**MINUTES OF 6th MEETING OF EPCG COMMITTEE HELD UNDER THE CHAIRMANSHIP OF SHRI SATYAN SHARDA, ADDITIONAL DIRECTOR GENERAL OF FOREIGN TRADE AT 11.00 AM ON 09.08.2019 IN COMMITTEE ROOM NO.11, H WING, UDYOG BHAWAN, NEW DELHI.**

I. Following officers attended the meeting:

i. Shri A.K.Mishra, A.I.A., Ministry of Steel
ii. Shri Vaibhav Bhatnagar, OSD, Department of Revenue
iii. Shri Rajbir Sharma, Joint Director General of Foreign Trade, DGFT
iv. Shri Randheep Thakur, Deputy Director General of Foreign Trade, DGFT

II. Minutes of the last Meeting held on 26.07.2019 were confirmed.

III. The Committee deliberated upon all the cases and following decisions were taken:

| **Sl. No.** | **Firm's Name and Numbers** | **EPCG Authorisation No.** | **Subject** | **Decision of the Committee** |
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| 1. | M/s. Gold Plus Glass Industry Limited, New Delhi<br><br>01/60/162/254 /AM20/PRC | i.0530147044 dated 01.09.2008<br>ii.0530146074 dated 02.05.2008<br>iii.0530146202 dated 23.05.2008<br>iv.0530146540 dated 30.06.2008<br>v.0530146692 dated 16.07.2008<br>vi.0530146782 dated 30.07.2008<br>vii.0530146894 dated 13.08.2008<br>viii.0530156887 dated 08.11.2011<br>ix.0530148062 dated 24.12.2008<br>x.0530149401 dated 15.07.2009<br>xi.0530147813 dated 24.11.2008 | Extending the time period for meeting the EO and waiver of the composition fee. | The request of the party is for extension in EOP and waiver of payment of composition fee required for extension.<br><br>The Committee noted that as per provisions of HBP, the extension in export obligation period is subject to payment of composition fee equal to 2% of proportionate duty saved amount on unfulfilled export obligation for each year of extension or an enhancement in export obligation imposed to the extent of 10% of total export obligation imposed under authorization for each year of extension, as the case may be, at the choice of the exporter.<br><br>The Committee noted that the party has stated that they are the Float Glass manufacturer based in Roorkee and the facility of 1160 tons per day was set with huge investment. The plant was imported against EPCG licences against which they are liable to fulfill export obligations as since production they have been struggling to sustain in this on-going economic scenario. The Company went into CDR due to volatility in fuel prices which adversely affected the Company's financial scenario. However, Company had made an exit from the CDR within the span of 4 years (though |

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| | | xii.0530146047 dated 30.04.2008<br>xiii.0530151405 dated 02.03.2010 | | the CDR original plan was for 10 years), with the clear intent to expand the operations with the second float line. The Company is in the process of redeeming the EPCG Licences but needs extended time beyond what is permitted in the Policy to meet the complete obligation and also without payment of the composition fee.<br><br>The Committee deliberated upon the request and decided to **reject** it as there is no merit in the reasons given by the party for extended time beyond what is permitted in the Policy to meet the complete obligation and also without payment of the composition fee. |
| 2. | M/s. Nithya Packaging Pvt Ltd, Puducherry<br><br>01/60/162/241 /AM20/PRC | 2530000242 dated 26.05.2011 | Consideration of export of alternate goods for fulfillment of export obligation | The Committee noted that the export obligation period of subject EPCG authorisation has expired and the party has not made any export in the export obligation period till date.<br><br>The Committee deliberated upon the case and decided to **reject** it as there is no merit in the request. |
| 3. | M/s. Taj Karnataka Hotels and Resorts Limited., New Delhi<br><br>01/60/162/270 /AM20/PRC | 0530147829 dated 26.11.2008 | Waiver of annual average or reductions of annual average for the period 2008-09 | The request of the party is for waiver of annual average owing to lesser footfall of foreign tourists after the terrorist attack on 26.11.2008 in Mumbai.<br><br>The Committee deliberated upon the case and decided to **reject** it as there is no merit in the grounds cited by the party. |
| 4. | M/s. Adyar Gate Hotels Ltd., Chennai<br><br>01/60/162/230 /AM20/PRC | i.0430009396 dated 01.12.2011<br>ii.0430009405 dated 13.01.2011. | Waiver of annual average performance condition | The request of the party is for waiver of annual average as they could not maintain annual average owing to increased room supply and decline in tourist arrival due to travel advisory.<br><br>The Committee deliberated upon the case and decided to **reject** it as the party has there is no merit in the grounds cited by the party. |
| 5. | M/s. Gee Pee Electrospark Private Limited., Secunderabad<br><br>01/60/162/210 /AM20/PRC | 0930005520 dated 02.02.2010 | Request to condone the shortfall in annual average EO against EPCG Authorization. | The request of the party is for condonation of shortfall of maintenance of annual average as they could not maintain annual average owing to political agitation during formation of State of Telangana, high fixation of average EO etc.<br><br>The Committee deliberated upon the case and decided to **reject** it as there is no merit in the |

