

MINUTES OF EPCG COMMITTEE MEETING HELD UNDER THE CHAIRMANSHIP OF SHRI MUKESH BHATNAGAR , ADGFT AT 1430 Hours ON 06.03.2013

Following officers attended the meeting:

- a. Shri Jaikant Singh, Joint Director General, DGFT
 - b. Shri K. K. Tiwari, Industrial Adviser, D/o Heavy Industry
 - c. Shri K. K. Sinha, Industrial Adviser, D/o Industrial Policy and Promotion
 - d. Shri S. S. Tak, Joint Industrial Adviser, Ministry of Steel
 - e. Shri A. K. Pandey, Sr. Technical Officer, D/o Revenue
 - f. Shri A. K. Gopal, Foreign Trade Development Officer (EPCG.I), DGFT
 - g. Shri S. K. Swarnkar, Foreign Trade Development Officer (EPCG.II), DGFT
 - h. Smt. Rekha Sharma, Foreign Trade Development Officer (P-5), DGFT
2. Minutes of the last Meeting held on 06.02.2013 were confirmed.
3. The Committee deliberated upon all the cases and following decisions were taken:

Sl. No.	Firm's Name and Numbers	EPCG Authorization No. and Date	Subject	Decision of the Committee
1.	M/s Suzuki Textiles Limited, Bhilwara 18/113/AM-09/EPCG-II	1330000060 dated 27.03.2001	Extension in EO period for seven years as per BIFR Order in respect of EPCG Authorization No. 1330000060 dated 27.03.2001	The committee observed that BIFR vide Order dated 16.01.2013, has clarified to extend the period for fulfillment of export obligation against EPCG licence as well availed by SSIL (now has been merged with STL) by a period of seven years from the date of sanction of the scheme (Original Sanction date was 23.06.2009) . The committee therefore, decided to extend the EOP till 22.06.2016 in view of the BIFR order.
2.	M/s Rico Auto Industries Limited 18/190/AM-13/EPCG-II	0530141022 dated 15.05.2006 0530142792 dated 10.01.2007 0530142887 dated 18.01.2007	Shifting of capital goods imported against EPCG Authorization from one unit to other units.	The committee observed that: (a) the Capital Goods imported against the subject licenses were installed at the factory address- Rico Auto Industries Ltd., 38 KM Stone, Delhi- Jaipur Highway, Gurgaon-122001; (b) due to relocation of business from one unit to another and to meet customers' requirement they want to shift some of the machineries to the following units of the firm: i. Rico Auto Industries Ltd., Plot No. 84, Sector-8, IMT Manesar, Gurgaon-122050. ii. Rico Auto Industries Ltd., Plot No.-1, Arrow Industrial Park-IV, Village Begampur,

				Haridwar, Uttrakhand-249403. iii. Rico Auto Industries Ltd., Plot No.-23, Sector-5, Phase-II, Bawal, Rewari, Haryana. (c) All the above units fall under the same IEC and IEM. The committee therefore, decided to allow shifting of Capita Goods as above.
3.	M/s Siddhi Margarine Specialities Ltd., Ahmedabad 18/181/AM-13/EPCG-II	0830001078 dated 28.11.2005 0830001074 dated 28.11.2005	Condonation of block-wise EO for the 1 st block	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.
4.	M/s Punjab Bevel Gears Ltd, Ghazaibad 18/182/AM-13/EPCG-II	0530158055 dated 29.03.2012	Extension in time for submission of installation certificate	The committee deliberated upon the case and decided to recommend to DG for relaxation under Para 2.5 of FTP to extend the time upto 21.05.2013 for submission of installation certificate. DG has approved the case.
5.	M/s Shivalik Bimetal Controls Ltd., New Delhi 18/183/AM-13/EPCG-II	0530155424 dated 05.05.2011 0530155431 dated 05.05.2011 0530155667 dated 03.06.2011 0530155745 dated 14.06.2011	(i) Extension in time for submission of installation certificate (ii) Addition of other unit in EPCG Authorisation	(i) The committee deliberated upon the case and decided to recommend to DG for relaxation under Para 2.5 of FTP to extend the time upto 31.03.2014 for submission of installation certificate. (ii) The committee also decided to include the following address in the three EPCG licenses- M/s Shivalik Bimetal Controls Ltd., Branch Code-6, Unit IV, Khasra No. 1806/1397/13/1, New Electronics Complex, Chambaghat Solan, H.P. DG has approved the case.
6.	M/s TV 18 Broadcast Ltd, 18/175/AM-13/EPCG-II	0530137656 dated 12.12.2004	Condonation of block-wise EO and extension in Export obligation period of EPCG Authorisation	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. 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. DG has approved the case.
7.	M/s Rajshree Mechanical Udyog (P) Ltd., Kolkata 18/180/AM-13/EPCG-II	0230000322 dated 25.04.2003	Condonation of block-wise EO and extension in EOP for two years	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. 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. DG has approved the case.
8.	M/s Surya Roshni Limited, New Delhi 18/193/AM-13/EPCG-II	0530146949 dated 21.08.2008	Amendment in export product	The Committee decided to defer the case with the direction to call for: (a) Application submitted for obtaining EPCG authorization; (b) Original CEC for nexus;

