Government of India
Ministry of Commerce and Industry
Department of Commerce
Directorate General of Foreign Trade
(EPCG-Section)

MINUTES OF 3rd MEETING OF AM-22 OF THE EPCG COMMITTEE HELD UNDER THE CHAIRMANSHIP OF SHRI S.B.S. REDDY, ADDITIONAL DIRECTOR GENERAL OF FOREIGN TRADE AT 3.00 PM ON 04.08.2021

Third meeting for AM-22 of the EPCG Committee was held at 3.00 pm on 04.08.2021 (originally scheduled on 30.7.2021) under the chairmanship of Shri S.B.S. Reddy, Additional Director General of Foreign Trade through Video Conferencing on Cisco webex cyber meeting app due to Covid-19 restrictions (Meeting Number: 170 674 9705). Following officers attended the meeting :

i. Shri Chandan Kumar, OSD, Department of Revenue
ii. Shri Indrajeet Yadav, DIA, Ministry of Steel
iii. Shri Randheep Thakur, Joint Director General of Foreign Trade, DGFT
iv. Shri Shobhit Gupta, Deputy Director General of Foreign Trade, DGFT
v. Shri Satish Oza, Foreign Trade Development Officer, DGFT

ii. The Committee deliberated upon all the cases as per agenda and took following decisions:

Sl. No.	**Firm's Name and file Numbers**	**EPCG Authorisation no.**	**Subject**	**Decision of the Committee**
1.	Sunrise Industries (India) Ltd, Vadodara 01/36/218/342/AM-20/EPCG	i.3430002289 dated 03.12.2012 ii.3430002244 dated 21.09.2012	Request for grant of EODC without installation of capital goods in respect of EPCG authorisation No.3430002289 dt. 03.12.2012 and No.3430002244 dt. 21.09.2012.	The party has requested for grant of EODC without installation of capital goods in respect of EPCG authorisation nos. The applicant in its representation stated that it could not, however, install the "Continuous Filament Winding Plant ND 300MM-3000MM with Sleeve Grooving Machine" imported under EPCG authorisation because of unforeseen difficulties in implementing the expansion project due to land acquisition problems that surfaced after the initial agreements to purchase. The imported machines are kept intact packed at factory premises. However, it has completed 100% export obligation, by utilising existing machinery. The Committee observed that Capital goods are allowed under the EPCG scheme on actual user condition. As per policy, CGs should be installed within six months of the date of import. There is no provision for issue of EODC without installation of CGs. Accordingly, the Committee decided to **reject** the case as there is no merit in the request. The Committee advised the applicant to pay applicable Customs duties along with interest for regularisation.
2.	Simar International., Ludhiana	30300008596 dated 12.08.2011	Request for Condonation of block wise EO (1 st block) , EOP Extension and late submission of installation	The Committee deliberated upon the case and decided to call comments of RA before taking a decision in the matter.

	01/36/218/174/AM-20/EPCG		certificate in respect of 3% EPCG authorisation No.30300008596 dated 12.08.2011.	The case stands **deferred**.
3.	Amba River Coke Ltd., Mumbai 01/36/218/169/AM-21/EPCG	0330036918 dated 30.09.2013	Request for inclusion of item Hot/Cold Rolled Steel /coils in the list of export item allowed for fulfillment of EO in EPCG License No. 0330036918 dt. 30.09.2013 under 0% concessional duty-reg.	The Committee heard the representatives of the applicant during personal hearing. They informed the Committee that they obtained EPCG Authorisation for production of Met Coke and Iron Ore Pallets which are used in manufacture Steel. Their company is 100% subsidiary of JSW Steel Limited (JSWSL) and their 100% sales are to JSWSL only. The Plant is also located in the same complex wherein integrated Steel facility of JSWSL exists. They further stated that they manufactured COKE & PELLET and supplied the same to steel making facility of JSWSL. These products were used by JSWSL as intermediate products and ultimately exported. Hence, they have already completed exports by export of Steel items on provisional basis. They further stated that GoI has a policy to discourage export of low value items like Iron Ore and Coke etc. and in the present case, there is no revenue loss in present case . Earlier in FTP , fulfillment of Export Obligation against export of value-added products was also allowed. Vide Policy Circular No. 21/(RE 98) dated 10/07/1998, DGFT clarified that such further processing to added value can be done by other than EPCG Licence holder also. In 2004-09 policy, fulfillment of Export obligation up to 100% through export of even other goods manufactured or services provided by the same Licence holder or their group companies was allowed. However, earlier provision which allowed export of value added products manufactured by other companies was missed out in notification dated 18/4/2013. In a similar matter earlier, EPCG authorisations were obtained by JSWSL and name of our company was disclosed as supporting manufacturer. Export obligation fulfilment by export of steel items had been allowed by EPCG Committee its meeting held on 26/10/2015 (Case no 41). The representatives requested to consider the case favorably as the products supplied by it were further processed by JSWSL. They were also willing to undertake enhanced export obligation. The matter was discussed at length in the meeting. The Committee observed that the policy of exporting same or similar products through Group company was discontinued in 2013 before the issuance of the subject EPCG Authorisation. Hence, the Committee did not find any merit in the case and accordingly decided to reject the request.

