Date of Uploading- 26.03.2024

MINUTES OF 11th MEETING OF AM-24 OF THE EPCG COMMITTEE HELD UNDER THE CHAIRMANSHIP OF SHRI AKASH TANEJA, ADDITIONAL DIRECTOR GENERAL OF FOREIGN TRADE HELD ON 29.02.2024

Eleventh Meeting for AM-24 of the EPCG Committee was held on 29.02.2024 at 02.30 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:-

Case No.	Firm's Name	Page No.
1-3	Kujjal Hotels Private Limited, New Delhi	2-4
4-5	J. S. Spintex Limited , Patiala (Punjab)	4-6
6-7	Intech Additive Solutions Private Limited, Bangalore	6-7
8	Jubilant Generics Limited, Noida	7
9	Mcam Surlon India Limited, New Delhi	7-8
10	Karo Coils Pvt. Ltd., New Delhi	8-9
11-12	Big Box Containers Private Limited	8-9
13	Ginni International Limited, Alwar (Rajasthan)	9-10
14	Print Point India Private Limited, Bengaluru	10-11
15	Iris Clothings Limited, West Bengal	11
16	Skoda Auto Volkswagen India Pvt. Ltd, Pune	11-14
17	Sri Basaveshwara Rice Mill, Karnataka	14
18	Unicone, Tamil Nadu	14-15
19	Guhring (India) Pvt. Ltd, Bangalore	15
20	Stanley Lifestyles Limted, Bangalore	15-17
21	Anand Granite Exports Pvt. Ltd., Telangana	17
22	Electropneumatics & Hydraulics (India) Pvt Ltd., Pune	17-18
23	Naini Tissues Ltd, Uttarakhand	18
24	Sonamoti Agrotech Pvt Ltd, Bihar	18
25	Carrier Wheels Private Limited, Delhi	18-19
26	Emars Mining & Construction Pvt Ltd., Kolkata	19-20
27	Janambhumi Press Pvt. Ltd, Guwahati	20

Case No- 1: Kujjal Hotels Private Limited, New Delhi
F. No. HQREPCGPRAPP00000291AM24

Subject: Request for allowing Group Company's export to the extent of 50% for fulfillment of EO against EPCG Authorization No. 0530156772 dated 20.10.2011.

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

i. Their request for allowing Group Company's export to the extent of 50% in terms of Para 5.5 of FTP-2009-14 against EPCG Authorization No. 0530154250 (May be read as 0530154240) dated 14.12.2010 (Case No. 53) was considered in the EPCG Committee meeting held on 10.02.2023 wherein the EPCG Committee decided to deferred the case for detailed examination.

ii. They have submitted application for partial redemption of subject EPCG authorization to CLA, New Delhi with a request to allow them 50% EO fulfillment by the Group Company in terms of Para 5.5 of FTP 2009-14.
iii. CLA, Delhi issued a DL stating that the firm has requested for partial EODC on the basis of the exports made by their Group Company only and they have not made any export on their own and advised them to pay Customs Duty+Interest on whole value of utilized duty saved amount or approach DGFT HQ.

Decision: The Committee noted that the para 5.5 of the FTP, 2009-14 provides that *"Upto 50% Export Obligation may also be fulfilled by exports of other good(s) manufactured or service(s) provided by the same firm / company, or group company / managed hotel, which has the EPCG authorization. However, EPCG authorization issued prior to 1.4.2008 will be governed by earlier policy provisions."*

The matter whether an EPCG authorisation holder is legally entitled to 50% E.O. fulfillment solely on the basis of exports effected by their group company when they themselves were not able to meet any EO on their own is under consideration before the PIC in a separate case.

The Committee deliberated upon the case and decided to **defer** the matter.

Case No- 2: Kujjal Hotels Private Limited, New Delhi
F. No. HQREPCGPRAPP00000292AM24

Subject: Request for allowing Group Company's export to the extent of 50% for fulfillment of EO against EPCG authorization No. 0530157783 dated 29.02.2012.

In support of their request the firm has submitted that :

i. Their request for allowing Group Company's export to the extent of 50% in terms of Para 5.5 of FTP 2009-14 against EPCG Authorization No. 0530154250 (May be read as 0530154240) dated 14.12.2010 (Case No. 53) was considered in the EPCG Committee meeting held on 10.02.2023 wherein the EPCG Committee decided to defer the case for detailed examination.
ii. They have submitted application for partial redemption of subject EPCG authorization to CLA, New Delhi with a request to allow them 50% EO fulfillment by the Group Company in terms of Para 5.5 of FTP 2009-14.
iii. CLA, Delhi issued a DL stating that the firm request for partial EODC on the basis of the exports made by their Group Company only and they have not made any export on their own and advised them to pay Customs Duty+Interest on whole value of utilized duty saved amount or approach DGFT HQ.

Decision: Decision: The Committee noted that the para 5.5 of the FTP, 2009-14 provides that *"Upto 50% Export Obligation may also be fulfilled by exports of other good(s) manufactured or service(s) provided by the same firm / company, or group company / managed hotel, which has the EPCG authorization. However, EPCG authorization issued prior to 1.4.2008 will be governed by earlier policy provisions."*

The matter whether an EPCG authorisation holder is legally entitled to 50% E.O. fulfillment solely on the basis of exports effected by their group company when they themselves were not able to meet any EO on their own is under consideration before the PIC in a separate case.

The Committee deliberated upon the case and decided to **defer** the matter.

Case No- 3: Kujjal Hotels Private Limited, New Delhi
F. No. HQREPCGPRAPP00000293AM24

Subject: Request for allowing Group Company's export to the extent of 50% fulfillment of EO against EPCG authorization No. 0530160690 dated 10.04.2013.

In support of their request the firm has submitted that :

i. Their request for allowing Group Company's export to the extent of 50% in terms of Para 5.5 of FTP-2009-14 against EPCG Authorization No. 0530154250 (May be read as 0530154240) dated 14.12.2010 (Case No. 53) was considered in the EPCG Committee meeting held on 10.02.2023 wherein the EPCG Committee decided to deferred the case for detailed examination.
ii. They have submitted application for partial redemption of subject EPCG authorization to CLA, New Delhi with a request to allow them 50% EO fulfillment by the Group Company in terms of Para 5.5 of FTP 2009-14.
iii. CLA, Delhi issued a DL stating that the firm request for partial EODC on the basis of the exports made by their Group Company only and they have not made any export on their own and advised them to pay Customs Duty+Interest on whole value of utilized duty saved amount or approach DGFT HQ.

Decision: Decision: The Committee noted that the para 5.5 of the FTP, 2009-14 provides that *"Upto 50% Export Obligation may also be fulfilled by exports of other good(s) manufactured or service(s) provided by the same firm / company, or group company / managed hotel, which has the EPCG authorization. However, EPCG authorization issued prior to 1.4.2008 will be governed by earlier policy provisions."*

The matter whether an EPCG authorisation holder is legally entitled to 50% E.O. fulfillment solely on the basis of exports effected by their group company when they themselves were not able to meet any EO on their own is under consideration before the PIC in a separate case.

The Committee deliberated upon the case and decided to **defer** the matter.

Case No- 4: J.S. Spintex Limited, Patiala (Punjab)
F. No. HQREPCGPRAPP00000448AM23

Subject: Request for condonation for late submission of Installation certificate against EPCG Authorization No. 3030017415 dated 31.01.2019 under 0% Concessional duty-reg.

The firm has stated that they could not submit installation within prescribed time as per Para 5.04 of HBP, 2015-2020. Further, they have already paid the penalty amount of Rs. 5000/- against late submission against subject EPCG authorisation. The firm also stated that they are from textile sector and are not registered with Excise which is not applicable on them.

2. As per Installation certificate issued by Chartered Engineer, CGs were imported and installed at the premises as under :

S. No	Bill of Entry No. & date	Date of Installation	Date of installation certificate
i.	2421243 dated 14.03.2019	13.05.2019	14.05.2019
ii.	2781653 dated 10.04.2019	19.04.2019, 25.04.2019, 10.05.2019, 27.06.2019, 01.07.2019, 16.07.2019 and 24.07.2019	25.07.2019

Decision: The Committee noted that Public Notice No. 22 dated 13.07.2023 was issued under which Regional Authorities could accept installation certificate under EPCG Scheme beyond the prescribed time limit for regularization purposes. The PN was published on the website of DGFT. The applicant should have approached the concerned RA within the time limit prescribed in the PN.

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- 5: J.S. Spintex Limited , Patiala (Punjab)
F. No. HQREPCGPRAPP00000449AM23

Subject: Request for condonation for late submission of Installation certificate against EPCG Authorization No. 3030016979 dated 08.03.2018 under 0% Concessional duty-reg.

i. **0330041911 dated 17.06.2015**
ii. **0330042405 dated 14.08.2015**
iii. **0330043029 dated 17.11.2015**
iv. **0330044377 dated 18.05.2016**
v. **0330044705 dated 29.06.2016**

The firm has stated that they were not able to submit installation within prescribed time as per Para 5.04 of HBP 2015-2020. Further, the firm has stated that they have already paid the penalty amount of Rs. 5000/- against late submission against subject EPCG authorisation. The firm also stated that that as textile sector they are not registered with Excise and it is not applicable on them.

2. As per Installation certificate issued by Chartered Engineer on 09.08.2018, CG was imported on 06.06.2018 and installed at the premises on 09.08.2018.

Decision: The Committee noted that Public Notice No. 22 dated 13.07.2023 was issued under which Regional Authorities could accept installation certificate under EPCG Scheme beyond the prescribed time limit for regularization purposes. The PN was published on the website of DGFT. The applicant should have approached the concerned RA within the time limit.

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- 6: Intech Additive Solutions Private Limited, Bangalore
F. No. HQREPCGPRAPP00000575AM24

Subject: To consider Service Exports (Service Income) for discharge of Export Obligation in respect of EPCG Authorization No. 0730012960 dated 09.12.2013 under Zero duty EPCG Scheme.

The firm has submitted that they have completed 100% EO by physical export and service income. They are the first company in India to manufacture additive/3D printing machines and parts etc. They have developed the software as per the requirement of additive manufacturing which is mandatory.

2. They provide software services to overseas client for manufacturing of 3-D printing machine, parts etc. and earned service income from their overseas client.

3. RA, Bangalore has not considered the service income for fulfillment of Specific EO.

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- 7: Intech Additive Solutions Private Limited, Bangalore
F. No. HQRPRCAPPLY00003895AM23

Subject: Fulfillment of Specific Export Obligation Period to be read as 8 years instead of 6 years in respect of EPCG Authorization No. 0730012960 dated 09.12.2013 under 0% Concessional duty-reg.

The firm has stated that they are a SSI unit. Although the cost of the imported Capital goods exceeded Rs. 50 lakhs, the total investment in plant and machinery does not exceed the SSI limit. The firm has also stated that the license is also issued under SSI category. As they are SSI unit they should be given time to complete EO obligation in 8 years instead of 6 years. As such their original EOP will be valid till 09.12.2021 and 2 years extension will make the EO valid till 31.12.2023. The firm has also stated that they have completed 70% EO and balance EO will be completed before 31.12.2023. Hence, the firm has requested for extension of EOP upto 31.12.2023.

Decision: The Committee noted that relaxation for SSI unit was available under FTP 2009-14 for 3% duty saved EPCG Scheme but the subject EPCG authorization was issued under Zero duty EPCG Scheme.

