

MINUTES OF 5th MEETING OF EPCG COMMITTEE HELD UNDER THE CHAIRMANSHIP OF SHRI SATYAN SHARDA, ADDITIONAL DIRECTOR GENERAL OF FOREIGN TRADE AT 11.00 AM ON 26.07.2019 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 12.07.2019 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 EPCG Committee
1	M/s. Kala Jyothi, Hyderabad 01/36/218/91/A M-20/EPCG	0930001790 dated 19.10.2005	Extension in EOP for 30 months.	The Committee noted that the party has obtained first and second extension in EOP till 18.10.2015 and could fulfil EO only up to Rs.8 crore out of Rs.43 Crore. The party seeks further extension in EOP to fulfil remaining portion of EO in extended period. The Committee deliberated upon the case and noted that the Authorisation was issued in 2005 and still the EO fulfilment is very less till date. The Committee decided to reject it as there is no merit in the request.
2	M/s BST Textiles Mills Pvt Ltd, Mumbai	i.0330032093 dated 14.03.2012 ii. 0330026581 dated 12.07.2010 iii. 0330025220 dated 16.02.2010 iv. 0330023722 dated 03.09.2009 v. 0330032819 dated 06.06.2012 vi. 0330033758 dated 21.09.2012 vii. 0330033917 dated 11.10.2012 viii. 0330035254 dated 06.03.2013 ix. 0330036891 dated 26.09.2013 x. 0330044740 dated 05.07.2016 xi. 0330025837	Condonation of incorrect mentioning of license number on shipping bill.	The party has submitted 40 nos. of shipping bills for condonation of lapse of mentioning of incorrect EPCG authorisation number. The Committee deliberated upon the case and decided to defer it to call a report from RA. RA to submit a report after cross checking the details of the shipping bills submitted and also to report as to whether the shipping bills with incorrect EPCG Authorisation are for the same import and export items mentioned in the EPCG Authorisation that requires relaxation.

		dated 26.04.2010 xii. 0330028625 dated 08.02.2011		
3	M/s. Devinarayan Exporters Pvt Ltd, Chennai. 01/60/162/146/A M20/PRC	i. 0430005582 dated 04.12.2007 ii. 0430004918 dated 07.05.2007 iii. 0430002562 dated 06.04.2005 iv. 0430004537 dated 10.01.2007 v. 0430003994 dated 17.08.2006 vi. 0430005734 dated 24.01.2008 vii. 0430003376 dated 31.01.2006 viii. 0430009238 dated 23.11.2010	Consideration of free Shipping Bills towards fulfillment of EO	The party has requested for consideration of free shipping bills for EO fulfilment in respect of 08 EPCG authorisations. The representative of the party who appeared before the Committee for PH submitted that although they have filed ‘free shipping bills’ for fulfillment of EO, the subject EPCG authorisation numbers and date have been mentioned in the BRCs. The Committee deliberated upon the case and decided to reject it as ‘free shipping bills’ are not permitted for fulfillment of EO under EPCG Scheme and there is no merit in the request.
4	M/s. Daejung Moparts Pvt. Ltd, Tami Nadu 01/36/218/98/A M-18/EPCG-I	i. 0430001649 dated 21.04.2004 ii. 0430003620 dated 17.04.2006 iii. 0430004038 dated 01.09.2006 vi. 0430004039 dated 01.09.2006	Review of the decision taken in EPCG Committee meeting- Consideration of third party exports for fulfilment of EO and condonation of procedural lapse for not mentioning EPCG authorization number in third party shipping bills	The Committee observed that the case was first taken up in its meeting held on 29.11.2018 and was rejected on the ground that there is no merit in considering third party exports with condonation of procedural lapse of not mentioning EPCG authorization number in the third party shipping bills. The representatives of the party appeared before the Committee for PH and presented their case. The Committee noted that the party has requested for consideration of third party exports for fulfilment of EO and condonation of procedural lapse of not mentioning EPCG authorization number in the third party shipping bills. The party has submitted that they could not make direct exports due to adverse market conditions and recession. The Committee deliberated upon the case and decided to maintain the decision taken in its meeting held on 29.11.2018 as there is no merit in accepting such reasons.
5	M/s. Allanasons Private Limited, New Delhi 01/36/218/134/A M-19/EPCG-I	NA	Request for permitting supporting manufacturer as a co-licensee to enable them to file the bill of	The Committee noted that the request of the party pertains to clarification of FTP. The Committee deliberated upon the case and decided to defer it for examination on file.

