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MINUTES OF 8th MEETING OF AM-24 OF THE EPCG COMMITTEE HELD UNDER THE CHAIRMANSHIP OF SHRI AKASH TANEJA, ADDITIONAL DIRECTOR GENERAL OF FOREIGN TRADE HELD ON 26.12.2023 AT 03.00 PM.

Eighth Meeting for AM-24 of the EPCG Committee was held on 26.12.2023 at 03.00 PM under the chairmanship of Shri Akash Taneja, Additional Director General of Foreign Trade in Room No. 13 at Vanijya Bhawan, New Delhi. Following officers attended the meeting:-

i. Shri Sandeep Poonia, OSD, Department of Revenue

ii. Shri Randheep Thakur, Joint Director General of Foreign Trade, DGFT

iii. Shri Satish Kumar Oza, Foreign Trade Development Officer, DGFT

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

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46	**Mercury Fabrics Pvt. Ltd, New Delhi**	**32-33**
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Case No- 1: Calprin Ads Private Limited, Kolkata
F. No. HQREPCGPRAPP00000362AM23

Subject: Request for Condonation of delay in submission of Installation Certificate issued by Chartered Engineer in respect of EPCG Authorization No. 0230008253 dated 04.09.2012 under 0% Concessional Duty.

The request was examined by the EPCG Committee in its meeting held on 10.03.2023 and decided as under:

> "*The Committee deliberated upon the case and decided to defer it as the applicant did not appear before EPCG Committee for Personal Hearing to explain their case*."

2. The request was again examined by the EPCG Committee in its meeting held on 26.10.2023 and decided as under:-

> *"The Committee deliberated upon the case and decided to defer it again as the applicant did not appear before EPCG Committee for Personal Hearing to explain their case. It was decided that if the applicant does not appear on the next date of Personal hearing, the case will be decided based on the available records."*

3. The firm vide email dated 22.12.2023 has informed that they have already approached the RA, Kolkata in terms of PN No. 22 dated 13.07.2023 for permitting delayed submission of installation certificate. They request maybe treated as withdrawn.

Decision: The Committee deliberated upon the case and decided to treat the case as **withdrawn.**

<u>Case No- 2: Gopalakrishna Textile Mills Private Limited, Bangalore</u>
F. No. HQRPRCAPPLY00003197AM23

Subject: Request for Condonation of Procedural Lapse for not making endorsement of Group Company in the EPCG Authorization No. 0730007089 dated 19.06.2008 under 03% Concessional Duty.

The request was examined by the EPCG Committee in its meeting held on 10.03.2023 and decided as under:-

> "*The Committee deliberated upon the case and decided to defer it as the applicant did not appear before EPCG Committee for Personal Hearing to explain their case*."

2. The request was again examined by the EPCG Committee in its meeting held on 26.10.2023 and decided as under:-

> *"The Committee deliberated upon the case and decided to defer it again as the applicant did not appear before EPCG Committee for Personal Hearing to explain their case. It was decided that if the applicant does not appear on the next date of Personal hearing, the case will be decided based on the available records."*

Decision: The Committee noted that none has appeared on behalf of the applicant in the Personal hearings held on 10.03.2023 and 26.10.2023. Further, the Committee deliberated upon the case and decided to take a decision based on the available records.

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

<u>Case No- 3: Dharampal Satyapal Ltd, New Delhi</u>
F. No. HQREPCGPRAPP00000087AM23
01/36/218/159/AM-21/EPCG

Subject: Review of the decision of EPCG Committee rejecting their request for issuing EPCG Authorization for the import items pertaining to "Green House Plant & its Foundation material", "Live Trees" & "Pots" like retractable roof cooling house/greenhouse, its foundation/installation materials, planting material (Bearer Plants) and pots (holding Bearer Plants)

The firm vide letter dated 18.12.2020 requested in terms of Para 2.59 of FTP 2015-20 for reviewing the decision of RA, Panipat rejecting their request dated 02.12.2020 for issuing EPCG Authorization for the import items pertaining to "Green House Plant & its Foundation material", "Live Trees" & "Pots" like retractable roof cooling house/greenhouse, its foundation/installation materials, planting material (Bearer Plants) and pots (holding Bearer Plants), in terms of Appendix 5-F.

2. The request of the firm was considered in 3rd EPCG Committee meeting held on 04.08.2021. The decision of the Committee is as under:-

"The Committee noted that the applicant applied to RA Panipat for issuing EPCG Authorization for import of following 24 items in Agriculture Sector:

Sl. No	*Name of items*
1	*Greenhouse retractable roof : Cravo "Flat Roof" Retractable Roof Cooling house Accessory*
2-9	*Blueberry Plants:, BILOXT,ATLASBLUE 'BIA JEWEL STAR, VENTURA 38, VENTURA Ltr Pot*
10-23	*Foundation Material for greenhouse: Hollow section pipes, galvanized piles, stainless steel wires, screw pile/helical anchor, hot dip, round tube, packaging coil*
24	*Plastic Pots : Right Pot with Bottom Plate & Screw*

However, RA, Panipat rejected the application stating that the items proposed to be imported by the firm fall under Appendix 5F and alive plants are not allowed for import under EPCG Scheme.

The applicant contended that the rejection letter does not specifically mention the serial number of Appendix 5F. The items sought to be imported are 'Capital Goods' as per Para 9.08 of FTP-2015-20.

The matter was deliberated in the meeting. The Committee observed that Import items at S.No.1 and 10 to 23 are not permitted for import under EPCG in terms of S. No. 9 of Appendix 5 F.

Further, items at S. No. 2 to 9 are live plants and not Capital goods. These items do not fall under the purview of the EPCG Scheme.

After due deliberation, the Committee decided to ***reject*** *the request of the applicant."*

2. Now, the firm vide application dated 28.04.2022 has requested for review of the decision taken in EPCG Committee meeting held on 04.08.2021 and also requested to grant Personal Hearing in the matter.

3. The request was examined by the EPCG Committee in its meeting held on 10.03.2023 and decided as under:-

> "*The Committee deliberated upon the case and decided to defer it as the applicant did not appear before EPCG Committee for Personal Hearing to explain their case*."

4. The request was again examined by the EPCG Committee in its meeting held on 26.10.2023 and decided as under:-

> *"The Committee deliberated upon the case and decided to defer it again as the applicant did not appear before EPCG Committee for Personal Hearing to explain their case. It was decided that if the applicant does not appear on the next date of Personal hearing, the case will be decided based on the available records."*

5. The representatives of the firm (Shri Ravi Gupta, Shri Ashish Chaudhary and Shri Vikas Singhal) appeared through Video Conferencing and made the following submissions:-

Applicant's statement: The multiple parts in the cooling house/greenhouse system are combined together in order to provide a conducive environment for the growing of crops. The applicant contended that the rejection letter does not specifically mention the serial number of Appendix 5F under which the greenhouse could be considered as restricted. The items sought to be imported are 'Capital Goods' as per Para 9.08 of FTP-2015-20.

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

The Committee observed that it is a fact that items sought to be imported at S.No. 2 to 9 are live plants and not Capital goods. Further, the remaining items are falling under the category of construction material which are not permitted to be imported as per the Appendix 5F.

The Committee observed that applicant has not submitted any additional facts/cogent reason/justification in support of the request or any genuine hardship faced by them. Accordingly, the Committee decided to maintain the **rejection** of the request of the firm.

Case No- 4: Mahasakthi Bio Enercon Pvt. Ltd., Coimbatore
F. No. HQRPRCAPPLY00000912AM23

Subject: Request for

1. **Extension of EOP for 4 years from the date of endorsement without any composition fees against 7 EPCG Authorizations.**
2. **Condonation of late submission of installation certificate against above EPCG Authorizations.**

i.

- i. **3230016432 dated 07.03.2011**
- ii. **3230017027 dated 26.07.2011**
- iii. **3230016378 dated 23.02.2011**
- iv. **3230016337 dated 17.02.2011**

v. **3230016336 dated 17.02.2011**
vi. **3230016177 dated 17.01.2011**
vii. **3230016178 dated 17.01.2011**

The firm has stated that they had obtained EPCG Authorization for import of Capital Goods for the manufacture and export of Food & Beverages (Alcoholic), Indian made Foreign Liquor and Extra Natural Alcohol. Later on the Licenses so issued got amended for purchase of capital goods from domestic suppliers. When, they obtained these Licenses, they were under obligation from the office of the Commissioner of Prohibition and Excise, Chennai that the products which are being manufactured in Coimbatore by their Unit will be fully supplied to Tamil Nadu State Marketing Corporation Ltd. without interruption for which the Commissioner of Prohibition and Excise, Chennai has been issuing the Manufacturing License. However, these manufacturing licenses did not specify any restriction on export at any stage, and hence, they assumed supply to Tamil Nadu State Marketing Corporation. Ltd and these licenses for which quantities were specified could also be counted for exports and thus supplied specified quantities of Indian-made foreign spirits as per the monthly quota allotted to them will also qualify for discharge of EO. Based on these supplies, they have completed the quantity of EO specified in EPCG licenses within less than 2 years. They have submitted applications for grant of EODC which have been submitted to RA, Coimbatore. Even the BGs executed against these licenses were duly issued by Customs.