The Committee further deliberated upon the case and noted that the applicant has not submitted any cogent reason for not declaring the fact /justification in support of any genuine hardship faced by them. Accordingly, the Committee decided to **reject** the request**.**

Case No- 8: Jubilant Generics Limited, Noida
F. No. HQREPCGPRAPP00000668AM23

Subject: Request for Re-fixation of AEO in respect of 2 EPCG Authorization Nos. 0530174434 dated 23.05.2019 and 0530175232 dated 11.11.2019 under 0% Concessional duty-reg.

The firm has stated that as per the condition sheet of Authorization, the Annual average of the past export performance to be maintained is Rs. 4,051,992,604.73 for both the EPCG Authorizations. At the time of filing of application for the EPCG Authorizations, they submitted CA Certificate containing combined value of physical exports along with Service exports of R&D, revenue of debit-credit notes for fixation of Average EO due to inadvertent error. The firm has also stated that the revenue from debit-credit notes and the value of service exports of R&D do not fall under the physical exports category as defined by Paragraph 5.04 of the FTP and hence not eligible for calculation of AEO.

2. In support of the request, the firm has informed that the imported capital goods only support the manufacture of finished goods and there is no nexus with service exports of R&D or any other activity. The firm has also said that the average exports were calculated on the basis of export turnover of the financial years 2016-17, 2017-18 and 2018-19.

3. CLA, New Delhi vide DL dated 23.12.2023 has advised them to approach EPCG Committee for necessary revision/rescheduling of AEO.

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- 9: Mcam Surlon India Limited, New Delhi
F. No. HQREPCGPRAPP00000351AM23

Subject: Request for Condonation of Maintenance of AEO Block-wise in respect of EPCG Authorization No. 0530150656 dated 15.12.2009 under 0% Concessional Duty.

The firm has stated that they had submitted EODC application dated 02.01.2020 after fulfillment of EO but RA raised deficiency that AEO was not fulfilled Block-wise but had fulfilled AEO on overall basis. The firm has mentioned details of average EO required and fulfilled as under :-

S. No.	FY	Average EO required (Rs.)	Average EO maintained (Rs.)
1	2009-10	23,07,666.66	6,63,272.99
2	2010-11	23,07,666.66	NIL
3	2011-12	23,07,666.66	12,61,138.52
4	2012-13	23,07,666.66	19,13,309.66

5	2013-14	23,07,666.66	22,10,021.42
6	2014-15	23,07,666.66	63,86,258.93
7	2015-16	23,07,666.66	37,23,458.69
Total		1,61,53,666.62	1,61,57,460.21

2. The firm further stated that they have maintained Average EO on overall basis but had not completed specific EO block-wise.

Decision: The Committee deliberated upon the case and noted that there is no provision in the policy to consider their request. Accordingly, the Committee decided to **reject** the request.

Case No- 10: Karo Coils Pvt. Ltd., New Delhi
F. No. HQRPRCAPPLY00000285AM24

Subject: Request for fixation of specific export obligation (SEO) period from 6 years to 8 years against the EPCG Authorization No. 0530159193 dated 04.09.2012 under 0% Concessional duty-reg.

The firm has stated that they have obtained license as a SSI unit and fulfillment of export obligation should be done in 8 years. Although the CIF value of the imported capital goods is more than Rs 50 lakhs because they have purchased only one machine but the total investment in plant and machinery is within the SSI limit. Therefore, the firm has requested to amend the Specific EO in the license to 8 years instead of 6 years.

Decision: The Committee noted that relaxation for SSI unit was available under FTP 2009-14 for 3% duty saved EPCG Scheme but the subject EPCG authorization was issued under Zero duty EPCG Scheme.

The Committee further deliberated upon the case and noted that the applicant has not submitted any cogent reason for not declaring the fact /justification in support of any genuine hardship faced by them. Accordingly, the Committee decided to **reject** the request**.**

Case No- 11: Big Box Containers Private Limited
F. No. HQRPRCAPPLY00351752AM22

Subject: Request for granting exceptional condonation for EO in respect of EPCG Authorization Nos. 0830008821 dated 06.10.2016 under 0% Concessional duty-reg.

The firm had requested for granting condonation for fulfillment of EO in respect of EPCG Authorization No. 0830008821 dated 06.10.2016. In application, the firm stated that there was an unexpected devastating fire in their factory on 28.04.2019 which has resulted in loss of all their inventories, machines, equipment etc. without leaving anything usable. In this regards, they have filed a FIR/Panchnama with local police authorities. They intimated RA, Ahmedabad about the incident with all documentary evidence and requested for relaxation in fulfilment of EO in the above EPCG Authorisations. In response, RA, Ahmedabad issued D/L directing them to submit export documents such as Shipping Bills, BRC, other relevant documents. The applicant along with his application has submitted copy Panchnama, news reports and photograph of the fire incident

2. It was decided that before considering the case in the EPCG Committee meeting, a report may be called from RA, Ahmedabad. Accordingly, a report was called from RA, Ahmedabad.

Decision: The Committee noted that the companies should take insurance to protect them from unforeseen calamities like fire, flood etc. to settle their liabilities. In the present case the EPCG authorization holder was sanctioned a claim amount of Rs. 17.63 crores by the insurance company against the loss caused to the plant and machineries.

The Committee further deliberated upon the case and noted that there is no provision in the policy to consider the request of the applicant. Accordingly, the Committee decided to **reject** the request. The firm may regularize their EPCG authorization by payment of duties of customs plus interest on the unfulfilled EO.

<u>Case No- 12: Big Box Containers Private Limited</u>
F. No. HQRPRCAPPLY00351761AM22

Subject: Request for granting exceptional condonation for EO in respect of EPCG Authorization Nos. 0830009841 dated 25.07.2017 under 0% Conessional duty-reg.

The firm had requested for granting condonation for fulfillment of EO in respect of EPCG Authorization No. 0830009841 dated 25.07.2017. In application, the firm stated that there was an unexpected devastating fire in their factory on 28.04.2019 which has resulted in loss of all their inventories, machines, equipment etc. without leaving anything usable. In this regards, they have filed a FIR/Panchnma with local police authorities. They intimated RA, Ahmedabad about the incident with all documentary evidence and requested for relaxation in fulfilment of EO in the above EPCG Authorisations. In response, RA, Ahmedabad issued D/L directing them to submit export documents such as Shipping Bills, BRC, other relevant documents. The applicant along with his application has submitted copy Panchnama, news reports and photograph of the fire incident.

2. It was decided that before considering the case in the EPCG Committee meeting, a report may be called from RA, Ahmadabad. Accordingly, a report was called from RA, Ahmedabad.

Decision: The Committee noted that the companies should take insurance to protect them from unforeseen calamities like fire, flood etc. to settle their liabilities. In the present case the EPCG authorization holder was sanctioned a claim amount of Rs. 17.63 crores by the insurance company against the loss caused to the plant and machineries.

The Committee further deliberated upon the case and noted that there is no provision in the policy to consider the request of the applicant. Accordingly, the Committee decided to **reject** the request. The firm may regularize their EPCG authorization by payment of duties of customs plus interest on the unfulfilled EO.

<u>Case No- 13: Ginni International Limited, Alwar (Rajasthan)</u>
F. No. HQREPCGPRAPP00000169AM24

Subject: Request for the surrender/cancellation of EPCG authorization No. 1330003569 dated 10.10.2012 issued under 03% Concessional duty.

The submission of the firm is as under :-

1. They had obtained the EPCG Authorization to procure the Capital goods in India and obtained an invalidation letter in favor of the goods supplier. Unfortunately, due to business related challenges, they ultimately did not proceed with the procurement of the capital goods from the supplier. Furthermore, they furnished a duplicate of the invalidation letter they received. Despite this, RA, Jaipur persistently demands the original invalidation letter issued to the supplier of the goods, which they never received from RA, Jaipur when obtaining the initial invalidation letter. Their submission included only the copy they were provided, and this copy was promptly delivered to the department as required. They submitted a surrender application to RA, Jaipur vide letter dated 18.03.2014 and subsequent correspondence occurred between them and the department.

2. RA, Jaipur issued a DL dated 06.01.2023 and informed them as under :-

   a. Submit a non-utilization certificate of Invalidation letter duly attested by Central Excise;
   b. Submit a verification of utilization of items of Direct import from concerned Customs Authority.

3. The applicant informed RA that there is no provision under the FTP or the Central Excise law by which the Excise authority can issue a Utilization Certificate for the goods received against the Invalidation letter.

4. They submitted an Affidavit/undertaking to RA, Jaipur, affirming that they had not procured the Capital goods under the EPCG Authorization from M/s. Alme, located at B.E.I Compound, 78, Chennai Road, Vadodara-390002 in accordance with the Invalidation letter.

5. RA, Jaipur vide letter dated 21.04.2023 suggested them to approach the EPCG Committee.

6. The applicant has asserted that they never received the Capital goods, either from the domestic supplier or through import.

Decision: The Committee went through the statements made by the applicant and noted that there is no provision in the policy to consider their request. Accordingly, the Committee decided to **reject** the request.

Case No- 14: Print Point India Private Limited, Bengaluru
F. No. HQREPCGPRAPP00000969AM24

Subject: Extension of EOP for 2 years i.e. 6+2 years in respect of EPCG Authorization No. 0730012346 dated 07.05.2013 under Zero duty EPCG Scheme.

In support of their request the firm has submitted that :

i. The EO period of subject EPCG authorization expired on 06.05.2019.

ii. They were unable to fulfill the EO within the EOP. However, they have fulfilled the EO after the expiry of EOP in the subsequent 2 years.
iii. They wish to avail the EOP extension with payment of applicable composition fees and penalty.

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..

<u>Case No- 15: IRIS Clothings Limited, West Bengal</u>
F. No. HQREPCGPRAPP00000498AM23

Subject: Request for condonation for late submission of Installation certificate against EPCG Authorization No. 0230013346 dated 26.10.2018 -reg.

The firm has stated that they imported capital goods under Bill of Entry Nos. 8702932 dated 01.11.2018, 8703357 dated 01.11.2018, 9698928 dated 18.01.2019 and capital goods have been established on 20.06.2014 at their factory at Vill- Raghudevpur, P.O.- Raghudevpur, P.S- Uluberia, Fortune Industrial Park, Howrah, West Bengal-711322 on 30.11.2018 and 31.01.2019. But due to ignorance, they could not submit the original Installation certificate to RA, Kolkata within the stipulated time period which is completely unintentional.

2. As per Installation certificate issued by Chartered Engineer on 05.02.2019, CG was imported on 01.11.2018 & 18.01.2019 and installed on 30.11.2018 & 31.01.2019.

Decision: The Committee noted that Public Notice No. 22 dated 13.07.2023 was issued under which Regional Authorities could accept installation certificate under EPCG Scheme beyond the prescribed time limit for regularization purposes. The PN was published on the website of DGFT. The applicant should have approached the concerned RA within the time limit prescribed in the PN.

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- 16: Skoda Auto Volkswagen India Pvt. Ltd, Pune</u>

F. No. HQREPCGPRAPP00001926AM24

Subject: Request for

i. **Re-fixation of Average Export Performance under EPCG scheme obtained in FY 2019-20, FY 2020-21 and FY 2021-22**
ii. **EOP Extension for suitable period**
iii. **Reduction in Annual AEO FY 2019-20, FY 2020-21 and FY 2021-22**

In respect of 45 EPCG Authorizations under 0% Concessional Duty.

The firm has stated that they manufactured new car models which majorly are covered under the Sport Utility Vehicles ("SUV") segment viz. 'Kushaq', 'Taigun' or 'T- Cross'. These are entirely new car models in terms of technology, specifications, customer experience, emission and safety norms etc.

