Date of Uploading- 12.06.2023

MINUTES OF 1st MEETING OF AM-24 OF THE EPCG COMMITTEE HELD UNDER THE CHAIRMANSHIP OF SHRI S.B.S. REDDY, ADDITIONAL DIRECTOR GENERAL OF FOREIGN TRADE AT 3:00 PM ON 27.04.2023 and 04.05.2023

First Meeting for AM-24 of the EPCG Committee was held on 27.04.2023 and 04.05.2023 at 3:00 PM under the chairmanship of Shri S.B.S. Reddy, Additional Director General of Foreign Trade through Video Conferencing. Following officers attended the meeting :-

i. Shri Chandan Kumar, OSD, Department of Revenue
ii. Shri Randheep Thakur, Joint Director General of Foreign Trade, DGFT
iii. Shri Sanjeev Kumar Kala, Deputy Director General of Foreign Trade, DGFT *
iii. Shri Satish Kumar Oza, Foreign Trade Development Officer, DGFT
* (the officer was present only on 27.04.2023)

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

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23	**Emami Paper Mills Limited, Kolkata**	21-22

Case No- 1: Arani Agro Oil Industries Pvt. Ltd., Telangana
F. No. HQREPCGPRAPP00000465AM23

Subject: Request for adjusting exports undertaken against pending Export Obligation and waiver of interest in respect of EPCG Authorization no. 0930000647 dated 31.07.2003 – reg.

Applicant stated that the Company imported various machineries such as fractionation plan, batch bleaching plant, deodorization plant, shortening plant, interestification plant, etc., utilizing the License. The entire set up took a long time and the plant was finally set up by July, 2005. The said machinery could only produce bulk edible palm oil and bakery fat. The company had saved customs duty of Rs. 4,72,45,370 by utilizing the License even though its entitlement was to save customs duty amounting to RS. 6,04,00,010. If the operations had run smoothly, other machineries could have also been imported which would enabled the company to produce other items like Salseed starch, Mango Stearin, Cocoa Butter Substitute and Margarine Based products, etc.

2. The company began exporting around mid-2007 and was able to export limited quantity of bulk edible palm oil by early 2008 but the Government of India banned export of edible oils vide Notification No. 85(RE-2007)/2004-2009 dated 17.03.2008. The ban was extended numerous times. By mid-2009, the company was able to fulfill 7% of its EO by exporting by-products amounting to Rs. 3,75,17,581. The company tried to produce Bakery fat but it was commercially unfeasible. If the company had been allowed to export bulk edible palm oil, it would have fulfilled its EO as bakery product was produced using $1/10^{th}$ of raw material while $9/10^{th}$ was used to produce edible palm oil. The company was acquired by Goodhope Asia Holdings Ltd on 07.07.2011 which was committed to expand its operations globally.

3. The company decided to shut down its manufacturing facility in 2016 as it was not able to operate profitably including due to its inability to export due to the ban on export of edible bulk palm oil till April, 2018. The company tried to restart its factory during the latter part of 2018, however, the consumer preference had changed significantly by then. The consumers preferred environment friendly products. Due to the revised market conditions, the Company found it difficult to convince new buyers who could be willing to import its products.

4. After multiple attempts, the company was finally able to attract a few new customers by beginning of 2020, but around that time Covid-pandemic struck and put a complete and total halt to its manufacturing activities and severely constrained its marketing efforts because of travel related restrictions. The Company was only able to revive its operations in March, 2022 and started commissioning of its plant to produce coconut oil after doing considerable study, analysis and research about products that did not require any additional machinery. There have been limited success and the Company has been able to export a couple of consignments.

5. In view of the above, the Applicant has stated that the Company has already suffered huge losses. Based on its future business on its future business projections, it will not be possible for the company to be able to meet its EO. Thus, the company has decided to discharge customs duty equivalent to amount of duty saved proportionate to unfulfilled EO and regularize the license. Hence, the firm has requested as under:

i. To include the exports of certain products undertaken by the Company between 2008 to 2011 amounting to Rs. 5,87,46,113 for the purposes of EO;

ii. To include the exports of certain products undertaken by the Company counting to Rs. 3,43,25,840 post Covid-19 pandemic for the purposes of EO;

iii. To waive the full interest payable for the delayed payment of customs duty. In case complete waiver is not possible, interest amount for the ban period may be waived.

6. The representative of the firm appeared before the EPCG Committee to explain their case.

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.

The Committee further deliberated upon the case and decided that if they desire, the applicant **may approach RA** for regularising the case under the Amnesty Scheme notified vide Public Notice No. 02/2023 dated 02.04.2023 as per the conditions specified therein. RA may examine such request as per policy on merit.

Case No- 2: Zenith Rubber Private Limited, New Delhi
F. No. HQRPRCAPPLY00003816AM23

Subject: Request for reduction in AEO up to Rs. 12 Crores in total/aggregate from F.Y. 2009-10 to 2016-17 in respect of EPCG Authorization No. 0530149776 dated 10.09.2009 under 03% Concessional Duty.

The firm has requested for reduction in value of AEO up to Rs. 12 crore in total/aggregate from financial year 2009-10 to 2016-17 as beyond said amount of Rs. 12 crore they shall not be in a position to fulfill AEO because of management of the group company had set up the new plant in backward/notified area of Himachal Pradesh under Government scheme. The attention of management had been diverted on that project resulting in the company not meeting out the AEO as per sanction/condition sheet in respect of subject license. The firm further requested to allow reduction in AEO on pro-rata basis (exclusively), if basic custom duty utilized in the case. Firm further stated that they couldn't fulfill their 100% AEO due to :-

i. Major order of the overseas customers had not been received by the company during stated financial years.

ii. Company shifted its production unit from Gurgaon to Neemrana during the period

iii. Change in senior overseas marketing officials of the company affected the production, export sales etc.

iv. Department had put the condition of AEO of very high amount which was not according to Basic Customs Duty to be utilized.

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

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

Case No- 3: ITC Limited, Secunderabad
F. No. HQRPRCAPPLY00003632AM23

Subject: Request from ITC Limited, Secunderabad for condonation for late submission of Installation certificate issued by Chartered Engineer against EPCG Authorization No. 0930014395 dated 09.01.2020 under 0% Concessional duty - reg.

The firm has stated that they imported Capital goods from 01.01.2020 to 24.12.2020. Although the aforesaid equipment arrived in multiple shipments at various points in time, the equipment is inter-connected and installation of some equipment depends on the prior installation of the other equipment. For all aforesaid equipment imported during 01.01.2020 to 24.12.2020 under the EPCG Authorization, they submitted the Installation Certificates to the RA except for the imported spares i.e. 'LP Duplex Valve'. The installation certificates of all the aforesaid equipment were approved by the RA, except the installation certificate for 'LP Duplex Valve'.

2. The firm has clarified that HPRB is a huge plant having height of about 60 meters and weighing about 9500 Metric Tonne having various equipment. HPRB is meant for recycling, reprocessing and recovery of the chemicals used in the process of manufacturing pulp from wood. One of the equipment of HPRB is LP Duplex Valves meant to be installed in the pipes carrying fuel, chemical, steam etc. Various equipment in HPRB is to be installed in the particular sequence and there is a high inter-dependency on multiple equipment. On account of Covid-19 induced restrictions and prohibitions, there were delays in supply of equipment and installation. Due to travel restrictions on account of COVID-19, the foreign personnel of vendors could not travel to the site of installation. Only once the travel restrictions were lifted and the travel policies of the vendors allowed their personnel to travel, the equipment of HPRB could be installed and commissioned.

3. The firm has informed that the installation of the entire set of LP Duplex Valve was completed on 03.03.2022 i.e. 18 months 2 days after the date of bill of entry (being 02.09.2020) after various other works and processes. It is stated that about 96% of the LP Duplex Valves were installed within 18 months from the date of import. And only after other necessary and pre-requisite equipment forming part of HPRB plant were delivered and installed, the remaining about 4% of the LP Duplex Valves were installed. Only after installation of the entire set of LP Duplex Valves, an Installation Certificate was issued by the Chartered Engineer on 22.04.2022. Upon receipt of such installation certificate from the Chartered Engineer, they submitted the same to the Jurisdictional Customs Authority and received an acknowledgement for the same on 04.05.2022. As soon as the acknowledgement from the Jurisdictional Customs Authority was received, ITC PSD tried to submit the installation certificate online to DGFT but was not able to do the same. It is because another installation certificate for the 'Burner and other process boiler equipment' under the same EPCG Authorisation submitted on 22.04.2022 was pending for approval. As soon as the installation certificate for the Burner and other process boiler equipment was approved on 08.08.2022, they could successfully submit the installation certificate for LP Duplex Valves on 09.08.2022 to RA, Hyderabad.

4. The representative of the firm appeared before the EPCG Committee to explain their case.

Decision: The Committee deliberated upon the case and decided **to recommend to DG for relaxation under Para 2.58 of FTP, 2023** to allow condonation of delay in submission of installation certificate, subject to payment of composition fee of Rs. 5,000/- and submission of installation certificate. RA to verify that no ECA/DRI/Customs action is pending.

This has the approval of DG, DGFT

Case No- 4: Jaymala Spintex Ltd., Sabarkantha (Gujarat)
F. No. HQRPRCAPPLY00003896AM23

Subject: Request for extension of EOP for four years i.e. from 17.06.2019 to 17.01.2024 in respect of EPCG Authorization No. 0830005572 dated 17.06.2013 under 0% Concessional duty.

The firm has stated that their second block commenced on 17.06.2017 and was expected to be completed by 17.06.2019 which was peak of the Covid-19 pandemic. As a result, they could not continue the construction activities for a long time. The firm took time to resume manufacturing and exports and could not fulfill their EO.

2. The representative of the firm appeared before the EPCG Committee to explain their case.

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

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

This has the approval of DG, DGFT.

The Committee further deliberated upon the case and decided to advise the firm to **approach RA** for extension of Export Obligation Period beyond 8 years in terms of Public Notice No-53 dated 20.1.2023 where extension is permitted on account of COVID.
The Committee further deliberated upon the case and decided to advise that if they desire, the applicant **may approach RA** for regularising the case under the Amnesty Scheme notified vide Public Notice No. 02/2023 dated 02.04.2023 as per the conditions specified therein. RA may examine such request as per policy on merit.

Case No- 5: Semco Security Imaging Private Limited, Bangalor
F. No. HQREPCGPRAPP00380194AM22

Subject: Request for condonation and permission to re-export Capital goods imported under EPCG Scheme for replacement/rectification in respect of EPCG Authorization No. 0730015597 dated 23.06.2016 under 0% Concessional Duty.

The firm has stated that they had imported 22 Sets of Electronic Image Engraving Security System EIE under the EPCG scheme for engraving logos and photos on High security

Certificates to meet the demand from Qatar, Kenya and Madagascar for their secure documentation and University Diplomas / Certificates. The firm further stated that on receipt of these machines in Bangalore, the Service Engineers from their Supplier had erected and installed the machines.

2. As per Installation Certificate issued by Chartered Engineer enclosed by the firm, machinery was installed at the firm's premises on 10.08.2016 with BOE No. 5986192 dated 14.07.2016 but it could not carry out the operations as per their specifications and requirements and despite many communications and follow-ups the supplier had failed to rectify the defect in time. The firm has further stated that the rectification of machines got further delayed due to Covid-19 pandemic and its restrictions wherein the firm also lost export orders due to a delay in the supply. The firm also stated that due to the deferment of action from the supplier and Covid-19 pandemic, they could not re-export the machines in the permissible period as per EPCG scheme.

3. In view of the above, the firm has requested that the above mentioned defective capital goods may be permitted to be re-exported to the foreign suppliers for necessary rectifications at their Service Centre in Dubai and condone the delay in re-export/repair/replacement of the capital goods imported under EPCG Scheme against the above mentioned license.

4. The case was again considered in the 7th EPCG Committee Meeting held on 14.10.2022 and 17.10.2022 wherein the Committee heard the submissions of the representative of the firm. After due deliberation, the Committee decided to defer the case to call for copies of the requisite documents i.e. passport entries of service engineers from the supplier who visited for repairs, communications follow up e-mails, bill of import and other necessary communications in regard to rectification of subject machinery. Accordingly, the firm vide e-mail dated 13.12.2022 has submitted the above documents.

5. The representative of the firm appeared before the EPCG Committee to explain their case.

Decision: The Committee deliberated upon the case and decided **to recommend to DG for relaxation under Para 2.59 of FTP, 2023** to allow re-export of defective capital goods for repair/rectification/replacement of parts. They should bring back same capital goods within six months from date of exports, after rectification and marks and numbers should tally with the re-exported goods.

This has the approval of DG, DGFT.

Case No- 6: K.P.R. Industries (India) Limited, East Godavari (Andhra Pradesh)
F. No. 01/36/218/226/AM-19/EPCG-I

Subject: Request for transfer of 2 EPCG Authorizations from M/s. K.P.R. Industries (India) Ltd. East Godavari (Andhra Pradesh) to M/s. Grasim Industries Ltd., Ujjain (Madhya Pradesh) on account of Business transfer Agreement (BTA) in respect of 2 EPCG Authorization Nos. 0930010420 dated 07.07.2014 and 0930010899 dated 09.01.2015 under 0% Concessional duty –reg

K.P.R. Industries (India) Limited, East Godavari (Andhra Pradesh) vide their letter dated 18.02.2019 has requested for transfer of 2 EPCG Authorizations to M/s. Grasim Industries Ltd., Ujjain (Madhya Pradesh) on account of Business transfer Agreement (BTA) in respect of two EPCG Authorization nos. 0930010420 dated 07.07.2014 and 0930010899 dated 09.01.2015.

2. The authorization holder had imported Capital Goods for the manufacture of caustic soda, hydrochloric acid and other chlor-alkali chemical products (hereinafter 'the Chlor-Alkali business') under 2 EPCG authorizations. However, the firm could not utilize the above capital goods as the project could not be completed due to inability of the promoters to raise further resources for the same due to some factors beyond their control. Hence, the firm could not meet its loan obligations to the lending banks and its account was declared as Non-Performing Asset (NPA). These factors resulted in suspension of project work in 2015.

3. The authorization holder has also mentioned that after a lot of efforts to revive business and avoid its liquidation, the firm was able to find a buyer i.e. Grasim Industries Limited, who is taking over the Chlor-Alkali business on slump sale basis and also agreed to handle its assets and liabilities on the terms and conditions recorded in the BTA dated 18.02.2019. The said buyer has also agreed to settle the dues of the leading banks in one-time settlement and to run the Chlor-Alkali business on a going concern basis.

4. Grasim Industries Ltd. vide letter dated 18.02.2019 informed that they have agreed to acquire caustic soda, hydrochloric acid and other chlor-alkali chemical business of K.P.R. Industries (India) Ltd. having manufacturing unit at S.No. 1&4, Near Kanedu Metta, Balabhadrapuram, Biccavolu(M), E.G. District, Andhra Pradesh with all its asset and liabilities/obligation (including relating to the EPCG Authorizations) in whole, ongoing concern basis by way of slump sale.

5. Grasim Industries vide email 02.12.2022 has sought a Personal hearing before the EPCG Committee to consider their pending request.

6. The representative of the firm appeared before the EPCG Committee to explain their case.

Decision: The Committee deliberated upon the case and decided **to recommend to DG for relaxation under Para 2.59 of FTP, 2023** to accept transfer of the said EPCG authorizations to M/s. Grasim Industries Ltd., Ujjain (Madhya Pradesh) subject to the following conditions:

(i) Average EO (AEO) shall be re-fixed by adding AEO (if any) of M/s. Grasim Industries Ltd., Ujjain for same and similar products on date of acquisition to the existing AEO.

(ii) M/s. Grasim Industries Ltd., Ujjain shall complete necessary Bond formalities as may be applicable with Customs Authorities for fulfilment of EO.

This has the approval of DG, DGFT.

<u>Case No- 7: Ashok Leyland Nissan Vehicles Ltd.</u>
F. No. 1/36/218/245/AM-17/EPCG-I

Subject: Clarification sought by RA, Chennai on Grant of EOP extension in respect of 14 EPCG authorizations issued to M/s. Ashok Leyland Nissan Vehicles Ltd. :

i. 0430010495 dated 15.11.2011
ii. 0430010607 dated 13.12.2011
iii. 0430010683 dated 03.01.2012
iv. 0430010755 dated 17.01.2012
v. 0430010806 dated 03.02.2012
vi. 0430010837 dated 09.02.2012
vii. 0430010851 dated 14.02.2012
viii. 0430010916 dated 02.03.2012
ix. 0430010917 dated 02.03.2012
x. 0430010919 dated02.03.2012
xi. 0430010928 dated 06.03.2012
xii. 0430010929 dated 06.03.2012
xiii. 0430010932 dated 07.03.2012
xiv. 0430010990 dated19.03.2012

The party vide letter dated 14.12.2018 has requested for :-

i. Permission for shifting of Capital Goods in respect of 26 Authorizations covered by S.No. 6 to 28 and S.No. 32 to 34 of the Show Cause Notice (SCN) dated 15.09.2016 issued by DRI to the premises of M/s. Ashok Leyland Ltd /M/s. Ashok Leyland Vehicles Ltd;

ii. Condonation and regularization of the earlier installation of the Capital Goods covered under 9 authorisations covered by S.No. 18, 22, 24, 25, 26, 27, 32, 33 and 34 of the said SCN dated 15.09.2016.

iii. To allow shifting of all the capital goods covered under the above mentioned 26 authorisations to the premises of M/s. Ashok Leyland Ltd/M/s. Ashok Leyland Vehicles Ltd; and

iv. Extension in EOP for 2 years may be granted for all the 26 Authorizations for fulfilment of EO.