2. The firm has stated that the Orders were passed by JDGFT, Coimbatore in June 2020 alleging misrepresentation of facts by them. The Order also alleged that the firm have not submitted documentary evidence for having realized sale proceeds in free Foreign Exchange and instead, produced Bank Certificates in Indian Rupees. Against the Order-in-Original the firm approached the Hon'ble High Court of Judicature at Madras vide W.P. No. 7916, 7917, 7918,7919 and 7921 of 2020 in which the following points were brought before the Court :-

a. In term of Clause 5.13 of HBP (Vol 1) 2009-14, on fulfillment of EO, the authorization holder is required to furnish an application in Form ANF5B with documents prescribed therein. The respondent DGFT on being satisfied that the EO has been fulfilled, will issue a certificate of discharge of EO (EODC)/ Redemption letter to the Authorisation Holder and also issue a copy to customs authorities to whom BG has been executed. Thereafter, the BG issued to customs authority would be released.
b. Having completed all the above formalities in respect of all the 7 Licenses, it is observed that the EO stipulated in the License has been met in full in proportion of duty amount utilized by the company. Consequently, the EO has been discharged against the authorisations in terms of Para 5.13 of HBP 2009-14.
c. Suddenly, the Petitioner received a SCN dated 04.05.2020 claiming that during audit it was discovered that there was no foreign exchange realization and that the Petitioner has allegedly not fulfilled the EO and sought a response within 15 days. The Petitioner vide reply dated 20.05.2020 pointed about the prevailing pandemic and sought reasonable time to respond after normalcy is restored. No response was received from the respondent. No Personal Hearing was also granted to the Petitioner as is the practice whenever as SCN is issued.
d. Petitioner was served with an Order dated 18.06.2020. The impugned Order while acknowledging the issue of EODC/Redemption letter, nevertheless proceeded to

categories such issuance of EODC as an incorrect issue, stated that the entire goods were sold to TASMAC under normal Indian Invoice, foreign inward remittance certificate were not shown and that the Petitioner failed to make exports and violated the EPCG authorization and called for payment of entire duty saved and also imposing penalty failing which threatened action under the FTDR Act.

e. In the final Common Order issued by the High Court of Chennai, it was quoted as *"both learned counsel brings to my notice a request made on 13th November 2020 by the petitioner to the Joint Director general Of Foreign Trade, Coimbatore requesting permission to fulfill the EO within the stipulated extended EO period. In the light of the aforesaid, learned counsel for the petitioner seeks leave to withdraw these writ petitions."*

3. In respect of 2nd request, the firm has stated that they have submitted Installation Certificate issued by Chartered Engineer instead of Central Excise. The firm has also stated that they had installed CGs and obtained certificate within stipulated time period. The firm has informed that they are not registered with the Central Excise Authorities, as per Para 5.3.1 of HBP 2009-14.

4. Moreover, the firm has stated that they have sold the capital goods imported under the EPCG scheme after 5 years of fulfillment of EO and after written approval from the excise authorities at Chennai. However, the EO for the EPCG license is their responsibility and they will fulfill the entire EO through third parties. They are merchant exporters by license and the name of the supporting manufacturer will also be indicated on the shipping bills. They also undertake to include EPCG number and date on all shipping bills which are proposed to be submitted for discharge of EO.

5. The request was examined by the EPCG Committee in its meeting held on 10.03.2023 and decided as under:-

> "*The Committee deliberated upon the case and decided to defer it as the applicant did not appear before EPCG Committee for Personal Hearing to explain their case*."

6. The request was again examined by the EPCG Committee in its meeting held on 26.10.2023 and decided as under:-

> *"The Committee deliberated upon the case and decided to defer it again as the applicant did not appear before EPCG Committee for Personal Hearing to explain their case. It was decided that if the applicant does not appear on the next date of Personal hearing, the case will be decided based on the available records."*

7. The representatives of the firm (Shri T. Rajkumar, Managing Director) appeared through Video Conferencing and made the following submissions:-

Applicant's statement: The firm have sold the capital goods imported under the EPCG scheme after 5 years of fulfillment of EO and after written approval from the Excise authorities at Chennai. However, the EO for the EPCG license is their responsibility and they will fulfill the entire EO through third parties. They are merchant exporters by license and the name of the supporting manufacturer will also be indicated on the shipping bills. They also undertake to include EPCG number and date on all shipping bills which are proposed to be submitted for discharge of EO.

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

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

Case No- 5: S.E. Power Limited, Vadodara
F. No. HQREPCGPRAPP00000562AM23

Subject: Review Application w.r.t. Request for EOP Extension up to 36 months from the date of endorsement in respect of EPCG Authorization No. 0530161909 dated 27.11.2013 under 0% Concessional Duty-reg.

i. **0530174674 dated 10.07.2019**

ii. **0530174982 dated 16.09.2019**

iii. **0530175255 dated 14.11.2019**

iv. **0530175351 dated 02.12.2019**

v. **0530175352 dated 02.12.2019**

vi. **0530175362 dated 03.12.2019**

vii. **0530175450 dated 19.12.2019**

viii. **0530175516 dated 01.01.2020**

ix. **0530175678 dated 12.02.2020**

x. **0530176044 dated 26.06.2020**

xi. **0530176045 dated 26.06.2020**

xii. **0530176055 dated 03.07.2020**

The case was considered in the 11th Meeting of AM-23 dated 10.02.2023 wherein after due 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.

2. The request was examined by the EPCG Committee in its meeting held on 10.03.2023 and decided as under:-

> "*The Committee deliberated upon the case and decided to defer it as the applicant did not appear before EPCG Committee for Personal Hearing to explain their case*."

3. The request was again examined by the EPCG Committee in its meeting held on 26.10.2023 and decided as under:-

> *"The Committee deliberated upon the case and decided to defer it again as the applicant did not appear before EPCG Committee for Personal Hearing to explain their case. It was decided that if the applicant does not appear on the next date of Personal hearing, the case will be decided based on the available records."*

Decision: The Committee noted that none has appeared on behalf of the applicant in the Personal hearings held on 10.03.2023 and 26.10.2023. Further, the Committee deliberated upon the case and decided to take a decision based on the available records.

The Committee observed that the applicant has not submitted any additional facts/cogent reason/justification in support of the request or any genuine hardship faced by them. Accordingly, the Committee decided to maintain the **rejection** of the request of the firm.

<u>Case No- 6: Shakkthi Ohmkaara Spinners, Tamil Nadu</u>
F. No. HQREPCGPRAPP00000226AM24

Subject: Review Application w.r.t. Request for second EOP Extension for 2 years up to 19.12.2023 i.e. beyond 6+2 years in respect of EPCG Authorization No. 3230019820 dated 20.12.2013 under 0% Concessional Duty.

The firm had earlier requested for second EOP Extension for 2 years up to 19.12.2023 i.e. beyond 6+2 years in respect of EPCG Authorization No. 3230019820 dated 20.12.2013 under 0% Concessional duty. The case was considered in 1st Meeting of AM-23 held on 04.05.2023 and the following decision was taken:-

> *"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.*
>
> *However, the Committee decided to advise the firm to approach RA for extension of Export Obligation Period beyond 8 years in terms of Public Notice No-53 dated 20.01.2023 where extension is permitted on account of COVID. The Committee further deliberated upon the case and decided to advise that if they desire, the applicant may approach RA for regularising the case under the Amnesty Scheme notified vide Public Notice No. 02/2023 dated 02.04.2023 as per the conditions specified therein. RA may examine such request as per policy on merit."*

2. Now, the firm vide Review Application dated 30.06.2023 has requested for second EOP Extension for 2 years up to 19.12.2023 i.e. beyond 6+2 years in respect of EPCG Authorization No. 3230019820 dated 20.12.2013 under 0% Concessional Duty.

3. The request was examined by the EPCG Committee in its meeting held on 26.10.2023 and decided as under:-

> *"The Committee deliberated upon the case and decided to defer it as the applicant did not appear before EPCG Committee for Personal Hearing to explain their case."*

4. The firm was granted a Personal hearing but none appeared on their behalf.

Decision: The Committee deliberated upon the case and decided to **defer** it again as the applicant did not appear before EPCG Committee for Personal Hearing to explain their case. It was decided that if the applicant does not appear on the next date of Personal hearing, the case will be decided based on the available records.

