The subject EPCG authorization was obtained for import of spare parts. Every EPCG authorization comes with a specific validity period within which the exporter must import the Capital Goods. The management of multiple authorizations could lead to difficulty in monitoring the timelines.

The Committee deliberated upon the case and decided to **recommend to DG for relaxation under Para 2.59 of FTP, 2023** to allow regularization of import under EPCG License No. 0330050606 dated 01.02.2019 under 0% Concessional duty for redemption purpose.

This has the approval of DG, DGFT.

The Committee further deliberated upon the case and decided to refer the matter to Department of Revenue (Drawback Division) for undertaking system-level checks.

Case No- 45: ASP Exports Pvt. Ltd., Thane
F. No. HQREPCGPRAPP00000374AM23

Subject: Request 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.

Earlier, 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 fulfillment 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 stated that in terms of Para 5.4 of the FTP 2004-09, the 100% export obligation 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 Export Obligation of their group company during the past three years from the year of the endorsement of name of Group Company.

Decision: 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.

Case No- 46: Chandra Polyplast Pvt. Ltd., Aurangabad
F. No. 01/36/218/32/AM-21/EPCG
HQREPCGPRAPP00000325AM23

Subject: Review of decision taken in the EPCG Committee Meeting dated 30.03.2022 i.e. conversion of CIF value into Duty Saved Amount in respect of EPCG license no. P-CG01109118 dated 11.08.1999.

The applicant has requested for review application of conversion of CIF value into Duty Saved Amount in respect of EPCG license no. P-CG01109118 Dated 11.08.1999. The applicant has stated that the committee considered their case in its meeting no. 14th dated 30.03.2022 and after approving partial request, rejected other request, stating that “The EO period is not valid on the date of request. The committee is not recommending the case of conversion of EPCG authorization to Duty Saved Amount. The applicant has made following submissions:

a. The request for the said relaxation was made before the EPCG Committee simply because the license was not valid on the date of export as the committee is empowered to relax the procedure/ Policy in case of genuine hardship.
b. As the said relaxation is based on a bonafide and genuine ground, the request for the said relaxation has complete merit.
c. There are several instances when the Honorable committee has considered the request for such a relaxation in the past.

In view of the above, the applicant has stated that their case has complete merit for consideration of the relaxation regarding permission to convert EO based on duty saved amount instead of CIF value, in terms of the Notification No. 28 dated 28.01.2004.

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 maintain the **rejection** of the request of the applicant.

Case No- 47: Jain Amar Clothing Private Ltd.
F. No. HQREPCGPRAPP00000384AM23
Subject: Requested for review of EPCG Meeting decision held on 04.05.2022 i.e. Re-fixation of AEO in respect of EPCG Authorization No. 3030016648 dated 09.06.2017 under 0% Concessional Duty.

The firm has stated that they have been issued EPCG license no. 3030016648 dated 9.6.2017. However, at the time of applying for EPCG License by mistake the CA Certificate given by them included total exports of all products of past three years. On realizing the mistake they submitted a revised CA Certificate containing the export of previous three years pertaining to the relevant product. RA, Ludhiana has sought clarification in this regard from re-fixation of AEO in their EPCG license.

Decision: The Committee considered the case and it was decided that applicant maybe called for a Personal hearing. The case stands **deferred.**

Case No- 48: Vani Spinners Pvt. Ltd

F. No. 01/37/218/128/AM-18/EPCG-II

Subject: Civil Writ Petition No. 22023 of 2020.

The Petitioner has stated that it obtained EPCG authorization No. 3030006613 dated 28.04.2010 under 3% EPCG scheme for duty saved amount of Rs. 31,85,047/- with an export obligation equal to 8 times of duty saved amount. The Respondent No. 2 time and again after considering requests made by the Petitioner and Public Notice No. 67/2015-20 dated 31.03.2020 extended the export obligation period of the said EPCG authorization and issued licence amended Sheets on 28.09.2017, 04.05.2018, 30.05.2019, 20.03.2020, 17.06.2020, 04.09.2020 in terms of FTP. In the month of August' 2020, it attempted to make third party export against the said EPCG authorization dated 28.04.2010 through M/s Rishav Exports presented shipping bill No. 3225866 dated 16.06.2020 in terms of section 50 of the Customs Act, 1962 and uploaded the particulars of EPCG authorization. However, the system of the Respondent No. 1 instead of accepting had reflected it as expired.

