MINUTES OF EPCG COMMITTEE MEETING HELD UNDER THE CHAIRMANSHIP OF SHRI J.V. PATIL, ADDITIONAL DIRECTOR GENERAL OF FOREIGN TRADE AT 14:30 Hours ON 06.12.2017.

Following officers attended the meeting:

a. Shri S.S. Ahuja, OSD, Department of Revenue
b. Shri Rajbir Sharma, Joint Director General of Foreign Trade, DGFT
c. Shri Kumar Rahul, Deputy Director General of Foreign Trade, DGFT

II. Minutes of the last Meeting held on 04.10.2017 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 Welspun Corp Limited, Mumbai 01/37/218/121/AM-18/EPCG-II	3430001246 dated 10.06.2008	Condonation of delay in installation of capital goods imported under EPCG authorization.	The Committee noted that the party has fulfilled more than 100% Specific EO in the first block period. The Committee took into account the submission of the party that the capital goods were part of expansion plant in line with various other machineries which required civil construction work for installation resulting in delay in installation beyond 18 months from date of import. The Committee, deliberated upon the case and decided **to recommend to DG for relaxation under Para 2.58 of FTP 2015-20 to allow** condonation of delay in installation of capital goods subject to payment of composition fee of Rs.5000/-. **This has the approval of DG.**
2.	M/s Stabicoat Vitamins, Ahmedabad 01/37/218/226/AM-18/EPCG-II	0830003374 dated 10.02.2010	Condonation of delay in submission of installation certificate.	The Committee noted that the party has fulfilled more than 100% Specific EO in the first block period. The Committee took into account the submission of the party that due to procedural lapse they could not approach Central Excise Authority in time resulting in delay in issuance of installation certificate beyond 18 months from date of import. The Committee, deliberated upon the case and decided **to recommend to DG for relaxation under Para 2.58 of FTP 2015-20 to allow** condonation of delay in installation of capital goods subject to payment of composition fee of Rs. 5000/-. **This has the approval of DG.**
3.	M/s Padam Prabhu Knits Pvt. Ltd., Ludhiana 01/37/218/261/AM-18/EPCG-II	3030010872 dated 02.05.2013	Regularization of shifting of capital goods to new unit under EPCG.	The submission of the party is that they have obtained the subject EPCG authorization for installation of capital goods at their factory premises **Plot No. 9-B, Gall No. 4, Guru Vihar, Rahon Road, Ludhiana 141007** but later on due to shortage of space they had to shift the machines to new unit **Village Bajra, Rahon Road, Near ICE Factory, Ludhiana 141007** and the new address is mentioned in the IEC. The Committee, deliberated upon the case and

				decided **to recommend to DG for relaxation under Para 2.58 of FTP 2015-20 to allow** the shifting of capital goods from **Plot No. 9-B, Gall No. 4, Guru Vihar, Rahon Road, Ludhiana 141007** to **Village Bajra, Rahon Road, Near ICE Factory, Ludhiana 141007** subject to payment of composition fee of Rs. 5000/- and submission of fresh installation certificate. **This has the approval of DG.**
4.	M/s Srinivasa Engineering works, Chennai. 01/37/218/350/AM-17/EPCG-II	0430014014 dated 09.09.2014	Fulfilment of specific EO by job work supplies effective to SEZ.	The Committee noted that the party is doing job work for third party M/s.Sundram Fasteners Limited located in SEZ unit which they are exporting after further processing at their end. The Committee deliberated upon the case and decided to **reject** the request. The supply to SEZ should be through Bill of Exports for considering towards EO fulfillment under EPCG Scheme.
5.	M/s Sri Lakshmi Godavari Spinning Mill Limited, Guntur. 01/37/218/72/AM-17/EPCG-II	0930005785 dated 16.04.2010 0930005786 dated 16.04.2010 0930005787 dated 16.04.2010 0930005892 dated 25.05.2010 0930006224 dated 03.09.2010 0930007972 dated 01.03.2012 0930008260 dated 24.05.2012 0930008474 dated 14.08.2012 0930008475 dated 14.08.2012 0930008476 dated 24.08.2012 0930008606 dated 25.09.2012 0930009160 dated 21.03.2013	Condonation from maintenance of annual average EO fulfilled in totality.	The Committee noted the party's submission that there is a shortfall in fulfilment of annual average EO in two years which has been offset by excess exports in other years. The Committee deliberated upon the case and decided **to recommend to DG for relaxation under Para 2.58 of FTP 2015-20 to allow c**ondonation from maintenance of Annual Average EO as the firm has covered the shortfall through excess exports in Average EO during other years. **This has the approval of DG.**
6.	M/s Gopal Fashions Pvt. Ltd., Delhi. 01/36/218/206/AM-16/EPCG-I	0530144206 dated 27.07.2007	Counting of excess Exports made against EPCG Authorization No. 0530141882 dated 05.09.2006 for fulfilment of EO against the EPCG Authorization No. 0530144206 dated 27.07.2007 and condonation of procedural lapse for mentioning wrong EPCG authorization number in shipping bills.	The Committee noted the party has submitted document for fulfillment of EO but the description of the export item does not show the export item mentioned in the EPCG authorisation and the correct EPCG authorisation number is not mentioned in the shipping bills. The Committee deliberated upon the case and decided to **reject** the request.