Case No- 7: Arvind Limited, Ahmadabad
F. No. HQREPCGPRAPP00000014AM24

Subject: Request for

i. **Transfer of EPCG Authorizations from M/s. Arvind Limited to M/s. Arvind Technical Products Pvt. Ltd.**
ii. **Transfer CGs to their new company**

In respect of EPCG Authorization Nos. 0831006070 dated 21.09.2022 and 0831004342 dated 09.03.2022 under 0% Concessional duty.

The firm has stated that they had obtained certain types of machineries under the EPCG scheme. However, due to the ever changing business scenarios and demands, they have decided to utilize the machinery in their 100% subsidiary newly formed company Arvind Technical Products Pvt. Ltd. The applicant stated that they are not seeking any waiver of their EPCG obligations or extension of timelines and will continue to meet those commitments in accordance with their EPCG license.

2. The request was examined by the EPCG Committee in its meeting held on 26.10.2023 and decided as under:-

> *"The Committee deliberated upon the case and decided to defer it as the applicant did not appear before EPCG Committee for Personal Hearing to explain their case."*

3. The representative of the firm (Shri Rajeev Pillai, Shri Vineet Madani and Shri Ashok Kaushik) appeared through Video Conferencing and made the following submissions:-

Applicant's statement: Arvind Ltd. has purchased certain types of machineries against the EPCG authorisation. But due to some fashion and technical reason they have made 100% subsidiary company (Arvind Technical Products Pvt. Ltd.). They want to utilize the imported CGs in the subsidiary company and will continue to meet the commitments in accordance with their EPCG license.

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

Case No- 8: Harimohan Agro Industries, Jalgaon
F. No. HQREPCGPRAPP00000236AM24

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

i. **Extension of EOP in terms of PN 67 dated 20.08.2008**
ii. **Amendment in export products and inclusion of export products**

In respect of EPCG Authorization No. 0330000867 dated 01.02.2001 under 05% Concessional Duty.

The firm was granted a Personal hearing but none appeared on their behalf.

Decision: The Committee deliberated upon the case and decided to **defer** it as the applicant did not appear before EPCG Committee for Personal Hearing to explain their case. It was decided that if the applicant does not appear on the next date of Personal hearing, the case will be decided based on the available records.

Case No- 9: Navjeevan Synthetics Private Limited, Mumbai
F. No. HQREPCGPRAPP00000543AM23

Subject: Request for Condonation of late payment of Customs Duty along with applicable interest on excess Duty Saved Value in respect of EPCG Authorization No. 0330020757 dated 23.07.2008 under 03% Concessional Duty.

The firm has stated that they paid customs duty along with interest on excess DSV but beyond time limit as per Public Notice No. 22/2015-20 due to which they received DL from RA dated 23.03.2022 to approach DGFT HQ for Condonation of delay.

2. The firm further stated that they had made payment of excess DSV utilized and got to know about delay in making payment for DSV only after they received DL from RA Mumbai. Firm further stated that they have fulfilled 100% EO in second block, AEP as well as additional exports.

Decision: The Committee deliberated upon the case and decided **to recommend to DG for relaxation under Para 2.59 of FTP, 2023** to allow condonation of procedural lapse of delay of more than a month in payment of fee for excess duty saved amount as envisaged in the Para 5.10 of HBP 2009-14, subject to payment of composition fee of Rs. 5000/- per year. The party is also required to pay an additional composition fee of Rs. 5,000/- for each year of delay beyond the expiry of the period of two years of the excess import taking place.

This has the approval of DG, DGFT.

Case No- 10: Manisha Amarsing Naik, Pune
F. No. HQRPRCAPPLY00004715AM23

Subject: Request for extension of 1st block in respect of EPCG Authorization No. 3130007902 dated 11.04.2014 under 0% Concessional duty – reg.

The firm has stated that they were unable to complete 50% EO in the first block within the stipulated time period. 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 condonation of delay in approaching RA for extension in block-wise EOP within the prescribed time period. This shall be subject to payment of 2% composition fee on duty saved amount in proportion to the shortfall at the end of each block in terms of the provisions of Para 5.8.3 of HBP 2009-14 and late fee of Rs. 10,000/-.

This has the approval of the DG, DGFT.

Case No- 11: Associated Container Terminals Ltd., Delhi
F. No. HQRPRCAPPLY00354367AM22

Subject: Request for Re-fixation in Average EO against EPCG Authorization No. 0530170465 dated 01.06.2017 under 0% Concessional Duty.

The firm has stated that they had imported capital goods on 16.11.2017 vide BOE No. 4019966 dated 16.11.2017. They have also achieved specific EO against the said EPCG Authorization within the prescribed time period.

2. Further, the firm stated that at the time of filing for EODC, they were apprised that they had inadvertently computed average EO of previous three financial year basis which average annual EO was imposed, as per erstwhile FTP 2009-14 instead of existing FTP 2015-20.

3. The firm has submitted the details of annual EO provided at the time of obtaining of EPCG License and the actual average EO as under :-

Period	Amount of Annual export provided	Amount of actual Annual export
2014-15	23,69,43,094	9,25,71,067
2015-16	24,98,96,831	8,09,05,640
2016-17	28,48,67,994	9,91,14,359
Total	77,17,07,919	27,25,91,066
Average annual export	25,72,35,973	9,72,63,390

4. The firm has also stated even for payment received in INR under existing FTP 2015-20, there was provision under FTP, 2009-14 which was effective upto March, 2015. However, under FTP, 2009-14, payment received in INR for port handling charges shall be counted as EO whereas under existing FTP, 2015-20, only those specified service which are rendered in customs notified areas and provided to foreign liner (including its agents) shall be counted as EO. The firm was unaware about the aforesaid change which led to computation of inadvertent average EO as per previous FTP, 2009-14 instead of FTP, 2015-20.

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

Case No- 12: Label Kingdom Printers Pvt. Ltd., Tirupur (Tamil Nadu)
F. No. HQREPCGPRAPP00000273AM24

Subject: Review Application w.r.t. Request for extension of EOP for two years i.e. from 8 years 10 years in respect of EPCG Authorization No. 3230020391 dated 05.05.2014 under 0% Concessional duty.

The firm had earlier requested for extension of EOP for two years i.e. from 8 years 10 years in respect of EPCG Authorization No. 3230020391 dated 05.05.2014 under 0% Concessional duty. The case was considered in 1st Meeting of AM-24 held on 12.06.2023 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 in support of request for EO extension beyond 8th year and accordingly, the Committee decided to reject the request of the applicant.

2. Now, the firm vide Review Application dated 10.08.2023 has requested for Extension of EOP for two years upto 05.05.2024 i.e. from 8 years 10 years in respect of EPCG Authorization No. 3230020391 dated 05.05.2014 under 0% Concessional duty. The firm has submitted the following-

i. The firm has stated that they have obtained the EPCG authorization number. 3230020391 Dated 05.05.2014 from RA, Coimbatore for a duty saved value of Rs. 31,47,900/-. The firm has also stated that their export products are packing products and other items falling under Chapter-48 of the ITC HS Code. The firm has further stated that they did not have export orders due to COVID-19. However, they could export only 40%.

ii. As per Amendment sheet issued by RA, Coimbatore on 16.09.2020, their EOP has been changed from 6 years to 8 years.

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

Case No- 13: Cast Craft Private Limited
F. No. HQRPRCAPPLY00000467AM24

Subject: Request for permission to re-export Capital Goods imported under EPCG Scheme under Para 5.25 of HBP 2015-20.

The firm has submitted that:-

i. In order to cost-competitive in their export business, they availed the benefit under EPCG Scheme and obtained EPCG Authorization No.0731000783 dated 26.03.2021. CG arrived in Chennai Customs House in February, 2021.
ii. They informed RA that the subject CG were received for manufacture of Aeroplane/defense products stating that with prolonged delay they have taken a decision not to go ahead with the setting up of the factory at Sompura. The products that were to

be manufactured with the imported machinery were to be supplied for customers located in Germany, Netherlands, Malaysia, Canada, France etc.

iii. Due to impact of Covid-19 pandemics, lock down and war between Russia and Ukraine, they do not anticipate they would be able to manufacture and export the goods out manufactured by the CG in near future.

iv. The Capital Goods were not used by them and expressed their inability to use the imported machinery and the subject machinery has become unfit for use and accordingly they informed RA. The concerned overseas supplier has consented to take back the said machinery.

2. The firm submitted that they approached RA, Bangalore with a request to permit them to re-export the machinery to the overseas supplier in terms of Para 5.25 of HBP 2023. However, RA rejected their request stating that "*Reasons for re-export of Capital Goods not covered under Para 5.25 of HBP 2015-20"*.

