MINUTES OF EPCG COMMITTEE MEETING HELD UNDER THE CHAIRMANSHIP OF SHRI JAIKANT SINGH , ADGFT AT 1430 Hours on 30.08.2013

Following officers attended the meeting:

a. Shri K. K. Tiwari, Industrial Adviser, D/o Heavy Industry
b. Shri K. K. Sinha, Industrial Adviser, D/o Industrial Policy and Promotion
c. Shri S. S. Tak, Joint Industrial Adviser, Ministry of Steel
d. Shri A. K. Pandey, Sr. Technical Officer, D/o Revenue
e. Shri V. K. Kohli, Deputy Director, O/o Textile Commissioner, Noida
f. Shri D. V. S. P. Varma, Deputy Director General, DGFT
g. Shri A. K. Gopal, Foreign Trade Development Officer (EPCG.I), DGFT
h. Shri S. K. Swarnkar, Foreign Trade Development Officer (EPCG.II), DGFT
i. Smt. Rekha Sharma, Foreign Trade Development Officer (P-5), DGFT

2. Minutes of the last Meeting held on 24.07.2013 were confirmed.

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

S. No.	**Firm's Name and Numbers**	**EPCG Authorisation No.**	**Subject**	**Decision of Committee**
1.	M/s Lucky Yarn Tex India Limited 01/36/218/108/AM-14/EPCG-I	3230011877 dated 06.05.2008	Inclusion of alternate product in respect of EPCG Authorization No. 3230011877 dated 06.05.2008	The Committee observed that the there was a provision to fulfill EO upto the extent of 50% by alternate product/services during the period 01.04.2008 to 17.04.2013 and therefore, **allowed** the firm inclusion of alternate products (for export) like Synthetic Yarn and all types of Fabrics and Garments for fulfillment of EO subject to the condition that first 50% of EO shall be fulfilled only by original export product and Average EO will be refixed in respect of alternate products as well.

S. No.	Firm's Name and Numbers	EPCG Authorisation No.	Subject	Decision of Committee
2.	M/s Jupiter Gran Stones Private Limited 01/36/218/95/AM-14/EPCG-I	0430003339 dated 16.01.2006 0430003340 dated 16.01.2006	Condonation of block-wise EO in respect of EPCG Authorization No. 0430003339 dated 16.01.2006 and 0430003340 dated 16.01.2006	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 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 v1/Para 5.8.2 of HBP v1 (RE: 2013). **This has the approval of DG.**
3.	M/s LLOYD Insulation (India) Limited. 01/36/218/238/AM-13/EPCG-I	0530134557 dated 23.07.2003	Condonation of block-wise EO against EPCG License No. 0530134557 dated 23.07.2003	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 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 v1/Para 5.8.2 of HBP v1 (RE:2013). **This has the approval of DG.**

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S. No.	Firm's Name and Numbers	EPCG Authorisation No.	Subject	Decision of Committee
4.	M/s Amrita Enterprises Private Limited 01/36/218/100/AM-14/EPCG-I	5330000856 dated 23.09.2004	Condonation of block-wise EO against EPCG Authorization No. 5330000856 dated 23.09.2004	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 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 v1/Para 5.8.2 of HBP v1 (RE:2013). **This has the approval of DG.**

S. No.	Firm's Name and Numbers	EPCG Authorisation No.	Subject	Decision of Committee
5.	M/s Arora's J.K. Natural Marbles Limited 01/36/218/122/AM-14/EPCG-I	1330000469 dated 23.02.2004	Condonation of block-wise EO and extension in EOP in respect of EPCG Authorization No. 1330000469 dated 23.02.2004	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 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 v1/Para 5.8.2 of HBP v1 (RE:2013). The Committee further 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. **This has the approval of DG.**

S. No.	Firm's Name and Numbers	EPCG Authorisation No.	Subject	Decision of Committee
6.	M/s Andhra Pradesh Paper Mills Limited 01/36/218/115/AM-14/EPCG-I	2630000431 dated 05.01.2007 0930001502 dated 17.05.2005 and 0930001504 dated 19.05.2005	(a) Condonation of shortfall in block-wise EO in respect of EPCG Authorization Nos. 2630000431 dated 05.01.2007 and 0930001502 dated 17.05.2005 (b) Extension in EOP against EPCG Authorization No. 0930001502 dated 17.05.2005 and 0930001504 dated 19.05.2005	(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 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 v1/Para 5.8.2 of HBP v1 (RE: 2013). (b) The Committee further 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. **This has the approval of DG.**

S. No.	Firm's Name and Numbers	EPCG Authorisation No.	Subject	Decision of Committee
7.	M/s Global Health Private Limited 01/36/218/35/AM-14/EPCG-I	0530158688 dated 29.06.2012	Permission to sell the damaged capital goods as scrap, exemption from provision of Para 5.4 of FTP (RE: 2012) and exemption from provision of Para 5.3.1 (c) of HBP v1 (RE: 2012)	Minutes put up to DG. He desired that the case be reconsidered by the Committee.
8.	M/s Meramex Private Limited 01/36/218/148/AM-11/EPCG-I	0330015155 dated 21.02.2007	Condonation for partial export obligation of US$ 17,08,314/- (Rs. 7,52,51,225/-) under EPCG License No. 0330015155 dated 21.02.2007 as per Para 5.11.2 of HBP, v1 2004-09 in relaxation of Policy Provision under Para 2.5 of FTP 2004-09 on the grounds of genuine hardship and unforeseen circumstances beyond their control	Minutes put up to DG. He desired that the case be reconsidered by the Committee.