7.	M/s First Line Collection, Ludhiana. 01/36/218/177/AM-18/EPCG-I	3030014322 dated 07.07.2015	Regularization of shifting of capital goods.	The Committee took into account the submission of the party that have obtained the subject EPCG authorization for installation of capital goods at their factory **395, Gali No. 4, New Madhopuri, Distt. Ludhiana – 141 008**, but due to shortage of space, they have shifted the machines to new unit at **B-24/4838, St. No. 2, Sunder Nagar, Ludhiana – 141 007.** The Committee, deliberated upon the case and decided **to recommend to DG for relaxation under Para 2.58 of FTP 2015-20 to allow** the shifting of capital goods from **395, Gali No.4, New Madhopuri, Distt. Ludhiana – 141 008** to new location at **B-24/4838, St. No. 2, Sunder Nagar, Ludhiana – 141007** subject to payment of composition fee of Rs. 5000/- and that the said address is in the IEC of the firm and also subject to submission of fresh installation certificate. **This has the approval of DG.**
8.	M/s Baco Metallic Industries, New Delhi. 01/36/218/145/AM-18/EPCG-I	0530162338 dated 14.02.2014	Regularization of shifting of capital goods.	The Committee took into account the submission of the party that have obtained the subject EPCG authorization for installation of capital goods at their factory **D-247/17, Sector-63, Noida** but due to electricity, labour problems and shortage of space, they have shifted the machines to new unit at **J-39, Sector-63, Noida.** The both the addresses of the units are mentioned in their IEC and RCMC. The Committee, deliberated upon the case and decided **to recommend to DG for relaxation under Para 2.58 of FTP 2015-20 to allow** shifting of capital goods from **D-247/17, Sector-63, Noida** to **J-39, Sector-63, Noida** subject to payment of composition fee of Rs. 5000/- and subject to production of fresh installation certificate. **This has the approval of DG.**
9.	M/s Jindal Poly Films Ltd., New Delhi. 01/36/218/140/AM-17/EPCG-I	0530145218 dated 19.12.2007	Condonation of procedural lapse for mentioning wrong EPCG authorization number in the shipping bills.	The committee noted that the request of the party was placed in its meeting held on 19.07.2017, wherein it was decided to defer it with directions to ask the party for clarification. The request of the party was again placed in its meeting held on 25.08.2017 wherein it was decided to defer it with directions that CLA, Delhi may examine the case and furnish their comments/report to the Committee. The Committee deliberated upon the case and decided to **defer** it with the direction to call further clarification from CLA, Delhi.
10.	M/s Tata Steel Limited, Mumbai 01/37/218/229/AM-15/EPCG-II	230001572 dated 14.06.2006 230001573 dated 14.06.2006 230001696 dated 14.08.2006 230001914 dated 15.11.2006 230002091 dated	Allowing fulfillment of EO by export of 100% alternate product.	The Committee noted that the party has set up a 100% subsidiary M/s HMCPCL at Haldia in the year 2006 to manufacture and supply metallurgical coke to its steel plant at Jamshedpur. M/s.HMCPCL imported capital goods under 15 nos. EPCG authorisations during the period from 01.04.2008 to 13.12.2009 for manufacture of coke as export product. Out of the 15 EPCG authorisations, 08 authorisations were issued