Decision: After due deliberation on the request of the firm, the Committee decided to **defer** the case for further examination.

<u>Case No- 14: Connect Textile & Processing Industries Private Limited, Kolkata</u>
F. No. HQREPCGPRAPP00000285AM24

Subject: Request for 1st Block Extension in respect of EPCG Authorization No. 0230010141 dated 20.02.2015 under 0% Concessional Duty.

The firm has stated that they could not export in the 1st block due to unavoidable reasons. The firm has requested for block wise waiver so that they can get Block-wise waiver/ extension from RA Kolkata after payment of composition fee as per Exim Policy.

Decision: The Committee deliberated upon the case and **decided to recommend to DG for relaxation under Para 2.59 of FTP, 2023** to allow Condonation of delay in approaching the RA for extension in block-wise EOP within the prescribed time period. This shall be subject to payment of 2% composition fee on duty saved amount in proportion to the shortfall at the end of each block in terms of the provisions of Para 5.8.3 of HBP 2009-14 and late fee of Rs. 10,000/-.

This has the approval of DG, DGFT.

<u>Case No- 15: Vishant Traders Private Limited, Ludhiana</u>
F. No. HQREPCGPRAPP00000054AM24

Subject: Request for Exemption from 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 under para 5.7.6 which was rejected by RA and they advised to approach DGFT Hqrs. for further relaxations.

2. The firm has further stated that their firm falls under MSME Act, 2006 and as per the Act 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.

3. The case was considered in the 4th EPCG Committee Meeting of AM-24 held on 12.09.2023 wherein 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.

4. RA, Ludhiana vide email/ letter dated 13.10.2023 has furnished the same.

EPCG Authorization No. & date	Duty Saved (In INR)	FOB Value (In USD)	AEO (In INR)
1. 3030010894 dated 06.05.2013	529575.60	58301.90	11243124.00
2. 3030011314 dated 11.07.2013	909510.00	92180.06	11243124.00
3. 33030011620 dated 25.09.2013	836093.00	81042.94	11243124.00
4. 3030012262 dated 28.02.2014	604824.00	57648.03	11243124.00
5. 3030009410 dated 27.03.2012	370980.00	60077.73	1023051.00

- The firm vide letter dated 13.02.2023 along with the application for clubbing of above EPCG Authorizations and redeem the case and also requested to delete the condition for maintenance of AEO being Tiny/Small industries in terms of Para. 5.7.6 of HBP 2009-14.

- A clarification from MSME sought and vide their letter dated 10.04.2023 informed that as per MSME Act 2006, the entrepreneur's category by criterion of investment and turnover of the enterprises.

- The firm has already submitted installation certificates.

- It is also informed that the firm has also applied under Amnesty Scheme, but custom duty along with interest has not been deposited by firm.

Decision: The Committee went through the statements made by the applicant and decided to **remand the case to RA** to examine the matter and take action as per policy.

Case No- 16: G. G. Automotive Gears Limited, Dewas (M.P.)
F. No. HQRPRCAPPLY00000650AM24

Subject: Review Application w.r.t. Request for Extension of EOP for 6 months from the date of endorsement i.e. beyond 6+2 years against EPCG Authorization No. 5630000465 dated 04.02.2014 under 0% Concessional duty.

The firm had earlier requested for extension of EOP for 1 year i.e. beyond 6+2 years against 4 EPCG Authorization Nos. 1130001675 dated 19.01.2010, 1130001815 dated 23.06.2010, 1130002343 dated 20.12.2011 and 5630000465 dated 04.02.2014 under 0% Concessional duty.

2. The matter was considered in the 2nd EPCG Meeting of AM 24 on 30.05.2023 wherein the Committee went through the statements made by the firm and noted that the applicant has not submitted any cogent reason/justification in support of any genuine hardship faced by them and accordingly, the committee decided to reject the request of the applicant. The Committee deliberated upon the case and decided to advise that if they desire, the applicant may approach RA for regularising the case under the Amnesty Scheme notified vide Public Notice No. 02/2023 dated 02.04.2023 as per the conditions specified therein. RA may examine such request as per policy on merit.

3. In respect of EPCG Authorization No. 5630000465 dated 04.02.2014, the Committee further deliberated upon the case and decided to advise the firm to approach RA for extension of EO Period beyond 8 years in terms of Public Notice No. 53/2015-20 dated 20.01.2023 where extension is permitted on account of COVID.

4. Now, the firm vide Review Application dated 16.08.2023 has requested for extension of EOP for 6 months from the date of endorsement i.e. beyond 6+2 years against EPCG Authorization No. 5630000465 dated 04.02.2014 under 0% Concessional duty. The firm has submitted the following -

i. On receipt of the minutes of meeting of 2nd EPCG Committee Meeting held on 30.05.2023, they approached the concerned RA and submitted the required document for extension of license. After submission of the documents, they were advised to approach PRC to get confirmation of EO period as it was not mentioned in the Minutes of meeting and denied to extend the license from the date of endorsement due to the license date.

ii. The firm has further stated that they have enclosed export statement, as per which, they have completed 85.77% of EO, and the balance EO would be completed within the extended EOP, if granted, as they have export orders in hand.

Decision: The Committee deliberated upon the case and decided **to recommend to DG for relaxation under Para 2.59 of FTP, 2023** to allow Condonation of delay in approaching RA for EO extension for 2 years (from 6th year to 8th year) on payment of composition fee or imposition of additional EO in terms of Para 5.11 of HBP 2009-14 and late fee of Rs. 10,000/-. The above relaxation is also subject to the condition that the proper installation certificate has been submitted within time limits as specified in FTP/HBP.

This has the approval of DG, DGFT.

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

<u>Case No- 17: Galvano Track Solutions Pvt. Ltd., Bangalore</u>

F. No. HQRPRCAPPLY00003269AM23

Subject: Request for fixation of specific EO period from 6 years to 8 years against the EPCG License No. 0730009892 dated 28.02.2011 under 0% Concessional duty-reg.

The firm has stated that the license was issued for EO to be fulfilled in six years. However they are SSI unit and the capital goods imported the landed cost was less than 50 lacs and hence EO should be 8 years instead of 6 years. After one year EO Extension and various policy circulars the license is valid till 31.12.2021.

2. The firm has submitted the copies of the BoE. As per BoE, the total CIF value is Rs. 31,56,091.74 (19,48,204.78+12,07,886.96) which is less than Rs. 50 lakhs.

3. RA Bangalore vide email dated 26.10.2023 furnished the list of EPCG authorizations issued to the firm.

S. No.	Authorization no.	Issue Date	Status
1	0730009892	28/02/2011	Unredeemed
2	0730010570	21/09/2011	Unredeemed

Decision: The Committee went through the statements made by the applicant and noted that the firm has imported second hand Capital Goods under the EPCG Scheme.

The Committee decided to **remand the case to RA** to examine the matter and take action as per policy.

<u>Case No- 18: Nirmiti Precision Private Limited, Maharashtra</u>
F. No. HQREPCGPRAPP00000785AM23

Subject: Request for Second EOP Extension for 2 years upto 01.01.2024 i.e. beyond 6+2 years in respect of EPCG Authorization No. 3130008161 dated 28.08.2014 under 0% Concessional Duty.

The firm has stated that due to market fluctuations, they were not able to export the goods within the time limit. They have received the orders later and have fulfilled the EO as per license.

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

<u>Case No- 19: Dharajyot Stone Art, Surat</u>
F. No. HQRPRCAPPLY00000747AM24

Subject: Regarding counting of free shipping bills for export made against EPCG authorization No. 5230010035 dated 10.02.2012 issued under 3% duty schemes.

In support of their request the firm has submitted that they were not aware that it is mandatory to export under EPCG shipping bills and requested to accept free shipping bills.

Decision: The Committee noted that there is no provision in the FTP to consider the request of the applicant. Accordingly, the Committee decided to **reject** the request.

Case No- 20: Mallabhum Agro Product Private Limited, West Bengal
F. No. HQREPCGPRAPP00000448AM24

Subject: Request for condonation of Block wise EOP extension in respect of EPCG Authorization No. 0230009311 dated 24.01.2014 under 0% Scheme.

In support of their request the firm has submitted that due to some reasons they were unable to fulfill the 50% of the total EO in the 1st block of 4 years. Further, they have already paid a requisite fee of Rs. 2000/- for the subject request.

Decision: The Committee deliberated upon the case and decided **to recommend to DG for relaxation under Para 2.59 of FTP, 2023** to allow Condonation of delay in approaching the RA for extension in block-wise EOP within the prescribed time period. This shall be subject to payment of 2% composition fee on duty saved amount in proportion to the shortfall at the end of each block in terms of the provisions of Para 5.8.3 of HBP 2009-14 and late fee of Rs. 10,000/-.

