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MINISTRY OF COMMERCE AND INDUSTRY
DEPARTMENT OF COMMERCE

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NEW DELHI, DATED THE 1st October, 2007

In exercise of powers conferred under Paragraph 2.4 of the Foreign Trade Policy 2004-2009, the Director General of Foreign Trade hereby makes the following amendment in Handbook of Procedures (v1):

1. Paragraph 5.3.1 stands replaced by the following clause:

5.3.1 RA concerned shall, on the basis of nexus certificate from an Independent Chartered Engineer (CEC) submitted by the applicant in Appendix 32A, issue EPCG authorisation and thereafter forward a copy of the EPCG authorisation to the concerned Jurisdictional Central Excise Authority.

2. Paragraph 5.3.2 amended vide PN-22 dated 17-7-2007 stands replaced by the following:

5.3.2 Authorisation holder shall produce to the concerned RA a certificate from the Jurisdictional Central Excise Authority, confirming installation of Capital goods at factory premises of authorization holder or his supporting manufacturer(s)/ vendor(s) within six months from date of completion of import. In the case of import of spares, the installation certificate shall be submitted by the Authorisation holder within a period of three years from the date of import. However, in case of units not registered with Central Excise Authorities, the Authorisation holder shall produce to the concerned RA, a certificate from an independent Chartered Engineer confirming the said installation of Capital goods / spares.

2. Paragraph 5.8 related to “Fulfillment of Export Obligation” stands amended as follows:

5.8 The Authorisation holder under the EPCG scheme shall fulfill the export obligation over the specified period in the following proportions:

<u>Period from the date of issue of Authorisation</u>	<u>Minimum export obligation to be fulfilled</u>
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<i>Block of 1st to 6th year</i>	<i>50%</i>
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<i>Block of 7th and 8th year</i>	<i>50%</i>
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3. Paragraph 5.8.1 stands amended as follows:-

5.8.1 In respect of Authorisations, on which the value of duty saved is Rs.100 crore or more, the export obligation shall be fulfilled over a period of 12 years in the following proportion:-

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<u>Period from the date of issue of Authorisation</u>	<u>Minimum export obligation to be fulfilled</u>
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<i>Block of 1st to 10th year</i>	<i>50%</i>
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<i>Block of 11th and 12th year</i>	<i>50%</i>
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4. Paragraph 5.8.2 stands amended as follows:-

5.8.2 However, the export obligation of a particular block of year may be set off by the excess exports made in the preceding block of year. The Authorisation holder would intimate the regional authority on the fulfillment of the export obligation as well as average exports within three months of completion of the block, by secured electronic filing using digital signatures.

5. Paragraph 5.8.3 stands amended as follows:-

5.8.3 Where export obligation of any particular block of years is not fulfilled in terms of the above proportions, except in such cases where the export obligation prescribed for a particular block of year is extended by the competent authority, such Authorisation holder shall, within 3 months from the expiry of the block of years, pay duties of customs (alongwith applicable interest as notified by DoR) of an amount equal to that proportion of the duty leviable on the goods which bears the same proportion as the unfulfilled portion of the export obligation bears to the total export obligation.

This issues in Public interest.

(R.S.Gujral)
Director General of Foreign Trade and
Ex-officio Additional Secretary to the Govt. of India

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