MINUTES OF EPCG COMMITTEE MEETING HELD UNDER THE CHAIRMANSHIP OF SHRI JAIKANT SINGH, ADDITIONAL DIRECTOR GENERAL OF FOREIGN TRADE AT 1430 Hours ON 15.05.2014

Following officers attended the meeting:

a. Shri Akash Taneja, Joint Director General of Foreign Trade, DGFT
b. Shri V. K. Kohli, Director, O/o Textile Commissioner, Noida
c. Shri K. K. Sinha, Industrial Adviser, Department of Industrial Policy and Promotion
d. Shri S. S. Tak, Industrial Adviser, Ministry of Steel
e. Shri G. S. Bains, Technical Officer (DBK), Department of Revenue

II. Minutes of the last Meeting held on 04.04.2014 were confirmed.

III. The Committee deliberated upon all the cases and following decisions were taken:

S. No.	**Firm's Name** **File Number**	**EPCG Authorization No. and date**	**Subject**	Decision of the Committee
1.	M/s G. M. Pens International Private Limited 01/36/218/407/AM-14/EPCG-I	0430002949 dated 18.08.2005	Condonation of block-wise EO(first block)	The Committee observed that as per the submissions of the firm they have already completed the EO and, therefore, decided to **recommend to DG for relaxation under Para 2.5 of FTP** to **allow** condonation from condition of fulfillment of block-wise EO subject to payment of composition fee of **3%** {2% in terms of the provisions of Para 5.8.2 of HBP v1 (RE:2013)/Para 5.8.3 of HBP v1 (RE:2012) + 1% extra as decided by EPCG Committee for not approaching the RA in time} on duty saved amount in proportion to the shortfall at the end of each block. **This has the approval of DG.**
2.	M/s Continental Automotive Brake Systems (I) Pvt. Ltd. 01/36/218/282/AM-14/EPCG-I	0530157418 dated 06.01.2012	Permission for shifting of capital goods against EPCG authorization no. 0530157418 dated 06.01.2012	The Committee observed that: a. the firm has sought prior permission to shift the machine from their plant located at 38 KM Stone, Delhi Jaipur Highway, Gurgaon to their another plant at plot No. 179-80, Sector-5, IMT Manesar, Gurgaon; b. addresses of both the units are mentioned in IEC and RCMC; c. the firm have also furnished certificate from Central Excise certifying installation of capital goods in their unit located at 38 KM Stone, Delhi Jaipur Highway, Gurgaon. The Committee, therefore, decided to **allow** shifting of capital goods from their

				plant located at 38 KM Stone, Delhi Jaipur Highway, Gurgaon to their other plant at plot No. 179-80, Sector-5, IMT Manesar, Gurgaon subject to the condition that the firm will furnish fresh installation certificate.
3.	M/s Indo Autotech Limited 01/36/218/10/AM-15/EPCG-I	0530150687 dated 18.12.2009 0530154540 dated 14.01.2011	Condonation of delay in getting installation certificate from central excise	The Committee observed that as per Installation Certificates issued by Central Excise there is a delay of 30 months and 23 months in installation. Since the Installation Certificates have already been obtained from the Central Excise, the Committee decided to **recommend to DG for relaxation under Para 2.5 of FTP** to **condone** the delay in installation of capital goods. **This has the approval of DG.**
4.	M/s Ladhar Paper Mills 01/36/218/11/AM-15/EPCG-I	3030002682 dated 26.04.2007	Condonation of block-wise EO	The Committee observed that the EOP of the Authorization is still valid and decided to **recommend to DG for relaxation under Para 2.5 of FTP** to **allow** condonation from condition of fulfillment of block-wise EO subject to payment of composition fee of **3%** {2% in terms of the provisions of Para 5.8.2 of HBP v1 (RE:2013)/Para 5.8.3 of HBP v1 (RE:2012) + 1% extra as decided by EPCG Committee for not approaching the RA in time} on duty saved amount in proportion to the shortfall at the end of each block. **This has the approval of DG.**
5.	M/s Indian Synthetic Rubber Limited 01/36/218/242/AM-14/EPCG-I	0530157502 dated 30.01.2012	Amendment in Import item list of EPCG Authorization No. 0530157502 dated 30.01.2012 and in Invalidation letter No. 0559001344 dated 07.03.2012 issued against the authorization	The Committee observed that the requests of the firm involve huge enhancement of CIF value of EPCG Authorization and therefore decided to **defer** the case with the direction to seek explanation from the firm about the same and also to call for a detailed report from the RA in this regard. The Committee also decided to call a representative of the firm for PH to explain the case in the EPCG Committee meeting the next time this case is considered.
6.	M/s Mauli Cotspin (P) Limited 01/36/218/400/AM-14/EPCG-I	3130002494 dated 12.06.2007	Condonation of block-wise EO	The Committee observed that the EOP of the Authorization is still valid and decided to **recommend to DG for relaxation under Para 2.5 of FTP** to **allow** condonation from condition of fulfillment of block-wise EO subject to payment of composition fee of **3%** {2% in terms of the provisions of Para 5.8.2 of HBP v1 (RE:2013)/Para 5.8.3 of HBP

