MINUTES OF EPCG COMMITTEE MEETING HELD UNDER CHAIRMANSHIP OF SHRI V.K. GUPTA, ADDITIONAL DIRECTOR GENERAL OF FOREIGN TRADE AT 11.00 AM ON 24.08.2011 IN ROOM NO. 11, UDYOG BHAWAN, NEW DELHI.

S. No. Name and Designation

(a) Shri V.K. Gupta, Addl. DGFT & Chairman.
(b) Shri Suresh Kumar, Director, Department of Revenue
(c) Shri Anil Kumar singh, Joint DG, DGFT
(d) Shri K. K. Tiwari, Industrial Adviser, Department of Heavy Industry.
(e) Dr. R. A. Lal, Director, O/o Textile Commissioner, Noida.
(f) Shri Ishwar Singh, Deputy DG, DGFT
(g) Shri A. K. Gopal, FTDO (EPCG.I), DGFT
(h) Shri S. K. Swarnkar, FTDO (EPCG.II), DGFT

2. Minutes of the last Meeting held on 20.07.2011 were confirmed.

3. The Committee deliberated upon all the cases and took the decisions indicated against each of the case below:

SI. No.	Firms Name	EPCG Licence No. and Date	Request of the firm	Decision of the EPCG Committee
1.	M/s Abdos Lamitubes Privates Limited, Guwahati F.No.01/36/218/51/ AM-12/EPCG-I	a. 1430000021 dated 28.06.2004 b. 1430000018 dated 28.04.2004	To treat the export of the product viz. Laminated Tubes with Caps to Nepal realized in ` similar to physical export to SEZ which are counted for discharge of EO irrespective of currency of realization.	The Committee noted that the firm obtained the two Authorizations for export of 'laminated tubes with caps' classified under Heading 7612 in Central Excise Schedule. As per Para 5.7.2 export proceeds for fulfilment of export obligation against EPCG Authorisations are required to be realised in freely convertible currency except for deemed exports. The firm claimed that it was receiving the realisation in free foreign exchange by exporting multilayer laminated plastic tubes to Nepal and completed EO of Rs. 1769 lakhs. The Central Excise Authorities changed the classification of the export product under heading 7612 to 3923. The firm further claimed that due to change of classification, realisation of proceeds was possible only in ` and the exports of their product (to Nepal) in free foreign exchange came to a complete deadlock. The

				firm continued exports to Nepal in ` to keep the valued Nepali buyer in their fold. It was decided to examine the issue on file as per the provisions of subject notification/public notice, effecting the currency of payment and claims of the firm in this regard before approval of DGFT is obtained for relaxation.

2	M/s. Baramati Agro Limited, Maharashtra F.No. 1/36/218/36/ AM-12/EPCG-1	a. 3130002719 dated 01.10.2007 b. 3130002727 dated 04.10.2007 c. 3130002728 dated 04.10.2007	(a) Acceptance of excise attested proof of exports and ARE-I for EO fulfillment; (b) Condonation of procedural lapse of not mentioning of EPCG Authorization number and date on shipping bills of the Third party.	The firm have made exports through third party and all the shipping Bills show their name as supporting manufacturer. The firm claims that corresponding ARE-I and excise attested proof of exports showing Shipping Bill Numbers are also available with them. The Committee, therefore, decided to accept excise attested proof of exports/ ARE-I and recommended to DG to condone the procedural lapse of not mentioning the EPCG Authorizations details on shipping bills of the third party if there is other corroborative evidence. The RA may dispose of the request of the firm after verification of the aforesaid documents as per Policy Circular No. 7 dated 11.07.2002. **DG has approved the recommendation of the Committee.**
3	M/s Fuso Glass India Pvt. Limited, Chennai F.No. 18/47/08/EPCG-I	(a) 430007074 dated 23.01.2009, 430007830 dated 11.11.2009, 430008421 dated 05.04.2010, 430009025 dated 29.09.2010,	(a) Request for inclusion of Eight EPCG licenses in the decision of the EPCG Committee Meeting held on 04.05.2011 and (b) Condonation of procedural lapse	a. The Committee, in its meeting held on 04.05.2011, had allowed the firm's request for acceptance of ARE-I and Bill of Exports for supplies made to SEZ Unit for fulfilment of EO against

