

MINUTES OF 5th 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 29.09.2021

The fifth meeting for AM-22 of the EPCG Committee was held at 3.00 pm on 29.09.2021 under the chairmanship of Shri S.B.S. Reddy, Additional Director General of Foreign Trade through Video Conferencing mode on Googal Meet meeting app due to Covid-19 restrictions. Following officers attended the meeting :

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

2. It was brought to the notice of the Committee that many applicants have filed applications before EPCG Committee for extension in EOP where original or extended validity of EPCG Authorisation has expired between 01.08.2020 to 31.07.2021. Those applications are pending for a decision in EPCG Section. The Committee deliberated upon the issue and decided that the applicants may approach RA in those cases for extension in EOP till 31.12.2021 in accordance with Notification No. 28 dated 23.09.2021. Such applications would be treated as disposed off.

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

Sl. No.	Firm's Name and file Numbers	EPCG Authorisation no.	Subject, Brief history and decision of the Committee
1.	JVH Met-Cut (P) Ltd., Chennai 01/36/218/40/AM-22/EPCG	04500221 dt. 18.3.1997	W.P. No.15515 of 2008 in the Hon'ble High Court of Madras: The Committee observed that during 4th meeting held on 15.4.2021, the representative of the applicant sought one week to submit the written submissions which have now been received. However, a report from the RA is awaited. The Committee decided to remind RA and defer the case for consideration in the upcoming EPCG Committee meeting.
2.	Swarnamukhi Hotels Pvt Ltd, Bengaluru 01/37/218/18/AM-19/EPCG-II	i. 0730007183 dated 15.7.2008 ii. 0730007931 dated 30.3.2009	Request for review of decision taken in the EPCG Committee Meeting dated 12.07.2018 The Committee noted that the case was considered in the 4th meeting held on 15.9.2021. The firm was again given personal hearing to explain the case. However, nobody appeared on the scheduled date and time. The Committee further observed that the applicant's request is for extension in block-wise EO and extension of EOP by excluding period of 5 years as there was delay in installation of capital goods due to delay in providing clearances by State Government like

			electricity, lift, installation of escalators etc. resulting in the hotel project failing to take off. The Committee further noted that the applicant has also filed Writ Petition No. 11155/2021 in the Hon'ble High Court of Karnataka at Bangalore and the matter is sub-judice. Hence, the Committee decided to defer the case to wait for decision of Hon'ble Court.
3.	Vani Spinners Pvt. Ltd 01/37/218/128/AM-18/EPCG-II	3030006613 dated 28.04.2010	Civil Writ Petition No. 22023 of 2020: The Committee noted that the case was considered in the 4th meeting held on 15.9.2021. The matter was referred to DoR on 24.05.2021 followed by reminders on 20.7.2021, 17.8.2021, 1.9.2021. The representative of DoR informed that the matter is under examination and would forward the comments of DoR soon. Hence, the Committee decided to defer the case for next meeting.
4.	Hyundai Motor India Limited 01/36/218/197/AM-14/EPCG-I	106 EPCG Authorizations issued during the period from 19.08.2011 to 11.09.2011	Recognition of vendors and sub-vendors as supporting manufacturers for regularization of the 106 licenses. The Committee noted that the matter was referred to DoR for their comments vide letter dated 10.07.2020 followed by reminder dt. 27.08.2021. 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.
5.	JSW Steel Ltd., New Delhi 18/34/AM-17/P-5	0330047019 dated 26.04.2017	Request for issue of EPCG Authorisation for import of capital goods i.e. various electrical equipments of slab sizing press consisting of IEGT Inverter for integrated Steel Plant: The firm has requested for issue of EPCG Authorization for imported IGCT Power unit, capacitor, Transformer for converter equipment, Power Stack Adapter etc. The applicant has stated that earlier also, they have been allowed identical items by EPCG Committee in its meeting held on 29.03.2017 on the basis of recommendations from M/o Steel (MoS). MoS vide their e-mail dated 27.07.2021 stated that the electrical equipments are specifically meant for exclusive use in Hot Strip Mill of integrated steel plant of JSW Steel Ltd. Dolvi Steel plant. JSW has also given them undertaking to assure that above mentioned electrical items will be used as part of the HSM only and not for Power Transmission. MoS has certified the applicability/essentiality of import of capital goods. Committee is of the view that the capital goods being imported is not in the negative list under Appendix-5F. Hence, the Committee

