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MINUTES OF 9th MEETING OF AM-24 OF THE EPCG COMMITTEE HELD UNDER THE CHAIRMANSHIP OF SHRI AKASH TANEJA, ADDITIONAL DIRECTOR GENERAL OF FOREIGN TRADE HELD ON 19.01.2024 AT 04.00 PM.

Ninth Meeting for AM-24 of the EPCG Committee was held on 19.01.2024 at 04.00 PM under the chairmanship of Shri Akash Taneja, Additional Director General of Foreign Trade in Vanijya Bhawan, New Delhi. Following officers attended the meeting:-

i. Shri Sandeep Poonia, OSD, Department of Revenue
ii. Shri Randheep Thakur, Joint Director General of Foreign Trade, DGFT
iii. Shri Rajesh Kumar Malhotra, Deputy Director General of Foreign Trade, DGFT

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

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Case No- 1: Kumar Labels (Now known as Spirited Labels Pvt Ltd), Noida
F. No. HQRPRCAPPLY00000530AM24

Subject: Request for extension of EOP for 2 years i.e. beyond (6+2) years in respect of EPCG Authorization No. 0530165429 dated 17.07.2015 under Zero duty Scheme.

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

i. Against the commitment to complete exports to the tune of USD 7,06,910.00 they were able to fulfill the EO only to the extent of USD 4,53,349.00 (nearly 64.13%) in the original/extended EO period i.e. (6+2) years. There remains a shortfall of USD 2,53,561.00 i.e. 35.87%.
ii. Due to Covid Pandemic Period March 2020 to 2022 and imposition of lockdown world over, another crucial period was lost on this account. The printing industry worldwide is already facing a challenge with the more and more people shifting to digital documents.
iii. The payment of duty and interest at this stage will put a small exporter like them in grave financial difficulty more or less driving them to the road of bankruptcy.
iv. In their constant endeavour to maintain probity and honour their commitment of fulfilling the EO, they had relentlessly pursued the various buyers both within the country and overseas for getting orders. Their efforts have yielded the desired results as they now have firm commitment from some buyers.

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- 2: Senior India Pvt. Ltd., New Delhi</u>
F. No. HQREPCGPRAPP00146590AM22

Subject: Request for Condonation of procedural lapse for mentioning wrong EPCG Authorization Number on 21 Shipping Bills in respect of EPCG Authorization No. 0530172299 dated 22.05.2018 under 0% Concessional duty.

The applicant has stated that they have incorrectly mentioned their EPCG Authorization No. 0530168488 dated 02.09.2006 instead of No. 0530172299 dated 22.05.2018 on 21 shipping bills due to procedural lapse. 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. A report was called from CLA New Delhi. The case was considered in the 7th EPCG Committee Meeting held on 14.10.2022 and 17.10.2022 wherein the Committee deliberated upon the case and decided to defer it with the directions to the firm to submit whether they have redeemed EPCG Authorization No. 0530168488 dated 02.09.2006 and also give details of exports and shipping bills. Further party shall submit outstanding EPCG authorizations issued before date of export. The applicant has furnished details of Shipping bills counted in EO against EPCG Authorization Nos. 0530168488 dated 02.09.2016, 0530168713 dated 30.09.2016 & 0530172299 dated 22.05.2018.

4. The firm was asked to submit EODC issued by the RA concerned against the EPCG Authorizations which have been redeemed. Now, the firm has furnished the same, for the following EPCG Authorizations :-

S. No.	EPCG Authorization No.
1	0530166049 dated 12.10.2015
2	0530164095 dated 31.12.2014
3	0530168488 dated 02.09.2016

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

<u>Case No- 3: Bhanu Farms, Kolkata</u>
F. No. HQREPCGPRAPP00000566AM24

Subject: Request for block-wise EOP Extension in respect of EPCG Authorization No. 0230006589 dated 26.04.2011 under 03% duty Scheme.

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

i. The subject EPCG authorization was issued for a duty saved value of Rs. 256545.00 to export “Fruit Pulp and Fruit Juice based drinks, Frozen Lychee Pulp and canned” for an FOB value of USD 33682.05 (Rs. 1539270) within a period of 12 years, subject to completion of a minimum of 50% of this EO i.e. USD 16841.025 within 1st block period (1-10 years). They have actually utilized a Duty Saved Value of Rs. 251525.00 and based on the same, they are required to fulfill an EO of USD 33022.98 (Rs. 1509150.00)

ii. They could not make exports during the 1st block period towards fulfillment of a minimum 50% EO due to severe pandemics conditions, their factory and office were not in operation for a long time in 2020. They could not file their application for extension of 1st block period within the stipulated time period of three months from the expiry date of the 1st block period as per provisions of Para 5.8.3 of HBP 2009-14.

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

This has the approval of DG, DGFT.

Case No- 4: A-Tech Wonder, Gujarat
F. No. HQREPCGPRAPP00000259AM24

Subject: Request for extension of EOP for 2 years i.e. 6+2 years in respect of EPCG Authorization No. 0730012025 dated 16.01.2013 under Zero duty EPCG Scheme.

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

i. The company was manufacturing PVC insulation Tapes and other special types of self Adhesive Tapes. In the year 2013, the Company imported various machinery under Zero duty EPCG Scheme under subject authorization.

ii. On 09.03.2107 a fire caught at their Belgaum Unit and Plant and Machinery, Building and Stock (Raw material and finished goods) was completely destroyed. Their company had taken insurance from SBI General Insurance Co. Ltd. The claim was reported to the insurance company immediately upon the fire took place on 09.03.2017, but the insurance company took more than 1 year to settle the claim, meanwhile their banker SBI had frozen their working capital limits.

iii. The Insurance company has assessed their claim for Rs. 1.13 Crores out of which Rs. 80.00 Lakh has been set-off by their Banker against the Working Capital Limits and denied to continue the existing credit facility and requested them to re-submit a new proposal and accordingly they will assess the loan.

iv. In this scenario, they decided to wind up manufacturing activity and also to wind up the unit, being the reason they had to re-invest in Machinery and to set-up the plant again which take more than 1 year and meanwhile their EOP expired. In these initial years they faced teething problems and consumed their time, over the period the product had develop its domestic market and looking for prospective export orders. The applicant has sought time for another 2 years till 15.01.2021.

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 extended EOP (from 6 to 8 years) has already expired.

This has the approval of DG, DGFT.