2. In terms of FTP, the requirement to maintain Average EO for any capital goods or machinery imported under EPCG scheme is based on the rationale that there should be a specified augmentation in the exports already undertaken in the past years and the average of same or similar cars should not be counted. The Company imported capital goods under the project to manufacture and export altogether new car models based on the latest technology and new machinery which are not same and similar to the previous models of car manufactured and exported i.e. 'Polo' and 'Vento'.

2. The capital goods imported under these EPCG Authorisations have been principally used in manufacture of new car models. Therefore, the criterion of Average EO qua previous car models which are discontinued do not merit application and hence warrants for re-fixation of AEO. In this backdrop, the company is submitting this request for re-fixation of AEO in respect of the 45 EPCG Authorisations given below :-

S. No	EPCG Licence No.	Date
1	3130010936	20.09.2019
2	3130010937	20.09.2019
3	3130010973	23.10.2019
4	3130010977	25.10.2019
5	3130010982	25.10.2019
6	3130010986	30.10.2019
7	3130010987	30.10.2019
8	3130010998	08.11.2019
9	3130011006	09.11.2019
10	3130011008	19.11.2019
11	3130011015	25.11.2019
12	3130011016	25.11.2019
13	3130011018	25.11.2019
14	3130011021	28.11.2019
15	3130011024	02.12.2019

16	3130011034	11.12.2019
17	3130011040	17.12.2019
18	3130011041	17.12.2019
19	3130011042	17.12.2019
20	3130011043	17.12.2019
21	3130011044	17.12.2019
22	3130011045	17.12.2019
23	3130011053	26.12.2019
24	3130011054	26.12.2019
25	3130011056	26.12.2019
26	3130011058	27.12.2019
27	3130011059	27.12.2019
28	3130011060	27.12.2019
29	3130011061	27.12.2019
30	3130011062	27.12.2019
31	3130011125	05.03.2020
32	3130011151	19.03.2020
33	3130011187	01.06.2020
34	3130011220	23.07.2020
35	3130011227	11.08.2020
36	3130011237	25.08.2020
37	3130011293	29.10.2020
38	3130011294	29.10.2020
39	3130011304	10.11.2020
40	3130011309	17.11.2020
41	3131000226	19.03.2021
42	3131000285	22.04.2021
43	3131000286	23.04.2021
44	3131000298	30.04.2021
45	3131000299	03.05.2021

3. The firm has further stated that "New cars" manufactured under EPCG Authorizations cannot be termed as same or similar products vis-à-vis old cars. The term "similar products" employed in Para 5.04 has not been defined under the provisions of FTP.

4. Due to Covid-19 their plan to accomplish the import of CGs during stipulated time could not be executed on time. Further, as international travels were prohibited in the COVID period, the technicians from the countries from where such machineries were imported could not travel to India for installation purposes. Consequently, installation of machineries and starting the production of cars at MQB AO IN platform as per plan got delayed, due to the aforesaid unforeseen circumstances.

Decision:

In respect of 1st request:

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.

In respect of 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, if any, in approaching the RA for extension in block-wise EOP within the prescribed time period. This shall be subject to payment of prescribed composition fee on duty saved amount in proportion to the shortfall at the end of each block in terms of the provisions of Para 5.14 of HBP, 2015-20 and late fee of Rs. 10,000/- per authorisation.

In respect of 3rd request:

The Committee deliberated upon the case and decided that the firm may refer to DGFT Policy Circulars for relief in Average Export Obligation in terms of the para 5.19 of HBP.

Case No- 17: Sri Basaveshwara Rice Mill, Karnataka
F. No. HQREPCGPRAPP00001773AM24

Subject: Request for 1st Block EOP extension in respect of EPCG Authorization No. 0730010552 dated 15.09.2011 under 03% Concessional Duty.

The firm has stated that they could not complete the 1st block of export obligation due to lack of export market, price mismatch, freight and logistics cost etc. Also due to COVID-19 pandemic, there was not much activity from March, 2020 to July, 2021.

2. The firm has further stated that they could not take up direct exports but they have done third party exports during January to July, 2022 and completed the total export obligation.

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: Unicone, Tamil Nadu
F. No. HQREPCGPRAPP00000945AM24

Subject: Request for 2 years EOP Extension i.e. beyond 6+2 years in respect of EPCG Authorization No. 3530006134 dated 22.09.2015 under 0% Concessional Duty.

The firm has stated that due to poor market conditions, their industry is going through a sluggish market condition and they are unable to compete with the international market due to various factors like lack of skilled labourers and technicians, non-availability of raw material, foreign exchange fluctuations and Covid pandemic, they were unable to fulfill the EO. However, they have fulfilled nearly 66.14% of the EO, with a shortfall of 33.86% EO.

2. The firm has further stated that the shortfall in the exports was entirely owing to the COVID-19 situation which brought to a grinding halt the aviation and the shipping sectors, which prevented them from transporting the export goods to the countries where the firm received orders from. Further, the firm stated that they are in pace with the export schedule for all the orders and they are certain that the EO would be fulfilled without fail.

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- 19: Guhring (India) Pvt. Ltd, Bangalore
F. No. HQREPCGPRAPP00000212AM24

Subject: Requesting relaxation for the submission of all copies of deemed exports related to EPCG Authorization No. 0730002341, dated 09.12.2004 under 5% concessional duty.

The firm has said that they have fulfilled the mandatory AEO of Rs 4,93,21,608 within the first four years, which includes average direct exports of Rs 1,52,91,998 and average deemed exports of Rs. 3,46,87,291. During the verification process by RA, Bangalore, the firm submitted all the required details for verification, except the complete set of deemed export documents. The firm has provided certified details of deemed exports for verification. The firm has also said that they could not submit 100% export documents, as they were destroyed during the floods in 2013.

2. In view of the above, the firm has requested to relax/condone the requirement of submission of 100% deemed export documents. It has been requested to issue directions to RA, Bangalore to consider a sample of the deemed exports documents for processing and issuance of the EODC.

Decision: The Committee went through the statements made by the applicant and noted that there is no provision in the policy to consider the request. Accordingly, the Committee decided to **reject** the request.

Case No- 20: M/s Stanley Lifestyles Limted, Bangalore
F. No. HQRPRCAPPLY00005302AM24

Subject: Request for

i. **EOP extension for 1st and 2nd block**
ii. **EOP extension up to 31.12.2021 under DGFT PN No. 28 dated 23.09.2021**
iii. **Further EOP extension up to 31.12.2024 against clarification or relaxation for addition/amendment of ITCHS for redemption**

In respect of EPCG Authorization No. 0730014488 dated 15.05.2015 under Zero duty EPCG Scheme.

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

1. Stanley Lifestyles Limited (referred to as "Stanley" or "the Company") obtained the subject EPCG authorization for the import of a Fully automatic Computerized Cutting Machine, along with complete accessories, namely the Taurus-II. The machine was duly installed at their factory.
2. Over the last seven years, the Stanley Group has achieved an export turnover of INR 100 crores. The EPCG license, initially aimed for exports to the IKEA group worldwide. However, unforeseen operational and administrative challenges hindered the realization of this vision, Nevertheless, throughout these years, Stanley OEM Sofas Limited (SOSL), their subsidiary, consistently facilitated exports to IKEA.
3. The Covid 19 pandemic took away one of the group's key employees, leaving a significant void in overseeing EPCG compliances. Had timely advice been sought regarding meeting EO through third party export routes, Stanley Lifestyles Limited (SLL) (the EPCG license holder) would likely have fulfilled its export commitment by now. SOSL their subsidiary has secured confirmed export orders from IKEA in the United States, United Arab Emirates, Oman, Kuwait etc., amounting to INR 12.93 Crores, extending until September, 2024. Furthermore, during FY 2023-24 the subsidiary has already initiated back-to-back orders for INR 6 crores with the EPCG license holder (SLL).
4. Stanley Group is confident of securing more orders from IKEA in the coming months. They are determined to achieve their EO through third party exports under Para 5.10 of the HBP.

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 5.14 of HBP 2015-20 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 up to 31.12.2021 as per DGFT's Notification No. 28/2015-2020 dated 23.09.2021.

In respect of 3rd request:

The Committee deliberated upon the case and decided to remand the case to RA to examine the request and take a decision after verifying the nexus of the exported items manufactured by the machinery imported under the subject EPCG authorisation. Alternatively, 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- 21: Anand Granite Exports Pvt. Ltd., Telangana
F. No. HQRPRCAPPLY00000325AM24

Subject: Request for re-fixation of AEO as Rs. 30,00,000.00 in respect of 3 EPCG Authorizations-reg.

The submission of the firm is as under :-

1. They have obtained 4 EPCG Authorizations based on their past export performance. AEO was imposed of Rs. 65,19,24,544.09 against above 4 EPCG Authorizations. As per the authorization, the specific obligation amount required for all 4 EPCG Authorizations was Rs. 10,44,67,860.00 and they planned to achieve both average exports and specific obligation amount together of Rs. 75,63,92,404.00 in the same F.Y. 2021-22, But, they could achieve only Rs. 71,93,56,982.00 which was sufficient for meeting annual average exports of Rs. 65,19,24,544.00 and Specific obligation amount of Rs. 2,36,40,960.00 for one EPCG License No. 0931000702 Dated 21.04.2021 which they applied for EODC on 24.01.2023. The specific obligation amount that fell short in 21-22 for fulfilling other three licenses was Rs. 8,08,26,900.00.
2. In the succeeding year, 2022-23, they had planned to achieve this average amount and the specific obligation amounts for three licenses, which together required Rs. 73,27,51,444.00. Unfortunately, they received all defective materials with numerous holes and cracks unsuitable for the export market, which were disliked by the buyers. As a result, their turnover in the fiscal year 2022-23 drastically fell to Rs. 42,77,35,759.33, an amount significantly below the required average of Rs. 65,19,24,544.00.
3. As manufacturer exporters, they have been in the business of excavating granite blocks for more than a decade and have never faced such quality defects in the excavated material before.

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- 22: M/s Electropneumatics & Hydraulics (India) Pvt Ltd., Pune
F. No. HQRPRCAPPLY00007266AM24

Subject: Extension of EOP for 1 year i.e. 8+1 years in respect of EPCG Authorization No. 3130005306 dated 01.12.2010 under 3% duty EPCG Scheme.

In support of their request the firm has submitted that they have fulfilled 100% EO. However, they have utilized 2 shipping bills which are outside of the initial EO period.

Decision: The Committee deliberated upon the case and decided to **recommend to DG for relaxation under Para 2.59 of FTP, 2023** to allow Condonation of delay in approaching RA for EO extension for 1 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 following conditions: -

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

2. The payment of balance duties of Customs plus interest on unfulfilled EO since the EO period has already expired.

This has the approval of DG, DGFT.

<u>Case No- 23: Naini Tissues Ltd, Uttarakhand</u>
F. No. HQREPCGPRAPP00001933AM24

Subject: Request for EOP extension for 2 years up to 11.06.2021 in respect of EPCG Authorization No. 6130000389 dated 11.06.2013 under 0% Concessional Duty.

The firm has stated that due to lower demand of paper in export market during the year 2013-2018, they could not get export orders and hence could not complete EO.

2. The firm has also stated that due to COVID-19 pandemic, the company was not able to run the plant as even domestic demand of paper was reduced to 25% range since all schools/ colleges & offices were closed.

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/-.

This has the approval of DG, DGFT.

<u>Case No- 24: Sonamoti Agrotech Pvt Ltd, Bihar</u>
F. No. HQREPCGPRAPP00001769AM24

Subject: Request for 1st Block EOP extension in respect of EPCG Authorization No. 0230008544 dated 14.01.2013 under 03% Scheme.