		430009026 dated 29.09.2010, 430009033 dated 01.10.2010, 430009529 dated 11.02.2011 and 430009530 dated 11.02.2011. (b) No. 0430006389 dated 18.07.2008.	for endorsing of wrong EPCG Authorization No. on the B/E and ARE for supplies SEZ Units shown towards fulfillment of EO against Authorization No.0430006389 dated 18.07.2008. (c) Request for waiver of Annual Average in EPCG licenses issued to us. – Rejected in last meeting held on 20.07.2011.	13 (1+12) EPCG Authorizations wherein EPCG licence number and date were not mentioned on documents of exports. The Committee, therefore, decided to recommend to DG to extend the similar facility in respect of 8 other licences issued to the firm subject to verification of details/corroborative documents by the Regional Authority. **DG has approved the recommendation of the EPCG Committee.** b. The Bill of exports shown towards discharge of export obligation against EPCG Authorization No.0430006389 dated 18.07.2008 issued to the firm have been endorsed with two other EPCG Authorization Numbers. The firm have furnished an affidavit/undertaking for the condonation of the procedural lapse of not mentioning EPCG Authorization No. on the B/E and ARE-I. The Committee decided to recommend to DG to condone the procedural lapse of endorsing wrong EPCG Authorization Nos. on the B/E and ARE-I for supplies to SEZ Units shown towards fulfilment of EO against the subject Authorization (No.0430006389 dated 18.07.2008) subject to submission of documents as per Policy Circular No. 7 dated 11.07.2002. **DG has approved the recommendation of the EPCG Committee.**

				c. The Committee decided to maintain its earlier decision in respect of the firm's request for waiver of annual average.
4	M/s Grand Hotel (Bombay) Private Limited, Mumbai F.No. 01/36/218/229/ AM-11/EPCG-I	03300100379 dated 23.06.2000	Waiver of regularisation as Tourist Vehcle for Redemption of EPCG Licence No. 03300100379 dated 23.06.2000 issued to M/s Grand Hotel (Bombay) Private Limited, Mumbai.	The Committee in its last meeting held on 20.07.2011 deferred the request of the firm for want of detailed justification which was not given. Therefore, the Committee rejected the request for want of appropriate justification.
5	M/s Honda Siel Power Products Ltd., New Delhi F.No. 01/36/218/61/ AM-12/EPCG-I	0530130928 dated 08.05.2000	Acceptance of CE Certificate in lieu of Installation Certificate by Central Excise Authority.	The case was earlier considered on 20.07.2011. Shri P. K. Jain, Sr. Executive appeared before the Committee and made submissions that Export Obligation had already been completed by March, 2007 and installation certificate by Chartered Engineer was submitted to CLA, New Delhi way back in 2001. CLA, Delhi raised objections for acceptance of CE Certificate only in August, 2010 while examining the proposal of the firm for issuance of EODC. The firm, approached Custom authorities to issue Installation Certificate. The Customs have, however,declined for the same on the grounds that the licence has already expired. The Committee decided to recommend to DG for acceptance of Installation Certificate by an Independent Chartered Engineer in lieu of Jurisdictional Central Excise Authority as an exception and not to be quoted as precedence. **DG has approved the**

