

Directorate General of Foreign Trade
Udyog Bhawan
DES-V Section

Minutes of NC-V Meeting held on 10.12.2009

The Meeting No. 37/AM-10 for the licensing year 2009-10 to consider the cases under Duty Exemption Schemes (Chapter-4) in Room No.213 of DGFT under the Chairmanship of Shri A.K.Singh, Jt. DGFT. The following officers were present: -

Sl. No	Name of the representatives & their designation	Department
1.	Sh. Shaish Kumar, Industrial Advisor	DIPP
2.	Sh. Ashok Kumar Arora, Dy.DGFT	DGFT
3.	Sh. R.A.Lal, Deputy Director	R.O, TC, Noida
4.	Sh. Kuldeep Singh, Asstt. Director	MSME
5.	Sh. Pradip Kumar, F.T.D.O	DGFT

(TEXTILES AND LEATHER ITEMS)

MEETING NUMBER : 37/84-ALC3/2009 **MEETING DATE** : 10.12.2009

Online agenda cases

1	Case No.: 8/37/84-ALC3/2009	Party Name:G.R.CORPORATION	Meet No/Date:37/84-ALC3/2009 10.12.2009	Status: Rejected
	HQ File :01/84/050/00189/AM10/	RLA File :06/24/040/00025/AM10/	Lic.No/Date:0610016444 22.10.2009	
	Decision: The Committee considered the case as per agenda alongwith other relevant papers and observed that applicant firm have neither given net content of each import item in respect of each export product not given any			

justification on quantitative requirement of inputs asked for in this case, in absence of which it is not possible to compute the requirement of input. Hence, Committee was constrained to reject the case.

RLA may take suitable consequential action accordingly.

2	Case No.:7/37/84-ALC3/2009	Party Name:NETWORK CLOTHING COMPANY PVT.LTD.,	Meet No/Date:37/84-ALC3/2009 10.12.2009	Status: Rejected
	HQ File :01/84/050/00188/AM10/	RLA File :32/24/040/00035/AM10/	Lic.No/Date:3210041606 28.10.2009	
	<p>Decision: The Committee considered the case as per agenda alongwith other relevant papers and observed that applicant firm have given two style Nos. on the export item, but no size-wise specification/measurement/calculatlon has been given thereon. Further, it was also observed that firm have not mentioned GSM on the export item, in absence of which it is not possible to compute the requirement of input. Hence, Committee was constrained to reject the case.</p> <p>RLA may take suitable consequential action accordingly.</p>			

3	Case No.:1/33/84-ALC3/2009	Party Name:AARBUR	Meet No/Date:37/84-ALC3/2009 10.12.2009	Status: Rejected
	HQ File :01/84/050/00153/AM10/	RLA File :02/24/040/00146/AM10/	Lic.No/Date:0210133093 29.10.2009	
	<p>Decision: The Committee considered the case as per agenda alongwith other relevant papers and observed that applicant firm have failed to give reply to DGFT letter dated 25.11.2009, in absence of which it is not possible to compute the requirement of input. Hence, Committee was constrained to reject the case.</p> <p>RLA may take suitable consequential action accordingly.</p>			

4	Case No.:2/33/84-ALC3/2009	Party Name:JIWANRAM SHEODUTTRAI INDUSTRIES PVT.LTD.	Meet No/Date:37/84-ALC3/2009 10.12.2009	Status: Rejected
	HQ File :01/84/050/00154/AM10/	RLA File :02/24/040/00148/AM10/	Lic.No/Date:0210133247 03.11.2009	
	<p>Decision: The Committee considered the case as per agenda alongwith other relevant papers and observed that applicant firm have neither forwarded calculation sheet nor CAD/CAM/Laymarker/Measurement/Style No., which are mandatory in terms of Policy Circular No. 34/(RE-07)/2004-2009 dated 24th March, 2008, in absence of which it is not possible to compute the requirement of input. Hence, Committee was constrained to reject the case.</p> <p>RLA may take suitable consequential action accordingly.</p>			