S. No.	**Firm's Name and Numbers**	**EPCG Authorisation No.**	**Subject**	**Decision of Committee**
9.	M/s Monnet Ispat & Energy Limited 01/36/218/63/AM-14/EPCG-I	-----	Clarification on whether Transformer is permitted to be imported under EPCG Scheme	Technical members of the Committee indicated that the SVC System with accessories is part of the mother unit as a built-in unit (used in arch furnace) and is essentially required in production of export product. Hence, the Committee decided to **allow** the import of SVC system with accessories.
10.	M/s ALPS Industries Limited 01/36/218/62/AM-14/EPCG-I	-----	Clarification regarding procurement of Transformer (400 KVA 11/0. 415 KV oil Filled) under EPCG Scheme for Textile Unit	Technical members of the Committee indicated that there is no direct linkage between import product i.e. Oil Filled Transformer and export product viz. Made Ups. The Committee, therefore, decided to **reject** the case.

S. No.	Firm's Name and Numbers	EPCG Authorisation No.	Subject	Decision of Committee
11.	M/s Grant Enterprises 01/36/218/88/AM-14/EPCG-I	0430000033 dated 28.01.2000	Conversion from 0% EPCG License to 10% Normal EPCG Scheme in respect of EPCG Authorization No. 0430000033 dated 28.01.2000	The Committee observed that the case was referred to Department of Revenue by the GRC. The Committee perused the written comments from the Department of Revenue suggesting that conversion may be allowed as EPCG Committee in its meeting dated 10.12.2007 had made recommendations regarding the conversion of Zero Duty EPCG Authorization to 10% Duty EPCG Authorization in two cases. The Committee, therefore, decided to **allow** conversion of subject EPCG Authorization from Zero Duty to 10% Duty.
12.	M/s G. K. dairy & Milk Products Pvt. Ltd. 01/36/218/80/AM-14/EPCG-I	0530139635 dated 30.09.2005, 0530140025 dated 12.12.2005, 0530141424 dated 06.07.2006 and 0530148546 dated 05.03.2009	a. Condonation for non-fulfillment of block-wise EO in respect of EPCG Authorization Nos. 0530139635 dated 30.09.2005, 0530140025 dated 12.12.2005 and 0530141424	(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 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 v1/Para 5.8.2 of HBP v1 (RE:2013). **This has the approval of DG.** (b) The Committee further decided to **recommend to DG for relaxation under Para 2.5 of**

S. No.	Firm's Name and Numbers	EPCG Authorisation No.	Subject	Decision of Committee
			dated 06.07.2006 b. Extension in EOP in respect of EPCG Authorization Nos. 0530139635 dated 30.09.2005, 0530140025 dated 12.12.2005 and 0530141424 dated 06.07.2006 c. Refixation of Annual Average EO in respect of EPCG Authorization Nos. 0530139635 dated 30.09.2005, 0530140025 dated 12.12.2005, 0530141424 dated 06.07.2006 and 0530148546 dated 05.03.2009	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. **This has the approval of DG.** (c) The Committee observed that the export products come under the exempted category mentioned in Para 5.7.6 of HBP v1 and decided to **refer** the case with this observation to the concerned RA for further examination and necessary action viz. refixation of Average EO etc. (d) The Committee observed that the request of the firm regarding inclusion of alternate product viz. other milk products and fruit beverages can be acceded to in terms of relevant provisions of FTP in vogue at the time of issue of authorization(s). The Committee, however, decided to **refer** the case to RA with this observation for necessary action.

S. No.	Firm's Name and Numbers	EPCG Authorisation No.	Subject	Decision of Committee
			Addition of Export Products in respect of EPCG Authorization Nos. 0530139635 dated 30.09.2005, 0530140025 dated 12.12.2005, 0530141424 dated 06.07.2006 and 0530148546 dated 05.03.2009	

S. No.	Firm's Name and Numbers	EPCG Authorisation No.	Subject	Decision of Committee
13.	M/s Essel Propack limited 01/36/218/44/AM-14/EPCG-I	2134400 dated 16.06.95	a. To change name of M/s RAS Propack Lamipack Limited to M/s Essel Propack Limited in view of merger of the former company with the latter vide BIFR order dated 28.08.2012. b. Extension in time period to meet re-fixed EO c. To count exports made by Essel Propack Limited/Group Companies of Essel Propack Limited as exports made by RAS Propack Lamipack Limited	The Committee observed that M/s RAS Propack Lamipack Limited, which was a sick company and was granted rehabilitation scheme under BIFR has now merged with M/s Essel Propack Limited and BIFR has, in its order dated 15.06.2012, granted certain reliefs including extension in EOP for 5 years from the cut-off date and to treat the exports made by M/s Essel Propack Limited/the Group Companies of EPL as exports made by M/s RAS Propack Lamipack Limited. The Committee deliberated the case in detail and **decided** that: (a) The name of the company may be changed to M/s Essel Propack Limited once modification to this effect is indicated in Registrar of Companies by way of certification of incorporation. (b) Extension in EOP may be granted upto 01.04.2016 (cutoff date is 01.04.2011); (c) Group Company aspect will be examined by the RA in terms of PIC decisions.