<u>Case No- 5: Gururamdas Knit Fab, Surat</u>
F. No. HQREPCGPRAPP00000564AM24

Subject: Request for extension of EOP for 2 years i.e. beyond (6+2) years in respect of EPCG Authorization No. 5230017664 dated 28.07.2015 under Zero duty Scheme.

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**

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

i. They have fulfilled 38% EO within the original/and extended EO period (6+2 years). During the period from 2018, it was very difficult to export because of the very critical financial condition due to demonetization which was badly affected to the MSME units. Further, due to the Covid-19 pandemic which hit at the global level, there was a huge financial burden and then there was a situation where it was not possible to export.
ii. Buyers cancelled the Export Orders due to shutdown of all international market due to Covid-19 Pandemic. Now their overseas buyers are ready to place their fresh orders t and they can fulfill the EO within 2 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- 6: Bhanu Farms, Kolkata
F. No. HQREPCGPRAPP00000567AM24

Subject: Request for Block wise EOP Extension and EOP extension for 1 year i.e. beyond (12 years) in respect of EPCG Authorization No. 0230006895 dated 14.07.2011 under 3% duty Scheme.

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

i. The subject EPCG authorization issued to them for a duty saved value of Rs. 7502750.00 against an EO to export "Vegetables (Uncooked or cooked by steaming or boiling in water) Fruits, other fruits and other vegetables for an FOB value of USD 989373.62 (Rs. 45016500) within a period of 12 years, subject to completion of a minimum of 50% of this EO i.e. USD 494686.81 within 1st block period 1-10 years.
ii. They have actually utilized a Duty Saved Value of Rs. 7065591.07 and based on the same, they are required to fulfill an EO of USD 931726.29 (Rs. 42393546.42). They could make exports of only USD 20572.00 against the required EO of USD 465863.15 towards fulfillment of a minimum 50% EO during the 1st block. Further, they could make exports of only USD 104695.25 within 12 years and their EOP expired on 14.07.2023.

Decision: The Committee deliberated upon the case and decided to advise the firm to **approach RA** for extension of Export Obligation Period (beyond 12 years) in terms of Public Notice No. 53/2015-20 dated 20.01.2023 where extension is permitted on account of COVID.

Case No- 7: Bhanu Farms, Kolkata
F. No. HQREPCGPRAPP00000565AM24

Subject: Request for condonation of delay in submission of request for clubbing of two EPCG Authorizations No. 0230006813 dated 23.06.2011 and No. 0230006641 dated 09.05.2011 or 1 year EOP extension beyond 12 years for clubbing of both authorizations under 3% duty Scheme.

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

i. In terms of provisions of Para 5.27 of the HBP 2015-20 and Para 5.25 of HBP 2023, both the authorizations are issued in the same policy period.
ii. Against EPCG Authorization No. 0230006813 dated 23.06.2011, the company has made imports for an actual duty saved value of Rs. 2074784.00 and made total actual exports of USD 372992.51 (Rs. 17027108.08) against to do actual EO of Rs. 12448704.00 (USD 272698.88) towards fulfillment of its EO, i.e. almost 136.78% of the required EO within the valid EO period of 12 years. There is excess export made of USD 100293.63 against this authorization.

ii. They have one another EPCG authorization No. 0230006641 dated 09.05.2011. They have made imports for an actual duty saved value of Rs. 4654535.19 , and made total exports of USD 547873.74 against to do actual EO Rs. 27927211.14 (USD 620604.69) towards fulfillment of its EO i.e. almost 88.297% of the required EO within the valid EO period. There is a shortfall in fulfillment of EO by USD 72630.90.

iii. They filed an application with RA for EOP extension of 1 year in both authorization for clubbing within valid EO period in terms of provisions of HBP, 2015-20/HBP, 2023 towards their regularization and redemption. However, RA office rejected their request on the ground that both the cases are time barred and have expired on 23.06.2019 respectively considering the valid EOP as 8 years, inspite of the fact that both the authorizations had a valid EO period of 12 years.

Decision: The Committee went through the statements made by the applicant and noted there is no provision in the FTP/HBP for clubbing of the subject EPCG authorizations on the grounds given by the applicant. Accordingly, the Committee decided to **reject** the request.

<u>Case No- 8: Cast Craft Private Limited, Bangalore</u>
F. No. HQREPCGPRAPP00000577AM24

Subject: Request for re-fixation of Average EO in terms of para 5.19 of HBP 2015-20 in respect of EPCG EPCG Authorization No. 0730014721 dated 25.08.2015 under Zero duty EPCG Scheme.

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

i. The AEO imposed on the licence for Rs. 20 Crore was on the basis of past exports for the period AM 12-13, AM 13-14 and AM 14-15. Due to global recession their export products (8481) have declined by more than 50% during the AM 14-15 as compared to AM 13-14 and no relief was granted to them as per DGFT circular during the period.
ii. The HS code for the similar product 8454 (S. No. 143), 8442 (S. No. 281), 8461(S. No. No. 242) and 9999 (S. No. 50) have also declined and necessary relief was granted under Policy circular No. 04/2015-20 dated 16.12.2015.

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- 9: Atithya Inn Private Limited, Mumbai</u>
F. No. HQREPCGPRAPP00000583AM24

Subject: Request for condonation of Block wise EOP in respect of EPCG Authorization No. 0330035785 dated 14.05.2013 under Zero duty Scheme.

In support of their request the firm has submitted that due to low business, less presence in foreign market, online portal & delay in getting contract signed with overseas travel agent OTA affected their foreign tourist business. Due to this they were unable to complete their Block wise EO within the time. However, they have fulfilled the EO with overall validity of 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 the RA for extension in block-wise EOP within the prescribed time period. This shall be subject to payment of 2% composition fee on duty saved amount in proportion to the shortfall at the end of each block in terms of the provisions of Para 5.8.3 of HBP 2009-14 and late fee of Rs. 10,000/-.

This has the approval of DG, DGFT.

Case No- 10: Atithya Inn Private Limited, Mumbai
F. No. HQREPCGPRAPP00000582AM24

Subject: Request for condonation of Block wise EOP in respect of EPCG Authorization No. 0330034315 dated 21.11.2012 under 3% duty Scheme.

