

Government of India  
Ministry of Commerce & Industry  
Department of Commerce  
(Directorate General of Foreign Trade)

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Vanijya Bhawan, New Delhi  
Dated the 13<sup>th</sup> December, 2024

**Policy Circular No. 10/2024-25**

To,

1. All Exporters/Members of Trade
2. Regional Authorities of DGFT
3. All Customs Authorities


**Subject: EPCG Scheme - Applicability of amendment to Para 5.10(c) of Hand Book of Procedures 2015-20 (Mid-Term Review)**

Reference is invited to the judgement dated 21.12.2023 of the Division Bench of the Hon'ble High Court of Ahmedabad in the SCA No. 16316/2021 (South Gujarat Warp Knitters Association & Another) setting aside the Policy Circular No. 22/2015-20 dated 29.03.2019 (copy enclosed) issued by DGFT on the above subject.

2. Subsequently, SLP(Civil) Diary No(s). 29793/2024 filed before the Hon'ble Supreme Court by the Union of India has been dismissed on 02.08.2024.
3. In pursuance of the above, it is informed that the amendment to the para 5.10(c) of HBP, 2015-20 (Mid-term review) is prospective in nature and would be applicable to the third party exports made against EPCG Authorisation(s) issued on or after 05.12.2017 only.
4. This issues with the approval of the Director General of Foreign Trade.

Yours faithfully,

Encl: As above.

  
(Randheep Thakur)  
Joint Director General of Foreign Trade  
Email id: randheep.thakur@nic.in

(Issued from 01/36/218/15/AM-23/EPCG)

रणदीप ठाकुर / Randheep Thakur  
संयुक्त महानिदेशक / Joint Director General  
विदेश व्यापार महानिदेशालय  
Directorate General of Foreign Trade  
वाणिज्य मंत्रालय / Ministry of Commerce  
वाणिज्य भवन / Vanijya Bhawan  
नई दिल्ली / New Delhi



Government of India  
Ministry of Commerce and Industry  
Department of Commerce  
Directorate General of Foreign Trade  
Udyog Bhavan, New Delhi.

Policy Circular No 22/2015-20

Dated the 29 March, 2019

To,

1. All Exporters/Members of Trade
2. Regional Authorities of DGFT
3. All Customs Authorities

**Subject:- EPCG Scheme - Applicability of amendment to Para 5.10(c) of Hand Book of Procedures 2015-20 (Mid-Term Review).**

This Directorate has received references from the trade and RAs seeking clarification regarding the applicability of para 5.10(c) of HBP 2015-20 on third party exports. The matter has been examined in consultation with the Department of Revenue.

2. Para 5.10 (c) of HBP (2015-20) (updated as on 5.12.2017) states that :-

*"In case the Authorization Holder wants to export through a third party, export documents viz., shipping bills / Bill of exports etc. shall indicate name of both authorization holder and supporting manufacturer, if any, along with EPCG authorization number. BRC, GR declaration, export order and invoice should be in the name of third party exporter. The goods exported through third party should be manufactured by the EPCG Authorisation Holder or the supporting manufacturer where the capital goods imported under the authorisation have been installed. **Proceeds realised through normal banking channel from third party exporter's account to the authorisation holder's account on account of such exports only shall be counted towards fulfilment of export obligation.**"*


*(Text in bold is an amendment incorporated in the mid-term review)*

3. It is clarified that the amendment to the para 5.10(c) of HBP 2015-20 shall be applicable to third party exports made on or after 05.12.2017. Third party exports which have been made prior to 05.12.2017 will be governed by the provisions of the relevant policy/procedure.

4. Accordingly, in the case of third party exports, an authorisation holder can count till 04.12.2017 the full realised value of the shipping bill towards fulfilment of export obligation subject to counting of exports only once towards the EPCG obligation and maintenance of Average Export Obligation.

5. All the shipments made 05.12.2017 onwards will be counted towards Export Obligation only for the actual payment realised through the normal banking channel from the third party exporter's account to the authorisation holder's account.

6. This issues with the approval of the Director General of Foreign Trade.

  
(Rajbir Sharma)  
Joint Director General of Foreign Trade  
Tele No. 23061056