Decision: The Committee considered the case and it was decided that applicant maybe called for a Personal hearing. The case stands **deferred.**

Case No- 49: General Motors India Pvt. Ltd. (GMIPL), Pune
F. No. HQREPCGPRAPP00000664AM23

Subject: Request for review of EPCG Meeting decision held on 03.08.2022 i.e. request for post facto regularization of shifting and installation of certain capital goods imported under EPCG Authorizations no. 3130009468 dated 13.06.2016 at the supporting manufacturer's premises under 0% Concessional Duty.

The firm had informed that they have fulfilled requisite EO and EODC has been issued by RA, Pune on 23 March 2021. The firm has further stated that at the time of initiation dismantling process of EPCG goods, post EODC, it was noticed by them that 2 Nos of Capital Goods imported under the EPCG authorization were inadvertently shifted and installed at their supporting manufacturer viz. Posco India Pune Processing Centre Pvt. Ltd. premises. However, due to inter-functional miscommunication, they were unable to inform the RA and seek prior permission for such shifting and installation. On noticing the said error by them, they came forth to disclose the same and has requested for post-facto regularization of the shifting and installation of 2 Nos of EPCG goods at Posco India's premises in accordance with the relevant provisions of the FTP. The EPCG goods (more specifically being Dies) shifted to and installed at Posco India's premises.

In addition, the firm has informed that GMIPL has discontinued manufacturing export product, being motor vehicles, at Talegaon, India facility since 24 December 2020. Thus, it is important for the firm to obtain post facto regularization permission for further disposal of these 2 Nos of EPCG goods.

Decision: The Committee considered the case and it was decided that applicant maybe called for a Personal hearing. The case stands **deferred.**

Case No- 50: Rasandik Engineering Industries India Limited, Haryana
F. No. HQRPRCAPPLY00004000AM23

Subject: Request to Exempt Duty and Interest imposed in respect of EPCG Authorization No. 0530155571 dated 24.05.2011 under 0% Concessional Duty.

Earlier the firm i.e. Rasandik Engineering Industries India Limited, Haryana vide F. No. HQRPRCAPPLY00315740AM22 dated 12.01.2022 had requested for waiver in fulfillment of EO in respect of EPCG Authorization No. 0530155571 dated 24.05.2011 under 0% Concessional duty. The case was considered in the 4th EPCG Committee Meeting of AM-23 held on 03.06.2022 wherein 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. Accordingly, the Committee decided to reject the request of the applicant.

Decision: The Committee considered the case and it was decided that applicant maybe called for a Personal hearing. The case stands **deferred.**

Case No- 51: Mulkanoor Cooperative Rural Credit & Marketing Society Limited, Hyderabad
F. No. HQREPCGPRAPP00000661AM23

Subject: Requests:

i. Block-wise extension
ii. Automatic Rice Ban period extension
iii. 1st EOP extension
iv. 2nd EOP extension
v. Special EOP extension EOP extension for 2 years from the dated of approval

The firm has stated that they could not fulfill their EO due to the reasons given below:

i. Procurement -In consistent procurement is due to low quality of crops produced because of natural unforeseen conditions which were adversely affected the export marketing strategy. Due to constraints faced in quality issues they could be able to produce a medium quality of finished product where they were able to sell the product locally to protect the farmers, as the product is not viable to export due to Global Price constraint considering quality parameters.

ii. Storage -Demand and price fluctuations resulted in situations where the entire finished products could not be sold necessitating storage of raw material and finished goods with a hope of getting better price realizations. They were left with no choice but to sell at unprofitable rates on the domestic market due to a lack of storage space.

iii. Marketing & Distribution Infrastructure - The Society had to deal with financial difficulties on several occasions in order to keep the farmers (members) viable and to pay them fairly for the raw materials they purchased from them.

iv. Initial Hiccups-Quality Issues - They could not enter in Global Market due to unmatched international prices and export quality parameters.

v. Rice Ban Period: In terms if DGFT Notification No 93 dated 01.04.2008, Export of Rice products are placed under prohibition later the prohibition was lifted vide DGFT Notification No 07 dated 09.09.2011. Due to imposition of ban on Export of rice products, they could not able to fulfil EO.

vi. State's Division/Telangana stated Formation: Due to sudden escalation in agitation for Telangana stated Formation in the erstwhile Andhra Pradesh stated, which lead to the state's bifurcation in June 2014. Most of the industries got severally affected. Due to the imposition of Curfews, there was very limited access to Market, and logistics support, Powers Cuts, Heavy rainfall, pets and Covid-19 Effect.

