

GOVERNMENT OF INDIA
MINISTRY OF COMMERCE & INDUSTRY
(DEPARTMENT OF COMMERCE)

LOK SABHA
UNSTARRED QUESTION NO. 2348
TO BE ANSWERED ON 15th MARCH, 2023

EPCG

2348. SHRI UNMESH BHAIYYASAHEB PATIL:
PROF. RITA BAHUGUNA JOSHI:
DR. HEENA VIJAYKUMAR GAVIT:
DR. KRISHNA PAL SINGH YADAV:
DR. SHRIKANT EKNATH SHINDE:
DR. SUJAY RADHAKRISHNA VIKHE PATIL:

Will the Minister of **COMMERCE & INDUSTRY** (वाणिज्य एवं उद्योग मंत्री) be pleased to state:

- (a) whether the Government has provided relaxation to certain sectors under the Export Promotion Capital Groups (EPCG) Scheme and if so, the details thereof;
- (b) whether the Government has selected these sectors only to be benefitted under the relaxation and if so, the details thereof;
- (c) the reasons to provide this relaxation from the EPCG Scheme to these sectors;
- (d) whether a time period is decided for the relaxation to be continued; and
- (e) if so, the details thereof?

ANSWER

वाणिज्य एवं उद्योग मंत्रालय में राज्य मंत्री (श्रीमती अनुप्रिया पटेल)

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY
(SMT. ANUPRIYA PATEL)

(a): Yes Sir. Considering the adverse impact of COVID-19 pandemic, the Government has provided following relaxation for authorization issued under Export Promotion Capital Goods (EPCG) Scheme for Hotel, Healthcare and Educational sectors vide Public Notice No. 53/2015-2020 dated 20th January, 2023.

- (i) for the years 2020-21 and 2021-22, no Average Export Obligation is required to be maintained.
- (ii) Export Obligation (EO) period may be extended from the date of expiry for the duration equivalent to the number of days EO period falls within 01.02.2020 and 31.03.2022. Such extension shall be granted without payment of any composition fees.

(b): No Sir. Benefits were also granted to EPCG authorization holders of all other sectors including Hotel, Healthcare and Educational sectors in the following manner. In order to mitigate the adverse impact caused by COVID-19 pandemic, Government issued Notification No. 57/2015-2020 dated 31st March, 2020, Public Notice No. 67/2015-2020 dated 31st March, 2020, Notification No. 28/2015-2020 dated 23rd September, 2021 and Public Notice No. 53/2015-2020 dated 20th January, 2023 which inter-alia provided relief for holders of the EPCG Authorisations. These reliefs have been stated below in brief:

- (i) If validity of EPCG authorizations expires during 1st February, 2020 to 31st July, 2020, such period is deemed to be automatically extended by further 6 months from the date of such expiry.
- (ii) If the EO period expires during 1st February, 2020 to 31st July, 2020, such period is deemed to be automatically extended by further 6 months from the date of such expiry.
- (iii) Time limit for submission of installation certificate was extended automatically by 6 months from date of expiry, where original expiry date falls within 1st February, 2020 to 31st July, 2020.
- (iv) For EPCG Authorizations, where original or extended EO period is expiring during the period between 01.08.2020 and 31.07.2021, the EO period would be extended till 31.12.2021 without any composition Fees. However, this extension is subject to 5% additional EO in value terms (in free Foreign Exchange) on the balance EO on the date of expiry of the original/extended EO period.
- (v) Extension of EO period for EPCG authorizations was allowed from the date of expiry, for the number of days the existing EO period of an authorization falls within 01.02.2020 and 31.07.2021. Such EO extension may be granted without payment of composition fees. However, this extension is subject to 5% additional EO in value terms (in free Foreign Exchange) on the balance EO as on 31.03.2022.
- (vi) Under EPCG scheme to provide relief to exporters of those sector where total export in the sector/product group has declined by more than 5% as compared to the previous year, Government issues Policy Circulars in order that the average export obligation for the year may be reduced proportionate to reduction in exports of that particular sector/product group during the relevant year as against the preceding year. DGFT has issued Policy Circular's No. 37/2015-20 dated 10th September, 2021, 43/2015-20 dated 27th July, 2022 and 44/2015-20 dated 17th November, 2022 in this regard.

(c): The relaxations have been provided to EPCG authorization holders on account of hardship caused by the COVID-19 Pandemic.

(d) & (e): No such proposal is under consideration.
