MINUTES OF 8th MEETING OF EPCG COMMITTEE HELD UNDER THE CHAIRMANSHIP OF SHRI SATYAN SHARDA, ADDITIONAL DIRECTOR GENERAL OF FOREIGN TRADE AT 11.00 AM ON 13.09.2019 IN COMMITTEE ROOM NO.11, H WING, UDYOG BHAWAN, NEW DELHI.

I. Following officers attended the meeting:

i. Shri S.S. Ahuja, OSD, Department of Revenue
ii. Shri Rajbir Sharma, Joint Director General of Foreign Trade, DGFT
iii. Shri Randheep Thakur, Deputy Director General of Foreign Trade, DGFT

II. Minutes of the last Meeting held on 30.08.2019 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 EPCG Committee
1.	M/s. Lifelong Meditech Pvt Ltd., Gurgaon 01/36/218/55/ AM-20/EPCG	i.0530152611 dated 30.06.2010 ii.0530150211 dated 30.10.2009 iii.0530156254 dated 17.08.2011 iv.0530155074 dated 18.03.2011 v.0530155073 dated 18.03.2011 vi.0530157077 dated 30.11.2011 vii.0530154266 dated 16.12.2010 viii.0530153249 dated 01.09.2010	Request for waiver of submission of installation certificate for issuance of EODC.	The request of the party is for waiver of submission of installation certificate as their plant/branch Lifelong Meditech Limited Plot No. 23, Sec-5, IMT Manesar, Distt. Gurgaon (Haryana) was burnt down on 27.05.2012 due to massive fire. The Committee noted that earlier the party had requested for condonation from submission of installation certificate or acceptance of audit certificate instead of installation certificate in respect of EPCG authorisation No.0530137695 dated 24.12.2004, No.0530138846 dated 13.06.2005, No.0530140191 dated 04.01.2006 and No.0530142185 dated 19.10.2006. The case was taken up in EPCG Committee meeting held on 26.10.2016 on the ground that their entire record along with equipments/plants and soft copies of the computerized record was completely burnt down on 27.05.2012 due to massive fire at Plot No.23, Sector–5, IMT Manesar, Distt. Gurgaon. The Committee noted that the party has fulfilled 100% EO in respect of 03

				EPCG authorizations and 80.74% EO against EPCG authorization No.0530140191 dated 04.01.2006. The case was taken up in the EPCG Committee meeting held on 26.10.2016 and it was allowed to permit submission of audit certificate instead of installation certificate. The Committee observed that the request was placed in its meeting held on 12.07.2019 and it was decided to **defer** it for examination on file as the party had not included these EPCG authorisation in their earlier request. The Committee deliberated upon the case and decided to **defer** it for calling report from Jurisdictional Custom Authority.
2.	M/s. Kanodia Technoplast Ltd., New Delhi 01/36/218/56/ AM-19/EPCG-I	0530149271 dated 30.06.2009	Regularization of shifting of capital goods and accepting the installation certificate issued by Chartered Engineer in place of Central excise authority	The Committee observed that the case was deferred in EPCG Committee meeting held on 29.08.2019 for RA's report which has since been received vide their email dated 26.08.2019. The Committee took into account submission of the party that the capital goods had been installed initially at their lease hold premises for which the authorization was applied for, i.e., B-72/3, Wazirpur Industrial Area, New Delhi- 110052. They had to shift the capital goods due to expiry of the lease to their own unit at Plot No. 113, Sector -56, Kundli Industrial Area, Sonepat, Haryana. The new address is mentioned in RCMC and IEC. The Committee deliberated upon the case and decided to **defer** it with the direction to obtain report from Jurisdictional Customs Authority. A letter will go to the Jurisdictional Customs Authority to provide the same within one month from the date of the letter. In case the report from