				(c) The information as to why the firm mentioned the export product as cold rolled steel strips in the application whereas they are manufactured exporters of Steel pipes and tubes; (d) Report from the concerned RA.
9.	M/s Reliance Infrastructure Ltd, Mumbai 18/184/AM-13/EPCG-II	0330029363 dated 01.02.2011 0330029874 dated 30.06.2011 0330030896 dated 21.10.2011	Import of cranes under EPCG Scheme	The Committee felt that it was not a matter of nexus (nexus is there) but that of Policy. Hence, it desired that the case be examined on file in the light of Report received from Directorate of Revenue Intelligence vis-à-vis the Policy.
10.	M/s Unitech Developers & Hotels Pvt. Ltd., Gurgaon 18/90/AM-12/EPCG-II		Condonation from submission of fresh BG	The DOR has suggested not to deviate from the condition imposed vide EPCG Committee decision dated 17.11.2011 to furnish fresh BG by M/s Sanya Hospitality Pvt. Ltd. The Committee however, observed that matter of accepting BG lies with Customs and this case should be referred to Jurisdictional Commissioner of Customs and therefore decided that the firm may take up the issue of transfer of BG to M/s Sanya Hospitality Pvt. Ltd with the concerned bank and Jurisdictional Commissioner of Customs.
11.	M/s Siemens Ltd, Mumbai 18/130/AM-13/EPCG-II	0330030117 dated 26.07.2011	Conversion of EPCG Authorization from zero duty to 3% scheme	DOR did not agree for the dispensation. The Committee, therefore, decided to reject the case.
12.	M/s Sterlite Technologies Ltd., Mumbai 18/122/AM-13/EPCG-II		Conversion of 29 EPCG Authorization from zero duty to 3% scheme	DOR did not agree for the dispensation. The Committee, therefore, decided to reject the case.
13.	M/s Dhanuka Laboratories Limited, Gurgaon 01/36/218/04/AM-13/EPCG-I	0530132831 dated 09.05.2002	Nexus approval in respect of EPCG Licence No. 0530132831 dated 09.05.2002	The technical members were of the view that RO Nanomax Cartridges and High Pressure Liquid Chromatogram are essential in the production process of drugs and, therefore, there is a nexus between the import item i.e. RO Nanomax Cartridges and High Pressure Liquid Chromatogram and export item i.e. drugs. They were of the view that the nexus should not have been

				rejected earlier. Since the case is old and the nexus was rejected earlier, the Committee decided to recommend to DG for approval of nexus. DG has approved the case.
14.	M/s Mafatlal Industries Limited, Mumbai 01/36/218/156/AM-13/EPCG-I	01500721 dated 30.02.1998	The EPCG Authorization No. 01500721 dated 30.03.1998 be amended, in terms of Customs Notification No. 29/97 dated 01.04.1997, as amended, form CIF value of Rs. 20 crores and above to Rs. 1 Crore and more, under Zero Duty EPCG Scheme	The member from the DOR apprised the Committee that the matter is under examination and a report from the concerned field office has been called for in this regard. The Committee, therefore, decided to defer the case.
15.	M/s Meghalaya Bitchem Pvt. Ltd., Meghalay 01/36/218/19/AM-13/EPCG-I	0230002999 dated 12.02.2008 023003993 dated 29.01.2009	Waiver of Annual Average Export Obligation against EPCG Authorization No. 0230002999 dated 12.02.2008 and 023003993 dated 29.01.2009	The member from the DOR apprised the Committee that the matter is under examination and a report from the Kolkata filed office has been called for in this regard. The Committee, therefore, decided to defer the case.
16.	M/s GTN Industries Limited, Hyderabad 01/36/218/139/AM-12/EPCG-I	10300001489 dated	Reinstatement of the export product's description as originally allowed in EPCG Authorisation No. 1030000189 dated 20.06.2002	The Committee decided to defer the case and to invite the written comments of Textile Commissioner in the matter.
17.	M/s Himalayan Frozen Foods Ltd., Chandigarh	2230000008 dated 02.08.2001	Extension in EOP against EPCG Authorisation No. 2230000000 dated 02.08.2001	The Committee decided to recommend to DG for relaxation under Para 2.5 of FTP to allow Extension in EOP upto 01.08.2013 in terms of provisions of Para 5.11 of HBP Vol. I. DG has approved the case.
18.	M/s Gilli India Limited, 01/36/218/224/AM-13/EPCG-I	0330004597 dated 30.10.2003	Extension in EOP for 4 years i.e. upto 2015	The Committee decided to recommend to DG for relaxation under Para 2.5 of FTP to allow Extension in EOP upto 29.10.2015 in terms of provisions of Para 5.11 of HBP Vol. I. DG has approved the case.
19.	M/s Accent Industries Limited, Mumbai	0330030522 dated 08.09.2012	Amendment from Zero Duty EPCG Scheme to	DOR did not agree for the dispensation. The Committee,