In support of their request the firm has submitted that due to low business, less presence in foreign market, online portal & delay in getting contract signed with overseas travel agent OTA, which affected their foreign tourist business. Due to this they were unable to complete their Block wise EO within the time. However, they have fulfilled the EO with overall validity of 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 the RA for extension in block-wise EOP within the prescribed time period. This shall be subject to payment of 2% composition fee on duty saved amount in proportion to the shortfall at the end of each block in terms of the provisions of Para 5.8.3 of HBP 2009-14 and late fee of Rs. 10,000/-.

This has the approval of DG, DGFT.

Case No- 11: Grasim Industries Limited, Rajkot
F. No. HQREPCGPRAPP00000594AM24

Subject: Request for Condonation of delay in submission of Installation Certificate issued by Chartered Engineer in respect of EPCG Authorization No. 2430005578 dated 23.04.2020 under 0% Concessional Duty.

The firm has stated that they had imported 4 VFY machines under the subject EPCG License which were received during the Covid lockdown period and the installation of the same was not feasible under strict lockdown, followed by second wave of COVID-19, which led to delay in the installation. The technical expert engineers could not start the installation due to the circumstances. After the lockdown relaxations, they completed the installation of the machines on 21.05.2022 and got the CE certificate dated 21.05.2022. The firm stated that they submitted the Installation Certificate (IC) to RA, Rajkot on 24.03.2023. The firm further stated that RA, Rajkot has advised to approach DGFT Hqrs.

2. As per Installation Certificate dated 21.05.2022 issued by Chartered Engineer enclosed by the firm, machinery was installed at the firm's premises on 21.05.2022 under BOE No. 7555881 dated 30.04.2020.

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.

<u>Case No- 12: Om Sai Ram Fashion, Kolkata</u>
F. No. HQRPRCAPPLY00002844AM24

Subject: Request for Second EOP Extension for 2 years i.e. beyond 6+2 years in respect of EPCG Authorization No. 5230014445 dated 03.07.2014 under 0% Concessional Duty.

The applicant has obtained subject EPCG Authorization for duty saved value of Rs. 254691.00 and EO worth US$ 25426.72. The firm has stated that they were unable to complete their EO due to unawareness of export procedures and market instability. The firm has further stated that they wish to fulfill their EO along with the 50% custom duty. The firm wants extension in EO from 31.12.2022 to 13.12.2024.

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.

<u>Case No- 13: Aarupadai Granite Exports, Chennai</u>
F. No. HQREPCGPRAPP00000655AM23

Subject: Request for EOP Extension up to 31.03.2024 i.e. 6+4 years in respect of EPCG Authorization No. 0430012550 dated 31.05.2013 under 0% Concessional Duty.

The firm has stated that they have exported 60% of the EO. However, they have filed all the shipping bills under free shipping bills, and there are no incentives and duty drawback for granite blocks. The firm further stated that the pandemic situation in India as well as in foreign countries resulted in difficulty in fulfilling export orders. They have also stated that they are having export orders in hand to fulfill the EO and are confident of completing the EO in the next two 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 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 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 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.

Case No- 14: Aarupadai Granite Exports , Chennai
F. No. HQREPCGPRAPP00000654AM23

Subject: Request for EOP Extension up to 31.03.2024 i.e. 6+4 years in respect of EPCG Authorization No. 0430012755 dated 22.07.2013 under 0% Concessional Duty.

The firm has stated that they have exported 50% of the EO. However, they have filed all the shipping bills under free shipping bills, and there are no incentives and duty drawback for granite blocks. The firm further stated that the pandemic situation in India as well as in foreign countries resulted in difficulty in fulfilling export orders. They have also stated that they are having export orders in hand to fulfill the EO and are confident of completing the EO in the next two 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 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 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 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.

Case No- 15: Surya Golds Private Limited, Mumbai
F. No. HQREPCGPRAPP00000257AM24

Subject: Request for Condonation of delay in submission of application for clubbing of EPCG Authorizations

In respect of following 6 EPCG Authorizations under 03% concessional duty:

i. **0330026585 dated 13.07.2010**
ii. **0330026586 dated 13.07.2010**
iii. **0330029857 dated 28.06.2011**
iv. **0330029538 dated 20.05.2011**
v. **0330028602 dated 08.02.2011**

The firm has stated that they have received DL dated 09.06.2023 from RA, Mumbai stating that their clubbing application cannot be accepted, as it has been submitted after the expiry of EOP of 3 EPCG Authorizations in terms of para 5.18.5 of HBP 2009-14.

2. The firm further stated that para 5.18.5 of HBP 2009-14 stipulated that "No clubbing would be permitted after expiry of EOP". However, this was amended in BHP 2015-2020 under Para 5.27(f) as "Clubbing would be permitted only during valid EOP including extended period, if any." and further in HBP 2023 onwards as "Clubbing would be permitted during valid EOP including extended period, if any. However, clubbing in case of all authorizations where EO period is over may be allowed for regularization purposes provided they have been issued under same policy period."

3. Further, the firm has stated that they are entitled to exports till the last day of EO period and their EODC/Clubbing can be made only after the expiry of EOP. The firm is stating the actual EO completion date is 24.03.2018 and the application for clubbing was submitted on 18.03.2019. The relaxation is for regularization purpose only.

Decision: The Committee went through the statements made by the applicant and noted there is no provision in the FTP/HBP for clubbing of the subject EPCG authorizations on the grounds given by the applicant. Accordingly, the Committee decided to **reject** the request.

Case No- 16: Aceinox Industries Pvt Ltd, Ludhiana
F. No. HQRPRCAPPLY00002927AM24

Subject: Request for extension of EOP beyond (6+2) years, consideration of same and similar export product and acceptance of 4 Duty Draw back shipping bills on which EPCG authorization number and date has not been mentioned in respect of EPCG Authorization No. 3030014550 dated 18.08.2015 under Zero duty EPCG Scheme.

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

i. The subject EPCG Authorization was originally for export product of HS Code 72112350 for three export product of “Cold Rolled Steel Strips” and HS Code 72202090 for export product of “Cold Rolling of Steel Strips-Stainless Steel Strips and HS Code 72112950 for export product of “Cold Rolled Steel strips”. Another two additional same/similar export products for HS Code 73064000 for export product of “ Stainless Steel Tubes/Pipes and HS Code 72155010 for export product “Cold Drawn Bars” have been added on subject EPCG authorization.
ii. Against this EPCG Authorization they have made exports against 4 Duty Draw Back Shipping bills but the subject EPCG authorization number and date have not been mentioned due to oversight.
iii. Due to severe impact of Corona Epidemic they have suffered huge revenue loses and further more due to very heavy decline in export product of Cold Drawn Steel Bars and Stainless Tubes in the world they could not make any exports within original EOP upto 17.08.2021. After recovering from financial crises they could only commence production and exports. The subject EPCG authorization has been extended for 2 years i.e. 6+2 years i.e. up to 17.08.2023 and they fulfilled 55.55% EO in 8 years.