				Jurisdictional Customs Authority is not received within one month's time, the case will again be placed in the Meeting for deciding it on the basis of available facts.
3.	M/s. Pragati Transmission Pvt Ltd., Bangalore 01/37/218/242/AM-19/EPCG-II	0730004339 dated 11.07.2006	i. Request for extension in EOP. ii. Regularization of shifting of capital goods and; iii. Acceptance of installation certificate from Chartered engineer instead of central excise.	The party has requested for (i) extension in EOP (ii) Regularization of shifting of capital goods and (iii) Acceptance of installation certificate from Chartered engineer instead of central excise authority. The Committee observed that the case was deferred in EPCG Committee meeting held on 24.05.2019 it was decided to call RA's report. The Committee took into account the submission of the party that due to legal issues, the owner of the rented premises forced them to vacate the premises at No. B-55, III Stage, Peenya Industrial Estate, Bengaluru. They had to move the imported Capital Goods to their own unit at A-103-104, 3rd Main. 2nd Stage, Peenya Industrial Area. Bengaluru-560 058. RA has informed them to approach EPCG committee for condonation of procedural lapse of not obtaining prior permission for shifting. The party has also submitted installation certificate issued by Chartered Engineer certifying the installation of capital goods at the new address. The Committee decided **to recommend to DG for relaxation under Para 2.58 of FTP 2015-20 to :** **(a)** allow acceptance of installation certificate from Chartered Engineer instead of Central Excise Authority, subject to verification by Jurisdictional GST authority and also subject to payment of Rs.5000/- against the Authorisation.

				(b) grant ex-post facto approval regarding shifting of capital goods from No. B-55, III Stage, Peenya Industrial Estate, Bengaluru to A-103-104, 3rd Main, 2nd Stage, Peenya Industrial Area. Bengaluru -560 058, subject to the condition that new address is mentioned in the IEC and RCMC. The decision is also subject to condition that confirmation of installation of capital goods is obtained by RA from Jurisdictional Customs Authority and payment composition fee of Rs.5000/- to RA. Further, RA to verify that no ECA/DRI/ Customs action has been initiated against the party. The Committee also decided that the request for extension in EOP may be **considered by RA** in terms of provisions of Public Notice No. 35 and 36/2015-20 dated 25.10.2017 ready with the provisions of Public Notice no.78/2015-20 dated 11.03.2019. **This has the approval of DG.**
4.	M/s. AB Mauri India Pvt Ltd., Bangalore 01/60/162/261 /AM20/PRC	0330004466 dated 08.10.2003	Request for condonation of delay in installation of capital goods beyond 18 months in respect of EPCG authorization no. 0330004466 dated 08.10.2003.	The Committee deliberated upon the case and decided to **defer** it with the direction to call reports from RA as well as from Jurisdictional Customs Authority.
5.	M/s. Lubi Industries LLP., Ahmedabad 01/60/162/359	i. 0830003049 dated 04.08.2009 ii.0830003086 dated 21.08.2009 iii.0830003244	Request for counting of excess exports of EPCG authorization.	The Committee deliberated upon the case and decided to **defer** it for further examination.

	/AM-20/PRC	dated 08.12.2009		
6.	M/s. In Trading Pvt Ltd., New Delhi 01/60/162/303(B)/AM20/PRC	0530145954 dated 10.04.2008	Acceptance of installation certificate issued by Chartered Engineer instead of Central Excise against EPCG license no. 0530145954 dated 10.04.2008.	The Committee took into account submission of the party that they have completed EO and submitted redemption application to CLA, Delhi. They have received deficiency letter dated 03.01.2019 from CLA, Delhi for furnishing installation certificate issued by Central Excise Authority. The party has submitted that they were unaware of getting installation certificate issued from Central Excise and they had obtained the same from Chartered Engineers but now since the excise department is closed they request for allowing to redeem their EPCG authorisation with installation certificate issued by Chartered Engineer instead of central excise. The Committee deliberated upon the case and noted that the current FTP allows that the Authorization holder can produce the installation certificate from the jurisdictional Customs authority or an independent Chartered Engineer, at the option of the authorisation holder and further that where the authorisation holder opts for independent Chartered Engineer's certificate, he shall send a copy of the certificate to the jurisdictional Customs Authority for intimation/ record. The Committee **decided to recommend to DG for relaxation under Para 2.58 of FTP 2015-20** to allow acceptance of installation certificate from Chartered Engineer instead of Central Excise, subject to confirmation of installation from Jurisdictional Customs authority, and also subject to payment of Rs.5000/-against the Authorisation. RA to verify that no ECA/DRI/Customs action against the party is pending. **This has the approval of DG.**