The firm has stated that they could not be able to fulfill the export obligation of 50% of the total EO in the 1st block of 10 years due to unavoidable reasons.

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- 25: Carrier Wheels Private Limited, Delhi</u>
F. No. HQREPCGPRAPP00000198AM24

Subject: Condonation of procedure lapse of wrong mentioning of EPCG Authorization No. on Shipping Bills affecting the fulfillment of EO in respect of EPCG Authorization No. 0530156965 dated 17.11.2011 under 0% Concessional Duty.

The firm has stated that they have completed the EO within the original/extended EOP. However, while filing for EODC, they came to know that on some shipping bills, the EPCG Authorizations No. have been mentioned erroneously.

2. The firm has further stated that due to the clerical calculation mistake in the calculation of EO under 7 EPCG authorizations, excess exports have been made under some EPCG Authorizations while there was a shortfall under the subject EPCG Authorization. The firm has also stated that they had continued to mention the same incorrect EPCG Authorization on some Shipping bills even after the completion of EO, whereas these shipping bills had to be counted against the EO of another EPCG Authorization.

3. Further, the firm has stated that the export items on all the 7 EPCG Authorizations are the same and the same is also mentioned on the excess shipping bills/ARE of the subject EPCG Authorization. The firm has stated that there has been no double counting of export, there are no free shipping bills and there is no revenue loss to the Government as the EO has been completed.

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- 26: M/s Emars Mining & Construction Pvt Ltd., Kolkata
F. No. HQREPCGPRAPP00000552AM24

Subject: Condonation for procedure lapse of not mentioning EPCG authorization number and date on the shipping bills against the EPCG authorization No. 0230002456 dated 04.07.2007 under 05% Scheme.

In support of their request the firm submitted that :-

i. They have been issued the subject EPCG authorization for a duty saved value of Rs. 1985984.04 with an EO 8 times of the actual duty saved value in 8 years. Further, in terms of provisions of Para 5.09 of the FTP, if they fulfill 75% or more specific EO and 100% of Average EO in half or less than half of the original EOP specified, remaining export obligation shall be condoned and the authorization would be redeemed by the RA.
ii. They have actually utilized a Duty saved value of Rs. 2037360.00, and thereupon their required EO stands at USD 398505.62 (Rs. 16298880.00) and Average EO 198199325.66 required to be maintained ever year until the actual specific EO is fulfilled.
iii. They have actually exported for a realized FOB value of USD 359645.14 (Rs. 15900000.00) partially against shipping bill No. GP 280/10 dated 15.09.2010. They have fulfilled EO of USD 359647.14 (Rs. 15900000.00) which is more than the required EO (i.e. more than 75% of the required EO) within half of the original EOP.
iv. Unfortunately in respect of Shipping Bill No.280/10 dated 15.09.2010 to be considered against the subject EPCG authorization, there was a procedural lapse of not mentioning

EPCG Licence number and date on the shipping bill relating to exports effected for fulfillment of EO.

v. Since the export product being iron ore of different size and grade/Iron ore fines, the same did not attract any other benefit under the EXIM Policy/FTP like Duty free advance Authorization/DEPB/Drawback or under any other scheme, hence, they had not availed of any other Exim benefit against the said shipping bill. They being the manufacturers/miners, the product exported under the said shipping bill was manufactured by using the imported machinery under the respective 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- 27: Janambhumi Press Pvt. Ltd, Guwahati
F. No. HQRPRCAPPLY00002737AM23

Subject: Request for Amendment in EPCG License i.e. Change in the HSN Code to 48237090 instead of 49011010 for fulfilling EO in respect of EPCG Authorization No. 1430000088 dated 28.06.2016 under 0% Concessional Duty.

The firm has stated that they received subject EPCG license for import of 1 set of Komori Brand four (4) color offset press wherein the import of machinery got completed and they got the duty benefit of Rs. 82,79,939 under HSN code 84431300.

2. The firm further stated that at the time of filing EPCG license they had given their export product under ITCHS code 49011010 "printed material" but when their export material was ready their CHA suggested them for a different HSN code referred 48237090 "branded & decorative memo box with printed writing slips (articles) made from fine paper fiber extract". The firm stated that the material is produced from same machinery which had been imported against the subject EPCG license.

Decision: The Committee deliberated upon the case and noted that the RA, Guwahati has already amended on 19.01.2023 the EPCG Authorization No. 1430000088 dated 28.06.2016 issued to Janambhumi Press Pvt. Ltd. Accordingly, it was decided to treat the request as **withdrawn**.

Case No- 28: Apex Auto Ltd., Jamshedpur
F. No. HQREPCGPRAPP00000635AM23

Subject: Request for extension of EOP for two years i.e. upto 31.03.2022 beyond 6+2 years in respect of EPCG authorization No. 2130000137 dated 24.01.2012 under 0% Concessional duty -reg.

As per ANF-2D Form, the firm has stated that the EOP was extended by RA Patna without specifying the extension period or the beginning and end of the block year, so they assumed the extension for the first block year. However, they later found that the fee has been charged on the full reduction value for both the block periods. They have applied for extension of 2^{nd} block period and their application has been rejected by RA, Kolkata due to delay in submission of application. The delay was only due to Covid. They have completed the EO by March 2022. Hence the firm has requested for extension of EOP in order to complete EODC.

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

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

The submission of the firm is as under :-

i. BHEL, Tiruchirappalli is a manufacturer of steam generators (boilers) and auxiliaries (boiler drums, separator vessels etc.), which are key components of thermal/nuclear power plants. As a part of augmentation of facilities under 20000 MW modernization plan in anticipation of increased power and industrial segment orders, BHEL had obtained above mentioned EPCG authorization from RA, Chennai.
ii. As per DGFT Notification No. 107 (RE-2010)/2009-2014 dated 21.03.2013 supply to non-mega power projects shall not be entitled to any deemed export benefit. Deemed export benefits were withdrawn for all power projects other than the listed 112 mega power projects, so that the EO could not be achieved through normal power projects.
iii. Over the last six years, they received 20 nos. export orders in Non-DEEC category and 7 nos. export orders fell into the DEEC category, of which 6 nos. export orders were secured during AM-14 and 01 no. were placed during AM-16 period.
iv. Most of the orders, which have been secured by them during the period between AM-13 and AM-19, fall under the non-DEEC category (20 Nos). They are executing / completing multiple orders since AM 17 with a total Power Capacity of 22145 MW. However, these orders do not fall under the category of "Physical Export / Deemed Export project". The reasons for decline in exports due decline in Thermal sector business, Re-categorization of Power projects, environmental factors & bankruptcy of customers. These factors resulted in the drastic decline in their overall export performance during the period AM- 13 to AM-19

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

Case No- 30: Bharat Heavy Electricals Limited (BHEL), Tiruchirappalli
F. No. HQREPCGPRAPP00000685AM23

Subject: Request for re-fixation of AEO as Rs. 83,15,00,000.00 in respect of 3 EPCG Authorizations-reg.

The submission of the firm is as under :-

i. BHEL, Tiruchirappalli is a manufacturer of steam generators (boilers) and auxiliaries (boiler drums, separator vessels etc.), which are key components of thermal/nuclear power plants.
ii. As per para 5.04 (e) Export shall be physical export. However, supplies as specified in paragraph 7.02 (a), (b), (e), (f) & (h) of FTP shall also be counted towards fulfilment of export obligation, along with usual benefits available under paragraph 7.03 of FTP.
iii. AEO to be maintained by them during filling of the EPCG authorization application was inflated due to inadvertent clubbing of deemed export portion with physical exports.
iv. CA certificate has been submitted as per Appendix-5B (Period AM-13, 14 & AM-15) for revision of AEO.

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

<u>Case No- 31: M/s Emars Mining & Construction Pvt Ltd., Kolkata</u>
F. No. HQREPCGPRAPP00000553AM24

Subject: Condonation for procedure lapse of not mentioning EPCG authorization number and date on the shipping bills against the EPCG authorization No. 0230003998 dated 02.02.2009 under 03% Scheme.

In support of their request the firm submitted that :-

i. They have been issued the subject EPCG authorization for a duty saved value of Rs. 3509156.07 with an EO 8 times of the actual duty saved value in 08 years. Further, in terms of provisions of Para 5.09 of the FTP, if they fulfill 75% or more specific export obligation and 100% of Average EO in half or less than half of the original EOP specified, remaining EO shall be condoned and the authorization would be redeemed by the RA.
ii. In their case, they have actually utilized a Duty saved value of Rs. 3291654.00, and thereupon their required EO stands at USD 546332.61(Rs. 26333232.00) and average EO of Rs. 713600378.32 required to be maintained ever year until the actual specific EO fulfilled. They have actually exported for a realized FOB value of USD 635602.80 (Rs. 28100000.00) partially against shipping bill No. GP 280/10 dated 15.09.2010.
iii. They have fulfilled EO of USD 635602.80 (Rs. 28100000.00) which is more than the required EO against the subject EPCG authorization within half of the original EOP. Unfortunately in respect of Shipping Bill No.280/10 dated 15.09.2010 to be considered against the subject EPCG authorization, there was a procedural lapse of not mentioning EPCG Licence number and date on the shipping bill relating to exports effected for fulfillment of EO.
iv. Since the export product being iron ore of different size and grade/Iron ore fines, the same did not attract any other benefit under the EXIM Policy/FTP like Duty free advance Authorization/DEPB/Drawback or under any other scheme, hence, they had not availed of any other exim benefit against the said shipping bill. They being the manufacturers/miners, the product exported under the said shipping bill was manufactured by using the imported machinery under the respective EPCG authorization

D**ecision:** 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- 32: Anmol Feeds Pvt. Ltd., West Bengal
F. No. HQREPCGPRAPP00000509AM23

i. **Request for endorsement of new address for installment of CGs against above EPCG Authorization.**
ii. **Request for condonation for late submission of Installation certificate against above EPCG Authorization.**

In respect of EPCG Authorization No. 0230011593 dated 03.08.2016 under 0% Concessional duty.

The firm has stated that all the imported CGs were supposed to be installed at their factory at Jalan Industrial Complex Gate No. 1, Biprannapara, Junglepur, Bombay Road Domajur, West Bengal and accordingly EPCG licence application filed and license also issued by RA, Kolkata with the said factory address. But due to space constraint in Jalan Industrial Complex Gate No. 1, Biprannapara, Junglepur, Bombay Road Domajur, the imported item were installed at "Panchla, Ganesh Complex, Village Raghudevpur Uluberia, West Bengal -711322" in his second unit.

2. In respect of 2nd request, the firm has stated that due to unavoidable reason they were unable to submit Original Installation Certificate along with Amendment application to RA, Kolkata within time period against EPCG License. As per Installation certificate issued by Chartered Engineer on 29.05.2017, CGs were imported on 02.09.2016 & 23.11.2016 and installed at the premises on 15.05.2017

Decision:

In respect of 1st request: The Committee decided **to recommend to DG for relaxation under Para 2.59 of FTP 2023** to grant ex-post facto approval regarding installation of the Capital goods at "Panchla, Ganesh Complex, Village Raghudevpur Uluberia, West Bengal -711322", subject to the condition that the address is mentioned in the IEC and RCMC.

The decision is also subject to the condition that Installation Certificate has been submitted to the RA and payment of composition fee of Rs. 10,000/-. Further, RA to verify that no ECA/DRI/ Customs action has been initiated against the party.

This has the approval of DGFT.