2. The matter placed before the EPCG Committee meeting held on 13.02.2019. The decision taken in reproduced below :- -

> *" ...9. The Committee, therefore, decided* ***to recommend to DG for relaxation under Para 2.58 of FTP 2015-20*** *to allow:*
>
> *(a) extension of block-wise EOP in respect of fourteen EPCG authorisations mentioned above subject to payment of 2% composition fee on the duty saved amount in proportion to the shortfall at the end of first block in terms of the provisions of Para 5.8.3 of HBP 2009-14.*
>
> *(b) extension of EOP for two years in respect of fourteen EPCG authorisations mentioned above on payment of composition fee equal to 2% of proportionate duty saved amount on the unfulfilled export obligation for each year of extension sought in terms of provisions contained in Para 5.11 of HBP 2009-14.*
>
> *(c) This shall be subject to payment of composition fee of Rs. 5000/- against each authorisation for delay in applying.*
>
> *Further, RA to verify that these authorisations have not been adjudicated upon by the concerned customs authority and the party has submitted the installation certificate from jurisdictional Central Excise Authority (from Chartered Engineer in case the party is not registered with Central Excise Authority).*
>
> ***This has the approval of DG.****"*

3. RA, Chennai vide email dated 09.03.2020 has informed as under :-

> i. The Committee have directed RA to ensure that these authorizations have not been adjudicated upon by the concerned Customs authority and that the party has submitted the installation certificate from jurisdictional Central Excise Authority (from Chartered Engineer in case the party is not registered with Central Excise Authority).
>
> ii. M/s. Ashok Leyland ltd., have submitted their original request along with the above decision vide letter dated 24.06.2019. Meanwhile, Commissioner of Customs at Chennai Seaport had adjudicated their cases vide Order in Original No. 69637/2019 on 21.06.2019 which is prior to filing the licensee's request based on the Committee's decision and after the date of the decision of the EPCG Committee dated 13.02 2019.
>
> iii. So the adjudication order has been issued by the Commissioner of Customs, Chennai for non-fulfillment of EO, without taking into consideration about the opportunity of getting extension of total EO period as per policy/procedures.

iv. Meanwhile the licensee has also failed to present the above fact against such cases before the Commissioner of Customs while appearing for personal hearing granted to them in the show cause Notice before adjudication.

v. The licensee had also failed to submit the required composition fee, penalty and installation certificate etc. immediately after the decision of EPCG Committee conveyed either on the website or to the party directly. If they had filed their request in time before adjudication done by customs, they could have got their cases considered.

vi. Now the total EO extension stated to have been granted is to expire on 18.03.2020. No diversion of imported Capital Goods took place in the above cases, but the main request is only for extension of total EO period for two years after condoning the non-fulfilment of first block EO.

RA has submitted the above facts for information and necessary clarification on the issue

4. Case was considered in the 1st EPCG Committee Meeting held on 10.06.2020 wherein after deliberation on the request of the firm, Committee decided to defer it for further examination.

Decision: The Committee deliberated upon the case and noted that the EPCG Committee has already taken a decision on the request of the party in the meeting held on 13.02.2019. If they desire, the party may follow alternate remedies available to it under the relevant Customs law. RA, Chennai maybe informed accordingly under intimation to the party. The request of RA, Chennai for clarification stands **disposed** off.

Case No- 8: India Crank Manufacturing Co., Rajkot, Gujarat
F. No. 01/60/162/17/AM21/PRC/EPCG

Subject: Request for counting of Export of Alternate Products in EO and Extension of EOP in respect of EPCG Authorization No. 2430000900 dated 05.03.2008.

The firm vide letter dated 04.06.2020 requested for counting of Export of Alternate Products in EO and Extension of EOP in respect of EPCG Authorization No. 2430000900 dated 05.03.2008.

2. In its application, applicant stated that due to global recession immediately after issue of license, they could not get enough export orders to fulfill the EO within EO period. However, they exported alternate product produced by using the same CG imported against the EPCG license instead of the export item shown in the license. As regards extension of EOP, the applicant has requested for two extensions thereby extending the period of EOP up to 04.03.2020. It is stated that they have fulfilled 43.83% of EO in 1st Block, 30.22% in 2nd Block, 10.83% in 1st extended 2-year block and 22.45% in 2nd extended 2-year block. Thus their total exports are 107.33% of the required EO.

Decision: The Committee went through the statements made by the applicant and noted that the adjudication orders have already been passed by Commissioner of Customs Chennai and as such advised party to follow appeal procedures. Accordingly, the Committee decided to **reject** the request.

Case No- 9: Control & Switchgear Himoinsa Pvt. Ltd., New Delhi
F. No. 01/36/218/140/AM-21/EPCG

Subject: Requests against EPCG Authorization No. 0530143171 dated 01.03.2007 under 05% Concessional duty :-

i. **Re-fixation of AEO against above EPCG Authorization.**
ii. **Consider and Endorse alternative export product i.e. "Insulated Electric Conductor LV BUSDUCT "HS code 85446090 by Group Company for the license**.

The applicant has obtained EPCG Authorization No. 0530143171 dated 01.03.2007 for EO worth US$ 1,152,819.07 i.e. 8 times the duty saved on Capital Goods on FOB basis within a period of 8 year. As per the condition sheet, the annual average of the past export performance is Rs.0.00/- and endorsement of Export items i.e. Electrical Generators (ITCHS Code 85021300). Therefore, the firm has requested to consider the EO and Re-fixation AEO in their Group Company and grant the EODC.

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- 10: Emmvee Photovoltaic Power Private Limited, Bangalore
F. No. HQREPCGPRAPP00186236AM22

Subject: Request for condonation of delay in submitting Installation Certificate issued by Chartered Engineer in respect of 08 EPCG Authorizations under 0% concessional duty-Reg.

The applicant has stated that they had imported the capital goods against the above eight licenses from May 2016 to July 2019. Due to ignorance they have not filed the Installation Certificate certified by Chartered Engineer of all the above EPCG License to RA Bangalore. They intent to file the above certificate with payment of condonation fee, hence request for the approval and direction to RA.

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- 11: Chamundi Die Cast Private Limited, Bangalore
F. No. HQREPCGPRAPP00251173AM22

Subject: Request for condonation of delay in submission of installation certificate issued by Chartered Engineer in respect of EPCG Authorisation No. 0730018142 dated 24.12.2018 under 0% concessional duty.

The firm has stated that they tried to upload installation certificate online. Since the certificate submission to customs was delayed, the system is not accepting their application. This application was rejected by DGFT Bangalore, on the grounds of delay. The firm has furnished the installation certificate issued by Chartered Engineer on 18.03.2019, as per installation certificate CG was imported under vide Bill of Entry no. 9947369 dated 06.02.2019 and installed at the premises on 23.02.2019. Thereafter the firm was requested to inform the date on which the Installation Certificate was submitted to the concerned RA. Now, the firm has informed that they have submitted Installation Certificate to RA, Bangalore on 18.03.2021.

Decision: The Committee deliberated upon the case and decided **to recommend to DG for relaxation under Para 2.59 of FTP 2023** to allow condonation of delay in submission of installation certificate, subject to payment of composition fee of Rs. 5,000/- and submission of installation certificate. RA to verify that no ECA/DRI/Customs action is pending.

This has the approval of DG, DGFT.

Case No- 12: Kriti Nutrients Limited, Indore
F. No. HQRPRCAPPLY00003307AM23

Subject: Request for condonation for late submission of Installation certificate issued by Chartered Engineer against EPCG Authorization No. 5630000071 dated 13.06.2012- reg.

The firm has stated that they had applied for EODC after fulfilment of EO to RA, Bhopal but RA kept EODC application in abeyance alleging delayed submission of installation certificate. As per Installation certificate issued by Chartered Engineer on 14.09.2012, CGs were imported on 06.07.2012, 14.07.2012, 16.07.2012 & 27.07.2012 and installed on 31.08.2012 at the premises.The firm has also stated that submission of installation certificate under FTP is only procedural aspect; the basic concept of installation certificate is proof of capital goods purchased under EPCG which are used in connection with export of goods.

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- 13: S&J Granulate Solutions Private Limited, Mumbai
F. No. HQREPCGPRAPP00000535AM23

Subject: Request for EOP Extension for 4 years i.e. 8+4 years in respect of EPCG Authorization No. 0330029475 dated 13.05.2011 under 03% Concessional Duty.

The firm has stated that they imported CGs for manufacturing rubber granules from used rubber tyres wherein the project was introduced to them by Ferrostaal India Pvt. Ltd. a German company responsible for machines installation, sourcing of scrap tyres and export of 100% Crumb rubber for first 3 years. Firm further stated that they couldn’t fulfill their 100% EO in stipulated time due to the following reasons:

i. As per Import Policy - “used scrap tyres are restricted items and permission from MOEF and Import License from DGFT is required” wherein the firm stated that they were importing all cut/shredded tyres and were misinformed that this is freely importable and doesn't require an Import License. The firm took 9 months to obtain first import permission and license.

ii. Loss of export orders from Ferrostaal India Pvt. Ltd. up to 2 years further leading to forfeiture of contract with the firm. Firm stated that they took further 1 year to take control of business

iii. Supplied more materials domestically in comparison to export orders due to market conditions from 2015 to 2018

iv. Changes in Import Policy of Scrap in India in 2019 leading to non-issuance of Import Licenses till June 2020 and Sky high prices of Domestic scrap tyres leading a complete halt to firm's plants operations.

v. Financial debt in above mentioned 4 years, creditors approached NCLT for liquidation

vi. Covid-19 pandemic in 2020-21, firm's NCLT matter was pending due to low pace working of Courts

2. The firm further stated that in 2021 after negotiations their loans were restructured and were permitted to carry their business with part payment to creditors. Now their matter is out of NCLT and are approaching buyers for export orders for fulfilling EO. Firm further mentioned that due to special circumstances their business faced, condition of 50% duty on proportionate EO prescribed in Para 5.11 of HBP should be waived while extending EOP.

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

i. Condonation of delay in approaching RA for EO extension for 2 years (from 8th year to 10th year) on payment of composition fee or imposition of additional EO in terms of Para 5.11 of HBP 2009-14 and late fee of Rs.10,000/-.

ii. Condonation for delay in approaching RA for second extension in EOP (10th year to 12th year) with a condition that 50% of duty payable in proportion to the unfulfilled EO is paid by the authorization holder to custom authorities in terms of provisions contained in Para 5.11 of HBP 2009-14.

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

This has the approval of DG, DGFT.

The Committee further deliberated upon the case and decided to advise the firm to approach RA for extension of Export Obligation Period beyond 8 years in terms of Public Notice No-53 dated 20.1.2023 where extension is permitted on account of COVID. The Committee further deliberated upon the case and decided to advise that if they desire, the applicant may approach RA for regularising the case under the Amnesty Scheme notified vide Public Notice No. 02/2023 dated 02.04.2023 as per the conditions specified therein. RA may examine such request as per policy on merit.

<u>Case No- 14: Global Green Company Limited, Bangalore</u>
F. No. HQRPRCAPPLY00003767AM23

Subject: Request for condonation of delay in submission of Installation Certificate issued by Chartered Engineer in respect of EPCG Authorization No. 0930013690 dated 18.07.2018 under 0% Concessional Duty.

The firm has stated that they could not submit the installation certificate within the stipulated time period due to the left of their staff, who was attending to their case. The firm has also stated that when they submitted the EPCG closure application, they came to know about the non-submission of the installation certificate and they have immediately taken action to submit the installation certificate by paying a composition fee of Rs. 5000/- as per PN No. 37/2015-20 dated 25 October 2017 for delay of more than 6 months.

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

<u>Case No- 15: Shreas Industries Limited, Hyderabad</u>
F. No. HQREPCGPRAPP00000433AM23

Subject: Request for Extension required for installation of Capital Goods up to 05.03.2023 and late submission of Installation Certificate issued by Chartered Engineer in respect of EPCG Authorization No. 0931000008 dated 17.12.2020 under 0% Concessional Duty.

The firm has stated that Capital Goods couldn't be installed within stipulated time period and delayed project implementation due to Covid-19 pandemic, Heavy unseasonal rainfall during Sep-Nov 2021, Delay in obtaining statutory approvals i.e. Environmental clearances, consent for establishment from State Pollution Control Board, Buildings permissions and hampered civil works

2. The firm has further stated that they have appointed additional civil contractors for quick progress and on their request Chartered Engineer visited their site on 02.06.2022 and inspected the equipments to present the facts on current status of the project. RA Hyderabad has issued a D/L to the firm stating that "Import made on 06.01.2021 but CG not installed till date. So the request for the firm to accept their un-installation could not be admitted as there is a no provision."

3. As per Installation Certificate dated 03.06.2022 issued by Chartered Engineer enclosed by the firm :

- Civil works are going on and equipments received at the site are being erected/installed
- Some more equipments received at site are yet to be installed
- Equipments imported <u>vide</u> BOE No. 2250599 dated 06.01.2021
- Date of Installation- CGs under process of Installation

Decision: The Committee deliberated upon the case and decided to **defer** it to call for a report from RA regarding date of submission of installation certificate to RA and proof of delay in Environment pollution clearances.

Case No- 16: India Yamaha Motor Pvt. Ltd., Chennai
F. No. HQREPCGPRAPP00000474AM23

Subject: Request for renewal of Duty Credit Scrip dated 25.02.2020 issued against Post Export EPCG no. 0430013733 dated 23.05.2014 after fulfillment of export obligation against Post Export EPCG authorization.

The firm has stated that they have obtained the above post export EPCG Authorization from RA, Chennai as per Para 5.12 of Import Export Policy. Since the said EPCG Authorization was not valid for import being Post Export EPCG Authorization, they fulfilled EO and received the freely transferrable Duty credit scrip as per Policy vide Amendment sheet no. 2.

2. However, since the Duty credit scrip was issued thru manual mode, it was not transmitted thru online mode to the Customs authority, due to which the Customs denied to accept the manual scrip for utilization purpose as they were able to accept only thru online mode. The Company had submitted letter of correspondence at Chennai Custom, RA, Chennai and CLA, New Delhi regarding manual scrip Registration and Utilization. Nevertheless, after a lot of struggle and correspondence with the Customs Authority, they started allowing such manual scrips which were issued due to the absence of online portal to issue post export scrips. Unfavorably, by the time the Customs granted approval to accept manual post export scrips, their Post export duty credit scrip issued against above authorization, expired, due to which they could not utilize the same fully for import purpose.

3. Since the above situation occurred because of the absence of online portal to issue Duty Credit scrips under post export EPCG licenses, and due to the fact that there was no mode to transfer the scrips online at DGFT Website. The firm has stated that the manual scrip was issued on 25.02.2020 and COVID 19 also impact the utilization of Manual redemption scrip due to lockdown. Due to Lockdown most of the units & transportation were fully closed. Therefore , the firm has requested to grant renewal of the said scrip for six months from the date of decision, the scrip of Rs. 80,34,661/-, which could not be utilized fully, due to the absence of online portal to issue and transmit the post export duty credit scrips.

Decision: The Committee deliberated upon the case and decided to defer the case and forward the case to Drawback Division, DoR for their comments.

Case No- 17: Anant Shetkari Sahkari Soot Girni Ltd., Washim (Maharashtra)
F. No. HQRPRCAPPLY00003285AM23

Subject: Request for extension of EOP for further two years from 8 years to 10 years against EPCG Authorization nos. 5030000383 dated 06.08.2013 and 5030000440 dated 05.12.2013 under 0% Concessional duty.

Earlier, the firm vide F. No. HQREPCGPRAPP00293245AM22 dated 21.12.2021 requested for extension of EOP for two years in respect of EPCG Authorization Nos.

5030000383 dated 06.08.2013, 5030000433 dated 20.11.2013, 5030000440 dated 05.12.2013 and 5030000441 dated 05.12.2013 under 0% Concessional duty. The firm has further stated that they were not in a position to enter the global market aggressively due to lack of procedural acquaintance, followed by the Pandemic. Therefore, the firm has requested for extension of EOP for two years in order to fulfill their EO against the above license.

2. The request of the firm was considered in the 5th Meeting of the EPCG Committee held on 08.07.2022 and decided as under:

" The Committee went through the statements made by the firm and noted that the applicant has not submitted any cogent reason/justification or any genuine hardship faced by them in support of request for EO extension from 8th to 10th year and accordingly, the Committee decided to reject the request of the applicant."

Decision: The Committee went through the statements made by the firm and noted that the applicant has not submitted any cogent reason/justification or any genuine hardship faced by them in support of request for EO extension beyond 8th year and accordingly, the Committee decided to **reject** the request of the applicant.

Case No- 18: Shree Jalaram Knitting, Surat
F. No. HQRPRCAPPLY00003870AM23

Subject: Request for:

i. **1st EOP Extension for 1 year i.e. 6+1 years up to 22.05.2020**

ii. **Automatic EOP Extension up to 31.12.2021 in view of Public Notice No. 67/2015-20 dated 31.03.2020 and Notification No. 28/2015-20 dated 23.09.2021.**

iii. **2nd EOP Extension for 1 year i.e. 7+1 years up to 31.12.2022**

In respect of EPCG Authorization No. 5230011739 dated 22.05.2013 under 0% Concessional Duty.

The firm has stated that they had imported fully fashioned high speed knitting machine for manufacturing knitted fabric for manufacture of readymade garments. The firm further stated that they couldn't fulfill their 100% EO in stipulated time period due to:

i. Covid-19 pandemic

ii. Total absence of labor

iii. Payments from overseas buyers for goods exported before the pandemic were uncertain. Fresh goods couldn't be sold before payments of earlier supplies were received

iv. Cost of ocean freight was on a gradual rise since last 2 years

v. From August 2021 yarn prices of cotton as well as synthetic started rising bringing an uncertainty to their purchase and sale efforts

Decision:

In respect of request for EOP Extension up to 22.05.2020:

The Committee deliberated upon the case and decided **to recommend to DG for relaxation under Para 2.59 of FTP, 2023** to allow Condonation of delay in approaching RA for EO extension for 1 year (from 6th year to 7th year) on payment of composition fee or imposition of additional EO in terms of Para 5.11 of HBP 2009-14 and late fee of Rs. 10,000/-.