			decided to recommend to DG to allow issue of the EPCG authorization on the basis of comments received from MoS. This has the approval of DG, DGFT.
6.	Tholasi printers 01/36/218/41/AM-22/EPCG 01/37/218/300/AM-16/EPCG-II	0730005451 dated 28.03.2007	Request for redemption of subject EPCG : The Committee noted that the case was considered in the 4th meeting held on 15.9.2021. The Committee noted that in EPCG Committee meeting held on 30.06.2016, the representative of DoR stated that they need to call for comments from the concerned Central Excise Authority. Hence, the matter was referred to DoR for their comments vide letter dated 04.11.2019. The representative of DoR stated that the matter is under examination and would furnish their comments soon. Hence, the Committee decided to remind DoR and defer the case for consideration in the upcoming EPCG committee meeting.
7.	Ganjamnagappa and Son Pvt. Ltd., Karnataka HQREPCGPRAPP00130954AM22:PRC Committee	0730014352 dated 26.03.2015	Request to allow condonation in the 1st Block and extension of EOP : The firm has stated that they could not fulfill the export obligation within the stipulated time i.e. 6 years due to Covid-19 pandemic. The firm has further stated that they could not fulfill 50% EO in the 1st block due to delay in commissioning of the project by one year, delay in refurbishment of the building and also arrival of certain set of interior items. The Committee noted that the applicant has made nil exports during the EO period in both blocks. However, after due deliberation, the Committee decided that the applicant may approach RA for extension EOP in accordance with Notification No. 28 dated 23.9.2021. The Committee further decided to recommend to DG to allow condonation of delay in application for 1st block EO extension subject to payment of composition fee of 2% on duty saved amount proportionate to unfulfilled portion of EO pertaining to 1st block. This has the approval of DG, DGFT.
8.	Ramesh Trading, Kolkata HQREPCGPRAPP00158924AM22	0230009745 dated 02.09.2014	Request for block wise extension : The firm has stated that they could not fulfill block-wise EO due to bad health. The firm has requested for block-wise extension against EPCG Authorization No. 0230009745 dt.02.09.2014. The Committee noted that the applicant has made nil exports during

			the EO period in both blocks. However, after due deliberation, the Committee decided that the applicant may approach RA for extension in EOP in accordance with Notification No. 28 dated 23.9.2021. The Committee further decided to recommend to DG to allow condonation of delay in application for 1st block EO extension subject to payment of composition fee of 2% on duty saved amount proportionate to unfulfilled portion of EO pertaining to 1st block. This has the approval of DG, DGFT.
9.	GanjamNagappa and Son Pvt. Ltd., Bangalore HQREPCGPRAPP00130934AM22	0730014114 dated 01.01.2015	Request to allow condonation in the 1st Block and extension of EOP : The firm has stated that they could not fulfill the export obligation within the stipulated time i.e. 6 years due to Covid-19 pandemic. The firm has further stated that they could not fulfill 50% EO in the 1 st block due to delay in commissioning of the project by one year, delay in refurbishment of the building and also arrival of certain set of interior items. The Committee noted that the applicant has made nil exports during the EO period in both blocks. However, after due deliberation, the Committee decided that the applicant may approach RA for extension EOP in accordance with Notification No. 28 dated 23.9.2021. The Committee further decided to recommend to DG to allow condonation of delay in application for 1st block EO extension subject to payment of composition fee of 2% on duty saved amount proportionate to unfulfilled portion of EO pertaining to 1st block. This has the approval of DG, DGFT.
10.	M.K.S. Infosolutions Pvt. Ltd., New Delhi HQREPCGPRAPP00129546AM22	0530161165 dated 09.07.2013	Request for extension of EOP for two years : The firm has stated that they have exported worth US\$ 6,05,052 (74%) and shortfall is of US\$ 2,13,473 (26%) during the extension in EOP up to 08.07.2021. They could not complete 100% EO as the export orders were cancelled due to COVID-19 Pandemic. The firm has further stated that now they are in a position to complete the remaining/balance exports within one or two years. The firm has requested for extension of EOP for two years in order to fulfill the EO against the above license. After due deliberation, the Committee decided that the applicant may approach RA for extension EOP in accordance with

