MINUTES OF 2nd MEETING OF EPCG COMMITTEE HELD UNDER THE CHAIRMANSHIP OF SHRI SATYAN SHARDA, ADDITIONAL DIRECTOR GENERAL OF FOREIGN TRADE AT 11.00 AM ON 14.06.2019 IN COMMITTEE ROOM NO.11, H WING, UDYOG BHAWAN, NEW DELHI.

I. Following officers attended the meeting:

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

II. Minutes of the last Meeting held on 24.05.2019 were confirmed.

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

Sl. No.	Firm's Name and Numbers	EPCG Authorisation No.	Subject	Decision of the Committee
1	M/s. Amir Chand Jagdish Kumar (Exports) Ltd, Delhi 01/36/218/207/AM-19/EPCG-I	i.0530145448 dated 18.01.2008 ii.0530145857 dated 24.03.2008.	Condonation of non-mentioning of EPCG License no. in Free Shipping bills	The Committee noted that the party has stated their export product is Basmati Rice on which neither DGFT nor Customs gives any incentive nor, therefore, all shipping bills of Basmati rice are printed as Free Shipping Bill. The party has requested for condonation of procedural lapse of non-mentioning of the EPCG Authorisation number in the shipping bills due to lack of knowledge and guidance. The Committee deliberated upon the case and decided to **reject** it as "free shipping bills' are not permitted under EPCG Scheme and the reason given by the party is too generic and devoid of merit.
2	M/s. Avanti Feeds Limited, Hyderabad 18/148/AM-19/P-5	i.0930003063 dated 10.4.2007 ii.0930003285 dated 22.06.2007 iii.0930007281 dated 14.07.2011 iv.0930007717 dated 30.11.2011 v. 0930007929 dated	Request for review of decision taken by EPCG Committee at its meeting held on 06.02.2013 on nexus between shrimp feed and shrimp processing and export	The Committee observed that the case is being placed for the third time before the EPCG Committee. The case was first placed in its meeting held on 29.11.2018 and it was decided to defer it with the direction to call the comments of RA along with a copy of the rejection letter. The case was again deferred in EPCG Committee meeting held on 03.01.2019 The Committee noted that the case was first placed in its meeting held on 29.11.2018 and it was decided to defer it

		14.2.2012		with the direction to call report from RA regarding the present status of the case along with the rejection letter. On receipt of the reply of the party the matter was again taken up in EPCG Committee meeting held on 29.03.2019 for taking a decision in the next meeting. The Committee deliberated upon the case and decided to **defer** it to examine the matter on file.
3	M/s.Divy Bhoj Sansthaan, New Delhi 01-36/218/137-AM-19/EPCG-I	i. 0530157213 dt. 16.12.2011 ii.0530157577 dated 07.02.2012	Request for transfer of EPCG authorisation	The Committee noted that the party was requested to depute an authorised representative to appear for personal hearing and explain the case. However, the representative of the party did not appear for hearing. The Committee deliberated upon the case and decided to **defer** it as the representative of the party was did not appear for hearing.
4	M/s. Fiat India Automobiles Private Limited, 01/36/218/19/AM-14/EPCG-I	i.3130002701 Dated 13.09.2007 ii.3130003119 Dated 01.05.2008	Review of decision taken in EPCG Committee meeting of 24/01/2019 regarding refund of Composition Fee	The Committee observed that the request of the party for refund of composition fee was placed in its meeting held on 24.01.2019 and the Committee decided to reject the request on the ground that the composition fee paid for request for extension in EOP is the processing fee and thus cannot be returned. The party had submitted a review petition and the Committee heard the representative of the party who appeared for the PH. The Committee observed that earlier in 2007-08, the party had obtained clubbing of 09 EPCG authorizations amounting to duty saved value of Rs.177.21 crores issued and again in 2008-09, the party had obtained clubbing of 12 EPCG authorizations amounting to duty saved value of Rs.114.76 crores, as per provisions of Clubbing in the relevant FTP. Subsequently, the party had requested for an Export Obligation Period of 12 years for the clubbed authorisations [given that the duty saved amount exceeded 100 cr and Para 5.1 of FTP (RE 2007 and 2008) stated that in respect of EPCG

				authorisations with duty saved amount of Rs 100 Cr or more, the EOP shall be 12 years]. The request for EOP for 12 years for clubbed authorisations was accepted in the EPCG Committee meeting held on 30.08.2016. The Committee noted that Para 5.18.3 of HBP Vol I 2009-14 provides that in cases where clubbing has been allowed and the duty saved value exceeds Rs. 100 Crore, no corresponding benefit of increase in EOP shall be admissible. The Committee deliberated upon the case and decided to **defer** the case so as to firstly refer the matter to Policy Interpretation Committee for examining the issue.
5	M/s. Gold Plus Glass Industry Limited, New Delhi. 01/36/218/19/AM-20/EPCG	0530144915 dated 05.11.2007	Request for condonation of procedural lapse for not submitting certificate from the bank in case of supplies made after 01.04.2015 to SEZ units from foreign currency account of the SEZ unit	The party has requested for condonation of procedural lapse of not submitting certificate from the bank in case of supplies made after 01.04.2015 to SEZ units from foreign currency account of the SEZ unit. The Committee noted that the provision of para 5.11 of HBP 2015-20, read with provision of Trade Notice No.10/2016 dated 20.07.2016 stipulates that realizations in case of supplies to SEZ unit shall be from Foreign currency account of the SEZ unit only. The Committee deliberated upon the case and decided to **reject** it as there is no merit in the request.
6	M/s Jiwan Polycot, Haridwar, Uttaradhand 01/36/218/168/AM-19/EPCG-I	0530147361 dated 30.09.2008	Review of the decision taken in the EPCG Committee meeting held on 13.02.2019 regarding 2nd Extension of EOP.	The Committee observed that the request of the party for second extension in EOP was rejected in its meeting held on 13.02.2019 on the ground that even after obtaining extension of block-wise EOP extension and extension of EOP for 2 years in its meeting held on 19.12.2016, the party has not made any export in stipulated EOP and also not submitted installation