Decision:

In respect of 1st request:

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.

In respect of 2nd and 3rd 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- 17: Delta Corp Limited, Mumbai
F. No. HQREPCGPRAPP00000598AM24

Subject: Request for 1st Block Extension in respect of EPCG Authorization No. 0330035874 dated 21.05.2013 under 0% Concessional Duty.

The firm has stated that they had applied to RA, Mumbai regarding block extension. However, RA vide DL dated 06.11.2023 informed that they are not covered under PN 3 dated 13.04.2022 and requested them to approach DGFT Hqrs. for relaxations.

2. The firm further stated that they were unable to complete the 50% EO in the first block due to low foot-fall of tourists which increased in the subsequent years based on which they had completed the 100% EO in the second block and submitted the redemption application to RA, Mumbai. The firm also stated that due to lack of knowledge and managerial issues, they were unable to apply for block extension within 90 days of expiry of first 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 Condonation of delay in approaching the RA for extension in block-wise EOP within the prescribed time period. This shall be subject to payment of 2% composition fee on duty saved amount in proportion to the shortfall at the end of each block in terms of the provisions of Para 5.8.3 of HBP 2009-14 and late fee of Rs. 10,000/-.

This has the approval of DG, DGFT.

Case No- 18: Partap Industries Limited, Maharashtra
F. No. HQRPRCAPPLY00002870AM24

Subject: Request for extension of 1st Block EO period against EPCG Authorization No. 3130006945 dated 17.10.2012 under 03% Scheme.

In support of their request the firm has submitted a copy of E-Challan of Rs. 84624/- as 2% composition fees for 1st Block EOP extension and E-Challan of Rs. 10,000/- for one time condonation for obtaining block-wise 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 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- 19: Rishikesh Filaments Pvt Ltd, Mumbai</u>
F. No. HQRPRCAPPLY00002873AM24

Subject: Request for condonation of 1st Block EO period against EPCG Authorization No. 0330009523 dated 23.08.2005 under 5% Scheme.

In support of their request the firm has submitted a copy of E-Challan of Rs. 19,200/- as 2% composition fees for 1st Block EOP extension and E-Challan of Rs. 5000/- for one time condonation for obtaining block-wise extension as per PN35/2015-20.

Decision: The Committee deliberated upon the case and **decided to recommend to DG for relaxation under Para 2.59 of FTP, 2023** to allow Condonation of delay in approaching 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- 20: Xcyton Diagnostics Private Limited, Bangalore</u>
F. No. HQRPRCAPPLY00006002AM24

Subject: Request for allowance of Amnesty Scheme as per P.N. 20 dated 30.06.2023 in respect of EPCG Authorization No. 0730002232 dated 27.10.2004 under 05% Concessional Duty.

The firm has stated that they have applied for one-time settlement under Amnesty Scheme under EPCG Scheme as per PN 2/2023. However, their application got rejected due to non-availment of EO Extension and the expiry of license validity before 12.08.2013. The firm has further stated that they had obtained 1st block extension and applied for 2nd block extension along with the payment of 50% custom duty. However, the validity extension was not issued and they could not avail the Amnesty Scheme.

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- 21: Appu Hotels Limited, Coimbatore</u>
F. No. HQREPCGPRAPP00000576AM24

Subject: Request for

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

(ii) Acceptance of Average EO in respect of Le Royal Meridien, Chennai Hotel on "as is where is "basis

In support of their request the firm submitted that :-

i. Le Meridien, Coimbatore Hotel, a unit established under the umbrella group of M/s Appu Hotels Ltd. had obtained 78 EPCG Authorizations and imported various machines (CGs) during the FY 2008-09 to FY 2011-12 under service export category.
ii. The said authorizations were obtained for construction of a new Hotel in the name and expression of Le Meridien, Coimbatore which started rendering of services from the year 2011 and CG imported were installed in Coimbatore Hotel only. M/s Appu Hotels Ltd was also running a Hotel in Chennai in the name of Le Royal Meridien, Chennai and Le Meridien, Coimbatore is a new and separate Hotel unit at a different location.
iii. At the time of obtaining these EPCG Authorizations, the Le Royal Meridien Chennai hotel was performing very well, therefore, they decided to obtain the said Authorizations in the name of parent company i.e. M/s Appu Hotels Ltd. Accordingly, the Annual Average EO was determined on basis of past export performance of Chennai Hotel. There would be no AEO for new establishment having no past performance.
iv. Unfortunately, Le Royal Meridien, Chennai faced major setbacks due to several factors and forex earnings have declined drastically. The Chennai hotel has not performed as per their expectations due to circumstances which were beyond their control which amounts to “Force majeure”.
v. Due to their wrecked financial position as explained above, they had no option but to move to NCLT and NCLAT and subsequently the case was decided finally by the Hon’ble Supreme court vide Order dated 03.05.2023 (M.K. Rajagopalan Vs Dr. Periasamy Palani Gounder; Civil Appeal Nos. 1682-1683 of 2022) . Hon’ble Supreme court while passing order has observed under para 10 that M/s Appu Hotels Ltd, had availed project loans to construct Le Meridian Coimbatore which makes it clear that it is a separate entity.
vi. All the subject EPCG Authorisations were placed under obligation to achieve Rs.78.25 Crore against actual duty foregone amount of Rs. 9.78 Crore i.e. 8 times of duty saved amount. Whereas, they have already fulfilled EO by rendering services to the extent of Rs. 82.45 Crore (USD 1,28,58,069) till FY 2022-23 i.e. 5.4% surplus of the Specific Export Obligation.

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.

<u>Case No- 22: Delphi-TVS Technologies, Chennai</u>
F. No. HQREPCGPRAPP00000266AM24

Subject: Request for condonation for procedure lapse of wrong mentioning of EPCG authorization number and date on the shipping bills against the EPCG authorization No. 0430003246 dated 15.12.2005 under 05% Scheme.

