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MINUTES OF 4th MEETING OF AM-25 OF THE EPCG COMMITTEE HELD UNDER THE CHAIRMANSHIP OF SHRI HARDEEP SINGH, ADDITIONAL DIRECTOR GENERAL OF FOREIGN TRADE HELD ON 24.06.2024.

Fourth Meeting for AM-25 of the EPCG Committee was held on 24.06.2024 at 03.00 PM under the chairmanship of Shri Hardeep Singh, Additional Director General of Foreign Trade in Vanijya Bhawan, New Delhi. Following officers attended the meeting :-

i. Shri Sandeep Poonia, OSD, Department of Revenue
ii. Shri Randheep Thakur, Joint Director General of Foreign Trade, DGFT
iii. Shri Joy Prakash, Foreign Trade Development Officer, DGFT

2. Minutes of the last Meeting were confirmed. Thereafter, the Committee deliberated upon all the cases and following decisions were taken:-

Case No.	Firm's Name	Page No.
1	Ma Shanti Agro Foods Pvt. Ltd, West Bengal	2
2	Arvind Dyeing & Bleaching Mills Pvt. Ltd, Maharashtra	2-3
3	M/s Shrikrishna Company, Kolkata	3
4	M/s Shri Sita Rice Mill, Chhattisgarh	3
5-6	Shriniwas Engineering Auto Components Pvt. Ltd., Pune	3-5
7	Mittal Filaments Private Limited, Surat	5-6
8	M/s Vaishnavi Foods Processing Industry, Nagpur	6
9	M/s Krishna Fashion, Surat	6-7
10	M/s Ganesh Fishnets, Coimbatore	7-8
11	M/s Matoshri Magaswargiya Shetkari Sahakari Sootgirni Maryadit, Nagpur	8-9
12	MMG India Pvt. Ltd., Chennai	9-11
13	M/s Joy Guru Knitwear, West Bengal	11
14	Kabsons Gas Equipment Pvt. Ltd., Hyderabad	11-12
15	Intech Additive Solutions Pvt. Ltd., Bangalore	12
16	Coventry Coil-O-Matic (Haryana) Ltd., Panipat	12-14
17	Semco Security Imaging Pvt. Ltd., Karnataka	14-15
18	M/s IG Petrochemicals, Mumbai	15
19	Electro Plasts Pvt. Ltd., Bangalore	15-16
20	M/s Arvind Limited, Ahmedabad	16-17
21	Hindustan Aeronautics Limited, Bangalore	17
22	Galvano Track Solutions Private Limited, Bengaluru	17-18
23	Electro Pneumatics and Hydraulics (India) Pvt. Ltd., Pune	18

Case No- 1: Ma Shanti Agro Foods Pvt. Ltd, Birbhum, West Bengal
F. No. HQREPCGPRAPP00000091AM25

Subject: Request for 1st Block EOP extension in respect of EPCG Authorization No. 0230008622 dated 14.02.2013 under 3% concessional duty EPCG Scheme.

In support of their request the firm has submitted that they could not fulfill the EO the tune of 50% in the first block of 10 years due to the unavoidable reason. As per the copy of the authorization furnished by the firm the initial EOP of the subject authorization is 12 years.

Decision: The Committee deliberated upon the case and decided **to recommend to DG for relaxation under Para 2.59 of FTP, 2023** to allow Condonation of delay in approaching the RA for extension in block-wise EOP within the prescribed time period. This shall be subject to payment of 2% composition fee on duty saved amount in proportion to the shortfall at the end of each block in terms of the provisions of Para 5.8.3 of HBP, 2009-14 and late fee of Rs. 10,000/-.

The above relaxation is also subject to the condition that the proper installation certificate has been submitted within time limits as specified in FTP/HBP.

This has the approval of DG, DGFT.

Case No- 2: Arvind Dyeing & Bleaching Mills Pvt. Ltd, Kolhapur, Maharashtra
F. No. HQRPRCAPPLY00000746AM25

Subject: Request for 1st Block EOP extension in respect of EPCG Authorization No.0330032538 dated 30.04.2012 under Zero duty EPCG Scheme.

In support of their request the firm has submitted that they fulfilled the 100% EO. However, they were unable to fulfill the 1st block EO in 1st block EO period due to lack of export market, price mismatch and logistic cost & in the end the COVID-19 pandemic.

Decision: The Committee deliberated upon the case and decided **to recommend to DG for relaxation under Para 2.59 of FTP, 2023** to allow Condonation of delay in approaching the RA for extension in block-wise EOP within the prescribed time period. This shall be subject to payment of 2% composition fee on duty saved amount in proportion to the shortfall at the end of each block in terms of the provisions of Para 5.8.3 of HBP, 2009-14 and late fee of Rs. 10,000/-.

The above relaxation is also subject to the condition that the proper installation certificate has been submitted within time limits as specified in FTP/HBP.

This has the approval of DG, DGFT.

Case No- 3: M/s Shrikrishna Company, Kolkata
F. No. HQREPCGPRAPP00000094AM25

Subject: Request for Condonation of delay in submission of installation certificate in respect of EPCG Authorization No.0230012513 dated 30.05.2017 under Zero duty EPCG Scheme.

The firm has stated that they could not submit the original installation certificate to RA concerned within the prescribed time period. As per installation certificate furnished by the firm the date of issue of the installation certificate is 23.06.2017 and date of installation of the CG is 16.06.2017.

Decision: The Committee deliberated upon the case and decided **to recommend to DG for relaxation under Para 2.59 of FTP, 2023** to allow condonation of delay in submission of installation certificate, subject to payment of late fee of Rs. 10,000/- and submission of installation certificate. RA to verify that no ECA/DRI/Customs action is pending.

This has the approval of DG, DGFT.

Case No- 4: M/s Shri Sita Rice Mill, Chhattishgarh
F. No. HQRPRCAPPLY00000776AM25

Subject: Request for Condonation of delay in submission of installation certificate in respect of EPCG Authorization No. 5031000237 dated 16.09.2021 under Zero duty EPCG Scheme.

In support of their request the firm has submitted that they have lost the installation certificate obtained in respect of the subject EPCG authorization and unable to submit the same in time to RA concerned. Thereafter, they have obtained a fresh installation certificate from the Chartered Engineer on 24th June, 2022 and the date of installation of the CG is 28.09.2021. They have fulfilled 100% EO.

Decision: The Committee deliberated upon the case and decided **to recommend to DG for relaxation under Para 2.59 of FTP, 2023** to allow condonation of delay in submission of installation certificate, subject to payment of late fee of Rs. 10,000/- and submission of installation certificate. RA to verify that no ECA/DRI/Customs action is pending.

This has the approval of DG, DGFT.

Case No- 5: Shriniwas Engineering Auto Components Pvt Ltd, Pune
F. No. HQRPRCAPPLY00000853AM25

Subject: Request for Block wise EOP extension and EOP extension for 2 years i.e. 8+2 years in respect of EPCG Authorization No. 3130002400 dated 19.04.2007 under category of license EPCG 5% FOB Basis.

In support of their request the firm has submitted that :-

i. They were unable to fulfill any export in first block period. However, they have fulfilled their complete EO within 10 years.
ii. They were having 08 EPCG authorizations during the same period and all these authorizations were redeemed but in two authorizations they forgot to apply condone of block wise EOP.

Decision:

In respect of 1st request: The Committee deliberated upon the case and decided to **recommend to DG for relaxation under Para 2.59 of FTP, 2023** to allow Condonation of delay in approaching the RA for extension in block-wise EOP within the prescribed time period. This shall be subject to payment of 2% composition fee on duty saved amount in proportion to the shortfall at the end of each block in terms of the provisions of Para 5.8.3 of HBP, 2004-2009 and late fee of Rs. 10,000/-.

The above relaxation is also subject to the condition that the proper installation certificate has been submitted within time limits as specified in FTP/HBP.

This has the approval of DG, DGFT.