S. No.	Firm's Name and Numbers	EPCG Authorisation No.	Subject	Decision of Committee
14.	M/s Gimpex Limited 01/36/218/106/AM-14/EPCG-I	0430005477 dated 22.10.2007	Condonation for not getting permission from the RA before shifting Capital Goods and permission to install the machinery at Gimpex Ltd. in respect of EPCG Authorization No. 0430005477 dated 22.10.2007 issued to M/s Gimpex Limited, Chennai.	The Committee observed that the address to which the Capital Goods have been installed is endorsed in IEC and RCMC and hence, decided to **grant** post facto approval for installation of Capital Goods at their own unit located at M/s Gimpex Limited, Opp. Railway Station, Kodur, Kadapah District, A.P. – 516 101.
15.	M/s Indo-US MIM Tec Pvt. Ltd. 01/36/218/03/AM-14/EPCG-I	0730010411 dated 27.07.2011	Transfer of Capital Goods Procured under EPCG scheme in respect of EPCG Authorization No. 0730010411 dated 27.07.2011	The Committee decided to **allow** the transfer of Capital Goods from one Branch of the firm located at *No. 43-44 & 45(P) KIADB Industrial Area, Dodballapur, Bangalore – 562 103* to their another branch at *No. 45(P) KIADB Industrial Area, Hosakote, Bangalore – 562 114* subject to the condition that both the addresses are mentioned in IEC and RCMC and submission of fresh installation certificate within 6 months of such transfer.

S. No.	Firm's Name and Numbers	EPCG Authorisation No.	Subject	Decision of Committee
16.	M/s Motherson Automotive Technologies & Engineering. 01/36/218/82/AM-14/EPCG-I	0530154734 dated 08.02.2011 0530147604 dated 27.10.2008	Permission for adjustment of excess exports made against EPCG Authorization No. 0530154734 dated 08.02.2011 for fulfillment of export obligation against other EPCG Authorization No. 0530147604 dated 27.10.2008	The committee deliberated upon the case in detail and observed that the request of the firm is for adjustment of excess exports made against EPCG Authorization No. 0530154734 dated 08.02.2011 for fulfillment of EO against other EPCG Authorization No. 0530147604 dated 27.10.2008. The Committee, therefore, **decided to recommend to DG for relaxation under Para 2.5 of FTP** for counting of excess exports made against EPCG Authorization No. 0530154734 dated 08.02.2011 for fulfillment of EO against other EPCG Authorization No. 0530147604 dated 27.10.2008 provided the exports made are within the validity period of EPCG Authorizations and subject to the condition that there is no double counting of exports and exports made are within the validity period of EOP of licence obtained in 2008. **This has the approval of DG.**

S. No.	Firm's Name and Numbers	EPCG Authorisation No.	Subject	Decision of Committee
17.	M/s Marine Electricals (I) Pvt. Limited. 01/36/218/116/AM-14/EPCG-I	0330025976 dated 10.05.2010	Permission for installation of capital goods in another unit imported against EPCG License No. 0330025976 dated 10.05.2010	The Committee observed that both the addresses i.e. the address endorsed in EPCG Authorization and the address of other unit where Capital Goods have been actually installed are mentioned in IEC and therefore decided to **allow** post facto approval of shifting of Capital Goods from one unit located at *S/17-18, Verna Electronics City, Salcete, Verna, Goa – 403 722* to *Verna Industrial Estate, Plot No. 51, 52, 59, 60, Phase-IV, Salcette, Verna, Goa – 403 722* subject to the condition that the firm will submit fresh Installation Certificate.
18.	M/s Jaquar & Company Limited 01/36/218/119/AM-14/EPCG-I	0530144158 dated 20.07.2007	Relaxation against one month delay in issuance of installation Certificate for machinery imported against EPCG License No. 0530144158 dated 20.07.2007	The Committee observed that the firm had already obtained Installation Certificate from Central Excise and decided to **recommend to DG for relaxation under Para 2.5 of FTP** for condonation of delay in Installation of Capital Goods. **This has the approval of DG.**

S. No.	Firm's Name and Numbers	EPCG Authorisation No.	Subject	Decision of Committee
19.	M/s JKT Enterprises Pvt. Limited 01/36/218/102/AM-14/EPCG-I	0330030759 dated 05.10.2011	Amendment of Factory Address for the purpose of Installation in EPCG Authorization No. 0330030759 dated 05.10.2011	The Committee deliberated upon the case and decided to **defer** the case with the direction to RA to ask the firm as to why the Goods were not installed after being imported in January, 2012 and where are the goods lying now.
20.	M/s Angalakshmi Spinning Mill 01/36/218/109/AM-14/EPCG-I	3230006539 dated 28.03.2006 3230006938 dated 18.05.2006 and 3230007881 dated 18.09.2006	Inclusion of alternate product from the date of issuance of License No. 3230006539 dated 28.03.2006, No. 3230006938 dated 18.05.2006 and No. 3230007881 dated 18.09.2006 and to allow counting of excess exports made against one EPCG Authorization (3230006539 dated 28.03.2006) towards fulfillment of shortfall in EO against two EPCG Authorizations (No. 3230006938 dated 18.05.2006 and No. 3230007881 dated 18.09.2006)	The Committee deliberated upon the case and decided to **defer** the case with the direction to ask the firm as to whether they have their own unit for manufacture of RMG and whether they had any past exports of RMG before or after obtaining the Authorization.