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| 6. | M/s. D.H. Fashions, Amritsar<br><br>01/60/162/245 /AM20/PRC | 1230000761 dated 21.04.2011 | Relaxation from mentioning EPCG holder's name in 3rd party S/Bills where EPCG Authorisation No. & date is endorsed/ mentioned, for redemption of EPCG license | The Committee noted that the request of the party is for condonation of procedural lapse of non-mentioning of name of EPCG authorisation holder in third party shipping Bills dated prior to 01.04.2015 in which EPCG authorisation number and date is mentioned.<br><br>The Committee deliberated upon the case and decided to **defer** the case for further examination. |
| 7. | M/s. Modern Automotives Ltd, CLA New Delhi<br><br>01/60/162/233 /AM20/PRC | 0530142016 dated 22.09.2006 | Regularization of export made beyond the 2nd extended period under EPCG license | The Committee noted that the party has not fulfilled EO in spite of obtaining first and second extension in EOP till 22.09.2018. The party has now sought extension in EOP beyond first and second extension in EOP already granted to fulfil EO.<br><br>The Committee deliberated upon the case and decided to **reject** it as there is no merit in the request. |
| 8. | M/s. Malik International , Haryana<br><br>01/60/162/271 /AM20/PRC | i.0530132857 dated 20.05.2002<br>ii.0530133002 dated 20.06.2002 | Considering the fulfillment of EO against EPCG authorization | The request of the party is for counting of exports for fulfillment of annual average EO in US $ instead of INR. The party has submitted that they have not been able to fulfill Annual Average EO in INR due to fall in value of US$ in terms of rupee since 2002, when EPCG authorisations were obtained. However, they had fulfilled Average EO in foreign currency i.e. in US$.<br><br>The Committee observed that Annual Average Export Obligation is calculated on the basis of total FOB Value of exports/services rendered for the same/similar product/services in the preceding three years in Rupees. The valuation of Rupee is based on market determined exchange rate system which is subject to market fluctuations. There is no provision in FTP/HBP to link fluctuation in international value of Rupee with fulfillment of Annual Average Export Obligation.<br><br>The Committee deliberated upon the case and decided to **reject** it as there is no merit in the request. |

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| 9. | M/s. Sarralle Equipment India Pvt Ltd., Kolkata<br><br>01/60/162/239 /AM20/PRC | 0230001576 dated 15.06.2006 | 1. Request for extension of EOP.<br>2. Relaxation from submission of installation certificate issued by central excise officer and acceptance of installation certificate issued by the Chartered Engineer.<br>3. Considering the free shipping bills towards fulfillment of export obligation.<br>4. Relaxation from submission of e-BRC and acceptance of bank statement against EPCG License | The Committee noted that the party has not fulfilled EO in spite of expiry of export obligation period on 15.06.2014. The case has been adjudicated vide Order in original dated 17.01.2018. The appeal against the Order-in-Original dated 17.01.2018 has also been rejected vide Order-in-Appeal dated 29.01.2019. The Office of Additional DGFT, Kolkata vide letter dated 20.03.2019 has asked to deposit penalty amount and custom duty as per the Order-in-Original dated 17.01.2018.<br><br>The Committee deliberated upon the case and decided to **reject** it as the case has already been adjudicated with advice to comply with the Order-in-Original dated 17.01.2018. |
| 10. | M/s. Arunachala Gounder Textile Mills Pvt Ltd, Tamil Nadu<br><br>01/36/218/133 /AM-19/EPCG-I | i.3230015050 dated 15.06.2010<br>ii.3230015911 dated 24.11.2010<br>iii.323001685 1 dated 08.06.2011 | Review of the decision of EPCG Committee meeting held on 03.01.2019 regarding refixation of Annual Average EO due to decline in exports. | The Committee observed that the request was rejected in the EPCG Committee meeting held on 03.01.2019.<br><br>Earlier, the party vide their letter dated 16.09.2018 requested for re-fixation of the annual average EO stating that they have obtained the subject EPCG authorisations having Annual Average EO fixed for AM11 and AM12 based on the past three years export performance which is consolidated of all exports made in different ITCHSCodes 55101210, 55103010, 52052790, 52052690, 55101110, 52062300, 52051310. However, they could not export over and above the average export declared as per past export performance because their company started facing declining export performance since 2010-11 onwards by more than 30 %. This situation was not deliberated by company as the overall international market was sluggish.<br><br>The request was taken up in EPCG Committee meeting held on 03.01.2019 and was rejected on the ground that any business is prone to |

