

MINUTES OF EP CG COMMITTEE MEETING HELD UNDER THE CHAIRMANSHIP OF SHRI MUKESH BHATNAGAR , ADGFT AT 1430 Hours On 05.11.2012

Following officers attended the meeting:

- (a) Shri Jaikant Singh, Joint Director General, DGFT
- (b) Shri R. A. Lal, Director, O/o Textile Commissioner, Noida
- (c) Shri A. K. Pandey, Sr. Technical Officer, D/o Revenue
- (d) Smt. 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 10.10.2012 were confirmed.

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

Sl. No.	Firm's Name and Numbers	EPCG Authorisation No.	Subject	Remarks
1.	M/s Mahalaxmi Magaswargiya Sahakari Soot Girni Ltd., Maharashtra 01/36/218/110/AM-13/EPCG-I	3130000699 dated 10.05.2004	Extension in EOP for 4 years and condonation from block-wise fulfilment of EO in respect of EPCG Authorisation No. 3130000699 dated 10.05.2004	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 from condition of 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 v1. DG has approved the case.

Sl. No.	Firm's Name and Numbers	EPCG Authorisation No.	Subject	Remarks
2.	M/s Albert David Limited, Kolkata 01/36/218/125/AM-13/EPCG-I	0230000206 dated 27.03.2002	Counting of exports of other goods for fulfilment of EO against EPCG Authorisation No. 0230000206 dated 27.03.2002 issued to M/s Albert David Limited, Kolkata-Representation forwarded by The Plastic Export Promotion Council, New Delhi	The Committee observed that - the firm has not fulfilled the Average EO during some block of years; - the Plastic Export Promotion Council, in their letter dated 08.10.2012 has informed that there is a decline in exports of Syringes, W/N with Needles (HS Code 90183100) during the years 2007-08, 2008-09 and 2009-10 compared to 2006-07 and has requested to allow the firm the benefit of Para 5.5(c) although it doesn't apply to the Authorization; - the firm could not fulfill the EO during the 4th block; - the firm could not fulfill the EO during the 1st extended period of EOP from April 2010 to March 2012; - the firm's request is for counting of exports of other Pharmaceutical products for completion of EO. The Committee, however, decided to defer the case with the direction to call for detailed Report from the concerned Regional Authority about year-wise fulfillment of EO (Specific+Average).

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3.	M/s Crescent Export Syndicate, Kolkata 01/36/218/95/AM-13/EPCG-I	7 licences issued during AM-07 and AM-08	Condonation of approximately 3.76% shortfall in maintenance of Average Export Obligation during the year 2007-08 under relaxation of Policy and procedure	The committee observed that: a. The request of the firm is either to condone the minor shortfall of around 3.76% in Annual Average Export Obligation in the first year of EOP or to allow offsetting the aforesaid shortfall by the excess exports effected in the second year of EOP; b. There is no provision for waiver of Annual Average Export Obligation; c. There is no provision, as well, for offsetting the shortfall in AEO. The Committee, therefore, decided to reject the case.
4.	M/s ETCO Denim Pvt. Ltd., Mumbai 01/36/218/111/AM-13/EPCG-I	0330028202 dated 22.12.2010, 0330028204 dated 22.12.2010, 0330030343 dated 19.08.2011, 0330031037 dated 14.11.2011, 0330031221 dated 07.12.2011	Consideration of exports of Group Company as per Para 5.5 (c) of FTP for fulfilment of upto 50% EO in respect of EPCG Authorization Nos. 0330028202 dated 22.12.2010, 0330028204 dated 22.12.2010, 0330030343 dated 19.08.2011, 0330031037 dated 14.11.2011 and 0330031221 dated 07.12.2011.	The Committee observed that: a. the request of the is for counting of exports of Group company for fulfilment of 50% of Export Obligation from the date of issuance of the 5 Authorizations; b. As per PN 42 dated 28.01.2004, the benefit is admissible from the date of application for the same; c. The Company missed out to endorse Group Company details on the Authorization. The Committee, therefore, decided to recommend to DG for relaxation under Para 2.5 of FTP to grant the Company permission for counting of exports of Group Company from the date of issuance of Authorizations. DG has approved the case subject to the condition that average EO must be re-fixed by taking into account the export of group company.