			entry in their name in respect of EPCG authorisations.	
6	M/s. Atop Foods products Private Limited, Gujarat 01/60/162/01/A M20/PRC	2430000508 dated 15.12.2005	Request to review the clarification pertains to interpretation of first sub-para of Para 5.1 of FTP AM-06.	The party is running a unit manufacturing (i) Processed Fruits and Vegetable (Potato Chips) & (ii) Food Product like named as Bhujia, Mixture, Chabena, Papad, Pickles, Prepared Mung Dal, Snacks, Khakhara, Namkeens, Sweetmeat and similar edible preparations. The party claims to be Agri unit as they are registered with APEDA and has requested to restore EOP to 12 years in terms of para 5.1 of FTP (RE:2006)/2004-09. The Committee deliberated upon the case and decided to reject it as para 5.5.2 of FTP(RE:2006)/ 2004-09 stipulates that an agri unit for the purpose of granting EOP of 12 years should be located in the agri export zones.
7	M/s. CM Smith And Sons Limited, Nadiad Gujarat 01/36/218/25/A M-20/EPCG	0830003151 dated 30.09.2009	Request for adjustment up to 50% of the export obligation with the export made by the Group Company M/s. Nitrex Chemicals.	M/s. CM Smith And Sons Limited, Nadiad Gujarat, vide letter dated 25.04.2019, has requested for adjustment up to 50% of the export obligation with the export made by the Group Company M/s. Nitrex Chemicals India Limited (NCIL) in respects of EPCG authorization No. 0830003151 dated 30.09.2009 issued to them under zero duty EPCG scheme. The Committee deliberated upon the case and decided to defer it and to call the party for PH.
8	M/s Posco Maharashtra Steel Pvt Ltd., Pune 01/60/162/113/A M20/PRC	0330029308 dated 21.04.2011	Request for 2 nd extension for 6 months the date of endorsement.	The party has requested for second extension in EOP for six months from the date of endorsement in respect of zero duty EPCG authorisation No.0330029308 dated 21.04.2011. The Committee noted that the party has fulfilled 70% of EO in the original EOP of 6 + 2 years and need further extension of six months to complete remaining EO. The Committee deliberated upon the case and decided to defer it to further examine the matter on file.
9	M/s. Sankalp Engineering & Services Pvt. Ltd, Pune	i.3130002952 dated 08.02.2008 ii. 3130003180 dated 05.06.2008 iii.3130004216	Request for condonation the lapse of mentioning	The Committee observed that the case was deferred in its meeting held on 24.05.2019 as there are a large number of shipping bills with procedural lapse and decided to call a detailed