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| | | | | international fluctuations in demand and this reason was found to be devoid of any merit.<br><br>Now, in their request for review the party has requested to fix Annual Average for the product exported towards specific EO.<br><br>The Committee heard the representation of the party who appeared for the PH.<br><br>The Committee noted that Annual Average has been fixed based on their export turnover certified by the Chartered Account during AM08, AM09 and AM10. The items allowed in the EPCG authorisation for export are yarn in different forms bearing different ITC(HS) codes which are falling under the category of same and similar products in terms of para 5.04(b) of FTP stipulating that the export obligation under the scheme shall be, over and above, the average level of exports achieved by the applicant in the preceding three licensing years for the same and similar products within the overall EO period including extended EO period.<br><br>The Committee deliberated upon the case and decided to maintain the decision of **rejection** of request taken in its meeting held on 03.01.2019 as the reasons for review also are devoid of any merit. |
| 11. | M/s. Honda Motorcycle and Scooter India Pvt Ltd., Delhi<br><br>01/36/218/76/ AM-17/EPCG-I | i.0530165422 dated 17.07.2015<br>ii.0530166698 dated 07.01.2016 | i. Permission for scrapping of machines.<br>ii. Waiver from submission of installation certificate of Capital goods. | The Committee observed that the request of the party has been taken up in its meetings held on 29.08.2018 and 29.03.2019.<br><br>The Committee noted that while unpacking the capital goods imported under EPCG authorisation No.0530165422 dated 17.07.2015, one machine was found in damaged condition beyond repairs and during the transit the capital goods imported against authorisation No.0530166698 dated 07.01.2016, these were damaged due to fire and as per survey report, these machines are also beyond repair. The party has claimed insurance against the damaged goods and requested for permission to scrap the same. The party has submitted that they will fulfill EO within the EOP against the damaged machines of both the |

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| | | | | authorizations.<br><br>The matter was considered in the EPCG Committee Meeting held on 29.08.2018 and it was decided to allow waiver in submission of installation certificate subject to the party obtaining verification report from Jurisdictional Custom Authority and necessary evidence of the capital goods having been damaged beyond repair, to RA.<br><br>Subsequently, the party vide letter dated 16.01.2019, stated that they have sent letter to customs and CGST/Central Excise for inspection of damage machines imported under subject EPCG authorizations. Despite the follow-ups they are unable to get the inspection done till date. They have received reply letters from Ahmedabad customs and CGST/Central Excise in this regards wherein both department are asking to get it done from other department.<br><br>The request was taken up in EPCG Committee meeting held on 29.03.2019 it was decided to allow acceptance of installation certificate from Chartered Engineer, subject to intimation to the Jurisdictional Customs Authority and further subject to payment of Rs. 5000/- against the Authorisation.<br><br>Now, the party, vide letter dated 28.05.2019, has stated that instead of asking them to produce a chartered engineer report to the effect that the imported machines were damaged beyond repair, the EPCG Committee has asked them to produce an installation certificate from chartered engineer, which is not possible since the machines are already damaged beyond repair and hence, could not be installed. Therefore, the party has requested for carrying out the suitable modification in the language of the subject decision by removing the condition of producing the installation certificate by chartered engineer and replacing it with valuation report by chartered engineer confirming the damage beyond repair. |