Decision: The Committee considered the case and it was decided that applicant maybe called for a Personal hearing. The case stands **deferred.**

Case No- 52: Maryan Apparel Pvt. Ltd., New Delhi
F. No. HQREPCGPRAPP00000677AM23

Subject: Request for review of EPCG Meeting decision held on 8.05.2022 i.e. requested to condone the procedure lapse for endorsement the EPCG Authorization in favour of Bombay Rayon Fashions Limited to whom the unit was transferred as per the MOU dated 04.03.2008 and sale agreement dated 30.06.2008 against EPCG Authorization No. 0530146724 dated 22.07.2008 under 03% Concessional duty.

Earlier, Maryan Apparel Pvt. Ltd., New Delhi vide application no. HQREPCGPRAPP00183285AM22 dated 13.09.2021 requested to condone the procedure lapse for endorsement the EPCG Authorization in favour of Bombay Rayon Fashions Limited to whom the unit was transferred as per the MOU dated 04.03.2008 and Sale Agreement dated 30.06.2008 against EPCG Authorization No. 0530146724 dated 22.07.2008 under 03% Concessional duty. The request of the firm was considered in the 2nd Meeting of EPCG Committee held on 18.05.2022 and decided as under:

"The Committee observed that, the applicant should not have taken EPCG authorization on 22.7.2008 knowing pretty well that they had a sale agreement to sell the unit in violation of actual user conditions. Now they are approaching EPCG committee for relaxation after a period of 14 years.

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

2. Now, the firm vide application dated 04.02.2023 has requested for review of EPCG Meeting decision held on 8.05.2022 i.e. requested to condone the procedure lapse for endorsement the EPCG Authorization in favour of Bombay Rayon Fashions Limited to whom the unit was transferred as per the MOU dated 04.03.2008 and sale agreement dated 30.06.2008 against EPCG Authorization No. 0530146724 dated 22.07.2008 under 03% Concessional duty along with requisite fee of Rs. 5000/. The firm has also requested for Personal Hearing.

Decision: The Committee considered the case and it was decided that applicant maybe called for a Personal hearing. The case stands **deferred.**

Case No- 53: Skypack India Private Limited, Kolkata
F. No. HQREPCGPRAPP00001078AM23

Subject: Review Application w.r.t. Request for:

i. **1 year Extension to fulfill EO from the date of endorsement OR**
ii. **Second EOP Extension for 1 year i.e. beyond 6+2 years**

In respect of EPCG Authorization No. 0530151549 dated 16.03.2010 under 0% Concessional Duty.

Earlier the firm i.e. Skypack India Private Limited, Kolkata vide F. No. HQREPCGPRAPP00356423AM22 had requested for (i) 1 year Extension to fulfill EO from the date when the same is approved in Minutes of the meeting (1 year extension in present year) OR (ii) Second EOP Extension of one year post 15.03.2018 i.e. beyond 6+2 years.The matter was considered in the 10th EPCG Meeting on 18.01.2023 and 20.01.2023 wherein the Committee went through the statements made by the applicant and noted that the applicant has not submitted any cogent reason/justification in support of any genuine hardship faced by them. Accordingly, the Committee decided to reject the request.

2. Now, the firm vide Review Application dated 20.03.2023 has requested for i. 1 year Extension to fulfill EO from the date of endorsement OR ii. Second EOP Extension for 1 year i.e. beyond 6+2 years, in respect of EPCG Authorization No. 0530151549 dated 16.03.2010 under 0% Concessional duty along with requisite fee of Rs. 5000.

Decision: The Committee considered the case and it was decided that applicant maybe called for a Personal hearing. The case stands **deferred.**

<u>Case No- 54: MWN Press, Chennai</u>
F. No. HQRPRCAPPLY00003641AM23

Subject: Request for extension of EOP form the date of endorsement as per the previous decision of the PRC against EPCG Authorization no. 0430011019 dated 23.03.2012 under 0% Concessional duty.