7.	M/s. In Trading Pvt Ltd., New Delhi 01/60/162/303 (A)/AM20/PRC	0530139599 dated 26.09.2005	Acceptance of installation certificate issued by Chartered Engineer instead of Central Excise against EPCG license no. 0530139599 dated 26.09.2005.	The Committee took into account submission of the party that they have completed EO and submitted redemption application to CLA, Delhi. They have received deficiency letter dated 03.01.2019 from CLA, Delhi for furnishing installation certificate issued by Central Excise Authority. The party has submitted that they were unaware of getting installation certificate issued from Central Excise and they had obtained the same from Chartered Engineers but now since the excise department is closed they request for allowing to redeem their EPCG authorisation with installation certificate issued by Chartered Engineer instead of central excise. The Committee deliberated upon the case and noted that the current FTP allows that the Authorization holder can produce the installation certificate from the jurisdictional Customs authority or an independent Chartered Engineer, at the option of the authorisation holder and further that where the authorisation holder opts for independent Chartered Engineer's certificate, he shall send a copy of the certificate to the jurisdictional Customs Authority for intimation/ record. The Committee **decided to recommend to DG for relaxation under Para 2.58 of FTP 2015-20** to allow acceptance of installation certificate from Chartered Engineer instead of Central Excise, subject to confirmation of installation from Jurisdictional Customs authority, and also subject to payment of Rs.5000/-against the Authorisation. RA to verify that no ECA/DRI/ Customs action against the party is pending. **This has the approval of DG.**
8.	M/s. In Trading Pvt	i.0530146178 dated	Acceptance of	The Committee took into account submission of the party that they have

	Ltd., New Delhi 01/60/162/303 (C)/AM20/PRC	22.05.2008 ii.0530136802 dated 16.08.2004	installation certificate issued by Chartered Engineer instead of Central Excise against EPCG license nos. 0530146178 dated 22.05.2008 and 0530136802 dated 16.08.2004.	completed EO and submitted redemption application to CLA, Delhi. They have received deficiency letter dated 03.01.2019 from CLA, Delhi for furnishing installation certificate issued by Central Excise Authority. The party has submitted that they were unaware of getting installation certificate issued from Central Excise and they had obtained the same from Chartered Engineers but now since the excise department is closed they request for allowing to redeem their EPCG authorisation with installation certificate issued by Chartered Engineer instead of central excise. The Committee deliberated upon the case and noted that the current FTP allows that the Authorization holder can produce the installation certificate from the jurisdictional Customs authority or an independent Chartered Engineer, at the option of the authorisation holder and further that where the authorisation holder opts for independent Chartered Engineer's certificate, he shall send a copy of the certificate to the jurisdictional Customs Authority for intimation/ record. The Committee **decided to recommend to DG for relaxation under Para 2.58 of FTP 2015-20** to allow acceptance of installation certificate from Chartered Engineer instead of Central Excise, subject to confirmation of installation from Jurisdictional Customs authority, and also subject to payment of Rs.5000/-against each Authorisation. RA to verify that no ECA/DRI/Customs action against the party is pending.
9.	M/s. In Trading Pvt Ltd., New Delhi	0530141665 dated 03.08.2006	Acceptance of installation certificate issued by	The Committee took into account submission of the party that they have completed EO and submitted redemption application to CLA, Delhi. They have received deficiency letter dated 03.01.2019

