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Government of India  
Ministry of Commerce and Industry  
Department of Commerce  
Directorate General of Foreign Trade  
Udyog Bhawan

**Public Notice No.30/2015-20**  
**New Delhi, Dated the 14<sup>th</sup> August, 2018**

**Subject:- Acceptance of installation certificate under EPCG Scheme by the RAs, wherein installation certificate is submitted beyond 18 months, without penalty**

In exercise of powers conferred under Paragraph 2.04 of FTP (2015-20) read with Paragraph 2.58 of FTP (2015-20), the Director General of Foreign Trade in public interest hereby makes the one time relaxation in procedure in respect of acceptance of installation certificate under the EPCG Scheme.

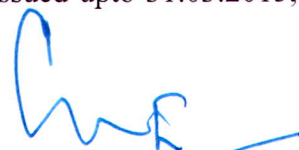
1. Under the EPCG Scheme, the authorization holders are required to submit the installation certificate showing installation of the capital goods to the RA within the prescribed time period.
2. Sometimes, the submission of installation certificate to the RAs was not within the time prescribed on account of various reasons, including delay in installation of the machinery/delay in issuance of installation certificate etc. The EPCG Committee was receiving requests for condonation of time period of submission of installation certificate to the Regional authorities. Some of such requests for condonation were considered by the EPCG Committee on payment of composition fee of Rs.5,000/-
3. As a facilitative measure, Public Notice No.37/2015-20 dated 25.10.2017 was issued permitting one time relaxation for condonation of time period upto 31.03.2018 condoning the delay in submission of installation certificate on payment of penalty of Rs.5000/- per authorization (provided the installation has happened within the period of 18 months). The benefit of said Public Notice was further extended upto 30.09.2018 vide Public Notice No.01/2015-20 dated 26.04.2018.
4. There have been representations from the Trade for accepting the submission of installation certificate without insisting on penalty, if the installation has happened within the specified time prescribed. The contention in the representations is that as per their understanding, of the para 5.3.1 of HBP (2009-14), there was no time limit for submission of the installation certificate and the time limit was only for the installation of machinery. It has also been pointed out that in the past, some RAs have accepted the installation certificate even at the time of redemption. Therefore, it has been requested not to impose any penalty for these authorizations.
5. The issue has been considered. The submission of installation certificate is an important aspect of monitoring of the EPCG Scheme which cannot be postponed till the completion of the EO period. The intent of the para of the HBP was clearly that the capital goods were to be imported, the installation certificate obtained and presented to the RAs within the time period in the said para. The reading of the relevant custom notification for the EPCG Scheme also makes it clear that the installation certificate was to be produced within the period

specified. However, it is contended by some that they could interpret the para under the HBP (2009-14) that the period applies only for installation/obtaining the certificate and they can provide the same to the RAs anytime even at the time of redemption.

6. Taking into account the representations in this regard and to facilitate the ease of doing business for the purpose, it has been decided to permit the RAs to accept the installation certificate without insisting for penalty in respect of authorization issued upto 31.03.2015 as long as the installation has happened within 18 months from the date of import, provided the EPCG authorization is not under any investigation/ adjudicated by RA/ customs authority/ any other investigative agency. This relaxation will be available upto 31.03.2019. There will not be any refund of the penalty already paid under the Public Notice No.37/2015-20 dated 25.10.2017.

7. The other terms and conditions in the Public Notice No.37/2015-20 dated 25.10.2017 and Public Notice No.01/2015-20 dated 26.04.2018 consistent with this Public Notice will continue to be applicable.

Effect of this Public Notice: One time relaxation and condonation of delay in submission of installation certificate to RAs under EPCG Scheme for authorizations issued upto 31.03.2015, without payment of any penalty.



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