Earlier, M/s MWN Press, Chennai, vide letter date 07.10.2020 (F.No. 01/36/218/93/AM-21/EPCG), requested for extension of EOP for further two years i.e. beyond 6+2 years in respect of EPCG Authorization no. 0430011019 dated 23.03.2012 under 0% Concessional duty. In Its application, the firm stated that they were unable to export the product in stipulated time and also during extended period due to cancelation of order by their customer. The request of the firm was considered in the 7th Meeting of AM-21 of the EPCG Committee held on 14.01.2021 and decided as under:

> *"The party seeks extension for 2 years against the subject EPCG authorization issued under the Zero duty EPCG Scheme. The Committee noted that even after more than eight years of obtaining subject EPCG authorization the party has not been able to fullfill the Export Obligation. The Committee deliberated upon the case and decided to reject it as there is no merit in the request."*

2. The request of the firm was considered in the 2nd Meeting of AM-24 of the EPCG Committee held on 30.05.2023 and decided as under:

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

Decision: The Committee considered the case and it was decided that applicant maybe called for a Personal hearing. The case stands **deferred.**

<u>Case No- 55: Haploos Printing House, Delhi</u>
F. No. 01/36/218/131/AM-20/EPCG

Subject:

i. **Request for extension in EOP for one year after expiry of original and extended EOP i.e. beyond 6+2 years for fulfilment of balance EO against EPCG authorization no. 0530154516 dated 12.01.2011.**
ii. **Request for permission to adjust the excess export made other EPCG authorization fulfilment of export obligation against EPCG authorization no. 0530153832 dated 28.10.2010 already redeemed.**

The request of the firm was considered in the 7th Meeting of AM-23 of the EPCG Committee held on 14.10.2022 & 17.10.2022 and decided as under:

"In respect of 1st 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 their request for EOP extension from 8th to9th year and accordingly, the Committee decided to reject the request of the applicant. In respect 2nd request: The Committee went through the statements made by the firm and decided to call for detailed report from RA concerned. The report from RA may also include comments if shipping bills have been accounted for other EPCG Authorization for fulfillment of AEO or specific EO."

2. CLA, New Delhi vide e-mail dated 02.02.2023 has submitted details. In the meantime, the firm vide application No. HQREPCGPRAPP00000566AM23 dated 09.12.2022 has requested to review the decision taken in the 7th EPCG Committee Meeting held on 14.10.2022 along with Rs. 5000/-. The firm has submitted as under:

1. Extension of EOP for further one year (or 10 months from the expiry of extended EO i.e. 8 years for regularization purpose against EPCG authorization no. 0530154516 dated 12.01.2011 due to the problems being faced by the Paper and related industry and inability to fulfill EO within the prescribed time limit.
2. To consider the exports made against Shipping Bill no 1620691 dated 14.10.2016, No. 1657262 dated 15.10.2016 and no. 3997937 dated 09.02.2017, in which different EPCG Authorization number is mentioned but these shipping bills have not been taken into consideration for fulfilment of EO against mentioned i.e. EPCG no. 0530153832 dated 28.10.2010.

Decision: The Committee considered the case and it was decided that applicant maybe called for a Personal hearing. The case stands **deferred.**

Case No- 56: Dispocarve Containers, Chhattisgarh
F. No. HQRPRCAPPLY00000287AM24

Subject: Request to condone the delay in re-exporting of capital goods due to not fit for manufacturing of end/export products in respect of EPCG Authorization No. 6330000265 dated 15.05.2017 under 0% Concessional duty.

The firm has stated that after import clearance of subject goods in FY 2017-18 (on 13.06.2017, 09.11.2017 and 16.01.2018), a Notification No. GSR 571(E) dated 12.08.2021 was issued by the Ministry of Environment Forest and Climate Change whereby manufacturing, storage and export of Single use plastic items was banned in India. The export item allowed in the subject EPCG authorization No. 6330000265 dated 15.05.2017 falls under that category.They intended to manufacture and export thermocol plates and articles for which the above mentioned license was issued to them and due to non-cooperation in providing complete products information the installation was first delayed and carried out on 01.11.2017 and there were frequent technical problems, which resulted in wastage of raw material and due to these constant operational problems, they could not start production properly. They were unable to resolve the issue. Hence, their vendor M/s VFK Head Corporation, South Korea has requested to send their machine back to the manufacturer.