5	Case No.:4/37/84-ALC3/2009	Party Name:IRBAZ SHOE COMPANY,	Meet No/Date:37/84-ALC3/2009 10.12.2009	Status: Deferred
	HQ File :01/84/050/00185/AM10/	RLA File :04/24/040/00190/AM10/	Lic.No/Date:0410109119 06.11.2009	Defer Date:07.01.2010
	<p>Decision: The Committee considered the case as per agenda alongwith other relevant papers and in consultation with the representatives of technical authorities present in the meeting decided to call for the following information/documents from firm: -</p> <ol style="list-style-type: none"> (i) Specific metal to be imported for buckle, rivet, eyelet and studs; (ii) Percentage strength of dye solution; (iii) Exact use of PU synthetic leather in manufacturing since the exports of leather sandal and not synthetic sandal; (iv) Thickness or GSM of PU synthetic leather. (v) Justification for use of two types of shank board in the manufacturing. (vi) Weight of each of micro pack and its content. (vii) Width of the adhesive type to be imported. (viii) Specific material of lining to be imported. (ix) Width of the non-woven lining material. 			

- (x) Calculation sheet to arrive at the quantity of raw material and component asked for on the basis of pattern and design of the export product.

The case stands deferred for re-listing on 07.01.2010.

Case No.: 1/37/84-ALC3/2009	Party Name:MERIDIAN APPARELS LIMITED,	Meet No/Date:37/84-ALC3/2009 10.12.2009	Status: Approved
HQ File :01/84/050/00182/AM10/	RLA File :04/24/040/00189/AM10/	Lic.No/Date:0410109228 10.11.2009	

Decision: The Committee considered the case as per agenda alongwith other relevant papers and went through the details submitted by the firm. The Committee after detailed deliberations in consultation with representatives of technical authorities present in the meeting decided to ratify this case as applied by the firm as detailed below:-

Export item	Export Qty.	Import item	Quantity allowed.
Lady ¾ Pant made out of 95% viscose 5% Elasthane jersey knitted fabric, 58-60", GSM-200+/-5%. (Ref. No. SDE0040)	10000 Pcs	95% viscose 5% Elasthane jersey knitted fabric, 58-60", GSM-200+/-5%.	16705 Sq mtrs.
Lady T-Shirt made out of 95% viscose 5% Elasthane jersey knitted fabric, 58-60", GSM-180+/-5%.(Ref. No. PEE0853)	25000 Pcs	95% viscose 5% Elasthane jersey knitted fabric, 58-60", GSM-180+/-5%.	23300 Sq mtrs.

The GSM of import and export shall match. They may also monitor reference No. mentioned in each export item on the export side. The R.A. shall be advised to take necessary action subject to compliance of other usual conditions

7	Case No.: 2/37/84-ALC3/2009	Party Name:KEENWIN APPARELS PVT. LTD.,	Meet No/Date:37/84-ALC3/2009 10.12.2009	Status: Rejected
	HQ File :01/84/050/00183/AM10/	RLA File :04/24/040/00198/AM10/	Lic.No/Date:0410109321 11.11.2009	
	<p>Decision: The Committee considered the case as per agenda alongwith other relevant papers and observed that applicant firm have neither mentioned style No. on the export item nor GSM of fabric on the export/import item. Further, sketch submitted pertains to pockets only and no sketch, measurement/calcuation for complete garment has been provided, in absence of which it is not possible to compute the requirement of input. Hence, Committee was constrained to reject the case.</p> <p>RLA may take suitable consequential action accordingly.</p>			

8	Case No.: 3/37/84-ALC3/2009	Party Name:KEENWIN APPARELS PVT. LTD.,	Meet No/Date:37/84-ALC3/2009 10.12.2009	Status: Rejected
	HQ File :01/84/050/00184/AM10/	RLA File :04/24/040/00199/AM10/	Lic.No/Date:0410109322 11.11.2009	
	<p>Decision: The Committee considered the case as per agenda alongwith other relevant papers and observed that in this case there are two export items and applicant firm have neither mentioned style No. on the export item nor GSM of fabric on the export/import item. Further, sketch submitted pertains to pocket only and no sketch, measurement/calcuation for complete garment has been provided. For the export item Mens Pant, no CAD/CAM/Calculation/Measurement has been given, in absence of which it is not possible to compute the requirement of input. Hence, Committee was constrained to reject the case.</p> <p>RLA may take suitable consequential action accordingly.</p>			