In respect of request for EOP Extension up to 31.12.2021:

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

In respect of request for EOP Extension up to 31.12.2022: The Committee deliberated upon the case and decided **to recommend to DG for relaxation under Para 2.59 of FTP, 2023** to allow Condonation of delay in approaching RA for EO extension for 1 year upto 31.12.2022 (from 7th year to 8th year) on payment of composition fee or imposition of additional EO in terms ofPara 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 that if they desire, the applicant may approach RA for regularising the case under the Amnesty Scheme notified vide Public Notice No. 02/2023 dated 02.04.2023 as per the conditions specified therein. RA may examine such request as per policy on merit.

Case No- 19: Bhoomi Agro Bio Foods, Pune
F. No. HQRPRCAPPLY00002804AM23

Subject: Request for extension of EOP beyond 10 years i.e. from 21.10.2022 to 28.02.2023 in respect of EPCG Authorization No. 3130006918 dated 05.10.2012 under 3% Concessional duty.

The firm has stated that they were not aware that the exports against them were required to be made within a certain time limit. The firm has also stated that they had exported under Drawback/Bill. Therefore, the firm has requested to consider these s/bills or give extension of EOP against the above EPCG authorization.

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

Alternatively, the Committee decided to advise the firm to approach RA for extension of Export Obligation Period in terms of Public Notice No-53 dated 20.1.2023 where extension is permitted on account of COVID. The Committee further deliberated upon the case and decided to advise that if they desire, the applicant may approach RA for regularising the case under the Amnesty Scheme notified vide Public Notice No. 02/2023 dated 02.04.2023 as per the conditions specified therein. RA may examine such request as per policy on merit.

This has the approval of DG, DGFT.

Case No- 20: Sri Sai Rice Industries, Karnataka
F. No. HQREPCGPRAPP00000564AM23

Subject: Request for 6 months EOP Extension from the date of endorsement i.e. beyond 14th year in respect of EPCG Authorization No. 0730007489 dated 17.10.2008 under 03% Concessional Duty.

The firm has stated that they had a EOP Validity period of 12 years but they couldn't fulfill 100% EO in stipulated time due to lack of market access, price mismatch, financial constraints and Covid-19 pandemic. The firm has further mentioned that they received EOP Extension for their second block from 12^{th} year to 14^{th} year up to 17.10.2022. The firm further stated that they had put their documents for amendment with Bangalore Customs for amending the license in customs portal. Firm further state that they raised an enquiry with DGFT HQ and received a reply stating that license issued prior to 01.04.2009 should be registered manually with customs portal meanwhile due to which the license expired and they couldn't fulfill EO as there was also a delay in issue of amendment from RA office.

Decision: The Committee went through the statements made by the firm and noted that the applicant has not submitted any cogent reason/justification or any genuine hardship faced by them in support of request for EO extension beyond 14^{th} year and accordingly, the Committee decided to **reject** the request of the applicant.

The Committee further deliberated upon the case and decided to advise that if they desire, the applicant may approach RA for regularising the case under the Amnesty Scheme notified vide Public Notice No. 02/2023 dated 02.04.2023 as per the conditions specified therein. RA may examine such request as per policy on merit.

Case No- 21: Alpine Shoes Pvt. Ltd., New Delhi
F. No. HQREPCGPRAPP00000539AM23

Subject: Request for condonation of delay in submission of Installation Certificate issued by Chartered Engineer in respect of EPCG Authorization No. 0530174695 dated 16.07.2019 under 0% Concessional Duty.

The firm has stated that they made last import on 19.10.2019 and submitted the installation certificate on 07.07.2022 along with redemption application to CLA, New Delhi who issued a D/L dated 21.07.2022 informing the applicant as under:

"Firm has not submitted installation certificate as per Para 5.04 of HBP 2015-20."

2. In support of the request, the firm has stated that the installation certificate was issued within the stipulated time limit but unfortunately was not submitted to CLA, New Delhi due to lockdown as well as COVID-19.

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: Alpine Shoes Pvt. Ltd., New Delhi
F. No. HQREPCGPRAPP00000540AM23

Subject: Request for condonation of delay in submission of Installation Certificate issued by Chartered Engineer in respect of EPCG Authorization No. 0530174656 dated 08.07.2019 under 0% Concessional Duty.

The firm has stated that they made last import on 08.08.2019 and submitted the installation certificate on 20.10.2021 along with redemption application to CLA, New Delhi. CLA, New Delhi issued a D/L dated 13.01.2022 informing the applicant as under:

"You have not submitted installation certificate as per Para 5.04 of HBP 2015-20. You are advised to submit reason for delay in submission of installation certificate and not adhering the conditions of authorization issued."

2. In support of the request, the firm has stated that the installation certificate was issued within the stipulated time limit but unfortunately was not submitted to CLA, New Delhi due to lockdown as well as COVID-19.

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 submission of installation certificate, subject to payment of composition fee of Rs. 5,000/- and submission of installation certificate. RA to verify that no ECA/DRI/Customs action is pending.

This has the approval of DG, DGFT.

Case No- 23: Emami Paper Mills Limited, Kolkata
F. No. HQREPCGPRAPP00133927AM22

Subject: Request for condonation of wrong mention of EPCG license number on 28 shipping bills in respect of License no. 0230009697 dated 13.08.2014.

The applicant has stated that they have made a mistake while preparing Shipping Bills and inserted the Licence number(s) of other EPCG Licence Nos. Such Shipping Bills having other Licence nos. are 28 nos. They had applied for redemption under the provision of Policy Circular No. 7 dated 11.07.2002 to RA, Kolkata. In response, RA, Kolkata has rejected the same vide their letter dated 14.06.2021.

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

<u>Case No- 24: Soni Auto & Allied Industries Limited, Kolkata</u>
F. No. HQREPCGPRAPP00000558AM23

Subject: Request for Non-payment of Customs Duty for Non-fulfillment of Average Export Obligation in respect of EPCG Authorization No. 0230011855 dated 06.10.2016 and 0230012202 dated 03.02.2017 under 0% Concessional Duty.

The firm has stated that Specific EO against above subject Licenses have been fulfilled but they could not fulfill the Average EO due to Covid-19 pandemic wherein it was very difficult to export during pandemic period which started since March 2021 in India and much earlier in the world. In these circumstances the firm has requested to allow them not to pay any custom duty amount against subject 2 EPCG Licenses otherwise it will be huge loss to their financial position besides the loss incurred during Pandemic for total closure of manufacturing activities.

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

<u>Case No- 25: Sukartik Clothing Private Limited, Ludhiana</u>
F. No. HQREPCGPRAPP00000550AM23

Subject: **Request for EOP Extension up to 22.10.2023 in respect of EPCG Authorization No. 3030007431 dated 22.10.2010 under 03% Concessional Duty.**

The firm has stated that they have obtained subject EPCG Authorization wherein EOP expired on 22.10.2018 and EOP was extended up to 21.10.2022 from RA Ludhiana. The firm has further stated that they have EO fulfilled 25.27% up 21.10.2020 and are manufacturers, exporters of textile/garments, which as an industry were badly hit due to Covid-19, export orders were cancelled and their customers became bankrupt. The firm further stated that they have new export orders and requesting for EOP Extension period up to 22.10.2023.

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

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

The Committee further deliberated upon the case and decided to advise the firm to approach RA for extension of Export Obligation Period from 12th year in terms of Public Notice No-53 dated 20.1.2023 where extension is permitted on account of COVID. The Committee further deliberated upon the case and decided to advise that if they desire, the applicant may approach RA for regularising the case under the Amnesty Scheme notified vide Public Notice No. 02/2023 dated 02.04.2023 as per the conditions specified therein. RA may examine such request as per policy on merit.

This has the approval of DG, DGFT.

Case No- 26: Varad Extrusions Private Limited, Hyderabad
F. No. HQREPCGPRAPP00000559AM23

Subject: Request for Second EOP Extension i.e. beyond 8+2 years in respect of EPCG Authorization No. 0930006788 dated 10.02.2011 under 03% Concessional Duty.

The firm has stated that they were not able to fulfill 100% EO in stipulated time due to present situation and Covid-19 pandemic. The firm has further stated that they are expecting export order in the month of Dec 2022 and request to extend the EOP for further two more years to fulfill EO. Firm further stated that out of their EO of US$ 348512.31 they have fulfilled US$ 54035.58 and balance to be done is US$ 294476.73

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 (10^{th} year to 12^{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 Committee further deliberated upon the case and decided to advise the firm to approach RA for extension of Export Obligation Period from 12th year in terms of Public Notice No-53 dated 20.1.2023 where extension is permitted on account of COVID. The Committee further deliberated upon the case and decided to advise that if they desire, the applicant may approach RA for regularising the case under the Amnesty Scheme notified vide Public Notice No. 02/2023 dated 02.04.2023 as per the conditions specified therein. RA may examine such request as per policy on merit.

This has the approval of DG, DGFT.

Case No- 27: Dinesh Rice Mill, Dhamtari (Chhattisgarh)
F. No. HQRPRCAPPLY00003879AM23

Subject: Request for extension of 1^{st} block in respect of EPCG Authorization No. 6330000091 dated 02.07.2012 under 3% Concessional duty- reg.

The firm has stated that that they were unable to fulfill the EO within the prescribe time. Accordingly, they had obtained the extension of EOP on 11.08.2021 i.e. from 8 years to 10 years which was valid till 02.07.2022. Subsequently, they have fulfilled the EO on 30.03.2022 which was prior to the expiry of EO period and also submitted the export documents to RA, Nagpur on 05.07.2022 for EODC. The firm has also stated that they were not able to get the first block extension due to some technical issue. Since, now the time to get the first block extension from RA, Nagpur is over and they have already fulfilled the EO. The firm has further stated that there is shortfall in EO. Therefore, they will pay the customs duty along with interest and will submit the same to RA, Nagpur once the payment is done.

2. In view of the above, the firm has requested for extension of 1st block against above EPCG Authorization.

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

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

This has the approval of DG, DGFT.

Case No- 28: Jindal Stainless Limited, Jajpur (Odisha)
F. No. HQREPCGPRAPP00000614AM23

Subject: Request against 4 EPCG Authorization Nos. 2330001464 dated 29.08.2018, 2330001470 dated 07.09.2018, 2330001488 dated 10.10.2018 and 2330001562 dated 30.01.2019 under 0% Concessional duty:

i. Issuance of clarification way of circular/ public notice etc. to regularize all cases of excess utilization beyond 10% of the indicated duty saving on EPCG Authorization against payment of additional application fees and fulfillment of EO in proportion to the actual utilization

ii. Institution of a system of checks and controls to ensure alerts and blocking mechanisms which will prevent utilization of Authorization in excess of 10% of the indicated duty saving.

The firm has stated as under:

a. EPCG License No. 2330001464 dated 29.08.2018: Indicated duty saving is Rs. 62,53,339.00 and actual utilization (in terms of duty saving) is Rs. 1,26,66,259.00. The excess utilization is to the tune of 103%.

b. EPCG License No. 2330001470 dated 07.09.2018: Indicated duty saving is Rs. 87,17,938.00- whereas actual utilization (in terms of duty saving) is Rs. 1,19,10,796.00 . The excess utilization is to the tune of 37%.

c. EPCG License No. 2330001488 dated 10.10.2018: Indicated duty saving is Rs. 27,86,430.00- whereas actual utilization (in terms of duty saving) is Rs. 71,94,567.00 The excess utilization is to the tune of 158%.

d. EPCG License No. 2330001562 dated 30.01.2019: Indicated duty saving is Rs. 2,79,76,711.00- whereas actual utilization (in terms of duty saving) is Rs. 3,46,15,352.00. The excess utilization is to the tune of 24%.

e. The matter was taken up with DG system and they were informed that there is currently no cap on utilization under any EPCG license because of the prevalent system of National Bond for EPCG Scheme.

2. In this regard, it was brought to Notice of the Committee that DGFT has already referred the matter of availment of excess duty in certain EPCG authorizations (including the above four EPCG authorizations) to the CBIC in month of January, 2023. The response is awaited.

Decision: The Committee deliberated upon the case that a copy of the application of the firm be also sent to DoR for their comments. Accordingly, the case stands **deferred.**

<u>Case No- 29: Jindal Stainless (Hisar) Ltd., Hisar (Haryana)</u>
F. No. HQREPCGPRAPP00000601AM23

Subject: Request against EPCG Authorization Nos. 3330004662 dated 10.10.2017 and 3330004718 dated 18.01.2018 under 0% Concessional duty:

i. Issuance of clarification way of circular/ public notice etc. to regularize all cases of excess utilization beyond 10% of the indicated duty saving on EPCG Authorization against payment of additional application fees and fulfillment of EO in proportion to the actual utilization.

ii. Institution of a system of checks and controls to ensure alerts and blocking mechanisms which will prevent utilization of Authorization in excess of 10% of the indicated duty saving.

The firm has stated as under:

a. EPCG License No. 3330004662 dated 10.10.2017: Indicated duty saving is Rs. 45,30,500.71 and actual utilization (in terms of duty saving) is Rs. 3,21,65,387.00. The excess utilization is to the tune of 610%.

b. EPCG License No. 3330004718 dated 18.01.2018: Indicated duty saving is Rs. 4,05,82,441.00 whereas actual utilization (in terms of duty saving) is Rs. 5,59,59,041.00. The excess utilization is to the tune of 38%.

c. The matter was taken up with DG system and we were informed that there is currently no cap on utilization under any EPCG license because of the prevalent system of National Bond for EPCG Scheme.

2. In this regard, it was brought to Notice of the Committee that DGFT has already referred the matter of availment of excess duty in certain EPCG authorizations (including the above two EPCG authorizations) to the CBIC in month of January, 2023. The response is awaited.

Decision: The Committee deliberated upon the case and decided to await the response of the CBIC/DoR in the matter. A copy of the application be sent to DoR for their comments. Accordingly, the case stands **deferred.**

<u>Case No- 30: MJ Grain Products Pvt. Ltd., Kolkata</u>
F. No. HQREPCGPRAPP00000546AM23

Subject: Request for condonation of delay in furnishing information for transfer of capital goods against EPCG Authorization No. 0230012511 dated 29.05.2017 under 0% Concessional duty-reg.

The firm has stated that all the imported CGs were supposed to be installed at their factory at Vill-Bualiagachha, PO Bidhannagar, Phansidewa, Dist.-Darjeeling, Pin- 734426 (as per condition sheet) and accordingly EPCG licence application filed and license also issued by RA, Kolkata with the said factory address. But after that due to space constraint at Vill-Bualiagachha, PO Bidhannagar, Phansidewa, Dist.-Darjeeling, Pin- 734426, locally procured items of the same license have been installed at Vill. Kuchhpura, Nissing, Dist. Karnal, Haryana, Pin-132024 and the same was informed RA, Kolkata on 21.10.2020 which is beyond the prescribed period of Exim policy.

Decision: The Committee deliberated upon the case and decided to call for a report from RA regarding date of submission of installation certificate to RA, location of installation as per installation certificate. Whether any permission taken from RA for installing goods other than specified location in the application. . Accordingly, the case stands **deferred.**

<u>Case No- 31: Bharat Heavy Electricals Limited, Delhi</u>
F. No. HQREPCGPRAPP00000476AM23

Subject: Request for re-fixation of AEO in respect of EPCG Authorization Nos. 0430014130 dated 21.10.2014 and 0430015415 dated 03.02.2016 under 0% Concessional duty.

The firm has stated that the EOP of these licenses has expired and is due for discharge. Inadvertently, the entire export business including physical and deemed exports was declared to be fixed at the time of obtaining the EPCG authorisation, for fixing the Average EO (AEO). The firm has further stated that as per FTP 2015-20, Chapter-5-5.04 EO-(e)- " *Export shall be physical export. However, supplies as specified in paragraph 7.02(a),(b), (e),(f) & (g) of FTP shall be counted towards fulfillment of export obligation, along with usual benefits available under paragraph 7.03 of FTP*". Same clause existed in previous policy FTP 2009-14 under Chapter -5-5.5(g). Accordingly, only physical exports should have been counted for determining AEO for the last three licensing years and deemed export figures should not have been included. Due to inclusion of deemed export figures by mistake the figure of AEO has inflated.

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- 32: Hertz Chemicals Pvt. Ltd., Mumbai
F. No. HQREPCGPRAPP00000520AM23

Subject: Request for reduction in Annual Average Export Obligation (AEO) in respect of 4 EPCG Authorization nos. 0330047201 dated 24.05.2017, 0330049870 dated 14.09.2018, 0330050729 dated 08.03.2019 and 0330050753 dated 11.03.2019 under 0% Concessional duty -reg.

The firm has stated that they had completed 100% EO within stipulated time period but they could not maintain their AEO as per condition sheet due to overseas market crisis. The firm further stated that it does not match the turnover during the previous years turnover, hence they are not in a position to meet the AEO as per the condition sheet. The D/L issued by RA, Mumbai informed them that they have not maintained the AEP as imposed on the 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- 33: Al Hasan Agro Foods Pvt. Ltd., Aligarh (Uttar Pradesh)
F. No. HQREPCGPRAPP00000645AM23

Subject: Request for extension of 1st block in respect of EPCG Authorization No. 0630003374 dated 11.05.2012 under 03% Concessional duty.

The firm has stated that they were unable to complete EO of 50% in 1st block due to not familiar with the EPCG procedure and norms. However after receipt of SCN they had a personal hearing with the RA, Kanpur thereafter they came to know about pending EO of first block. Therefore, the firm has requested for extension of the 1st block in order to fulfill their against above EPCG Authorization.

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

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

This has the approval of DG, DGFT.

Case No- 34: Anmol Feeds Pvt. Ltd., Howrah
F. No. HQREPCGPRAPP00000509AM23

Subject: Request against EPCG Authorization No. 0230011593 dated 03.08.2016 under 0% Concessional duty:

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 issued **by Chartered Engineer** against above EPCG Authorization.

