MINUTES OF 6th EPCG COMMITTEE MEETING HELD UNDER THE CHAIRMANSHIP OF SHRI SATYAN SHARDA, ADDITIONAL DIRECTOR GENERAL OF FOREIGN TRADE AT 12.00 NOON ON 01.11.2018.

Following officers attended the meeting:

a. Shri Vaibhav Bhatnagar, OSD, Department of Revenue
b. Shri Rajbir Sharma, Joint Director General of Foreign Trade, DGFT
c. Shri Randheep Thakur, Deputy Director General of Foreign Trade, DGFT

II. Minutes of the last Meeting held on 27.09.2018 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 Aqeel Leathers, Chennai 01/36/218/107/AM-15/EPCG-I	0430003704 dated 11.05.2006	Request for condonation of EO fulfilled by third party export with alternate product.	The representative of the party came to present their case before the EPCG Committee. The Committee heard the submission made by the representative of the party. The Committee noted that the party has requested for acceptance of exports of alternate products manufactured by third party. The Committee deliberated upon the case and decided to **reject** it as exports of alternate product which are manufactured by third party are not permitted for fulfilment of export obligation under EPCG Scheme.
2.	M/s Jagriti Drapes, Panipat 01/36/218/100/AM-19/EPCG-I	i.3330001777 dated 16.08.2010 ii.3330002643 dated 31.11.2012	Request for appeal against rejection of application for redemption of export obligation	The representative of the party came to present their case before the EPCG Committee. The Committee heard the submission made by the representative of the party. The Committee noted that the party has imported "shuttle-less looms" under the EPCG authorisations for manufacturing and exporting Polyester/Cotton Made-up and Polyester/Cotton Fabric. Party has, however, fulfilled the export obligation by exporting Polyester Decorative Chair Pad Cover through third party made on "handloom." The Committee decided that since shuttle-less looms have not been used to manufacture the export product, such exports cannot be considered. Thus the case is **rejected.**
3.	M/s Samraj Engineering Controls Pvt Ltd, Kanchipuram District 01/37/218/174/A	i.3230005538 dated 27.10.2005 ii.3230006445 dated 20.03.2006	Condonation of procedural lapse of non-mentioning of name and EPCG authorization	The representative of the party came to present their case before the EPCG Committee. The Committee heard the submission made by the representative of the party. The Committee noted that the party has submitted free shipping bills of third party which do not have

	M-18/EPCG-II		No. on third party shipping bills in respect of EPCG authorizations Nos. 3230005538 dated 27.10.2005 and 3230006445 dated 20.03.2006	license number and name of the license holder. The Committee deliberated upon the case and decided to **reject** it as free shipping bills are not permitted for fulfilment of Export Obligation under EPCG Scheme.
4.	M/s Travancore Titanium Products Ltd, Trivandrum 18/07/AM-18/P-5	i.5330001038 dated 22.06.2007 ii.5330001042 dated 11.07.2007 iii.5330001049 dated 02.08.2007 iv.5330001058 dated 30.08.2007 v.5330001075 dated 31.10.2007 vi.5330001087 dated 17.12.2007 vii.5330001093 dated 11.02.2008 viii.5330001099 dated 19.02.2008	i. Waiver of Average Obligation. ii. Extension of EOP till March, 2021. iii. Extension in time for installation of capital goods, iv. Specific exemption from the requirement of installation of machinery in respect of EPCG authorization Nos. 5330001038 dated 22.06.2007, 5330001058 dated 30.08.2007, 5330001081 dated 17.12.2007 and 5330001093 dated 11.02.2008. v. Removal of TTPL from the DEL.	The Committee observed that the case was first placed in its meeting held on 20.02.2018 wherein the case was deferred with the direction to call an updated report from RA and to call the party for PH. The case was again placed in its meeting held on 27.09.2018 and was again deferred on the request of the party as their concerned person was not available for PH. In the present meeting the representative of the party came to present their case before the EPCG Committee. The Committee heard the submission made by the representative of the party. The Committee noted that to comply with the pollution control norms set by the Kerala State Pollution Control Board, TTPL imported capital goods for acid recovery plant and copperas recovery plant in 2007 under EPCG scheme. In 2008 TTPL fell into financial problems and could not complete the project. In the meanwhile, due to high cost, Government of Kerala decided to abandon the Acid Recovery Plant and implement only the Copperas Recovery Plant & Neutralization plant. The Committee noted that in all these cases, EO period had already expired and the company has not even fulfilled the 1st block of EO in any of the cases, so far. Further, the CGs have not been installed and installation certificate has not even furnished in any of these cases till date. The Committee noted that Customs, Kochi had ordered for recovery of duty due to non-fulfilment of EO. On appeal, CESTAT vide order dt. 05.01.2015 allowed time upto 31.12.2015 to complete the erection of all the imported equipments. The TTPL has failed to do so and sought time up to 31.12.2018 for installation of the machinery. The Committee deliberated upon the case and decided to **reject** it as despite getting enough time to install the machinery, has failed to do so. The Committee thus came to the conclusion that under the circumstances the party is not in a position to