In respect of 2nd request: The Committee deliberated upon the case and decided **to recommend to DG for relaxation under Para 2.59 of FTP, 2023** to allow Condonation of delay in approaching RA for EO extension for 2 years (from 8th year to 10th year) on payment of composition fee or imposition of additional EO in terms of Para 5.11 of HBP, 2004-2009 and late fee of Rs. 10,000/-.

The above relaxation is also subjected to the condition that the proper installation certificate has been submitted within time limits as specified in FTP/HBP.

This has the approval of DG, DGFT.

Case No- 6: Shriniwas Engineering Auto Components Pvt Ltd, Pune
F. No. HQRPRCAPPLY00000854AM25

Subject: Request for Block wise EOP extension and EOP extension for 2 years i.e. 8+2 years in respect of EPCG Authorization No. 3130002160 dated 18.12.2006 under category of license EPCG 5% FOB Basis.

In support of their request the firm has submitted that :-

i. They were unable to fulfill any export in first block period. However, they have fulfilled 100% EO in the 10th year.
ii. They were having 08 EPCG authorizations during the same period and all these authorizations were redeemed but in two authorizations they forgot to apply condone of block wise EOP.

Decision:

In respect of 1st request: The Committee deliberated upon the case and decided to **recommend to DG for relaxation under Para 2.59 of FTP, 2023** to allow Condonation of delay in approaching the RA for extension in block-wise EOP within the prescribed time period. This shall be subject to payment of 2% composition fee on duty saved amount in proportion to the shortfall at the end of each block in terms of the provisions of Para 5.8.3 of HBP, 2004-2009 and late fee of Rs. 10,000/-.

The above relaxation is also subject to the condition that the proper installation certificate has been submitted within time limits as specified in FTP/HBP.

This has the approval of DG, DGFT.

In respect of 2nd request: The Committee deliberated upon the case and decided **to recommend to DG for relaxation under Para 2.59 of FTP, 2023** to allow Condonation of delay in approaching RA for EO extension for 2 years (from 8th year to 10th year) on payment of composition fee or imposition of additional EO in terms of Para 5.11 of HBP, 2004-2009 and late fee of Rs. 10,000/-.

The above relaxation is also subjected to the condition that the proper installation certificate has been submitted within time limits as specified in FTP/HBP.

This has the approval of DG, DGFT.

Case No- 7: Mittal Filaments Private Limited, Surat
F. No. HQRPRCAPPLY00000857AM25

Subject: Request for Condonation of 1st block EOP and EOP extension for 2 years + Covid extension (6+2+ 18 months Covid extension) up to 16.05.2025 in respect of EPCG Authorisation No. 5230018678 dated 16.11.2015 under Zero duty EPCG Scheme.

The firm has submitted that they could fullfill their EO during the original EO period due to Covid 2019. Now they are planning to fulfil the EO by taking extension for a period of 2 years and further Covid extension as per PN No. 53 dated 20.01.2023.

Decision:

In respect of 1st request: The Committee deliberated upon the case and decided to **recommend to DG for relaxation under Para 2.59 of FTP, 2023** to allow Condonation of delay in approaching the RA for extension in block-wise EOP within the prescribed time period. This shall be subject to payment of 2% composition fee on duty saved amount in proportion to the shortfall at the end of each block in terms of the provisions of Para 5.14 of HBP, 2015-2020 and late fee of Rs. 10,000/-.

The above relaxation is also subject to the condition that the proper installation certificate has been submitted within time limits as specified in FTP/HBP.

This has the approval of DG, DGFT.

In respect of 2nd request: The Committee deliberated upon the case and decided **to recommend to DG for relaxation under Para 2.59 of FTP, 2023** to allow Condonation of delay in approaching RA for EO extension for 2 years (from 6th year to 8th year) on payment of composition fee or imposition of additional EO in terms of Para 5.17 of HBP 2015-20 and late fee of Rs.10,000/-.

The above relaxation is also subjected to the condition that the proper installation certificate has been submitted within time limits as specified in FTP/HBP.

This has the approval of DG, DGFT.

The Committee deliberated upon the case and decided to advise the firm to **approach RA** for extension of Export Obligation Period beyond 8 years in terms of Public Notice No. 53 dated 20.01.2023 where extension is permitted on account of COVID.

Case No- 8: M/s Vaishnavi Foods Processing Industry, Nagpur
F. No. HQRPRCAPPLY00375983AM22

Subject: Request for EOP Extension for 2 years up to 11.12.2022 i.e. (8+2 Years) in respect of EPCG Authorization No. 5030000308 dated 11.12.2012.

In support of their request, the firm has submitted the following-

i. The firm has stated that due to unawareness of the policy provision regarding the procedure for fulfilling EO, they have missed to apply for block wise extension and EOP extension within the stipulated time period.
ii. The firm has also stated that they have new export orders to be fulfilled and they are trying to apply for EOP extension in the EPCG Portal. However, the dept. is not accepting the applications and they are raising deficiencies in the application stating that the application has not been made within the stipulated time.
iii. In reference, Deficiency vide letter dated 31.03.2022 issued by DGFT, HQ and the firm has submitted a Copy of Authorization.

Decision: The Committee went through the statements made by the applicant and noted that the applicant has not submitted any cogent reason/justification in support of any genuine hardship faced by them. Accordingly, the Committee decided to **reject** the request.

Case No- 9: M/s Krishna Fashion, Surat
F. No. HQRPRCAPPLY00000848AM25

Subject: Request for Condonation of 1st Block EOP and EOP extension for 2 years + Covid extension in respect of EPCG Authorization No. 5230016905 dated 27.05.2015 under Zero duty EPCG Scheme.

In support of their request the firm has submitted that due to Covid their export was affected and they were unable to fulfill 1st block EO as well as Specific EO during the initial EOP. The initial EOP of the authorization was up to 27.05.2021.

Decision: In respect of 1st request: The Committee deliberated upon the case and decided to **recommend to DG for relaxation under Para 2.59 of FTP, 2023** to allow Condonation of delay in approaching the RA for extension in block-wise EOP within the prescribed time period. This shall be subject to payment of 2% composition fee on duty saved amount in proportion to the shortfall at the end of each block in terms of the provisions of Para 5.14 of HBP, 2015-2020 and late fee of Rs. 10,000/-.

The above relaxation is also subject to the condition that the proper installation certificate has been submitted within time limits as specified in FTP/HBP.

This has the approval of DG, DGFT.

In respect of 2nd request: The Committee deliberated upon the case and decided **to recommend to DG for relaxation under Para 2.59 of FTP, 2023** to allow Condonation of delay in approaching RA for EO extension for 2 years (from 6th year to 8th year) on payment of composition fee or imposition of additional EO in terms of Para 5.17 of HBP, 2015-20 and late fee of Rs.10,000/-.

The above relaxation is also subjected to the condition that the proper installation certificate has been submitted within time limits as specified in FTP/HBP.

This has the approval of DG, DGFT.

The Committee deliberated upon the case and decided to advise the firm to **approach RA** for extension of Export Obligation Period beyond 8 years in terms of Public Notice No. 53 dated 20.01.2023 where extension is permitted on account of COVID.

Case No- 10: M/s Ganesh Fishnets, Coimbatore
F. No. 01/36/218/53/AM-21/EPCG

Subject: Request for allow of four shipping bills (third party) count for EO fulfillment/Redemption purpose against EPCG Authorization no 3530002965 dated 06.11.2007

The firm has stated that they had obtained above said EPCG Authorization for import of Capital Goods against export of Fishnet. They have completed more than 75% EO through third party against EPCG Authorization No. 3530002965 dated 06.11.2007. The EPCG License No. and name of both the parties viz. Ganesh Fishnet (P) Ltd. and Kumaran Fishnets Pvt. Ltd. are endorsed on the following shipping bills.