In respect of 2nd request:

The Committee noted that Public Notice No. 22 dated 13.07.2023 was issued under which Regional Authorities could accept installation certificate under EPCG Scheme beyond the prescribed time limit for regularization purposes. The PN was published on the website of

DGFT. The applicant should have approached the concerned RA within the time limit prescribed in the PN.

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- 33: Anmol Feeds Pvt. Ltd., Kolkata</u>
F. No. HQREPCGPRAPP00000473AM23

Subject:

i. **Request for endorsement of new address for installment of CGs against above EPCG Authorization.**
ii. **Request for condonation for late submission of Installation certificate against above EPCG Authorization.**

In respect of EPCG Authorization No. 0230010643 dated 10.09.2015 under 0% Concessional Duty.

The firm has stated that all the imported CGs were supposed to be installed at their factory at Bela Industrial Area, Muzaffarpur, Bihar Pin-843116 & Jalan Industrial Complex Gate No. 1, Biprannapara, Junglepur, Bombay Road Domajur, West Bengal Pin-711411 (as per condition sheet) and accordingly EPCG licence application filed and license also issued by RA, Kolkata with the said factory address. Since the land was acquired under the address at “Panchla, Ganesh Complex, village Raghudevpur, P.O. Raghudevpur Uluberia, West Bengal -711322” and factory was under construction. But after that the imported item of the same licence has been installed at “Panchla, Ganesh Complex, Village Raghudevpur, P.O.Raghudevpur Uluberia, West Bengal Pin-711322”. But after that the imported CGs under EPCG Authorization No. 0230010643 dated 10.09.2015 has been installed at “Panchla, Ganesh Complex, Village Raghudevpur, P.O.Raghudevpur Uluberia, West Bengal Pin-711322”.

2. In respect of 2nd request, the firm has stated that due to unavoidable reason they were unable to submit original Installation Certificate along with Amendment application to RA, Kolkata within time period against EPCG License. As per Installation certificate issued by Chartered Engineer on 22.12.2015, CG was imported on 29.10.2015 and installed at the premises on 08.12.2015.

Decision:

In respect of 1st request: The Committee decided **to recommend to DG for relaxation under Para 2.59 of FTP 2023** to grant ex-post facto approval regarding installation of the Capital goods at "Panchla, Ganesh Complex, Village Raghudevpur Uluberia, West Bengal -711322", subject to the condition that the address is mentioned in the IEC and RCMC.

The decision is also subject to the condition that Installation Certificate has been submitted to the RA and payment of composition fee of Rs. 10,000/- to RA. Further, RA to verify that no ECA/DRI/ Customs action has been initiated against the party.

In respect of 2nd request:

The Committee noted that Public Notice No. 22 dated 13.07.2023 was issued under which Regional Authorities could accept installation certificate under EPCG Scheme beyond the prescribed time limit for regularization purposes. The PN was published on the website of DGFT. The applicant should have approached the concerned RA within the time limit prescribed in the PN.

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- 34: B-One Business House Pvt. Ltd., Bhubaneswar
F. No. HQREPCGPRAPP00000505AM23

Subject: Request for condonation for late submission of Installation certificate against EPCG Authorization No. 0230014363 dated 09.04.2020 under 0% Concessional duty - reg.

The firm has stated that they were unable to submit the installation certificate on time due to the COVID-19. The firm has also stated that they have stated that they have fulfilled the EO The firm has further stated that they submitted installation certificate to RA, Kolkata beyond the stipulated period. Hence, they are unable to submit the closure of EPCG.

2. As per Installation certificate issued by Chartered Engineer on 28.08.2021, the CGs were imported on 09.05.2020 & 19.05.2020, and installed on 06.07.2020.

Decision: The Committee noted that Public Notice No. 22 dated 13.07.2023 was issued under which Regional Authorities could accept installation certificate under EPCG Scheme beyond the prescribed time limit for regularization purposes. The PN was published on the website of DGFT. The applicant should have approached the concerned RA within the time limit prescribed in the PN.

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- 35: B-One Business House Pvt. Ltd., Bhubaneswar
F. No. HQREPCGPRAPP00000507AM23

Subject: Request for condonation for late submission of Installation certificate against EPCG Authorization No. 0230014363 dated 09.04.2020 under 0% Concessional duty - reg.

The firm has stated that they were unable to submit the installation certificate on time due to the COVID-19. The firm has also stated that they have stated that they have fulfilled the E.O. The firm has further stated that they submitted installation certificate to RA, Kolkata beyond the stipulated period. Hence, they are unable to submit the closure of EPCG.

2. As per Installation certificate issued by Chartered Engineer on 02.12.2021, the CGs were imported on 12.03.2020, and installed on 28.04.2020.

Decision: The Committee noted that Public Notice No. 22 dated 13.07.2023 was issued under which Regional Authorities could accept installation certificate under EPCG Scheme beyond the prescribed time limit for regularization purposes. The PN was published on the website of DGFT. The applicant should have approached the concerned RA within the time limit prescribed in the PN.

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- 36: Akums Drugs & Pharmaceuticals Ltd., New Delhi
F. No. HQREPCGPRAPP00000596AM23

Subject: Request for re-fixation of AEO as nil against EPCG Authorization No. 0530167060 dated 26.02.2016 under 0% Concessional duty-reg.

The firm has stated that at the time of filing of application, they submitted the CA certificate of preceding 3 years FOB value export without excluding the specific EO of other EPCG Authorization obtained earlier from CLA, New Delhi. Accordingly the AEO was imposed against above EPCG authorization.

2. Therefore, the firm has requested for re-fixation of AEO on the basis of revised CA Certificate.

3. The firm has further stated that they have completed EO for the above EPCG Authorizations and filed EODC application with the request for re-fixation of AEO to CLA, New Delhi. CLA, New Delhi directed them to approach EPCG Committee for re-fixation of AEO.

Decision: The Committee deliberated upon the case and decided to **remand** the case back to RA for re-fixation of annual Average export obligation. RA may examine and decide the case as per policy on merit.

Case No- 37: Akums Drugs & Pharmaceuticals Ltd., New Delhi
F. No. HQREPCGPRAPP00000585AM23

Subject: Request for re-fixation of AEO as nil against EPCG Authorization No. 0530165175 dated 17.06.2015 under 0% Concessional duty-reg.

The firm has stated that at the time of filing of application, they submitted the C.A. certificate of preceding 3 years FOB value export without excluding the specific EO of other EPCG Authorization obtained earlier from CLA, New Delhi. Accordingly the AEO was imposed against above EPCG authorization.

2. Therefore, the firm has requested for re-fixation of AEO on the basis of revised CA Certificate.

3. The firm has further stated that they have completed EO for the above EPCG Authorizations and filed EODC application with the request for re-fixation of AEO to CLA, New Delhi. CLA, New Delhi directed them to approach EPCG Committee.

Decision: The Committee deliberated upon the case and decided to **remand** the case back to RA for re-fixation of annual Average export obligation. RA may examine and decide the case as per policy on merit.

Case No- 38: Akums Drugs & Pharmaceuticals Ltd., New Delhi
F. No. HQREPCGPRAPP00000594AM23

Subject: Request for re-fixation of AEO as nil against EPCG Authorization No. 0530166847 dated 28.01.2016 under 0% Concessional duty-reg.

The firm has stated that at the time of filing of application, they submitted the CA certificate of preceding 3 years FOB value export without excluding the specific EO of other EPCG Authorization obtained earlier from CLA, New Delhi. Accordingly the AEO was imposed against above EPCG authorization.

2. Therefore, the firm has requested for re-fixation of AEO on the basis of revised CA Certificate.

3. The firm has further stated that they have completed EO for the above EPCG Authorizations and filed EODC application with the request for re-fixation of AEO to CLA, New Delhi. CLA, New Delhi directed them to approach EPCG Committee.

Decision: The Committee deliberated upon the case and decided to **remand** the case back to RA for re-fixation of annual Average export obligation. RA may examine and decide the case as per policy on merit.

Case No- 39: Akums Drugs & Pharmaceuticals Ltd., New Delhi
F. No. HQREPCGPRAPP00000593AM23

Subject: Request for

i. Re-fixation of AEO as nil
ii. Condonation of wrong endorsement of EPCG Authorisation number on Shipping Bill

In respect of EPCG Authorization No. 0530166316 dated 18.11.2015 under 0% Concessional duty.

The firm has stated that at the time of filing of application, they submitted the C.A. certificate of preceding 3 years FOB value export without excluding the specific EO of other EPCG Authorization obtained earlier from CLA, New Delhi. Accordingly the AEO was imposed against above EPCG authorization.

2. Therefore, the firm has requested for re-fixation of AEO on the basis of revised CA Certificate.

3. The firm has further stated that they have completed EO for the above EPCG Authorizations and filed EODC application with the request for re-fixation of AEO to CLA, New Delhi. CLA, New Delhi directed them to approach EPCG Committee.

Decision: The Committee deliberated upon the case and decided to **remand** the case back to RA for re-fixation of annual Average export obligation. RA may examine and decide the case as per policy on merit.

Case No- 40: Akums Drugs & Pharmaceuticals Ltd., New Delhi
F. No. HQREPCGPRAPP00000586AM23

Subject: Request for:

i. **Re-fixation of AEO as nil**
ii. **Condonation of wrong endorsement of EPCG Authorisation Number on Shipping Bill**

In respect of EPCG Authorization No. 0530165752 dated 01.09.2015 under 0% Concessional duty.

The firm has stated that at the time of filing of application, they submitted the C.A. certificate of preceding 3 years FOB value export without excluding the specific EO of other EPCG Authorization obtained earlier from CLA, New Delhi. Accordingly the AEO was imposed against above EPCG authorization.

2. Therefore, the firm has requested for re-fixation of AEO on the basis of revised CA Certificate.

3. The firm has further stated that they have completed EO for the above EPCG Authorizations and filed EODC application with the request for re-fixation of AEO to CLA, New Delhi. CLA, New Delhi directed them to approach EPCG Committee.

Decision: The Committee deliberated upon the case and decided to **remand** the case back to RA for re-fixation of annual Average export obligation. RA may examine and decide the case as per policy on merit.

Case No- 41: Akums Drugs & Pharmaceuticals Ltd., New Delhi
F. No. HQREPCGPRAPP00000595AM23

Subject: Request for:

i. **Re-fixation of AEO as nil**
ii. **Condonation of wrong endorsement of EPCG Authorisation Number on Shipping Bill**

In respect of EPCG Authorization No. 0530166961 dated 12.02.2016 under 0% Concessional duty.

The firm has stated that at the time of filing of application, they submitted the C.A. certificate of preceding 3 years FOB value export without excluding the specific EO of other EPCG Authorization obtained earlier from CLA, New Delhi. Accordingly the AEO was imposed against above EPCG authorization.

2. Therefore, the firm has requested for re-fixation of AEO on the basis of revised CA Certificate.

3. The firm has further stated that they have completed EO for the above EPCG Authorizations and filed EODC application with the request for re-fixation of AEO to CLA, New Delhi. CLA, New Delhi directed them to approach EPCG Committee, DGFT (HQ) for re-fixation of AEO.

Decision: The Committee deliberated upon the case and observed that there is no relaxation required in this case. Committee decided to **remand** the case to RA to examine the matter and take action as per policy provisions.

Case No- 42: Akums Drugs & Pharmaceuticals Ltd., New Delhi
F. No. HQREPCGPRAPP00000591AM23

Subject: Request for re-fixation of AEO as nil against EPCG Authorization No. 0530165937 dated 24.09.2015 under 0% Concessional duty-reg.