		dated 05.10.2009 iv.3130004888 dated 18.06.2010 v.3130006787 dated 10.08.2012 vi.3130006569 dated 07.05.2012 vii.3130006271 dated 11.12.2008 viii.3130006937 dated 15.10.2012 ix.3130007127 dated 11.01.2013 x.3130007252 dated 14.03.2013 xi.3130007251 dated 14.03.2013	incorrect authorization number in shipping bills.	report from RA. The party has submitted that due to procedural lapse their staff kept on mentioning same Licence number even after completion of obligation of that particular Licence in respect of 254 nos. of shipping bills which are now submitted for condonation. The Committee deliberated upon the case and decided to defer it for calling a comprehensive report from RA in the tabular form giving details of the shipping bills with import and export items.
10	M/s. Pace Printers Pvt. Ltd, Mumbai 01/37/218/128/A M-19/EPCG-II	0330014284 dated 08.12.2006	Request for extension of EOP for 2 years	The Committee noted that the EOP has already been extended for two years, i.e., for 9 & 10 years and further two years, i.e., for 11 & 12 years (upto 07.12.2018). The party has submitted that they could not fulfil EO in stipulated EOP due to the fire accident in May, 2009 where a major fire broke out in the adjacent factory which engulfed and destroyed their unit. Now, they hope to fulfil EO in new season comprising from February to November, 2019 in the extended EOP. The Committee observed that the case was earlier rejected in its meeting held on 24.01.2019 as the Committee noted that even after 12 years of export obligation period, the party has fulfilled only 50% EO and hence did not find merit in the grounds given by the party for further extension. The Committee deliberated upon the case and decided to maintain the rejection as there is no new merit in the request.
11	M/s. Pearl Engineering Co, New Delhi 01/37/218/240/A M-19/EPCG-II	0530152869 dated 22.07.2010.	Request for review of the decision taken in EPCG Committee meeting held on 12.07.2018 acceptance of installation certificate issued by Chartered Engineer instead of	The Committee observed that the request of the party for acceptance of installation certificate issued by Chartered Engineer instead of Central Excise was taken up in EPCG Committee meeting held on 12.07.2018 and it was decided to allow acceptance of installation certificate from Chartered Engineer, subject to verification from Jurisdictional Customs Authority and subject to payment of Rs.5000/- against Authorisation. Now, the party has submitted that they approached the custom authorities for verification of the said Installation Certificate vide letters dt.22.11.2018 & 27.12.2018 but they have refused to verify the same and therefore the party

			Central Excise	has requested for acceptance of Installation Certificate issued by Chartered Engineer without verification from jurisdictional Custom Authorities. 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, subject to verification by Jurisdictional GST authority, subject to payment of Rs.5000/- against the Authorisation. Further, RA to verify that no ECA/DRI/ Customs action against the party is pending. This has the approval of DG.
12	M/s. S.V.M. Nett Project Solutions Pvt Ltd, Bellary 01/36/218/42/A M-20/EPCG	0730008788 dated 06.04.2010	Request for automatic EO extension in the event of ban on export product.	The party has requested for extension in EOP in terms of para 5.20 of HBP of FTP 2015-20, automatic EO extension in the event of ban on export product in respect of EPCG authorisation. The party has stated that they obtained EPCG Authorization for export of “Iron Ore” and have imported the capital goods and the same have been installed but till date they were unable to fulfill the EO as the Hon’ble Supreme Court has banned mining activity in Karnataka vide Order dated 23.09.2011 in W.P. (Civil) No. 562/2009. The Committee noted that the party’s submission is for automatic EO extension in the event of ban of export of Iron Ore in the state of Karnataka. The Committee observed that there was no general ban on export of iron ore from the country. The Committee took into account the report of Department of Mines and Geology, Government of Karnataka stating that the Government of Karnataka had initiated several measures to curb the illegal mining and imposed ban on export of iron ore from 10 small ports of Karnataka and subsequently, prohibited issuing mineral despatch permits for Iron ore for the purpose of export. The Committee further noted that in the present case, there appears to be no ban on export of Iron ore pellets/fines from India except in case of iron ore produced in Karnataka from the mines which were subject matter of SC judgment cited by the petitioner. Therefore, the

