
To

All Licensing Authorities

Representations have been received from pharmaceutical units regarding mandatory submission of Drug Manufacturing Licence at the time of issue of EPCG authorization to pharmaceutical units based on which grant of EPCG authorization has been allowed subject to furnishing 100% Bank Guarantee in lieu of Drug Manufacturing Licence.

2. The matter has been examined afresh and it has been decided to delete the condition of mandatory submission of Drug Manufacturing Licence as contained in Para 4(2) of ‘Guidelines for Applicants’ and ‘Column No. 6 of ANF-5A’ for issue of EPCG authorizations. It has also been decided to do away with the condition for execution of 100% Bank Guarantee in lieu of mandatory submission of Drug Manufacturing Licence which was required as per Clarification No. 18/12/AM08/EPCG-II dated 30.6.2008.

3. It has been decided to add a condition to the EPCG Authorization that pharmaceutical units would instead be required to submit a copy of Drug Manufacturing Licence to the concerned Regional Authority within a period of three years from the date of issue of EPCG Authorization failing which the Bank Guarantee /Legal Undertaking executed/furnished at the time of clearance of Capital Goods, with Customs authorities/Regional Authorities of DGFT, as the case may be, will be forfeited/invoked and the firm would be liable to pay Customs Duty saved amount together with applicable interest thereon from the date of first import till the date of final payment”.

4. All Regional Authorities are hereby informed that Drug Manufacturing Licence/Bank Guarantee in lieu of Drug Manufacturing Licence may not be insisted upon at the time of issuance of EPCG Authorizations.

This issues with the approval of Director General of Foreign Trade
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