Case No.:6/37/84-ALC3/2009	Party Name:CHERAN SPINNER LIMITED.	Meet No/Date:37/84-ALC3/2009 10.12.2009	Status: Approved								
HQ File :01/84/050/00187/AM10/	RLA File :32/24/040/00037/AM10/	Lic.No/Date:3210041823 18.11.2009									
<p>Decision: The Committee considered the case as per agenda alongwith other relevant papers and went through the details submitted by the firm. The Committee after detailed deliberations in consultation with representatives of technical authorities present in the meeting decided to ratify this case by allowing 2% wastage on the item of import as detailed below:-</p>											
<table border="1"> <thead> <tr> <th>Export item</th> <th>Export Qty.</th> <th>Import item</th> <th>Quantity allowed.</th> </tr> </thead> <tbody> <tr> <td>Cotton Nylon 66 Blended Yarn containing Nylon PA 66 32000 Kgs and cotton 96000 Kgs.</td> <td>128000 Kgs</td> <td>Nylon 66 Staple fibre 1.2Dx32 MM semidull</td> <td>32640 Kgs</td> </tr> </tbody> </table>				Export item	Export Qty.	Import item	Quantity allowed.	Cotton Nylon 66 Blended Yarn containing Nylon PA 66 32000 Kgs and cotton 96000 Kgs.	128000 Kgs	Nylon 66 Staple fibre 1.2Dx32 MM semidull	32640 Kgs
Export item	Export Qty.	Import item	Quantity allowed.								
Cotton Nylon 66 Blended Yarn containing Nylon PA 66 32000 Kgs and cotton 96000 Kgs.	128000 Kgs	Nylon 66 Staple fibre 1.2Dx32 MM semidull	32640 Kgs								
The R.A. shall be advised to take necessary action subject to compliance of other usual conditions											

Case No.:5/37/84-ALC3/2009	Party Name:GUPTA EXIM (I) PVT.LTD.	Meet No/Date:37/84-ALC3/2009 10.12.2009	Status: Approved				
HQ File :01/84/050/00186/AM10/	RLA File :05/23/040/00113/AM10/	Lic.No/Date:0510253587 30.11.2009					
<p>Decision: The Committee considered the case as per agenda alongwith other relevant papers and went through the details submitted by the firm. The Committee after detailed deliberations in consultation with representatives of technical authorities present in the meeting decided to ratify this case as applied by the firm as detailed below:-</p>							
<table border="1"> <thead> <tr> <th>Export item</th> <th>Export</th> <th>Import item</th> <th>Quantity</th> </tr> </thead> </table>				Export item	Export	Import item	Quantity
Export item	Export	Import item	Quantity				

10		Qty.		allowed.
	SS Polo Shirt made from 88% modal and 12% polyester knitted fabric, width-58-60", GSM-245+/-10%. (Style No. PW60P254)	3600 Pcs	88% modal and 12% polyester knitted fabric, width-58-60", GSM-245+/-10%.	7510.775 Sq mtrs.

The GSM of import and export shall match. They may also monitor Style No. mentioned in export item on the export side. The R.A. shall be advised to take necessary action subject to compliance of other usual conditions.

Case No.: 9/37/84-ALC3/2009	Party Name:SUBBAROW APPARELS,	Meet No/Date:37/84-ALC3/2009 10.12.2009	Status: Approved
HQ File :01/84/050/00190/AM10/	RLA File :04/24/040/00212/AM10/	Lic.No/Date:0410109860 01.12.2009	

Decision: The Committee considered the case as per agenda alongwith other relevant papers and went through the details submitted by the firm. The Committee after detailed deliberations in consultation with representatives of technical authorities present in the meeting decided to ratify this case as applied by the firm as detailed below:-

11	Export item	Export Qty.	Import item	Quantity allowed.
	Mens Boxer Shorts made from 100% cotton yarn dyed fabric, GSM-100+/-10%.	204428Pcs	100% cotton yarn dyed fabric, GSM-100+/-10%.	220782.240 Sq mtrs.

The GSM of import and export shall match. The R.A. shall be advised to take necessary action subject to compliance of other usual conditions.