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 Pin-711411 (as per condition sheet) and accordingly EPCG licence application filed and license also issued by RA, Kolkata with the said factory address. But after that due to space constraint in Jalan Industrial Complex Gate No. 1, Biprannapara, Junglepur, Bombay Road Domajur. Hence, the imported item of the same licence has been installed at "Panchala, Ganesh Complex, Village Raghudevpur, PO" in his second unit. Raghudevpur Uluberia, West Bengal -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 29.05.2017, CGs were imported on 02.09.2016 and 23.11.2016 and installed at the premises on 15.05.2017.

Decision: After deliberation on the request of the firm, the Committee decided to **defer** the case with the directions to call for a report from RA concerned (i) whether installation certificate submitted to RA? (ii) date of submission of installation (iii) whether any prior permission taken from RA for installing goods other than the address specified in application. Case stands deferred.

<u>Case No- 35: Anmol Feeds Pvt. Ltd., Howrah</u>
F. No. HQREPCGPRAPP00000473AM23

Subject: Request against EPCG Authorization No. 0230010643 dated 10.09.2015 under 0% Concessional duty:

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 issued by Chartered Engineer against above EPCG Authorization.

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: After deliberation on the request of the firm, the Committee decided to **defer** the case with the directions to call for a report from RA concerned (i) whether installation certificate Submitted to RA? (ii) date of submission of installation (iii) whether any prior permission taken from RA for installing goods other than the address specified in application. Case stands deferred.

Case No- 36: Tina Industries Private Limited, Kolkata
F. No. HQREPCGPRAPP00000488AM23

Subject: Request for Condonation of delay in submission of Installation Certificate issued by Chartered Engineer in respect of EPCG Authorization No. 0230009862 dated 05.11.2014 under 0% Concessional Duty.

The firm has stated that they imported Capital goods under subject EPCG Authorization vide BOE No. 7342763 dated 11.11.2014 and installed at their factory on 30.12.2014 but the Original Installation Certificate couldn't be submitted to RA concerned in stipulated time due to ignorance which is purely unintentional. The firm has requested to condone delayed submission of Installation Certificate to RA Kolkata. As per Installation Certificate dated 20.01.2015 issued by Chartered Engineer enclosed by the firm, machinery was installed at the firm's premises on 30.12.2014 vide BOE No. 7342763 dated 11.11.2014.

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- 37: Tina Industries Private Limited, Kolkata
F. No. HQREPCGPRAPP00000487AM23

Subject: Request for Condonation of delay in submission of Installation Certificate issued by Chartered Engineer in respect of EPCG Authorization No. 0230007405 dated 08.12.2011 under 0% Concessional Duty.

The firm has stated that they imported Capital goods under subject EPCG Authorization vide BOE No. 5504234 dated 19.12.2011 and installed at their factory on 07.01.2012 but the Original Installation Certificate couldn't be submitted to RA concerned in stipulated time which is purely unintentional. The firm has requested to condone delayed submission of Installation Certificate to RA Kolkata. As per Installation Certificate dated 14.02.2012 issued by Chartered Engineer enclosed by the firm, machinery was installed at the firm's premises on 07.01.2012 vide BOE No. 5504234 dated 19.12.2011.

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

<u>Case No- 38: Scraft Products Private Limited, New Delhi</u>
F. No. HQRPRCAPPLY00003783AM23

Subject: Request for

i. **1st EOP Extension i.e. 8+2 years**

ii. **2nd EOP Extension i.e. beyond 8+2 years**

iii. **EOP Extension of 9 months from date of endorsement or up to 13.07.2023**

In respect of EPCG Authorization No. 0530149226 dated 24.06.2009 under 03% Concessional Duty.

The firm has stated that they had entered into a contract with Century Papers Limited, B.K., Birla Group for manufacture & supply of tissue paper wherein many machines to be used in the production process were provided by Century Papers Limited and others were to be arranged by them and Packing of tissue paper needed to be Printed. The firm further stated that they also intended to export with the Century Papers Limited's help and decided to Import the machine under the EPCG Authorization. The firm further stated that they couldn't fulfill their 100% EO in stipulated time period due to :

- Things did not work out and Century Papers Ltd. didn't provide sufficient orders including any Export orders which led to dispute and the firm returned the machinery provided by them.
- The firm tried to look for buyers on their own but could not succeed.
- Were going through a bad financial phase and couldn't find a new buyer for the export product on their terms of payments.
- Their account was declared NPA by bankers and goods including the Raw material were under Bank's Lien and bank did not allow selling the goods on credit.
- China following a very aggressive pricing policy throughout the world in paper products.
- Covid-19 pandemic

2. The firm further stated that the bank issue is settled now and have an opportunity to procure orders from a new buyer namely M/s Hira World Trading FZE wherein the buyer has asked for deliveries within a period of 9 months.

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

i. Condonation of delay in approaching RA for EO extension for 2 years (from 8th year to 10th year) on payment of composition fee or imposition of additional EO in terms of Para 5.11 of HBP 2009-14 and late fee of Rs.10,000/-.

ii. Condonation for delay in approaching RA for second extension in EOP (10th year to 12th year) with a condition that 50% of duty payable in proportion to the unfulfilled EO is paid by the authorization holder to custom authorities in terms of provisions contained in Para 5.11 of HBP 2009-14.

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

The Committee further deliberated upon the case and decided to advise that if they desire, the applicant may approach RA for regularising the case under the Amnesty Scheme notified vide Public Notice No. 02/2023 dated 02.04.2023 as per the conditions specified therein. RA may examine such request as per policy on merit.

This has the approval of DG, DGFT.

<u>Case No- 39: Rana Denim Private Limited, Maharashtra</u>
F. No. HQRPRCAPPLY00003720AM23

Subject: Request for EOP Extension up to February 2022 for Regularization in respect of EPCG Authorization No. 0330016016 dated 10.05.2007 and 0330017462 dated 13.09.2007 under 05% Concessional Duty.

The firm has stated they couldn't fulfill their 100% EO in stipulated time period due to reasons beyond their control. The firm has further stated that their Managing Director passed away on 20.09.2018 and past his demise their entire operations were jeopardized. The firm further stated that the bankers/management decided to sell the operations to Mr. Sagar Lakhani to continue functioning of the unit and workforce employment. The firm further stated that new management completed 100% EO in 3.5 years from date of acquisition and pending EO of other authorizations were also fulfilled within short span of time post acquisition. The management also mentioned that in one of their EPCG Authorization No. 5030000306 dated 11.12.2012 they have excess exports to tune of US$ 2500000 which may be accommodated against pending EO's of both the subject EPCG Authorizations**.**

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

<u>Case No- 40: Wisdom Fabrics Private Limited, Maharashtra</u>
F. No. HQRPRCAPPLY00003908AM23

Subject: Request for:

i. **1st Block Extension**

ii. **EOP Extension i.e. 6+2 years**

In respect of EPCG Authorization No. 0330038130 dated 24.02.2014 under 0% Concessional Duty.

The firm has stated that they couldn't fulfill their 100% EO in stipulated time period of both blocks due to current market situations and impact on companies, Covid-19 pandemic lockdowns affecting their functioning and complete slowdown. The firm stated that they are ready to pay composition fees on duty saved amount for 1st Block and EOP Extension for the above mentioned license. RA Mumbai issued a DL to the firm stating that the request for block extension was not made within prescribed time limit and moreover the case cannot be covered by Public Notice No. 03 dated 13.04.2022 as their authorization was issued prior to 2015-20 policy and hence the firm was requested to either regularize the shortfall in block or take up the matter with EPCG Committed, HqRs. New Delhi.

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

(a) Extension in block-wise EOP, as the applicant could not apply to RA within the prescribed time period. This shall be subject to payment of 2% composition fee on duty saved amount in proportion to the shortfall at the end of each block in terms of the provisions of Para 5.8.3 of HBP 2009-14 and late fee of Rs. 10,000/-.

(b) Condonation of delay in approaching RA for EO extension for 2 years (from 6th year to 8th year) on payment of composition fee or imposition of additional 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: -

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

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

The Committee further deliberated upon the case and decided to advise that if they desire, the applicant may approach RA for regularising the case under the Amnesty Scheme notified vide Public Notice No. 02/2023 dated 02.04.2023 as per the conditions specified therein. RA may examine such request as per policy on merit.

This has the approval of DG, DGFT.

Case No- 41: Krishna Bhog Rice Industries Pvt. Ltd., West Bengal
F. No. HQREPCGPRAPP00000479AM23

Subject: Request for condonation for late submission of Installation certificate issued by Chartered Engineer against EPCG Authorization No. 0230009274 dated 01.01.2014.

As per ANF-2D Form, the firm has stated that they imported capital goods under Bill of Entry No. 5288224 dated 23.04.2014 and the said capital goods have been established on 20.06.2014 at their factory at Shilyaghat Road, Village- Raipur, Post Office- Ramgopalpur, Police Station-Galsi-1, Burdwan, West Bengal-713403. But due to ignorance, they could not submit the original Installation certificate to RA, Kolkata within the stipulated time period which is completely unintentional.

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- 42: Label Kingdom Printers Pvt. Ltd., Tirupur (Tamil Nadu)
F. No. HQREPCGPRAPP00000512AM23

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

The firm has stated that they have obtained the EPCG authorization number. 3230020391 Dated 05.05.2014 from RA, Coimbatore for a duty saved value of Rs. 31,47,900/-. The firm has also stated that their export products are packing products and other items falling under Chapter-48 of the ITC HS Code. The firm has further stated that they did not have export orders due to COVID-19. However, they could export only 40%. Therefore, the firm has requested to extend the EOP for two more years up to 05.05.2024 in order to fulfil their EO. As per Amendment sheet issued by RA, Coimbatore on 16.09.2020, their EOP has been changed from 6 years to 8 years.

Decision: The Committee went through the statements made by the firm and noted that the applicant has not submitted any cogent reason/justification or any genuine hardship faced by them in support of request for EO extension beyond 8th year and accordingly, the Committee decided to **reject** the request of the applicant.

Case No- 43: Premier Cotspin Private Limited, Punjab
F. No. HQREPCGPRAPP00000544AM23

Subject: Review Application w.r.t. Request for Condonation of late submission of Installation Certificate issued by Chartered Engineer in respect of EPCG Authorization No. 3030012876 dated 01.08.2014 under 0% Concessional Duty.

Earlier the firm vide application No. HQREPCGPRAPP00169175AM22 dated 24.08.2021 had requested for condonation of delay in submission of installation certificate against EPCG Authorization No. 3030012876 dated 01.08.2014 under 0% Concessional Duty. The case was considered in 1st Meeting of AM-23 held on 04.05.2022 wherein the Committee went through the statements made by the firm and noted that the applicant has not submitted any cogent reason/justification or any genuine hardship faced by them in support of Submission of Installation Certificate issued by Chartered Engineer instead of Central Excise as per time specified in FTP and accordingly, the committee decided to reject the request of the applicant. Now, the firm vide Review Application dated 24.11.2022 has requested for Condonation of late submission of Installation Certificate issued by Chartered Engineer in respect of EPCG Authorization No. 3030012876 dated 01.08.2014 under 0% Concessional duty.

2. The firm has further stated that they are applying to review by depositing Rs. 5000 keeping in view the fact that theirs is a spinning unit and have exemption for registration under Excise and is not applicable to them. Firm further mentioned that as per Para 5.3.1(c) of HBP

2009-2014, they got the Installation Certificate from Chartered Engineer and submitted the same to RA, Ludhiana with their request of EODC and weren't able to submit the same within prescribed time. The firm has also stated that they were going through tough times and working with very less and untrained staff due to which they skipped to submit in prescribed time and is just a procedural lapse.

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- 44: Kamarhatty CO Ltd., Kolkata
F. No. HQREPCGPRAPP00000519AM23

Subject: Request for condonation for late submission of Installation certificate against 3 EPCG Authorization Nos. 0230013962 dated 23.10.2019, 0230014767 dated 13.11.2020 and 0231000321 dated 19.02.2021 under 0% Concessional duty.

The firm has stated that they could not submit the installation certificate within the stipulated time period due to health issue of the staff looking into their case. The firm has also stated that they submitted installation certificate on 20.08.2022 and redemption application to RA on 13.09.2022 against above 3 EPCG Authorizations. RA, Kolkata issued a D/L dated 24.08.2022 informing the applicant as under:

" *i. Bill of entry is required.*

ii. Installation certificate submitted beyond time limit of 18 months as prescribed by Para 5.04 of HBP read with PN 30 dated 14.08.2018 and PN 1 dated 07.04.2020 . You may approach EPCG committee for condonation of the delay if so desired."

Decision: After deliberation on the request of the firm, the Committee decided to **defer** the case with the directions to call for a report from RA concerned on (i) date of import (ii) Date of submission of Installation certificate.

Case No- 45: The Empire Textiles, Tirupur
F. No. HQREPCGPRAPP00000316AM23

Subject: Request for Consideration of Third Party Exports under CSP (Common Service Provider) EPCG scheme as acceptance of EO in respect of EPCG Authorization No. 3230019109 dated 21.05.2013 under 0% Concessional Duty.

The firm has stated that they imported and installed circular knitting machines and the license was obtained with EO product Knitted readymade garments. The firm further stated that they had completed exports by doing knitted readymade garments through third party namely Fashion First, Tirupur worth US$ 200730 wherein completion of EO is within EOP and submitted requisite documents for EODC against which RA Coimbatore issued them a Deficiency Letter dated 02.08.2021 to the firm stating the following:-

From the documents submitted the firm had done knitting only and received charges for knitting. After knitting the firm had supplied the goods to 3rd party exporter who had converted knitted fabrics into readymade garments and exported the same. As the firm has not manufactured Readymade garments and received charges for knitting only the export of such readymade garments made by third party cannot be taken for EO fulfillment as per Para 5.5(a) of FTP 2009-14. In view of the same, RA Coimbatore requested the firm to pay duty with interest to regularize the case.

2. The firm has stated that they are a service provider and do knitting job to the exporters and have submitted the receptive supply of invoice of job work and Local BRC as per Appendix 22B and complied the requirements as per Para 5.5(a). the firm further stated that knitting job for exported product are done by them by using imported CGs and respective knitting bill along with local BRC are submitted as linkage documents for acceptance of EO. The firm has requested for accepting Third Party Exports under CSP (Common Service Provider) as acceptance of EO as per Para 5.02 read with 1.35 of FTP 2015-20 since the exports are covered under CSP and affected after the respective notification.

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- 46: J.R. Garments, Dharmapuri (Tamil Nadu)
F. No. HQREPCGPRAPP00000513AM23

Subject: Request for condonation for late submission of Installation certificate issued by Chartered Engineer against EPCG Authorization No. 0430017535 dated 30.05.2018 under 0% Concessional duty.

The firm has stated that they have applied for redemption of EPCG authorization number. 0430017535 dated 30.05.2018 to RA, Chennai. In this regard, RA Chennai vide its D/L dated 07.10.2021 has conveyed to them as under:

> *"You are advised to approach Hqrs for condonation of late submission of installation certificate."*

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

Case No- 47: Posco Maharashtra Steel Private Limited, Raigad
F. No. HQREPCGPRAPP00000545AM23

Subject: Request for 1st Block Extension in respect of EPCG Authorization No. 0330035502 dated 28.03.2013 under 0% Concessional Duty.

The firm has stated that they had fulfilled 100% EO in stipulated time period of 6 years and applied for redemption wherein RA issued a Deficiency for applying for block extension through online for regularization of EO. Firm further stated that they applied for 1st Block Extension online as per P.N. 03/2015-20 dated 13.04.2022 but RA didn't accept the same as the said Public Notice is applicable for EPCG Authorizations issued under FTP 2015-20.

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

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

This has the approval of DG, DGFT.

Case No- 48: Shubham Rice Udyog, Madhya Pradesh
F. No. HQREPCGPRAPP00000432AM23

Subject: Request for:

i. **1st Block Extension**

ii. **Second EOP Extension for 2 years i.e. beyond 8+2 years**

In respect of EPCG Authorization No. 5030000180 dated 17.01.2012 under 03% Concessional Duty.

The firm has stated that they were unable to fulfill 100% EO in stipulated time period as they didn't have export orders to export their goods mentioned in subject EPCG License. The firm further stated that they now have export orders in hand to fulfill pending EO and will pay relevant duties if they aren't able to fulfill the same in the extended EOP of 2 years if provided to them.

Decision: The Committee deliberated upon the case and decided **to recommend to DG for relaxation under Para 2.59 of FTP, 2015-20** to allow:-

i. Extension in block-wise EOP, as the applicant could not apply to RA within the prescribed time period. This shall be subject to payment of 2% composition fee on duty saved amount in proportion to the shortfall at the end of each block in terms of the provisions of Para 5.8.3 of HBP 2009-14 and late fee of Rs. 10,000/-.

ii. 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/-.

iii. Condonation for delay in approaching RA for second extension in EOP (10th year to 12th year) with a condition that 50% of duty payable in proportion to the unfulfilled EO is paid by the authorization holder to custom authorities in terms of provisions contained in Para 5.11 of HBP 2009-14.

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

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

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

The Committee further deliberated upon the case and decided to advise that if they desire, the applicant may approach RA for regularising the case under the Amnesty Scheme notified vide Public Notice No. 02/2023 dated 02.04.2023 as per the conditions specified therein. RA may examine such request as per policy on merit.

This has the approval of DG, DGFT.

Case No- 49: Linit Exports Pvt. Ltd., Mumbai
F. No. HQRPRCAPPLY00003833AM23

Subject: Request for regularisation of excess duty credit utilized on EPCG authorization No. 0330048152 dated 17.11.2017 under 0% Concessional Duty.

The Applicant has stated that at the time of import they have utilized excess duty saved value. RA, Mumbai issued D/L dated 08.12.2020 and informed as under:

"Duty saved value is utilised more than that allowed in licence, application fees is not paid in stipulated period, comply with PN 22 and apply to PRC for relaxation."

Decision: The Committee deliberated upon the case and decided that the applicant may **approach** RA for regularisation of excess duty credit utilized with the Public Notice No. 03/2015-20 dated 13.04.2022. RA may examine the request on merit.