This has the approval of the DG, DGFT.

Case No- 21: OM SAI Rice Mills, Kanpur
F. No. HQREPCGPRAPP00000554AM24

Subject: Request for Extension of EOP for 2 years i.e. 6+2 years in respect of EPCG Authorization No. 0630005169 dated 04.02.2015 under Zero duty Scheme.

In support of their request the firm has submitted that they have completed the required EO within 8 years of the issue of authorization. Further they have applied to RA Kanpur for EOP extension i.e. 6+2 years in terms of P.N. No. 03 dated 13.04.2022 and also paid requisite application/composition fees to RA Kanpur. However, RA, Kanpur turned down their request on the ground that the subject authorization was issued prior to 2015-20 and not covered under the said PN and advised them to approach the EPCG Committee.

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 subjected to the condition that the proper installation certificate has been submitted within time limits as specified in FTP/HBP.

This has the approval of DG, DGFT.

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

Case No- 22: Rajvi Resorts And Hotels Private Limited, Gujarat
F. No. HQREPCGPRAPP00001074AM23

Subject: Request for EOP Extension up to 17.04.2024 i.e. 8+4 years in respect of EPCG Authorization No. 3730000181 dated 17.04.2012 under 03% Concessional Duty.

The firm has stated that they had taken 14 EPCG Authorizations and fulfilled their EO. However, the subject authorization was inadvertently missed due to CVOID-19 pandemic. The firm has stated that the EO fulfilled for 1st & 2nd block is Nil.

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 Committee further 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 and late fee of Rs. 10,000/. This has the approval of DGFT.

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.

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

Case No- 23: Baba Bhuman Shah Ji Rice Mills
F. No. HQREPCGPRAPP00000555AM24

Subject: Request for Condonation of 1st Block EO period against EPCG Authorization No. 3030011745 dated 17.10.2013 under 0% Scheme.

In support of their request the firm has submitted that they could not able to fulfill the required EO in the 1st Block due to non-availability of confirmed orders and they were in financial crisis. They have fulfilled the 100% EO before the expiry 2nd Block i.e. 16.10.2019

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

This has the approval of the DG, DGFT.

Case No- 24: Mallabhum Agro Product Private Limited
F. No. HQREPCGPRAPP00000450AM24

Subject: Request for extension of EOP for 2 years i.e. 6+2 years in respect of EPCG Authorization No. 0230009311 dated 24.01.2014 under Zero duty Scheme.

In support of their request the firm has submitted that due to some reasons they were unable to fulfill the 100% of the total EO within the 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 condition that the proper installation certificate has been submitted within time limits as specified in FTP/HBP.

This has the approval of DG, DGFT.

Case No- 25: Jyot Fashion, Surat
F. No. HQRPRCAPPLY00000595AM24

Subject: Request for EOP Extension up to 29.04.2024 i.e. 6+4 years in respect of EPCG Authorization No. 5230013958 dated 29.04.2014 under 0% Concessional Duty.

The firm has further stated that they are willing to fulfill the EO and pay the composition fees, extension fees and 50% custom duty.

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

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

This has the approval of DG, DGFT.

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

Case No- 26: BST Textile Mills Private Limited, Mumbai
F. No. HQREPCGPRAPP00000276AM24

Subject: Request for EOP Extension for 1 year i.e. 8+1 years in respect of EPCG Authorization No. 0330025220 dated 16.02.2010 under 03% Concessional Duty.

The firm has stated that they have fulfilled the EO and have submitted the redemption application to RA, Mumbai. They have requested for condonation for delay in applying for EOP extension for one year, for regularization purpose.

2. The firm has further stated that they have shifted the compliance Division from their factory to the branch office in Mumbai, which led to communication gap and hence the delay in filing the application.

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 9th year) on payment of composition fee or imposition of additional EO in terms of Para 5.11 of HBP 2009-14 and late fee of Rs. 10,000/-.

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

This has the approval of DG, DGFT.

The Committee further deliberated upon the case and decided to advise the firm to approach RA for extension of EO Period (beyond 9 years) in terms of Public Notice No. 53/2015-20 dated 20.01.2023 where extension is permitted on account of COVID.

Case No- 27: Endeavour Enterprises
F. No. HQREPCGPRAPP00000283AM24

Subject: Request for exemption of condition as per Para 5.10 HBP-2015-20 (updated as on 05.12.2017) followed by clarification issued vide Policy Circular No. 22/2015-20 dated 29.03.2019 in respect of EPCG Authorization No. 3130008383 dated 24.12.2014.

In support of their request the firm submitted that :-

i. They have obtained subject EPCG authorization with a duty saved amount allowed of Rs. 33,92,813.00 with an EO of Rs. 2,03,56,878.00.
ii. While obtaining the EPCG authorization they had forecasted to fulfill their EO through third party export considering the export value of the third party shipping bills of their supplied goods.
iii. As per shipping bills value they have fulfilled EO and have submitted redemption application to RA, Pune against which they have issued a DL and have asked to submit revised calculation as per Policy Circular dated 29.03.2019.
iv. As the license is obtained by them under FTP 2009-14, they are bound by the terms and conditions, notifications and instructions issued towards fulfillment of EO prevailing in the said FTP.
v. The objection raised by the RA Pune apparently relates and made applicable for the transactions made by the EPCG authorization holders during the period of FTP 2015-20.

vi. At the time of obtaining EPCG licence they had formulated to fulfill EO on the value of shipping bills exports likely to made during the period of fulfillment of EO and to get their discharged of the license EO. The present conditions imposed under Para 5.10 HBP 2015-20 midterm review and Policy Circular No.22/2015-20 dated 29.03.2019 should not be applicable/enforced on them.

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.

<u>Case No- 28: Right Angle Industries, Punjab</u>
F. No. HQRPRCAPPLY00000375AM24

Subject: Request for regularization of export made beyond 1st Block EO Period in respect of EPCG Authorization No. 3030011455 dated 14.08.2013 under 0% Concessional Duty.

The firm has stated that the first block EOP was extended upto 13.08.2019 and the overall EOP was extended upto 13.08.2021.

2. The firm further stated that since, the extended period was during the COVID-19 period, they could not fulfill the EO for the first block within such extended period. The firm also stated that the overall EOP was expired on 13.08.2021 and the firm could not fulfill the EO due to critical health condition of the proprietor, resulting in the demise of the proprietor on 29.12.2021. Further, the firm stated that the partnership firm under name Right Angle Industries was created on 01.01.2022 to take over the family business and fulfill the EO. The new partnership firm fulfilled more than 100% EO fixed, but beyond the 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 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/-.

This has the approval of the DG, DGFT.

<u>Case No- 29: Malabar Gold Private Limited</u>
F. No. HQRPRCAPPLY00001098AM24

Subject: Request for condonation of procedural lapse for not mentioning the authorization number and date in shipping bill submitted towards fulfillment of EO in respect of EPCG Authorization No 1030002673 dated 18.06.2014 under Zero duty EPCG Scheme.

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

i. They had fulfilled 206% of Specific EO and 100% average EO within a year and submitted documents towards fulfillment of EO to RA, Cochin.
ii. RA, Cochin on verification of the documents informed them that the SB No. 5980138 dated 10.11.2014 for FOB USD 668910 submitted by them towards specific EO is a free

shipping bill which cannot be considered towards EO and directed to submit another shipping bill having EPCG authorization number or else apply for closure under Amnesty Scheme.

iii. During the period of export i.e. 2014-15 they had done shipments worth USD 33354419.75. These shipments are done without availing any schemes for import/procurement of inputs required for manufacture and export of jewelry and therefore they have no "Scheme Shipping Bills" to submit.

iv. The product exported viz. jewellery was actually manufactured using the imported jewellery making machineries imported under the subject EPCG authorization and the items shipped under the shipping bill number was also actually manufactured by using this imported machineries..

v. They had not utilize this shipping bill towards specific /average against any other authorization(s).

vi. From 18th December, 2014 the authorization holder viz. Malabar Gold Ornaments makers Private Limited stands amalgamated with Malabar Gold Private Limited as per the Scheme of Amalgamation sanctioned by Hon'ble High court of Kerala under CP Nos. 26 & 27. Subsequently the IEC of Malabar Gold Ornaments Makers Pvt. Ltd was got cancelled and therefore they are making this application through dash board of Malabar Gold Private Ltd.

vii. Malabar Gold Private Limited is a three (3) Star Export House. Except for the present unfortunate procedure lapse of not endorsing the authorization number in SB, the company is having the track record of having strictly complied with all the requirements under Exim Policy.