S. No.	Shipping bill no	Date	Export Product	FOB Value	Exporter Name
1	2752954	09.03.2011	Nylon Fishnets	25494.98	Kumaran Fishnet Pvt. Ltd
2	2779125	11.03.2011	Nylon Fishnets	59787.704	Kumaran Filaments Pvt. Ltd
3	2777993	11.03.2011	Nylon Fishnets	21864.971	Kumaran Fishnet Pvt. Ltd

4	3969951	05.11.2015	Nylon Fishnets	179353.126	Kumaran Filaments Pvt. Ltd
			Total	**286500.781**	

2. The firm has informed that they had manufactured the Fishnet as per order given by M/s. Kumaran Filaments (P) Ltd & Kumaran Fishnets Pvt. Ltd. They had provided them the raw materials which was imported under Advance license no 3510031111 & 3510029736. These two advance licenses have been redeemed. They approached the concerned RA for issue of EODC. However, RA is insisting on submission of an Affidavit/Declaration on Stamp paper duly certified by Chartered Accountant to the effect that M/s. Kumaran Fishnets (P) Ltd & Kumaran Filaments Pvt. Ltd will not take the exports for fulfilment of export obligation under advance authorization no 3510031111 & 3510029736. The firm has submitted that it is not possible for them to give the undertaking. According to the firm, as per Policy, they can obtain the both benefits (Advance license & EPCG license) under one shipping bills.

3. It was decided that before considering the case in the EPCG Committee meeting, a report may be called from RA, Madurai. Accordingly, RA, Madurai was requested vide e-mail dated 15.04.2021 and subsequently reminder dated 26.07.2021 to send a report.

4. RA, Coimbatore vide their email dated 27.10.2021 had sent its report w.r.t. allow four shipping bills (third party) for counting for fulfillment of EO against EPCG Authorization no 3530002965 dated 06.11.2007.

5. The case was considered in the 11th EPCG Committee Meeting of AM-24 held on 29.02.24. The decision of which is as under :-

> *"The Committee deliberated upon the case and decided to defer the case to call for a report from the RA including the details of the redemption of the Advance Authorizations mentioned in the request of the firm"*

6. Accordingly, RA, Coimbatore was asked to furnish a report in the matter.

7. Now, vide email dated 29.05.24. RA has furnished the same.

Decision: After due deliberation on the request of the firm, the Committee decided to **defer** the case for further examination.

<u>Case No- 11: M/s Matoshri Magaswargiya Shetkari Sahakari Sootgirni Maryadit, Nagpur</u>
F. No. HQRPRCAPPLY00000748AM25

Subject: Request for

a. **1st Block Extension**
b. **2 years EOP Extension i.e. 6+2 years**

In respect of 6 EPCG Authorization Nos. under 0% Concessional Duty.

i. **5030000632 dated 06.10.2015**
ii. **5030000809 dated 12.04.2017**

iii. **5030000549 dated 18.02.2015**
iv. **5030000672 dated 29.02.2016**
v. **5030000666 dated 25.01.2016**
vi. **5030000611 dated 21.08.2015**

The firm has stated that due to slowdown in the international market and COVID-19 pandemic, they were unable to complete their 1st block exports and total EO. The firm further stated that they are now in a better position to start the exports and they are also receiving export orders from international markets.

Decision:

In respect of 1st request: The Committee deliberated upon the case and decided to **recommend to DG for relaxation under Para 2.59 of FTP, 2023** to allow Condonation of delay in approaching the RA for extension in block-wise EOP within the prescribed time period. This shall be subject to payment of 2% composition fee on duty saved amount in proportion to the shortfall at the end of each block in terms of the provisions of Para 5.14 of HBP, 2015-2020 and late fee of Rs. 10,000/-.

The above relaxation is also subject to the condition that the proper installation certificate has been submitted within time limits as specified in FTP/HBP.

This has the approval of DG, DGFT.

In respect of 2nd request: The Committee deliberated upon the case and decided **to recommend to DG for relaxation under Para 2.59 of FTP, 2023** to allow Condonation of delay in approaching RA for EO extension for 2 years (from 6th year to 8th year) on payment of composition fee or imposition of additional EO in terms of Para 5.17 of HBP 2015-20 and late fee of Rs. 10,000/-.

The above relaxation is also subjected to the condition that the proper installation certificate has been submitted within time limits as specified in FTP/HBP.

This has the approval of DG, DGFT.

Case No- 12: M/s. MMG India Pvt. Ltd., Chennai
F. No. HQREPCGPRAPP00000675AM23

Subject: Request for nexus between the machinery and the Export Product against EPCG No. 0430001268 dated 29.08.2003 under 5% Concessional duty.

The submission of the firm is as under:

i. They had imported the machine under EPCG Scheme and manufacture the soft ferrite parts and made export. They had completed the EO and submitted all the documents to RA, Chennai on 29.05.2012 for obtaining EODC. They received a letter dated 12.06.2012 from RA, Chennai informing them as under :-

"DGFT, New Delhi has rejected the case for fixation of Nexus, you are advised to get the case the regularized by payment of Custom Duty with interest to the Custom and produce the documentary evidence to this office."

ii. On verification of old documents in their office, letter no. 01/38/497/AM-14/EPCG-III dated 04.03.2004; But, they could not trace the letter of even number dated 12.12.2003 and 20.01.2004; As per the letter, they understand that the EPCG Committee in its meeting No. 37/AM04 held on 05.02.2004 rejected their request on the ground that the Chartered Engineer Certificate was not submitted by them. They found from their records that CEC was available with him and did not know why it was not produced earlier. This may be due to the ignorance of their old employees. In the present competitive market and their tight financial position they are not able to pay the customs duty along with interest for the license for which the EO has already been completed within the stipulated period.

iii. The firm has also furnished a copy of Chartered Engineer Certificate in original for reference.

2. The request of the firm was considered in the Meeting of EPCG Committee held on 27.02.2014 and decided as under:

"The committee deliberated upon the case and decided to defer it with the direction to call for comments from Department of Heavy Industry, Ministry of Steel and Department of Industrial Policy and Promotion."

3. On approval of the minutes of the meeting of the EPCG Committee held on 27.02.2014, comments were requested from Department of Heavy Industry, Ministry of Steel and Department of Industries regarding approval of nexus between Machinery and Export Product under EPCG Authorization No. 0430001268 dated 29.08.2003. Out of the three Departments, comments have been received from two Departments, the details of which are given below:

Department of Heavy Industry vide letter dated 01.05.2014 :-

"It is stated that no such papers/ records concerning this case are available in this section. Reasons for forwarding the representation after more than ten years is, however, not made clear. O/o DGFT is therefore requested to clarify and provide copy of earlier comments if received and copy of minutes of the meeting where decision was taken in this case."

Department of Heavy Industry vide OM dated 29.04.2014 :-

"It is to inform that machinery namely, Harper Furnace has been imported for the Export products namely, "Soft Ferrite Cores' and DIPP is not concerned with the proposal."

4. Now, the firm has made the same request for the same EPCG authorization.

5. RA, Chennai was called for a report in the matter. Now, RA Chennai vide email dated 21.02.24 has furnished the same.

Decision: After deliberation on the request of the firm, the Committee decided to **defer** the case with the directions to call for a report from RA concerned whether the firm had submitted any application for regularization of the EPCG authorizations under the Amnesty Scheme.

<u>Case No- 13: Joy Guru Knitwear, West Bengal</u>
F. No. HQREPCGPRAPP00000112AM25

Subject: Request for Condonation of delay in submission of Installation Certificate issued by Chartered Engineer in respect of EPCG Authorization No. 0230012674 dated 11.09.2017 under 0% Concessional Duty.

The firm has stated that they had installed the CGs at their factory within 6 months. However, due to lack of policy procedures, they were unable to submit the IC to RA as per the policy. They even missed the final deadline of 31.12.2023 as per PN 22 dated 13.07.2023.

2. The firm has attached letter dated 24.05.2024 marked to RA, Kolkata regarding the submission of IC.

3. As per Installation Certificate dated 28.11.2017 issued by Chartered Engineer enclosed by the firm, machinery was installed at the firm's premises on 20.11.2017 vide BOE Nos. 3523308 dated 06.10.2017.