Case No- 50: Gopia Tex, Tirupur (Tamil Nadu)
F. No. HQREPCGPRAPP00000338AM23

Subject: Request for acceptance of EO against EPCG authorization no. 3230018735 dated 05.02.2013 under 3% Concessional duty.

As per the condition sheet the firm was supposed to export knitted readymade garments (ITCHS Code 61090000), they had completed the exports by exporting knitted ready garments through third party namely Akruthi Apparels, Tirupur, worth USD 293,493.00, and all S/bills were realized. The Applicant has further stated that the completion of EO is within the EO period and they have submitted the EO documents within the EOP itself. However, RA Coimbatore rejected their request for acceptance of EO on the grounds that they had not complied with the FTP para 5.5(a), the goods manufactured are not by them, they have done only knitting Job as per CSP EPCG scheme. The Applicant has submitted that they are a service provider and do knitting job to the exporters who are located at Tirupur, and they have submitted the respective supply invoice of job work and local BRC as per Apendix 22B and complied the requirements as per para 5.5(a) of FTP. The knitting job for the exported product are done by them using the imported CGs and respective knitting bill along with the local BRC are submitted as linkage documents for acceptance of the 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- 51: Coventry Coil-O-Matic (Haryana) Ltd., Panipat
F. No. HQREPCGPRAPP00000538AM23

Subject: Request for condonation of procedural lapse for mentioning wrong EPCG Authorisation Number on 12 Shipping Bills in respect of their EPCG authorization no. 3330000658 dated 07.11.2006 under 5% concessional duty.

The firm has further stated that they have exported under various export promotion schemes (DBK/MEIS/DEPB/EPCG etc.) and while exporting in the said shipping bills inadvertently the CHA appointed by them has mentioned EPCG No. 3330000431 dated 27.07.2005 instead of 3330000658 dated 07.11.2006 and due to such genuine lapse, they are facing genuine difficulty in redemption of authorization already submitted in the office of the Jt. DGFT Panipat, Haryana for EODC. RA, Panipat issued the letter dated 07.11.2019 and informed them as under:

> *"You are inform that your request can not be accepted under PC. No. 07/2002 dated 11.07.2002 as the said P. C. is related when no authorization number available on the face of export documents/shipping bills.*
>
> *Hence, you are advice to pay CD + interest as per 5.23 (a) & (b) of HBP 2015-20 and submit the evidence to this office within 30 days (Para 4.50 of HBP) from date of this letter otherwise action will be initiated against you as informed you earlier vide SCN dated 18.07.2019 & also as per FT(DR) act 1992 as amended from time to time.*

Decision: After deliberation on the request of the firm, the Committee decided to **defer** the case with the directions to call for a report from RA concerned on the submissions made by the applicant.

Case No- 52: N. Tina Dresses, Kolkata
F. No. HQREPCGPRAPP00000492AM23

Subject: Request for Condonation of delay in submission of Installation Certificate issued by Chartered Engineer in respect of EPCG Authorization No. 0230009451 dated 04.04.2014 under 0% Concessional Duty.

The firm has stated that they had imported Capital Goods under subject EPCG Authorization vide BOE No. 5434324 dated 08.05.2014 and installed at the firms premises on 20.06.2014. The firm further stated that they couldn't submit requisite Installation Certificate to

RA concerned within stipulated time period due to ignorance which is purely unintentional and have requested for Condonation of late submission of the same.

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- 53: Sri Srinivasa And Company, Saidabad
F. No. HQREPCGPRAPP00000481AM23

Subject: Request against EPCG Authorization nos. 0930003949 dated 31.03.2008 under 05% Concessional Duty and 0930004237 dated 24.07.2008, 0930006922 dated 18.03.2011under 03% Concessional Duty:

i. Block-wise Extension.

ii. 2 years Special EOP Extension from date of approval i.e. beyond 12 years.

Earlier, the firm vide F. No. HQREPCGPRAPP00313685AM22 dated 10.01.2022 had requested for the same i.e. Request for Special EOP Extension for 2 years from the date of approval in respect of subject 3 EPCG Authorizations.

2. The case was considered in 4th EPCG Committee Meeting held on 03.06.2022 wherein the Committee deliberated upon the case and decided to recommend to DG for relaxation under Para 2.58 of FTP 2015-20 to allow:

Condonation of delay in approaching RA for EOP extension for 2 years (from 8th year to 10th year) on payment of composition fee or imposition of additional EO

Condonation for delay in approaching RA for second extension in EOP beyond 2 years with a condition that 50% of duty payable in proportion to the unfulfilled EO is paid by the authorization holder to custom authorities

3. The firm vide present application stated that they requested for Special Extension of two years as EO period would already have expired by the time Extension is granted. But the decision of the Committee was silent on Block-wise extension and no special Extension was granted.

4. The firm further stated that they couldn’t fulfill 100% EO in stipulated and extended EOP due to:

- Agitation of Telangana state formation in the erstwhile undivided AP State. Several crushers closed because of economic crisis and stone aggregates namely coarse and fine aggregates (Rock sand and coarse aggregates) were sold locally and could not be exported.
- Peak covid-19 pandemic and its related lockdowns.
- Lost business opportunities in the market due to high rates and were not in a position to enter the global market aggressively due to lack of procedural acquaintance.

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, 2015-20** to allow extension in block-wise EOP, as the applicant could not apply to RA within the prescribed time period. This shall be subject to payment of 2% composition fee on duty saved amount in proportion to the shortfall at the end of each block in terms of the provisions of Para 5.8.3 of HBP 2009-14 and late fee of Rs. 10,000/-.

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

This has the approval of DG, DGFT.

In respect of 2nd request, the Committee went through the statements made by the firm and noted that the applicant has not submitted any cogent reason/justification or any genuine hardship faced by them in support of request for EO extension beyond 12th year and accordingly, the Committee decided to **reject** the request of the applicant.

Case No- 54: BLS Ecotech Limited, New Delhi
F. No. HQREPCGPRAPP00000491AM23

Subject: Request for re-fixation of Annual Average Export Obligation in respect of EPCG Authorization No. 0530165631 dated 17.08.2015 under 0% Concessional Duty.

The firm has also stated that they have already fulfilled the 100% Specific EO imposed on the Authorization and submitted documents for redemption to CLA, New Delhi. The firm has also stated that at the time of application for EPCG authorization, they have not excluded exports made to fulfill the specific EO against the existing EPCG license within the valid EO period. Accordingly AEO was imposed i.e. Rs. 15,079,662.33 against the above EPCG authorizations.

2. The firm has further stated that as per Para 5.12 of HBP, While calculating AEO, exports counted/being counted for fulfilling specific EO against EPCG Authorisations within valid EO Period (whether original or extended) that have been made in the preceding 3 years will not be taken into account. However, at the time of their application for issuance of EPCG, they have not deducted the value of exports against specific EO against existing EPCG License.

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

Case No- 55: Akums Drugs & Pharmaceuticals Ltd., New Delhi
F. No. HQREPCGPRAPP00000582AM23

Subject: Request for re-fixation of AEO as nil against EPCG Authorization no. 0530165106 dated 09.06.2015 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. 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 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- 56: Akums Drugs & Pharmaceuticals Ltd., New Delhi
F. No. HQREPCGPRAPP00000580AM23

Subject: Request for re-fixation of AEO as nil against EPCG Authorization no. 0530164859 dated 08.05.2015 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. 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 (Letter not attached).

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- 57: Akums Drugs & Pharmaceuticals Ltd., New Delhi
F. No. HQREPCGPRAPP00000581AM23

Subject: Request for re-fixation of AEO as nil against EPCG Authorization no. 0530165105 dated 09.06.2015 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. 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 (Letter not attached).

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

<u>Case No- 58: Satia Industries Limited, Punjab</u>
F. No. HQREPCGPRAPP00000516AM23

Subject: Request for Condonation of delay in submission of Installation Certificate issued by Chartered Engineer in respect of EPCG Authorization No. 3030017844 dated 04.11.2019 and 3031000055 dated 21.12.2020 under 0% Concessional Duty.

The firm has stated that they couldn't submit the Installation Certificate within prescribed time limit and have already paid the penalty amount of Rs. 5000/- against late submission of the same.

For EPCG Authorization No. 3030017844 dated 04.11.2019 - As per Installation Certificate dated 22.01.2020 issued by Chartered Engineer enclosed by the firm, machinery was installed at the firm's premises on 20.01.2020 <u>vide</u> BOE No. 5590990 dated 07.11.2019.

For EPCG Authorization No. 3031000055 dated 21.12.2020 - As per Installation Certificate dated 17.02.2022 issued by Chartered Engineer enclosed by the firm, machinery was installed at the firm's premises on 24.01.2022 <u>vide</u> BOE No. 2062251 dated 22.12.2020.

Decision: After deliberation on the request of the firm, the Committee decided to **defer** the case with the directions to call for a report from RA concerned on the submissions made by the applicant.

<u>Case No- 59: Ramesh Trading, Kolkata</u>
F. No. HQREPCGPRAPP00000464AM23

Subject: Review Application in respect of Request for Condonation of delay in submitting Installation Certificate issued by Chartered Engineer in respect of EPCG Authorization No. 0230009745 dated 02.09.2014 under 0% Concessional Duty.

Earlier the firm <u>vide</u> F. No. HQREPCGPRAPP00158921AM22 dated 10.08.2021 had requested for condonation for late submission of Installation certificate against EPCG Authorization No. 0230009745 dated 02.09.2014. the case was placed in the 4th EPCG Committee Meeting of AM-23 held on 03.06.2022 wherein t he 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. The firm has stated that they could not submit Certificate of Installation on time due to bad health of the proprietor. The firm has requested for condonation of delay in submitting Installation certificate.

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- 60: Nice Rubber Industries Private Limited, Kolkata
F. No. HQREPCGPRAPP00000506AM23

Subject: Request for Condonation of delay in submission of Installation Certificate issued by Chartered Engineer in respect of EPCG Authorization No. 0230008452 dated 29.11.2012 under 0% Concessional Duty.

The firm has stated that they have imported Capital goods under subject EPCG Authorization issued by RA Kolkata vide Bill of Entry Nos. 8689116 dated 06.12.2012 & 8752504 dated 13.12.2012 and the said Capital goods had been installed at their factory on 18.02.2013. The firm further stated that due to ignorance they could not submit the Original Installation certificate to RA Kolkata within the prescribed time period which is purely unintentional and have requested for Condonation for late submission of the same.

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

Case No- 61: Abida Prime Tannery, Vellore (Tamil Nadu)
F. No. HQREPCGPRAPP00000428AM23

Subject: Request for condonation for late submission of Installation certificate issued by Chartered Engineer against EPCG Authorization No. 0430004571 dated 18.01.2007 under 5% Concessional duty.

The firm has stated that they have received D/L dated 23.05.2022 form RA, Chennai. As per D/L copy issued by RA, Chennai has conveyed to them as under:

> *"It is informed that the installation certificate has been submitted beyond the time limit i.e. 31.03.2021 granted by DGFT.*
>
> *You are therefore, advised to furnish clarification on delay in submission of installation certificate and get condonation from the HQ EPCG Committee."*

2. The firm has informed that they have requested for condonation for late submission of Installation certificate as they are unable to trace the copy of letter which they submitted to Customs and DGFT. The firm has further informed that due to sudden resignation of an employee looking after their work, they are unable to trace the old records.

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

<u>Case No- 62: Sunbeam Vanijya Private Limited, Kolkata</u>
F. No. HQREPCGPRAPP00000490AM23

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

i. **EOP Extension up to 31.12.2021 in view of DGFT Notification No. 28/2015-20 dated 23.09.2021**

ii. **EOP Extension up to 31.12.2023**

iii. **Condonation of delay in submission of Installation Certificate issued by Chartered Engineer**

In respect of EPCG Authorization No. 0230008472 dated 11.12.2012 under 03% Concessional Duty.

Earlier the firm i.e. Sunbeam Vanijya Private Limited, Kolkata <u>vide</u> F. No. HQREPCGPRAPP00304140AM22 had requested for 1st Block Extension, 8+2 years of EOP Extension and Condonation of delay in submission of Installation Certificate.

2. The matter was considered in the 3rd EPCG Meeting on 25.05.2022 wherein the Committee deliberated upon the case and decided to recommend to DG for relaxation under Para 2.58 of FTP, 2015-20 to allow Extension in block-wise EOP and Condonation of delay in approaching RA for EO extension (from 8 yrs to 10 yrs). In respect of 3rd 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.

3. Now, the firm <u>vide</u> Review Application dated 16.11.2022 has requested for EOP Extension up to 31.12.2021 in view of DGFT Notification No. 28/2015-20 dated 23.09.2021, EOP Extension up to 31.12.2023 and Condonation of delay in submission of Installation Certificate issued by Chartered Engineer in respect of EPCG Authorization No. 0230008472 dated 11.12.2012 under 03% Concessional duty. The firm has submitted the following-

i. The firm has stated that their Export Products Are Jute Twines, Jute Yarns & Jute Hessian Cloth, Jute Bags used as soil saver and for packaging industries have slowed down and they couldn’t fulfill 100% EO in stipulated time due to Covid-19 pandemic, War like situation in Ukraine and Russia, high crude prices and Ocean fright are 5 times than normal Ocean freight prices, higher Inflation rates and increased federal rates

ii. Firm further stated that their original EOP was expiring between 01.08.2020 and 31.07.2021 and their case is covered under Notification no. 28/2015-2020 dated 23.09.2021

iii. Firm further stated that RA Kolkata had issued DL dated 16.09.2022 stating to untick extension under Para 5.17(f) of HBP due to which the firm will be allowed Extension up to 11.12.2022 which is very short period. The firm stated that they need extension of two years from overall extension 31.12.2021 upto 31.12.2023.

iv. Firm further stated that due to unawareness of policy procedure as specified in Para 5.3.1(a) of HBP 2009-14, they had not submitted the installation certificate to RA office within prescribed time period as per policy procedure.

Decision:

In respect of 1st& 2nd request, the Committee deliberated upon the case and decided to advise the applicant to approach RA in terms of Public Notice No. 53/2015-20 dated 20.01.2023 for extension of EO period.

In respect of 3rd 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.

Case No- 63: Synergy Telecommunications, Solan
F. No. HQRPRCAPPLY00003620AM23

Subject: Request for 2 years EOP Extension from date of endorsement i.e. from 2022 to August 2024 without any payment of composition fees in respect of EPCG Authorization No. 2230001087 dated 29.01.2009 under 03% Concessional Duty.

The firm has stated that they couldn't fulfill 100% EO in stipulated time period due to recession in the market and other factors beyond their control. The firm has further stated that they obtained 1st Block Extension and 1st EOP Extension from 8th to 10th year but the EO couldn't be fulfilled in Extended EOP too due to requirement of amendment of export items received by the firm, Covid-19 pandemic and restriction of international movement. The firm further stated that now normalcy has been restored and are expecting boom in exports wherein they are in talks with customers expecting export orders to fulfill pending 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- 64: Synergy Telecommunications, Solan
F. No. HQRPRCAPPLY00003619AM23

Subject: Request for 2 years EOP Extension from date of endorsement i.e. from 2022 to August 2024 without any payment of composition fees in respect of EPCG Authorization No. 2230000910 dated 12.05.2008 under 03% Concessional Duty.

The firm has stated that they couldn't fulfill 100% EO in stipulated time period due to recession in the market and other factors beyond their control. The firm further stated that they obtained 1st Block Extension and 1st EOP Extension from 8th to 10th year but the EO couldn't be fulfilled in Extended EOP too due to non-conversion of export orders because of low margins, Covid-19 pandemic and suffering of international business since the last 2 years. The firm has further stated that they have customers who have shown keen interest in their products and have bulk requirements and the firm is expecting to fulfill pending EO if requisite EOP Extension is provided to them.

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- 65: Madhukarrao Ghate Backward Class CO OP Spinning Mill Limited Ludhiana
F. No. HQRPRCAPPLY00003651AM23

Subject: Request for extension of EOP for 4 years i.e. 6 years to 10 years in respect of EPCG Authorization No. 3130008120 dated 12.08.2014 under 0% Concessional duty - reg.

The firm has stated their mill is situated in the backward area/interiors of Maha. State runs manly depending on financial assistance provided by State Govt. Unfortunately they could not get enough funds from State Govt. as promised to carry out the business. Moreover, the constant labor unrest due to lack of power supply and required labor force, mainly political/ labor union interference and exit from the dreaded corona pandemic all added to the agony. All these factors result in loss of production and required EO is not completed within the stipulated time. In this regard, RA, Pune vide letter dated 21.07.2022 has conveyed to them as under:

"i. Status of 1 st block of EO period is not given.
ii. Request for extension of EOP is not made within time as per Para 5.11 of HBP.
iii. Request for extension of 4 years EOP is not acceptable as per Para 5.11 of HBP."

Decision: The Committee deliberated upon the case and decided to recommend to DG for relaxation under Para 2.59 of FTP, 2015-20 to allow extension in block-wise EOP, as the applicant could not apply to RA within the prescribed time period. This shall be subject to payment of 2% composition fee on duty saved amount in proportion to the shortfall at the end of each block in terms of the provisions of Para 5.8.3 of HBP 2009-14 and late fee of Rs. 10,000/-.

The Committee 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 Export Obligation Period beyond 8 years in terms of Public Notice No-53 dated 20.1.2023 where extension is permitted on account of COVID. The Committee further deliberated upon the case and decided to advise that if they desire, the applicant may approach RA for regularising the case under the Amnesty Scheme notified vide Public Notice No. 02/2023 dated 02.04.2023 as per the conditions specified therein. RA may examine such request as per policy on merit.

<u>Case No- 66: Auronext Pharma Pvt. Ltd., New Delhi</u>
F. No. HQREPCGPRAPP00000477AM23

Subject: Request for condonation for late submission of Installation certificate issued by office of the Assistant Commissioner against EPCG Authorization No. 0530166983 dated 17.02.2016 Under 0% Concessional duty.