			Notification No. 28 dated 23.9.2021.
11.	Kals Breweries Pvt. Ltd., Chennai HQRPRCAPPLY00143380AM22	0430010690 dated 04.01.2012	Request for extension of EOP for 5 years : The firm has stated that they had availed the subject EPCG authorisation for import of machinery for setting up the beer unit in Pudukkottai District, Tamil Nadu. However, they could not complete EOP due to restrictions imposed by Tamil Nadu Government on export of Beer manufactured in the state till 25.10.2017, and Covid pandemic. The applicant has requested for extension in EOP for 5 Years in order to fulfill their EO against the above license. After due deliberation, the Committee decided that the applicant may approach RA for extension EOP in accordance with Notification No. 28 dated 23.9.2021.
12.	Kals Breweries Pvt. Ltd., Chennai HQRPRCAPPLY00143376AM22	0430010334 dated 27.09.2011	Request for extension of EOP for 5 years : The firm has stated that they had availed the subject EPCG authorisation for import of machinery for setting up the beer unit in Pudukkottai District, Tamil Nadu. However, they could not complete EOP due to restrictions imposed by Tamil Nadu Government on export of Beer manufactured in the state till 25.10.2017, and Covid pandemic. The applicant has requested for extension in EOP for 5 Years in order to fulfill their EO against the above license. After due deliberation, the Committee decided that the applicant may approach RA for extension EOP in accordance with Notification No. 28 dated 23.9.2021.
13.	Kals Breweries Pvt. Ltd., Chennai HQRPRCAPPLY00143355AM22	0430010330 dated 23.09.2011	Request for extension of EOP for 5 years : The firm has stated that they had availed the subject EPCG authorisation for import of machinery for setting up the beer unit in Pudukkottai District, Tamil Nadu. However, they could not complete EOP due to restrictions imposed by Tamil Nadu Government on export of Beer manufactured in the state till 25.10.2017, and Covid pandemic. The applicant has requested for extension in EOP for 5 Years in order to fulfill their EO against the above license. After due deliberation, the Committee decided that the applicant may approach RA for extension EOP in accordance with Notification No. 28 dated 23.9.2021.

14.	Kals Breweries Pvt. Ltd., Chennai HQRPRCAPPLY00143242AM22	0430010213 dated 19.08.2011	Request for extension of EOP for 5 years : The firm has stated that they had availed the subject EPCG authorisation for import of machinery for setting up the beer unit in Pudukkottai District, Tamil Nadu. However, they could not complete EOP due to restrictions imposed by Tamil Nadu Government on export of Beer manufactured in the state till 25.10.2017, and Covid pandemic. The applicant has requested for extension in EOP for 5 Years in order to fulfill their EO against the above license. After due deliberation, the Committee decided that the applicant may approach RA for extension EOP in accordance with Notification No. 28 dated 23.9.2021.
15.	Kals Breweries Pvt. Ltd., Chennai HQRPRCAPPLY00143178AM22	0430010212 dated 19.08.2011	Request for extension of EOP for 5 years : The firm has stated that they had availed the subject EPCG authorisation for import of machinery for setting up the beer unit in Pudukkottai District, Tamil Nadu. However, they could not complete EOP due to restrictions imposed by Tamil Nadu Government on export of Beer manufactured in the state till 25.10.2017, and Covid pandemic. The applicant has requested for extension in EOP for 5 Years in order to fulfill their EO against the above license. After due deliberation, the Committee decided that the applicant may approach RA for extension EOP in accordance with Notification No. 28 dated 23.9.2021.
16.	Kals Breweries Pvt. Ltd., Chennai HQRPRCAPPLY00143149AM22	0430010205 dated 18.08.2011	Request for extension of EOP for 5 years : The firm has stated that they had availed the subject EPCG authorisation for import of machinery for setting up the beer unit in Pudukkottai District, Tamil Nadu. However, they could not complete EOP due to restrictions imposed by Tamil Nadu Government on export of Beer manufactured in the state till 25.10.2017, and Covid pandemic. The applicant has requested for extension in EOP for 5 Years in order to fulfill their EO against the above license. After due deliberation, the Committee decided that the applicant may approach RA for extension EOP in accordance with Notification No. 28 dated 23.9.2021.
17.	Kals Breweries Pvt. Ltd., Chennai HQRPRCAPPLY00143101AM22	0430012415 dated 08.05.2013	Request for extension of EOP for 5 years : The firm has stated that they had availed the subject EPCG authorisation for import of machinery for setting up the beer unit in Pudukkottai District, Tamil Nadu. However, they could not