Decision: The Committee deliberated upon the case and decided **to recommend to DG for relaxation under Para 2.59 of FTP, 2023** to allow condonation of delay in submission of installation certificate, subject to payment of late fee of Rs. 10,000/- and submission of installation certificate. RA to verify that no ECA/DRI/Customs action is pending.

This has the approval of DG, DGFT.

<u>Case No- 14: Kabsons Gas Equipment Pvt. Ltd, Hyderabad</u>
F. No. HQRPRCAPPLY00000845AM25

Subject: Request for Condonation of delay in submission of installation certificate in respect of EPCG Authorization No. 0930014190 dated 05.08.2019 under Zero duty EPCG Scheme.

In this regard the firm submitted that they have submitted the hard copy of the installation certificate within prescribed time period to RA. Since at the time of submission of hard copy, online system was not available. Hence they have not uploaded the installation certificate. They have fulfilled their EO. They have applied for EODC and RA has issued them a DL stating that to regularize the delay in submission of Installation Certificate from EPCG/PRC (HQ).

2. In addition to above, the firm has submitted a copy of EPCG authorization along with condition sheet and Installation certificate issued by the Chartered Engineer. As per Installation certificate issued on 05.11.2019 the date of installation is 12.09.2019.

Decision: The Committee deliberated upon the case and decided **to recommend to DG for relaxation under Para 2.59 of FTP, 2023** to allow condonation of delay in submission of installation certificate, subject to payment of late fee of Rs. 10,000/- and submission of installation certificate. RA to verify that no ECA/DRI/Customs action is pending.

This has the approval of DG, DGFT.

Case No- 15: Intech Additive Solutions Pvt. Ltd., Bangalore
F. No. HQREPCGPRAPP00000555AM23

Subject: Request for Inclusion of Additional export product against EPCG Authorization No. 0730014053 dated 12.12.2014 under 0% Concessional duty.

The firm has stated that they applied EPCG for 1st time and hence they were not aware to mention different export products to be exported against the license. It was inadvertently that they mentioned only one product while applying the license. They have given all the necessary proof to RA, Bangalore regards to export products to be endorsed to the license. The firm has also stated that they have completed more than 100 % obligation and are unable to get the license redeemed from RA.

2. The firm vide reply to letter dated 13.10.2023 has stated that RA, Bangalore has added the export products in the license as per the nexus with the capital goods imported under EPCG Authorization. However, they have imposed AEO on the license.

3. The firm further stated the company was established in 2013 and started exports from 2016 onwards, and they have completed 100% EO.

Decision: The Committee deliberated upon the case and decide to **withdraw** the case for further examination on file.

Case No- 16: Coventry Coil-O-Matic (Haryana) Ltd., Panipat
F. No. HQREPCGPRAPP00000538AM23

Subject: Request for condonation of procedural lapse for mentioning wrong EPCG Authorisation Number on 12 Shipping Bills in respect of their EPCG authorization no. 3330000658 dated 07.11.2006 under 5% concessional duty -reg.

The firm has stated that they had obtained 2 EPCG Authorization nos. 3330000431 dated 27.05.2005 and 3330000658 dated 07.11.2006 from RA, Panipat for the same export product i.e. Coil Spring. The firm has also stated that EPCG Authorization No. 3330000431 dated 27.05.2005 redeemed from RA, Panipat.

2. The firm has also stated that the CHA had inadvertently mentioned EPCG No. 3330000431 dated 27.05.2005 on 12 shipping bills instead of 3330000658 dated 07.11.2006. The details of the shipping bill are given below :-

S. No.	S/Bills No. & Date	Mention of EPCG License no. & date	Amendment requested EPCG License no. & date
i.	1643198 dt. 01.04.2007	3330000431 dt.	3330000658 dt.

ii.	1644915 dt. 18.04.2007	27.05.2005	07.11.2006
iii.	1646567 dt. 25.04.2007		
iv.	1649777 dt. 09.05.2007		
v.	1653006 dt. 23.05.2007		
vi.	1654700 dt. 30.05.2007		
vii.	1655009 dt. 31.05.2007		
viii.	1656723 dt. 07.06.2007		
ix.	1661275 dt. 27.06.2007		
x.	1664950 dt. 11.07.2007		
xi.	1666694 dt. 19.07.2007		
xii.	1668500 dt. 26.07.2007		

3. The firm has further stated that they have exported under various export promotion schemes (DBK/MEIS/DEPB/EPCG etc.) and while exporting in the said shipping bills inadvertently the CHA appointed by them has mentioned EPCG No. 3330000431 dated 27.07.2005 instead of 3330000658 dated 07.11.2006 and due to such genuine lapse, they are facing genuine difficulty in redemption of authorization already submitted in the office of the Jt. DGFT, Panipat, Haryana for EODC. RA, Panipat issued the letter dated 07.11.2019 and informed them as under:

> *"You are inform that your request can not be accepted under PC. No. 07/2002 dated 11.07.2002 as the said P. C. is related when no authorization number available on the face of export documents/shipping bills.*
>
> *Hence, you are advice to pay CD + interest as per 5.23 (a) & (b) of HBP 2015-20 and submit the evidence to this office within 30 days (Para 4.50 of HBP) from date of this letter otherwise action will be initiated against you as informed you earlier vide SCN dated 18.07.2019 & also as per FT(DR) act 1992 as amended from time to time."*

4. The firm has informed that as per their records, the above mentioned 12 shipping bills were not counted in AEO or Specific Export Obligation in any other Authorization.

5. The firm has requested for condonation of procedural lapse of mentioning incorrect EPCG Authorization numbers on 12 shipping bills to enable them to close the authorizations already submitted for issue of EODC.

6. The matter was considered in the 1stEPCG Committee Meeting held on 27.04.2023 and 04.05.2023. The decision of the Committee is reproduced below:

"After deliberation on the request of the firm, the Committee decided to defer the case with the directions to call for a report from RA concerned on the submissions made by the applicant."

7. Accordingly, RA, Panipat vide email dated 06.07.2023 was requested to furnish a report in the matter.

8. Now, vide email dated 28.05.2024, RA has furnished the same.

Decision: The Committee went through the statements made by the applicant and noted that the applicant has not submitted any cogent reason/justification in support of any genuine hardship faced by them. Accordingly, the Committee decided to **reject** the request.

Case No- 17: Semco Security Imaging Pvt. Ltd, Karnataka
F. No. HQREPCGPRAPP00001925AM24

Subject: Review Application w.r.t Request for Condonation and permission to re-export CGs imported under EPCG Scheme for replacement/rectification in respect of EPCG Authorization No. 0730015597 dated 23.06.2016 under 0% Concessional Duty.

The firm had earlier, vide F. No HQREPCGPRAPP00380194AM22 dated 08.03.2022, requested for Condonation and Permission to re-export Capital goods imported under EPCG Scheme for replacement/rectification in respect of EPCG Authorization No. 0730015597 dated 23.06.2016 under 0% Concessional Duty.

2. The case was considered in 1st Meeting of AM-24 Committee Meeting held on 27.04.2023 The decision of the Committee is as under :-

> *"The Committee deliberated upon the case and decided to recommend to DG for relaxation under Para 2.59 of FTP, 2023 to allow re-export of defective capital goods for repair/rectification/replacement of parts. They should bring back same capital goods within six months from date of exports, after rectification and marks and numbers should tally with the re-exported goods".*

3. Now, the firm vide Review Application dated 12.01.2024 has requested for condonation and permission to re-export CGs imported under EPCG Scheme for replacement / rectification in respect of EPCG Authorization No. 0730015597 dated 23.06.2016 under 0% Concessional Duty.

4. The firm has submitted the following :-

i. The firm has stated that they re-exported all 22 machines vide Invoice Number: SSI/DBX/23-24/01 and Shipping bill no: 2569979 Dated: 19.07.2023 to the vendor. The re-exported machineries were technically examined, various attempts were made to modify/ rectify the machinery to meet their technical requirements, which could not be achieved.

ii. The firm has also stated that the vendor has accepted the non-suitability of the machinery for our intended purpose and accordingly has issued a letter stating that the machinery cannot be modified and hence accepting the machinery back as technically not suitable. Therefore, there is no financial obligation for making the payment from them and the transaction may be treated as cancelled.

iii. The firm has not made any payment for the machinery imported originally from the vendor.