As per ANF-2D Form, the firm has stated that they could not submit installation certificate within stipulated time period. CLA, New Delhi <u>vide</u> their D/L dated 08.08.2022 has conveyed to them as under:

> *"Last import on 20.06.2016 and submitted the installation certificate on 20.07.2021 i.e. beyond the prescribed period of time (including paid penalty of 12 months) i.e. 18 months in mentioned in para 5.04 HBP. You are again advised to approach DGFT for condonation."*

2. As per Installation certificate issued by office of the Assistant Commissioner, Bhiwadi on 28.09.2017, CGs were imported and installed at the premises as under:

S. No.	Bill of Entry No. & date	Date of Installation
i.	4486170 dated 07.03.2016	20.06.2016
ii.	5443108 dated 30.05.2016	22.07.2016
iii.	4699626 dated 26.03.2016	09.09.2016

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 submission of installation certificate, subject to payment of composition fee of Rs. 5000/- and submission of installation certificate. RA to verify that no ECA/DRI/Customs action is pending.

This has the approval of DG, DGFT.

<u>Case No- 67: Shree Sai Ram Textiles, Surat</u>
F. No. HQREPCGPRAPP00000480AM23

Subject: Request for second EOP Extension for 1 year up to 31.12.2022 upon payment of 50% of DSV in view of Notification No. 28 dated 23.09.2021 in respect of EPCG Authorization No. 5230007388 dated 17.08.2010 under 03% Concessional Duty.

The firm has stated that their IEC was in DEL list against EPCG Authorization Nos. 5230007211 dated 06.07.2010 and 5230007388 dated 17.08.2010 and were removed from DEL list on 31.08.2022 by RA Surat. The firm further stated that they have already paid 50% of DSV as a custom duty of Rs. 5,84,350.00 on dated 02.12.2020 for further EOP extension for two yeaRs. The firm has requested for EOP Extension up to 31.12.2022. Subject 03% EPCG Authorization was issued on 17.08.2010 valid up to 17.08.2018, first EOP Extension availed up to 17.08.2020 and further automatic EOP Extension up to 31.12.2021 in view of P.N. No. 67 dated 31.3.2020 and Notification No. 28 dated 23.09.2021. The firm is requesting for EOP Extension from this date.RA Surat issued a D/L to the firm stating that since their EO period had expired they may approach EPCG Committee/PRC for further EO extension.

Decision: The Committee deliberated upon the case and decided **to recommend to DG for relaxation under Para 2.59 of FTP, 2023** to allow Condonation for delay in approaching RA for second extension in EOP for 1 year (11^{th} year to 12^{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 20.1.2023 where extension is permitted on account of COVID. The Committee further deliberated upon the case and decided to advise that if they desire, the applicant may approach RA for regularising the case under the Amnesty Scheme notified vide Public Notice No. 02/2023 dated 02.04.2023 as per the conditions specified therein. RA may examine such request as per policy on merit.

Case No- 68: J. S. Spintex Limited , Patiala (Punjab)
F. No. HQREPCGPRAPP00000449AM23

Subject: Request for condonation for late submission of Installation certificate issued by Chartered Engineer against EPCG Authorization No. 3030016979 dated 08.03.2018 under 0% Concessional duty.

The firm has stated that they could 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 EPCG License No. 3030016979 dated 08.03.2018. The firm also stated that that as textile sector they are not registered with Excise and it is not applicable on them.

Decision: After deliberation on the request of the firm, the Committee decided to **defer** the case with the directions to call for a report from RA concerned on the submissions made by the applicant.

Case No- 69: J. S. Spintex Limited , Patiala (Punjab)
F. No. HQREPCGPRAPP00000448AM23

Subject: Request for condonation for late submission of Installation certificate issued by Chartered Engineer against EPCG Authorization No. 3030017415 dated 31.01.2019 under 0% Concessional duty.

The firm has stated that they could 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 EPCG License No. 3030017415 dated 31.01.2019. The firm also stated that that as textile sector they are not registered with Excise and it is not applicable on them.

Decision: After deliberation on the request of the firm, the Committee decided to **defer** the case with the directions to call for a report from RA concerned on the submissions made by the applicant.

Case No- 70: Shree Rama Newsprint Limited, Surat
F. No. HQREPCGPRAPP00000515AM23

Subject: Request for 1st Block Extension without Payment of Composition Fees in respect of EPCG Authorization No. 5230026513 dated 30.10.2018 under 0% Concessional Duty.

The firm has stated that as per the policy they were supposed to fulfill 50% of the EO amount within 4 years (First Block) but couldn't fulfill the same due to:

- After obtaining the Authorization, it took time to install the Capital goods, securing statutory approval for marketing i.e. FASSAI, ISI and sampling the products to their expected buyers to get the export orders so it was difficult to export in the initial period.
- The plant was commissioned in July 2019.
- After their samples were passed and they started getting export orders, Covid-19 pandemic affected their exports. Later the freight rates had risen tremendously due to Covid-19 related issues leading to difficulty for their product to be exported as they couldn't increase their selling price up to that cost.
- Ukraine Russia war and instability in the foreign trade market due to which they had no orders in hand and could not make exports.

2. The firm has requested to condone the Block-wise Export condition without imposing the Composition fees. The firm stated that their duty saved amount of this authorization is Rs. 2,51,93,000/ for which Composition fees comes to Rs. 503860/ which is very huge amount and there is no fault from their side as mentioned above.

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

Subject: Request for condonation for late submission of Installation certificate issued by Chartered Engineer against EPCG Authorization No. 0230014268 dated 18.02.2020 under 0% Concessional duty.

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.

Decision: After deliberation on the request of the firm, the Committee decided to **defer** the case with the directions to call for a report from RA concerned on the submissions made by the applicant.

Case No- 72: B-One Business House Pvt. Ltd., Bhubaneswar
F. No. HQREPCGPRAPP00000505AM23

Subject: Request for condonation for late submission of Installation certificate issued by Chartered Engineer against EPCG Authorization No. 0230014363 dated 09.04.2020 under 0% Concessional duty.

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.

Decision: After deliberation on the request of the firm, the Committee decided to **defer** the case with the directions to call for a report from RA concerned on the submissions made by the applicant.

Case No- 73: IRIS Clothings Limited, West Bengal
F. No. HQREPCGPRAPP00000498AM23

Subject: Request for condonation for late submission of Installation certificate issued by Chartered Engineer 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 the said 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 & 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.

Decision: After deliberation on the request of the firm, the Committee decided to **defer** the case with the directions to call for a report from RA concerned on the submissions made by the applicant.

Case No- 74: Shree Khodiyar Fashion, Surat
F. No. HQRPRCAPPLY00003727AM23

Subject: Request for 4 years EOP Extension up to 12.09.2023 i.e. 6+4 years in respect of EPCG Authorization No. 5230012579 dated 12.09.2013 under 0% Concessional Duty.

The firm has stated that they could only fulfill 58% EO within stipulated time period of 6 years due to unfavorable business circumstances. The firm further stated that they were ready to fulfill their unfulfilled EO but their license got expired and were unable to pay applicable penalties and fees for extension of subject EPCG Authorization.

Decision: The Committee deliberated upon the case and decided to recommend to DG for relaxation under Para 2.59 of FTP, 2023 to allow condonation of delay in approaching RA for 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 Export Obligation Period beyond 8 years in terms of Public Notice No-53 dated 20.1.2023 where extension is permitted on account of COVID. The Committee further deliberated upon the case and decided to advise that if they desire, the applicant may approach RA for regularising the case under the Amnesty Scheme notified vide Public Notice No. 02/2023 dated 02.04.2023 as per the conditions specified therein. RA may examine such request as per policy on merit.

Case No- 75: Shiv Shakti Rice And General Mills, Karnal
F. No. HQRPRCAPPLY00003702AM23

Subject: Review Application for Request for second EOP Extension i.e. from 8th to 10th year in respect of EPCG Authorization No. 3330003054 dated 08.10.2013 under 0% Concessional Duty.

The firm vide F. No. HQRPRCAPPLY00195906AM22 dated 28.09.2021 had requested for extension of EOP for 4 years in respect of subject EPCG Authorization.

2. The case was considered in 13th EPCG Committee Meeting of AM-22 held on 09.03.2022 wherein:

i. The Committee deliberated upon the case and decided to recommend to DG for relaxation under Para 2.58 of FTP 2015-20 to allow extension in EOP for 2 years, from 6th year to 8th year, on payment of composition fee equal to 2% of proportionate duty saved amount on unfulfilled EO or an enhancement in EO imposed to the extent of 10% of total EO at the choice of exporter, for each year of extension sought in terms of provisions contained in Para 5.11 of HBP 2019-14, late fee of Rs.10,000/-

ii. Committee decided to reject the request for EO extension from 8th year to 10th year, as the applicant has not submitted any cogent reason/justification in support of any genuine hardship faced by them.

3. The firm vide present application has stated that they had obtained the license for export of Basmati Rice and due to non-availability of export orders they could not make any export and are now selling their products to an exporter who has sufficient export orders to make export and complete EO. The firm stated that due to lack of policy knowledge regarding third party export they could not get mentioned the license detail in shipping bill while they are supplying goods from a long period. The firm further stated that their license was expiring as on 07.10.2021 after taking EO Extension and have requested for further extension from 8 to 10 years for fulfilling 100% EO.

Decision: 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 dated 20.1.2023 where extension is permitted on account of COVID. The Committee further deliberated upon the case and decided to advise that if they desire, the applicant may approach RA for regularising the case under the Amnesty Scheme notified vide Public Notice No. 02/2023 dated 02.04.2023 as per the conditions specified therein. RA may examine such request as per policy on merit.

Case No- 76: Sri Bhagyalakshmi Enterprises, Bangalore

F. No. HQREPCGPRAPP00000510AM23

Subject: Request for second EOP Extension for 2 years i.e. beyond 6+2 years in respect of EPCG Authorization No. 0730012649 dated 26.08.2013 under 0% Concessional Duty.

The firm has stated that they have availed 1st Block Extension and EOP Extension from 6 to 8 years up to 26.08.2021 from RA Bangalore on 31.05.2022.The firm stated that they couldn't fulfill their 100% EO in stipulated and extended time period due to:

- They were supposed to export Non-basmati rice, basmati rice and Ponny rice/idly rice but there were often ban on the mentioned products and they couldn't obtain export orders for the same

- Due to procedural lapse they had exported aqua plants during validity period of subject EPCG Authorization

- Covid-19 pandemic

2. The firm has further stated that they now have an opportunity to export through third party M/s. S & S Foods, Bangalore who will export to Doha and Singapore by incorporating their subject EPCG Authorization details.

Decision: 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 dated 20.1.2023 where extension is permitted on account of COVID. The Committee further deliberated upon the case and decided to advise that if they desire, the applicant may approach RA for regularising the case under the Amnesty Scheme notified vide Public Notice No. 02/2023 dated 02.04.2023 as per the conditions specified therein. RA may examine such request as per policy on merit.

Case No- 77: Sanjeevani Comerce Private Limited, Kolkata

F. No. HQREPCGPRAPP00000502AM23

Subject: Request for Condonation of delay in submission of Installation Certificate issued by Chartered Engineer in respect of EPCG Authorization No. 0230010011 dated 24.12.2014 under 0% Concessional Duty.

The firm has stated that they have imported Capital goods under subject EPCG Authorization issued by RA Kolkata vide Bill of entry No. 8408942 dated 24.02.2015 and the said Capital goods had been installed at their factory on 08.06.2015. The firm further stated that due to ignorance they could not submit the Original Installation certificate to RA Kolkata within the prescribed time period which is purely unintentional and have requested for Condonation for late submission of the same.

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- 78: Greenply Industries Ltd., Kolkata
F. No. HQREPCGPRAPP00000468AM23

Subject: Request for condonation of procedural lapse for mentioning wrong EPCG Authorisation Number on 8 Shipping Bills in respect of their EPCG authorization no. 0230004233 dated 03.06.2009 under 3% Concessional duty -reg.

The firm has stated that they have been allowed to include other export products only up to 50% manufactured by the same company/group company as per Para 5.5 of FTP 2009-14 and AEO performance of Rs. 9,48,241,119.67 was imposed towards inclusion of other, i.e., "Decorative Laminated Sheets" manufactured by the same company.

2. The firm has also stated that they fulfilled 50% of their EO by way of export of "Decorative Laminated Sheets" manufactured by the same company during the first block period of 1-6 years and thereafter company partially fulfilled the balance of the EO during the extended period of 9-10 years through export of the original export product “HDF-MDF Board”, for Fob

value of USD 1152752.77. In all, considering 50% exports of alternative products made during the first block period, their total exports for fulfillment stands at US$ 2774807.85 of its EO. The aforesaid total exports are in fact short of USD 469302.30.

3. The firm has stated that they have another 8 S/Bills against export of the same export product, "HDF-MDF Board" and having a combined FOB Value of USD 469737.10 but due to a procedural lapse of mentioning wrong EPCG Authorization no. 0230004183 dated 07.05.2009 on 8 shipping bills instead of 0230004233 dated 03.06.2009 . The firm has further stated that that these S/Bills have not been used for EPCG authorization number. 0230004183 dated 03.06.2009 and all 8 shipping bills are draw back shipping bills, which means they are not free bills.

Decision: After deliberation on the request of the firm, the Committee decided to **defer** the case with the directions to call for a report from RA concerned on the submissions made by the applicant.

<u>Case No- 79: Nagesh Knit & Weave, Ludhiana</u>
F. No. HQREPCGPRAPP00000478AM23

Subject: Request for Waiver of Average Export Obligations for the Year 2017-18, 2018-19, 2019-2020 and 2020-21 in respect of following 3 EPCG Authorizations under 0% Concessional Duty:

i. **3030016435 dated 14.03.2017**

ii. **3030016875 dated 13.12.2017**

iii. **3030017441 dated 20.02.2019**

The firm further stated that due to shortfall in average exports during 2017-18, 2018-19, 2019-20 and 2020-21 RA said that specific obligations made by them are not acceptable against subject Authorizations. The firm stated reason behind shortfall of average exports as their 2 major buyers from France had gone bankrupt who gave them 68.99% and 18.73% export business respectively in 2016-17 and they found another buyer who gave them business of 75.40% of total export of in 2017-18 and 84.28% of total export in 2018-19. The firm further stated that export was slashed to 48.49% in 2019-20, 15.52% in 2020-21 and NIL in 2021-22 due to Covid-19 Pandemic. The firm further stated that they faced downfall of their garments exports for which we could not maintain average EOs imposed under subject EPCG Authorizations.

2. The firm has submitted following Policy Circulars <u>vide</u> which Government had also accepted overall decline of garments exports across India wherein garments export business is continuously going down from 2016-17 and further badly affected due to Covid-19 Pandemic

- Policy Circular No.03/2015-20 dated 21.11.2017
- Policy Circular No.18/2015-20 dated 31.01.2019
- Policy Circular No.31/2015-20 dated 26.02.2020
- Policy Circular No.37/2015-20 dated 10.09.2021

In view of the above, the firm has requested Waiver of Average EO for the years 2017-18, 2018-19, 2019-2020 and 2020-21 for the above mentioned licenses.

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- 80: Schott Glass India Private Limited, Gujarat
F. No. HQREPCGPRAPP00000497AM23

Subject: Request for Condonation for delay in submission of Installation Certificate issued by Chartered Engineer in respect of EPCG Authorization No. 3430003464 dated 05.12.2019 under 0% Concessional Duty.

The firm has stated that they had submitted Installation Certificate dated 24.12.2020 to RA, Vadodara by online on 05.10.2021 but RA had issued a Deficiency Letter informing that "Installation Certificate is submitted beyond 18 months and cannot be accepted" and advised to approach EPCG Committee for Condonation of the same.

2. The firm has further stated that Installation Certificate was submitted within 18 months from the date of completion of import against subject EPCG Authorization and RA has mentioned that Installation Certificate was submitted beyond 18 months which cannot be accepted as they would have calculated based on date of first import. The firm has stated that it should be calculated from the date of completion of import as per Para 5.04 (a) of HBP.

Decision: After deliberation on the request of the firm, the Committee decided to **defer** the case with the directions to call for a report from RA concerned on the submissions made by the applicant.

Case No- 81: G.G. Fashions, Salem (Tamil Nadu)
F. No. HQRPRCAPPLY00395964AM22

Subject: Request for:

i. **Acceptance and Issuance of "Cotton Fabrics" as Export Product Name**

ii. **4 years EOP Extension up to 29.07.2022 i.e. from 8th to 12th year**

In respect of EPCG Authorization No. 3230015281 dated 30.07.2010 under 03% Concessional Duty.

The firm has stated that their other EPCG Authorizations i.e. 3230015140 dated 02.07.2010 and 3230015975 dated 08.12.2010 have been issued Export Product Name as "Cotton Fabrics". The firm further stated that the same export product name has not been mentioned in their subject authorization i.e. 3230015281 dated 30.07.2010. Hence the firm has requested for acceptance and issuance of Export Product Name of "Cotton fabrics" for the subject authorization. The firm has furnished the justification as follows:

"They are manufacturer of Cotton, Cotton Fabric since last 20 years, also mention on SSI Certificate. At the time of application, their employees only do not mention Cotton Fabric in this license. The remaining licenses mention cotton fabrics for export fulfilment.

They have already fulfilled their EO and at the time of redemption they come to know about the cotton fabric not mentioned on the license. Now they cannot make endorsement on the licence. Hence, the firm has requested endorsement of cotton fabric on the license and advised RA to encash the license at the earliest."

Decision: After deliberation on the request of the firm, the Committee decided to **defer** the case with the directions to call for a report from RA concerned on the submissions made by the applicant.

Case No- 82: Ksp Fibre Products Pvt. Ltd., Ludhiana
F. No. HQREPCGPRAPP00000483AM23

Subject: Request for extension of EOP for two years i.e. from 31.12.2021 to 31.12.2023 in respect of EPCG Authorization No. 3030009462 dated 10.04.2012 under 3% Concessional duty.