Sl. No.	Firm's Name and Numbers	EPCG Authorisation No.	Subject	Remarks
5.	M/s Cheema Print Pac Ltd., Mohali 01/36/218/60/AM-13/EPCG-I	223000090 dated 28.04.2004	Extension in EOP, wavier of block-wise and inclusion of alternate product etc.- EPCG Authorization No. 223000090 dated 28.04.2004	As the case was premature to be placed before EPCG Committee, the Committee decided to withdraw the case.
6.	M/s Jyoti Toolings & Press Components Pvt. Ltd., Pune 01/36/218/128/AM-13/EPCG-I	3130000889 dated 28.10.2004	Condonation from shortfall in fulfillment of block-wise EO in respect of EPCG Authorisation No. 3130000889 dated 28.10.2004.	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. DG has approved the case.
7.	M/s Metafab Engineers (India) Pvt. Ltd., Faridabad 01/36/218/133/AM-13/EPCG-I	0530158406 dated 23.05.2012 and 0530158502 dated 06.06.2012	Amendment in EPCG Authorization Nos. 0530158406 dated 23.05.2012 and 0530158502 dated 06.06.2012.	The Committee observed that: a. Due to shortage of space of the Capital Goods imported against the Authorizations cannot be installed at the Installation Address (Plot No. 299, Sector - 24, Faridabad - 121 005) mentioned in the Authorization; b. The Company now intends to install the Capital Goods at Unit - II, Plot No. 318, Sector - 24, Faridabad; c. Both the addresses are included in the list of addresses attached with IEC and RCMC. The Committee, therefore, decided to allow the Company to install the Capital Goods at Unit - II, Plot No. 318, Sector - 24, Faridabad and also to grant permission to amend the EPCG Authorization accordingly subject to the condition that it would produce the Installation Certificate within 6 months of such installation.

Sl. No.	Firm's Name and Numbers	EPCG Authorisation No.	Subject	Remarks
8.	M/s Indag Rubber Limited, New Delhi 01/36/218/140/AM-13/EPCG-I	0530146243 dated 02.06.2008	Condonation for delay in installation of Capital Goods imported against 0530146243 dated 02.06.2008	The Committee observed that: - The Company had to obtain a certificate from the Chartered Engineer in terms of Para 5.3.1 of HBP v1 as they are not registered with the Central Excise Authority (their factory is situated in an excise free zone) confirming installation of Capital Goods at factory within 6 months from the date of completion of import; - They could not obtain the Certificate as it took a great deal of time and effort on their end in terms of engaging the right technical expertise locally (in India) as there were very few people who had the right technical knowledge and expertise in the installation of PIN Barrel Cold Feed Extruder; - Date of EPCG Authorization is 02.06.2008; - B/E date is 07.11.2008; - Date of installation as per Chartered Engineer Certificate is 25.03.2010; - Delay in installation is around 11 months. The Committee, therefore, decided to recommend to DG for relaxation under Para 2.5 of FTP for condonation of delay in installation. DG has approved the case.

Sl. No.	Firm's Name and Numbers	EPCG Authorisation No.	Subject	Remarks
9.	M/s Chiripal Industries Limited, Ahmedabad 01/36/218/141/AM-13/EPCG-I	0830000783 dated 11.03.2005	Condonation of penalty for non-fulfilment of Block-wise EO against EPCG Authorization No. 0830000783 dated 11.03.2005	The Committee decided to recommend to DG for relaxation under Para 2.5 of FTP to allow condonation from condition of 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 v1. DG has approved the case.
10.	M/s M. V. Enterprises, New Delhi 01/36/218/106/AM-13/EPCG-I	0330013916 dated 13.11.2006, 0530145374 dated 08.01.2008, 0530145907 dated 31.03.2008, 0530147389 dated 06.10.2008, 0530148796 dated 15.04.2009, 0530151072 dated 28.01.2010, 0530151073 dated 28.01.2010, 0530153519 dated 24.09.2010	Consideration of the exports of Group Company for fulfilment of Export Obligation against 8 EPCG Authorisations as the whole factory gutted in fire due to short circuit	The Committee decided to withdraw the case with the direction to examine it on file.
11.	M/s Rupa & Co. Ltd., Kolkata 18/93/AM-13/EPCG-II	0230000872 dated 08.02.2005	Condonation of block-wise EO against EPCG authorization No. 0230000872 dated 08.02.2005.	The Committee decided to recommend to DG for relaxation under Para 2.5 of FTP to allow condonation from condition of 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 v1. DG has approved the case.

