MINUTES OF EPCG COMMITTEE MEETING HELD UNDER THE CHAIRMANSHIP OF SHRI N. P. S. MONGA, ADGFT AT 11.00 A.M. ON 28.06.2012

Following officers attended the meeting:

(a) Shri Anil Kumar Singh, Joint Director General, DGFT
(b) Dr. R.A. Lal, Director, O/o Textile Commissioner
(c) Shri Suresh Kumar, Director, Department of Revenue
(d) Mrs. Rita Mahana, Deputy Director General, DGFT
(e) Shri A. K. Gopal, Foreign Trade Development Officer (EPCG.I), DGFT
(f) Shri S. K. Swarnkar, Foreign Trade Development Officer (EPCG.II), DGFT

2. Minutes of the last Meeting held on 23.05.2012 were confirmed.

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

Case No.	Firm's Name/File Number	Licence No./ Date	Subject	Decision of the Committee
1	M/s Kwality Offset Private Limited, New Delhi 01/36/218/23/AM-13/EPCG-I	0530145006 dated 20.11.2007	Endorsement of export product on the EPCG Authorization No. 0530145006 dated 20.11.2007 for making export through third-party	The Committee observed that the firm has not made any direct exports. It has also not supplied the export product against any advance authorization so that the proceeds in INR can be counted as deemed exports. Had the firm supplied these tag labels etc. as 'deemed exports' to the exporters against invalidated Advance Authorization, the proceeds received in INR from the exporters would have been counted towards the fulfilment of EO of the EPCG Authorization. The Committee, therefore, **rejected** the request of the firm.

2	M/s Foam Mattings (India) Limited, Kerala 01/36/218/198/AM-12/EPCG-I	2135276 dated 20.01.2000	Exemption from fulfilling EO by invoking Para 2.5 of the FTP against EPCG License No. 2135276 dated 20.01.2000 issued to M/s Foam Mattings (India) Ltd., Kerala	The Committee observed that the PRC had allowed extension in EOP for 2 years and exemption from maintenance of Average Export Performance. However, the request of the firm for exemption from fulfillment of Export Obligation goes beyond the very objective of Policy. The Committee, therefore, **rejected** the request of the firm.
3	M/s Genus Innovation Limited, Jaipur 01/36/28/15/AM-13/EPCG-I	1330000107 dated 19.12.2001	Condonation for shortfall in block-wise fulfillment of export obligation	The Committee decided to **recommend to DG for relaxation under Para 2.5 of FTP** to allow condonation in fulfilment of block-wise EO subject to payment of composition fee of 2% on duty saved amount in proportion to the shortfall at the end of each block. **DG has approved the case.**
4	M/s Kapoor Glass (India) Private Limited, Mumbai 01/36/218/190/AM-12/EPCG-I	03500131 dated 28.03.1996, 03500217 dated 20.08.1996	a. To grant EOP extension for another 5 years upto 31.03.2009 from the date of expiry (i.e. 31.03.2004) as per Para 5.11 of Hand Book of	Mr. Sanjeev Kapoor, Director from the Company appeared before the Committee and explained the hardships faced by the company to

			Procedures 2004-09 b. To condone their mistake for inability to furnish the require BG in the year 2005 due to factors beyond their control c. To condone their mistake for not having mentioned the EPCG Licence numbers on the shipping bills since their company was put on the negative list and the system was not accepting the same d. Club the exports made under both the licences and treat them as one licence	fulfil the condition of EPCG Authorizations. He explained that (a) the firm went into commercial production only in March, 1997 (b) they could not complete the EO within extended EOP as well (c) the Mumbai DGFT Office was in a position to grant extension for an additional period of 3 years i.e. upto 31.03.2007 upon furnishing BG (d) they could not furnish the BG due to the bad financial health of the firm (d) they continued exporting the goods and were able to complete the EO by the year 2008 (e) the major reason for their inability to fulfil EO during EOP was unfair practises by M/s Schott Glass Company [Competition Commission of India has passed a cease and desist order on the M/s Schott Glass India (German Company)]; They have completed 98% EO by year 2006. The