The firm has stated that as per P.N. 67 dated 31.03.2020 their EOP extended till 10.10.2020 and Notification no. 28/2015-2020 dated 23.09.2021 it was validated till 31.12.2021. The firm has also stated that they applied for 2nd block EOP extension under Para 5.17(d) of HBP 2015-2020 but couldn't able to submit the request within prescribed time period due to oversight and want that it should be considered under P.N 03 dated 13.04.2022 by paying penalty of late submission and regularize their request for late submissions of EOP extension so that they can able to fulfill their pending EO within extended time.

Decision: 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 dated 20.1.2023 where extension is permitted on account of COVID. The Committee further deliberated upon the case and decided to advise that if they desire, the applicant may approach RA for regularising the case under the Amnesty Scheme notified vide Public Notice No. 02/2023 dated 02.04.2023 as per the conditions specified therein. RA may examine such request as per policy on merit.

Case No- 83:Beekay Steel Industries Ltd., Kolkata
F. No. HQRPRCAPPLY00352558AM22

Subject: Request against EPCG Authorization Nos. EPCG Authorizations Nos. 0230006607 dated 29.04.2011 and 0230008119 dated 11.07.2012 under 0% Concessional duty:

i. The Block wise extension and negligence in getting EOP extension in time both can be condoned and allowed only for the purpose of regularization.

ii. To allow for redemption /regularization of the 2 EPCG authorizations under Provision of Policy Circular 7 dt: 11.07.2002 by taking into consideration the shipping Bills of other export items manufactured and exported from other units.

iii. 100% EO may be allowed export of other items from our various manufacturing units - on the basis of exports already made.

The firm has stated that they had imported CGs against above both EPCG authorizations during the months of May 2011, June 2011 and July 2012, and also obtained Central Excise Certificate of installations and submitted to RA Kolkata. However, the firm has not been able to start production due to the following reasons:

"They initiated the Pydibhimavaram project as a green field project for the construction of transmission line towers. they felt that M/s Power Grid Corporation of India Limited is the sole Project Authority buyer for the finished goods i.e. Transmission Line Towers. In addition, they were required to be registered /empaneled with the power grid, which was a very lengthy and rigorous process. Further, the credit period for payment being levied by Power Grid was too long/financially unviable which would result in huge blockage of funds. It was understood by them that Power Grid would only place orders on turnkey basis i.e. they would need to supply transmission towers as well as install them.

However they were only interested in supply of transmission line towers as they do not have any experience/expertise in its installation. As such despite the completion of our shed and building and the purchase of capital goods, the project was never started i.e. despite this the commercial production CG(s) was never started. The status of the project site remains the same even today."

2. The firm has stated that they had obtained extension of 1st block against EPCG Authorziation no. 0230006607 dated 29.04.2011 but they could not obtain extension of EOP i.e. beyond 6 years. In respect of EPCG No. 023000811 dated 11.07.2012, they could not obtain extension of 1st block as well as EOP extension.

3. The firm has further stated that other than apart from Pydibhimavaram Project they have 6 other manufacturing units – all under the same IEC Code (0289008026) – from where they export different products, viz. Steel Flat Bars, Round Bars, Bright Bars, Steel Deformed bars (TMT Bars) including items which are capable of being manufactured through the CG(s) imported under the subject 2 Nos. EPCG authorizations. The firm has also provided a detailed summary of year wise / Branch wise exports done – all done under the same IEC Code for export product i.e. Non Alloy Steel Products as below:

Years	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	TOTAL
Total Exports	23.14 Cr.	74.08 Cr.	263.23 Cr.	125.69 Cr.	175.85 Cr.	86.61 Cr.	748.62 Cr

4. Further, the firm had applied to RA, Kolkata for addition of export products i.e. Non Alloy Steel Channel, Angle, Beam and Joist Grade (HS Code 7241990) but RA, Kolkata informed them by issuing D/L dated 02.02.2022 against both EPCG authorizations as under:

"Your *amendment request cannot be considered, since validity period of the licence is over, and hence the application is time barred. So, you are requested to approach DGFT Head Quarters for condonation of delay."*

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:-

(a) Extension in block-wise EOP, as the applicant could not apply to RA within the prescribed time period. This shall be subject to payment of 2% composition fee on duty saved amount in proportion to the shortfall at the end of each block in terms of the provisions of Para 5.8.3 of HBP 2009-14 and late fee of Rs. 10,000/-.

(b) Condonation of delay in approaching RA for EO extension for 2 years (from 6th year to 8th year) on payment of composition fee or imposition of additional 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: -

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

ii. 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.

In respect of 2nd& 3rd 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.

Case No- 84: Kandukuri Industries Pvt. Ltd., Mumbai
F. No. HQRPRCAPPLY00003748AM23

Subject: Request for extension of EOP for two years (i.e. from 10 years to 12 years) in respect of EPCG Authorization No. 0330034474 dated 11.12.2012 under 3% Concessional duty - reg.

The firm has stated that they could not complete their EO due to the Covid situation and the international market crisis. The firm has also stated that their EOP extension has been changed from 8 years to 10 years.

Decision: The Committee deliberated upon the case and decided **to recommend to DG forrelaxation under Para 2.59 of FTP, 2023** to allow Condonation for delay in approaching RA for second extension in EOP for 2 year (10th year to 12th year) with a condition that 50% of duty payable in proportion to the unfulfilled EO is paid by the authorization holder to custom authorities in terms of provisions contained in Para 5.11 of HBP 2004-09.

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 beyond 12 years in terms of Public Notice No-53 dated 20.1.2023 where extension is permitted on account of COVID. The Committee further deliberated upon the case and decided to advise that if they desire, the applicant may approach RA for regularising the case under the Amnesty Scheme notified vide Public Notice No. 02/2023 dated 02.04.2023 as per the conditions specified therein. RA may examine such request as per policy on merit.

Case No- 85: Woodenfab, Tamil Nadu
F. No. HQREPCGPRAPP00000522AM23

Subject: Request for second EOP Extension up to 30.10.2023 i.e. beyond 6+2 years in respect of EPCG Authorization No. 0430013030 dated 30.10.2013 under 0% Concessional Duty.

The firm has stated that they are manufacturers of compressed wooden pallets which are used by exporters based in SEZ Units for their export of end products as final packaging material. The firm further stated that subject EPCG Authorization was granted to import wood crusher, wood dryer, glue mixer, pallet press machine, press machine mould, pallet block extruder machine, sieve, pallet feet block cutting machine and air compressor. The firm has also stated that they have received one EOP Extension up to 30.10.2021 and have supplied to various SEZ Units and realized US$ 49275.0. The firm has further stated that they couldn't fulfill 100% EO in stipulated and extended time period due to:

- Export product having limited overseas buyer
- Withdrawn of foreign export orders due to commercial issues
- Shut down of unit and non-fulfillment of bulk orders due to Covid-19 pandemic lockdowns
- Workers left the office premises later joining around June 2021 wherein EOP expired in October 2021

2. The firm has informed that they have received export orders from various SEZ Units along with assurance from overseas buyers and are confident of completing 100% EO before 31st October , 2023.

Decision: 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 dated 20.1.2023 where extension is permitted on account of COVID. The Committee further deliberated upon the case and decided to advise that if they desire, the applicant may approach RA for regularising the case under the Amnesty Scheme notified vide

Public Notice No. 02/2023 dated 02.04.2023 as per the conditions specified therein. RA may examine such request as per policy on merit.

Case No- 86: Vaishnavi Multygrains Private Limited, Jharkhand
F. No. HQREPCGPRAPP00000503AM23

Subject: Request for Condonation of delay in submission of Installation Certificate issued by Chartered Engineer in respect of EPCG Authorization No. 2130000211 dated 06.02.2015 under 0% Concessional Duty.

The firm has stated that they have imported Capital goods under subject EPCG Authorization issued by RA Kolkata vide Bill of entry Nos. 9067187 dated 28.04.2015 & 9079056 dated 29.04.2015 and the said Capital goods had been installed at their factory on 01.04.2016. The firm further stated that due to ignorance they could not submit the Original Installation certificate to RA Kolkata within the prescribed time period which is purely unintentional and have requested for Condonation for late submission of the same.
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- 87: Manglam Apparels Private Limited, Noida
F. No. HQREPCGPRAPP00190784AM22

Subject: Request to Re-fixation of Annual Average in respect of 3% EPCG Authorization No. 0530157451 date d 19.01.2012- regarding

The applicant has stated that they have acknowledged DL letter from CLA, Delhi and submitted that at the time of issuance of EPCG Authorization they had submitted the Auditor certificate for past performance without deducting as per Para 5.7.4 of HBP Volume 1 and Relief in Annual Average as per policy circular 53 of 2012.

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- 88: Escon Genset Pvt.Ltd., Bengaluru
F. No. HQREPCGPRAPP00000402AM23

Subject: Request for condonation of non- mentioning EPCG Authorisation Number in the ARE-3/ ARE-1 in respect of EPCG authorization no. 0730005156 dated 17.01.2007 under 5% concessional duty to Escon Genset Pvt.Ltd. , Bengaluru -reg.

The firm exported the against the said EPCG Authorization to 100% Export Orient Unit under ARE-3 and to SEZ units under ARE-1 during the year 2007-08 to 2008-2009 and realized sales proceeds of Rs. 2,49,48,975/- in Indian rupees. In the said ARE-3 and ARE-1, the receipt of the said goods by the 100% EOU units and SEZ units have also been confirmed by the concerned authorities. For the said receipt of the sale proceeds, the firm has also obtained the "bank certificate of payments for domestic supplies" in APPENDIX 22B from their bankers. It is further stated that during the export period of eight years they were required to complete the EO FOB value of Rs. 1,69,63,200/- (US Dollars 3,77,379.31). Whereas within three years from the issuance of said EPCG authorization, they had exported the resultant products FOB value of Rs. 2,49,48,975/- and thereby , they fulfilled the obligation imposed in the said Authorization. However, when the firm applied for redemption of EPCG license. However, RA issued a deficiency letter dated 21.02.2012 and informed as follows:

> *"For excess value of imports, application fee for 10% of the enhancement has not been submitted by way of a demand draft;*
>
> *BRC value is not matching' and*
>
> *Bill of exports for the goods exported to SEZ unit/developer to be produced."*

Bill of exports for the goods exported to SEZ unit/developer to be produced."

2. The firm in response paid an amount of Rs. 530/- towards application fees on 10% of enhancement of value; reconciled/clarified the value of realization certificate issued by the Bank and clarified that there is no requirement to submit the Bill of export for the goods supplied to the SEZ units.

3. RA again issued a deficiency letter dated 08.09.2015 for non-submission of documents for discharge of first block/complete EO for EPCG Authorization No. 0730005156 dated 17.01.2007. In reply to the same, the firm submitted once again installation bill of entry and other correspondence letters and requested for issue of EODC. Thereafter RA issued deficiency letters dated 17.04.2018, 08.10.2018, 04.12.2018 and 25.06.2019 to the firm and informed as under:

> *"i. Please furnish the enhancement of application fee of Rs.530/- through E-MPS*
>
> *ii. ARE-3 EPCG authorization number not shown. Hence tyour EO Application not be considered.*
>
> *iii. Bill of Entry copy to be furnished."*

4. However, RA issued a SCN dated 09.07.2018 for having failed to submit all the relevant documents as required under the FTP & HBP and as outlined in the conditions attached to the said EPCG authorization and directed to show cause as to why:

- Why the Authorization should not be deemed to have been fully utilized in the absence of any documents produced by the Appellant;
- Why the EO should not be deemed to be unfulfilled in the absence of any document produced by the Appellant;
- Why on such cancellation, the imports effected against the license in question should not be deemed to have effected in contravention of the FTDR, 1992 and penalty equal to 5 times the value for the license should not be imposed jointly/severally on the Appellant/

its partners or directors under section 11(2) of the FTDR Act, 1992 in addition to demand for duty along with interest;

- Why the Appellant's IEC should not be placed under denied entity list denying further issue of any benefits as per rule 7 of FTR Rules, 1993.

5. The firm vide their letter dated 24.07.2018 replied the SCN and contended that they have already fulfilled the EO as specified in the said EPCG authorization and submitted their letter dated 13.10.2010 for redemption along with other relevant documents and the same also submitted twice in response to deficiency letter dated 21.02.2012 and 08.09.2015. The firm requested RA to consider the same and drop the proceeding initiated in the show cause notice.

6. The firm has stated that RA without giving another opportunity of personal hearing and considering the reply to the show case notice, vide Order-in-Original F.No. BNGECAAPPLY00000164AM23 dated 28.06.2022 for want of not responding to Deficiency letter dated 25.06.2019 placed the name of the firm and IEC under Denied Entry List and Imposed the penalty of Rs. 25,000/- under section 11(2) of FT(D&R) Act,1992.

7. The firm has now submitted that they have used the said capital goods in the manufacture of Sound proof Acoustic Enclosure, Electrical Control Panel & Electric Generating Set and supplied the same to 100% EOU against CT-3 certificated under ARE-3 and SEZ units/developers under ARE-1, which amounted deemed exports. In the said ARE- & ARE-3, the concern customs authorities confirmed the receipt of the said goods by the EOUs and SEZ units/ developers. On such deemed exports, they have also realized sales proceeds of Rs. 2,49,48,975/- in Indian rupees and thereby, the firm fulfilled the obligation imposed in the said Authorization. The receipt of the said sales proceed has also been confirmed by their banker in Appendix 22B, which is also not in dispute.

8. Further, as per the said EPCG License, during the export period of eight years the firm was required to complete the EO FOB value of Rs. 1,69,63,200/- (US Dollars 3,77,379.31). Whereas within three years from the issuance of said EPCG authorization, the firm has exported the resultant products FOB value of Rs. 2,49,48,975/- and thereby, the firm fulfilled the obligation imposed in the said 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- 89: Shree Ridhi Sidhi Industries, New Delhi
F. No. HQREPCGPRAPP00000493AM23

Subject: Request for Second EOP Extension for 2 years i.e. beyond 6+2 years in respect of EPCG Authorization No. 0530162053 dated 24.12.2013 under 0% Concessional Duty.

The firm has stated that they were unable to fulfill 100% EO in stipulated time period due to the staff handling the concerned work left the office without any notice and their subject EPCG Authorization and shipment documents were misplaced and weren't aware of the status of the license. The firm has requested for additional 2 years EOP Extension (6+2+2 years) as they had not applied for EOP Extension as per FTP in force due to missing license status during Covid-19 pandemic period wherein offices were closed as per government restrictions.

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- 90: Industrial Safety Products Pvt. Ltd., Kolkata
F. No. HQREPCGPRAPP00000499AM23

Subject: Request for condonation for late submission of Installation certificate issued by Chartered Engineer against EPCG Authorization No. 0230014729 dated 21.10.2020 under 0% Concessional duty.

The firm has stated that they could not submit installation certificate within stipulated time period due to Covid-19 they were unable to submit installation certificate within time period

Decision: The Committee deliberated upon the case and decided to **defer** the case to call for a factual report from RA regarding date of submission of installation certificate to RA.

Case No- 91:Krishna Tissues Pvt. Ltd., Howrah (Kolkata)
F. No. HQREPCGPRAPP00000485AM23

Subject: Request for condonation for late submission of Installation certificate issued by Central Excise against EPCG Authorization No. 0230009892 dated 21.11.2014 under 0% Concessional duty.

The firm has stated that they had installed the machinery on time and their chartered engineer issued the certificate in time and also they had to get the installation certificate from central excise, but central excise did not confirm the installation date on that. Hence, RA Kolkata is treating the date of signature of the communication as the date of installation date. RA, Kolkata informed them about this issue after 1.5 years of submission of file for EODC. Now it is not possible to get rectification done from Central Excise and RA is not ready to accept only Chartered Engineer's certificate. As per Installation certificate issued **by Central Excise 09.06.2017**, CGs were imported on 04.12.2014 and 12.08.2015 and the date of installed of Capital is not mentioned. As per Installation certificate issued by Chartered Engineer 18.11.2015, CGs were imported on 04.12.2014 & 12.08.2015 and installed on 06.06.2015 and 07.11.2015.

Decision: The Committee deliberated upon the case and decided to **defer** the case with the directions to call for a factual report from RA concerned on the submissions made by the applicant.

Case No- 92: Synergy Thrislington, Solan
F. No. HQRPRCAPPLY00003626AM23

Subject: Request for EOP Extension up to August 2024 i.e. 8+4years without payment of any composition fees in respect of EPCG Authorization No. 2230001988 dated 03.05.2012 under 03% Concessional Duty.

The firm has stated that they couldn't fulfill 100% EO in stipulated time due to extreme recession in market, uncontrollable factors and Covid-19 pandemic. The firm stated that they received 1st Block Extension, received export enquiries and meetings but couldn't be converted into orders due to squeezed margins. The firm further stated they requested for addition of products to give them edge over their competitors which was approved by DGFT on 17.07.2019. The firm has further stated that with normalcy and significant improvement in market conditions they are willing to fulfill remaining EO in the next 2 years as they have received substantial enquiries for export orders.

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- 93: Asma Traexim Pvt. Ltd., New Delhi

F. No. HQREPCGPRAPP00000475AM23

Subject: Request for extension of EOP from 10 years to 12 years in respect of EPCG Authorization No. 0530159327 dated 20.09.2012 under 3% Concessional duty.

The firm has stated that EOP was granted from 8 years to 10 years as per amendment sheet issued by CLA, New Delhi on 29.09.2020 but they could not fulfill their EO within extended time period due to Covid-19. The firm has also stated that they have received new export order for the export Therefore, the firm has requested for extension of EOP from 10 years to 12 years in order to fulfill their EO.

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

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

This has the approval of DG, DGFT.

The Committee further deliberated upon the case and decided to advise the firm to approach RA for extension of Export Obligation Period beyond 12 years in terms of Public Notice No-53 dated 20.1.2023 where extension is permitted on account of COVID. The Committee further deliberated upon the case and decided to advise that if they desire, the applicant may approach RA for regularising the case under the Amnesty Scheme notified vide Public Notice No. 02/2023 dated 02.04.2023 as per the conditions specified therein. RA may examine such request as per policy on merit.