				recommendation of the Committee.
6	M/s Indian Immunologicals Limited, Hyderabad F.No. 01/36/218/83/ AM-12/EPCG-I	0930005355 dated 04.12.2009	Waiver of condonation for maintenance of Annual Average Export Obligation.	Mr. Nelson, Manager and Mr. P. Aditya Kiran, Executive appeared before the Committee. Vaccines being exported by them were banned in the Middle East wherein these products were registered. The case was deferred with the direction to submit detailed justification.
7	M/s Garden Silk Mills Ltd., Mumbai F.No. 01/36/218/22/ AM-12/EPCG-I	N. A.	(a) Allow Zero Duty Benefit for import of Capital Goods for Rs. 325 Crore in their PFY Unit by relaxing the Policy with the plea that the large corporate have multi product manufacturing in separate units under difference ITCHS Code and Excise Units and the NON TUFS units manufacturing altogether different products under separate excise registrations should be allowed Zero Duty Scheme. (b) To allow Zero Duty Benefit for import of Capital Goods at their Vareli Unit.	The Committee noted that the firm have 3 units (under single IEC) and out of these they have not availed TUFS benefit in one of the units viz. Vareli Unit. The Committee perused the provisions of Para 5.1A of HBP according to which "Zero duty scheme shall also not be available for units who are currently availing any benefits under Technology Upgradation Fund Scheme (TUFS) administered by Ministry of Textiles, Government of India. Since the Vareli unit has not availed benefit of TUFS, it is entitled to Zero Duty Scheme under Para 5.1 of FTP.
8	M/s Jewel Consumer Care Private Limited, Baroda F.No. 01/36/218/91/ AM-12/EPCG-I	3430000059 dated 27.06.2002	(a) To accept the export of "Toothbrush" for completing EO against the licence (i.e. inclusion of alternate product towards fulfilment of EO). (b) To adjust the exports done during the block years 2008-09 and 2009-	The Committee decided to defer the case and call the representative of the firm with detailed justifications in support of their requests how the CG for manufacture of Hangers can be used for manufacture of Tooth Brush etc.

			10 towards fulfilment of exports done during preceding block years i.e. during 2003-04 to 2007-2008.	
9	M/s SAS Hotels and Enterprises Limited, M/s APA Hotels Private Limited, Chennai F.No.18/126/ AM-11/EPCG-II	a. 0430002512 dated 30.03.2005 (SAS Hotels & Enterprises Ltd.) b. 0430003252 dated 19.12.2005 (SAS Hotels & Enterprises Ltd.) c. 0430003245 dated 15.12.2005 (APA Hotels Pvt. Ltd.)	Waiver of condition of registration of vehicle as Tourist Vehicle for issuance of EODC.	The Committee in its last meeting held on 20.07.2011 deferred the request of the firm for want of detailed justification which was not given. Therefore, the Committee rejected the request for want of appropriate justification.
10	Jt. DGFT, Bangalore F.No.18/59/ AM-12/EPCG-II	N. A.	Grant of EPCG authorization for import of LCD/TV Sets for Hospital.	It was decided to defer the case for further discussions in the next meeting.
11	M/s Tex India Enterprises (P) Ltd., Faridabad F.No.18/01/ AM-12/EPCG-II	0530149208 dated 19.06.2009	Clarification whether average EO is to be maintained in proportion to the number of spilled over days or for the entire financial year.	The firm was required to fulfil the export obligation up to 18.06.2017. However, the firm fulfilled Export Obligation on 23.04.2010, that is, within one year. However, the period of one year spilled over in two financial years. Therefore, CLA, New Delhi insisted for maintenance of Annual Average for two years, that is, 2009-2010 and 2010-11. The firm claimed that in lieu of 23 days in 2010-11, insistence for maintenance of Average EO for the entire period is not justified. It was noted that the licence was issued in June, 2009 and the firm maintained AEP from April, 2009 till March, 2010. Since, the exporter has fulfilled AEP for 2009-10, AEP for 2010-11 is, therefore, not to be insisted upon.