Sl. No.	Firm's Name and Numbers	EPCG Authorisation No.	Subject	Remarks
12.	M/s SR Foils and Tissue Ltd., New Delhi 18/117/AM-13/EPCG-II	0530135662 dated 09.02.2004, 0530136399 dated 18.06.2004	Condonation of block-wise EO and extension in EO period for two years in respect of EPCG authorizations No. 0530135662 dated 09.02.2004 & No. 0530136399 dated 18.06.2004.	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 from condition of 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 v1. DG has approved the case.
13.	M/s Suzuki Textiles Limited, Bhilwara 18/113/AM-09/EPCG-II	1330000060 dated 27.03.2001	Extension in EOP for 2 more years i.e. upto 26.03.2015 in respect of EPCG Authorization No. 1330000060 dated 27.03.2001	The Committee observed that there is no mention about EPCG Authorization in BIFR Rehabilitation Scheme and, therefore, decided to defer the case with the direction to the firm to approach BIFR first to obtain the clarification whether the relief mentioned in BIFR package is applicable to the EPCG Authorization.
14.	M/s Welspun Corp Ltd., Mumbai 18/125/AM-13/EPCG-II	0330004572 dated 27.10.2003, 0330005415 dated 16.03.2004 and 0330004702 dated 13.11.2003	Condonation of block-wise EO against EPCG Authorization Nos. 0330004572 dated 27.10.2003, 0330005415 dated 16.03.2004 and 0330004702 dated 13.11.2003	The Committee decided to recommend to DG for relaxation under Para 2.5 of FTP to allow condonation from condition of 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 v1. DG has approved the case.

Sl. No.	Firm's Name and Numbers	EPCG Authorisation No.	Subject	Remarks
15.	M/s Shekhawati Poly-yarn Ltd. Mumbai 18/123/AM-13/EPCG-II	0330016846 dated 20.04.2007, 00330011354 dated 17.03.2006 and 0330010666 dated 29.12.2005	Counting of excess exports made against EPCG Authorization No. 0330016846 dated 20.07.2007 for fulfilment of EO of EPCG Authorization No. 0330011354 dated 17.03.2006 and No. 0330010666 dated 29.12.2005	The Committee decided to defer the case with the direction to call for the following information from the firm: - List of machines installed in the factory; - Details of machines installed in the factory other than those imported against the EPCG Authorizations; - The export product manufactured out of the machines; - The details of excess exports to be adjusted against the other Authorizations and also to indicate the products alongwith copies of Shipping Bills.

Sl. No.	Firm's Name and Numbers	EPCG Authorisation No.	Subject	Remarks
16.	M/s Shore to Shore Brand Packaging Solutions 18/116/AM-13/EPCG-II	0430001858 dated 13.08.2004 & 430001980 dated 24.09.2004	i. Condonation for non-submission of Bill of exports for supplies made to SEZ ii. Condonation of block-wise EO iii. Extension in EOP for one year iv. Clubbing of two EPCG Authorization v. Refixation of Average EO	i. The Committee decided to reject the request regarding condonation for non-submission of Bill of exports for supplies made to SEZ. ii. The Committee decided to recommend to DG for relaxation under Para 2.5 of FTP to allow condonation from condition of 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 v1. iii. The Committee decided to recommend to DG for relaxation under Para 2.5 of FTP to allow Extension in EOP for 1 year 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, in terms of provisions contained in Para 5.11 of HBP Vol. I. DG has approved the request. iv. The Committee decided to reject the request for clubbing because as per provisions of Para 5.18.6 of HBP v1 (RE: 2006) <i>{As per Para 5.18.6 of current HBP v1, provisions of Chapter 5 of HBP v1 of RE-2006 is to be applied in respect of EPCG Authorizations issued prior to 1.4.2007}</i>, clubbing is not permitted during the extended period of EOP. v. The Committee decided to advise the firm to approach the concerned Regional Authority for their request

Sl. No.	Firm's Name and Numbers	EPCG Authorisation	Subject	Remarks regarding relaxation of Average EO.
17.	M/s Ravi Earth Movers, Tiruchengode 18/40/AM-13/EPCG-II	323000017 dated 23.11.2004	Fulfilment of 100% EO by alternate product namely Granite besides the original product	The Committee observed that on the date of issuance of Authorization, there was a provision to fulfil 100% EO through export of alternate products manufactured by same firm/company and, therefore, decided to recommend to DG to allow the benefit from the date of Authorization. DG has approved the case subject to the condition that average export obligation must be re-fixed by taking account the export of alternate product.
18.	M/s Riyan Optical Discs Pvt. Ltd., Cochin 18/02/AM-13/EPCG-II		Refixation of average EO as per Para 5.2B of FTP	The case was deferred in the meeting held on 06.08.2012 with the direction to seek comments of DOR. DOR, in its comments, stated that the exemption under Notification 25/2002-Cus dated 01.03.2002, as amended, for effective rate of duty is subject to condition that 'the importer follows the procedure set out in the Customs (Import of goods at concessional rate of duty for manufacture of excisable goods)Rules,1996". Therefore the said notification does not provide the unconditional effective rate of duty. Further Para 5.2B of FTP is with reference to the availment of EPCG in case of 'project imports' notified by CBEC under S. No.441 of Notification No.21/2002-Cus dated 01.03.2002 (presently covered under S. No.506 of Notification No.12/2012-Cus dated 17.03.2012) and the present case does not appear to be falling in the category of 'Project Imports." In view of the comments of the DOR, the Committee decided to reject the request of the firm.
19.	M/s Hariomarmo Grani Pvt. Ltd., Udaipur, Rajasthan	1330000174 dated 21.10.2002, 1330000196	a. EO extension in terms of para 5.11 current HBP Volume 1 read with Para 2.5 of current FTP for EO period extension on	a. The Committee decided to recommend to DG for relaxation under Para 2.5 of FTP to allow extension in