Sl. No.	Firm's Name and Numbers	EPCG Authorisation No.	Subject	Decision of Committee
3	M/s Bharat Aluminium Company Limited. 01/36/218/120/AM-14/EPCG-I	0530142511 dated 28.11.2006	Grant of TED against import (domestic procurement through invalidation route) of BATP wagons against EPCG Authorization No. 0530142511 dated 28.11.2006	The Committee observed that: a. The firm had ordered for the procurement of Capital Goods before the issuance of Policy Circular No. 48/19.12.2008. However, the goods arrived after the issuance of circular. b. PRC in its meeting dated 04.09.2009 had decided that the TED claims of EPCG Authorizations holder who had been issued EPCG authorizations for import of Railway Wagons under Wagon Leasing Scheme, Wagon Investment Scheme, Liberalized Wagon Investment Scheme of the M/o Railways and was effected the import prior to issue of the said circular may be allowed the TED refund by RAs in relaxation of provision of Para 5.3 of FTP (RE: 2008) and Para 4 of Circular No. 48/19.12.2008 and the EODC be issued subject to fulfillment of all other condition governing the EPCG Authorization. c. The firm informed that they had placed the order on 09.01.2004 i.e. prior to issuance of the said Circular; d. They had also made 15% advance payment prior to the date of the circular. e. The procurement of Capital Goods had been completed by

S. No.	Firm's Name and Numbers	EPCG Authorisation No.	Subject	Decision of Committee
				12.08.2011 f. In a similar case of M/s Rashmi Metallic, the EPCG Committee had, in its meeting held on 17.11.2011, recommended the case to DG for relaxation. The Committee observed that the firm had taken effective steps for procurement of Capital Goods prior to issuance of the said circular. Therefore, the Committee decided to **recommend to DG** to relax the provisions of Policy Circular 48 in favour of the firm in tune with PRC decision dated 04.09.2009 in other cases. **This has the approval of DG.**
22.	M/s Globe Components Private Limited. 01/36/218/114/AM-14/EPCG-I	0430003192 dated 25.11.2005 0430003899 dated 20.07.2006	To Consider fulfillment of specific EO and Annual Average EO under EPCG Scheme for job work supplies effected to EOU and waiver from maintaining Annual Average Export Obligation Year-wise	The Committee observed that: a. The firm had made Job Work supplies to EOU unit M/s Lucas – TVS Limited and they have furnished invoice copy raised for the value addition in job work made to 100% EOU Unit; b. The firm had also made supply of automotive components to the EOU Unit and they have produced ARE Forms; c. For some of the illegible ARE Forms, they are ready to replace the same with the legible ones; d. They have completed Average Export Obligation in toto during the 3^{rd}, 4^{th} and 5^{th} years of EOP and

S. No.	Firm's Name and Numbers	EPCG Authorisation No.	Subject	Decision of Committee
				they want condonation from requirement of maintenance of average EO year-wise. The Committee, therefore, decided to **recommend to DG for relaxation under Para 2.5 of FTP** to allow the firm: a. To fulfill the specific and average EO through supply of goods and job work supplies made to EOU Units; b. Condonation from requirement of maintenance of average EO year-wise upto 5th year and no need for maintenance in 6th year if EO has been fulfilled within 5 years. **This has the approval of DG.**
23.	M/s Bharat Aluminium Company Limited. 01/36/218/121/AM-14/EPCG-I	26 Authorizations issued during AM-09 to AM-13	Condonation of delay in Installation of Capital Goods in respect of some of the Capital Goods imported against 26 EPCG Authorizations	The Committee observed that: a. The firm is in the process of setting up a mega expansion projects of 6.50 Lac Mt pa Aluminium smelter at their existing works situated at Balco Nagar, Korba, Chattisgarh; b. In first phase they are setting up of 3.25 Lac Mt pa aluminium smelter to manufacture aluminium products; c. While they have installed substantial capital goods imported under EPCG for the aluminium smelter project,

S. No.	Firm's Name and Numbers	EPCG Authorisation No.	Subject	Decision of Committee
				some of capital goods, are pending to be installed in their factory due to Chimney collapse incident on 23.09.2009 which was reported by the media repeatedly; d. They expect that the process of Installation of Capital Goods, in toto, is about to be completed latest by Feb'14 and Installation Certificate from concerned Authority shall be arranged consequent to Installation Certificate. The Committee, therefore, decided to **recommend to DG for relaxation under Para 2.5 of FTP** for condonation in delay in submission of Installation Certificate against the subject EPCG Authorizations and also to grant time upto February 2014 for completing the Installation process subject to the condition that the firm will furnish Installation Certificate from Jurisdictional Central Excise Authority within 6 months from the date of completion of Installation Process. **This has the approval of DG.**