12	M/s Nutech Print Services, New Delhi F.No.01/36/218/239/ AM-11/EPCG-I/II	a. 05300151660 dated 29.03.2010 b. 0530152415 dated 11.06.2010 c. 0530151714 dated 31.03.2010 d. 0530152680 dated 06.07.2010 and e. 0530153525 dated 27.09.2010	Prior Permission for transfer of capital goods from Okhla, New Delhi Unit to Faridabad Unit.	The address and details of both the units are mentioned in IEM & IEC. The Committee, therefore, decided to grant the permission for shifting of Capital Goods from their Okhla Unit to Faridabad Unit subject to submission of fresh installation certificate from the Jurisdictional Central Excise Authority within a period of six months from the date of the decision. They should also submit initial installation certificate to RA.
13	M/s NTL Electronics India Ltd., Noida F.No.18/94/ AM-12/EPCG-II	0530151531 dated 15.03.2010	Prior permission for transfer of capital goods from Roorkee Unit to Dehradun Unit.	The address and details of both the units are mentioned in IEM and in RCMC. The Committee, therefore, decided to grant the permission for shifting of Capital Goods from their Roorkee Unit to Dehradun Unit subject to submission of installation certificate from Jurisdictional Central Excise Authority within a period of six months from the date of decision. They should also submit initial installation certificate to RA.
14	M/s Heaven Diamonds Private Limited, Mumbai F.No. 01/36/218/230/ AM-11/EPCG-1	01500362 dated 11.04.1996 (RE-2004) In due to reasons beyond its centrol.	To accept the exports made upto 31.03.2006 (after the validity of the original EOP) towards the fulfilment of Export Obligation.	The firm was eligible for extension in time for 2 years as per the relevant Policy Provisions at the time of issue of licence. However, it could not obtain the same. The Committee decided to accept the exports made upto 31.03.2006 without any composition fee for regularisation of the authorization as per GRC decision dated 25.08.2006 that "Accordingly, the Committee having regard to the facts and circumstances of the

				case, which were beyond the control of the firm, decided to refer the matter to the PRC (EPCG Committee in this case) for extension of EOP upto 31.03.2006 without any fee or penalty and thereafter, redemption of EPCG licence”.

15	M/s Hyundai Motor India Ltd., Chennai F.No. 01/36/218/104/ AM-12/EPCG-I	EPCG Authorizations issued during AM – 2004 to AM – 2012.	Recognition of 211 Vendors and sub-vendors as supporting manufacturers for regularization of the licences.	EPCG Committee has been allowing endorsement of vendors as and when approached. The Committee last allowed endorsement of vendors in its meeting held on 13.08.2010. The Committee further noted that these vendors are for manufacturing of specific components of the Hyundai Motors only. M/s Hyundai Motors could have got endorsement of as many vendors as they wanted in their licences as supporting manufacturers at the time of obtaining EPCG authorizations.. The Committee, therefore, allowed endorsement of vendors as supporting manufacturers for regularization of the licences.
16	M/s Celebi Ground Handling Delhi Pvt. Ltd., New Delhi F.No. 01/36/218/138/ AM-10/EPCG-1	Applied for by the firm.	Import of Container Pallet Loader Commander, Baggage Cart, Towbar Head and Patterned Wheel (Spares) for Airport Services.	The Committee noted that EPCG Authorization for import of Container Pallet Loader Commander, Baggage Cart, Towbar Head and Patterned Wheel (Spares) etc. has already been issued to the same firm by the CLA, New Delhi. The representative of DHI confirmed that these items/Loaders cannot be used for any other purpose or at any place other than the enclosed premises of the Airport. The Committee, therefore, decided to allow import of these items to the firm M/s