				fulfil the EO. The Committee thus rejected the request. RA may initiate steps to recover the duty amount and regularise their authorisations as per the policy.
5.	M/s Videocon Industries Limited, Aurangabad 01/37/218/347/AM-17/EPCG-II	i.0330004520 dated 17.10.2003 ii.0330004732 dated 19.11.2003 iii.0330004763 dated 28.11.2003 iv.0330006771 dated 05.10.2004	i. Regularization of EO fulfilment of export of Service/alternate products by the Group Company, ii. Request of condonation of shortfall in fulfilment of block–wise EO period and waiver of Endorsement of EPCG authorization: and iii. EO extension by one block i.e. by two years.	The Committee observed that the case was first placed in its meeting held on 27.09.2018 wherein it was decided to defer it with the direction to call the party for PH to explain the technical aspect of the exports made. Party was to bring technical literature of the export items and technical expert as well to explain the technical aspect of the exports. However, the representative of the party failed to appear in the meeting. The Committee deliberated upon the case and decided to **defer** it again with the direction to give one last chance to the party for PH.
6.	M/s Deesan Cotex Pvt Ltd, Mumbai 01/36/218/260/AM-18/EPCG-I	i.0330034946 dated 30.01.2013 ii.0330035925 dated 24.09.2013 iii.0330035213 dated 01.03.2013 iv.0330035284 dated 11.03.2013	Request for change of factory address.	The Committee observed that the request of the party was first placed in the EPCG Committee meeting held on 29.08.2018 and it was decided to defer the case with the direction to call the party for PH who did not appear in the next meeting on 27.09.2018. The case was deferred again. The Committee deliberated upon the case and decided to **defer** it again to call the party for PH in the next meeting.
7.	M/s KSV Cotton Mills(P) Ltd, Tamil Nadu 01/36/218/158/AM-18/EPCG-I	i.3230008685 dated 22.12.2006 ii.3230008997 dated 05.02.2007 iii.3230009067 dated 12.02.2007	Extension of EOP to 4 years (i.e. 2+2 years) and adjustment of Bank Guarantee enchased in respect of 03 EPCG authorization.	The Committee observed that the case was placed in its meeting held on 29.08.2018 and was deferred as the request was not clear. The case was again placed in its meeting held on 27.09.2018 and it was decided to **defer** it with the direction to call the party for PH in the meeting. The representative of the party came to present their case before the EPCG Committee. The Committee heard the submission made by the representative of the party who appeared for the PH. The Committee deliberated upon the case and decided to **defer** it with the direction to call report from RA regarding charging excess amount of Rs.13,34,153.00 as composition fee.