	01/36/218/213/AM-13/EPCG-I		3% EPCG Scheme	therefore, decided to reject the case.
20.	M/s Monnet Ecomaister Enviro Pvt. Ltd. 01/36/218/193/AM-13/EPCG-I	N. A.	Clarification regarding import of Slag Pot Carrier including consumable spares etc.	The Technical member from the Steel Ministry confirmed that Slag Pot Carrier is essentially required (for carrying out Slag) in the production process of the export items i.e. Processed Slag Balls and Crushed Slags. The Committee, therefore, decided to clarify that import of Slag Pot Carrier should be allowed under EPCG Scheme subject to the conditions that a. it would be used within the factory premises; b. it would be used for off-highway operation only; c. it would not travel on public roads.
21.	M/s Bhushan Steel Limited, Sahibabad 01/36/218/229/AM-13/EPCG-I	N. A.	Clarification regarding issuance of EPCG Authorisation for import of Slag Pot Carrier	The Technical member from the Steel Ministry confirmed that Slag Pot Carrier is essentially required (for carrying out Slag) in the production process of the export items viz. Hot Rolled Coils/Plates/Sheets, Sponge Iron, Pig Iron, Billets, Slag, Iron & Steel, Cold Rolled Sheets/Strips/Coils, Galvanized Steel Sheet & Coil, Wires, Angles, Wire Rods, Rods/Flats/Squares, Sections, Steel Pipes, Cold Rolled Galvanized Corrugated Sheet/Strips/Coils, Precision Pipe, Colour Coated Sheets, High Tensile Steel Strapping (HTSS), Stainless Steel Sheets/Coils. The Committee, therefore, decided to clarify that import of Slag Pot Carrier should be allowed under EPCG Scheme subject to the conditions that a. it would be used within the factory premises; b. it would be used for off-highway operation only; c. it would not travel on public roads.
22.	M/s Avanti Feeds Limited, 01/36/218/112/AM-13/EPCG-I	Applied for	Import of Capital Goods for manufacture of Shrimp Feed	The case has been reconsidered in view of the fresh representation by the Company. The Committee observed that there is direct nexus between the import item and the shrimp feed being

				produced by the applicant. The export product is processed shrimp, which is a value added product and will also be exported by the applicant. The Committee is of the view that EPCG Licence may also be considered in such a case with the condition that for fulfillment of Export Obligation only the value of shrimp feed should be considered. A Policy view may be taken by DGFT.
23.	M/s Garima Overseas Limited, jaipur , Rajasthan 01/36/218/226/AM-13/EPCG-I	1330001025 dated 05.08.2005	Condonation of shortfall in EO in the second block and extension in EOP for the period upto 04.08.2015 in respect of EPCG Authorisation No. 1330001025 dated 05.08.2005	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. The Committee decided to recommend to DG for relaxation under Para 2.5 of FTP to allow Extension in EOP for the period upto 04.08.2015 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. DG has approved the case.
24.	M/s Colorplast Systems Pvt. Ltd., Noida 01/36/218/158/AM-13/EPCG-I	16 Authorisations issued during AM-08 to AM-12	Condonation for delay in obtaining and submitting installation of Capital Goods against 16 EPCG Authorisation Nos. issued to M/s Colorplast Systems Pvt. Ltd.	The committee deliberated upon the case and decided to recommend to DG for relaxation under Para 2.5 of FTP to condone the delay in submission of installation certificate. DG has approved the case.
25.	M/s JSW Steel Limited 01/36/218/91/AM-13/EPCG-I	N.A.	Clarification with respect of Para 5.3 (a) of the Foreign Trade Policy 2009-14 under the EPCG Scheme	The Committee observed the following arrangement suggested by the firm: - M/s JSW Steel Limited will obtain EPCG Authorization for import of Coke Oven Plant; - The Coke Oven Plant(a captive plant) will be installed in the unit