12	Case No.:10/37/84-ALC3/2009	Party Name:NEELKANTH FIBRES P.LTD.,	Meet No/Date:37/84-ALC3/2009 10.12.2009	Status: Deferred
	HQ File :01/84/050/00191/AM10/	RLA File :33/24/040/00011/AM10/	Lic.No/Date:3310014388 04.12.2009	Defer Date:07.01.2010
	Decision: The Committee considered the case as per agenda alongwith other relevant papers and observed that in this case export item is Viscose Fibres and import item is Viscose Tow Waste. The Committee decided to seek comments/views of Policy Division {Jt. DGFT (TM)} whether the importability of “ Viscose Tow Waste ” being second hand goods & not prime goods can be allowed against advance authorization under Duty Exemption Scheme. Hence, case may be deferred for re-listing for 07.01.2010.			

Manually generated agenda cases

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Case No. 576	M/s S.Koday Silk Twisting Factory, Bangalore
NC37/10 dt. 10.12.2009	F.NO.1/84/162/236/AM10 -DES-V
Re-fixation of input output norms in respect of Advance Authorization No. 0710065826 dt. 08.07.2009 – under Para 4.7 of HBP (Vol1) 2004-2009.	

Decision: The Committee considered the case as per agenda and went through the details submitted by the firm. As per manufacturing process submitted, it was observed that in this case raw silk is processed in various stages for the manufacture of Twisted Silk Yarn further for making of thrown silk yarn. The Committee after detailed deliberations in consultation with representatives of technical authorities present in the meeting decided that a total of 35% wastage is adequate in this case. It was therefore decided to allow 35% wastage instead of 2.5% wastage allowed earlier (which

was decided owing to the confusion that the import item is degummed, whereas it is actually gummed).

The R.A shall be advised to take necessary action subject to compliance of other usual conditions.

Case No. 577	M/s S.Koday Silk Twisting Factory, Bangalore
NC37/10 dt. 10.12.2009	F.NO.1/84/162/181/AM10 -DES-V
Re-fixation of input output norms in respect of Advance Authorization No. 0710064737 dt. 14.05.2009 – under Para 4.7 of HBP (Vol1) 2004-2009.	

Decision: The Committee considered the case as per agenda and went through the details submitted by the firm. As per manufacturing process submitted, it was observed that in this case raw silk is processed in various stages for the manufacture of Twisted Silk Yarn further for making of thrown silk yarn. The Committee after detailed deliberations in consultation with representatives of technical authorities present in the meeting decided that a total of 35% wastage is adequate in this case. It was therefore decided to allow 35% wastage instead of 2.5% wastage allowed earlier (which was decided owing to the confusion that the import item is degummed, whereas it is actually gummed).

The R.A shall be advised to take necessary action subject to compliance of other usual conditions.

Case No. 578	M/s Aditya Birla Nuvo Ltd., Kolkata
NC37/10 dt. 10.12.2009	F.NO.1/84/50/109/AM10 -DES-V
Re-fixation of input output norms in respect of Advance Authorization No. 0210131548 dt. 15.09.2009 – under Para 4.7 of HBP (Vol1) 2004-2009.	

Decision: The Committee considered the case as per agenda alongwith other relevant papers and observed that earlier

this case was decided by allowing 5% wastage. Now, firm vide their letter dated 03.12.2009 have informed that in this case woollen blended yarn containing wool and acrylic is manufactured by them using worsted system. The Committee after deliberations in consultation with representatives of technical authorities present in the meeting observed that applicant firm have not mentioned about the worsted system on the export item. Further, no documentary evidence viz., copy of shipping bills has been submitted to corroborate that export item is manufactured by using Worsted system. Further, Committee also felt that for Gilling & Steaming process, total 6 times recombining, winding & twisting as mentioned by the firm have no rationale. In view of this, Committee was constrained to maintain status quo in this case.

Firm may be informed accordingly.

Case No. 579	M/s Cheran Spinners Ltd, Erode
NC37/10 dt. 10.12.2009	F.NO.1/84/50/378/AM06 -DES-V
Ratification of input output norms in respect of Advance Authorization No. 3210030094 dt. 05.09.2005 – under Para 4.7 of HBP (Vol1) 2004-2009.	