				The Committee, therefore, decided to **recommend to DG under Para 2.5 of FTP** to extend the EOP upto 12 years (i.e. upto 31.03.2008) from the issuance of Authorizations for regularization and counting of exports made during that period towards fulfilment of EO imposed on the firm subject to the payment of composition fee in terms of provisions contained in Para 5.11 of HBP v1. **DG has approved the case.**
5	M/s Jubilant Life Sciences Limited, Noida 01/36/218/27/AM-13/EPCG-I	0530135156 dated 31.10.2003, 0530135154 dated 31.10.2003, 0530135281 dated 27.11.2003, 0530136939 dated 08.09.2004	Amendment in the place of installation of Machines	The Committee decided to **defer** the case with the direction to call a representative of the firm for **Personal Hearing**.
6	M/s Flora Textiles Limited, Coimbatore 01/36/218/102/AM-12/EPCG-I	2133600 dated 09.11.1994 2133940 dated 01.03.1995 2154520 dated 24.08.1995 2154544 dated 5.10.1995 2156068 dated 08.09.1995	Refixation of EO on duty saved basis	The Committee observed that the BIFR's decision dated 27.12.2011 to grant the benefit of refixation of EO on duty saved basis by waiving the condition of fulfilment of mandated EO/Block wise & year wise EO for such

				for such refixation should be ratified by the DGFT. The Committee, therefore, decided to **recommend to DG under Para 2.5 of FTP** for ratifying the same. **DG has approved the case.**
7	M/s Chhaya Gems, Mumbai 01/36/218/171/AM-12/EPCG-I	0330002646 dated 4-10-2002 0330005702 dated 5-5-2004 0330009309 dated 4-8-2005 0330010756 dated 6-1-2006	Refixation of Average Export Obligation due to split in the Partnership firm	The case was deferred in the last meeting held on 23.05.2012 with the direction to the firm to furnish details regarding separate production figures in respect of two separated/split units, decrease in production capacity, Average Export figures attributable to the two units during the last 3 years before the split. The Committee observed that (a) the erstwhile Chhaya Gems had two manufacturing unit, one at Daliya Seri, Surat and another at Ghiyasheri, Surat (b) In 2002, major partner Mr. Chandresh Gandhi resigned from the partnership and took away

				and took away the unit at Daliya Seri which was manufacturing 60% to 70% (c) resultantly, the manufacturing capacity of the firm reduced to that extent (d) the firm has also furnished audited account papers to establish that the Daliya Seri unit was manufacturing 60% to 70% of the goods for the erstwhile Partnership firm, Chhaya Gems (e) the firm furnished the export figures of erstwhile partnership firm before the split while obtaining subsequent licences resulting in huge burden of Average Export Obligation fixed on them. The Committee, therefore, decided to **recommend to DG to relax the Policy under Para 2.5** for refixation of Average EO in the proportion to capacity in respect of the Authorizations. **DG has approved the case.**
8	M/s Maruti Suzuki India Limited 01/36/218/32/AM-13/EPCG-I	0530153618 dated 04.10.2010 0530154363 dated 24.12.2010	Condonation of delay in installation of Capital Goods beyond of	The Committee observed that the date of completion of imports in

			beyond 6 months	imports in respect of each of the two licences was 11.10.2010 and 10.01.2011 respectively whereas these were installed on 25.07.2011 and 10.08.2011. The Committee further observed that the delay of 105 days and 31 days beyond 6 months from the date of completion of imports was due to technical problem in commissioning of the Capital Goods. The Committee, therefore, condoned the delay in installation of capital goods.
9	M/s Richa Global Exports Private Limited, New Delhi 18/32/AM-13/EPCG-II	0530155040 dt.15.03.2011; 05301546006 dt.15.07.2011; 0530157052 dt. 25.11.2011	Shifting of machineries imported under EPCG authorizations form one unit to other units	The Committee decided to **defer** the case with the direction to call a representative of the firm for **Personal Hearing**.
10	M/s Richa & Co., New Delhi 18/31/AM-13/EPCG-II	0530155039 dt.15.03.2011; 0530154577 dt.20.01.2011; 0530154607 dt. 20.01.2011	Shifting of machineries imported under EPCG authorizations form one unit to other units	The Committee decided to **defer** the case with the direction to call a representative of the firm for **Personal Hearing**.
11	M/s Troika Components Private Limited, Hosur 18/38/AM-13/EPCG-II	0430000811 dt.07.11.2002	Condonation of block-wise EO	The Committee decided to **recommend to DG for relaxation**

				under Para 2.5 of FTP to allow condonation in fulfilment of block-wise EO subject to payment of composition fee of 2% on duty saved amount in proportion to the shortfall at the end of each block. **DG has approved the case.**
12	M/s R.K. Marble Private Limited, Ajmer 18/159/AM-12/EPCG-II	1330000482 dated 05.03.2004	Condonation of block-wise EO for 3rd and 4th blocks and extension in EOP for two years	The Committee decided to **recommend to DG for relaxation under Para 2.5 of FTP** to allow Extension in EOP for 2 years on payment of composition fee equal to 2% of proportionate duty saved amount on unfulfilled EO or an enhancement in EO imposed to the extent of 10% of total EO at the choice of exporter, for each year of extension sought in terms of provisions contained in Para 5.11 of HBP Vol. I. The Committee also decided to **recommend to DG for relaxation under Para 2.5 of FTP** to