4.	Ahill Knit Exports, Coimbatore 01/36/218/210/AM-21/EPCG	3230027257 dated 17.09.2018	Request for waiver of maintenance of AEO in respect of EPCG authorization no. 3230027257 dt.17.09.2018.	The party seeks waiver of maintenance of AEO in the period between 2020-21 against the subject EPCG authorization issued under 0% concessional duty due to Covid-19 pandemic and complete lockdown of their units during the months of March, April and May 2020. The Committee decided to **defer** the case for detailed examination.
5.	American Precoat Specialty Pvt. Ltd. (formerly known as Sriram Compound Pvt. Ltd.) 01/36/218/166/AM-21/EPCG	0530151751 dated 06.04.2010	Request for re-fixation of Average Export Obligation in respect of their EPCG Authorization No. 0530151751 dt. 06.04.2010.	The Committee noted the request of the party. The representative of DoR stated that this is not a policy relaxation related matter and DGFT can take a decision on such requests as per prevailing policy/guidelines/practices. Accordingly, the Committee decided to **defer** the case for further examination on file.
6.	Arcelor Mittal Nippon Steel India Limited (AM/NS)(formerly Essar Steel India Limited) Hazira, Surat **01/36/218/208/AM-21/EPCG**	N.A.	Request for issue of EPCG Authorization for import of spares required for their Sinter Plant and import of Wheel Loaders.	The Committee noted that the applicant applied for issue of EPCG Authorization for import of spares required for their Sinter Plant and import of Wheel Loaders to reclaim slag generated in the steel making process. However, RA, Mumbai rejected the application on grounds that, the Capital Goods sought to be importing fall within the negative list notified under Appendix 5F. RA has intimated that as per Appendix 5F, Truck/Tippers/Dumpers are allowed only for Mining Section and All construction equipments viz Cranes are permitted only for providing services. After due deliberation, the Committee decided to refer the matter to M/o Steel and DoR for their comments. The case stands **deferred.**
7.	Highland Produce Co. Ltd., Cochin, Kerala 01/36/218/88/AM-21/EPCG	1030001279 dated 09.01.2008	Request for review of decision taken in the EPCG Committee Meeting dated 25.11.2020.	The party has requested for considering alternate product exported by their group company for fulfilment of EO. Earlier, the matter was examined by EPCG Committee in its meeting held on 25.11.2020. The decision of the Committee as under: *"The party has requested for considering alternate product exported by their group company for fulfilment of EO. The Committee deliberated upon the case and decided to* ***reject*** *it as there is no merit in the request."* The Committee noted that the applicant obtained EPCG Authorizations for export of Wooden Panels & Boards and wants to complete export obligation by exporting alternative products through their group company. It was further noted that they had not factored export of alternate product at the time of applying for the EPCG Authorization The Committee observed that the applicant did not make any concerted efforts to fulfill the export obligation within the original and extended export obligation period that ended on 08.01.2018 and could export only to the