In support of their request the firm submitted that :-

i. They obtained 148 Licence from 2004 to 2009 under FTP 2004-09 and 2009-2014 for both initial setting up of Unit and substantial expansion for the import of CG.

ii. In the period of 2008 to 2015, they operated their movement from the Multiple Units. The concerned officials were not familiar with the Export procedures and the same EPCG No. 0430006458 was typed in the majority of shipping bills. The export products mentioned in all these license are MULTICYLINDER FUEL INJECTION PUMP ITCHS Code 84133090.

iii. They have fulfilled Average EO as well as Specific EO within extended period of validity till 2018-19 by availing the benefit of PN No. 35/2017 dated 30.09.2017 and filed all their redemption application with RA in time with payment of composition fee and penalty.

2. RA, Chennai was requested to furnish a report in the matter. RA has furnished a report dated 26.12.2023.

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- 23: Shree Sheele Private Limited, Bangalore
F. No. HQREPCGPRAPP00000550AM24

Subject: Request for Condonation of procedural lapse to consider the Undertakings on Stamp Paper and Purchase Orders received from exporters as the Agreement to Supply goods in respect of EPCG Authorization No. 0730014626 dated 06.07.2015 under 0% Concessional Duty.

The firm stated that they fulfilled the EO through third-party exports. After the completion of the EO, they submitted the relevant documents to RA, Bangalore for EODC. However, RA issued a DL informing that they have not fulfilled the condition under 5.10(d)(i) of HBP relating to entering into an explicit agreement to supply goods.

2. The firm stated that they responded to this letter stating that they have made undertaking in stamp paper with an agreement / understanding to supply goods for exports through their firm. The firm further stated that they also received purchase order to supply material for exports and treated this purchase order as agreement and commitment towards these exports. The firm has further stated that RA has asked them to approach EPCG Committee for condonation.

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- 24: Xcyton Diagnostics Private Limited, Bangalore
F. No. HQRPRCAPPLY00006003AM24

Subject: Request for allowance of Amnesty Scheme as per P.N. 20 dated 30.06.2023 in respect of EPCG Authorization No. 0730002231 dated 27.10.2004 under 05% Concessional Duty.

The firm has stated that they have applied for one-time settlement under Amnesty Scheme under EPCG Scheme as per PN 20/2023. However, their application got rejected due to non-availment of EO Extension and the expiry of license validity before 12.08.2013.

2. The firm has further stated that they had obtained 1st block extension and applied for 2nd block extension along with 50% custom duty. However, the validity extension was not issued and they could not avail the Amnesty Scheme.

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- 25: Partap Industries Limited, Punjab</u>
F. No. HQREPCGPRAPP00001099AM24

Subject: Request for 1st Block Extension in respect of EPCG Authorization No. 3130007581 dated 30.09.2013 under 0% Concessional Duty.

The firm has stated that they are enclosing a challan for the composition fees of 2% on duty saved amount equal to unfulfilled portion of EO of the 1st block of 4 years for the subject license. They have also enclosed a challan of Rs. 10,000/- for one-time condonation for 1st block as per PN 3/2015-20 dated 13.04.2022.

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 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- 26: Nayana Tex, Surat</u>
F. No. HQRPRCAPPLY00003618AM24

Subject: Request for extension of EOP for three years beyond (6+1) year's i.e. 15.10.2022 to 15.10.2025 in respect of EPCG Authorization No. 5230018401 dated 15.10.2015 under Zero duty EPCG Scheme.

In support of their request the firm has submitted that they have already obtained EO period extension for 01 year i.e. upto 15.10.2022. They were not able to fulfill their EO due to some financial reasons, unawareness of export procedure and market instability. However, they have made some export at that time. They are ready to pay composition fee and EOP extension penalty 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 1 year (from 7th 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 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 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.

Case No- 27: Pride Hotels Limited, Madhya Pradesh
F. No. HQREPCGPRAPP00000586AM24

Subject: Request for:

i. **1^{st} Block Extension**
ii. **EOP Extension for 1 year i.e. 6+1 years**

In respect of EPCG Authorization No. 0330036188 dated 25.06.2013 under 0% Concessional Duty.

The firm has stated that they were unable to complete the block & EO within the time period due to low business, less presence in foreign markets, online portal & delay in getting contracts signed with overseas travel agents which affected the foreign tourist business compared to the expectations or budgets.

Decision:

In respect of 1^{st} 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 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.

In respect of 2^{nd} 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 1 year (from 6^{th} year to 7^{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 proper installation certificate has been submitted within time limits as specified in FTP.

This has the approval of DG, DGFT.

Case No- 28: Delta Corp Limited, Mumbai
F. No. HQREPCGPRAPP00000599AM24

Subject: Request for 1st Block Extension in respect of EPCG Authorization No. 0330035918 dated 24.05.2013 under 0% Concessional Duty.

The firm has stated that they had applied to RA, Mumbai regarding block extension. However, RA vide DL dated 06.11.2023 informed that they are not covered under PN 3 dated 13.04.2022 and requested them to approach DGFT Hqrs. for relaxations.

2. The firm further stated that they were unable to complete the 50% EO in the first block due to low foot-fall of tourists which increased in the subsequent years based on which they had completed the 100% EO in the second block and submitted the redemption application to RA, Mumbai. The firm also stated that due to lack of knowledge and managerial issues, they were unable to apply for block extension within 90 days of expiry of first 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 Condonation of delay in approaching the RA for extension in block-wise EOP within the prescribed time period. This shall be subject to payment of 2% composition fee on duty saved amount in proportion to the shortfall at the end of each block in terms of the provisions of Para 5.8.3 of HBP 2009-14 and late fee of Rs. 10,000/-.

This has the approval of DG, DGFT.

Case No- 29: Shree Saikrupa Agro Industries, Nagpur
F. No. HQREPCGPRAPP00000274AM24

Subject: Request for Second EOP Extension for 2 years upto 16.10.2024 i.e. beyond 6+2 years in respect of EPCG Authorization No. 5030000511 dated 16.10.2014 under 0% Concessional Duty.

The firm has stated that they were not able to fulfill the EO due to international slowdown in business. The firm further stated that they are having export orders and they are sure to complete the EO. The firm also stated that if they fail to fulfill the EO within the extended EOP, they will pay all the liabilities that will arise due to non-fulfilment of EO.

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.