				certificate in original to the concerned RA. The Committee noted that the party has now submitted copy of installation certificate and have export orders in hand. The Committee deliberated upon the case and decided to **advise** the party to approach concerned RA in terms of provisions of Public Notice No.36/2015-20, read with provision of Public Notice No.78/2015-20 dated 11.03.2019. RA to examine the request on merit as per prevailing Policy.
7	M/s Liberty Shoes Ltd, Karnal 01/36/218/03/AM-19/EPCG-I	i.3330000583 dt. 21.07.2006 ii.3330000638 dt. 16.10.2006 iii.3330000652 dt. 30.10.2006 iv.3330000701 dt. 22.01.2007 v.3330000840 dt. 11.09.2007 vi.3330001190 dt. 25.11.2008 vii.3330001579 dt. 04.02.2010	Review of the decision taken in EPCG Committee meeting held on 27.09.2018 regarding waiver of shortfall in maintenance of annual average EO	The Committee deliberated upon the case and decided to **defer** it on the request of the party that the person who is conversant with the matter was not available.
8	M/s Precision Machine & Auto Components (P) Ltd, Chennai 01/37/218/186/AM-15/EPCG-II	i.0430006152 dated 26.05.2008 ii. 0430002478 dated 21.05.2008	Request for fulfillment of export obligation through third party export-	The Committee deliberated upon the case and decided to **defer** it on the request of the party that the person who is conversant with the matter was not available.
9	M/s Sakharam Kathod Desale, Mumbai 01/37/218/191/AM-19/EPCG-II	0330024788 dated 31.12.2009	i. Extension of block-wise EO, extension of EOP for 2 years ii. Addition of ITCHS Code of export item	The party has requested for extension of block-wise EO, extension of EOP for 2 years and addition of ITC (HS) Code of export item under EPCG authorization. The Committee noted that the power to grant extension in time for fulfilment of block wise EOP and installation of capital

			under EPCG authorization.	goods in respect of EPCG authorizations has been delegated to concerned RAs of DGFT vide Public Notice No. 35, No. 36 & No. 37/2015-20, all dated 25.10.2017, read with Public Notice No.78/2015-20 dated 11.03.2019. The Committee decided that the party may **approach concerned RA** for their request for extension in EOP. RA may examine the request in terms of provisions of Public Notice No. 36/2015-20 dated 25.10.2017 read with the Public Notice No.78/2015-20 dated 11.03.2019, on merit. The request for allowing export of alternate product may also be considered by RA on merit as per the relevant provisions of the FTP.
10	M/s Unichem Laboratories Ltd., Mumbai 01/37/218/253/AM-19/EPCG-II	0330041750 dated 21.05.2015	Request for condonation of procedural lapse in delay payment of excess utilisation fee	The Committee noted that in the case of the party, the authorisation was utilised for import of goods in excess of duty saved amount by more than 10% by customs authority as per para 5.16 of HBP of FTP 2015-20. They have fulfilled the export obligation and submitted the documents for redemption to the RA and the request is to allow regularisation of late payment of additional fee to cover excess imports. The Committee took into account the deficiency letter raised by RA, advising the party to approach EPCG committee for condonation of delay in submission to the request to the RA. The Committee deliberated upon the case and decided **to recommend to DG for relaxation under Para 2.58 of FTP 2015-20** for condonation of procedural lapse of delay in payment of fee for excess duty saved amount as envisaged in Para 5.16(a) of HBP. **This has the approval of DG.**
11	M/s Tara Print & Bind, New Delhi 01/36/218/18/AM-	0530154655 dated 31.01.2011	Second extension in EOP in respect of zero duty	The deliberated upon the case and decided to **defer** it for further examination.

	20/EPCG		EPCG authorisation	
12	M/s. The Lakshmiammal Matches Industry, Kalugumalai 01/37/218/79/AM-18/EPCG-II	3530003720 dated 22.07.2009	Review of the decision of EPCG Committee - Request for fulfillment of export obligation through third party not assessed under EPCG scheme-	The Committee observed that the case was taken up in its meeting held on 25.08.2017 and it was noted that the party has submitted third party free shipping bills for fulfilment of EO. It was, therefore, decided to reject it as free shipping bills are not allowed under EPCG Scheme. The Committee noted that now the party has stated that all shipping bills are not free shipping bills. The Committee deliberated upon the case and decided to **defer** it for further examination on file.

DGFT = Directorate General of Foreign Trade, DG = Director General, FTP = Foreign Trade Policy, HBP v1 = Handbook of Procedure Vol. I, EO = Export Obligation, EODC = Export Obligation Discharge Certificate, EOP = Export Obligation Period, B.O.E.=Bill of Entry, EPCG = Export Promotion Capital Goods, RA = Regional Authority, BG = Bank Guarantee, FFE = Free Foreign Exchange, IEC = Importer-Exporter Code, DoR = Department of Revenue, IEM = Industrial Entrepreneurs Memorandum, RCMC = Registration-cum-Membership-Certificate.