	01/60/162/303 /AM20/PRC		Chartered Engineer instead of Central Excise against EPCG license no. 0530141665 dated 03.08.2006.	from CLA, Delhi for furnishing installation certificate issued by Central Excise Authority. The party has submitted that they were unaware of getting installation certificate issued from Central Excise and they had obtained the same from Chartered Engineers but now since the excise department is closed they request for allowing to redeem their EPCG authorisation with installation certificate issued by Chartered Engineer instead of central excise. The Committee deliberated upon the case and noted that the current FTP allows that the Authorization holder can produce the installation certificate from the jurisdictional Customs authority or an independent Chartered Engineer, at the option of the authorisation holder and further that where the authorisation holder opts for independent Chartered Engineer's certificate, he shall send a copy of the certificate to the jurisdictional Customs Authority for intimation/ record. The Committee **decided to recommend to DG for relaxation under Para 2.58 of FTP 2015-20** to allow acceptance of installation certificate from Chartered Engineer instead of Central Excise, subject to confirmation of installation from Jurisdictional Customs authority, and also subject to payment of Rs.5000/-against the Authorisation. RA to verify that no ECA/DRI/ Customs action against the party is pending. **This has the approval of DG.**
10.	M/s. Shahi Exports Pvt Ltd., New Delhi 01/60/162/401 /AM20/PRC	0530155841 dated 24.06.2011	Request for acceptance of 'Glass Wool'' as capital goods under EPCG authorization	The Committee noted that the firm has obtained EPCG authorization on 21.06.2011 for import of Glass Wool required for Humidification Plant at their unit and applied for redemption to CLA New Delhi on 30.10.2012 which has been rejected by CLA, Delhi. CLA, Delhi has rejected their

			no. 0530155841 dated 24.06.2011.	application for redemption on the grounds that the nature of goods was not capital nature and asked them to pay full custom duty along with the interest. The party has submitted reasons of pendency for the said authorization that it is a matter of interpretation whether to treat Glass Wool as capital goods for their industry or not. The Committee deliberated upon the case and decided to **reject** it on the ground that the import item "Glass Wool" cannot be considered as capital goods under EPCG Scheme.
11.	M/s. Arjuna Solvent Extraction Pvt Ltd., Mumbai 01/36/218/139 /AM-20/EPCG	0330020767 dated 24.07.2008	Condonation of procedural lapse of delay in payment of excess utilisation fee.	The Committee noted that in the case of the party, the authorisation was utilised for import of goods in excess of duty saved amount by more than 10% by customs authority as per para 5.16 of HBP of FTP 2015-20. They have fulfilled the export obligation and submitted the documents for redemption to the RA but could not pay fee for excess utilization within one month's time and requested to allow regularization of late payment of additional fee to cover excess imports. The Committee deliberated upon the case and decided **to recommend to DG for relaxation under Para 2.58 of FTP 2015-20** for condonation of procedural lapse of delay in payment of fee for excess duty saved amount as envisaged in Para 5.16(a) of HBP 2015-20. **This has the approval of DG.**
12.	M/s. Kisan Udyog ., Mumbai 01/36/218/138 /AM-20/EPCG	0330008253 dated 24.03.2005	Condonation of Procedural lapse of delay in payment of excess utilisation	The Committee noted that in the case of the party, the authorisation was utilised for import of goods in excess of duty saved amount by more than 10% by customs authority as per para 5.16 of HBP of FTP 2015-20. They have fulfilled the export obligation and submitted the documents for redemption to the RA but

			fee.	could could not pay fee for excess utilization within one month's time and requested to allow regularization of late payment of additional fee to cover excess imports. The Committee deliberated upon the case and decided **to recommend to DG for relaxation under Para 2.58 of FTP 2015-20** for condonation of procedural lapse of delay in payment of fee for excess duty saved amount as envisaged in Para 5.16(a) of HBP 2015-20. **This has the approval of DG.**
13.	M/s. Anchor Health & Beauty Care Pvt Ltd., Mumbai 01/60/162/332 /AM20/PRC	i.0330025156 dated 09.02.2010 ii.0330025187 dated 11.02.2010	Extension in EOP.	The party has sought second extension in the EO period for 2 years against zero duty EPCG authorization. The Committee noted that even after more than nine years of obtaining subject two EPCG authorisations, the party has not made any exports at all in one authorization and in the other has made only up to 31% exports. The Committee deliberated upon the case and decided that since the export performance of the party is poor, there is no merit in the request and thus **rejected** it.
14.	M/s. Indorama Industries Limited., Chandigarh 01/36/218/311 /AM-18/EPCG-I	i.2230001705 dated 05.05.2011 ii.2230001715 dated 12.05.2011 iii.2230001829 dated 25.08.2011 iv.2230001833 dated 30.08.2011 v.2230001832 dated 30.08.2011	Request for block wise extension in EOP and second extension in EOP.	The party has requested for second extension of EOP in respect of their zero duty EPCG authorizations to fulfil the remaining export obligation. The applicable FTP allows only one extension of two years beyond the original EO period. The request was taken up in the EPCG Committee meeting held on 13.02.2019. The representatives of the party had appeared for the personal hearing. The party has stated, inter-alia, that they are the sole manufacturer of Spandex/ Elastomeric Yarn in India and that they failed to complete the EO in six years for the following reasons: i)The EPCG licenses in the year 2011 were