2. Due to the ban declared by Govt. of India on single use plastic items they could not move forward with the business. Therefore, they approached RA, Nagpur for re-export of imported CGs. They could not re-export the CGs imported under above mentioned EPCG Authorization within the stipulated time period due to COVID-19.They had packed the machine and till date their machine is at Kolkata port.

3. Office of the Commissioner of Customs (Port) Kolkata vide letter dated 24.04.2023 issued to the applicant informed as under:

> *"The period of three years has already lapsed and as per records, there is no plan to re-import / replace the subject goods, Therefore, this case does not fall under the purview of Para 5.25 or DGFT Public Notice 29/2015-20 dated 09.10.2017.*
>
> *In view of the above, the earlier letter dated 01.03.2023 issued by this office to M/s Dispocarve containers (IEC 6316901836) stands withdrawn. This section is not in a position to issue NOC for the proposed re-export of subject goods.*
>
> *You are advised to pay the duty foregone amount along with the applicable interest to Customs authorities and approach DGFT afterwards. Alternatively, you can approach DGFT authorities for further guidance on the policy issue pointed out in Para 4 and Para 5 above."*

Decision: The Committee deliberated upon the case and decided to **defer** the case with the directions to call for a factual report from RA concerned regarding permission to re-export CGs imported.

Case No- 57: Barflex Polyfilms Pvt. Ltd., New Delhi
F. No. HQREPCGPRAPP00001086AM23

Subject: Requests against EPCG Authorization No. 0530144805 dated 16.10.2007 under 5% Concessional duty:

i. **Re-fixation of Past Performance as nil.**
ii. **Inclusion of exports made by other export items.**
iii. **Extension of EOP for 6 months.**

1. **In respect of 1st request,** the firm has stated that at the time of issuance of EPCG authorization, they have filed CAC for preceding 3 years of export figures. Accordingly, the Past performance EO was endorsed on condition sheet of above EPCG Authorization. The firm has also stated that at the time of preparation of redemption application, they noted that the previous export figures given in the CAC in the licenses were exports made by other EPCG Authorization. Those licenses now stand redeemed. Hence, for the above EPCG Authorization, Past performance should be NIL (under para 5.12 of HBP 2015-20). In support, the firm has attached revised CAC. Therefore, the firm has requested to re-fix the past performance to be 'Zero against above EPCG Authorization.

2. **In respect of 2nd request,** the firm has informed that these exported items are manufactured by the same imported machinery under EPCG licenses. Therefore, the firm has requested to allow exports made by other export items against above EPCG Authorization.

3. **In respect of 3rd request,** the firm has requested for extension of EOP for 6 months i.e. beyond 8 years against above EPCG Authorization.

Decision:

In respect of 1st request: The Committee went through the statements made by the applicant and Committee decided to remand the case to RA to examine the matter including verification of the documents (Appendix 5B& CA Certificate) submitted by the firm at the time of issuance of EPCG Authorization.

In respect of 2nd request: The Committee decided to remand the case to RA to examine the matter and verify the nexus of the exported items manufactured by the imported machinery under EPCG license.

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 approaching RA for EO extension for 6 months (upto 31.03.2016) i.e. beyond 8 years on payment of composition fee or imposition of additional EO in terms of Para 5.11 of HBP (Vol. I) 2004-09 and late fee of Rs. 10,000/-.

The above relaxation is also subject to the following conditions:-

1. The proper installation certificate has been submitted within time limits as specified, and
2. 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- 58: Barflex Polyfilms Pvt. Ltd., New Delhi
F. No. HQREPCGPRAPP00001085AM23

Subject: Requests against EPCG Authorization No. 0530145308 dated 01.01.2008 under 5% Concessional duty:

i. **Re-fixation of Past Performance as nil.**
ii. **Inclusion of exports made by other export items.**
iii. **Extension of EOP for 12 months.**

In respect of 1st request, the firm has stated that at the time of issuance of EPCG authorization, they have filed CAC for preceding 3 years of export figures. Accordingly, the Past performance EO was endorsed on condition sheet of 3 above EPCG licenses. The firm has also stated that at the time of preparation of redemption application, they noted that the previous export figures given in the CAC in the licenses were exports made by other EPCG licenses. Those licenses now stand redeemed. Hence, for the above 3 EPCG licenses, Past performance should be NIL (under para 5.12 of HBP 2015-20). In support, the firm has attached revised CAC. Therefore, the firm has requested to re-fix the past performance to be 'Zero against above EPCG Authorization.