Case No- 94: Millenium Exim Pvt. Ltd., Kolkata
F. No. HQRPRCAPPLY00282126AM22

Subject: Request against EPCG Authorization No. No. 0230008922 dated 01.07.2013 under 0% Concessional duty:

i. **Request for extension of EOP for 2 years and six months against above EPCG Authorization.**

ii. **Request for consideration of export to Bhutan realized in Indian Rupees towards fulfillment of EO.**

The firm in their communication dated 29.11.2021 addressed to RA, Kolkata has referred to the SCN issued on 16.11.2021 for non-fulfillment of EO in respect of EPCG Authorization No. 0230008922 dated 17.04.2008 issued by RA, Kolkata. The firm has stated that they have already applied for EOP with composition fees for Rs. 2,03,921.00. The firm has further stated that the EO has already been fulfilled by RS. value of Rs.8,05,52,362.94 before the expiry date of the said authorization.

2. The firm has requested RA, Kolkata to keep the SCN in abeyance and for extension of EOP up to January 2022 plus 6 months extension for Covid Period (Notification No. 28/2015-2020 dated 23.09.2021) against the above authorization.

Decision:

In respect of 1st request, the Committee deliberated upon the case and decided t**o recommend to DG for relaxation under Para 2.59 of FTP, 2023 to allow** Condonation of delay in approaching RA for EOP extension for 2 years (from 6 years to 8 years) on payment of composition fee or imposition of additional 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.

In respect of 2nd request: 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 dated 20.1.2023 where extension is permitted on account of COVID. The Committee further deliberated upon the case and decided to advise that if they desire, the applicant may approach RA for regularising the case under the Amnesty Scheme notified vide Public Notice No. 02/2023 dated 02.04.2023 as per the conditions specified therein. RA may examine such request as per policy on merit.

Case No- 95: Swiss Singapore India Private Limited, Kolkata
F. No. HQRPRCAPPLY00003893AM23

Subject: Request for Condonation of delay in submission of Installation Certificate issued by Chartered Engineer in respect of EPCG Authorization No. 0230014014 dated 11.11.2019 and 0230010941 dated 07.01.2016 under 0% Concessional Duty.

The firm has stated that they were unable to submit Installation Certificate to RA Kolkata within stipulated time period due to Covid-19 pandemic. The firm has requested to condone delay in submission of Installation Certificate as per Para 5.04 of HBP 2015-20.

EPCG Authorization No. 0230014014 dated 11.11.2019- As per Installation Certificate dated 30.05.2022 issued by Chartered Engineer, machinery was installed at the firm's premises on 10.01.2020 vide BOE No. 6165786 dated 20.12.2019.

EPCG Authorization No. 0230010941 dated 07.01.2016- As per Installation Certificate dated 09.08.2018 issued by Chartered Engineer, machinery was installed at the firm's premises on 11.03.2016 vide BOE No. 3942696 dated 18.01.2016.

Decision: After deliberation on the request of the firm, the Committee decided to **defer** the case with the directions to call for a report from RA concerned on the submissions made by the applicant.

Case No- 96: Shakkthi Ohmkaara Spinners, Tamil Nadu

F. No. HQREPCGPRAPP00000526AM23

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

The firm has stated that they had applied for EOP Extension on 19.02.2020 and were granted up to 19.12.2021. The firm further stated that they couldn't fulfill their 100% EO in stipulated and extended time period due to:

- Procedural lapse of EO fulfillment occurred because in charge of the said matter suddenly left the firm unnoticed
- EOP Extension was unsuccessful due to Covid-19 pandemic
- Covid-19 lockdowns leading to cancellation of export orders

- Encountered acute shortage in availability of cotton (only raw material) due to sudden hike in cotton prices

2. The firm further stated that they have earned third party order from exporter against initial supply of compact cotton yarn for the value of Rs. 2,53,09,908 with six months delivery schedule and further mentioned that it will be sufficient to fulfill remaining EO imposed on the subject 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.

However, the Committee decided to advise the firm to approach RA for extension of Export Obligation Period beyond 8 years in terms of Public Notice No-53 dated 20.1.2023 where extension is permitted on account of COVID. The Committee further deliberated upon the case and decided to advise that if they desire, the applicant may approach RA for regularising the case under the Amnesty Scheme notified vide Public Notice No. 02/2023 dated 02.04.2023 as per the conditions specified therein. RA may examine such request as per policy on merit.

<u>Case No- 97: Bhandari Hosiery Exports Ltd., Ludhiana</u>
F. No. HQRPRCAPPLY00160878AM22

Subject: Request for extension of 1st Block in respect of EPCG Authorization No. 3030013269 dated 21.11.2014 under 0% Concessional duty.

For consideration of the request, a report was requested from RA, Ludhiana. RA, Ludhiana submitted the report as under:

Block Wise Specific EO fulfilment Details

Block	Specific EO Imposed		Specific EO fulfilled		Shortfall	
	Value	%	Value	%	Value	%
1st block	$ 7740	50	2583	33.37	5157	66.63
2nd block	$ 7740	50	12428.98	160.58	-	-

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

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.

<u>Case No- 98:Takshasila Healthcare and Research Service Private Limited, Bangalore</u>
F. No. HQRPRCAPPLY00003960AM23

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

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

2. The firm has stated that the above mentioned lapse may be condoned as the requirement of fulfillment of EO has been met by the holding company. The firm has requested considering the earnings of foreign exchange towards services rendered from hospital premises. The firm has further stated that holding company is 100% FDI held company. The firm has presented the following information:

i. Entire earning of foreign exchange of holding company was from services rendered to patients from premises of subsidiary company where imported goods had been installed

ii. Holding company has no other business activity than running the hospital leased out from subsidiary company

iii. Subsidiary company has no other income other than rent received from holding company against lease of hospital premises

iv. Foreign Exchange earned by Holding Company was not used for fulfillment of other obligations. No other obligations had been imposed on them

v. THOPL and THRSPL have filed for merger of THRSPL into THOSPL to avoid additional statutory transaction cost which will be finalized by May 2023

vi. Consequent of merger the firm has requested for consideration of foreign exchange earnings of Holding Company to be considered for fulfillment of EO for subject EPCG Authorization. This facility will be prospective from date of merger but not retrospective as the extended EOP expires on 27.02.2023 and if benefit of merger is to be availed they will be required to extend EOP further. The firm has requested to permit fulfillment of

EO from export earnings received from the Holding Company during 2016-17 period itself.

3. The representative of the firm appeared before the EPCG Committee to explain their case.

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

Case No- 99: Sreema Filaments Private Limited, Kanyakumari
F. No. HQRPRCAPPLY00355167AM22

Subject: Request for Transfer/Change of Name against 5 EPCG Authorizations post acquisition of the companies under 0% Concessional duty.

S. No.	Name of the Company	EPCG Authorization
1	M/s V.K.U. FISHNETS	3530006407 dated 05.05.2016
2	M/s V.K.U. FISHNETS	3530006716 dated 06.01.2017
3	M/s V.K.U. FISHNETS	3230028973 dated 09.08.2020
4	M/s V.K.U. FISHNETS	3530007138 dated 30.08.2018
5	JUMMA NETS	3530006467 dated 06.07.2016

The firm stated that they have acquired the two firms namely M/S V.K.U Fishnets and M/S Jumma Nets vide the Business Transfer Agreements dated 19.11.2021. The firm further stated that consequent to the Agreement, all the assets and liabilities of both firms stand transferred to the Applicant firm i.e. Sreema Filaments Private Limited and the EO of both the transferor companies shall be fulfilled by the applicant firm. The firm has further stated that they filed an application for Transfer/Change of name against the mentioned EPCG Authorizations with Jt. DGFT, Coimbatore but they declined the application on the grounds that the same is not permitted.

2. The representative of the firm appeared before the EPCG Committee to explain their case.

Decision: The Committee deliberated upon the case and decided **to recommend to DG for relaxation under Para 2.59 of FTP, 2023** to accept transfer of the EPCG authorizations to M/s. Sreema Filaments Private Limited subject to the following conditions:

(i) Average EO (AEO) shall be re-fixed by adding Average Export Obligation (if any) of M/s. Sreema Filaments Private Limited for same and similar products on date of acquisition to the existing AEO.

(ii) M/s. Sreema Filaments Private Limited shall complete necessary Bond formalities as may be applicable with Customs Authorities for fulfilment of EO.

This has the approval of DG, DGFT.

<u>Case No- 100: Raymond Luxury Cottons Limited, Maharashtra</u>
F. No. HQREPCGPRAPP00001065AM23

Subject: Request against EPCG Authorization No. 0330036133 dated 18.06.2013 under 0% Concessional Duty:

- **i. Second EOP Extension for 2 years i.e. beyond 6+1 year.**
- **ii. Refixation of Average EO as per Policy Circular No. 01/2015-20 dated 26.07.2016 and Policy Circular No. 03/2015-20 Dated 21.11.2017.**

The firm has stated that they the following reasons led to cancellation/ deferment of orders by foreign customers and the stoppage of getting fresh orders which have resulted in the shrinkage of exports and hence they could not fulfill their EO due to the following reasons:

a. Due to the termination of joint venture with a foreign company, existing customers were aligned with JV Partner.

b. Recession in Brazil market due to currency devaluation, as it was their main customer.

c. In November 2019, COVID-19 started, and the pandemic created havoc in business worldwide.

2. The firm has stated that due to the opening of US markets and Europe, the demand has started increasing for shirting fabrics. They are in the process of closing many potential inquiries and are confident of meeting the EO. The firm has also stated that as per policy circular no. 01/2015-20 dated 26.07.20216 under Para 5.19 of the Hand Book of Procedures of FTP 2015-20 permits re-fixation of Annual Average EO, in case the export in any sector/ product group decline by more than 5%. This implies that the sector/ product group that witnessed such a decline in 2015-16 as compared to 2014-15, as such the EPCG Authorization holder who needs to complete EO would be entitled to such relief.

3. The firm has further stated that similarly under Policy Circular No. 03/2015-20 dated 21.11.2017, relief in Average EO in terms of Para 5.19 of HBP of FTP 2015-20 is permitted for re-fixation of Annual Average EO, in case the export in any sector/ product group declined by more than 5% wherein the sector/product group witnessed a such decline in 2016-17 as compared to 2015-16, would be entitled to such relief. Their export products are listed in the said policy circular where there is more than a 5% decline and are entitled to relief in Average EO.

Decision:

In respect of 1st request, the Committee deliberated upon the case and observed that the applicant has already received EO extensions of 6+2 years and covid extension. Committee 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 went through the statements made by the applicant and noted that the applicant may approach RA concerned based on Policy circulars issued by DGFT in this regard.

Case No- 101:Caplin Point Laboratories Limited, Chennai
F. No. HQREPCGPRAPP00000611AM23

Subject: Request for transfer of EPCG Authorization from M/s. Caplin Point Laboratories Limited to Caplin Sterilies Limited in respect of EPCG Authorization no. 0430016407 dated 30.12.2016 under 0% concessional duty.

The applicant has stated that the EO was to be executed from the Injection Plant, Unit IV of Caplin Point Laboratories Limited. Unit IV the injection plant (now the new entity entitled as Caplin Sterlies Limited) was hived off from Caplin Point Laboratories Limited on a slump sale basis, as an ongoing concern, a wholly owned subsidary of Caplin Point Laboratories Limited. The applicant has also stated that it will complete its EO from Caplin Steriles Limited.

Decision: The Committee deliberated upon the case and decided **to recommend to DG for relaxation under Para 2.59 of FTP, 2023** to accept transfer of EPCG authorizations to M/s Caplin Sterilies Limited subject to the following conditions:

i. Average export obligation (AEO) shall be re-fixed by adding AEO of Caplin Sterilies Limited for same and similar products on date of acquisition.

ii. M/s Caplin Sterilies Limited also shall execute necessary Bond and Bank Guarantees with Customs Authorities for fulfilment of Export Obligation.

This has the approval of DG, DGFT.

Case No- 102:Caplin Point Laboratories Limited, Chennai
F. No. HQREPCGPRAPP00000608AM23

Subject: Request for transfer of EPCG Authorization from M/s. Caplin Point Laboratories Limited to Caplin Sterilies Limited in respect of EPCG Authorization no. 0430017123 dated 08.11.2017 under 0% concessional duty.

The applicant has stated that the EO was to be executed from the Injection Plant, Unit IV of Caplin Point Laboratories Limited. Unit IV the injection plant (now the new entity entitled as Caplin Sterlies Limited) was hived off from Caplin Point Laboratories Limited on a slump sale basis, as an ongoing concern, a wholly owned subsidary of Caplin Point Laboratories Limited. The applicant has also stated that it will complete its EO from Caplin Steriles Limited.

Decision: The Committee deliberated upon the case and decided **to recommend to DG for relaxation under Para 2.59 of FTP, 2023** to accept transfer of EPCG authorizations to M/s Caplin Sterilies Limited subject to the following conditions:

i. Average export obligation (AEO) shall be re-fixed by adding AEO of Caplin Sterilies Limited for same and similar products on date of acquisition.

ii. M/s Caplin Sterilies Limited also shall execute necessary Bond and Bank Guarantees with Customs Authorities for fulfilment of Export Obligation.

This has the approval of DG, DGFT.

<u>Case No- 103:Caplin Point Laboratories Limited, Chennai</u>
F. No. HQREPCGPRAPP00000602AM23

Subject: Request for transfer of EPCG Authorization from M/s. Caplin Point Laboratories Limited to Caplin Sterilies Limited in respect of EPCG Authorization no. 0430015458 dated 15.02.2016 under 0% concessional duty.

The applicant has stated that the EO was to be executed from the Injection Plant, Unit IV of Caplin Point Laboratories Limited. Unit IV the injection plant (now the new entity entitled as Caplin Sterlies Limited) was hived off from Caplin Point Laboratories Limited on a slump sale basis, as an ongoing concern, a wholly owned subsidary of Caplin Point Laboratories Limited. The applicant has also stated that it will complete its EO from Caplin Steriles Limited.

Decision: The Committee deliberated upon the case and decided **to recommend to DG for relaxation under Para 2.59 of FTP, 2023** to accept transfer of EPCG authorizations to M/s Caplin Sterilies Limited subject to the following conditions:

i. Average export obligation (AEO) shall be re-fixed by adding AEO of Caplin Sterilies Limited for same and similar products on date of acquisition.

ii. M/s Caplin Sterilies Limited also shall execute necessary Bond and Bank Guarantees with Customs Authorities for fulfilment of Export Obligation.

This has the approval of DG, DGFT.

<u>Case No- 104:Caplin Point Laboratories Limited, Chennai</u>
F. No. HQREPCGPRAPP00000605AM23

Subject: Request for transfer of EPCG Authorization from M/s. Caplin Point Laboratories Limited to Caplin Sterilies Limited in respect of EPCG Authorization no. 0430017034 dated 08.09.2017 under 0% concessional duty.

The applicant has stated that the EO was to be executed from the Injection Plant, Unit IV of Caplin Point Laboratories Limited. Unit IV the injection plant (now the new entity entitled as Caplin Sterlies Limited) was hived off from Caplin Point Laboratories Limited on a slump sale basis, as an ongoing concern, a wholly owned subsidary of Caplin Point Laboratories Limited. The applicant has also stated that it will complete its EO from Caplin Steriles Limited.

Decision: The Committee deliberated upon the case and decided **to recommend to DG for relaxation under Para 2.59 of FTP, 2023** to accept transfer of Caplin Point Laboratories Limited in respect of subject EPCG authorizations to M/s Caplin Sterilies Limited subject to the following conditions:

i. Average export obligation (AEO) shall be re-fixed by adding AEO of Caplin Sterilies Limited for same and similar products on date of acquisition.

ii. M/s Caplin Sterilies Limited also shall execute necessary Bond and Bank Guarantees with Customs Authorities for fulfilment of Export Obligation.

This has the approval of DG, DGFT.

Case No- 105:AICO Foods Ltd., Ahmedabad
F. No. 01/36/218/26/AM-23/EPCG

Subject: Requests against EPCG Authorization No. 0830003121 dated 17.09.2009 under 03% Concessional duty:

i. **Extension of 1st Block against above EPCG Authorization.**

ii. **Extension of EOP for 2 years i.e. from 17.09.2021 to 17.09.2023 against above EPCG Authorization.**

The firm has stated that due to adverse international economy, they could not succeed to fulfil their export obligation of first block/overall period, by exporting the goods as allowed under the foresaid license due to following reasons as follows:

i. It took substantial time to set up the entire plant. After meeting teething and technical problems they could start to trial production very late.
ii. Their products are subject to meeting various stringent Quality Control parameters in the International Market.
iii. Their export of products also requires acceptance by international market due to competitive and tough time it took a lot of time and energy to get acceptability within India and abroad as well. They could get such acceptance very late.
iv. It took substantial time for the production of exports products of International Standard Specifications and gets them approved abroad.
v. During the initial few years their products were not price compatible in the International Markets as there has been huge variation and fluctuation in the international market, as they were not able to get any positive value addition.

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, 2015-20** to allow extension in block-wise EOP, as the applicant could not apply to RA within the prescribed time period. This shall be subject to payment of 2% composition fee on duty saved amount in proportion to the shortfall at the end of each block in terms of the provisions of Para 5.8.3 of HBP 2009-14 and late fee of Rs. 10,000/-.

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

This has the approval of DG, DGFT.

In respect of 2nd request, the Committee went through the statements made by the firm and noted that the applicant has not submitted any cogent reason/justification or any genuine hardship faced by them in support of request for EO extension beyond 14th year and accordingly, the Committee decided to **reject** the request of the applicant.

The Committee further deliberated upon the case and decided to advise that if they desire, the applicant may approach RA for regularising the case under the Amnesty Scheme notified vide Public Notice No. 02/2023 dated 02.04.2023 as per the conditions specified therein. RA may examine such request as per policy on merit.

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

The meeting ended with a vote of thanks to the Chair

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