The firm has stated that at the time of filing of application, they submitted the C.A. certificate of preceding 3 years FOB value export without excluding the specific EO of other EPCG Authorization obtained earlier from CLA, New Delhi. Accordingly the AEO was imposed against above EPCG authorization.

2. Therefore, the firm has requested for re-fixation of AEO on the basis of revised CA Certificate.

3. The firm has further stated that they have completed EO for the above EPCG Authorizations and filed EODC application with the request for re-fixation of AEO to CLA, New Delhi. CLA, New Delhi directed them to approach EPCG Committee, DGFT (HQ) for re-fixation of AEO.

Decision: The Committee deliberated upon the case and decided to **remand** the case back to RA for re-fixation of annual Average export obligation. RA may examine and decide the case as per policy on merit.

Case No- 43: Akums Drugs & Pharmaceuticals Ltd., New Delhi
F. No. HQREPCGPRAPP00000584AM23

Subject: Request for re-fixation of AEO as nil against EPCG Authorization No. 0530165167 dated 16.06.2015 under 0% Concessional duty-reg.

The firm has stated that at the time of filing of application, they submitted the C.A. certificate of preceding 3 years FOB value export without excluding the specific EO of other EPCG Authorization obtained earlier from CLA, New Delhi. Accordingly the AEO was imposed against above EPCG authorization.

2. Therefore, the firm has requested for re-fixation of AEO on the basis of revised CA Certificate.

3. The firm has further stated that they have completed EO for the above EPCG Authorizations and filed EODC application with the request for re-fixation of AEO to CLA, New Delhi. CLA, New Delhi directed them to approach EPCG Committee.

Decision: The Committee deliberated upon the case and decided to **remand** the case back to RA for re-fixation of annual Average export obligation. RA may examine and decide the case as per policy on merit.

Case No- 44: Akums Drugs & Pharmaceuticals Ltd., New Delhi
F. No. HQREPCGPRAPP00000590AM23

Subject: Request for re-fixation of AEO as nil against EPCG Authorization No. 0530165936 dated 24.09.2015 under 0% Concessional duty-reg.

The firm has stated that at the time of filing of application, they submitted the C.A. certificate of preceding 3 years FOB value export without excluding the specific EO of other EPCG Authorization obtained earlier from CLA, New Delhi. Accordingly the AEO was imposed against above EPCG authorization.

2. Therefore, the firm has requested for re-fixation of AEO on the basis of revised CA Certificate.

3. The firm has further stated that they have completed EO for the above EPCG Authorizations and filed EODC application with the request for re-fixation of AEO to CLA, New Delhi. CLA, New Delhi directed them to approach EPCG Committee, DGFT (HQ) for re-fixation of AEO.

Decision: The Committee deliberated upon the case and decided to **remand** the case back to RA for re-fixation of annual Average export obligation. RA may examine and decide the case as per policy on merit.

Case No- 45: Jindal Drugs Private Limited, Mumbai
F. No. HQREPCGPRAPP00000199AM24

Subject: Request for Condonation of delay in submission of Installation Certificate issued by Central Excise in respect of EPCG Authorization No. 0330027478 dated 12.10.2010 under 03% Concessional Duty.

1. The firm has stated that they have fulfilled the EO and satisfied all the conditions with respect to the subject EPCG Authorization. However, while applying for EODC with RA, Mumbai, they realized that there was delay in the installation of the imported item, which needs to be regularized.
2. The firm has also stated that the installation of plant & machinery imported took longer than 6 months, but was completed within 3 years of the date of import. This was due to the project being a green-field project with the requirement of having advance planning and procurement which led to many roadblocks and teething issues.

3. Further, the firm has stated that although there was delay in installation, but they had fulfilled the EO within only 1 year of the final installation. The firm also exceeded the past 4 year average of exports, after the commencement of production at the new factory.
4. The firm has stated that they had submitted the IC to RA, Mumbai on 02.06.2023 and there was a total delay of 12 years, 1 month and 13 days in the submission of IC to RA.
5. As per Installation Certificate issued by Office of the Superintendent of Central Excise, Raigad dated 25.03.2013 enclosed by the firm, the date of installation of CGs is 20.03.2013 under BOE No. 908653 dated 20.10.2010.

Decision: The Committee noted that Public Notice No. 22 dated 13.07.2023 was issued under which Regional Authorities could accept installation certificate under EPCG Scheme beyond the prescribed time limit for regularization purposes. The PN was published on the website of DGFT. The applicant should have approached the concerned RA within the time limit prescribed in the PN.

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- 46: Atharva Poly-plast Pvt Limited, Pune
F. No. HQRPRCAPPLY00003252AM24

Subject: Request for Condonation of 1st Block EOP in respect of EPCG Authorization No.3130008553 dated 23.03.2015 under Zero duty EPCG Scheme.

In support of their request the firm has submitted that :

i. They got DL from RA, Pune that request for extension of 1st block of EOP and EO Period is not made within time period as per Para 5.8.3 and 5.11 of HBP and requested to approach DGFT(HQ).
ii. They had completed 26% EO in the 1st block and had paid composition fees of Rs. 2, 19,000/- for consideration of late application for block and EOP extension as per DGFT PN No. 03 dated 13.04.2022.
iii. Further, many of the export business projections during the License period did not materialize due to various factors linked to slow growth of OEM's business in Indian Market.
iv. They have availed EPCG Authorization in March, 2015, but not fulfill block wise EO due to slack in demand in international market for their product and then Covid 19. Now they have export order in hand from their overseas clients.

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/-. RA to verify that no ECA/DRI/Customs action is pending.

This has the approval of DG, DGFT.

<u>Case No- 47: Lakshya Hotels and Resorts Private Limited, Delhi</u>
F. No. HQRPRCAPPLY00007214AM24

Subject: Request for waiver of fulfillment of EO and Custom Duty + Interest against EPCG Authorization No. 0530149715 dated 25.08.2009 under 3% duty EPCG Scheme.

In support of their request the firm has submitted that :

i. They are registered with Department of Tourism as a Service Provider for Tourism, Rental/Leasing Services, Hotel Restaurant (including catering) and with FIEO. They have established a hotel in Uttarakhand near Singh-Dwar, Delhi Road, Haridwar-264049 to facilitate the tourists with their services so that they may earn foreign exchange from the tourists, especially coming from abroad.
ii. They have obtained subject EPCG authorization for duty saved value of Rs. 19,95,851.00 subject to the condition that they shall fulfill the EO by earning free foreign exchange with tourism services, amounting to US$ 3,33,336.30 (Rs. 1,59,66810.00) i.e. equal to 8 times of Duty saved value of Rs. 19,95,851.00 within 8 years from the date of issue of EPCG authorization. They have utilized the EPCG authorization and got clearance of consignments as per utilization Certificate issued by Custom authority.
iii. All the imported goods were installed in the hotel and according to Para 5.3.2 of HBP, 2004-09, they have obtained an installation Certificate from independent Chartered Engineer, confirming installation of movable and immovable capital goods at the premises of the hotel.
iv. In June 2013, a disastrous calamity (cloudburst) occurred in the state of Uttarakhand caused devastating floods and landslides. Due to natural disaster at Uttarakhand travel and tourism business was adversely affected.
v. They are a new entrepreneur as service provider for travel & tourism industry and availed first time facilities of EPCG authorization. Due to natural disaster, they were not in a position to fulfill the export obligation within prescribed time. They were in the impression that as soon as situation would be normal in Uttarakhand, foreigners would also come as Tourists. Further in 2016 and 2018, due to heavy rain in the state, the negative impact on visitors continued to persist and foreigners travel declined in Uttarakhand.
vi. The nationwide lockdown imposed in March, 2020 in the wake of the COVID 19 pandemic has had a devastating impact on Uttarakhand Tourism business. Governments across the world have sealed international borders, there was a suspension of all international and domestic flights.
vii. They had already submitted their application through Amnesty Scheme announced by the Government but they would like to withdraw the application from amnesty Scheme, as due to heavy financial losses after the disaster and after Covid-19 they do not have the funds to make the payment towards duty plus interest.

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

<u>Case No- 48: Real Link Engineering India Private Limited, Coimbatore</u>

F. No. HQREPCGPRAPP00000602AM24

Subject: Request to consider export made by their customer to fulfill the EO in respect of EPCG Authorization No. 3230021250 dated 28.10.2014 under Zero duty EPCG Scheme.

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

1. They are in the business field for more than 25 years and earlier they were exclusively only in trading business. While they entered into manufacturing activity, there was good demand for valves and other accessories from Oil and Gas industry but due to their misfortune all of a sudden there was a dip in the Oil prices in international market. All their customers shelved their expansion plans and substantially reduced their production level to cut their overhead expenses.
2. As they were planning to recover from that crisis, there came yet another huge tragedy in the form of COVID 19 Pandemic and added to the losses, amounting to more than Rs. 30.00 Cr and their establishment could not function for last 2 years due to those two big external uncontrollable reasons.
3. Now due to their terrible situation they are unable to pay the export benefit compensation amount to DGFT. They had approached RA Coimbatore and explained their situation but they denied supporting in this regard.
4. However, they have directly exported materials worth USD 8330.00 and Euro 3496.00, because of huge losses and total mesh up they could not involve in the management, their staff did not mention their EPCG license number in these export invoices.
5. Further, they are doing business with M/s GTN Engineering India Private Limited for the past 15 years and have purchased material valued Rs. 17.45 Lakhs in 2014-15 (100% EOU), Rs. 1.56 Cr in 2017-18, Rs. 5.29 Cr. In 2018-19, Rs. 3.16 Cr. In 2019-20, Rs. 10.43 Lakhs in 2021-22 and Rs. 4.96 Lakhs in 2022-23 and the same material were exported to FMC Singapore and Austria.
6. Against their EPCG fulfillment of Rs. 1.26 Cr, their customer M/s GTN Engineering India Private Limited we have supplied more than Rs. 10.43 Cr also understanding their critical situation customer are ready to give no objection undertaking letter. Their EOP is expiring on 31.12.2023.

Decision: The Committee deliberated upon the case and decided to **defer** the case with a direction to call for a report from RA concerned in the matter.

Case No- 49: Naini Tissues Ltd, Uttarakhand
F. No. HQREPCGPRAPP00001932AM24

Subject: Request for EOP extension for 2 years up to 10.06.2021 in respect of EPCG Authorization No. 6130000388 dated 10.06.2013 under 0% Concessional Duty.

The firm has stated that due to lower demand of paper in export market during the year 2013-2018, they could not get export orders and hence could not complete EO. The firm has also stated that due to COVID-19 pandemic, the company was not able to run the plant as even domestic demand of paper was reduced to 25% since all schools/ colleges & offices were closed.

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 20.1.2023 where extension is permitted on account of COVID.

Case No. 50: Dazzler Confectionery Company Private Limited, Mumbai
F. No. HQRPRCAPPLY00006013AM24

Subject: Request for Second EOP Extension for 1 year from 01.01.2024 up to 31.12.2024 i.e. beyond 13 years in respect of EPCG Authorization No. 0330027844 dated 19.11.2010 under 03% Concessional Duty.

The firm has stated that they had signed tri-party agreement for the sublease of a plot in the Goa Industrial Development Corp. (GIDC) Verna Industrial Estate. Their tenant had a lease with the GIDC for that plot and built a logistical shed, bare of any utilities which signed a sublease for 3 years. The firm Imported machines which were installed on 01.11.2010 and first export was made by them on 31.12.2012.