S. No.	Firm's Name and Numbers	EPCG Authorisation No.	Subject	Decision of Committee
24.	M/s Al- Dua Food Processing (P) Limited. 01/36/218/67/AM-14/EPCG-I	0530152819 dated 20.07.2010	Condonation of delay in installation of capital goods imported under EPCG Authorization No. 0530152819 dated 20.07.2010	The Committee deliberated upon the case and decided to **recommend to DG for relaxation under Para 2.5 of FTP** for condonation of delay in submission of Installation Certificate against the subject EPCG Authorization subject to the condition that the firm will furnish the Installation Certificate from Jurisdictional Central Excise Authority within 6 months to the concerned RA. **This has the approval of DG.**
25.	M/s City View Bangalore Properties Private Limited. 01/36/218/84/AM-14/EPCG-I	-----	Import of 'pre-fabricated unitized wall panels' by City View under the EPCG Scheme	The Committee observed that the import item viz. pre-fabricated unitized wall panels cannot be considered under the category of Capital Goods under EPCG Scheme and, therefore, decided to **reject** the request.

S. No.	Firm's Name and Numbers	EPCG Authorisation No.	Subject	Decision of Committee
26.	M/s MKB Cast Private Limited. 01/36/218/123/AM-14/EPCG-I	0430011414 dated 06.07.2012 0430011326 dated 19.06.2012 0430011367 dated 28.06.2012	Condonation for delay in filling Installation Certificate for machines imported against 3 EPCG Authorizations Nos. 0430011414 dated 06.07.2012, 0430011326 dated 19.06.2012 and 0430011367 dated 28.06.2012	The Committee deliberated upon the case and decided to **recommend to DG for relaxation under Para 2.5 of FTP** for condonation of delay in submission of Installation Certificate against the subject EPCG Authorization(s) subject to the condition that the firm will furnish the Installation Certificate from Jurisdictional Central Excise Authority within 6 months to the concerned RA. **This has the approval of DG.**
27.	M/s Manjeet Cotton Private Limited. 01/36/218/89/AM-14/EPCG-I	-----	Clarification about Notification No. 07/(RE: 2013)/2009-14, New Delhi dated 18.04.2013 about import of capital goods of electrical control panel	The Committee deliberated upon the case and decided to **defer** it with the direction to call for the catalogue and technical literature, including flow chart, of the Capital Goods.
28.	M/s Saturn Estate Management Pvt. Ltd. 01/37/218/94/AM-14/EPCG-ll	0530148138 dated 05.01.2009	Counting of foreign exchange earned by other firm to fulfill export obligation of EPCG authorization	The Committee observed that the firm had neither informed RA nor taken approval before leasing out the Capital Goods. They have, therefore, violated the 'Actual User' Condition. The Committee, therefore, decided to **reject** the case.

S. No.	Firm's Name and Numbers	EPCG Authorisation No.	Subject	Decision of Committee
29.	M/s Reliance Infrastructure Ltd. 18/184/AM-13/EPCG-ll	0330029636 dated 01.06.2011, 0330029874 dated 30.06.2011 and 0330030896 dated 21.10.2011	Import of cranes under EPCG scheme.	Two representatives from the company approached the Committee for PH at the time of the meeting. The Committee decided to hear them. They informed that they provide all the services and equipment including evaluation, inspection, load testing and installation of cranes for the proper implementation, determination of sequence of operation , organizing alternative assemblies of Cranes, providing technical operator for carrying out the installation and assembly work and ensuring safety training of all the operators. They further informed that these cranes are not normal cranes and are entirely different. They have undergone agreement with a Chinese company to provide the said service and thereby they earn foreign exchange. They also informed that realization would be in foreign exchange. The Committee, however, decided to **defer** the case as the report from Central Excise sought by DOR was hitherto awaited.

S. No.	Firm's Name and Numbers	EPCG Authorisation No.	Subject	Decision of Committee
30.	M/s Sampark Industries Limited 18/14/AM-13/EPCG-ll	0530132877 dated 21.05.2002	Extension in export obligation period for two years i.e. upto 20.05.2014 without payment of customs duty.	The Committee decided to **defer** the case for detailed examination.
31.	M/s Surana Telecom and Power Ltd. 18/177/AM-13/EPCG-ll	0930000193 dated 01.08.2001	Extension in E.O. Period for five years and inclusion of alternate products.	The Committee deliberated upon the case and decided to **defer** it with the direction to call comments from DOR.
32.	M/s Surya Roshni Limited 18/193/AM-13/EPCG-ll	0530146949 dated 21.08.2008	Amendment in export product	The Committee deliberated upon the case and decided to **defer** it with the direction to call comments from DIPP.
33.	M/s Saraf Glass Pvt. Ltd. 01/37/218/96/AM-14/EPCG-ll	0230000626 dated 21.07.2004	Extension in E.O. Period 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. **This has the approval of DG.**

S. No.	Firm's Name and Numbers	EPCG Authorisation No.	Subject	Decision of Committee
34.	M/s S. Kumar Nationwide Limited 01/37/218/73/AM-14/EPCG-ll	0330020227 dated 05.06.2008	Counting of excess exports made against EPCG Authorization No. 01500711 dated 19.02.1998 (redeemed on 25.03.2011) for fulfillment of export obligation of EPCG Authorization No. 0330020227 dated 05.06.2008	The Committee observed that export product against EPCG authorization No.01500711 dated 19.02.1998 are 'woven Fabrics of Carded Wool or of Carded Fine Animal Hair containing 85% or more by weight of Wool or Fine Animal Hair' whereas the export product against EPCG authorization No.0330020227 dated 05.06.2008 are Cotton Mill Made Fabrics, Cotton Made ups. Since the export products are different against the EPCG authorizations, therefore, the Committee decided to **reject** the request.