				tune of 25.89% of the EO**.** The Committee deliberated upon the case and observed that there is provision to export through group company at the time of issue of Authorization. However, committee felt that it is not possible to allow alternative products at this stage as EO period is already expired and no proof has been submitted to DGFT that group company has exported goods against subject EPCG authorisations by filing EPCG scheme shipping bills. Therefore committee found no merit in the request of the applicant. Accordingly, the Committee decided to maintain the **rejection.**
8.	Jain Amar Clothing Private Ltd., Ludhiana 01/36/218/175/AM-21/EPCG	3030016648 dated 9.6.2017	Request for re-fixation of average EO in respect of EPCG Authorization no. 3030016648 dated 9.6.2017.	The Committee noted the request of the party. The representative of DoR stated that this is not a policy relaxation related matter and DGFT can take a decision on such requests as per prevailing policy/guidelines/practices. Accordingly, the Committee decided to **defer** the case for further examination on file.
9.	Mohan Mutha Polytech Pvt Ltd, Chitoor 01/36/218/317/AM-20/EPCG	i.0430013313 dated 29.01.2014 ii.0430016757 dated 27.04.2017	Request for condonation of delay in furnishing installation certificate within stipulated period to Regional Authority.	The party has requested for condonation of delay in furnishing installation certificate within stipulated period to RA, Chennai. The firm has stated that the capital goods were installed in factory premises of MMPPL within stipulated period of 6 (six) months from the date of completion of import and to this effect, the installation certificates were also obtained from concerned office of Central Excise within stipulated period. But, the firm could not submit installation certificate within stipulated period to Regional Authority. The Committee deliberated upon the case and decided **to recommend to DG for relaxation under Para 2.58 of FTP 2015-20** to allow condonation of delay in submission of installation certificate, subject to payment of composition fee of Rs. 5000/- and submission of installation certificate. RA to verify that no ECA/DRI/Customs action is pending. **This has the approval of DG.**
10.	Paragon Industries Ltd., New Delhi 01/36/218/133/AM-21/EPCG	i.0530163231 dated 22.08.2014 ii.0530165278 dated 26.06.2015 iii.0530170943 dated 04.09.2017 iv.0530171407 dated 08.12.2017 v. 053017136	Request for Re-fixation of Average Export Obligation in respect of EPCG Authorization Nos. 0530163231 dt. 22.08.2014, 0530165278 dt. 26.06.2015, 0530170943 dt. 04.09.2017, 0530171407 dt. 08.12.2017, 0530171369 dt. 06.12.2017.	The Committee noted the request of the party. The representative of DoR stated that this is not a policy relaxation related matter and DGFT can take a decision on such requests as per prevailing policy/guidelines/practices. Accordingly, the Committee decided to **defer** the case for further examination on file.

		9 dated 06.12.2017		
11.	Quadron Business Park, Bangalore 01/36/218/391/AM-20/EPCG	147 EPCG authorizations	Request for transfer of EPCG authorisation and change from M/s. Embassy One Developers Pvt Ltd to M/s. Quadron Business Park in respect of 147 EPCG authorizations.	The Committee noted the contention of the applicant that the subject authorizations were obtained by Embassy One Developers Pvt Ltd (IEC # 0708010075), Bangalore. Now Quadron Business Park (IEC # 0307010813), Bangalore has taken over the Hotel project from Embassy One Developers Pvt Ltd. as per agreement under Section 2(42C) of the Income Tax Act, 1961 and both the parties have entered into the Business Transfer Agreement (BTA). Further, this transaction has been done in full compliance of section 180(1)(a) of the Companies Act, 2013 and the necessary resolutions of the share holders and Board of Directors were passed in compliance with law. After the BTA, Quadron Business Park Private Limited has taken over all the assets and liabilities of the Hotel project added plant address of Embassy One Developers Pvt Ltd. in its IEC under branch code by adding the plant address. Now, EO against the above authorisations would be fulfilled by Quadron Business Park. *The Committee deliberated upon the request of M/s. Quadron Business Park, Bangalore for endorsement of its name in the said EPCG Authorisations and decided to* ***recommend to DG for relaxation under Para 2.58 of FTP 2015-20****, to allow the name change in EPCG authorizations without any other change in EPCG authorisations. This is further subjected to a condition that Average export obligation (AEO) shall be re-fixed by adding AEO of Quadron Business park for same and similar service on date of acquisition to the exiting AEO. Quadron Business park also shall execute necessary Bond and Bank Guarantees with Customs Authorities for fulfilment of Export Obligation.* ***This has the approval of DG.***
12.	Rajasthali Resorts & Studios Ltd., Jaipur 01/36/218/146/AM-21/EPCG	i.1330002638 dated 23.06.2010 ii.1330002826 dated26.11.2010 iii.1330002835 dated 03.12.2010	Request for extension of EOP in respect of EPCG Authorization nos. 1330002638 dt. 23.06.2010,1330002826 dt. 26.11.10 and 1330002835 dt. 03.12.2010 under 3% concessional duty.	The party seeks extension in export obligation period against the subject EPCG authorisations issued under 3% concessional duty EPCG Scheme on the grounds that their exports have been adversely affected by Covid-19 pandemic. The Committee decided to **defer** the case for further examination on file.
13.	Pundrik Textile Mills Pvt. Ltd, Ludhiana 01/37/218/44/AM-17/EPCG-II	3030001750 dated 26.05.2006	Request for acceptance of exports made by readymade garments or extension of EOP.	The Committee noted the contention of the applicant that it obtained EPCG Authorisation No. 3030001750 dated 26.05.2006 under 5% EPCG duty scheme for import of yarn machinery. However, it could not fulfill export obligation by exporting yarn due to lack of yarn export orders. It has a composite unit for

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<tr><td></td><td></td><td></td><td></td><td>manufacturing of cotton yarn, blended yarns and readymade garments. It fulfilled 100% EO by exporting the Readymade Garments. It requested to consider acceptance of export of readymade garments as export products.