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| | | | | The Committee deliberated upon the case and decided **to recommend to DG for relaxation under Para 2.58 of FTP 2015-20** to allow submission of valuation report by chartered engineer confirming the damage beyond repair instead of installation certificate from Chartered Engineer, subject to submission of 100% Bank Guarantee till the export obligation is fulfilled against the Authorisations.<br>**This has the approval of DG.** |
| 12. | M/s. Biogenomics Limited, Puducherry<br><br>01/36/218/129 /AM-18/EPCG-I | i.0330028617 dated 08.02.2011<br>ii.0330034037 dated 22.10.2012 | i. Extension of block-wise EOP, extension in EOP and,<br>ii. Additional of alternate services. | The Committee noted that the original export product as per the EPCG authorisations is Bio Technological Therapeutics (Human Insulin) and the party has requested for addition of alternate service for fulfilment of export obligation the period for which has since been expired. The Committee further noted that the party has not made any exports in the stipulated EOP.<br><br>The Committee deliberated upon the case and decided to **reject** it as there is no merit in the request. |
| 13. | M/s. Baramati Agro Limited, Pimpali<br><br>01/36/218/215 /AM-19/EPCG-I | 0330031855 dated 13.02.2012 | Request for acceptance of installation certificate issued by Chartered Engineer instead of Central excise and regularization of shifting of capital goods. | The party has requested for acceptance of installation certificate issued by Chartered Engineer instead of Central excise and regularisation of shifting of capital goods.<br><br>The Committee noted that RA, Mumbai vide deficiency letter dated 07.04.2015 has requested the party to submit installation certificate certified by Central excise authority and also stated that the installation address shown on chartered engineer certificate does not tally with authorisation. The installation address mentioned in the subject EPCG authorisation is shown as (i). at Post, Shetphaigade, Indapur, Pune, Maharashtra-413102 and (ii). at Post Pimpli, baramati, Pune, Maharashtra-413102 while the address of installation of capital goods shown in the installation certificate is S.No.204/45/6, Suryagaon Raste Pimpalkhute Road Taluuka Yeola, Pin – 413012.<br><br>The Committee decided **to recommend to DG for relaxation under Para 2.58 of FTP 2015-20** |

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| | | | | **to :**<br><br>**(a)** allow acceptance of installation certificate from Chartered Engineer instead of Central Excise, subject to verification by Jurisdictional GST authority, subject to payment of Rs.5000/- against the Authorisation.<br><br>(b) to grant ex-post facto approval regarding shifting of capital goods from (i). AT Post, Shetphaigade, Indapur, Pune, Maharashtra-413102 and (ii). AT Post Pimpli, Baramati, Pune, Maharashtra-413102 to S.No.204/45/6, Suryagaon Raste Pimpalkhute Road Taluuka Yeola, Pin – 413012, subject to the condition that new address is mentioned in the IEC and RCMC. The party will give intimation to Jurisdictional Customs Authority about the new address and deposit composition fee of Rs.5000/- to RA. Further, RA to verify that no ECA/DRI/ Customs action against the party is pending.<br>**This has the approval of DG.** |
| 14. | M/s. Solapur Tarun Bharat Media Limited., Pune<br><br>01/37/218/82/ AM-19/EPCG-II | 3130009119 dated 22.12.2015 | Request for addition of export products. | The request of the party is for allowing addition of export products in respect of EPCG licence issued for export of “Branded and decorative Handmade Paper box (handicraft articles) of paper mache (memo Box) HS code 4817 3090.<br><br>The Committee observed that the case was taken up in EPCG Committee meeting held on 27.09.2018 and deferred for calling a factual report from RA.<br><br>Now, RA, Pune, vide email dated 25.06.2019, has forwarded a copy of party’s application dated 03.08.2018 addressed to EPCG Committee and stated that their office has received an application for addition of export items.<br><br>The Committee deliberated upon the case and noted that the request is not for any relaxation of the procedure and thus decided to **remand** the case back to RA who shall decide the request on the basis of applicable policy provisions on merit. |
| 15. | M/s. Swati Pushpam Pvt Ltd, | 0930001546 dated 17.06.2005 | Request for review of the decision taken | The Committee observed that the request was examined by the EPCG Committee in its meeting held on 12.07.2018 which, after deliberating |