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- 30: Writer Lifestyle Private Limited, Mumbai
F. No. HQREPCGPRAPP00000545AM24

Subject: Request for:

i. **1st Block Extension**
ii. **Automatic extension as per PN 53 dated 20.01.2023**
iii. **Second EOP Extension for 2 years upto 11.03.2024 i.e. beyond 8+2 year**

In respect of EPCG Authorization No. 0330033489 dated 21.08.2012 under 03% Concessional Duty.

The firm has stated that they have availed the EPCG License for setting up of five-star hotels in Maharashtra and have fulfilled the EO in full. However, they need the relaxations for the purpose of redemption of License.

2. The firm has also stated that they could not apply for relaxations due to exit of the company executive responsible for DGFT matter.

Decision:

In respect of 1st and 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 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 Committee further deliberated upon the case and decided **to recommend to DG for relaxation under Para 2.59 of FTP, 2023** to allow Condonation of delay in approaching RA for EO extension for 2 years (from 10th year to 12th year) on payment of composition fee or imposition of additional EO in terms of Para 5.11 of HBP 2009-14 and late fee of Rs. 10,000/-. The 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 the DG, DGFT.

In respect of 2nd request:

The Committee decided to advise the firm to approach RA for extension of EO Period in terms of Public Notice No. 53/2015-20 dated 20.01.2023 where extension is permitted on account of COVID.

Case No- 31: Connect Textile & Processing Industries Private Limited, Kolkata
F. No. HQREPCGPRAPP00000271AM24

Subject: Request for EOP Extension for 2 years upto 31.12.2023 i.e. beyond 6+2 years in respect of EPCG Authorization No. 0230010143 dated 20.02.2015 under 0% Concessional Duty.

The firm has stated that they could not fulfill the required 100% EO due to unavoidable reasons. The firm further stated that their initial EOP expired on 31.12.2021 as per DGFT Notification No. 28/2015-2020 dated 23.09.2021.

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

Case No- 32: Cast Craft Private Limited
F. No. HQRPRCAPPLY00000468AM24

Subject: Request for permission to re-export Capital Goods imported under EPCG Scheme under Para 5.25 of HBP 2015-20.

In support of their requested the firm has submitted as under:-

i. In order to be cost-competitive in their export business, they availed the benefit under EPCG Scheme and obtained subject EPCG Authorization.
ii. CG arrived in Chennai Customs House in February, 2021.
iii. They informed RA that the subject CG were received for manufacture of Aeroplane/defense products stating that with prolonged delay they have taken a decision not to go ahead with the setting up of the factory at Sompura.
iv. The products that were to be manufactured with the imported machinery were to be supplied for customers located in Germany, Netherlands, Malaysia, Canada, France etc.
v. Due to impact of Covid-19 pandemics, lock down and war between Russia and Ukraine, they do not anticipate they would be able to manufacture and export the goods out manufactured by the CG in near future.
vi. Capital Goods were not used by them and expressed their inability to use the imported machinery and the subject machinery has become unfit for use and accordingly they informed RA. The concerned overseas supplier has consented to take back the said machinery.

2. The firm submitted that they approached RA, Bangalore with a request to permit them to re-export the machinery to the overseas supplier in terms of Para 5.25 of HBP 2023. However, RA rejected their request stating that "Reasons for re-export of Capital Goods not covered under Para 5.25 of HBP 2015-20".

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

<u>Case No- 33: Sona Biscuits Limited, Kolkata</u>
F. No. HQREPCGPRAPP00000547AM24

Subject: Request for Approval of export items by the group company for AEO to obtain EODC in respect of EPCG Authorization No. 0230010709 dated 06.10.2015 under 0% Concessional duty.

The firm has stated that they have obtained the subject EPCG Authorization on 06.10.2015 and have completed the specific EO as on 31.03.2016. However, there was a shortfall of Rs. 21,949,124.93 in the average EO for the F.Y. 2016-17 due to the poor financial condition of the company for 2-3 years. However, after 2017, the firm made exports through their group company i.e. M/s Bajrangbali Vanijya Pvt. Ltd. upto the year 2022.

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.

<u>Case No- 34: Mahendra Kumar Ashok Kumar Goyal, Kota (Rajasthan)</u>
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 EO in respect of EPCG Authorization No. 1330004294 dated 27.10.2014 under 0% Concessional duty– reg.

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.

2. 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. The details of the current obligations of the firm are as under:-

Particulars	**Details (in Indian Rupees)**
Total Duty Saved as per EPCG License issued	Rs.13,35,945.00
Total EO as per EPCG License issued	Rs. 80,15,670.00
Actual Total Duty Saved	Rs.1211180
Actual Total EO	Rs.1211180x6=7,267,080
Actual Remittance Received (Export Realization) Exchange Rate (1 INR = 0.016 USD)	Rs. 27,33,742.50
ECGC Claim Received	Rs. 30,90,793.00
ECGC Claim +Export	Rs. 5,824,535.5
EO Short	(Rs. 1,442,544.5)

3. The case was considered in the 4th EPCG Committee Meeting held on 12.09.2023 wherein the Committee decided to call for a report from RA concerned and **deferred** the case. Accordingly, vide email dated 04.10.2023, RA concerned was called for a report on the matter. Now, vide email dated 05.10.2023, RA has sent the requisite report.

Decision:

In respect of 1st request:

The Committee deliberated upon the case and decided to **remand the case to RA** to consider the request for consideration of ECGC Claimed amount towards the fulfillment of Export obligation.

In respect of 2nd request:

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- 35: Viraat Textiles, Ludhiana
F. No. HQREPCGPRAPP00000262AM24

Subject: Request for:

i. **1st Block Extension**
ii. **Automatic EOP Extension up to 31.12.2021 in view of P.N. 67 dated 31.03.2020 and DGFT Notification No. 28 dated 23.09.2021**
iii. **2 year EOP Extension from 31.12.2021 up to 31.12.2023**

In respect of EPCG Authorization No. 3030012415 dated 28.04.2014 under 0% Concessional Duty.

The firm has stated that they could not fulfill the required EO in 1st block due to non-availability of confirmed orders in hand and they were in financial crisis later due to COVID-19 pandemic. Due to the same reasons, they could not apply for extension in view of PN 67 dated 31.03.2020. The firm has further stated that they do not have any malafide intention and the sole reason for the delay was financial crisis and they are now willing to fulfill their pending EO, for which they have made an agreement with third-party exporters.

Decision:

In respect of 1st and 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 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.

The Committee further deliberated upon the case and decided **to recommend to DG for relaxation under Para 2.59 of FTP, 2023** to allow Condonation of delay in approaching RA for EOP extension for 2 year from 31.12.2021 to 31.12.2023 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/-, subject to the condition that they are granted extension by the RA in terms of PN No. 28 dated 23/9/2021.

This has the approval of DG, DGFT.

In respect of 2nd request:

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.

Case No- 36: MR Real food Private Limited
F. No. HQREPCGPRAPP00000255AM24

Subject: Request for EOP Extension for 2 years i.e. beyond (6+2 years) in respect of EPCG Authorization No. 2130000190 dated 18.06.2014 under Zero duty Scheme.

The firm submitted that due to the unfavorable market situation they were not able to fulfill the EO within initial EOP and requested for 2nd EOP extension i.e. 2 years extension beyond (6+2 years).

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

Case No- 37: Nipro India Corporation Private Limited, Pune
F. No. HQREPCGPRAPP00000043AM24

Subject: Request for Condonation of delay in submission of Installation Certificate issued by Chartered Engineer in respect of EPCG Authorization No. 3130011148 dated 19.03.2020 under 0% Concessional Duty.

The firm has stated that upon submission of Installation Certificate to RA, Pune, they received a DL requesting to approach DGFT Hqrs. for condonation of delay in installation of capital goods.

2. The firm further stated that they are setting up a new manufacturing facility for exporting dialyzer and the products are an entire manufacturing line. The capital goods imported are custom built and special purpose machines, specially manufactured for the Dialyzer Production.

3. Further, the firm stated that the installation of capital goods requires specialized services from foreign manufacturer, and during the pandemic period, the manufacturer was unable to send specialized engineers for installation of capital goods. The manufacturer could send engineers for installation on June, 2022 and the installation was completed in February, 2023.

4. As per first Installation Certificate dated 01.02.2023 issued by Chartered Engineer enclosed by the firm, the date of installation of CGs is 15.12.2022 under BOE No. 7623903 dated 09.05.2020 and another Installation Certificate dated 25.03.2023 issued by Chartered Engineer enclosed by the firm, the date of installation of CGs is 15.02.2023 under BOE No. 8019015 dated 27.06.2020.

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 installation of Capital Goods beyond the period of 18 months, subject to payment of composition fee of Rs. 10,000/- and submission of installation certificate. RA to verify that no ECA/DRI/Customs action is pending. The firm will not be eligible for grant of extension in EO period on this ground.