Sl. No.	Exporters Name and EPCG Numbers	dated EPCG Authorization No. 133000170	Subject	Remarks
		dated 11.10.2002	2% composition fees for each Blocks, 2% of proportionate duty for 9th & 10th each year and on 50% Custom duty payment of Rs. 17.62 Lacs for 11th & 12th year within outer limit of extension up to October 2014. b. Clubbing of 3 EPCG Licenses to take the advantage of Excess exports of 19.84% in 1 of the Licenses with short export in other Licenses as per Para no 5.18 of current HBP v1. c. Allowing amendment in the export product for inclusion of other products within same category by amending the description from " Marble Granite Dolomite and Other Stones Blocks" to "Marble Granite Dolomite and Other Stones Blocks/Slabs/Tiles" d. Fulfillment of Export Obligation under Third Party Exports using its EPCG Machinery as manufacturer for part export obligation due to stiff market condition internationally.	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(a) of HBP Vol. I and for the further 2 years on payment of 50% of duty payable in proportion to the unfulfilled EO in terms of provisions contained in Para 5.11(b) of HBP Vol. I. DG has approved the request. b. The Committee decided to reject the request for clubbing because as per provisions of Para 5.18.6 of HBP v1 (RE: 2006) <i>{As per Para 5.18.6 of current HBP v1, provisions of Chapter 5 of HBP v1 of RE-2006 is to be applied in respect of EPCG Authorizations issued prior to 1.4.2007}</i>, clubbing is not permitted during the extended period of EOP. c. The committee decided to advise the firm to approach Regional Authority for inclusion of alternate product as per Policy. It, however, did not agree to amend the export product for inclusion of additional items. d. The Committee decided to advise the firm to approach the Regional Authority in respect of their request for fulfilment of export obligation under Third Party Exports as per relevant Policy.

Sl. No.	Firm's Name and Numbers	EPCG Authorisation No.	Subject	Remarks
20.	M/s GTN Industries Limited, Hyderabad 01/36/218/139/AM-13/EPCG-II	1030000189 dated 20.06.2002	Reinstatement of the export product's description as originally allowed in EPCG Authorization No. 1030000189 dated 20.06.2002	The Committee observed that the details about the Authorization and Brochure/Technical Literature of the CG imported are awaited from the concerned Regional Office and, therefore, decided to defer the case.
21.	M/s Sea Valley Resorts Pvt. Ltd., Visakhapatnam 18/127/AM-13/EPCG-II		Relaxation in Para 5.2h(ii) with regard to import of motor cars under EPCG Scheme	The Committee decided to reject the request of the firm as the firm doesn't fulfil the conditions stipulated for import of motor cars in terms of Para 5.2 h(ii).
22.	M/s Ruler Plastics, Mumbai 18/71/AM-13/EPCG-II	0330004808 dated 08.12.2003	Refixation of nexus in respect of EPCG Authorization No. 0330004808 dated 08.12.2003	The Committee decided to defer the case and to seek comments of DIPP.
23.	M/s Ruler Plastics, Mumbai 18/72/AM-13/EPCG-II	0330004824 dated 09.12.2003	Refixation of nexus in respect of EPCG Authorization No. 0330004824 dated 09.12.2003	The Committee decided to defer the case and to seek comments of DIPP.
24.	M/s Kerala State Rubber Cooperative Limited, Kerala 01/36/218/49/AM-13/EPCG-II	1030000045 dated 16.10.2000 1030000047 dated 08.11.2000 1030000038 dated 08.09.2000 1030000068 dated 14.02.2001 1030000104 dated 12.07.2001	Counting exports of alternate products by group company for discharge of specific EO as per PN 28 dated 28.01.2004 – Request for relaxation for acceptance of exports made prior to 28.01.2004 but after issue of EPCG Licences.	The Committee deliberated upon the case in detail and came to the conclusion that it is not possible to grant the facility of counting of exports of Group Company towards fulfillment of Export Obligation against the EPCG Authorization issued to the firm prior to the date of introduction of the provision in this regard through PN 42 dated 28.01.2004 and, therefore, decided to reject the case.