			complete EOP due to restrictions imposed by Tamil Nadu Government on export of Beer manufactured in the state till 25.10.2017, and Covid pandemic. The applicant has requested for extension in EOP for 5 Years in order to fulfill their EO against the above license. After due deliberation, the Committee decided that the applicant may approach RA for extension EOP in accordance with Notification No. 28 dated 23.9.2021.
18.	Kals Breweries Pvt. Ltd., Chennai HQRPRCAPPLY00142717AM22	0430010008 dated 24.06.2011	Request for extension of EOP for 5 years: The firm has stated that they had availed the subject EPCG authorisation for import of machinery for setting up the beer unit in Pudukkottai District, Tamil Nadu. However, they could not complete EOP due to restrictions imposed by Tamil Nadu Government on export of Beer manufactured in the state till 25.10.2017, and Covid pandemic. The applicant has requested for extension in EOP for 5 Years in order to fulfill their EO against the above license. After due deliberation, the Committee decided that the applicant may approach RA for extension EOP in accordance with Notification No. 28 dated 23.9.2021.
19.	Citizen Umbrella Manufacture Ltd., Kolkata 01/36/218/201/AM-21/EPCG	0230006937 dated 26.07.2011	Request of consideration of 3rd party S/Bill in order to EODC: The applicant has stated that it applied before RA for EODC of subject authorization. However, RA Kolkata issued notice to the firm on 15.0.2021 intimating that the 3rd party column of S/Bill No. 2544140 dt. 31.01.2010 has not been filled. Hence, the S/Bill cannot be accepted for EO discharge. RA, Kolkata has further informed it to pay the Custom duty with interest and produce the acknowledgement receipt to their office on priority basis and the validity period of EO has expired since long. The applicant has stated that the 3rd party S/bill no. 2544140 dt. 31.01.2018 has already been mentioned in the EPCG No. 0230006937 in the 1st page of the EDI S/bill of INCCU1 and also mentioned 3rd party as manufacture, in page no. 2 of the S/bill. The Committee deliberated upon the case and decided to defer it with the direction to call a report from RA.
20.	Tata Motors Ltd., Mumbai 01/36/218/151/AM-21/EPCG	0530171964 dated 14.03.2018	Request for Re-fixation of Average Export Obligation : The applicant has stated due to an inadvertent error in computation, the AEO was wrongly fixed in the subject authorisation. CLA has stated that the firm had inadvertently computed Average Export

			Obligation by taking wrong export figures. After due deliberation, the Committee decided to remand the case to RA with a request to re-examine the request of the firm and take a decision as per policy provisions.
21.	KCL Ltd. (formerly Khemka Containers Ltd.), New Delhi 01/36/218/61/AM-21/EPCG	05301426060 dated 12.12.2006	Request for issue of EODC: The Committee noted that the case was discussed in 6th Meeting of the EPCG Committee held on 25.11.2020 wherein it was observed that the applicant has made supplies to various 100% EOUs, under the deemed export category for fulfillment of EO in the subject EPCG Authorisation. When the party applied to RA for EODC, the RA objected that the rubber stamp affixed on ARE-3 certificates showing EPCG Authorisation Number and date is without any authentication of concerned Central Excise Authority. The Committee directed the applicant to approach the concerned GST authorities and obtain authentication on the ARE-3 certificates. 2. The applicant has informed that now Central Excise Department as well as the firm to whom they supplied the product are no longer in existence. Therefore, it is practically not possible to get all the above documents which were drawn manually. 3. The Committee deliberated the issue and decided to defer the case and refer to DoR for their comments.
22.	Bridge Properties Pvt. Ltd., Bengaluru 01/36/218/215/AM-21/EPCG	0730019317 dated 28.08.2020	Request for extension in the installation of the capital goods beyond stipulated period: The applicant has stated that they obtained the subject authorization for import of sanitary fittings anticipating that the hotel project could be completed in the year 2020. Some CGs were imported vide BOE Nos. 8900631 dated 22.09.2020 and 9081930 dated 06.10.2020 and rest of the CGs are yet to be imported. However, the CGs could not be installed in stipulated time period due to ongoing pandemic situation. Hence, the firm has requested for extension in the installation of the capital goods beyond stipulated time period up to 31st December 2022. The Committee deliberated upon the case and decided to direct the applicant to first approach RA for extension and if they face any further difficulties then only they should approach EPCG committee.
23.	Zazsons Export Ltd 18/51/AM-21/P-5	i.0630001620 dated 05.12.22008 ii.0630001690 dated	Clarification regarding nexus of Capital Goods imported vide subject EPCG Authorisations: The Committee noted that the applicant obtained subject EPCG authorizations from RA Kanpur under 3% EPCG scheme as per the