This has the approval of DG, DGFT.

Case No- 38: Nipro India Corporation Private Limited, Pune
F. No. HQREPCGPRAPP00000049AM24

Subject: Request for Condonation of delay in submission of Installation Certificate issued by Chartered Engineer in respect of EPCG Authorization No. 3131000139 dated 02.02.2021 under 0% Concessional Duty.

The firm has stated that upon submission of Installation Certificate to RA, Pune, they received a DL requesting to approach DGFT Hqrs. for condonation of delay in installation of capital goods.

2. The firm further stated that they are setting up a new manufacturing facility for exporting dialyzer and the products are an entire manufacturing line. The capital goods imported are custom built and special purpose machines, specially manufactured for the Dialyzer Production.

3. Further, the firm stated that the installation of capital goods requires specialized services from foreign manufacturer, and during the pandemic period, the manufacturer was unable to send specialized engineers for installation of capital goods. The manufacturer could send engineers for installation on June, 2022 and the installation was completed in December, 2022.

4. As per Installation Certificate dated 01.02.2023 issued by Chartered Engineer enclosed by the firm, the date of installation of CGs is as under:-

BOE No.	**Date of Installation**
3935321 dated 13.05.2021	15.12.2022
2791457 dated 16.02.2021	15.12.2022
2789791 dated 16.02.2021	15.12.2022
2838909 dated 19.02.2021	15.12.2022
3216267 dated 19.03.2021	15.12.2022

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 installation of Capital Goods beyond the period of 18 months, subject to payment of composition fee of Rs. 10,000/- and submission of installation certificate. RA to verify that no ECA/DRI/Customs action is pending. The firm will not be eligible for grant of extension in EO period on this ground.

This has the approval of DG, DGFT.

Case No- 39: Senior India Pvt. Ltd., New Delhi
F. No. HQREPCGPRAPP00146582AM22

Subject: Request for condonation of procedural lapse for mentioning wrong EPCG Authorisation Number on 30 Shipping Bills in respect of EPCG Authorization No. 0530168713 dated 30.09.2016 -reg.

The firm has stated that they have incorrectly mentioned their EPCG Authorization Nos. 0530164095 dated 31.12.2014 and 0530166049 dated 12.10.2015 instead of 0530168713 dated 30.09.2016 on 30 shipping bills due to procedural lapse. They have also informed that the exports made against these shipping bills have not been/shall not be taken into account while calculation of fulfilment of EO against any other EPCG License.

2. CLA, Delhi vide email dated 28.11.2023 have furnished a report.

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- 40: Gus Clothing Company, Tirupur
F. No. HQRPRCAPPLY00002868AM24

Subject: Request for amendment of Export Product and re-fixation of Average EO in respect of EPCG Authorization No. 3230028465 dated 13.12.2019 under Zero duty EPCG Scheme.

In support of their request the firm has submitted that

i. They are one of the Garment Exporter having the Export House status and have obtained the subject license during the year AM20 based on their previous export.
ii. After completion of import and installation of CG the pandemic Covid-19 started and they unable to get the orders and not fulfilled the EO.
iii. They planned to manufacture and export alternate product the item of shopping bags which have the market.
iv. Due to paucity of export order for knitted RMG, they requested RA, Coimbatore to amend the export product as cotton/Polyester shopping Bag and re-fix the annual average as NIL.
v. However, their request was rejected by RA on the grounds that there is no provision in the FTP for allowing “Cotton/Polyester Shopping Bags” as alternate export product instead of “Knitted Readymade Garments” and also re-fix the AEO as NIL.

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- 41: Adani Wilmar Limited, Ahmedabad
F. No. HQRPRCAPPLY00004621AM23

Subject: Request for Second EOP Extension for 2 years i.e. beyond 6+2 years in respect of EPCG Authorization No. 0830006837 dated 16.12.2014 under 0% Concessional Duty.

The firm has stated that due to time-to-time imposition of ban of export of edible oils, they were unable to fulfill the EO. However, on 06.04.2018, the said restriction of edible oils was removed, except for mustard oil. The exports of mustard oil has been permitted only in branded consumer packs of upto 5 kgs. Due to continued restriction of bulk exports of edible oils during the period 2014-15 to 2017-18, exports were not economically viable. The firm further stated that immediately after the said extension, the second wave of COVID-19 hit most parts of the world, which resulted in a worldwide lockdown due to which the business got affected drastically.

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

Case No- 42: Sunny Silk Mills Pvt Ltd, Surat
F. No. HQRPRCAPPLY00001097AM24

Subject: Request for extension of EOP for 2 years i.e. beyond (6+2) years in respect of EPCG Authorization No.5230017898 dated 18.08.2015 under Zero duty Scheme.

In support of their request the firm has submitted that :

i. They have fulfilled 27.44% EO with the original EOP (6 years) and extended EOP (6+2 years) through 3rd party exports.
ii. Due to procedural lapse EPCG authorization number and date not mentioned in the shipping bills during the Covid-19 period when normal activities of business and trade were disturbed.
iii. Unable to include their EPCG authorization number and date as the EOP has already been expired.

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

This has the approval of DGFT.

Case No- 43: Connect Textile & Processing Industries Private Limited, Kolkata
F. No. HQREPCGPRAPP00000286AM24

Subject: Request for EOP Extension for 2 years upto 31.12.2023 i.e. 6+2 years in respect of EPCG Authorization No. 0230010141 dated 20.02.2015 under 0% Concessional Duty.

The firm has stated that they could not fulfill the required 100% EO due to unavoidable reasons. The firm further stated that their initial EOP expired on 31.12.2021 as per DGFT Notification No. 28/2015-2020 dated 23.09.2021.

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

Case No- 44: BST Textile Mills Private Limited, Mumbai
F. No. HQREPCGPRAPP00000549AM24

Subject: Request for 1st Block Extension in respect of EPCG Authorization No. 0330032819 dated 06.06.2012 under 03% Concessional Duty.

The firm has stated that they have fulfilled the EO, and have submitted the redemption application to RA, Mumbai. RA, Mumbai vide DL dated 07.05.2019 has requested the firm for extension of 1st block. The firm has further stated that they have shifted the compliance division from their factory to the branch office in Mumbai, which led to communication gap and hence the delay in filing the application.

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 the delay in approaching the RA for extension in block-wise EOP within the prescribed time-period. This shall be subject to payment of 2% composition fee on duty saved amount in proportion to the shortfall at the end of each block in terms of the provisions of Para 5.8.3 of HBP 2009-14 and late fee of Rs. 10,000/-.

This has the approval of the DG, DGFT.

Case No- 45: Punjab Agro Foods, West Bengal
F. No. HQREPCGPRAPP00000202AM24

Subject: Request for

i. **1st Block Extension**
ii. **EOP Extension for 2 years upto 29.11.2024 i.e. beyond 12 years**

In respect of EPCG Authorization No. 3030007567 dated 30.11.2010 under 03% Concessional Duty.

The firm has stated that they have imported Capital Goods under the EPCG scheme with an obligation to export 6 times of the duty saved in 12 years. As per the License Amendment Sheet EO period has been changed from 8 years to 12 years (as per Para 5.2 of FTP 2009-14). The firm has stated that they could fulfill the required EO within the prescribed time period due to absence of confirmed orders and financial crises due to COVID-19.

Decision: The Committee deliberated upon the case and decided to **remand** the case to RA to examine the request as per policy provision.

Case No- 46: Mercury Fabrics Pvt Ltd
F. No. HQREPCGPRAPP00000581AM24

Subject: Request for acceptance of EO in terms of Para 5.4 (i) of FTP 2007 and condonation of wrong mentioning of EPCG authorization in respect of EPCG Authorization No. 0530144335 dated 17.07.2007 under 5% duty Scheme.

In support of their request the firm has submitted that:

i. They are one of the leading manufacturer and exporter of High Fashion Readymade Garments & Fabrics. They obtained the EPCG License in the year 2007 for import of "CIRCULAR KNITTING MACHINE" with the condition to export "READYMADE GARMENTS" and due to recession in the Garment Industry they could not procure enough export orders Readymade Garments to fulfill the EO.
ii. The nexus between Capital Goods Circular Knitting machine and export product Knitted Fabrics, is established and they are also eligible to manufacture "Knitted Fabrics" they procured export orders in the alternate product knitted Fabrics and fulfilled the entire EO

during the extended EOP for 2 years in alternate product Knitted Fabrics in terms of Para 5.4 of FTP which states the "EO shall be fulfilled by export of Goods manufactured/services rendered by Applicant".

iii. During the fulfillment of EO against subject EPCG authorization, there was a procedural lapse on their part that wrong EPCG authorization numbers were endorsed on 10 shipping bills.

iv. The EPCG License number 0530143787 dated 30.05.2007, 0530143896 dated 13.06.2007 and 0530143933 dated 20.06.2007 are already redeemed. The above mentioned 10 shipping bills are not used for EO against EPCG License No. 0530143787 dated 30.05.2007, 0530143896 dated 13.06.2007 and 0530143933 dated 20.06.2007.

v. "No Double" counting of these 10 shipping bills have been taken and have neither counted towards discharge of EO against the respective EPCG authorization numbers endorsed on it nor considered towards discharge of EO against any other EPCG authorization.