				v1 (RE:2012) + 1% extra as decided by EPCG Committee for not approaching the RA in time} on duty saved amount in proportion to the shortfall at the end of each block. **This has the approval of DG.**
7.	M/s Bharat Aluminium Company Limited 01/36/218/289/AM-14/EPCG-I	33 EPCG authorizations issued during the period AM-06 to AM-13	Submission of installation certificate for spares from chartered engineer in terms of Para 5.3.3(b) of HBP	The Committee deliberated upon the case in detail and decided to **defer** it with the direction to call for following information licence wise: a. list of import items; b. list of spares that have been imported; c. Central Excise Certificate for installation of capital goods/spares; d. Chartered Engineer Certificate for installation of capital goods/spares; e. Correspondences made with Central Excise department in respect of obtaining Installation Certificate in respect of spares.
8.	M/s Jubilant Life Sciences Limited 01/36/218/304/AM-14/EPCG-I	0530138902 dated 17.06.2005 0530139111 dated 14.07.2005 0530139304 dated 11.08.2005 0530139505 dated 09.09.2005 0530143810 dated 01.06.2007 0530145060 dated 27.11.2007	a. Regularization of shifting of CGs imported against EPCG Authorization No. 0530139111 dated 14.07.2005 b. Relaxation required in terms of Para 2.5 of FTP (2009-14) for inclusion of similar/alternate/other export items	a. The Committee deliberated upon the case and decided to **regularize** the shifting of capital goods from their unit located at Bhartiagram, Jyotiba Phuley Nagar, Gajraula, UP to D-12, Sector-59, Noida, UP subject to the condition that both the addresses are mentioned in IEC and RCMC. b. The Committee observed that there was provision for fulfillment of export obligation by export of alternate product at the time of issuance of authorizations and hence, decided to **recommend to DG for relaxation under Para 2.5 of FTP** to count the exports of alternate product already made by the firm towards fulfillment of export obligation against the subject EPCG Authorizations subject to fulfillment of Average EO of the alternate product. **This has the approval of DG.**
9.	M/s Gondals Press India Limited 01/36/218/276/AM-14/EPCG-I	0530140012 dated 08.12.2005	Condonation of block-wise E.O and amendment in export products	The Committee observed that as per RA's Report the firm has not fulfilled any EO during the first block whereas as per the firm's submissions they have fulfilled some EO during the first block. The Committee deliberated upon the case and decided to **defer** it with the