2. In respect of 2nd request, the firm has informed that these exported items are manufactured by the same imported machinery under EPCG licenses. Therefore, the firm has requested to allow exports made by other export items against above EPCG Authorization.

3. In respect of 3rd request, the firm has requested for extension of EOP for 12 months i.e. beyond 8 years against above EPCG Authorization.

Decision:

In respect of 1st request: The Committee went through the statements made by the applicant and Committee decided to remand the case to RA to examine the matter including verification of the documents (Appendix 5B& CA Certificate) submitted by the firm at the time of issuance of EPCG Authorization.

In respect of 2nd request: The Committee decided to remand the case to RA to examine the matter and verify the nexus of the exported items manufactured by the imported machinery under EPCG licenses.

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 approaching RA for EO extension for 12 months (upto 27.12.2016) i.e. beyond 8 years on payment of composition fee or imposition of additional EO in terms of Para 5.11 of HBP (Vol.I) 2004-09 and late fee of Rs. 10,000/-.

The above relaxation is also subject to the following conditions :-

1. The proper installation certificate has been submitted within time limits as specified, and
2. 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- 59: Barflex Polyfilms Pvt. Ltd., New Delhi
F. No. HQREPCGPRAPP00001088AM23

Subject: Requests against EPCG Authorization No. 0530154079 dated 26.11.2010 under 0% Concessional duty:

i. **Re-fixation of Past Performance as nil.**

ii. **Inclusion of exports made by other export items.**

iii. **Extension of EOP for 8 months.**

In respect of 1st request, the firm has stated that at the time of issuance of EPCG authorization, they have filed CAC for preceding 3 years of export figures. Accordingly, the Past performance EO was endorsed on condition sheet of above EPCG Authorization. The firm has also stated that at the time of preparation of redemption application, they noted that the previous export figures given in the CAC in the licenses were exports made by other EPCG Authorization. Those licenses now stand redeemed. Hence, for the above EPCG Authorization, Past performance should be NIL (under para 5.12 of HBP 2015-20). In support, the firm has attached revised CAC. Therefore, the firm has requested to re-fix the past performance to be 'Zero against above EPCG Authorization.

2. **In respect of 2nd request,** the firm has informed that these exported items are manufactured by the same imported machinery under EPCG licenses. Therefore, the firm has requested to allow exports made by other export items against above EPCG Authorization.

3. **In respect of 3rd request,** the firm has requested for extension of EOP for 8 months i.e. beyond 6 years.

Decision:

In respect of 1st request: The Committee went through the statements made by the applicant and Committee decided to remand the case to RA to examine the matter including verification of the documents (Appendix 5B& CA Certificate) submitted by the firm at the time of issuance of EPCG Authorization.

In respect of 2nd request: The Committee decided to remand the case to RA to examine the matter and verify the nexus of the exported items manufactured by the imported machinery under EPCG licenses.

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 approaching RA for EO extension for 8 months (upto 12.07.2017)i.e. beyond 6years 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:-

1. The proper installation certificate has been submitted within time limits as specified, and
2. 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- 60: Takshasila Healthcare and Research Service Private Limited, Bangalore
F. No. HQRPRCAPPLY00003960AM23

Subject: Request to Permit EO fulfillment of subject EPCG Authorization on payments received by Holding Company (THOPL) by virtue of an Agreement in respect of EPCG Authorization No. 0730012162 dated 27.02.2013 under 03% Concessional Duty.

The firm has stated that Takshasila Healthcare and Research Service Private Limited (THRSPL) is a subsidy company of Takshasila Hospitals Operating Private Limited (THOPL) and that THRSPL developed the hospital located at Bangalore and let out the same to THOPL to operate vide Lease Agreement dated 08.04.2015. Firm further stated that THOPL holds 100% equity in THRSPL from 28.04.2020. Firm stated that THRSPL obtained subject EPCG Authorization from RA Bangalore but could not submit documents for EO fulfillment in stipulated time due to misplace and that EO was fulfilled in 2016-17 itself. Firm further stated that they received EOP Extension from 27.02.2021 up to 27.02.2023.

