GOVERNMENT OF INDIA
MINISTRY OF COMMERCE AND INDUSTRY
DIRECTORATE GENERAL OF FOREIGN TRADE

MINUTES OF THE EXIM FACILITATION COMMITTEE (EFC) MEETING

Subject: Allocation of Tariff Rate Quotas (TRQs) under the India-Sri Lanka Free Trade Agreement (ISLFTA) for the Financial Year 2026-27.

Date of Meeting: 18th June, 2026 **Time:** 02.00 P.M

Venue: Room No. 1, DGFT Headquarters, Vanijya Bhawan, New Delhi

Chaired by: Shri Lav Agarwal, Director General of Foreign Trade

ATTENDEES

Name	Designation / Office
Shri Rakesh Kumar	Additional DGFT, DGFT Headquarters
Ms. Monica Gaur	Director, Foreign Trade (SA) Division, Department of Commerce
Shri Ajay Kumar Singh	Under Secretary, Foreign Trade (SA) Division, Department of Commerce
Shri Manish Sirohi	Foreign Trade Development Officer, DGFT Headquarters

The Exim Facilitation Committee (EFC) was convened to review and deliberate upon the TRQ allocation methodology allocated *vide* Minutes of the meeting dated 16.04.2026 under the India-Sri Lanka Free Trade Agreement (ISLFTA) for the Financial Year 2026-27, in accordance with Para 2.92 of the Handbook of Procedures 2023

(HBP 2023).

2. The EFC, in its meeting held on 16.04.2026, adopted different allocation methodologies based on the nature of the tariff lines and the volume of applications received as given below:

i. **Pro-rata Allocation**: For tariff lines where the total quantity applied for exceeded the annual TRQ limit, namely Vanaspati, Bakery Shortening and Margarine (ITC HS 1516, 1517 and 1518), the TRQ was allocated on a pro-rata basis in proportion to the quantity applied for by each eligible applicant. Where an applicant's requested quantity was lower than its pro-rata entitlement, allocation was restricted to the quantity applied for.

ii. **Allocation for Pepper and Desiccated Coconut**: For Pepper (ITC HS 0904) and Desiccated Coconut (ITC HS 08011100), the Committee decided to first allocate the minimum quantity applied for to all eligible applicants. Any remaining TRQ quantity was then distributed equally among the applicants. In cases where the entitlement exceeded the quantity applied for, allocation was limited to the quantity actually requested.

iii. **Authorisation Mechanism**:

a. Considering the relatively small quantum of allocations for **Pepper** and **Desiccated Coconut**, the Committee decided to issue the **entire provisionally allocated quantity upfront in a single tranche** to each eligible applicant.

b. For **Vanaspati, Bakery Shortening and Margarine**, owing to the significantly larger quantities involved, the Committee decided to adopt a **phased authorisation mechanism**.

c. To ensure optimum utilisation of TRQs and discourage hoarding/non-utilisation, the Committee approved a **two-phase authorisation** mechanism:

   i. Initially, eligible applicants shall be issued TRQ Authorisations for **50% of their Provisionally Allocated Quantity**.

   ii. The balance **50% quantity** shall be issued only upon satisfactory utilisation of Phase-I allocation.

   iii. Applicants must demonstrate utilisation of at least **75% of the quantity authorised under Phase-I**.

iv. Unclaimed quantities or quantities becoming ineligible due to non-fulfilment of utilisation conditions by 31 October 2026 shall be pooled.

v. The pooled quantity shall be reallocated in **November 2026** on a proportionate basis amongst eligible applicants who have utilised at least 75% of their Phase-I allocation and have sought additional quantities.

3. Based on the above, TRQ Authorisations were issued to all the eligible applicants.

4. However, representations were received from Trade informing that the ongoing crisis has disrupted the global supply chains and the movement of cargo from the countries. The crisis is not limited to West Asia but has also impacted the Trade overall.

5. The TRQ holders have represented that securing the orders, booking the supplies and ensuring safe and smooth movement of cargo is taking longer than usual, and therefore, the conditions such as 75% of the utilisation during the Phase-I will add to the existing burdens and would not be feasible for the TRQ Holders, especially the MSMEs that have secured the quota.

6. Therefore, the TRQ holders have requested to relax the criteria of phased allocation during this year, considering the global scenario and to facilitate trade in such times of distress.

7. The Committee deliberated upon the issues raised by the TRQ holders and reviewed the prevailing geopolitical situation and its impact on trade flows. The Committee took note of the disruptions in international logistics arising from the ongoing West Asia crisis, including cargo cancellations and delays on shipping routes between the UAE and India, which have adversely affected the timely import of goods under the TRQ scheme.

8. The Committee further noted that, in response to the crisis, DGFT and the Department of Commerce have undertaken a series of trade facilitation and Ease of Doing Business (EoDB) measures, including extension of export obligation periods under the Advance Authorisation and EPCG schemes, restoration of RoDTEP benefits to 100%, sector-specific procedural relaxations, and an intensive Export

Obligation Discharge Certificate (EODC) disposal campaign. These measures have been aimed at reducing the compliance burden on trade, improving liquidity, and ensuring continuity of India's export and import operations amidst the prevailing disruptions.

9. In view of the foregoing and after due consideration of the facts and circumstances placed before it, the Committee felt the need to facilitate trade during the ongoing global crisis. Accordingly, **the Committee decided to issue the balance 50% of the TRQ quantities to the eligible TRQ holders immediately.**

10. The Committee observed that such release would facilitate advance planning of procurement and supply-chain arrangements by the importers and enable effective, timely and optimal utilisation of the provisional allocations already made pursuant to the Minutes of the EFC Meeting held on 16.04.2026.

11. In view of the above, the Committee decided that the **balance 50% of the TRQ quantity and the corresponding value shall be automatically allocated and transmitted by DGFT to Customs in favour of the eligible TRQ holders**, in accordance with the allocation approved **under the Minutes of the Meeting held on** 16.04.2026. Further, a separate communication **shall be issued to the eligible TRQ holders informing them that the balance 50% TRQ quantity and corresponding value have been automatically transmitted to Customs**.

12. Further, the Committee will continue to observe the ongoing geopolitical conditions and will convene on a need basis to facilitate trade, as required.

The meeting concluded with a vote of thanks to the Chair.

*****

Digitally signed by
Lav Agarwal
Date: 19-06-2026
13:41:04