Decision: After deliberation on the request of the firm, the Committee decided to **defer** the case to call the applicant for Personal Hearing to explain the case.

<u>Case No- 18: M/s IG Petrochemicals, Mumbai</u>
F. No. HQREPCGPRAPP00000090AM25

Subject: Request for clarification regarding the policy on the import of Captive Power Plants/Generator sets under the EPCG Scheme.

In support of their request the firm has submitted that their Company has been importing since 1991 entire plant for manufacture of Phthalic Anhydride as an integrated unit. However, recently the DRI has raised doubts about the import of part of the unit namely- Steam turbine along with a synchronous generator, which are essential and integral to their manufacturing process. As per DRI these imports fall under the "Not Permitted" category of the EPCG Scheme; they contended that the said condition should not apply in this instance due to their integral role in their production process.

2. The representative of the firm, Shri Sagar Jadhav, Executive Director, appeared through Video conferencing and made the following submissions:-

Applicant's statement: The representative stated that the imported CGs are not a captive power plant but are an essential and integrated part of the manufacturing process of the export item 'Pthalic Anyhydride'.

Decision: The representative of the Department of Revenue stated that the case is for clarification and not a policy relaxation. The Committee deliberated upon the case and decided to **withdraw** the case for further examination on file.

<u>Case No- 19: Electro Plasts Pvt. Ltd., Bangalore</u>
F. No. HQREPCGPRAPP00000228AM24

Subject: Request for fixation of specific export obligation from 8 times to 6 times against the EPCG Licenses No. 0730006315 dt. 20.11.2007 under 5% Concessional duty-reg.

The firm has stated that the license was wrongly issued with an export obligation requirement of 8 times instead of 6 times. According to the prevailing policy provisions, SSI units are allowed to fulfill export obligation equivalent to 6 times the duty saved over 8 years. The firm has also confirmed that they have already fulfilled 100% of their export obligation.

2. The representative of the firm, Shri B.R. Mahabhanu appeared through video conferencing and made the following submissions :-

Applicant's statement: The representative stated that the firm had a SSI Unit Certificate when they obtained the subject EPCG Authorization from the concerned RA.

Decision: The Committee deliberated upon the case and decided to **remand** the case to the RA with the direction to verify the documents submitted by the firm and re-fix the specific EO as per the relevant policy provisions, if the submissions made are correct.

<u>Case No- 20: M/s Arvind Limited, Ahmedabad</u>

F. No. HQREPCGPRAPP00000093AM25

Subject: Relaxation to add new Export Products in respect of EPCG Authorizations No. 0830011837 dated 05.06.2020, 0830011812 dated 19.05.2020 and No. 0830011974 dated 01.09.2020 under Zero duty EPCG Scheme.

In support of their request the firm has submitted that :-

i. During the Covid 19 Pandemic, the demand for face masks had reached its zenith and had become a vital product with respect to the human health safety. Face masks played a crucial role in prevention of Covid and such assumed the nature of one of the major products for prevention of Covid-19. The domestic as well as the overseas market potential and demand of the said goods were at an all-time high during the relevant period. Accordingly they had imported machinery for manufacture of face masks.

ii. Subsequent to the import of CG under EPCG license, export of all masks other than non-medical/non-surgical masks was prohibited and export of 2/3 ply surgical masks was restricted vide Notification No. 21/2015-20 dated 28.07.2020. Owing to the rapid changes in the policy and the difficult period of the epidemic they were unable to execute their export plans of Masks. During this period they have produced masks and supplied to various Government, Semi Government, Local bodies, NGO, Business Houses in India, which were basically aimed at contributing towards the public safety during the epidemic.

iii. Due to such contingencies arising subsequent to the import of CGs, they will be facing genuine hardship whereby they would have to incur expenses towards customs duty involved on the capital goods imported under the subject EPCG authorizations. In addition to that the interest and penal consequences arising for not requisite fulfilling export obligation out of the same. Such duty and penal expenses in the current market scenario will adversely impact their financial position.

iv. With a view to overcome the genuine hardships and adverse impact of the policy, the Para 2.59 of the FTP, 2023 expressly envisages relaxation of the nexus with CGs and benefits under the EPCG Scheme.

2. The representative of the firm, Shri Rajeev Pillai appeared through video conferencing and made the following submissions :-

Applicant's statement: The representative stated that due to Covid 19 Pandemic, the demand for face masks had reached its zenith and had become a vital product with respect to the human health safety. Face masks played a crucial role in prevention of Covid. The domestic as well as the overseas market potential and demand of the said goods were at an all-time high during the relevant period. Accordingly they had imported machinery for manufacture of face masks. Subsequent to the import of CG under EPCG license, export of all masks other than non-medical/non-surgical masks was prohibited and export of 2/3 ply surgical masks was restricted later. The current demand for Face masks is very less and it is not possible to fulfil the EO. It was requested that the firm be allowed to fulfil their EO by export of garments.

Decision: The Committee went through the statements made by the applicant and noted that the applicant has not submitted any cogent reason/justification in support of any genuine hardship faced by them. Accordingly, the Committee decided to **reject** the request.

Case No- 21: Hindustan Aeronautics Limited, Bangalore
F. No. HQREPCGPRAPP00001053AM23

Subject: Request for redemption of EPCG Authorization by considering additional product exported in respect of EPCG Authorization No. 0730008994 dated 08.06.2010 issued under 0% Concessional duty.

The submission of the firm is as under :-

i. They partially fulfilled their EO and filed EODC along with EO documents but RA Bangalore rejected some of the exports considered for EO fulfillment and requested them to exclude with description other than Castings which were not allowed under authorization.
ii. The CG imported under this authorization is multipurpose equipment and is capable of manufacturing other type of Aluminum Alloy Castings Listed. A Nexus Certificate by a Chartered Engineer confirms CG's capability to manufacture all types of aluminium alloy castings exported to meet export obligation.

Decision: The Committee deliberated upon the case and decided to **remand** the case to RA with the direction to take necessary action as per the CE certificate submitted alongwith the application for EODC.

Case No- 22: M/s Galvano Track Solutions Private Limited, Bengaluru
F. No. HQREPCGPRAPP00001938AM24

Subject: Review of decision (Case No. 29) of EPCG Committee Meeting No. 2/AM24 held on 30.05.2023 and grant PH in respect of EPCG Authorization No. 0730010570 dated 21.09.2011 under Zero duty EPCG Scheme.

In support of their request the firm has submitted that :-

i. RA has not extended the EOP as per your decision in spite submitting the necessary fee of Rs. 10,000/- till date.
ii. They further like to clarify that the 3 Nos. of machines imported against the licence only one machine the CIF value of Capital Goods is Rs. 57,54,727/- in other two machine the CIF value is Rs. 33,36,333/- and Rs. 48,52,848/- respectively. As such the total investment of plant and machinery is within SSI unit limit and the licence has also been issued under SSI registration and hence the original EOP should be valid till 21.09.2019.
iii. They completed more than 100% EO and hence request to extend the EOP till 30.04.2022 for closure of the subject authorization.

Decision: After deliberation on the request of the firm, the Committee decided to **defer** the case to call the applicant for Personal Hearing to explain the case.

<u>Case No- 23: Electro Pneumatics and Hydraulics (India) Pvt. Ltd., Pune</u>
F. No. HQRPRCAPPLY00000434AM24

Subject: Request for Acceptance of Vostro Account of Bank as per Para 2.52(b) of FTP in respect of EPCG Authorization No. 3130005306 dated 01.12.2010 under 0% Concessional Duty.

Decision: The Committee was informed that the firm had submitted an application for withdrawal of their request.

The Committee deliberated upon the case and decided to **withdraw** it.