				direction to the firm to first submit proof of exports to the RA and then approach us for condonation of block-wise EO. For the amendment in export products, they may approach RA.
10.	M/s Arihant Tiles & Marbles Private Limited 01/36/218/48/AM-14/EPCG-I	1330000416 dated 17.12.2003	Condonation for slight deviation in description of Capital Goods	The Committee deliberated upon the case in detail and decided to **refer the case to Department of Revenue to examine the matter** in respect of details regarding date of manufacture of machine, model No. and date of machine and as to whether machine was manufactured before the date of B/E and to apprise the Committee of the facts.
11.	M/s Sri Saravana Tex Exports India Private Limited 01/37/218/11/AM-15/EPCG-II	3530000824 dated 02.02.2005 3530000897 dated 18.03.2005	Extension in EOP	(a) The Committee deliberated upon the case and decided **not to allow** extension in EOP in respect of EPCG Authorization No. 3530000824 dated 02.02.2005 as the firm has not maintained Average EO. (b) The Committee decided to **recommend to DG for relaxation under Para 2.5 of FTP** to **allow** extension in EOP in respect of EPCG Authorization No. 3530000897 dated 18.02.2005 for 2 years on payment of composition fee equal to 3% (2% in terms of provisions contained in Para 5.11(a) of HBP Vol. I + 1% extra as decided by EPCG Committee for not approaching the RA in time) of proportionate duty saved amount on unfulfiled EO or an enhancement in EO imposed to the extent of 15% (10% in terms of Para 5.11(a) of HBP Vol. I + 5% extra as decided by EPCG Committee for not approaching the RA in time) of total EO at the choice of exporter, for each year of extension sought. **This has the approval of DG.**
12.	M/s TV18 Broadcast Limited 01/37/218/35/AM-14/EPCG-II	0530139286 dated 10.08.2005 0530139858 dated 09.11.2005 0530141650 dated 02.08.2006 0530139517 dated 12.09.2005	Counting of export of group company for fulfillment of EO of 4 EPCG Authorizations	The Committee deliberated upon the case in detail and decided to **refer the case to PIC** for a decision in respect of group company exports.
13.	M/s Tata Steel Limited	0230006236	Acceptance of installation	The Committee deliberated upon the

	01/37/218/15/AM-15/EPCG-II	dated 17.01.2011 0230004986 dated 02.03.2010 0230004947 dated 16.02.2010 0230002997 dated 12.02.2008 0230001517 dated 09.05.2006 0230008135 dated 20.07.2012	certificate issued by Chartered Engineer	case in detail and decided to **defer** it with the direction to call for licence wise: a. list of import items; b. list of spares that have been imported; c. Central Excise Certificate for installation of capital goods/spares; d. Chartered Engineer Certificate for installation of capital goods/spares; e. Correspondences made with Central Excise department in respect of obtaining Installation Certificate.
14.	M/s Pyramid Timber Association Private Limited 01/37/218/177/AM-14/EPCG-II	0730003241 dated 02.09.2005	Re-fixation of Average EO	The case was placed before EPCG Committee in its meeting held on 23.01.2014 and 04.04.2014. In the meeting held on 04.04.2014, it was decided to call for comments from DIPP in the matter. DIPP in their comments have stated that (a) the machines imported under EPCG licence can produce the products which were exported by the Authorization Holder and (b) these products are quite different from Sawn Teak Wood which the firm had exported before taking the EPCG Authorization i.e. during 2002 to 2005. The request of the firm is to refix the average EO by excluding the exports of Sawn Teak Wood as this product is different from the export which they exported. The Committee, on the basis of the comments furnished by the DIPP, decided to **allow** refixation of Average EO under Para 5.5(b) of FTP by excluding exports of Sawn Teak Wood.
15.	M/s Smith Industrial Corporation Private Limited 01/37/218/251/AM-14/EPCG-II	0530155672 dated 03.06.2011	Acceptance of installation certification issued by Chartered Engineer alongwith confirmation received from Central Excise Authority	The Committee observed that as per letter dated 02.04.2014 of Central Excise Authority the capital goods imported against the subject EPCG Authorization are installed in the factory premises of the firm and, therefore, decided to **recommend to DG for relaxation under Para 2.5 of FTP** to accept the Installation Certificate issued by Chartered Engineer alongwith confirmation by Central Excise. **This has the approval of DG.**