2. The firm further stated that the MOU for renewal of Verna leased premises was due on 15.01.2013. They had asked for installation of High Tension (HT) electrical connection as they were running on rented Diesel Generator (DG) when in production with the added cost that incurs in product cost. At this time the GIDC was reviewing its internal by-laws and they were unable to sign a renewal of our tripartite agreement on 25.03.2015. The firm again requested HT connection but the same was granted to tenant of balance plot area and not the firm, with the added cost that incurs in product cost. The firm also stated that they filed a police complaint on 20.11.2015 against the landlord of Verna for closing the shed, the legal battle continued till 16.11.2017.

Decision: The Committee deliberated upon the case and decided to **recommend to DG for relaxation under Para 2.59 of FTP, 2023** to allow Condonation for delay in approaching RA for second extension in EOP for 1 year (13^{th} year to 14^{th} year) with a condition that 50% of duty payable in proportion to the unfulfilled EO is paid by the authorization holder to custom authorities in terms of provisions contained in Para 5.11 of HBP 2009-14. The above relaxation is also subjected to the condition that the proper installation certificate has been submitted within time limits as specified in FTP/HBP.

This has the approval of DG, DGFT.

The Committee further deliberated upon the case and decided to advise the firm to approach RA for extension of Export Obligation Period in terms of Public Notice No. 53 dated 20.01.2023 where extension is permitted on account of COVID.

Case No- 51: M/S V Exports, Mumbai
F. No. HQRPRCAPPLY00003279AM24

Subject: Request for 1st Block Extension in respect of EPCG Authorization No. 0330040704 dated 14.01.2015 under 0% Concessional Duty.

The firm has stated that they are doing export and their annual export is nearly Rs. 40 crores. But all the shipping bills are free shipping bills and hence not considered towards Export obligation fulfillment.

2. The firm has further stated that they applied for Block Extension but request was not accepted. As per RA Mumbai DL letter dated 26.07.2023, the Authorization issued prior to 01.04.2015 are not covered under as per PN No. 3 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/-. RA to verify that no ECA/DRI/Customs action is pending.

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 in terms of Public Notice No. 53 dated 20.01.2023 where extension is permitted on account of COVID.

Case No- 52: Emerald Jewel Industry India Ltd., Coimbatore
F. No. HQRPRCAPPLY00007291AM24

Subject: Request for Re-fixation of Annual Average in respect of 44 EPCG Authorizations under Zero duty EPCG Scheme.

S. No.	Authorization No. & Date	S. No.	Authorization No. & Date
1.	3230022329 dated 28.05.2015	23.	3230025540 dated 03.03.2017
2.	3230022330 dated 28.05.2015	24.	3230025623 dated 21.03.2017

3.	**3230022538 dated 06.07.2015**	**25.**	**3230025713 dated 31.03.2017**
4.	**3230022619 dated 22.07.2015**	**26.**	**3230025736 dated 04.04.2017**
5.	**3230022627 dated 23.07.2015**	**27.**	**3230025897 dated 11.05.2017**
6.	**3230022751 dated 24.08.2015**	**28.**	**3230026033 dated 08.06.2017**
7.	**3230022817 dated 04.09.2015**	**29.**	**3230026064 dated 14.06.2017**
8.	**3230022903 dated 23.09.2015**	**30.**	**3230026191 dated 12.07.2017**
9.	**3230023009 dated 12.10.2015**	**31.**	**3230026235 dated 31.07.2017**
10.	**3230023200 dated 26.11.2015**	**32.**	**3230026301 dated 07.09.2017**
11.	**3230023466 dated 18.01.2016**	**33.**	**3230026315 dated 18.09.2017**
12.	**3230023709 dated 26.02.2016**	**34.**	**3230026341dated 04.10.2017**
13.	**3230023806 dated 16.03.2016**	**35.**	**3230026400 dated 03.11.2017**
14.	**3230024011 dated26.04.2016**	**36.**	**3230026530 dated 11.12.2017**
15.	**3230024090 dated 09.05.2016**	**37.**	**3230026768 dated 01.03.2018**
16.	**3230024385 dated 05.07.2016**	**38.**	**3230026815 dated 21.03.2018**
17.	**3230024510 dated 28.07.2016**	**39.**	**3230026847 dated 02.04.2018**
18.	**3230024746 dated 16.09.2016**	**40.**	**3230027008 dated 08.06.2018**
19.	**3230024860 dated 07.10.2016**	**41.**	**3230027180 dated 14.08.2018**
20.	**3230025072 dated 28.11.2016**	**42.**	**3230027379 dated 29.10.2018**
21.	**3230025273 dated 11.01.2017**	**43.**	**3230027462 dated 04.12.2018**
22.	**3230025430 dated 09.02.2017**	**44.**	**3230027804 dated 27.03.2019**

In support of their request the firm has submitted that :

i. They are one of the largest manufacturers of Gold jewellery in the whole of Asia having their manufacturing facilities in Coimbatore. In the year 2012, 2013 and 2014 gold prices were high, averaging $1448.87, in the year 2015 gold price came down to

$1160.85, which is less by $288.02 compared to earlier years, they were not able to achieve their annual average despite same volume of exports.

ii. In the year 2017, UAE government imposed import duty at 5% on import of jewellery and therefore Indian jewellery became uncompetitive due to which not only their export, but exports from the country in general came down. In the year 2018 UAE government introduced VAT on sales of jewellery which resulted in their price going further high comparing to other Asian countries, Dubai price was not attractive which resulted in their sales coming down.

iii. Covid started by the end of 2019 and as you might agree Covid adversely impacted the entire export trade and particularly the jewellery trade, which saw huge decline in overall exports during the entire Covid period up to 2022. The market was so badly impacted that it recovered only in the middle of 2023.

iv. Unigold, Singapore had a trade agreement with major whole sellers in Dubai which import duty exempted with Dubai Government impacted major setback of Indian exports. They do 85% of their export to Dubai. Their product purely depends on the metal, and it contributes 92.75% and remaining is the value addition which impacts their export business. In the year 2012, 2013 and 2014 gold prices were high, averaging $1448.87 but in 2015 gold price came down to $1160.85 which is less by $ 288.02 per troy ounce, their average sale volume remained the same but total export came down. They imported capital goods by paying 100% merit duty, for the period from 2020-21 till now.

Decision: The Committee deliberated upon the case and decided to **defer** the case to obtain comments of the Department of Revenue on the request of the firm.

Case No- 53: Chacha Impex, Mumbai
F. No. HQRPRCAPPLY00007276AM24

Subject: Request for 2 years EOP Extension up to 13.11.2024 i.e. beyond 8 years in respect of EPCG Authorization No. 3230021330 dated 13.11.2014 under 0% Concessional Duty.

In support of their request the firm has submitted that :

i. They had made few exports under the subject authorization however their exports were affected due to Covid-19 lockdown and later worldwide recession. They did not receive much order from overseas buyers during that period.

ii. Later when they started receiving orders, they had submitted documents for EO extension on 24.11.2022 to RA Mumbai. However, their staff was looking after this work in their office, left the office during that time without informing them anything about any DGFT related matter.

iii. While going through their old records they found that they had applied for EOP extension with RA Mumbai but as 2 years extension falls on 25.02.2023.

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 20.1.2023 where extension is permitted on account of COVID.

Case No- 54: Sree Kaderi Ambal Mills Private Limited, Tamil Nadu
F. No. HQRPRCAPPLY00001778AM24

Subject: Request for Second EOP Extension for 2 years i.e. beyond 8+2 years in respect of 2 EPCG Authorization Nos. 0430010124 dated 29.07.2011 and 0430010125 dated 29.07.2011 under 03% Concessional Duty.

The firm has submitted the following :

i. As per License Amendment Sheet, EOP for both the licenses have been changed from 8 years to 10 years. The firm has stated that they could not meet the EO fulfilled due to slowdown of exports business since the year 2018.
ii. The firm also stated that their licenses were extended for 2 more years. However due to Covid-19 pandemic in the year 2020 and 2021, their business was heavily impacted which nullified the EOP extension. Further, the firm has stated that since the year 2022, their business has been slightly gearing up, and hence they are applying for further EOP extension of 2 years.
iii. The firm has further stated that they supply most of the yarn to 3rd party exports for export and they have all the documents as proof. However, they could not endorse the supply in the shipping bills under third-party as the EPCG Authorization No. 0430010124 dated 29.07.2011 was put in DEL for non-fulfilment of EO. They have preferred an appeal for the said EPCG Authorization, which is pending for decision.

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 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/- per authorisation. 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.

Case No- 55: Maheshwari Wires Pvt Ltd, Meerut
F. No. HQRPRCAPPLY00006415AM24

Subject: Request to Allow Condonation of delay in submission and acceptance of Installation Certificate issued by Chartered Engineer instead of Central Excise in respect of EPCG Authorization No.0530164017dated 19.12.2014 under Zero duty EPCG Scheme.

In support of their request the firm has submitted that :

i. They have already submitted the Installation Certificate to CLA on 10.08.2023 along with late fee payment.
ii. They had intimated the Excise Department about the completion of installation of the imported CG at the premises vide letter 21.02.2015, but no inspection was done by them.

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

Case No- 56: Meghna Darshan Ghodawat, Kolhapur
F. No. HQRPRCAPPLY00007842AM24

Subject: Request for 1st Block Extension in respect of EPCG Authorization No. 3130008259 dated 20.10.2014 under 0% Concessional duty.

The firm has stated that they have received extension of EOP for 2 years i.e. from 6 years to 8 years considered under 2nd EPCG Committee Meeting of AM-24 held on 30.05.2023.

2. The firm further stated that after receiving the said extension, they submitted a redemption application to RA, Pune vide letter dated 20.07.2023. However, they were informed that they have not been granted 1st block EOP extension as their request has not been made within 3 months and they were asked to approach DGFT Hqrs..

3. The firm has therefore, requested for 1st block EOP Extension, the justification of which is as under :

i. They had submitted a letter dated 28.09.2018 wherein they had mentioned in para 3 that they have not made any exports in the first block due to technical reasons
ii. Another letter dated 20.07.2023, wherein they have stated that they could not apply within 3 months and they have paid a penalty of Rs. 5000
iii. They have also paid a penalty of Rs. 10,000 and composition fee of 1st block and 2nd block with value of Rs. 13,128.74, along with a composition fees for 2nd block EOP extension of Rs. 52,514.96

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/-. RA to verify that no ECA/DRI/Customs action is pending.

This has the approval of the DG, DGFT.

Case No- 57: Baldev Textile Mills Private Limited, Maharashtra
F. No. HQRPRCAPPLY00007846AM24

Subject: Request for

i. **1st Block Extension**
ii. **Extension of 2 Years as per PN 35 & PN 36 Dtd. 25.10.2017 amended PN 01/2015-20 dated 07.04.2020. as per Para 5.11 of HBP**

In respect of EPCG Authorisation No. 3130009395 dated 31.12.2014.

The firm has stated that they have not fulfilled the Specific EO in the 1st block and 2nd block against the subject license. However, they have fulfilled the EO beyond the period of 6 years but with extension of 2 years. Hence, to cover the said export, they are submitting the application as per PN 35 & PN 36 dated 25.10.2017 amended PN 01/2015-20 dated 07.04.2020.

2. The firm has further states that the EOP extension for 2 years, they have requested as per para 5.11 of HBP i.e. Enhancement in EO imposed to the extent of 20% of total export obligation imposed under the authorization.

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 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/-. RA to verify that no ECA/DRI/Customs action is pending.

This has the approval of the DG, DGFT.