Case No- 30: Borosil Limited, Mumbai
F. No. HQRPRCAPPLY00002855AM24

Subject: Request for extension of EOP for 2 years i.e. 6+2 years in respect of EPCG Authorization No. 0330047937 dated 09.10.2017 under Zero duty EPCG Scheme.

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

i. As per NCLT order they had submitted their application for the transfer of subject EPCG authorization from IEC 0388038772 to IEC 1310021236 on 14.09.2020 to RA, Mumbai alongwith all the requisite documents. However, their EPCG license could not be transferred within the given timeframe due to technical issues.

ii. After a lot of follow up with RA, Mumbai with reference to Trade Notice 14/.2021 dated 04.08.2021, RA, Mumbai have transferred their IEC on 31.07.2023.

iii. Transferring the subject EPCG license from one IEC to another IEC took more than 2 years. Moreover, due to Covid-19 Pandemic periods, their exports were heavily affected and they were unable to fulfill their EO in stipulated timeframe.

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 subject to the condition that the proper installation certificate has been submitted within time limits as specified.

This has the approval of DG, DGFT.

Case No- 31: VVF Limited, Mumbai
F. No. 01/37/218/267/AM-16/EPCG-II

Subject: Request to regularize 19 EPCG authorizations obtained from RA, Mumbai.

M/s. VVF Limited, Mumbai has requested for relaxation for 19 EPCG authorizations issued by RA, Mumbai during the period during 1999 to 2009 by condonation of various procedural deficiencies as per letters dated 08.02.2016 and 28.04.2017.

2. The firm is seeking relaxations for the following 19 EPCG authorizations :-

S. No.	EPCG authorization and date
1	0000114101 dated 08.09.1999
2	0330000700 dated 14.11.2000
3	0330001107 dated 23.05.2001
4	0330001396 dated 26.09.2001
5	0330002088 dated 14.05.2002
6	0330002856 dated 27.11.2002
7	0330004966 dated 01.01.2004
8	0330006933 dated 26.10.2004
9	0330008086 dated 09.03.2005
10	0330009649 dated 06.09.2005
11	0330009404 dated 11.08.2005
12	0330012704 dated 26.07.2006
13	0330013451 dated 03.10.2006
14	0330013824 dated 06.11.2006
15	0330012826 dated 04.08.2006

16	0330015678 dated 30.03.2007
17	0330018360 dated 10.12.2007
18	0330017834 dated 19.10.2007
19	0330022896 dated 06.05.2009

3. The firms has sought following relaxations :-

S. No.	Request	Specific issues
(I)	Export obligation related issues	(i) To exclude exports made under previous unredeemed EPCG authorisations for fixation of AEP (ii) to exclude EOU exports from AEP fixed, to rectify errors in value of physical exports of the same and similar products (iii) to add deemed exports also for fixation of AEP, to off-set short fall in AEP for one year by surplus exports in subsequent years (iv) to re-fix specific EO based on actual utilization of EPCG authorizations etc.
(II)	Export product description related issues	(i) To correct export product description of EPCG authorisations as per hard copy of manual applications (ii) to consider specific description of export product declared on shipping bills in place of generic description for fulfilment of specific EO.
(III)	Installation Certificates related issues	(i) To accept Installation Certificates issued by Central Excise Authority without installation date (ii) to accept installation certificates issued by Central Excise Authority wherein Capital Goods were installed after permissible period (iii) to accept Installation certificates issued by Central Excise Authority without specifically indicating the date of issue of installation certificate etc.
(IV)	Shipping Bills / Bank Realisation Certificates related issues	(i) To consider such Shipping Bills & BRCs with multiple EPCG authorisation numbers towards fulfilment of EO of any one of the EPCG authorization (ii) to consider Shipping Bills with one EPCG authorisation number towards fulfilment of EO of other EPCG authorisation with same & similar export products (iii) to consider EDI S/Bills without EPCG authorisation numbers for fulfilment of EO.
(V)	Issues related to transfer of capital goods	(i) To accept transfer of Capital Goods from our own DTA units to our another DTA units where units address was not endorsed on EPCG authorizations (ii) to accept transfer of Capital Goods from our own DTA units to our own EOU after fulfilment of EO (iii) to accept export of Capital Goods after fulfilment of EO.
(VI)	Issues relating to regularisation of EPCG authorisations	(i) To regularize EPCG authorisations where customs duty plus interest paid to RA, Mumbai on indigenously procured capital goods (ii) to consider full utilized value of imports under EPCG authorisation without Customs endorsement for re-credit of duty saved amount in EPCG authorisation to the extent of CGs exported to associate concerns on payment of custom duty with interest and refund of customs duty and interest paid to RA, Mumbai on

		exported capital goods.

2. The request was examined by the EPCG Committee in its meetings held on 13.02.2019, 24.05.2019 and 30.11.2023.

3. The representative of the firm (Shri Vivek Gupta) appeared through Video Conferencing and made the following submissions:-

Applicant's statement: The applicant has come before the EPCG Committee for issue of clarifications/directions to RA, Mumbai for redemption of 19 EPCG authorizations as in the summary sheet. The firm has submitted written submission before the PH and additional written submissions during the PH.

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

In respect of 1st and 2nd requests : The Committee deliberated upon the case and decided to **remand the case to RA** to examine the matter and inform the Committee whether the EPCG authorization holder has fulfilled the Specific Export obligation and Average Export obligation.

In respect of 3rd, 4th, 5th and 6th requests: The Committee deliberated upon the case and observed that these requests maybe placed before the Committee alongwith action taken by the RA on the 1st and 2nd requests.

<u>Case No- 32: Ideal Design and Display India Private Limited, Bangalore</u>
F. No. HQREPCGPRAPP00000580AM24

Subject: Request for extension of EOP for 2 years beyond (6+2+PN 53 dated 20.01.2023) i.e. up to 14.09.2024 in respect of EPCG Authorization No. 0730012394 dated 24.05.2013 under Zero duty EPCG Scheme.

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

i. They initially obtained 2 years EOP extension from RA, Bangalore and which was extended up to 24.05.2021
ii. As per PN 53 dated 20.01.2023 their license validity came upto 14.09.2022 with 5% enhancement in EO and within this validity period they could fullfill around 20% and also made exports around 25% as on date, which can be counted if the extension is allowed for further period
iii. Currently they have ongoing direct export orders and they are confident that those orders will enable them to meet the entire EO within the next two years. Being a MSME, they requested to recognize their sincere efforts in fulfilling the EO and grant them extension of EOP for further 2 years i.e. upto 14.09.2024.