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

Case No- 47: Himalaya International Ltd., New Delhi

F. No.

1. **HQRPRCAPPLY00384729AM22**	2. **HQRPRCAPPLY00387255AM22**
3. **HQRPRCAPPLY00381115AM22**	4. **HQRPRCAPPLY00392963AM22**
5. **HQRPRCAPPLY00382840AM22**	6. **HQRPRCAPPLY00366164AM22**
7. **HQRPRCAPPLY00384710AM22**	8. **HQRPRCAPPLY00382901AM22**
9. **HQRPRCAPPLY00384709AM22**	10. **HQRPRCAPPLY00377584AM22**
11. **HQRPRCAPPLY00382875AM22**	12. **HQRPRCAPPLY00384726AM22**
13. **HQRPRCAPPLY00381218AM22**	14. **HQRPRCAPPLY00384140AM22**
15. **HQRPRCAPPLY00384735AM22**	16. **HQRPRCAPPLY00384137AM22**
17. **HQRPRCAPPLY00381130AM22**	18. **HQRPRCAPPLY00384133AM22**
19. **HQRPRCAPPLY00381140AM22**	20. **HQRPRCAPPLY00382887AM22**
21. **HQRPRCAPPLY00381205AM22**	22. **HQRPRCAPPLY00382882AM22**
23. **HQRPRCAPPLY00381159AM22**	24. **HQRPRCAPPLY00381171AM22**
25. **HQRPRCAPPLY00387290AM22**	26. **HQRPRCAPPLY00382884AM22**
27. **HQRPRCAPPLY00397870AM22**	28. **HQRPRCAPPLY00382873AM22**

29. **HQRPRCAPPLY00381188AM22**	30. **HQRPRCAPPLY00384720AM22**
31. **HQRPRCAPPLY00387366AM22**	32. **HQRPRCAPPLY00384724AM22**
33. **HQRPRCAPPLY00393207AM22**	34. **HQRPRCAPPLY00384130AM22**
35. **HQRPRCAPPLY00384135AM22**	36. **HQRPRCAPPLY00382877AM22**
37. **HQRPRCAPPLY00397887AM22**	38. **HQRPRCAPPLY00381123AM22**

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

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

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

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

<u>Case No- 48: Jindal Stainless Limited, Haryana</u>
F. No. HQRPRCAPPLY00001138AM24

Subject: Request for Regularisation of excess duty credit utilized more than 10% on 4 EPCG Authorization Nos. 3330004860 dated 02.11.2018, 3330004861 dated 02.11.2018, 3330005070 dated 03.10.2019 and 3330005336 dated 18.11.2020.

As per email & letter dated 19.12.23, the firm has stated that in case of excess utilization by not more than 10%, the authorization shall be redeemed to have been enhanced by that proportion, without requirement of endorsement by RA concerned. This is subject to payment of additional fees to cover the excess and proportionate enhancement of EO.

2. The firm has also stated that in case of excess utilization by more than 10%, RA concerned, as per its delegated powers, may allow enhancement in duty saved amount subject to furnishing of additional BG/LUT in proportion to the excess.

3. The firm has submitted the details of 4 cases where excess utilization has increase beyond 10%, given as under :-

S. No.	EPCG Authorization details	DSV allowed	DSV utilized	Excess utilization

				%age
1	3330004860 dated 02.11.2018	Rs. 5,02,67,234.82	Rs. 7,21,56,820	44%
2	3330004861 dated 02.11.2018	Rs. 41,44,465.04	Rs. 4,67,19,982	1027%
3	3330005070 dated 03.10.2019	Rs. 2,52,75,590.62	Rs. 5,54,69,443	119%
4	3330005336 dated 18.11.2020	Rs. 3,82,33,097.35	Rs. 5,88,27,406	54%

4. The firm has further stated that the matter was taken up with DG System, and they were informed that there is currently no cap on utilization under any EPCG License because of the prevalent system of National Bond for EPCG Scheme.

Decision: The Committee deliberated on the issue and noted that para 5.16 (a) of HBP 2015-20, as amended, provides that if authorization issued has been utilized for import of goods in excess of duty saved amount indicated on the authorization by not more than 10%, the RA may accept additional fee to cover excess imports effected, in terms of duty saved amount, even beyond one month but within two years of the excess import taking place, subject to payment of composition fee of Rs. 5000/- per authorization.

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

i. Condonation of the excess utilization beyond 10% of duty saved mentioned in the EPCG Authorization Nos. 3330004860 dated 02.11.2018, 3330004861 dated 02.11.2018, 3330005070 dated 03.10.2019, 3330005336 dated 18.11.2020.
ii. ii. Condonation of the procedural lapse of delay in payment of fee for excess duty saved amount as envisaged in the para 5.16(a) of HBP 2015-20, subject to payment of composition fee of Rs. 5000/- per year per authorization. The party is also required to pay an additional composition fee of Rs. 5,000/- per authorisation for each year of delay beyond the expiry of the period of two years of the excess import taking place.

Export obligation shall automatically stand enhanced proportionately. The Authorisation holder shall furnish additional BG/LUT to the Customs Authority.

This has the approval of DG, DGFT.

Case No- 49: Jindal United Steel Limited, Haryana
F. No. HQRPRCAPPLY00001142AM24

Subject: Request for Regularisation of excess duty credit utilized more than 10% on 5 EPCG Authorization Nos. 2330001430 dated 29.06.2018, 2330001438 dated 01.08.2018, 2330001443 dated 01.08.2018, 2330001463 dated 29.08.2018 and 2330001650 dated 13.09.2019.

As per email & letter dated 19.12.23, the firm has stated that in case of excess utilization by not more than 10%, the authorization shall be redeemed to have been enhanced by that proportion, without requirement of endorsement by RA concerned. This is subject to payment of additional fees to cover the excess and proportionate enhancement of EO.

2. The firm has also stated that in case of excess utilization by more than 10%, RA concerned, as per its delegated powers, may allow enhancement in duty saved amount subject to furnishing of additional BG/LUT in proportion to the excess.

3. The firm has submitted the details of 5 cases where excess utilization has increase beyond 10%, given as under:-

S. No.	EPCG Authorization details	DSV allowed	DSV utilized	Excess utilization % age
1	2330001430 dated 29.06.2018	Rs. 38,48,486	Rs. 68,56,748	78%
2	2330001438 dated 01.08.2018	Rs. 65,16,133	Rs. 2,17,43,019	234%
3	2330001443 dated 01.08.2018	Rs. 71,76,198	Rs. 2,13,00,365	197%
4	2330001463 dated 29.08.2018	Rs. 32,27,214	Rs. 59,19,819	83%
5	2330001650 dated 13.09.2019	Rs. 17,87,767	Rs. 21,66,685	21%

4. The firm has further stated that the matter was taken up with DG System, and they were informed that there is currently no cap on utilization under any EPCG License because of the prevalent system of National Bond for EPCG Scheme.

Decision: The Committee deliberated on the issue and noted that para 5.16 (a) of HBP 2015-20, as amended, provides that if authorization issued has been utilized for import of goods in excess of duty saved amount indicated on the authorization by not more than 10%, the RA may accept additional fee to cover excess imports effected, in terms of duty saved amount, even beyond one month but within two years of the excess import taking place, subject to payment of composition fee of Rs. 5000/- per authorization.

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

i. Condonation of the excess utilization beyond 10% of duty saved mentioned in the EPCG Authorization Nos. 2330001430 dated 29.06.2018, 2330001438 dated 01.08.2018, 2330001443 dated 01.08.2018, 2330001463 dated 29.08.2018, 2330001650 dated 13.09.2019.
ii. Condonation of the procedural lapse of delay in payment of fee for excess duty saved amount as envisaged in the para 5.16(a) of HBP 2015-20, subject to payment of composition fee of Rs. 5000/- per year per authorization. The party is also required to pay an additional composition fee of Rs. 5,000/- per authorisation for each year of delay beyond the expiry of the period of two years of the excess import taking place. Export

obligation shall automatically stand enhanced proportionately. The Authorisation holder shall furnish additional BG/LUT to the Customs Authority.

This has the approval of DG, DGFT

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

The meeting ended with a vote of thanks to the Chair

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

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