		15.01.2007 230002343 dated 09.05.2007 230002425 dated 19.06.2007 230002440 dated 26.06.2007 230003632 dated 15.09.2008 230003738 dated 31.10.2008 230003859 dated 11.12.2008 230003956 dated 15.01.2009 230004120 dated 31.03.2009 230004124 dated 31.03.2009 230004714 dated 03.12.2009		prior to 1.4.2008 and 07 are issued during the period from 15.09.2008 to 13.12.2009. The Committee further noted that M/s. HMCPCL, Haldia amalgamated with Tata Steel Ltd with the approval of High Court of Kolkata. The endorsement of the merger was carried out as per Hqrs letter dated 12.2.2014 along with other condition of E.O. fulfilment i.e. 50% by coke & allied product to be manufactured out of Capital goods imported and the rest of 50% by alternate goods. Now, the party has requested for allowing of 100% export of alternate product (steel finished products) manufactured by Jamshedpur plant by using coke manufactured by HMCPCL plant at Haldia. The Committee deliberated upon the case and noted that fulfillment of EO by export of 100% alternate product (steel finished products) in respect of EPCG licenses (8 nos.) issued prior to 1st April, 2008; and fulfillment of EO upto 50% by way of export of alternate product (steel finished products) in respect of EPCG licenses (6 nos.) issued on or after 1st April, 2008 but before 18th April, 2013 was available as per the relevant policy provision and subject to conditions mentioned therein. Therefore RA to examine the request accordingly.
11.	M/s Spenta International Ltd., Mumbai 01/37/218/176/AM-14/EPCG-II	0330000135 dated 18.02.2000	Counting of excess made against three EPCG authorizations No. 0330008095 dt. 10.03.2005, 0330009809 dt. 23.092005 and 0330012141 dt. 31.05.2006 for fulfillment of EO of EPCG authorization no. 0330000135 dt. 18.02.2000.	The Committee noted that the party was asked to depute representative for PH to present their case before the Committee. Therefore, the Committee deliberated upon the case and decided to **defer** the case as the representative of the party did not turn up for PH.
12.	M/s Ginter Forging (Pvt.) Ltd., Ludhiana. 01/36/218/191/AM-18/EPCG-I	3030005765 dated 25.09.2009	Acceptance of installation certificate issued by Chartered Engineer instead of Central Excise.	The Committee noted that the party has fulfilled 75% EO within first block of EOP. The Committee took into account the submission of the party that although they had obtained installation certificate from Chartered Engineer but could not be able to get the same from Central Excise due to procedural lapses. The Committee deliberated upon the case and decided **to recommend to DG for relaxation under Para 2.58 of FTP 2015-20 to allow** acceptance of installation certificate issued by chartered engineer instead of central excise authority subject to payment of composition fee of Rs.5000/- and verification report by Central Excise Authorities that the capital goods are installed in their factory/premises. **This has the approval of DG.**