8.	M/s Indorama Industries Limited, Chandigrah 01/36/218/311/AM-18/EPCG-I	i.2230001643 dated 25.02.2011 ii.2230001694 dated 21.04.2011 iii.2230001705 dated 05.05.2011 iv.2230001706 dated 05.05.2011 v.2230001715 dated 12.05.2011 vi.2230001716 dated 12.05.2011 vii.2230001741 dated 31.05.2011 viii.2230001791 dated 12.07.2011 ix.2230001829 dated 25.08.2011 x.2230001837 dated 30.08.2011 xi.2230001835 dated 30.08.2011 xii.2230001833 dated 30.08.2011 xiii.2230001832 dated 30.08.2011 xiv.2230001836 dated 30.08.2011 xv.2230001856 dated 12.10.2011 xvi.2230001877 dated 24.11.2011	Request for waiver off export obligation in respect of 16 EPCG authorizations.	The representative of the party came to present their case before the EPCG Committee. The Committee heard the submission made by the representative of the party. The representative of the party who appeared for PH submitted that their request for waiver of EO may be accepted on the ground that their product is 100% import substitute to be used by the domestic textile consumers in India and, therefore, in their case the foreign exchange saved is foreign exchange earned. The Committee deliberated upon the case and decided to **reject** it as there is no merit in the claim of the party for waiver of EO on the ground submitted by the party.
9.	M/s Atma Garments Pvt Ltd, Noida(U.P.) 01/36/218/123/AM-19/EPCG-I	0530144828 dated 22.12.2007	Request for acceptance of exports made by alternate products.	The Committee took into account submission of the party that they have fulfilled EO against the said EPCG authorisation with alternate products and requested for issuance of EODC. The Committee deliberated upon the case and decided to **remand** the case back to RA. RA may examine the request on the basis of nexus certificate and subject to the condition that the alternate export product is manufactured by the use of same capital goods.
10.	M/s Wockhardt Limited, Mumbai 01/37/218/12/AM-19/EPCG-II	0330039243 dated 11.07.2014	Request for permission for re-export of capital goods.	The Committee noted that their application for re-export of equipment of the said EPCG License has been rejected by RA, Mumbai siting Para number 5.16 of HBP and PN 29 dt. 09/10/2017 stating that to approve re-export of item imported under EPCG License was not under their purview as period of 3 years from the date of import has lapsed. The Committee deliberated upon the case and decided to **defer** the same to call the party for PH in the next meeting to understand the circumstances under which the request could not be made to RA within the time.
11.	M/s Gold Plus Glass Industry Limited, New	0530144915 dated 05.11.2007	Request for condonation of procedural	The Committee noted that the case was first placed in its meeting held on 27.09.2018 and it was decided to defer it with the direction to call the

	Delhi 01/36/218/101/AM-19/EPCG-I		lapse of wrong mentioning of EPCG authorization number in invoices-regarding.	party for PH. The representative of the party came to present their case before the EPCG Committee. The Committee heard the submission made by the representative of the party who appeared for the PH. The Committee took into account submission of the party that their request for consideration of export made to Nepal in INR for fulfilling EO in respect of EPCG authorisations has been accepted by PRC Committee on 03.04.2018. Subsequently, they observed at the time of submission of documents concerning redemption of EPCG Licences that in 687 invoices, EPCG Licence (s) number were wrongly mentioned. In such 687 invoices, EPCG Licence No. 0530144915 dated 05.11.2007 should have been mentioned. The Committee deliberated upon the case and decided **to recommend to DG for relaxation under Para 2.58 of FTP 2015-20 to allow** condonation of wrong mentioning the EPCG authorization No.0530144915 dated 05.11.2007, subject to condition that there is no double counting of exports and payment of a composition fee of Rs.200/- per ARE is made by the party. **This has the approval of DG.**
12.	M/s Birla Precision Technologies Limited, Aurangabad 01/36/218/34/AM-18/EPCG-I	i.0330011202 dated 02.03.2006 ii.0330007162 dated 23.11.2004	Request for closure of EPCG authorization & withdrawal of demand letter issued by RA, Mumbai	The Committee deliberated upon the case and decided to **defer** it with the direction to call specific comments from RA.
13.	M/s Chandak Woollens Pvt Ltd, Bikaner(Raj) 01/36/218/100/AM-17/EPCG-I	1330001544 dated 12.03.2007	i. Extension of EOP for 2 years, and ii. Change of ITC (HS) Code of export items.	The Committee took into account submission of the party that they could not fulfil EO due to recession in global market and non-availability of exports order. Further, their export product and ITC HS code in the condition sheet was wrongly mentioned and, therefore, requested for change of export product having ITC HS code 5703: Tufted Carpets. The Committee deliberated upon the case and decided to **remand** the case back to RA. RA may examine the request on the basis of nexus certificate and subject to the condition that the export product is manufactured by the use of the same capital goods.