<u>Case No- 24: Shree Rama Newsprint Ltd, Surat</u>
F. No. HQRPRCAPPLY00007938AM24

Subject: Request for Condonation of Prior Endorsement of Group Company exports under para 5.4(i) of FTP 2004-2009 for fulfilment of EO in respect of 4 EPCG Authorization Nos. under 5% Concessional Duty.

i. **0330012664 dated 21.07.2006**
ii. **0330011865 dated 02.05.2006**
iii. **0330016091 dated 16.05.2007**
iv. **0330013580 dated 12.06.2006**

The firm has stated that they have been issued the subject 4 authorizations under Customs Notification No. 97/2004 dated 17.09.2004 where it has been allowed to fulfil the 100% EO through Group Company exports and they have fulfilled the entire EO.

2. The firm has also stated that they are eligible under Para 9.20 of Group Company definition and fulfil all conditions of the said para. However, when they applied for redemption, RA Mumbai has issued a common deficiency letter for the four EPCG authorizations.

3. In reference, as a deficiency vide letter dated 27.02.2024 issued by RA, Mumbai and stated that-

> *"Your exports of group company cannot be considered for fulfilment of EO as you have not applied for endorsement of group company in term of para 5.2(i) of FTP 2004-2009."*

Decision: The Committee went through the statements made by the applicant and noted that the applicant has not submitted any cogent reason/justification in support of any genuine hardship faced by them. Accordingly, the Committee decided to **reject** the request.

<u>Case No- 25: M/s Tria Industries LLP, Pune</u>
F. No. HQRPRCAPPLY00102516AM21

Subject: Request for Consideration of shipping bills for redemption of EPCG No. 3130000463 dated 18.08.2003 wherein the EPCG License Number has been mentioned on the face of the shipping bill under remarks.

The firm has stated that they had mentioned the EPCG License Number in the export Invoice with the instructions to the CHA for mentioning the same and exporting under the EPCG Scheme. However, the Clearing Agent has mentioned the EPCG License Number on the face of the shipping bill under Remarks Column and filed the shipping bill.

2. The firm has further stated that they have been able to get the e-BRC regarding the realization of the export proceeds and submitted to the Office of Jt. DGFT, Pune for redemption of the EPCG License.

3. The representative of the firm, Shri Sachin Joshi appeared via video conferencing and made the following submissions:-

Applicant's statement: The representative of the firm stated that that they had mentioned the EPCG License Number in the export Invoice with the instructions to the CHA for mentioning the same and exporting under the EPCG Scheme.

Decision: The Committee deliberated upon the case and decided to **remand** the case back to RA with directions that if the above mentioned Shipping Bills have not been used for redemption of any other EPCG Authorization, then the same to considered for fulfillment of EO, as EPCG Authorization number is mentioned in the face of the shipping bills.

Case No- 26: M/s Ghodawat Skystar LLP
F. No. HQREPCGPRAPP00002135AM24

Subject: Request for:

i. **Reduction in Average Export Performance (AEP) to NIL**
ii. **Condonation of procedure lapse of wrong-mentioning of EPCG Authorization No. Shipping Bills**

In respect of EPCG Authorization No. 3130009401 dated 05.05.2016 under 0% Concessional Duty.

The firm has stated that they had received 2 EPCG Authorizations i.e. 3130009401 dated 05.05.2016 (subject license) and 3130008425 dated 14.01.2015 (other license) with the same ITCHS Code: 10063020, Item: Non-Basmati Rice, Basmati Rice.

2. The firm also stated that they started fulfilling the EO under the other license for exporting the same item and then submitted all their exports for redemption of this license.

3. Further, the firm stated that after the submission of redemption application for the other license, they noticed that they had not mentioned the subject license against the export of Basmati Rice HS code 10063020. Now, the firm has 4 shipping bills to include for the fulfillment of the subject license.

4. The firm further stated that since both the license had the same export item name, they, by oversight mentioned only the first EPCG license and started fulfilling the EO. In addition to the above, the firm has also stated that they had already received EODC for the other license and have also fulfilled the EO within a period of 6 years.

5. The firm has also requested to amend the AEO to Nil under the subject license as their export product falls under Agriculture Category, exempted from AEO as per HBP 2015-2020, Ch-5.13.

6. The Case was Considered in 3rd EPCG Committee Meeting of AM-25 which was held on 03.06.2024 and decision is as under :

> *"After deliberation on the request of the firm, the Committee decided to defer the case to call the applicant for Personal Hearing to explain the case."*

7. Nobody was present on behalf of the firm today.

Decision: The Committee deliberated upon the case and decided to grant one last opportunity of Personal hearing to the firm. Accordingly, the case stands **deferred**.

Case No- 27: M/s Harimohan Agro Industries, Mumbai
F. No. HQREPCGPRAPP00000236AM24

Subject: Review Application w.r.t. Request for:

i. **Extension of EOP in terms of PN 67 dated 20.08.2008**
ii. **Amendment in export products and inclusion of export products**

In respect of EPCG Authorization No. 0330000867 dated 01.02.2001 under 05% Concessional Duty.

The firm had earlier requested for (i) Extension of EOP in terms of provisions of Para 5.11.03 of HBP 2004-09 (ii) Amendment in export products and inclusion of export products (iii) Deletion of their name from defaulter list.

2. The matter was considered in the 10th EPCG Meeting on 18.01.2023 and 2001.2023 wherein the Committee observed that, export item include Non Basmati rice. Further there were some pulses where no restriction was available. On restricted items too, there were quotas which party could have availed. Therefore, after considering the case carefully, committee is of the opinion that there is no cogent reason/justification in support of any genuine hardship faced by them. Accordingly, the Committee decided to reject the request.

3. Now, the firm vide Review Application dated 07.07.2023 has requested for (i) Extension of EOP in terms of PN 67 dated 20.08.2008 (ii) Amendment in export products and inclusion of export products in respect of EPCG Authorization No. 0330000867 dated 01.02.2001 under 05% Concessional Duty. The firm has submitted the following-

a. The firm has stated that extension of EO as export of product processed pulses was banned for export during the period 27.06.2006 to 15.09.2017. EPCG Committee decision in its meeting held on 29.09.2011 has endorsed this fact. The firm approached RA for extension of EO and amendment/addition of specific export product with proper ITC(HS) codes. However, RA asked the firm to approach Hqrs. for condonation.

b. The firm has further attached a catalogue of capital goods "Sortex electronic colour sorting machine complete with essential spare parts model 9003". It can be seen that the capital goods are designed to process beans and pulses and not non-basmati rice.

c. Further, the firm has enclosed a certificate serial no. 43 (I) 13-14 dated 09.10.2013 issued by Chartered Engineer wherein it is specifically stated that: *"Machinery installation/application report as on 08.10.2013 is hereby issued without prejudice, and as proof of nature and nature of processing/manufacturing of various kind of pulses & grains".*

d. The machine are capable of sorting & manufacturing only split pulses like moong mogar, urad mogar & split lentin but not in capacity to sort & manufacture raw pulses like beans, chick peas, split chick peas, split lentins, moong beans, whole urad etc".

e. The firm has stated that from the above, it is proved that non-basmati rice cannot be processed with sortex machine. Moreover, only limited variety of beans and pulses can be processed.

2. The firm was granted an opportunity for hearing on 03.06.2024 and today but none appeared on their behalf.

Decision: The Committee noted that none has appeared on behalf of the applicant in the Personal hearings held on 03.06.2024 and 24.06.2024. Further, the Committee deliberated upon the case and decided to take a decision based on the available records.

The Committee observed that the applicant has not submitted any additional facts/cogent reason/justification in support of the request or any genuine hardship faced by them. Accordingly, the Committee decided to **reject** the request.

Case No- 28: M/s Meera Cotton And Synthetic Mills Private Limited, Mumbai
F. No. HQREPCGPRAPP00000571AM24

Subject: Request for Amendment of ITC-HS Code in respect of 9 EPCG Authorization Nos. under 03% & 05% Concessional duty.

The firm has stated that due to lack of policy procedures and knowledge, they have failed to add all the ITC-HS code of their products in the license within the stipulated time.