				allow condonation in fulfilment of block-wise EO subject to payment of composition fee of 2% on duty saved amount in proportion to the shortfall at the end of each block in terms of the provisions of Para 5.8.3 of HBP (Vol. I). **DG has approved the case.**
13	M/s TM Tyres Limited, Secunderabad 18/41/AM-13/EPCG-II	0930006800 dt.11.02.2011; 0930006799 dt.11.02.2011	Grant of 2 years time from the date of import of all the machineries of entire project for submission of installation certificate	The Committee observed that the firm is in the process of commissioning of acquisition of land for its project because of seeking subsidy / incentive / benefits from A.P. Government. The Committee further observed that the Capital Goods imported against the subject EPCG Authorizations are just 2% of the total project and would be installed only after completion of the imports required for entire project. The Committee, therefore, allowed 2 years time for submission of

				installation certificate from the date of completion of imports for entire project.
14	M/s Naser Tanning Co., Chennai 18/45/AM-10/EPCG-II	0430001170 dt.27.06.2003	Condonation of shortfall in annual average EO for the period AM04	The Committee observed that there is a shortfall in Average EO in the year 2003-04 only. During the remaining years they have not only fulfilled the shortfall in Average EO for the year 2003-04 but also made excess exports for fulfilment of entire EO (Average EO + EO). The Committee, therefore, condoned the shortfall in the Average EO for the year 2003-04 which was fulfilled in subsequent block. Such condonation for delayed payment of Average EO does not attract composition fee.
15	M/s RA, CLA, New Delhi 18/47/AM-13/EPCG-II	…	Clarification sought by CLA whether Glass Wool [ITC(HS) Code:70199010] is capital goods or not	The Committee decided that 'Glass Wool' cannot be treated as Capital Goods.
16	M/s Tatia Intimate Exports Limited, Chennai 20/418/95/EPCG-IV	P/CG/2133681 Dated 25.11.1994	Extension in EOP upto 2006 and condonation of procedural lapse of not mentioning EPCG authorization No. & date on	The Committee decided to **defer** the case for further examination.

			the shipping bills.	
17	M/s Infocus Marketing and Services Limited, 01/36/218/02/AM-13/EPCG-I	3230008516 dated 04.12.2006	Condonation of procedural lapse of not mentioning EPCG License No. 3230008516 dated. 4.12.2006 and name on Third Party Shipping Bills (IEC No. 3206011779).	The Committee observed that the firm had imported the CG and installed at the premises of Supporting Manufacturer. The Committee also observed that the supporting manufacturer exported the goods without mentioning the name of Authorization Holder, EPCG Authorization Number and Date on the Shipping Bills. The Committee, wondered how the applicant installs CG at the premises of Supporting Manufacturer and forgets fulfilling EO. Moreover, it cannot be treated as third-party exports since the export is by the Supporting Manufacturer. The Committee, therefore, **rejected** the request.
18	M/s Riyan Optical Discs Private Limited, Cochin 18/02/AM-13/EPCG-II	……	Re-fixation of average EO as per Para 5.2B of FTP for import of items at Sl. No.25 of Customs Notification No.25/2002 dated 01.03.2002	The Committee decided to **defer** the case.
19	M/s John Deere India Private Limited, Pune 01/36/218/45/AM-13/EPCG-I	Applied for	EPCG Authorization for	Decision is pending.

			Office furniture and Office equipment	
20	M/s Bharat Aluminium Company Limited 01/36/218/145/AM-12/EPCG-I		Permission for EPCG Authorization to domestically procure Bogie Alumina Tank Wagons (BTAP) and Break Vans (BVZI) under invalidation	The Committee decided to **defer** the case for further examination in the next meeting of the Committee.
21	M/s Modern Petrofils 01/36/218/46/AM-12/EPCG-I	3430000003 dated 25.07.2000; 3430000039 dated 18.12.2001	Condoning shortfall in fulfillment of block-wise EO	The Committee decided to **recommend to DG for relaxation under Para 2.5 of FTP** to allow condonation in fulfilment of block-wise EO subject to payment of composition fee of 2% on duty saved amount in proportion to the shortfall at the end of each block. **DG has approved the case.**
22	M/s Hindalco Industries Limited, Gujarat 01/36/218/25/AM-12/EPCG-I	3430000127 dated 17.07.2003	Reconsideration of Nexus	The Committee decided to agree to the request of the applicant and certified the nexus.

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