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- 33: Santhosh Granites, Telangana
F. No. HQREPCGPRAPP00001450AM24

Subject: Request to Allow Consideration of Free Shipping Bills for purpose of fulfillment of EO in respect of EPCG Authorization No. 0930010207 dated 24.04.2014 under 0% Concessional Duty.

The firm has stated that due to communication gap between their staff and due to lack of FTP policy/ procedural documentation and also due to inadvertent error, their CHA has not incorporate the relevant EPCG Authorization No. and date on the Free Shipping Bills. The firm also stated that all the shipping bills that were filed during 2019-20 are direct exports (E-BRCs available in the firm's name and realized in USD).

2. Further, the firm has stated that all the exports made by them do not involve any third-party exports and are realized in normal banking channels. The firm has also undertaken that they will not use these shipping bills for the closure of any other EPCG License, and they are not eligible for any export incentives other than fulfilment of EODC for DGFT.

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- 34: Shree Sheele Private Limited, Bangalore
F. No. HQREPCGPRAPP00000551AM24

Subject: Request for Condonation of procedural lapse to consider the Undertakings on Stamp Paper and Purchase Orders received from exporters as the Agreement to Supply goods in respect of EPCG Authorization No. 0730015293 dated 17.03.2016 under 0% Concessional Duty.

The firm stated that they fulfilled the EO through third-party exports. After the completion of the EO, they submitted the relevant documents to JDGFT, Bangalore for EODC. However, they were served with a D/L by RA Bangalore wherein they highlighted that they have not fulfilled the condition under 5.10 (d) (i) of Handbook relating to entering into an explicit agreement to supply goods. The firm stated that they responded to this letter stating that they have made undertaking in stamp paper with an agreement / understanding to supply goods for exports through their firm.

2. The firm further stated that they also received purchase order to supply material for exports and treated this purchase order as agreement and commitment towards these exports. The firm further stated that the undertakings and purchase orders have been submitted to RA Bangalore as proof but they are not agreeing and have asked the firm to approach EPCG Committee for condonation.

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- 35: Ess Pee Knitwear, Tirupur
F. No. HQRPRCAPPLY00005873AM24

Subject: Request for Waiver of Average Export Obligation in respect of EPCG Authorizations No. 3230026558 dated 19.12.2017 and 3230026345 dated 05.10.2017 under 0% Concessional Duty.

The firm stated that there was a complete lockdown of their units during the year 2020 due to COVID-19 pandemic. Even after the re-opening of the factories, the major export orders upto the month of August/September 2020 were either canceled or the quantity of the export orders were reduced**.** The firm further stated that even though, they were able to fulfill the specific EO to the tune of 100%, they were unable to maintain the Average EO, despite their best efforts.

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- 36: Bengaluru Co-Operative Milk Union Ltd (Bamul), Bengaluru
F. No. HQRPRCAPPLY00001129AM24

Subject: Request for waiver of interest on duty saved amount in respect of EPCG Authorization No. 0730017060 dated 07.11.2017 and No. 0730017061 dated 07.11.2017 under Zero duty EPCG Scheme.

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

i. Bengaluru Co–Operative Milk Union Ltd. (Bamul) is district level milk union procuring milk from 3 districts, i.e. Benagaluru Urban, Bengaluru Rural and Ramanagar. They have 2267 Milk producers Co-operative societies (MPCS) comprising of 3,59,419 member producers with a turnover of Rs. 2700 to 2800 Cr.
ii. Bamul is a prestigious as well as successful co-operative body providing remunerative, sustainable market to lakh of milk producers facilitating their families to thrive in economic competition with pride standard of living.
iii. The machineries imported to manufacture milk powder and cheese, they have availed duty exemption of Rs. 9.77 crores in year 2017. They have exported milk products worth of 24,07,178 USD in the year 2021-22 for the duty saved amount of Rs. 2.56 crores. Due to Covid-19 and followed by lumpy skin disease among the cattle population, milk procurement has drastically reduced by 10 to 112% and were unable to export milk products to fulfill the EO.
iv. They have paid back 4.87 Cr as against 8.58 Cr (which includes 3.71 Cr interest upto the date 03.05.2023) to the Customs Department on 03.05.2023 towards the 2 subject EPCG authorizations.
v. Now they are facing draught like situation due to poor rain and in spite of continued support by the Government of Karnataka in the form of incentive @Rs.5.00/Kg of milk

procured, there is no sufficient milk procurement to meet the EO. On the other hand there is a steep fall in the selling price of milk powder and cheese in the global market. Further they are also not benefitted by the amnesty scheme.

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- 37: Atithya Inn Private Limited, Ahmedabad
F. No. HQREPCGPRAPP00000584AM24

Subject: Request for condonation of Block wise EOP and EOP extension of 2 years beyond (6+2) years in respect of EPCG Authorization No. 0330035760 dated 13.05.2013 under Zero duty Scheme.

In support of their request the firm has submitted that due to low business, less presence in foreign market, online portal & delay in getting contract signed with overseas travel agent OTA, which affected their foreign tourist business. Due to this they were unable to complete their Block wise EO within the time. However, they have fulfilled the EO after the 2 year of EOP extension.

Decision:

In respect of 1st request:

The Committee deliberated upon the case and **decided to recommend to DG for relaxation under Para 2.59 of FTP, 2023** to allow Condonation of delay in approaching 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.

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 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- 38: Alia Rice Mill Pvt Ltd, West Bengal
F. No. HQREPCGPRAPP00001109AM24

Subject: Request for EOP Extension for 2 years up to 31.12.2023 in respect of EPCG Authorization No. 0230009961 dated 11.12.2014 under 0% Concessional Duty.

The firm has stated that they couldn't fulfill the export obligation due to the unavoidable reason of required 100% of the total EO within the EOP. The firm has also stated that they have already been granted extension as per Notification No. 28/2015-2020 dated 12.09.2021 till 31.12.2021.

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 extended EOP (from 6 to 8 years) has already expired.

This has the approval of DG, DGFT.

<u>Case No- 39: Avon Ispat & Power Limited</u>
F. No. HQREPCGPRAPP00000288AM24

Subject: Request for condonation of procedural lapse of not mentioning EPCG License Number in shipping bills of third party exports EPCG No. 3030015067 dated 14.01.2016 under 0% duty EPCG scheme.