14.	M/s Hindustan Urban Infrastructure Limited, New Delhi 01/36/218/208/AM-16/EPCG-I	0530134322 dated 11.06.2003	Request for condonation of procedural laps of not-mentioning authorization number in supply invoice for fulfilment of export obligation.	The Committee deliberated upon the case and decided to **defer** it with the direction to call for detailed report from RA.
18.	M/s Silver Spark Apparel Ltd, Bangalore 01/37/218/292/AM-18/EPCG-II	i.0730007226 dated 29.07.2008 ii.0730007227 dated 29.07.2008 iii.0730011174 dated 04.04.2012 iv.0730011195 dated 19.04.2012 v.0730011249 dated 09.05.2012 vi.0730011469 dated 20.07.2012 vii.0730011634 dated 11.09.2012 viii.0730011778 dated 30.10.2012 ix.0730010056 dated 29.04.2011 x.0730010113 dated 11.05.2011 xi.0730010151dated 16.05.2011 xii.0730010290 dated 16.06.2011 xiii.0730010435 dated 03.08.2011 xiv.0730010595 dated 26.09.2011 xv.0730010933 dated 18.01.2012 xvi.0730007202 dated 22.09.2008 xvii.0730008825 dated 20.04.2010 xviii.0730009094 dated 07.07.2010 xix.0730009261 dated 18.08.2010 xx.0730009746 dated 04.01.2011 xxi.0730009759 dated 07.01.2011 xxii.0730009911 dated 03.03.2011 xxiii.0730001003 dated 29.03.2011 xxiv.0730012389 dated 21.05.2013	i. Request for condonation of error of not intimating the takeover to the RA. ii. Request for allowing transfer of EPCG authorizations from M/s. Raymonds Limited to M/s. Silver Spark Apparel Limited. iii. Request for condonation of non-maintenance of annual average for the financial year 2009-10 & 2011-12 iv. Request for assigning some of the surplus shipping bills from Silver Spark Apparel Limited after the takeover date for fulfilling export obligation for Authorizations by way of clubbing.	The representative of the party came to present their case before the EPCG Committee. The Committee heard the submission made by the representative of the party. The Committee took into account submission of party in respect of its four requests. The Committee noted that that Raymond Limited (part of Raymond Group) imported various capital goods under EPCG scheme. The unit, as a part of group consolidation activity, was sold under Business Transfer Agreement to its 100 % subsidiary company, namely, M/s Silver Spark Apparel Limited. Resultantly, this unit was added under branch code 29 of IEC of Silver Spark Apparel Limited. The fact of takeover of the company was, inadvertently, not informed to the Regional Licensing Authority at Bengaluru. However, the address of the unit has been updated in the Central Excise Certificate. The Committee deliberated on the issue and decided to condone the error of not intimating the takeover to the RA since the address of the unit had been updated in the Central Excise Certificate. The Committee also decided that **RA may consider** transfer of EPCG authorizations from M/s. Raymond Limited to Silver Spark Apparel Limited, to fulfil export obligation in respect of the EPCG authorisations by Silver Spark Apparel Limited, subject to condition that the average Export Obligation of Raymond Limited imposed in respect of subject EPCG authorisation in addition to annual average export obligation of transferee company shall be maintained by the transferee company. The transferee company, however, shall furnish fresh BG/LUT to the Customs authorities and also submit amended IEC and RCMC incorporating the name and address of transferee company in IEC / RCMC to RA. The Committee further decided that the Request for condonation of non-maintenance of annual average for the financial year 2009-10 & 2011-12 had no merit and thus rejected this request. The Committee also decided that the request for assigning some of the surplus shipping bills from

		xxv.0730007318 dated 25.08.2008 xxvi.0730007363 dated 11.09.2008 xxvii.0730007393 dated 17.08.2008 xxviii.0730007404 dated 19.09.2008 xxix.0730007510 dated 23.10.2008 xxx.0730007264 dated 06.08.2008 xxxi.0730008315 dated 23.10.2009 xxxii.0730008400 dated 27.11.2009		Silver Spark Apparel Limited after the takeover date for fulfilling export obligation for Authorizations by way of clubbing may be dealt with by RA strictly as per the applicable policy provisions.

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.