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| | Hyderabad<br><br>01/37/218/04/AM-18/EPCG-II | | in EPCG Committee meeting held on 12.07.2018 regarding extension in EOP for eight years in terms of provisions of Para 5.5.1 of FTP 2004-09. | upon the case, had decided to reject it as the above provision has been deleted in the FTP (RE:2017)/2015-20 released on 05.12.2017.<br><br>The Committee heard the representative of the party who appeared for the PH. The representative of the party submitted that extension of EOP is very much essential for the existence of their MSME unit which is conceptually meant for exports. They are having full support of their Telangana State Government who has also recommended their case.<br><br>The Committee deliberated upon the case and decided to **reject** the request for EOP extension as the party has not made any exports since the date of issuance of the licence and also failed to bring out new facts or circumstances that warrant review of the earlier decision. |
| 16. | M/s. P.Vasudevan Webcot, Enalkulam<br><br>01/37/218/235/AM-19/EPCG-II | i.1030002859 dated 19.05.2015<br>ii.1030003451 dated 28.12.2017 | Request for permission to take over the EPCG obligation by M/s. Dynamic Techno Medicals Pvt Ltd,-Regarding. | The Committee observed that case was taken up in EPCG Committee meeting held on 12.07.2019 and it was decided to defer it for calling the representative for PH.<br><br>The Committee heard the representative of the party who appeared for the PH.<br><br>The Committee requested the representative of the party to clarify response on RA, Cochin's letter dated 13.11.2018 requesting them to submit documentary proof from the Registrar of Companies towards taking over of company by M/s. Dynamic Techno Medicals (P) Ltd, Aluva and to confirm whether IEC and RCMC of M/s. Dynamic Techno Medicals (P) Ltd, Aluva has been modified with necessary changes.<br><br>In response representative of the party stated that they have provided requisite clarifications after modifying the IEC and RCMC with necessary changes and stated that it is only a business purchase of a proprietary concern and hence no statutory filing with Registrar of companies is required. However, the representative of the party could not clarify the status of IEC of M/s.P. Vasudevan Webcot, Erunakulam after taking over. |

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| | | | | The Committee deliberated upon the case and decided to **defer** the matter to examine it on file. |
| 17. | M/s. Chandak Woollens Pvt Ltd, Bikaner(Raj)<br><br>01/36/218/100/AM-17/EPCG-I | 1330001544 dated 12.03.2007 | Review of the decision taken in EPCG Committee meeting held on 01.11.2018 and requested for extension in EOP from the date of endorsement. | The Committee observed that the case was placed in EPCG Committee meeting held on 01.11.2018 and it was decided to remand the case back to RA to examine the request on the basis of nexus certificate and subject to the condition that the export product is manufactured by the use of the same capital goods.<br><br>Earlier, the party vide letter dated 24.06.2016 had requested for extension of EOP for 02 years in respect of EPCG authorization No. 1330001544 dated 12.03.2007 and correction in export item as "Tufted Carpets" instead of "woolen carpets" as it was wrongly mentioned. The subject EPCG authorisation has been issued for import of "Second Hand Woolen Carpet Textile Machine for Carpet Tufting along with Accessories".<br><br>The Committee heard the representation of the party who appeared for the PH. The representative of the party stated that RA, Jaipur has amended the export product and granted extension of EOP for two years endorsed on 01.02.2019, which is valid upto 31.03.2017 from the date of expiry. RA, Jaipur should have granted extension from the date of endorsement and not from the date of original EOP period. EOP extension is granted to them only after a period of 2 years and 7 months and 6 days.<br><br>The Committee deliberated upon the case and decided to **defer** it for further examination on file. |
| 18 to 24 | Withdrawn for taking up in the next meeting as the Chairman of the Committee had to leave during the meeting due to exigency of work related to Review of FTP 2015-20. | | | |
| 25. | M/s. Divy Bhoj Sansthaan , New Delhi<br><br>01/36/218/237/AM-19/EPCG-I | i.0530157213 dated 16.12.2011<br>ii.0530157577 dated 07.02.2012 | Request for transfer of EPCG authorizations. | The Committee observed that the case was deferred in the EPCG Committee meeting held on 14.06.2019 due to non-appearance of the representative of the party for hearing. The case was again taken up in EPCG Committee meeting held on 12.07.2019 and the matter was deferred to examine it further by calling the party for personal hearing. |

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| | | | | The Committee heard the representative of the party who appeared for the PH.<br><br>The representative of the party submitted that break up of partnership and their failure to get into international market has made them realise that they are unable to continue the operation and, therefore, fulfilling the EO is out of their control. They have now entered into slump sale agreement with M/s. An Products and Machines Pvt Ltd, who has agreed to fulfil the EO. The representative of the party further informed that only assets of M/s. Divy Bhoj Sansthaan, New Delhi installed at their factory site at village Goal Jamala, Nalagarh, Solan, Himachal Pradesh have been transferred to M/s. An products and Machines Pvt Ltd for fulfillment of EO in respect of subject EPCG authorisation.<br><br>The Committee deliberated upon the case and decided to **reject** it as the capital goods imported under EPCG Scheme are subject to actual user condition till EO is complete. |
| 26 to 38 | Withdrawn for taking up in the next meeting as the Chairman of the Committee had to leave during the meeting due to exigency of work related to Review of FTP 2015-20. | | | |

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