				provision regarding automatic extension of EO period does not appear to be applicable in this case. The ban is enforced indefinitely due to damage caused to environment by indiscriminate mining. The Committee deliberated upon the case and decided to reject it as there is no general ban on export of Iron ore from India.
13	Gold Plus Glass industry Limited, New Delhi 01/36/218/169/A M-19/EPCG-I	i.0530147846 dated 28.11.2008 ii.0530147234 dated 18.09.2008 iii.0530146778 dated 30.07.2008 iv.0530148327 dated 02.02.2009 v.0530147890 dated 04.12.2008 vi.0530144915 dated 05.11.2007 vii.0530146033 dated 28.04.2008 viii.0530146048 dated 30.04.2008 ix.0530147287 dated 23.09.2008 x.0530156887 dated 08.11.2008	Request for condonation of procedural lapse of not submitting Bill of Export in the case of deemed export	The Committee noted that the party has requested for condonation of non- submission of Bill of Exports in respect of SEZ supplies. The Committee heard the submission made by the representative of the party in personal hearing before it. The Committee deliberated upon the case and noted that Bill of Exports is a mandatory document for claiming benefit under Foreign Trade Policy and the request was found to be devoid of any merit. The Committee thus decided to reject the request.
14	M/s.V.S.Sujansi Textile Pvt Ltd, Madurai 01/37/218/185/A M-19/EPCG-II	i. 0430011399 dated 03.07.2012 ii. 0430013536 dated 25.03.2014	Request for condonation of procedural lapse on non-mention of EPCG authorisation number and name in third party shipping bills.	The request of the party is for condonation of procedural lapse of non-mentioning of EPCG authorisation number and name in third party shipping bills in respect of EPCG authorizations. The party has submitted that due to difficulty in getting direct orders the export was made through a third party. However, while preparing export documents by the third party, there was omission of EPCG license number as well as name of the license holder in the shipping bills. The Committee deliberated upon the case and decided to reject it as third party shipping bills

				without EPCG authorisation number and name of authorisation holder are not permitted under EPCG Scheme and reason for non-mentioning the same given by the party is devoid of any merit.
15	M/s. Shri Balaji Packaging, Baddi 01/37/218/145/A M-19/EPCG-II	5630000153 dated 12.10.2012 5630000219 dated 17.01.2013	Request for review of the decision taken in the EPCG Committee meeting held on 29.03.2019 regarding extension of EOP for 2 years and condonation of fulfillment of EO by Group Companies	The party has requested for review of the decision of rejection of their request taken in the EPCG Committee meeting held on 29.03.2019. The party has requested for counting of exports made by group company for fulfilment of EO stating that M/s.Balaji Packaging, Ujjain (Partnership firm between Partners Mrs Mangla Bangur and Mr Arpit Bangur) is a group company along with M/s.Tirupathi corrugators,Ujjain (proprietorship firm. Prop. Mrs. Mangla bangur) and M/s. Vyankatesh Corrugators Pvt Ltd, Ujjain, (Private Limited Firm. Directors Mrs. Mangla bangur and Mr Arpit Bangur). The Committee noted that in the EPCG Committee meeting held on 29.03.2019 it was decided that for the purpose of the provision of Para 9.28 a group company means another company, not a partnership firm. The Committee deliberated upon the case and decided to maintain the decision earlier taken.
16	G.G. Automotive Gears Ltd, Dewas	1130001815 dated 23.06.2010	Request for 2 nd extension up to 02 years in EOP	The Committee noted that the party has not fulfilled EO in spite of expiry of export obligation period as well extended EOP of two years. The party has now sought extension in EOP beyond two years for fulfilling EO. The Committee deliberated upon the case and decided to reject it as there is no merit in the request.
17	Adient India Pvt Ltd, Pune 01/60/162/253/A M-20/PRC/EPCG	3130006066 dated 14.10.2011	Permitting export of services exported by the same company towards fulfillment of EO against EPCG authorisation obtained for export of goods	The party has requested for permission for allowing service exports for fulfilment of export obligation in respect of EPCG Authorisation. The Committee noted that on a similar request of M/s. Jaiprakash Industries, the EPCG Committee in its meeting held on 14.06.2013 had decided that whenever an alternate product is allowed {for licence(s) issued during 01.04.2003 to 17.04.2013) in case of export of goods any other goods only can be exported and where EO is for services any other services can only be exported to fulfill the Export Obligation. In other words, for export of goods alternate item will only be

				goods and for rendering services alternate item will only be services. " The Committee deliberated upon the case and decided to reject it as there is no merit in the request.
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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.