13.	M/s Hindustan Zinc Limited, Udaipur 01/36/218/278/AM-17/EPCG-I	1330004703 dated 16.12.2015	Permission to shift the capital goods.	The Committee noted that the party has obtained the subject EPCG authorization for installation of capital goods at their **Rampura Agucha Mines and Zawar Mines** respectively. The Committee deliberated upon the case and decided to **defer** it as the party has not made any exports so far and has not submitted installation certificate to RA.
14.	M/s Jindal Poly Films Ltd., New Delhi 01/36/218/138/AM-17/EPCG-I	0530142197 dated 20.10.2006	Regularization of exports made by alternate export product.	The submission of the party is that due to procedural lapse they could not make application for addition of alternate product in the Authorisation prior to its export. The Committee noted that FTP(RE;2006)/2004-09 provided for fulfillment of 100% EO by alternate products. The Committee, therefore, decided to **recommend to DG for relaxation under Para 2.58 of FTP 2015-20** to condone non submission of application prior to exports and to **allow** RA to consider counting of exports of alternate products manufactured by them, in terms of para 5.4 (i) FTP 2004-09. The party would, however, maintain average export obligation for alternate product, as may be re-fixed by RA as per policy and also subject to compliance of other conditions mentioned in the said para/policy. **This has the approval of DG.**
15.	M/s Max Speciality Films Limited, Punjab. 18/90/AM-17/P-5	2230000988 dated 22.08.2008	Addition of alternate export product i.e. "Thermal BOPP Films" falling under ITC code 39209090.	The Committee took into account submission of the party that due to slow down in the international market and weak market scenario for leather finishing transfer foil products, they could not be able to complete the EO by export existing export product. The Committee noted that there was a provision in FTP (RE;2008)/2004-09 for fulfillment of 50% EO by alternate products at the time of issuance of subject EPCG authorisation. The Committee deliberated upon the case and decided to **remand** the case to RA for examination of the firm's request. RA may examine the request of the party as per policy provisions applicable at the issuance of licence.
16.	M/s Century Pulp and Paper, Nainital. 01/36/218/121/AM-17/EPCG-I	0230001364 dt. 24.02.2006 0230003646 dt. 17.09.2008 0230003756 dt. 06.11.2008 0230003770 dt. 12.11.2008 0230003795 dt. 20.11.2008 0230004072 dt. 12.03.2009 0230004446 dt. 02.09.2009	i. Regularisation of exports made by alternate export products through Group Company prior to endorsement of alternate product by RA in respect of 15 EPCG authorizations. ii. Condonation of delay in installation	i. The Committee observed that there was a provision to fulfil 100% EO by export of alternate products in respect of one EPCG authorisation issued on 24.02.2006 and to fulfill 50% EO by export of alternate products in respect of EPCG authorisations issued between 17.09.2008 to 08.03.2011. The Committee noted that except EPCG authorisation No.0230003646 dated 17.09.2008 name of Group Company has been endorsed on other 14 EPCG authorisations. ii. The Committee took into account the submission

		0230004474 dt. 18.09.2009 0230004787 dt. 30.12.2009 0230004797 dt. 04.01.2010 0230004864 dt. 25.01.2010 0230004891 dt. 02.02.2010 0230004945 dt. 16.02.2010 0230005722 dt. 06.09.2010 0230006421 dt. 08.03.2011	of capital goods in respect of 08 EPCG authorisation nos. 0230003795 dt. 20.11.2008, 0230004891 dt. 02.02.2010, 0230003770 dt. 12.11.2008, 0230004864 dt. 25.01.2010, 0230004474 dt. 18.09.2009, 0230004797 dt. 04.01.2010, 0230004787 dt. 30.12.2009 & 0230004446 dt. 02.09.2009.	of the party that installation of capital goods could not be completed within 18 month of imports due to the fact that capital goods were procured from multiple sources and one or two consignments of machinery were shipped in parts and consequently the installation could not be take place in time leading to further delay. The Committee, deliberated upon the case and decided **to recommend to DG for relaxation under Para 2.58 of FTP 2015-20** to allow : i. counting of exports by alternate products manufactured by them prior to the date of endorsement, in terms of Para 5.4(i) of FTP/2004-09 in respect of EPCG authorisation issued during AM2006 and AM 2008 and in terms of para 5.5(i) of FTP/2009-14 in respect of EPCG authorisations issued during AM 2009 to AM 2011, subject to the compliance of the terms and conditions mentioned therein. The party would, however, maintain average export obligation for alternate product, as may be re-fixed by RA as per policy. ii. allow condonation of delay in installation of capital goods subject to payment of composition fee of Rs. 5000/- against each authorisation. **This has the approval of DG.**
17.	M/s Ashok Leyland Vehicles Limited (Formerly Ashok Leyland Nissan Vehicles Limited). 01/36/218/245/AM-17/EPCG-I	51 EPCG authorisations.	i. Extension of first block EOP against 23 EPCG authorizations (Sl. No. 6 to 28) ii. Condonation of delay in submission of installation certificates due to misinterpretation of Policy for 51 EPCG authorizations. iii. Condonation of submission of installation certificate from Chartered Engineer instead of Central Excise in respect of 42 EPCG authorizations. iv. Regularisation of shifting of capital goods against 09 EPCG authorizations to the premises of the sister concern / sub-contractor of the supporting manufacturer (Sl. No. 17, 22, 24 to 27,	The Committee deliberated upon the case and decided to **defer** it for calling comments from Department of Revenue.