				Celebi Ground Handling Delhi Pvt. Ltd., New Delhi subject to other terms and conditions of the scheme.
17	M/s Shasun Pharmaceuticals Ltd., Chennai F.No.18/33/ AM-12/EPCG-II	0430001385 dated 20.11.2003.	Request for condonation of block-wise export obligation.	The Committee noted that as per Para 5.8.2 of HBP Vol. I, the exports obligation of a particular block of year may be set off by the excess exports made in the preceding block year and decided to allow counting of exports made in first block towards fulfillment of shortfall in EO for the second block.
18	M/s Oxford Processors (P) Ltd., Kolkata F.No.18/121/ AM-11/EPCG-II	0230000021 dated 23.03.2000	Request for condonation of block-wise export obligation for 3rd & 4th blocks.	The request for condonation of block-wise export obligation was acceded to, in the last meeting of the Committee, without imposing composition fee on the grounds that the firm was a BIFR unit. However, to ascertain that the rehabilitation package has been approved by BIFR, a condition was imposed that in case there is no rehabilitation package of the BIFR, custom duty of 50% for extension of EO period and 2% composition fee for condonation of each block period will need to be paid. The firm could not submit the rehabilitation package. Therefore, the Committee reviewed its decision and allowed condonation of block-wise EO subject to payment of 2% of composition fee in proportion to the shortfall at the end of each block.
19	M/s Shirpur Gold Refinery Ltd., Dhule F.No.18/49/ AM-12/EPCG-II	a. 0330000677 dated 06.11.2000 b. 0330001131 dated 01.06.2001 c. 0330002501 dated 05.09.2002	The firm has requested for (i) extension in export obligation period (ii) condonation of block-wise EO; & (iii) re-fixation of EO from CIF to duty saved amount basis in respect of	The Committee noted that Para 6.11 of HBP(RE:2000, 2001 & 2002) provided for extension of block-wise export obligation and therefore, the Committee agreed to allow the block-wise condonation as per the said Para.

			EPCG licence No. 0330000677 dated 06.11.2000; 0330001131 dated 01.06.2001 and 03300025001 dated 05.09.2002.	The Committee also noted that the firm is under Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (SARFAESI Act). However, the current FTP/HBP does not provide dispensation of composition fee for extension in export obligation period as provided in the case of units under BIFR. Therefore, the Committee allowed extension in export obligation period subject to payment of composition fee or enhancement of EO, as per choice of exporter in terms of Para 5.11 of current HBP. Refixation of export obligation on duty saved amount is allowed as per provisions for Para 5.19 of HBP and the request therefore was acceded to under the said Para.
20	Clarification sought by JDGFT, Ludhiana Clarification sought by JDGFT, Chandigarh F.No. 01/36/218/97/ AM-12/EPCG-1 F.No. 01/36/218/75/ AM-12/EPCG-1	N. A.	1.Clarification on EPCG Authorisation for import of Furniture by Educational Institutes. 2.Clarification on EPCG Authorisation for import of Bathroom fittings, Exercise Machine, Furniture Items, Modular Kitchen etc	Service providers for educational services have requested for import of Furniture, Bathroom fittings, Exercise Machine, Modular Kitchen etc. The Committee decided to defer the case for having a detailed discussion in the next meeting.
21	M/s Gupta Swabs Limited., Chennai F.No. 01/36/218/64/ AM-12/EPCG-I	0430000477 dated 10.12.2001	Fulfilment of Export Obligation against EPCG Licence No. 0430000477 dated 10.12.2011 by undertaking job work from SEZ unit.	The Committee observed that a clarification that "only the value addition of job work should be counted for export obligation as the material is being supplied for jobbing" has already been issued to CLA, New Delhi. The Committee decided to allow the same in the

				instant case.

22	M/s Mafatlal Denim Ltd., Mumbai F.No. 01/36/218/183/ AM-11/EPCG-I	8 Licences	Waiver of Annual Average Export Obligation	The Committee asked the representative of the firm to submit detailed technical inputs and justifications in technical matter to Dr. R. A. Lal, Director, O/o Textile Commissioner for his comments.
23	M/s Jindal Stainless Steelway, Gurgaon, Haryana F.No. 01/36/218/98/ AM-12/EPCG-1	0530151199 dated 09.02.2010	To allow shifting of Capital Goods installed at premises of Supporting Manufacturer to their own Plant.	The Committee decided to allow shifting of Capital Goods installed in the premises of Supporting Manufacturer to its own Plant. Fresh installation certificate is required to be furnished within 6 months. However, the certificate of Jurisdictional Central Excise Authority for initial installation may also be submitted to RA.
24	Discussion on Maintenance of Annual Average Export Obligation			Discussion could not be held on 24.08.2011 due to paucity of time. However, a discussion with the representative of DHI and DIPP was held on 25.08.2011. It was also decided to discuss this issue in the next meeting.

The meeting ended with a vote of thanks to the Chair.

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