2. The firm stated that subject EPCG Authorization holder is THRSPL and the foreign exchange earnings is in the name of THOPL because the license was applied and obtained by THRSPL due to lack of awareness of FTP provisions and its consequent impacts. Firm further stated that as per FTP 2009-14, up to 50% of EO may be fulfilled by exports of Group Company and as per FTP 2004-09 entire EO was permitted to be fulfilled by export turnover of Group Company. Foreign Exchange earned by Holding Company was not used for fulfillment of other obligations. No other obligations had been imposed on them. THOPL and THRSPL have filed for merger of THRSPL into THOSPL to avoid additional statutory transaction cost which will be finalized by May, 2023. Consequent of merger the firm has requested for consideration of foreign exchange earnings of Holding Company to be considered for fulfillment of EO for subject EPCG Authorization. This facility will be prospective from date of merger but not retrospective as the extended EOP expires on 27.02.2023 and if benefit of merger is to be availed they will be required to extend EOP further. The firm has requested to permit fulfillment of EO from export earnings received from the Holding Company during 2016-17 period itself.

3. The matter was considered in the 1st Meeting of the AM24 of EPCG Committee and following decision was taken:-

> *".....The Committee deliberated upon the case and decided to refer the matter to Department of Revenue for comments. Accordingly, the case stands deferred."*

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- 61: Micro Industrial Corporation, New Delhi
F. No. 01/36/218/21/AM-24/EPCG

Subject: Request for re-fixation of AEO in respect of 4 EPCG Authorization nos. 0530157543 dated 03.02.2012, 0530163306 dated 02.09.2014, 0530165998 dated 06.10.2015 and 0530169815 dated 06.03.2017.

The firm has stated they have obtained EPCG Authorizations for the export of Synthetic shoes made of PVC and leather footwear. The firm has stated that at the time of filing of application, they submitted the C.A. certificate of preceding 3 years FOB value export including all pending EPCG Authorization's physical export and deemed export, and the same value was mentioned in ANF-5A. Accordingly the AEO was imposed against above EPCG authorizations. The firm further stated that while applying for EODC, it was found that they had made a typographical error in declaring the entire export turnover including physical and deemed exports for fixing Average Export Obligation (AEO) at the time of obtaining authorization . The firm has informed that AEO should be imposed without all pending EPCG Authorization's physical export and deemed export. The firm has further informed that this average should be "zero". The firm has submitted the revised CA certificate.

Decision: The Committee went through the statements made by the applicant and Committee decided to condone the delay in applying to the RA for re-fixation of Average EO and **remand** the case to RA to examine as per relevant policy provisions after verification of the documents (Appendix 5B & CA Certificate) submitted by the firm at the time of issuance of subject EPCG Authorizations.

Case No- 62: Arcelormittal Nippon Steel India Limited (formerly known as Essar Steel India Limited (ESIL) , Mumbai
F. No. HQREPCGPRAPP00117433AM22

Subject: Request to issue redemption letters/EODCs in respect of EPCG authorisations Nos. 5230008515 dated 24.03.2011, 5230009887 dated 27.12.2011 and 5230010846 dated 26.10.2012.

The submission of the firm is as under:

i. AMNSIL acquired 'Essar Steel India Limited' ('ESIL') under the Insolvency and Bankruptcy Code (IBC) proceedings under a resolution plan approved by the Committee of Creditors of ESIL. The same was confirmed by the Hon'ble Supreme Court of India vide judgment dated 15.11.2019 of the Committee of Creditors of Essar Steel India Limited vs Satish Kumar Gupta and effective from 16.12.2019 (hereinafter referred to as 'Effective Date') In form of). As a result, the name of ESIL was changed to AMNSIL in the records of the Registrar of Companies.

ii. While the Capital Goods (CGs) relating to the coke oven project were imported under these three authorisations, ESIL could not set up the coke oven plant due to financial constraints and other operational issues, which eventually led to its insolvency and hence the Capital Goods were not installed. Immediately after the acquisition of ESIL, in line with the IBC law and related jurisprudence.