		vi.2230001836 dated 30.08.2011		issued at 45.19 INR and today it is about 70 INR per 1 USD. Also, the raw material involved in the product are not available in India. Thus, this has contributed towards the rise in the cost of production for the party; ii)The party also obtained orders from Pakistan/Iran/Turkey for their products. However, because of the political reasons and fluctuations in the foreign exchange market, i.e., devaluation of the currency, they could not send exports to the respective nations; iii)Further, in the year 2010, the rate of Spandex (exported good) in the international market fell from USD 9 per Kg to USD 4-4.5 per kg. Eventually they had to nearly sell double the quantity to meet their export obligation; iv) Moreover, the present demand for the Spandex in India is 25,000 MT, however, they are producing 8600 MT, which means India is still the net importer of the product. Also, the importers in India are importing the product from the ASEAN countries @ USD 5.5 per kg under ASEAN FTA Agreement. The Committee after deliberations had decided to defer the matter for further examination on file. Thereafter, the matter was examined on file. The party had submitted a representation dated 31.05.2019 and further stated, inter-alia, that they have already completed 84% of the export obligation in INR. The matter was again discussed in the meeting dated 28.06.2019. The representatives of the party appeared for personal hearing and submitted that quantity wise they have already fulfilled the EO in upto 84% in rupee terms and upto 55% in dollar terms. They also stated that in addition

				to the facts and reasons already narrated above, another factor that has also started hampering their exports is imposition of additional import duty on their export product in Turkey and thus they need more time to export. The Committee asked them to submit these grounds in writing so that these submissions could also be in placed in the agenda for the next meeting to decide the matter and thus deferred the case for the next meeting. The party vide their mail dated 06.08.2019 forwarded copy of their letter dated 28th May 2019, in which they had mentioned that Turkish Govt. had issued a Notification imposing additional import duty of 5% on import of spandex yarn, and in this regard, also forwarded copy of the said Notification. The request was taken up in the Meeting held on 30.08.2019 but got deferred to next meeting. Thereafter, in the present meeting the matter was discussed again. The representative of the Department of Revenue present in the meeting opined that in the present case the party could not fulfil the EO within the allotted EOP due to circumstances and ups and downs in the business that a business enterprise may generally face while running the business and not due to circumstances which were beyond their control and, therefore, recommended rejection of their request being devoid of genuine hardship. The Committee took into consideration various averments made by the party for allowing them two years extension as also the averments made by the representative of the Department of Revenue and noted that in the present case the party has already fulfilled the EO upto 84% in rupee terms and upto 55% in dollar terms. The Committee noted that the party has stated that it faced genuine hardship in their business in

				completing the EO in time as the party's major export destinations were Pakistan, Iran and Turkey but the party could not maintain its export performance to Pakistan and Iran due to political reasons and in respect of Turkey, their customers were reluctant to buy due to sharp devaluation of their currency and imposition of additional import duty @5% on import of spandex. In the wake of these facts and circumstances, the Committee did not accept the averments of the representative of the Department of Revenue and was of the view that these were the extraordinary circumstances beyond party's control and, therefore, the party, in spite of its intent to complete the exports, has faced genuine hardship in completing the exports in allotted EOP. The Committee, therefore, **decided to recommend to DG for relaxation under Para 2.58 of FTP 2015-20** to allow further two years extension in the EOP on payment of composition fees equal to 2% of the proportionate duty saved amount on the unfulfilled export obligation. **This has the approval of DG.**
15.	M/s. Jaksons Engineer Ltd., Delhi 01/36/218/301 /AM-18/EPCG-I	i.0530150994 dated 09.10.2010 ii.0530146558 dated 04.07.2008 iii.053014655 9 dated 01.07.2008 iv.053014301 4 dated 05.02.2007	Request for condonation of procedural lapse of not mentioning of EPCG authorization no. and date on ARE-3 and condonation of procedural lapse of not attesting of the each ARE-1 and	The Committee deliberated upon the case and decided to **defer** it for further examination.