S. No.	Firm's Name and Numbers	EPCG Authorisation No.	Subject	Decision of Committee
35.	M/s Victora Tool Engineering's Pvt. Ltd. 18/54/AM-13/EPCG-ll	0530156249 dated 17.08.2011	Installation of capital goods at different location and inclusion of alternate products.	The Committee observed that both the addresses i.e. the address endorsed in EPCG Authorization and the address of other unit where Capital Goods have been actually installed are mentioned in IEC and therefore decided to **allow** post facto approval of shifting of Capital Goods from units located at *Plot No.1049, Sector 58, Faridbad, Haryana-121004 & Plot No. 340,Krishna Colony, Opp. Sector-25, Faridbad-121004* to *Plot No.118,125 & 126, Sector-25, Faridabad, Haryana-121004* subject to the condition that the firm will submit fresh Installation Certificate within six months. As regards inclusion of alternate product, the firm may approach the concerned RA in terms of Para 5.5(c) of FTP.
36.	M/s Vedanta Aluminium Limited. 18/100/AM-13/EPCG-ll	46 EPCG Authorizations issued during the period 11.09.2008 to 16.06.2010	To allow commencement of export obligation period of 46 EPCG Authorizations from the date of grant of approval by MOEF.	The Committee observed that: a. The firm obtained approval of Terms of Reference (TOR) form Ministry of Environment and Forests on 12.03.2008 before expansion of their existing Alumina Refinery from 1 Million to 6 Million TPY in the line with EIA Notification 2006;

S. No.	Firm's Name and Numbers	EPCG Authorisation No.	Subject	Decision of Committee
				b. They started the construction work and simultaneously applied for EPCG Authorizations for procurement of Plant and machinery; c. They obtained 46 EPCG Authorizations during the period 11.09.2008 to 16.06.2010; d. The project was in progress as per schedule and it was expected that plant would be commissioned in the second quarter of year 2011; e. However, MOEF issued a Notice on 20.10.2010 withdrawing the Terms of Reference; f. On receipt of the notice, they clarified the matter to Ministry of Environment and Forests; g. The firm have informed that M/o EF issued a general clarification stating that all projects require prior EC and issued directions for maintaining status quo by stopping all construction activities; h. The firm approached Orissa High Court for EC for expansion projects; i. Hon'ble High Court in its judgment dated 16.11.2011 directed that opposite parties are also justified in holding that the process for environment clearance has to be started de

S. No.	Firm's Name and Numbers	EPCG Authorisation No.	Subject	Decision of Committee
				now for which petitioner has to submit fresh proposal to the Ministry under the procedure laid down by EIA Notification 2006; j. As per High Court's order they approached M/o EF again and submitted fresh EIA in line with the fresh TOR issued by the M/o EF on 02.02.2012; k. M/o EF advised vide their letter dated 17.04.2012 to keep the same (Project work) in abeyance till further instruction and hence they are still waiting for final decision. l. The firm have requested that EOP should commerce from the date of clearance from M/o EF. The Committee deliberated upon the case in view of the facts mentioned above. The committee noted that earlier request of the firm for grant of time for installation of capital goods in respect of 33 EPCG Authorizations was considered and extension in time period for 6 months from the date of approval of clearance from M/o EF was allowed in EPCG committee meeting held on 10.10.2012. Representative of Department of Revenue was also of the view that the relaxation in the Policy should be given to the firm, in exceptional circumstances,

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				as they are facing genuine hardship subject to the condition that this case cannot be quoted as precedence in any case. The Committee therefore, **recommended the case to DG for relaxation under Para 2.5 of FTP** for commencement of EOP from the date of clearance given by M/o EF in respect of subject Authorizations subject to above condition. **This has the approval of DG.**
37.	M/s Indian Oil Corporation Limited 01/36/218/125/AM-14/EPCG-I	0530152971 dated 05.08.2010	Extension in validity of EPCG Authorization No. 0530152971 dated 05.08.2010 for import of equipment re-exported for repair.	The Committee observed that a. At the time of unloading of the three items of machinery (indicated at Sl. No. 23 of Import List – Item Description – Claus Air Blowers (Tag No. 086-K-001, 087-K-001 and 088-K-001) at the port of import major component of Item having Tag No. 088-K-001 got damaged and the same was re-exported for repair after taking the permission from Custom Authority in line with the requirement of Para 5.16 of HBP v1. b. After re-exporting the damaged component Bill of Entry No. 4487825 dated 29.08.2011 was revised to give the credit of 0.5 Nos. of quantity in Item No. Sl. No. 23 of EPCG Authorization;

S. No.	Firm's Name and Numbers	EPCG Authorisation No.	Subject	Decision of Committee
				Import of C.E.No. Quantity of Item No. 23 of the Item List is pending under the Authorization against which damaged component will be re-imported after repairing. d. The validity of subject EPCG Authorization was upto 04.08.2013 and the firm have requested for extension in validity upto 31.12.2013. The Committee, therefore, decided to **recommend to DG for relaxation under Para 2.5 of FTP** to grant extension in validity of the subject EPCG Authorization upto 31.12.2013. **This has the approval of DG.**
38.	M/s Hindalco Industries Limited 01/36/218/107/AM-14/EPCG-I	3430002389 dated 07.06.2013	Certification of nexus in respect of EPCG Authorization No. 3430002389 dated 07.06.2013 issued to M/s Hindalco Industries Ltd.	The Committee deliberated upon the case and decided to **defer** it with the direction to call the firm for Personal Hearing before EPCG Committee in its next meeting.