2. The firm further stated that they have now submitted all the necessary documents for closure of EPCG license to RA Mumbai. However, RA has issued a DL that no amendments of ITC-HS code can be considered as the licenses are not valid.

3. The firm also stated that the ITC-HS code mentioned in the subject license is 'fabrics-5515' and the products exported by them is also 'fabrics' with chapter heading '5407' or '5208'.

4. Further, the firm stated that bring a composite unit, they are manufacturing yarn, fabrics, and readymade garments; they have exports of readymade garments under ITC-HS 6206/6214, which the firm wants to add in their in their EPCG License as the same has been manufactured and exported by them.

5. RA, Mumbai vide email dated 07.12.2023 was asked to furnish a report in the matter and the same has been received.

6. Now, RA vide email dated 03.04.2024 has furnished the requisite report.

7. The firm was granted an opportunity for hearing on 03.06.2024 and today but none appeared on their behalf.

Decision: The Committee deliberated upon the case and decided to grant one last opportunity of Personal hearing to the firm. Accordingly, the case stands **deferred**.

Case No- 29: M/s Eminent Dealers Pvt Ltd, Bhilwara
F. No. HQRPRCAPPLY00000890AM25

Subject: Request for EOP Extension for 2 years from date of endorsement in respect of EPCG Authorization Nos. 1330004194 dated 14.07.2014 and 1330004701 dated 14.12.2015 under 0% Concessional Duty.

In support of their request, the firm has submitted the following :-

i. They have faced significant disruptions in supply chains and market conditions. They managed to export goods to Bangladesh but ongoing geopolitical conflicts and lower export demand have significantly constraint their operation.
ii. The financial strain on firm due to non-fulfillment of EO under EPCG Scheme has been profound, the details are as follows:

- The challenges they faced, the interest on the duty saved amount Rs. 8,843953 and Rs. 26,574,280 has been accruing.
- The interest charges have created a substantial financial burden and these burden of additional costs has impacted their cash flow and other financial commitment.

2. In addition, the firm has stated that they were unable to enroll in the Amnesty Scheme due to - (a) Only one Authorization being covered under Scheme & (b) A temporary shortage of funds.

Decision: The Committee deliberated upon the case and decided **to recommend to DG for relaxation under Para 2.59 of FTP, 2023** to allow Condonation of delay in approaching RA for EO extension for 2 years (from 6th year to 8th year) against the subject EPCG authorizations on payment of composition fee or imposition of additional EO in terms of Para 5.17 of HBP 2015-20 and late fee of Rs. 10,000/-.

The above relaxation is also subjected to the condition that the proper installation certificate has been submitted within time limits as specified in FTP/HBP.

This has the approval of DG, DGFT.

The Committee deliberated upon the case and decided to advise the firm to **approach RA** for extension of Export Obligation Period beyond 8 years in terms of Public Notice No. 53 dated 20.01.2023 where extension is permitted on account of COVID

<u>Case No- 30: Vantive Healthcare Technologies Pvt Ltd, Karnataka</u>
F. No. HQREPCGPRAPP00000098AM25

Subject: Request for Transfer of name against EPCG Authorizations for regularization purpose only post Asset Purchase Agreement dated 01.04.2024.

In support of their request, the firm has submitted the following :–

i. M/s Baxter Innovations and Business Solutions Pvt Ltd have availed the two EPCG Authorizations (i.e. 0730012548 dated 06.12.2021 & 0730018562 dated 01.07.2019) which pertain to renal care & acute therapies business.
ii. The 100% EO in respect of above Authorizations have been fulfilled by 'Baxter' and also EODC application has been filed prior to entering into an agreement with 'Vantive'.

Decision: The Committee deliberated upon the case and decided to **defer** it for further examination.

<u>Case No- 31: M/s Rhi Magnesita India Limited, Rajasthan</u>
F. No. HQREPCGPRAPP00000107AM25

Subject: Request for Transfer of Name against EPCG Authorizations post acquisition of the Company through Business transfer agreement.

In support of their request, the firm has submitted the following :–

a. M/s Rhi Magnesita India Ltd have acquired the company viz. M/s Hi-Tech Cheimcals Pvt Ltd through Slump Sale vide the Business Transfer Agreement dated 18.10.2022 between them viz M/s Rhi Magnesita India Ltd' & "Hi-Tech Chemicals Pvt Ltd".
b. All the assets & liabilities of the 'Seller Company' stand transferred to the 'Purchase Company'. Therefore, all the export obligation of the seller company viz. 'Hi-Tech Chemicals Pvt Ltd' would be fulfilled by them i.e. the Purchaser Company viz. 'Rhi Magnesita India Ltd'.

D**ecision:** The Committee deliberated upon the case and decided to **defer** it for further examination.

<u>Case No- 32: K.S. Tangari Finishing & Textile Mills, Ludhiana</u>
F. No. HQREPCGPRAPP00000109AM25

Subject: Request for Condonation of delay in submission of Installation Certificate issued by Chartered Engineer in respect of EPCG Authorization No. 3030016941 dated 07.02.2018 under 0% Concessional Duty.

The firm has stated that they have fulfilled the AEO and EO against the subject license, and have applied for EODC on 07.03.2024. However, they were issued a DL dated 14.03.24 stating the non-submission of Installation Certificate.

2. The firm has further stated that they were familiar with PN 22 dated 13.07.2023. However, their employee assured that they have already submitted the IC and that the copy of IC is place in their office copy file.

3. Further, the firm stated that they were apprised of the actual position of the submission of IC after the issuance of DL dated 14.03.2024 by RA, due to which they were unable to take benefit of PN 22 dated 13.07.2023. Hence, the firm has requested to allow them to take benefit of PN 22 dated 13.07.2023 regarding the delay in submission of IC.

4. As per Installation Certificate dated 26.05.2018 issued by Chartered Engineer enclosed by the firm, machinery was installed at the firm's premises on 26.05.2018 vide BOE Nos. 6127341 dated 25.04.2018.

Decision: The Committee deliberated upon the case and decided **to recommend to DG for relaxation under Para 2.59 of FTP, 2023** to allow condonation of delay in submission of installation certificate, subject to payment of late fee of Rs. 10,000/- and submission of installation certificate. RA to verify that no ECA/DRI/Customs action is pending.

This has the approval of DG, DGFT.

Case No- 33: Reliance Industries Ltd, Navi Mumbai
F. No. HQREPCGPRAPP00000047AM25

Subject: Request for Condonation of delay in installation of capital goods in respect of 27 EPCG Authorization Nos. under 0% concessional duty.

The firm has stated that they are currently implementing many projects at various sites and their planned investment in those projects is more than Rs. 75,000 crores. After completion, those projects would add significantly to their existing exports directly adding to the country's exports. The firm has also stated that they have opted EPCG Scheme for imports of many of the CGs and spares required for execution of the projects.

2. The firm has further stated that they have completed the installation the last import under EPCG Licence No. 0330044095 dated 05.04.2016 was on 27.07.2016 and installation completed on 25.06.2018 which is beyond the prescribed time limit which is delayed beyond 18 months from the last date of import as per para 5.04(c) of HBP. In addition, the firm has stated that they have already paid Rs. 15000/- as composition fee plus late fee as per PN22 dated 13.07.2023.

