

Government of India
Department of Commerce
Directorate General of Foreign Trade
Udyog Bhavan, New Delhi-110011

Policy Circular No. 19(RE-08)/2004-2009

Dated: 15th July, 2008

To

All Regional Authorities;
All Commissioners of Customs;
Exporting Community.

Subject: Clarification regarding applicability of the instructions contained in Public Notice No. 52 dated 27.9.2007.

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1. Attention is invited to the aforesaid Public Notice wherein it was stated that "in SIONs where import of relevant fabric is permitted in terms of Square meters per Unit of an Export Product, the import of relevant fabric be limited to (10% + actual utilization in Sq. meters) or quantity permitted in SION, whichever is lower. Actual utilization in Square Meters can be calculated from GSM declared on shipping bill and net weight of export consignment using the formula Square Meter = Net weight * 1000 / GSM".

2. Representations have been received from Trade and Industry that the aforesaid methodology stated in Public Notice No. 52 was nowhere mentioned in the policy, HBP vol. 1 or HBP Vol. 2 since the relevant SIONs under Textile Product Group came into operation. Aggrieved by Public Notice No. 52 dated 27.9.07, a number of petitions have been filed by the exporting community in various High Courts, challenging its implementation for exports made prior to the issuance of this Public Notice No. 52. As an alternative mechanism to consider such cases, Petitioners approached the Grievance Redressal Committee(GRC), an Inter-Ministerial Committee. GRC, after detailed examination, passed a direction to DGFT to consider these cases for calculation of duty free import entitlement based on the SION and the Appendix 23 Declaration, whichever is lower, and not to apply the provisions of Public Notice No. 52 dated 27.9.2007 for those shipments which have been affected prior to the issuance of this Public Notice.

3. The matter has been examined in this Directorate in the aforesaid background and it has been decided that the restrictions imposed vide Public Notice No. 52 dated 27.9.2007 shall

be made effective for exports on or after 27.9.07. Regional Authorities (RAs) shall process and dispose off all such pending cases accordingly.

This issues with the approval of Competent Authority.

Sd/-
(C. Gangadharan)
Deputy Director General of Foreign Trade

(Issued from F. No. 01/94/180/142/AM 08/PC 4)