

Circular No. 12/(RE-2010) 2009-14

Dated: 17 .01.2011

Subject:- Clarifications on issues pertaining to EPCG Scheme raised in the Port Officers' Meeting held on 03.12.2010.

Apropos the discussions in 'Port Officers' meeting held on 03.12.2010 wherein, among others, a number of issues relating to EPCG Scheme were raised by Regional Authorities. The issues are clarified as under:

Sl. No.	Issues	Clarification
1.	What are the criteria adopted for issuance of 'No Objection Certificate' for conversion/disposal of vehicles imported against EPCG authorizations?	<p>The vehicles imported against EPCG authorizations issued prior to 31.03.2007 can be allowed for conversion / disposal after issuance of EODC; completion of five years from date of import; and there is no DRI/CBI case against the subject authorization.</p> <p>The vehicles imported against EPCG Authorizations issued on or after 01.04.2007 can be allowed after fulfillment of export obligation, i.e. after complying with the 'Actual User Condition' as per Para 5.4 of FTP.</p> <p>However, the capital goods for which exemption has been granted from maintenance of annual average export obligation under Para 5.7.6 of HBP.Vol.I, can be allowed after fulfillment of export obligation and on completion of five years from the date of import of the said Capital Good.</p>
2.	Whether 10% restriction is applicable on import of spares on 100% export obligation also?	Para 5.2 of FTP allows import of spares without limit of 10% subject to 100% export obligation.
3.	Whether EODC can be issued against an individual licence in case of pending investigation by CBI/DRI in respect of other licence (s) of the firm/company?	This depends on the gravity of the allegations. Therefore, decision in such cases should be taken by Head of Office, depending upon the merits of each case.
4.	Whether EODC can be issued in cases in which vehicles were not registered as tourist	EODC can be issued without insisting for registration of such vehicles as tourist vehicles under the provisions of Circular No. 7 dated 07.05.2008, in such cases in which complete documents for fulfillment of export obligation were submitted on or before

	vehicle upto 31.08.2008 as per Policy Circular No. 7 dated 07.05.2008?	30.06.2008 and in which the complete export obligation had been fulfilled but EODC could not be issued due to minor discrepancies or on technical grounds.
5.	Whether Soyabean Meal / Extraction can be treated as Agricultural Product for the purpose of Para 5.7.6 of HBP Vol.I regarding exemption from maintenance of annual average export obligation?	The processed foods cannot be treated as Agricultural Product.
6.	Whether Readymade garments made out of yarn supplied by EPCG licence holder can be accepted for fulfillment of EO against EPCG Authorization?	It cannot be accepted for EO fulfillment against the authorization obtained by the Yarn Supplier unless supplies are covered under Chapter 8 of FTP/HBP.Vol.I as the linkage of supplies to garment manufacturer cannot be established otherwise.
7.	Whether EPCG Authorizations can be issued for import of Crank Manual Bed and ICU?	EPCG authorization can be issued for import of Crank Manual Bed and ICU as the Scheme allows import of capital equipment for use by the service sectors including hospital services, as per Appendices 10A of HBP Vol.I.
8.	Whether maintenance of annual average export obligation is required to be maintained licensing year-wise or calendar year-wise?	Annual average export obligation is required to be maintained licensing year-wise.
9.	Whether pending nexus cases may be disposed of on the basis of Chartered Engineer Certificate?	Pending nexus cases may be decided with the help of Chartered Engineer Certificate as approved by EPCG Committee in its Meeting held on 03.11.2010.

his issues with the approval of DGFT.

Sd/-
(Hardeep Singh)
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