			ARE-3 individually by Central Excise Authority.	
16.	M/s. Ratna Offsets Ltd., Ahmedabad 01/37/218/225 /AM-18/EPCG-II	i.1530000702 dated 29.06.2011 ii.1530000703 dated 29.06.2011	Request for review of decision for extension in export obligation period for further two years.	The Committee noted that the party has requested for second extension of EOP in respect of their EPCG authorizations issued under Zero Duty EPCG Scheme which allows only one extension in the EOP beyond six years of original EO period. The Committee took into account submission of the party that they are one of the oldest printing units of India established in the year 1894 by Dr Annie Besant, Bharat Ratna Pt Madan Mohan Malviyaji and their great grandfather for printing of Sanskrit, English and Hindi books for Banaras Hindu University and the Theosophical Society of India. The Committee noted that the party has stated that in respect of subject EPCG authorisations it has completed 67% EO within the original and extended EOP but due to the explosive growth of e-Books, the domestic and the international market for printing industry has been drastically hit; further, because of tremendous slowdown in the printing trade worldwide they were not able to meet the remaining obligation even in extended period of two years; that the prominent reason for decline in the demand of printed material in the International market is "Digitalization" which has almost terminated the demand of printed paper for personal, business or Government Sector. The party has also stated that another reason for decline in the production of paper is shortage of raw material, i.e., "paper pulp" due to restriction on cutting of trees due to

				global environment saving goals. The matter was discussed by the Committee. The representative of the Department of Revenue present in the meeting opined that in the present case the party could not fulfil the EO within the allotted EOP due to circumstances and ups and downs in the business that a business enterprise may generally face while running the business and not due to circumstances which were beyond their control and, therefore, recommended rejection of their request being devoid of genuine hardship. The Committee took into consideration various averments made by the party for allowing them two years extension as also the averments made by the representative of the Department of Revenue. The Committee after considering that in the present case the party has faced genuine problems and hardship in their printing business in the wake of the technological changes and digitalization that have taken place all over the world with introduction of e-books resulting in decline in the demand of printed material in the International market did not accept the averments of the representative of the Department of Revenue and decided to **recommend to DG for relaxation under Para 2.58 of FTP 2015-20** to allow further two years extension in the EOP on payment of composition fees equal to 2% of the proportionate duty saved amount on unfulfilled EO. **This has the approval of DG.**
17.	M/s. CM Smith and Sons Limited, Nadiad Gujarat	0830003151 dated 30.09.2009	Request for adjustment up to 50% of the export obligation with the	The Committee noted that the case is being placed second time before the EPCG Committee. The case was deferred in EPCG Committee meeting held on 26.07.2019 and 30.08.2019 for calling the party for PH.

	01/36/218/25/ AM-20/EPCG		export made by the Group company M/s. Nitrex Chemicals.	The representative of the party did not turn up for PH. The Committee deliberated upon the case and decided to **defer** it and give the party one last chance to appear in the next meeting.
18.	M/s. More Retails Ltd., Mumbai 01/36/218/66/ AM-20/EPCG	i.0330017124 dated 14.08.2007 ii.0330017977 dated 01.11.2007	Request for consideration of EO fulfilment by 100% subsidiary company M/s Trinethra Super Retail private Limited	The Committee noted that the case is being placed second time before the EPCG Committee. The case was deferred in EPCG Committee meeting held on 30.08.2019 for calling the party for PH. The representative of the party did not turn up for PH. The Committee deliberated upon the case and decided to **defer** it and give the party one last chance to appear in the next meeting.

DGFT = Directorate General of Foreign Trade, DG = Director General, FTP = Foreign Trade Policy, HBP v1 = 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.