

AEPC Circular No :138

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Secretary General, AEPC

AEPC/HO/SG/R&PA/2022
18.11.2022

Dear members,

Sub: Relief in Average Export Obligation in terms of Para 5.19 of Hand Book of Procedures of Foreign Trade Policy, 2015-20

DGFT has issued a Policy Circular No. 44/2015-20 dated 17.11.2022 (enclosed with this Circular for your ready reference) with regard to relief in Average Export Obligation in terms of para 5.19 of HBP of FTP 2015-20. Para 5.19 of HBP of FTP 2015-20 (extended upto 31.03.2023) envisages that to provide relief to exporters where total exports in that sector/ product group has declined by more than 5% as compare to the previous year, the Average Export Obligation for the year may be reduced proportionate to reduction in export of that particular sector/product group during the relevant year as against the preceding year. This implies that the sector/product group that witnessed such decline in 2021-22 as compared to 2020-21 would be entitled for such relief.

2. The DGFT in its Circular has stated that **its regional offices will re-fix the average annual export obligations under the EPCG authorization for the year 2021-22 accordingly.** Reduction, if any, in the EO would be appropriately endorsed in the license file of the office of RA as also in the amendment sheet to be issued to the EPCG Authorization holder.

3. Regional Offices while considering requests of discharge of Export Obligation will ensure that in case of shortfall in Export Obligation fulfilment, Policy Circulars issued earlier in terms of Para 5.11.2 of HBP 2009-14 and Para 5.19 of HBP of FTP 2015-20 are also considered before issuance of demand notice, EODC etc. This stipulation should be part of the Check Sheet for the purpose of EODC.

4. The list of items related to Apparel which have experienced a decline of more than 5% in exports in 2021-22 compared to 2020-21 are given below:

S. No.	HS Code	Item Description	Export Figures (Value in US \$ Million)		Decline (%)
			2020-2021	2021-2022	
1	6210	Garments, made up of fabrics of heading 5602, 5603, 5903, 5906 or 5907	118.74	54.78	-53.86
2	6113	Garments, made up of knitted/crocheted fabrics of heading no. 5903, 5906 or 5907	0.58	0.35	-39.72
3	6117	Other made up clothing accessories, knitted or crocheted; knitted or crocheted parts of garments or of clothing accessories	31.41	23.93	-23.83
4	6213	Handkerchiefs	8.98	7.33	-18.33
5	6217	Other made up clothing accessories; parts of garments or of clothing accessories, other	28.27	24.75	-12.47
6	6102	Womens or girls overcoats, car-coats, capes, cloaks, anoraks (including ski jackets), windcheaters, wind-jackets	8.59	7.63	-11.19

5. AEPC's Circulars are available on AEPC's Website www.aepcindia.com

6. This is for your information please.

With regards.

Yours sincerely,

Dr. L. B. Singhal
Secretary General