In support of their request the firm submitted that :-

i. They obtained subject EPCG authorization for import of oil fired Hicon/H2R Bell annealer facility.
ii. They have exported through third parties who have mentioned their EPCG license number in all their shipping bills except M/s Avon Cycles Ltd who have not mentioned their EPCG license number on shipping bills due to oversight. As per policy circular No. 7/2002 dated 11.07.2002 condonation of procedural lapse of not mentioning EPCG license number and date on shipping bills were allowed for third party exports.

2. A report was called from RA, Ludhiana and the same has been received on 14.12.2023.

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- 40: Delta Corp Limited, Mumbai</u>
F. No. HQREPCGPRAPP00000596AM24

Subject: Request for 1st Block Extension in respect of EPCG Authorization No. 0330034098 dated 30.10.2012 under 03% Concessional Duty.

The firm has stated that they had applied to RA, Mumbai regarding block extension. However, RA vide DL dated 06.11.2023 informed that they are not covered under PN 3 dated 13.04.2022 and requested them to approach DGFT Hqrs. for relaxations.

2. The firm further stated that they were unable to complete the 50% EO in the first block due to low foot-fall of tourists which increased in the subsequent years based on which they had completed the 100% EO in the second block and submitted the redemption application to RA, Mumbai. The firm also stated that due to lack of knowledge and managerial issues, they were unable to apply for block extension within 90 days of expiry of first 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 Condonation of delay in approaching the RA for extension in block-wise EOP within the prescribed time period. This shall be subject to payment of 2% composition fee on duty saved amount in proportion to the shortfall at the end of each block in terms of the provisions of Para 5.8.3 of HBP 2009-14 and late fee of Rs. 10,000/-.

This has the approval of DG, DGFT.

Case No- 41: Bagadia Chaitra Industries Private Limited, Bangalore
F. No. HQREPCGPRAPP00000031AM24

Subject: Request for change in the model number of the capital good against EPCG Authorization No. 0730015344 dated 01.04.2016 under 0% Concessional duty - reg.

The firm has stated that they had obtained EPCG Authorisation for import of Capital Goods i.e. SF91K1-16 Inner Centring High Speed Notching Machine along with Digital Read Out (as per import item list issued by RA, Bangalore). However, the exporting firm has provided them the same CG with different model no. CCS (SF2)-160. It is clarified that both are one and the same. Hence, they need Amendment in the Authorization. RA, Bangalore vide their letter dated 07.11.2016 informed the firm that there is no provision for post import amendment at the level of RA. Hence, the firm has requested the EPCG Committee to amend the model number of the CG i.e. from SF91K1-16 to CCS (SF2)-160 in the EPCG authorisation.

2. Accordingly, the firm was asked to furnish DL dated 07.11.2016 and RA, Bangalore was asked to furnish report. Now, vide email dated 12.09.23, the firm has furnished DL dated 07.11.16 and RA vide email dated 18.12.2023 has also furnished the requisite report, along with the Installation certificate dated 19.06.2018.

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- 42: Ghodawat Consumer Products, Kohlapur, Maharashtra
F. No. HQRPRCAPPLY00006362AM24

Subject: Request for condonation of 1st Block EOP in respect of EPCG Authorization No. 3130008424 dated 14.01.2015 under Zero duty EPCG Scheme.

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

i. They have obtained the subject EPCG authorization for export of "Non Basmati Rice (HS Code-10063010) & Basmati Rice (HS Code 10063020) Ponni Steam Rice-(HS Code-10063090) with FOB value in Rs. 56782887.72 and FOB value in US$ 88,89,316.95.

They utilize the duty saved amount of Rs. 61.51,902.00. As per the duty saved amount utilized the revised EO is Rs. 3,69,412.00 in US$ 5,78,095.00.

ii. They have fulfilled EO in the 1st block US$ 63,308.40 against US$ 2,65,397.00 i.e. up to 31.03.2019 and balance EO in US $ 5,96,278.00 total EO fulfilled is US $ 6,59,856.00, excess amount of US$ 81,490.00. They fulfill the EO in the 2nd block i.e. up to 31.12.2020. They could not fulfill the EO in the 1st block due to poor market conditions and later COVID 19 Pandemic. They have not made any direct imports thus saving Foreign Exchange of the Govt. of India and procured indigenously by following Make in India pattern.

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- 43: Pride Hotels Limited, Madhya Pradesh</u>
F. No. HQREPCGPRAPP00000587AM24

Subject: Request for:

i. **1st Block Extension**
ii. **EOP Extension for 1 year i.e. 6+1 years**

In respect of EPCG Authorization No. 0330030458 dated 02.09.2011 under 03% Concessional Duty.

The firm has stated that they were unable to complete the block & EO within the time period due to low business, less presence in foreign markets, online portal & delay in getting contracts signed with overseas travel agents, which affected the foreign tourist business compared to the expectations or budgets.

Decision:

In respect of the 1st request:

The Committee deliberated upon the case and **decided to recommend to DG for relaxation under Para 2.59 of FTP, 2023** to allow Condonation of delay in approaching 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.

In respect of the 2nd 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 1 year (from 6th year to 7th year) on payment of composition fee or imposition of additional EO in terms of Para 5.11 of HBP 2009-14 and late fee of Rs. 10,000/-.

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

This has the approval of DG, DGFT.

Case No- 44: Santhosh Granites, Telangana
F. No. HQREPCGPRAPP00001449AM24

Subject: Request to Allow Consideration of Free Shipping Bills for purpose of fulfillment of EO in respect of EPCG Authorization No. 0930013188 dated 22.06.2017 under 0% Concessional Duty.

The firm has stated that due to communication gap between their staff and due to lack of FTP policy/ procedural documentation and also due to inadvertent error, their CHA has not incorporates the relevant EPCG Authorization No. and date on the Free Shipping Bills.

2. The firm also stated that all the shipping bills that were filed during 2020-21 are direct exports (E-BRCs available in the firm's name and realized in USD). Further, the firm has stated that all the exports made by them do not involve any third-party exports and are realized in normal banking channels. The firm has also undertaken that they will not use these shipping bills for the closure of any other EPCG License, and they are not eligible for any export incentives other than fulfilment of EODC.

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.

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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. 01/36/218/37/AM-24/EPCG]

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