19.02.2009 iii.063000167 2 dated 30.01.2009	following details:			
	Sr. number	Authorizat ion No.& date	Name of C.G. allowed vide said authorization	Export Product
	01	0630001672	01.R 679 AC+ SRU24-SR 2-way characterized Control Valve Equal-percentage Characteristics Rotary Actuator 20 NM Assembled. 02. R 679 AC+ SRU24-SR 2-way characterized Control Valve Equal-percentage Characteristics Rotary Actuator 20 NM Assembled. 02. R-644 AC+ SRU24-SR 2-way characterized Control Valve Equal-percentage Characteristics Rotary Actuator 20 NM Assembled. 02. R 679 AC+ SRU24-SR 2-way characterized Control Valve Equal-percentage Characteristics Rotary Actuator 20 NM Assembled. 03- There are some other items as well.	Leather and Leather Products, Misc. Products.
	02	0630001690 dated 19.02.2009	VLT HVAC DRIVE 75 KW/100 HP HP 380-480 V A2 LCP FC102 Material No . 131 H 3619 02- There are some other items as well.	Leather and Leather products, Misc. Products.
	03	0630001620 dated 11.12.2008	York Water –Cooled Centrifugal Chiller with Variable speed drive and accessories Capacity-8000TR	Leather and leath products. Misc. Products.
	04	0630001435 dated 01.07.2008	01.300 PMRL-1350 KGS, 1.75 MPS, 35.10 MTS, 4 STOPS 1KS-2 UNITS 02. 300 PMRL-1350 KGS, 1.75 MPS, 35.10 MTS, 9STOPS 2KS-2 UNITS 03. There are some other items as well.	Leather and Leather oducts.
	05	0630001434 dated 01.07.2008	01- Escalator Speces 02- Moving Walkways.	Leather and Leather products.
2. The firm has stated that the machines have been installed in the shopping mall and used to facilitate packaging of export product which was done at the multi-level premises where capital goods have been installed. The firm has applied before RA Kanpur for issue of EODC stating that they have fulfilled the EO as per the conditions of the authorisation which mentioned the export product				

			as “Leather and Misc. Export Products” in Chapter 41 and completed the EO by exporting ‘Finished Leather’. 3. RA, Kanpur vide e-mail dated 14.05.2021 has sought a Clarification on EPCG authorizations issued to Z Square Shopping Mall Ltd. (a unit of Zazsons Exports Ltd.) as under: "whether the capital goods imported including ‘Elevators’ and ‘Centrifugal chillers and its spare parts’ can be allowed for export of goods by the firm for EO fulfillment to facilitate the packaging of the export product." 4. The Committee observed that there is no nexus between the imported CGs and the export products and the said capital goods have not been used as per Para 5.1 of FTP (2008-09) which allows import of capital goods for pre production, production and post production (including CKD / SKD thereof as well as computer software systems) subject to prescribed export obligation. 5. Hence, the Committee decided to reject the case and recommend to DoR to refer the matter to DRI for investigation.
24.	Sanzyme Pvt. Ltd, Hyderabad HQREPCGPRAPP00 178615AM22	0930008036 dated 21.03.2012	Request for consideration of Drawback & MEIS Shipping Bills and non-mentioning of EPCG Authorisation No. on the shipping bill for the purpose of issue of EODC: The Committee considered the application dated 07.09.2021 of the applicant and their request to consider 14 MEIS shipping bills and 5 Draw back shipping bills without authorisation number for the purpose of EODC in accordance with circular no. 7/2002 read with Appendix-5C. The Committee deliberated upon the case and decided to recommend to DG for relaxation under Para 2.58 of FTP 2015-20 to allow consideration of such SBs towards fulfillment of the specific EO. The above recommendation is subject to the condition that: i) There is no double counting of exports ii) No free shipping bills or third party exports shall be counted. iii) payment of composition fee of Rs.200/- per shipping bill is made by the party. iv) All other conditions of EPCG authorisations shall be met as per FTP and Handbook of procedures. v) Any investigation/adjudication proceeding by DRI/ Customs/ ECA action is not pending in respect of the subject EPCG authorisations.vi) RA shall verify the above facts before accepting the shipping bills for fulfillment of EO. This has the approval of DG.

[DGFT= Directorate General of Foreign Trade, DG = Director General, FTP = Foreign Trade Policy, HBPv1 = 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.

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