The matter was discussed in the meeting. The Committee decided to ask the RA to submit an inspection report, after visiting the Unit, on the facilities/machines available in the factory premises of the applicant before deciding the matter. The case stands deferred.</td></tr>
<tr><td>14.</td><td>IND Synergy Ltd., Raigarh, Chattisgarh

01/36/218/122/AM-21/EPCG</td><td>i.0330017266 dated 28.8.2007
ii.0330021966 dated 05.12.2008</td><td>Request for extension of EOP.</td><td>The Committee noted that the matter was referred to DoR for their comments. However, the same are still awaited. The representative of DoR stated that the matter is under examination and would furnish their comments soon.
Hence, the Committee decided to defer the case for consideration in the next EPCG committee meeting.</td></tr>
<tr><td>15.</td><td>Dharampal Satyapal Ltd

01/36/218/159/AM-21/EPCG</td><td>N.A.</td><td>Request for the import items pertaining to “Green House Plant & its Foundation material”, “Live Trees” & “Pots”</td><td>The Committee noted that the applicant applied to RA Panipat for issuing EPCG Authorization for import of following 24 items in Agriculture Sector :

<table>
<tr><th>Sl.No.</th><th>Name of items</th></tr>
<tr><td>1</td><td>Greenhouse retractable roof : Cravo “Flat Roof” Retractable Roof Cooling house Accessory</td></tr>
<tr><td>2-9</td><td>Blueberry Plants:, BILOXT,ATLASBLUE JEWEL STAR,VENTURA 38, VENTURA Ltr Pot</td></tr>
<tr><td>10-23</td><td>Foundation Material for greenhouse: Hollow section pipes, galvanized piles, stainless steel wires, screw pile/helical anchor, hot dip, round tube, packaging coil.</td></tr>
<tr><td>24</td><td>Plastic Pots : Right Pot with Bottom Plate & Screw.</td></tr>
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However, RA, Panipat rejected the application stating that the items proposed to be imported by the firm fall under Appendix 5F and alive plants are not allowed for import under EPCG Scheme.

The applicant contended that the rejection letter does not specifically mention the serial number of Appendix 5F. The items sought to be imported are ‘Capital Goods’ as per Para 9.08 of FTP-2015-20.

The matter was deliberated in the meeting. The Committee observed that Import items at S.No.1 and 10 to 23 are not permitted for import under EPCG in terms of S.No. 9 of Appendix 5 F.

Further, items at S.No. 2 to 9 are live plants and not</td></tr>
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				Capital goods. These items do not fall under the purview of the EPCG Scheme. After due deliberation, the Committee decided to **reject** the request of the applicant.
16.	Sanjeev Knitwears, Mumbai 01/36/218/149/AM-21/EPCG	3030007984 dated 18.03.2011	Request for regularisation of excess duty credit utilized more than 10% on EPCG Licence No. 3030007984 dt. 18.03.2011 under 3% concessional duty.	The party has requested to allow regularization of late payment of additional fee to cover excess imports. The Committee noted that para 5.16 (a) of HBP 2015-20, as amended, provides that if authorization issued has been utilized for import of goods in excess of duty saved amount indicated on the authorization by not more than 10%, the RA may accept additional fee to cover excess imports effected, in terms of duty saved amount, even beyond one month but within two years of the excess import taking place, subject to payment of composition fee of Rs. 5000/- per authorization. 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 of more than a month in payment of fee for excess duty saved amount as envisaged in the para 5.16(a) of HBP 2015-20, subject to payment of composition fee of Rs. 5000/- per year per authorisation and to the condition that the excess utilization is not more than 10% of duty saved mentioned in the subject EPCG authorisations. The party is also required to pay an additional composition fee of Rs. 5,000/- per authorisation for each year of delay beyond the expiry of the period of two years of the excess import taking place. **This has the approval of DG.**
17.	Vani Spinners Pvt. Ltd 01/37/218/128/AM-18/EPCG-II	3030006613 dated 28.04.2010	Civil Writ Petition No. 22023 of 2020	This case is court matter and DoR comments are required in this matter. DoR was requested to expedite their comments. The Committee decided to **defer** the case

[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.]

The meeting ended with a vote of thanks to the Chair.

[Issued from F.No. 01/36/218/38/AM-22/EPCG]