



Ministry of Commerce & Industry



EPCG Scheme Relaxed for Sectors Affected by COVID-19 Pandemic

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The Indian government has announced a one-time relaxation from maintaining average export obligation and an option to extend the export obligation period for certain sectors under the Export Promotion Capital Goods (EPCG) Scheme. The sectors that are eligible for this relief are the Hotel, Healthcare, and Educational sectors. For the years 2020-21 and 2021-22, these sectors will not be required to maintain average export obligation for EPCG authorizations issued to them.

These sectors will also have the option to extend the export obligation period for a longer duration, without having to pay any additional fees.

For EPCG authorizations issued for the Hotel, Healthcare and Educational sectors, the export obligation period would be extended from the date of expiry for the duration equivalent to the number of days the export obligation period falls within February 1, 2020 and March 31, 2022. This extension will be granted without payment of composition fees. However, for EPCG authorizations issued for sectors other than Hotel, Healthcare and Educational, the export obligation period may be extended for the number of days the existing export obligation period falls within February 1, 2020 and July 31, 2021. This extension will be granted without payment of composition fees, but with a 5% additional export obligation in value terms on the balance export obligation as on March 31, 2022.

This relaxation has been provided in light of the economic slowdown caused by the COVID-19 pandemic. This relief will help the Hotel, Healthcare and Educational sectors to cope with the negative impact of the pandemic on their export activities.

The Export Promotion Capital Goods (EPCG) scheme is a trade promotion scheme implemented by the Indian government that allows duty-free import of capital goods for the purpose of export production in India. The scheme aims to encourage the production of goods for export by providing import duty concessions on capital goods. The EPCG scheme is administered by the Directorate General of Foreign Trade (DGFT) and is governed by the Foreign Trade Policy of India.

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