S. No.	Firm's Name and Numbers	EPCG Authorisation No.	Subject	Decision of Committee
39.	M/s Baxter (India) Private Limited 01/36/218/130/AM-14/EPCG-I	20 EPCG Authorizations issued during AM-10 to AM-12	Condonation of delay in installation of Capital Goods imported against 20 EPCG Authorizations issued during AM-10 to AM-12	The Committee observed that the firm have obtained Installation Certificate from Jurisdictional Central Excise Authority against the subject 20 EPCG Authorization(s) issued during AM-10 to AM-12 and, therefore, decided to **recommend to DG for relaxation under Para 2.5 of FTP** for condonation of delay in submission of Installation Certificate. **This has the approval of DG.**
40.	M/s Berkeley Infra Projects Private Limited (Formerly known as Gremach Projects Pvt. Ltd.) 01/36/218/127/AM-14/EPCG-I	0330023532 dated 04.08.2009	a. Condonation of delay in installation of Capital Goods b. Condonation of delay in submission of installation certificate c. To grant time for one year for necessary compliance (i.e. to install the machinery) in respect of EPCG Authorization No. 0330023532 dated 04.08.2009	

S. No.	Firm's Name and Numbers	EPCG Authorisation No.	Subject	Decision of Committee

The Committee observed that:

a. The firm obtained the EPCG Authorization on 04.08.2009;
b. Before obtaining EPCG Authorization, the firm had purchased land from private land owner at Pudimadaka Village, Visakhapatnam in January, 2008;
c. On 06.02.2008, they were served notice by Deputy Collector(Land Acquisition) for compulsory acquisition of land for SEZ purpose by APIIC, a a subsidiary of Government of A. P.;
d. As the land was under compulsory acquisition, the firm, in consultation with Andhra Pradesh Industrial Infrastructure Corporation Limited, a subsidiary of Government of A. P. , purchased 25 acres of land at Krisnapalem Village in Visakhapatnam district for installation of Capital Goods, the possession of which was given on 20.04.2009;
e. They started civil work but suddenly villagers came inside their campus and protested from doing any work as their rehabilitation cost was not paid by APIIC;
f. For solving all the aforesaid issues, it took almost two years of time and thus the firm were not able to implement the proposed project and provide the necessary installation certificate of capital goods, due to various reasons beyond their control.
g. Now, the firm is in clear possession of the previous land situated at Pudimadaka (on which the EPCG license had been obtained) which is free from the land acquisition act as APIIC had not paid the award/compensation and if they did not pay the award within a period of three years from the date of notifications, the act itself become null and void according to Land acquisition act 1984;
h. Due to all the above uncertain reasons beyond their control, the firm were unable to provide with the necessary installation certificate in time on the original land, on which the EPCG license has been obtained;
i. Further the machineries in question are still lying on the port in a private ware houses and they are incurring a heavy loss day by day due to warehouse rent and interest cost involved in the purchase of machinery.
j. The firm, is therefore not in a position to install the machinery within the time frame.

The Committee, in view of the situation beyond control of the firm, **decided to recommend to DG for relaxation under Para 2.5 of FTP** for condonation of delay in Installation of Capital Goods and to grant time for one year for Installation of Capital Goods subject to the condition (a) the firm will fulfill 100% Export Obligation imposed on the subject EPCG Authorization and <u>no proportionate reduction in EO</u>/<u>no recast of EO</u>

will be allowed (b) the firm will not ask for any waiver of Export Obligation and (c) the firm will furnish Installation Certificate to RA after the Installation of Capital Goods.

This has the approval of DG.

S. No.	**Firm's Name and Numbers**	**EPCG Authorisation No.**	**Subject**	**Decision of Committee**
41.	M/s Bestech Hospitalities Private Limited 01/36/218/274/AM-13/EPCG-I	24 Authorizations issued during AM-05 to AM-08	Condonation of procedural lapse made in respect of 24 EPCG Authorizations issued during AM-05 to AM-08	The Committee observed that: a. the firm had obtained 24 EPCG Authorizations from CLA, New Delhi during AM-05 to AM-08; b. they claim that they have completed EO till 31.03.2007 in respect of 21 EPCG Authorizations and during 2007-08 in respect of remaining 3 EPCG Authorizations issued after 31.03.2007; c. After completion of EO in respect of all the 24 EPCG Authorizations they sold their hotel to M/s MDLR Tours and Travels Private Limited on 11.06.2008 (Sale agreement date – 22.04.2008) without waiting for issuance of a few redemption letters; d. O/o Commissioner of Customs have stated that the firm have violated the provisions of Para 5.7.6 of HBP v1; e. The firm have contended that they have not violated any provision of FTP/HBP v1; f. As per Para 5.4 of FTP, the Capital Goods under EPCG Scheme shall be subject to Actual User Condition till EO is completed;