In respect of 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 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- 58: MWN Press, Chennai
F. No. HQRPRCAPPLY00003641AM23

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

M/s. MWN Press, Chennai vide letter dated 07.10.2020 (F. No. 01/36/218/93/AM21/EPCG), requested for extension of EOP for further two years i.e. beyond 6+2 years in respect of EPCG Authorization No. 0430011019 dated 23.03.2012. The firm stated that they were unable to export the product in stipulated time/ extended period due to cancellation of order by their customer. The request of the firm was considered in the 7th Meeting of AM-21 of the EPCG Committee held on 14.01.2021 and it was decided as under :-

> *"The party seeks extension for 2 years against the subject EPCG authorization issued under the Zero duty EPCG Scheme. The Committee noted that even after more than eight years of obtaining subject EPCG authorization the party has not been able to*

fullfill the Export Obligation. The Committee deliberated upon the case and decided to reject it as there is no merit in the request."

2. Later, M/s. MWN Press, Chennai forwarded a copy of direction in the W.P. No. 4102 of 2022 and WMP No. 4234 of 2022 filed before the Hon'ble High Court, Madras. Hon'ble High Court vide Interim Order dated 24.02.2022 directed as under :

" Writ Petition under article 226 of the Constitution of India praying that in these circumstances stated therein and in the affidavit filed therewith the High Court will be pleased to issue a WRIT OF MANDAMUS or any other appropriate writ, order or direction in the nature of writ of mandamus directing the 1st and 2nd respondents herein to accept and grant Extension of Export Obligation period for 2 years made vide request application reference No.MWN/2021/EPCG, dated 05.10.2020 for complying the conditions of EPCG Authorization No. 0430011019, dated 23.03.2012, which is pending disposal till date. (in WP. No. 4102 of 2022) and;

(ii) To pass an INTERIM INJUCTION restraining the 2nd and 4th respondents herein or his men from proceeding all further actions including passing any final order pursuant to the notice dated 07.01.2022 vide F. No. 04/21/021/01287/AM129IEC 0492007136), and from taking coercive measures/precipitative actions for non-fulfilment of Export obligation under EPCG Authorization No. 0430011019, dated 23.03.2012 (in WMP. No. 4234 of 2022) pending disposal of the above WP. No. 4102 of 2022.

Order: This petition and miscellaneous petition coming on this day for hearing upon perusing the petition and the affidavit filed in support thereof and upon hearing the arguments of M/s. A.K. JAYARAJ, Advocate for the petitioner in both the petitions and of MR. J. MADANA GOPAL ROA, SPECIAL PANEL COUNSEL on behalf of the Respondents in both the petitions, the court made the following order:-

Mr. J. Madana Gopal Rao, learned special Panel Counsel accepts notice for respondents and seeks some time to obtain instructions and to file counter.

2. The pendency of this Writ Petition will not stand in the way of the respondents considering the application filed by the petitioner as early as on 05.10.2020 after hearing the petitioner and in a manner known to law.

3. List on 24.03.2022. Counter/written instructions by then with an advance copy served upon the petitioner."

3. The request of the firm was considered in the 14th Meeting of AM-22 of the EPCG Committee held on 30.03.2022 and decided as under :-

"... The Committee heard the submissions of the representative of the firm and noted that the extended EO period against the EPCG Authorization No. 0430011019 dated 23.03.2012 has expired on 22.03.2020. After due deliberation, the Committee decided that the applicant may approach RA for extension of EO period upto 31.12.2021 in accordance with DGFT PN No. 67 dated 31.03.2020 read with Notification No. 28 dated 23.09.2021."

4. The firm vide application dated 20.09.2022 has requested for extension of EOP from the date of endorsement as per the previous decision of the PRC against EPCG Authorization No. 0430011019 dated 23.03.2012 under 0% Concessional duty. In its application, the firm has

stated that the EPCG Committee had not taken any substantive decision except the direction to consider the EOP upto 31.12.2021 as per the PN and notification. The firm approached RA, Chennai as per decision of the Committee but the relief required by them cannot be granted as the EOP recommended is only upto 31.12.2021.

5. The firm has requested for extension of EOP for two more years as a measure of export promotion. The firm has also stated that they will withdraw the WP pending before the Hon'ble High Court Madras, namely, WP No. 4102 of 2022 and WMP No. 4234 of 2022 Order dated 24.02.2022.

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

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

7. The request was next examined by the EPCG Committee in its meeting held on 12.09.2023 and decided as under :-

"The request to be decided after grant of an opportunity of Personal hearing to the party. The case stands deferred."

8. The request was once again considered in the 5th EPCG Committee Meeting of AM-24 held on 27.09.2023 and the decision of which was as under :-

"The Committee went through the request made by the applicant and submissions of the representative of the firm in the PH. The Committee deliberated upon the case and decided to call for written submission with documents from the applicant. It was also decided that before taking a decision in the matter, comments of Department of Revenue may also be obtained. Accordingly, the case stands deferred."

Decision: The Committee deliberated upon the request of the firm that RA, Chennai maybe directed to give effect to the FTA arrangements for revising the EO w.r.t actual duty saved as per Customs Circular No. 69/2011 dated 29.07.2011. The firm has also requested that the export done so far under 19 Shipping Bills for a value of Rs. 7,65,62,887/- upto 30.11.2022 may kindly be taken for EO and to regularise their case.

The Committee decided to **remand** the case back to RA for consideration of the request of extension in EO period against the subject EPCG authorization for a period of 2 years from the date of endorsement for regularization purposes. Further, the EO may be revised keeping in view that duty exemption under Customs Notification No. 69/2011 dated 29.07.2011 and consequent Export obligation refixation is admissible subject to reassessment of the relevant bills of entry from the jurisdictional Customs House extending benefit of duty exemption under Customs Notification No. 69/2011 dated 29.07.2011 for the goods imported under EPCG authorisation.

Case No- 59: Ganesh Fishnets, Tamil Nadu
F. No. 01/36/218/53/AM-21/EPCG

Subject: Request for allow of four shipping bills (third party) count for EO fulfillment/Redemption purpose against EPCG Authorization no 3530002965 dated 06.11.2007.

M/s Ganesh Fishnets vide their application dated 26.02.2020 has requested to allow four shipping bills (third party) for counting for fulfillment of EO against EPCG Authorization no 3530002965 dated 06.11.2007.

2. The firm has stated that they had obtained above said EPCG Authorization for import of Capital Goods against export of Fishnet. They have completed more than 75% EO through third party against EPCG Authorisation no 3530002965 dated 06.11.2007 The EPCG License No. and name of both the parties viz. Ganesh Fishnet (P) Ltd. and Kumaran Fishnets Pvt Ltd. are endorsed on the following shipping bills.

S. No.	Shipping bill no	Date	Export Product	FOB Value	Exporter Name
1	2752954	09.03.2011	Nylon Fishnets	25494.98	Kumaran Fishnet Pvt. Ltd
2	2779125	11.03.2011	Nylon Fishnets	59787.704	Kumaran Filaments Pvt. Ltd
3	2777993	11.03.2011	Nylon Fishnets	21864.971	Kumaran Fishnet Pvt. Ltd
4	3969951	05.11.2015	Nylon Fishnets	179353.126	Kumaran Filaments Pvt. Ltd
			Total	**286500.781**	

3. The firm has informed that they had manufactured the Fishnet as per order given by M/s. Kumaran Filaments (P) Ltd & Kumaran Fishnets Pvt. Ltd. They had provided them the raw materials which was imported under Advance license no 3510031111 & 3510029736. These two advance licenses have been redeemed. They approached the concerned RA for issue of EODC. However, RA is insisting on submission of an Affidavit/Declaration on Stamp paper duly certified by CA to the effect that M/s. Kumaran Fishnets (P) Ltd & Kumaran Filaments Pvt. Ltd will not take the exports for fulfilment of EO under Advance authorization no 3510031111 & 3510029736. The firm has submitted that it is not possible for them to give the undertaking. According to the firm, as per Policy, they can obtain the both benefits (Advance license & EPCG license) under one shipping bills.

4. It was decided that before considering the case in the EPCG Committee meeting, a report may be called from RA, Madurai. Accordingly, RA, Madurai was requested to send a report. RA, Coimbatore has sent its report

Decision: The Committee deliberated upon the case and decided to **defer** the case to call for a report from the RA including the details of the redemption of the Advance Authorizations mentioned in the request of the firm.

Case No- 60: Kerala Hi Tech Textile Cooperative Limited, Malapuram
F. No. HQREPCGPRAPP00000678AM23

Subject: Request for consideration of value addition involved in job work done from SEZ unit for fulfillment of EO against EPCG Authorization No. 1030003041 dated 24.02.2016 under 0% Concessional duty.

The submission of the firm is as under :

i. Kerala Hi-Tech Textile Cooperative Limited (KELTEX) is a Government of Kerala undertaking engaged in the manufacture (weaving) of fabrics. They were unable to find sufficient fabric production orders from overseas buyers or merchant exporters to fulfil their export duty in exchange for the import of shuttle looms (also known as weaving machines) under the EPCG Scheme because of the textile industry's downturn. The applicant has also stated that the EO against import of shuttle looms under the EPCG scheme has been met by executing a fabric -weaving order to a unit operating in Special Export Zone (SEZ), Kochi on job conversion basis. Adhering to the terms and conditions of the orders for production of fabric, the flax/cotton yarn supplied by the SEZ unit is converted into finished products (fabric) which is a value added product and distributed to SEZ.

ii. In addition of Shuttle looms imported under the EPCG scheme, the process of converting Flax/Cotton yarn into fabric involves Value Addition. The firm has also stated that these job works executed on conversion basis to SEZ units are eligible for meeting export obligation under EPCG Scheme.

iii. The justification EO against the said EPCG license has been fulfilled by executing fabrics production orders carried out from a unit operating in SEZ, Kochi. The flax/cotton yarn supplied by the SEZ unit is converted into fabric using shuttle looms imported under the EPCG scheme. In addition, all materials for job works (fax/cotton yarn) and converted value added products (fabric) through the manufacturing process are routed through SEZ, Kochi and duly endorsed by the concerned authorities. The converted value added products (fabrics) duly returned to the SEZ unit, the same export products supported in EPCG authorization.

iv. They had submitted application for EODC to RA, Kochi but RA insisted to approach the EPCG Committee for considering and counting the value addition (job conversion/weaving charges) derived through job work supplies to SEZ unit (manufacturing process of Flax/Cotton yarn into fabrics) towards fulfilment of EPCG Export Obligation.

2. The case was considered in the 10^{th} EPCG Committee Meeting, wherein the Committee deliberated upon the case and decided to call the applicant for a Personal hearing to explain their case.

3. The representative of the firm (Shri M. Kunhalan, Managing Director) appeared through Video Conferencing and made the following submissions :-

Applicant's statement: The firm has fulfilled the EO against the said EPCG authorization by executing fabrics production orders carried out from a unit operating in SEZ, Kochi

Decision: The Committee noted that as per para 5.11 of HBP 2015-20, "*Export proceeds shall be realized in freely convertible currency or in Indian Rupees as per para 2.53 of FTP, except for Deemed Exports supplies under Chapter-7 of FTP. Exports to SEZ units/Supplies to* *developers/co-developers irrespective of currency of realization would also be counted for discharge of Export Obligation. Realization in case of supplies to SEZ units shall be from foreign currency account of the SEZ unit."*

The Committee decided to **remand** the case to RA to examine the request keeping in view the policy provisions and subject to the condition that the firm should provide all the documents and evidence of the shipment of goods to SEZ.

****

[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. 01/36/218/41/AM-24/EPCG]

****