

MINUTES OF EPCG COMMITTEE MEETING HELD ON 14.7.2008 AT 3.30 P.M. UNDER CHAIRMANSHIP OF DR. SHYAM AGARWAL, ADDITIONAL DIRECTOR GENERAL OF FOREIGN TRADE (ADDL. DGFT)

Export Promotion Capital Goods (EPCG) Committee Meeting was held on 14.7.2008. Following officials participated:

S. No.	Name and Designation
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| 1. | Dr. Shyam Agarwal, Addl. DGFT, Chairman |
| 2. | Shri G.S. Reddy, Joint DGFT |
| 3. | Sh. V.C. Aggarwal, Industrial Adviser, Deptt. of Heavy Industry |
| 4. | Shri Navneet Goyal, Director, (Drawback), Deptt. of Revenue. |
| 5. | Sh. P.V.K Raja Sekhar, OSD, Deptt. of Revenue |
| 6. | Sh. S.K.Jain, Division Officer, DIPPP |
| 7. | Sh. S.S. Tak, DIA, M/o Steel |
| 8. | Sh. Ishwar Singh, Dy. DGFT |
| 9. | Sh. S.K.Panigrahi, FTDO (EPCG-I) |
| 10. | Sh. Samir Sinha, FTDO(EPCG-II) |

2. EPCG Committee took following decisions after deliberations:-

2.1 Case No.1: Lupin Limited New Delhi

[EPCG Lic. No. 0330003068 dated 08.01.2003;
CIF Value Rs. 13,98,336.59/-;
Addl. EO US\$ 14,8,097.50,
Avg. E.O. Rs. 18,102.59/-x8
Total Rs. 14,4,820.72]

Nexus was approved as per D/o C&PC's O.M. No. 13026/1/2007-P.I-II dated 3rd June, 2008 between imported goods and export product as contained in agenda.

2.2 Case No.2: Rolastar Pvt. Ltd., Mumbai

[EPCG licence No. 0330003966 dated 17.07.2003;
Duty saved amount: Rs. 29,71,964.83 ;
Addl. EO Rs. 23,775,718.64; Avg. EO US\$ 496,880.22]

Nexus was approved as per DIPP's U.O. No. 6/19/2005-TSW/53 dated 9th March, 2007 for export of sheet metal hollow profiles/sections subject to firm holding valid industrial approval (licence / IEM / registration) for manufacture of products.

2.3 Case No. 3: Pragati Glass Works Ltd., Mumbai

[EPCG licence No. 0330003806 dated 25.06.2003;
Duty saved amount: Rs. 65,880/- ; Rs. 1,59,551 (revised)]
EO Rs. 527,040.00 US\$ 11,014,42 (Original);
Rs. 1276408/- US\$ 26675.19 (Amended)

Nexus was approved as per DIPP U.O. No. 6/1/06-TSW/78 dated 2nd June, 2006 between imported items as contained in agenda and export product, namely empty glass bottles. It appears that firm has crossed SSI limit and if so, SSI – benefits would not be granted to the firm.

2.4 Case No. 4: Cipla Limited, Mumbai

[EPCG licence No. 0330002901 dated 05.12.2002
Duty saved amount: Rs. 2,09,54601.80
EO (Addl. EO US\$ 2219,296.94;
Avg. EO Rs. 2,983,333,333.33/-;

Nexus was approved as per D/o C&PC letter No. 13012/2/2007-P.I-II dated 2nd June, 2008 between imported items as contained in agenda and only two export products, namely 'eye drops' and 'nasal spray'. In case, firm opts for inclusion of alternate product, it will have to maintain annual average of such alternate products as well.

2.5 Case No. 5 Hindustan Construction Co. Ltd.

[EPCG Licence No. 0330003972 dated 17.7.2003;
Duty Saved amount: Rs. 5,571,529.00 Rs.3,571,529.00 (revised)]

Nexus was approved as per DIPP U.O. No. IPP/6/2/2004/TSW/114 dated 23.8.2006 between import item at Sr. Nos. 3 and 4 (kit of tower crane mechanism including complete upper part for manufacture of MC 200A H10 tower crane and spares for the above tower cranes (20%), and engineering products subject to firm holding valid industrial approval at location indicated in application. However, import of component(s) after 1.4.2007 is not allowed.

2.6 Case No.6: Indian Writing Instruments Pvt. Ltd.

[EPCG 0330008320 dated 30.03.2005;
Duty saved amount : Rs. 4,36,11,996/-
EO US\$ 72,91,451.66;

Annual Average EO Rs. 4,21,14,439.66 P.A.;
Total EO (Addl.+Avg.) US\$ 72,91,452.00 + 8,81,551.00 (P.A.)]

EPCG licence was revalidated for import of remaining machinery within a period of 6 (six) months from the date of expiry of original import validity of the licence i.e. from 30.3.2008 to 29.9.2008.

2.7 Case No.7: INZI Controls India Limited (formerly as M/s. Pentadaewha Auto Parts Ltd.)

[EPCG 01500686 dated 30.12.1997;
Duty Saved amount Rs. 11,46,26,780.00
EO = (US\$ 10,226,643); US\$ 15,338.464 (Revised)]

Committee took serious note of poor export performance of firm i.e. 17.23% despite of two extensions already availed and hence rejected the request for further extension.

2.8 Case No.8 Dhanavantri Enterprises Pvt. Ltd. Chennai

[EPCG 0430000048 dated 22.2.2000;
EPCG 0430000052 dated 25.02.2000
CIF value Rs. 41,37,249.99 (Original);
CIF value Rs. 41,37,249.99 (Original);
EO US \$ 3,80,000.00 (Original),
EO US \$ 3,80,000.00 (Original)]

Extension in Export Obligation Period (EOP) was approved from the expiry of EOP under para 5.11 of Handbook of Procedures (HBP) Vol.1 i.e. subject to payment of 2% composition fee on total duty saved amount for each year of extension as per Policy provisions.

2.9 Case No.9: Narmathaa Textiles Ltd. Chennai

[EPCG 01500374 dated 23.4.1996 and in lieu Licence No. 0430000008 dated 15.9.1999;
Duty Saved Rs. 52,39,03,405/- and Rs. 51,80,16,171/-
EO US \$ 28656979; Average EO 8,54,30,830/-]

Extension in EOP for two years from expiry of valid EOP was approved subject to payment of 50% duty payable in proportion to unfulfilled export obligation under para 5.11 of HBP.

3. On completion of Agenda items, Chairman, invited comments of the Members on the Minutes of EPCG Committee Meeting held on 19.6.2008 for discussion in the next meeting.

Meeting ended with thanks to all participants.