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GOVERNMENT OF INDIA
MINISTRY OF TEXTILES

S.O. No.8/3/2015-EP

New Delhi, Dated the 2nd November, 2015

NOTIFICATION

Sub: Policy regarding Recovery of EMD/BG amount lying unclaimed by the readymade garment exporters under the then Garment & Knitwear Export Entitlement (Quota) Policy (2000-2004).

Whereas operation of the residuary provisions of Garments and Knitwears Export Entitlement (Quota) Policy (2000-2004) [GKEEP] was notified initially for one year with effect from 1st January, 2005, vide Notification No.1/61/2004- Exports-I dated 9th November, 2004, and same has been extended from time to time up to 31st December, 2016.

2. Whereas the aforesaid Policy had a provision for submission of Ernest Money Deposit (EMD) / Bank Guarantee (BG) by the concerned exporters as a guarantee towards fulfilling the export obligations within the stipulated period, failing which the EMD/BG is liable to be forfeited.

3. Whereas EMDs deposited by the exporters were either released or forfeited by the designated authorities based on exporters' performance as per procedure under which the exporters were required to submit documentary proofs in support of shipment to Quota Administering Authority (QAA).

4. Whereas it has been observed from the Audited Accounts of Apparel Export Promotion Council (AEPC), that an unclaimed amount of Rs. 48.58 crores is lying with AEPC in the form of fixed deposits and demand drafts, details of which are maintained by AEPC. This amount belongs to the GoI, which AEPC was holding as the Custodian. This unclaimed amount of Rs. 48.58 cr. has been lying for more than 10 years in absence of any preferred claims as per guidelines.

5. Now therefore, in exercise of the powers conferred in the Garment & Knitwear Export Entitlement (Quota) Policy (2000-2004) extended till 31.12.2016 (para 20), in respect of countries where such exports are covered by restraints under the provisions of the Agreement of Textiles and Clothing,

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is hereby **substituted** as under in place of Para 12 (C) of Notification No. 1/128/99-Exports-I dated the 12th November, 1999.

*“An opportunity is hereby given to the exporters covered under the Policy to submit their claims for refund, if any, along with all the supporting documents **within 90 days** from the date of this Notification before QAA, provided that all such DD/ Fixed Deposit Receipts, for which no claim is received within the stipulated period **shall stand forfeited along with interest earned** by the Quota Administering Authority in favour of Govt. of India to be deposited in the Consolidated Fund of India (CFI). No claim of any apparel exporter, whatsoever, shall be entertained in respect of the said unclaimed Demand Drafts/Fixed Deposit Receipts on any ground whatsoever after the expiry of the stipulated period of 90 days.”*

6. Accordingly exporters, who have submitted BG/EMD, in respect of the amount deposited as mentioned in para 4 above, are requested to submit their claims as indicated, failing which the said amount will stand forfeited in favour of the Government of India.



(Neerav K Mallick)
Director

Note: The original Notification was published vide No.1/128/99-Exports-I dated 12.11.1999 and last amended vide Notification No.1/61/2004-IT dated 14.10.2015.