

**GOVERNMENT OF INDIA
MINISTRY OF COMMERCE AND INDUSTRY
DIRECTORATE GENERAL OF FOREIGN TRADE**

POLICY CIRCULAR NO 11 (RE 2003) /2002-2007

Dated: 10th July , 2003

To

All Licensing Authorities

All Commissioners of Customs,

All Export Promotion Councils/ Commodity Boards/ Development Authorities

Subject: Issuance of EPCG Licences for units which have not commenced manufacturing but have an RCMC as a merchant exporter and a provisional registration

This office has come across cases wherein firms desirous of commencing production by availing of an EPCG licence have been unable to do so on account of non furnishing of Registration Cum Membership Certificate (RCMC) as a manufacturer exporter from the Export Promotion Councils. The Councils have been unable to issue such an RCMC on account of the unit not having commenced production and thus having only a provisional registration number (whether SSI or any other).

Keeping in view this peculiar problem, the matter was deliberated upon in this office and it has been decided that wherever firms want to avail of an EPCG licence to start production, the Regional Licencing Authorities may consider the unit as a manufacturer exporter if the unit furnishes the RCMC as a merchant exporter along with the provisional registration number (whether SSI or any other). However, in such cases the EPCG licences may be issued with 100% BG condition so as to safeguard against any eventuality of the units not commencing production. This 100% BG condition applies notwithstanding the provisions of Para 4.6 of the Handbook of Procedures (Vol 1)

This issues with the approval of the Director General of Foreign Trade

Anil Aggarwal
Deputy DGFT