iii. Coke oven CGs could not be installed or there were other procedural non-compliances by ESIL for other CGs, the export obligation against above 3 authorizations was fulfilled by ESIL. Accordingly, ESIL/AMNSIL is in full compliance with all the conditions under the above annual EPCG authorizations, except in the above cases in which exemption is being sought.

iv. Section 31 of the IBC makes it abundantly clear, that once the resolution plan is approved by the Adjudicating Authority, it shall be binding on the corporate debtor and its employees, members, creditors, including the Central Government, any State Government, or any local authority to whom a debt in respect of the payment of dues arising under any law for the time being in force, such as authorities to whom statutory dues are owed, guarantors and other stakeholders.

v. Section 238 of the IBC provides that IBC will prevail in case of inconsistency between two laws. Such a provision is necessitated since one of the dominant purposes of the IBC is revival of the corporate debtor and to make it a running concern. In line with the spirit of IBC and the related jurisprudence, para 5.05 of the recently announced FTP on 31.03.2023 states as follows :-

> *"A company holding EPCG authorisations and having been admitted under the provisions of Insolvency and Bankruptcy Code 2016 for commencement of insolvency proceedings and in respect of whom the resolution plan has been approved under Section 31 of IBC 2016 by Adjudicating Authority may be permitted to relief, concessions and waivers in accordance with the resolution plan approved/finalised by Adjudicating Authority/Appellate Authorities as the case may be."*

vi. The resolution plan of ESIL deals with matters pertaining to EPCG licenses and clearly states that it waives all non-compliances pertaining to EPCG scheme etc., which was also approved by the Hon'ble Supreme Court. In this connection, the relevant extract of para 5 of the section titled "Reliefs and Concessions" under Section XIII of the approved resolution plan is reproduced as follows:

vii. Thus, in the light of the Resolution Plan and the Supreme Court's judgment dated 15.11.2019 approving the said Resolution Plan, AMNSIL has been granted a clean settlement without any past dues/proceedings/non-compliance of any nature whatsoever. Slate is allowed to operate a business. Thus, with effect from 16.12.2019 (i.e. effective date), all liabilities/claims relating to ESIL shall be waived, extinguished, extinguished and discharged forever. It is an established position under the provisions of the IBC that when the resolution plan is approved by the Adjudicating Authority, the claims, which are not part of the resolution plan, shall lapse and the proceedings relating to them cease.

The coke oven CG imported by ESIL is occupying a lot of valuable space and is hampering the expansion plan of AMNSIL. Further, the said CGs have now become obsolete and junk and hence, cannot be utilized by AMNSIL in its expansion plan. They require advanced technology capital goods to ensure that their expansion plans are executed smoothly. A Chartered Engineer's certificate is also highlighting the fact that this imported CGshave become redundant and obsolete. Therefore, AMNSIL has no other option but to dispose of the subject CG.

Decision: The Committee deliberated upon the case and observed that there is no policy relaxation required in this case.

Further, keeping in view the resolution plan of Essar Steel India Limited (ESIL), Mumbai as approved under Section 31 of IBC 2016 by Adjudicating Authority, the firm may approach concerned RA for permission for disposal of Capital Goods imported against the EPCG authorisations Nos. 5230008515 dated 24.03.2011, 5230009887 dated 27.12.2011 and 5230010846 dated 26.10.2012. RA concerned to follow the circular issued by DGFT in case of proceedings initiated before NCLT under IBC Code, 2016 against firm/company which have outstanding export obligation/liabilities under the FTP Schemes.

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[DGFT= Directorate General of Foreign Trade, DG = Director General, FTP, = Foreign Trade Policy, HBPv1 = Handbook of Procedure Vol. I, EO = Export Obligation, EODC = Export Obligation Discharge Certificate, EOP = Export Obligation Period, B.O.E. =Bill of Entry, EPCG = Export Promotion Capital Goods, RA = Regional Authority, BG = Bank Guarantee, FFE = Free Foreign Exchange, IEC = Importer Exporter Code, DoR = Department of Revenue, IEM = Industrial Entrepreneurs Memorandum, RCMC = Registration-cum-Membership-Certificate.].

The meeting ended with a vote of thanks to the Chair

[Issued from F. No. 01/36/218/24/AM-24/EPCG]