S. No.	Firm's Name and Numbers	EPCG Authorisation No.	Subject	Decision of Committee
				c. The firm have claimed that EODC in respect of all the licences have since been issued. The Committee observed that the conflict has arisen due to the interpretation of Para 5.4 of FTP which stipulates that the Capital Goods under EPCG Scheme shall be subject to Actual User Condition till EO is completed. The Committee was of the view that if the firm have completed EO in respect of all the 24 EPCG Authorizations before sale of the Hotel, the procedural lapse of not taking EODC before such sale may be condoned. However, the Regional Authority will check all the relevant documents establishing the fact that all the shipments were effected before such sale. The Committee, thereafter, decided to **recommend to DG** to allow condonation of procedural lapse of not taking EODC before sale of the Hotel subject to the condition that the firm will produce all the documents to establish that they have completed the EO before sale of Hotel to the satisfaction of Regional Authority. **This has the approval of DG.**

S. No.	Firm's Name and Numbers	EPCG Authorisation No.	Subject	Decision of Committee
42.	M/s Mafatlal Denim Limited 01/36/218/183/AM-11/EPCG-I	8 Authorizations issued during AM-06 to AM-10	Re-fixation of average exports and condonation of 1st block condition with extension of EO period without payment of compensation in respect of their 8 EPCG Licences	The Committee decided to **defer** the case with the direction to call for comments from O/o Textile Commissioner, Noida, Ministry of Textiles.
43.	M/s Netrack Enclosures Private Limited, Bangalore 01/37/218/17/AM-14/EPCG-II	0730008646 dated 26.02.2010	Acceptance of ARE-1 in lieu of Bill of Exports	The Committee observed that the party has furnished certificates issued by Central Excise Authority showing that the party has made export to SEZ. The firm has also provided list of ARE-1 details for the years 2009-10, 2010-11 and Bank Certificate of payments for domestic supplies in Appendix 22B. The Committee, therefore, decided to **allow** acceptance of ARE-1 in lieu of Bill of Exports.
44	M/s Vedanta Aluminium Ltd. 18/187/AM-13/EPCG-II	63 EPCG authorizations issued during AM-09 to AM-13	Fulfilment of EO by export of 'Aluminium products' instead of export of 'calcined Alumina'.	

S. No.	Firm's Name and Numbers	EPCG Authorisation No.	Subject	Decision of Committee

The issue had earlier come up in EPCG Committee Meetings dated 06.03.2013 and 15.05.2013. The Committee was of the view that value added product should be allowed for export as in this case SION exists and calcined alumina is an input for final export product Aluminium Ingots. In fact, India should encourage export of value added products for higher foreign exchange realization, capacity utilization of the units and additional employment generation. Initially, the party had mentioned that it will export aluminium products produced by them and that Alumina would be used captively. However, it was not clear which product the party was likely to export and as such the value and final export produce could not be determined. The party has now indicated that they would export aluminium ingot/billet. Since, SION for aluminium billet is not available, the proposal is being examined only in respect of export of aluminium ingots. The issue was discussed taking into the average annual value of last year in the meeting, but the representative of DOR felt that it would be more accurate if value pertaining to last three years is taken into consideration and then the EO be calculated. Accordingly, taking into consideration the average FOB value of Aluminium Ingots and Calcined Alumina for last three years i.e. 2010-11, 2011-12 and 2012-13, the ratio of value-wise content of calcined alumina in the final export product i.e. Aluminium Ingots was calculated (as per the principle given below) according to which the EO would be 3.3 times the export obligation imposed in respect of Calcined Alumina:

SION for Aluminium Ingots/Aluminium Sow Ingots are at Serial NO. C 1150. Against 1 MT of Aluminium Ingots quantity of Calcined Alumina required is 1.92 MT. Average FOB value of 1 MT of Aluminium Ingot, in the last three years i.e. 2010-11, 2011-12 and 2012-13. is US $ 2360. Average FOB value of 1 MT of Calcined Alumina, in the last three years i.e. 2010-11, 2011-12 and 2012-13. is US $ 367.3.

Since for each Ton of Aluminium Ingot 1.92 Ton of Calcined Alumina is needed. Hence, the Average value of Calcined Alumina per Ton of Aluminium Ingots would come to US $ 705(1.92 x 367.3) . If we calculate the ratio of the value of Calcined Alumina in 1 Ton of Aluminium Ingot it would come to 0.3. Thus, the EO would be 3.33 times (e.g. if EO for export of Calcined Alumina is US $ 1000, the party will have to fulfil export obligation by export of Aluminium Ingots for FOB value of US $ 3333.33).

Therefore, if EO for export of Calcined Alumina is for FOB value of **US $ 'x'** and if the party is desiring to fulfil export obligation by export of Aluminium Ingots then their EO would be amended to **US $ '3.33x'.**

The Committee **recommended to DG** for consideration of the above principle and fulfillment of EO by export of Aluminium Ingots instead of Calcined Alumina in this case.

This has the approval of DG.

S. No.	Firm's Name and Numbers	EPCG Authorisation No.	Subject	Decision of Committee