				of M/s Amba River Coke Limited (a 100% subsidiary of M/s JSW Steel Limited); c. M/s Amba River Coke Limited will manufacture coke and supply it to M/s JSW Ispat Steel Limited (an associate company of JSW Steel Limited); d. M/s JSW Ispat Steel Limited would captively consume the entire coke in the manufacture of Hot Rolled Coils; e. The Hot Rolled Coils will be supplied to M/s JSW Steel Limited; f. M/s JSW Steel Limited would utilize that Hot Rolled Coils for the production of Galvanized Sheet and Coils and export the same. As per the views of technical member from M/o Steel, Coke is a reducing agent for manufacture of Steel and there is a nexus between the import of Coke Oven Plant and production of Coke. However, the final exports to be made by M/s JSW Steel Limited would be of Galvanized Sheets and Coils. The imported CG will be installed at premises of M/s Amba River Coke Limited which is a 100% subsidiary of M/s JSW Steel Limited. This raises the following Policy issues which may be considered by DGFT:- (i) The nexus is for upto the stage of production of Coke, which will be used as an input for next two stages value added product viz. Galvanized Sheet and Coils. (ii) In such case, if CG is to be allowed, how the Export Obligation would be discharged. Accordingly, the case was deferred to examined on file.
26.	M/s Omax Autos Ltd., Gurgaon 18/178/AM-13/EPCG-II	3330000205 dated 13.04.2004	Condonation of delay in submission of installation certificate.	The committee deliberated upon the case and decided to recommend to DG for relaxation under Para 2.5 of FTP to condone the delay in submission of installation certificate. DG has approved the case.

27.	M/s Tets N Rai International, New Delhi 18/172/AM-13/EPCG-II	0530135015 dated 07.10.2003 0530134818 dated 09.09.2003	Condonation of block-wise EO and extension in EOP for two years	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. The Committee decided to recommend to DG for relaxation under Para 2.5 of FTP to allow Extension in EOP for the period upto 04.08.2015 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. DG has approved the case.
28.	M/s Llyod Insulations (India) Limited 01/36/218/238/AM-13/EPCG-I	0530134557 dated 23.07.2003	Extension in EOP and permission to fulfill EO by exports of alternate products	The Committee decided to recommend to DG for relaxation under Para 2.5 of FTP to allow Extension in EOP upto 22.07.2015 in terms of provisions of Para 5.11 of HBP Vol. I. As regards, inclusion of alternate products in the EPCG Authorization, the Committee decided that the concerned Regional Authority may dispose of the request (regarding alternate product) as per the relevant Policy applicable. DG has approved the case.
29.	M/s Kumargiri Textiles Limited, Chennai 01/36/218/205/AM-13/EPCG-I	0430002026 dated 14.10.2004	(a) Condonation of shortfall (less than 5%) in specific EO in terms of Para 5.12 of HBP v1 (b) Condonation of shortfall in EO in 1st block of EOP (c) Condonation from requirement of maintaining the Average EO year-wise and to consider exports done in 6th	The committee decided to defer the case to be examined in greater detail during the next meeting.

			and 7th years towards maintenance to entire AEO (d) Allowing fulfillment of Specific EO and Average EO through third party exports	
30.	M/s Vedanta Aluminium Ltd. 18/187/AM-13/EPCG-II	63 EPCG Authorizations	Fulfillment of EO of EPCG Authorizations (issued during AM-09 to AM-12) by export of value added product viz. 'Aluminium products' instead of export product i.e. 'Calcined Alumina' endorsed on EPCG Authorization	The committee observed that request is regarding fulfillment of EO by Aluminium Products instead of export product endorsed on EPCG Authorization i.e. 'Calcined Alumina'. The technical members were of the view that 'calcined alumina' is used in the production of 'Aluminium Products'. However, the Committee noted that the exporter is requesting for fulfillment of EO in all the 63 EPCG Authorizations by export of value added product i.e. Aluminium Products produced by them only. It was also not clear whether 'Calcined Alumina' would be used captively in the production of 'Aluminium Products'. The case was deferred for further examination.