3. It has been observed that the firm has submitted the same request for 26 EPCG authorisations which are as follows :-

S. No	EPCG Committee File no.	Authorization No. & date	Authorisation Type	Date of Installation of Capital Goods
1.	HQREPCGPRAPP00000051AM25 dated 20.04.2024	0330044993 dated 03.08.2016	0%	14.10.2018
2.	HQREPCGPRAPP00000052AM25	0330045161 dated	0%	20.09.2018

	dated 20.04.2024	24.08.2016		
3.	HQREPCGPRAPP00000053AM25 dated 20.04.2024	0330045533 dated 18.10.2016	0%	25.03.2019
4.	HQREPCGPRAPP00000054AM25 dated 20.04.2024	0330045651 dated 28.10.2016	0%	05.01.2019
5.	HQREPCGPRAPP00000055AM25 dated 20.04.2024	0330046059 dated 28.12.2016	0%	30.03.2019
6.	HQREPCGPRAPP00000056AM25 dated 20.04.2024	0330046451 dated 16.02.2017	0%	10.04.2019
7.	HQREPCGPRAPP00000057AM25 dated 20.04.2024	0330046592 dated 06.03.2017	0%	15.05.2019
8.	HQREPCGPRAPP00000058AM25 dated 20.04.2024	0330046747 dated 25.03.2017	0%	23.12.2020
9.	HQREPCGPRAPP00000059AM25 dated 20.04.2024	0330046494 dated 22.02.2017	0%	31.05.2019
10.	HQREPCGPRAPP00000060AM25 dated 20.04.2024	0330047896 dated 03.10.2017	0%	09.07.2019
11.	HQREPCGPRAPP00000061AM25 dated 20.04.2024	0330043336 dated 23.12.2015	0%	07.07.2018
12.	HQREPCGPRAPP00000062AM25 dated 19.04.2024	0330042130 dated 16.07.2015	0%	06.04.2018
13.	HQREPCGPRAPP00000063AM25 dated 21.04.2024	0330049911 dated 19.09.2018	0%	02.01.2023
14.	HQREPCGPRAPP00000064AM25 dated 21.04.2024	0330047550 dated 12.07.2017	0%	15.10.2021
15.	HQREPCGPRAPP00000065AM25 dated 19.04.2024	0330044113 dated 11.04.2016	0%	10.11.2018
16.	HQREPCGPRAPP00000066AM25 dated 22.04.2024	0330044120 dated11.04.2016	0%	25.05.2023
17.	HQREPCGPRAPP00000067AM25 dated 21.04.2024	0330045803 dated 29.11.2016	0%	10.12.2018
18.	HQREPCGPRAPP00000068AM25 dated 21.04.2024	0330047372 dated 15.06.2017	0%	04.09.2019
19	HQREPCGPRAPP00000069AM25 dated 21.04.2024	0330047614 dated 28.07.2017	0%	25.05.2019
20.	HQREPCGPRAPP00000070AM25 dated 21.04.2024	0330047794 dated 11.09.2017	0%	06.06.2020
21.	HQREPCGPRAPP00000071AM25 dated 21.04.2024	0330039441 dated 06.08.2014	0%	07.04.2018
22.	HQREPCGPRAPP00000072AM25 dated 21.04.2024	0330040299 dated 26.11.2014	0%	21.12.2018
23.	HQREPCGPRAPP00000073AM25 dated 21.04.2024	0330048755 dated 21.02.2018	0%	25.10.2019
24.	HQREPCGPRAPP00000074AM25 dated 21.04.2024	0330040506 dated 18.12.2014	0%	05.10.2023

25.	HQREPCGPRAPP00000050AM25 dated 21.04.2024	0330044909 dated 26.07.2016	0%	28.06.2018
26.	HQREPCGPRAPP00000049AM25 dated 21.04.2024	0330044336 dated 11.05.2016	0%	13.01.2019

4. The case was considered in the 3rd EPCG Committee Meeting of AM-25 held on 03.06.24. The decision of which is as under:

> *"The Committee deliberated upon the case and decided to defer it with the direction to call for specific reasons for delay in the installation of capital goods by the firm against subject EPCG authorisations."*

5. Now, vide email dated 21.06.2024, the firm has submitted the reasons for delay in installation of Capital goods against the 27 subject EPCG authorisations.

Decision: The Committee deliberated upon the case and decided **to recommend to DG for relaxation under Para 2.59 of FTP, 2023** to allow condonation of delay in installation of Capital Goods against the 27 subject EPCG authorisations and submission of installation certificate, subject to payment of late fee of Rs. 10,000/- per authorization and submission of installation certificate. RA to verify that no ECA/DRI/Customs action is pending.

This has the approval of DG, DGFT.

<u>Case No- 34: Officine Lovato Private Limited, Mumbai</u>
F. No. HQREPCGPRAPP00001935AM24

Subject: Request for Condonation of delay in re-exporting of capital goods due to not fit for manufacturing of end/export products in respect of EPCG Authorization No. 0330040749 dated 19.01.2015 and 0330044219 dated 27.04.2016 under Zero duty EPCG Scheme.

In support of their request the firm has submitted that :-

i. They are subsidiary of LOVATO Italy, who is manufacturer of LPG &CNG Kits. Considering growing business in past, Lovato Italy had taken decision to set up CNG Assembly line in India and imported required assembly lines accordingly in their name i.e. M/s Officine Lovato Private Limited.

ii. After import of Capital Goods they came to know that Bharat Sage-VI emission norms were launched in India from April, 2020. Since BS-VI norms are very stringent they need to use different type of CNG Pressure Reducer for retro fitment of CNG Kits in BS-VI vehicles.

iii. Basically two types of Pressure Reducers first is Conventional Type Pressure Reducers which works with Gas-Air mixer (Venturi system) and the other one is Sequential reducer which works with Gas Injectors(Injection system).

iv. The assembly line imported by them was for Conventional type CNG Pressure Reducers which can be used in previous vintage of vehicles i.e. for BS-II and BS-III vehicles. Since the emission norms are not so stringent in BS-II and BS-III, these types of systems were suitable for the vehicles. In their case they have CNG Reducer Model No.RME for such application. They have enclose copy of their Type approval certificate for BS-III Vehicles with this type of reducers which is of no use in the current standard of BS-VI. Due to sudden changes in the market scenario, they could never use these assemble line and both the assembly line are lying intact condition.

v. Whereas for BS-VI vehicles emission norms are very stringent hence they have to use sequential Reducers with the ECU (Electronic Control Unit) and Gas injectors in their kit. In their case they have CNG Reducer Model No. NGB-L for such application. They have enclosed a copy of their Type Approval Certificate for BS-VI Vehicles with this type of Reducers.

vi. Because of introduction of scrapping policy of 15 year old vehicles in India which means vehicles is complying to BS-II & BS-III will no more be available in market for retro fitment of their CNG Kits. Now they have market only for retro fitment of CNG Kits in BS-VI Vehicles with Sequential Reducers (not the traditional reducer for which they had imported this assembly line).

vii. They have left with no more market for Conventional CNG Pressure Reducer hence the assembly lines import by us are of no use to them and they have to re-export these assembly lines back to Italy.

viii. Due to change in Government policy in India they tried to convince to supplier for the return the capital goods and finally they accepted situation in 2019 and Covid 19 just started in the world wide and impacted their company also, so all person left the company, Now again they convince them and they are ready to accept the Capital Goods.

2. The case was considered in the 3rd EPCG Committee Meeting of AM-25 held on 03.04.24. The decision of which is as under :-

> *"The Committee deliberated upon the case and decided to defer it with the direction to call for proof from Jurisdictional GST Authority that the Capital goods imported against the EPCG Authorizations No. 0330040749 dated 19.01.2015 and 0330044219 dated 27.04.2016 have not been used by the firm and are lying in a packed condition*."

3. Now, vide email dated 23.04.2024, Shri Virendra Vora, Director has submitted on behalf of the firm has submitted that based on their request, Asst Commissioner of GST, Unit 11, Ahmedabad has visited their premises and checked both the assembly lines imported under above mentioned in both EPCG licences. He has inspected and certified that both lines are not been used by the firm and both lines are lying in packed condition. A copy of the letter dated 21.06.2024 issued by Asstt. Commissioner of State Tax (1), Unit 11, Ahmedabad addressed to the firm has been attached.

Decision: The Committee deliberated upon the case and decided **to recommend to DG for relaxation under Para 2.59 of FTP, 2023** to allow condonation of delay in the re-export of unfit

Capital goods imported against the EPCG Authorizations No. 0330040749 dated 19.01.2015 and 0330044219 dated 27.04.2016. The applicant shall re-export the Capital Goods within 3 months from the date of uploading of the Minutes on the DGFT website.

This has the approval of DG, DGFT.

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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 = EO, EODC = EO Discharge Certificate, EOP = EO 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. 01/36/218/12/AM-25/EPCG]

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