16.	M/s NSP Electronics Limited, Bangalore 18/93/AM-12/EPCG-II	730000709 dated 30.08.2002 730000752 dated 17.10.2002 730000565 dated 07.04.2002 730000971 dated 10.04.2003	Waiver from maintenance of average export obligation	The Committee observed that Department of Electronics and Information Technology has, in its comments, stated that a. The tools and dies were imported for manufacturing PCB for CRT TV; b. Until 2003, the TV manufacturers were manufacturing CRT TVs; c. Later on they have gradually changed from CRT to Flatron, LCD, LED and Plasma Technology TVs i.e. there was a change in technology; d. Gradually these tools became obsolete; The Committee also observed that inspite of obsolescence of technology the company could almost maintain the Average EO upto the year 2005. But could not maintain the same afterwards. The Committee, therefore, decided to **recommend to DG for relaxation under Para 2.5 of FTP** for waiver from maintenance of Average EO after AM-2005. **This has the approval of DG.**
17.	M/s Sangam Press Private Limited 01/37/218/204/AM-14/EPCG-II	3130000254 dated 03.10.2002	Condonation of block-wise EO for the second block	The Committee observed that as per RA's report the firm have already completed the EO and, therefore, decided to **recommend to DG for relaxation under Para 2.5 of FTP** to **allow** condonation from condition of fulfillment of block-wise EO subject to payment of composition fee of **3%** {2% in terms of the provisions of Para 5.8.2 of HBP v1 (RE:2013)/Para 5.8.3 of HBP v1 (RE:2012) + 1% extra as decided by EPCG Committee for not approaching the RA in time} on duty saved amount in proportion to the shortfall at the end of each block. **This has the approval of DG.**
18.	M/s Reva Transmission 01/37/218/275/AM-14/EPCG-II	0530139041 dated 07.07.2005	Condonation of delay in installation of capital goods	The Committee observed that as per letter dated 13.02.2014 of Central Excise Authority the capital goods imported against the subject EPCG Authorization are installed in the factory premises of the firm and, therefore, decided to **recommend to DG for relaxation**

				under Para 2.5 of FTP to condone the delay in obtaining the Installation Certificate from Central Excise. **This has the approval of DG.**
19.	M/s Tata Motors Limited 18/209/AM-13/EPCG-II	0330014191 dated 01.12.2006	Re-export of imported Capital Goods to Foreign Supplier for repairing beyond three years of importation	The Committee decided to **recommend to DG under Para 2.5 of FTP for relaxation of provision of Para 5.16 of HBP v1** to allow the re-export of the capital goods subject to furnishing of an undertaking that the firm would re-import the same capital goods after repairs subject to the condition that the firm shall pay customs duty at the time of re-import on repair charges if paid by them. **This has the approval of DG.**
20.	M/s York Cellulose Private Limited 01/37/218/223/AM-14/EPCG-II	3330000984 dated 22.04.2008	Condonation of delay in installation of capital goods	The Committee observed that as per letter dated 16.09.2010 of Central Excise Authority the capital goods imported against the subject EPCG Authorization were installed on 16.11.2008 i.e. within 6 months from the date of B/E in the factory premises of the firm. However as the letter of Central Excise bears the date 16.09.2010, the Committee, decided to **recommend to DG for relaxation under Para 2.5 of FTP** to condone the delay in obtaining of Installation Certificate from Central Excise. **This has the approval of DG.**
21.	M/s S. T. Woollen Mills Private Limited 01/37/218/252/AM-14/EPCG-II	3030003483 dated 10.12.2007	Condonation of block-wise EO	The Committee observed that the EOP of the Authorization is still valid and decided to **recommend to DG for relaxation under Para 2.5 of FTP** to **allow** condonation from condition of fulfillment of block-wise EO subject to payment of composition fee of **3%** {2% in terms of the provisions of Para 5.8.2 of HBP v1 (RE:2013)/Para 5.8.3 of HBP v1 (RE:2012) + 1% extra as decided by EPCG Committee for not approaching the RA in time} on duty saved amount in proportion to the shortfall at the end of each block. **This has the approval of DG.**
22.	M/s Reliance Industries Limited 01/37/218/18/AM-15/EPCG-II	-----	Transfer of capital goods imported under EPCG scheme to another company for job work/fabrication	The Committee deliberated upon the case and decided to **allow** transfer of capital goods to another company for job work/fabrication subject to the conditions that:

				a. CG will move to job worker's premises only under intimation/permission of Jurisdictional Excise Authority of Authorization Holder and Job Worker; b. The job worker must be unit registered with Central Excise; c. Wastage should be as per Para 5.3 of HBP v1; and, d. Installation Certificate should be submitted within 6 months from the date of completion of imports.
23.	M/s Eagle Press 01/36/218/22/AM-15/EPCG-I	0430001558 dated 05.03.2004	Condonation of shortfall in second block EO	The Committee observed that as per RA's report the firm have already completed the EO and, therefore, decided to **recommend to DG for relaxation under Para 2.5 of FTP** to **allow** condonation from condition of fulfillment of block-wise EO subject to payment of composition fee of **3%** {2% in terms of the provisions of Para 5.8.2 of HBP v1 (RE:2013)/Para 5.8.3 of HBP v1 (RE:2012) + 1% extra as decided by EPCG Committee for not approaching the RA in time} on duty saved amount in proportion to the shortfall at the end of each block. **This has the approval of DG.**
24.	M/s Hyundai Motor India Limited 01/36/218/197/AM-14/EPCG-I	36 EPCG Authorizations issued during AM-07 to AM-13	Post-facto recognition of 73 supporting manufacturers	The Committee observed that: a. The firm have not taken prior approval before shifting of capital goods amongst their vendors; b. The request of the firm is to recognize the 73 vendors/sub-vendors as supporting manufactures and to regularize shifting of capital goods imported against the EPCG Authorizations amongst the supporting manufactures/vendors already effected during the course of manufacturing of export products; c. The firm have stated that they have been receiving such approvals and relaxations in the past from DGFT since 1999 for the last more than 15 years and it will be very difficult for them to complete export

				targets without such approvals; d. The firm have stated that in their case prior approval for shifting of capital Goods was not feasible to sustain an export production volume of 2200 cars/day. The Committee, therefore, decided to **allow** recognition of 73 vendors as supporting manufactures against 36 EPCG Authorizations and also to grant post facto approval of shifting of capital goods amongst vendors.
25.	M/s Samsung India Electronics Private Limited 01/37/218/82/AM-14/EPCG-II	0530136920 dated 02.09.2004 0530136217 dated 14.05.2004	a. Condonation of block-wise EO in respect of EPCG Authorization Nos. 0530136920 dated 02.09.2004, 0530136217 dated 14.05.2004 b. Counting of excess exports made against EPCG Authorization No. 0530141240 dated 02.06.2006 for fulfillment of EO of EPCG Authorization No. 0530136920 dated 02.09.2004	a. The Committee decided to **recommend to DG for relaxation under Para 2.5 of FTP** to **allow** condonation from condition of fulfillment of block-wise EO subject to payment of composition fee of **3%** {2% in terms of the provisions of Para 5.8.2 of HBP v1 (RE:2013)/Para 5.8.3 of HBP v1 (RE:2012) + 1% extra as decided by EPCG Committee for not approaching the RA in time} on duty saved amount in proportion to the shortfall at the end of each block. b. The Committee also **decided to recommend to DG for relaxation under Para 2.5 of FTP** to allow the firm to count excess exports made against EPCG authorizations No. 0530141240 dated 02.06.2006 for fulfillment of EO against EPCG Authorization No. 0530136920 dated 02.09.2004. **This has the approval of DG.**
26.	M/s AGH Altech Private Limited 01/37/218/23/AM-15/EPCG-II	0530160369 dated 13.02.2013 0530156577 dated 26.09.2011 0530155668 dated 03.06.2011 0530161540 dated 12.09.2013	Permission for Shifting of capital goods	The Committee observed that addresses of both the factories of the company i.e. the factory where the capital goods are installed and the factory where the capital goods are to be shifted are mentioned in IEC and RCMC. The firm have stated that due to space constraint they are shifting the machinery to bigger premises for better operational activities and cost effectiveness. The Committee, therefore, decided to **grant permission** to shift the capital goods from their factory located at Plot No. 16, Sector 16, HSIIDC, Bahadurgarh, Haryana –

				124507 to their another factory located at Khasra No. 36/13/1(6-14) & 18/1(1-18), Village: Sankhol, Tehsil – Bahadurgarh, Haryana – 124507 subject to the condition that the company will furnish fresh installation certificate.

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
FE = Foreign Exchange
IEC = Importer-Exporter Code
DOR = Department of Revenue
CLA = Central Licensing Area
IEM = Industrial Entrepreneurs Memorandum
RCMC = Registration-cum-Membership Certificate
ICD = Inland Container Depot
PCB = Printed Circuit Board
CRT = Cathode Ray Tube

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