			32 to 34). v. Change of name of all 51 EPCG Authorisations from M/s. Ashok Leyland Nissan Vehicles Limited to M/s. Ashok Leyland Vehicles Ltd.	
18.	M/s Andhra Cement Limited, Andhra Pradesh. 01/36/218/31/AM-17/EPCG-I	0930004376 dated 11.09.2008 0930004558 dated 27.11.2008 0930004741 dated 02.03.2009 0930005255 dated 28.10.2009 0930005320 dated 20.11.2009	Extension of EOP for 3 years in terms of Para 5.05 of FTP 2015-20.	The Committee took into account the submission of the party that they were sick industrial company and their management was taken over by Jaypee group on 10.02.2012. After rehabilitation under BFIR the commercial product from the plant started under the new management control w.e.f. December, 2014. It was noted that they were already under BIFR monitoring when they proceeded to obtain these EPCG authorisations The Committee deliberated upon the case and decided to **reject** the request. However, the party may explore regular extension provisions with the concerned RA.
19.	M/s Haier Appliances (India) Pvt. Ltd., Pune. 01/36/218/29/AM-18/EPCG-I	25 EPCG authorizations.	i. Condonation for fulfilment of year-wise annual average EO in respect of 25 EPCG authorizations**;** ii. Condonation of procedural lapse for mentioning wrong EPCG authorizations on shipping bill against 05 EPCG authorization Nos. 0530152423 dt. 11.06.2010, 0530152813 dt. 20.07.2010, 0530152814 dt. 20.07.2010, 0530152974 dt. 05.08.2010 and 0530152975 dt. 05.08.2010.	The Committee noted the party's submission that there is a shortfall in fulfilment of annual average EO in some years which has been offset by excess exports in other years. The Committee noted the submission of the party that due to procedural lapse wrong EPCG authorisations are written on shipping bill. The Committee deliberated upon the case and decided **to recommend to DG for relaxation under Para 2.58 of FTP 2015-20 to allow:** **i.** **c**ondonation from maintenance of Annual Average EO as the firm has covered the shortfall through excess exports in Average EO during other years. ii. Condonation of wrong mentioning the EPCG authorization number and date on shipping bills against 05 EPCG authorisation No.0530152423 dated 11.06.2010, No.0530152813 dated 20.07.2010, No.0530152814 dated 20.07.2010, No.0530152974 dated 05.08.2010 and No.0530152975 dated 05.08.2010 subject to the condition that there is no double counting of exports & there is no free shipping bill and payment of a composition fee of Rs.200/- per Shipping Bill. **This has the approval of DG.**
20.	M/s Checkpoint Apparel Labeling Solutions India Pvt. Ltd., Chennai. 01/36/218/290/AM-17/EPCG-I	0430001858 dated 13.08.2004 0430001980 dated 24.09.2004	i. Extension of block wise EOP and to accept the exports made by them after the expiry of EOP (extension of EOP for one year i.e. up	The Committee noted that the party has made SEZ supplies without preparation of Bill of Export. The Committee deliberated upon the case and decided to **defer** it for further examination on file.

			to 12.08.2014 and second extension of EOP for one month i.e. up to September, 2014) in respect of authorization no. 0430001858 dated 13.08.2004. ii. Extension of block wise EOP and to accept the exports made by them after expiry of EOP (extension of EOP for 2 years i.e. up to September, 2014) in respect of authorization no. 0430001980 dated 24.09.2004.	
21.	M/s.Kineco Pvt Limited O1/36/218/159/EPCG-I	1730001073 dated 20.10.2010	Transfer to EPCG authorisation No.1730001073 dated 20.10.2010 from M/s. Kineco Limited (formerly known as Kineco Pvt Ltd) to M/s. Keneco Kaman Composites India Pvt Ltd on slump sale basis.	The Committee deliberated upon the case and decided to **defer** it to call representative of the party for PH.

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, 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.