Decision: The Committee considered the case as per agenda alongwith other relevant papers and observed that applicant firm have failed to reply to DGFT letter dated 25.11.2009, in absence of which it is not possible to compute the requirement of inputs in this case. Further, in the application, it was observed that in the export item, net content of Mulberry silk has been mentioned 5715 Kgs and in export Qty. column same Qty. i.e 5715 Kgs has been mentioned, which is not correct. Hence, Committee was constrained to reject the case.

RLA may take suitable consequential action accordingly.

Case No. 580	The Indian Silk Export Promotion Council, Mumbai
NC37/10 dt. 10.12.2009	F.NO.1/84/162/300/AM10 -DES-V
Request for allowing flexibility for import of any alternative import items of Silk from the permissible inputs of SION, J-123, J-124 and J-129 –reg.	

Decision: The Committee considered the case as per agenda alongwith other relevant papers and observed that this case pertains to proposal of Indian Silk Export Promotion Council for allowing flexibility for import of any alternative import items of Silk from the permissible inputs of SIONs, J-123, J-124 & J-129 viz., Mulberry Raw Silk (Gummed) of any grade other than Dupion Yarn, Dupion Silk Yarn (gummed & untwisted), Noil Silk Yarn, Spun Silk Yarn & Tussar Silk Yarn. The Committee also perused the views of Central Silk Board conveyed vide their letter dated 14.10.2009 wherein it was informed that correlation between the different constituents of Raw Silk/Silk Yarn with import substitutes (i.e Mulberry/Dupion/Tussar/Spun Silk/Noil Silk) is required to be maintained in terms of General Note No.4 of Textile Product. They have also informed that in view of highly decentralized & price sensitive domestic silk industry, the correlation between the export item and the corresponding import item need to be maintained. The Committee also went through the unit import price details of all substitute inputs submitted by ISEPC as per DGFT website as detailed below:-

S. No	Name of Import item	Total Qty. of import item permissible per 100 Kg of export product	Unit import price as per DGFT website data (in Rs.)
1	Mulberry raw silk	139 Kg	1136
2	Mulberry dupion silk	139 Kg	980
3	Tussar silk waste	115 Kg	903
4	Spun silk	105 Kg	880
5	Noil silk	105 Kg	2 92

The Committee observed that as regards first item i.e Mulberry raw silk, the value of import is highest and in case of Mulberry dupion silk, Tussar silk waste and Spun silk the value of import is lesser, whereas in case of Noil silk, the same is lowest. In view of this Committee felt that if against a higher value item, an alternative item(s) of lower value is imported then the Qty. utilization are same but value utilization is less. The representative of DC (MSME) during NC meeting also explained his views on the similar line and now vide their U.O No. 37(5)/60/2009-10/Hosiery dated 11.12.2009 have sent their written comments. Therefore, Committee after detailed deliberations in consultation with representatives of technical authorities present in the meeting decided to allow flexibility for import of any alternative import items of Silk from the permissible inputs of relevant SION taking into consideration the price of these inputs as detailed below: -

S.No	Export Product	Flexibility for Import of alternative inputs may be allowed in the export product.
1	Made out of Mulberry raw silk	Alternative inputs of all types viz., Mulberry dupion silk, Tussar silk, Spun silk, Noil silk
2	Made out of dupion silk	Alternative inputs viz., dupion silk, Tussar silk, Spun silk, Noil silk
3	Made out of Tussar silk/ Spun silk	Alternative inputs viz., Tussar silk, Spun silk, Noil silk
4	Made out of Noil silk	No alternative input may be allowed.

The Committee therefore, decided to issue an appropriately Public Notice for incorporating this flexibility in General Note No. 4 of Textile Product. In case the export product is made out of more than one constituent/variety of Silk then flexibility of inputs is allowed (as in table above) in proportion to the ratio of constituents of Silk Or Spun Silk blended with other fibres like Cotton/Viscose etc.

Case No. 581	M/s Fashion Accessories, Gurgoan
NC37/10 dt. 10.12.2009	F.NO.1/84/50/6/AM10 -DES-V
Ratification of input output norms in respect of Advance Authorization No. 0510239553 dt. 09.04.2009 – under Para 4.7 of HBP (Vol1) 2004-2009.	

Decision: The Committee considered the case as per agenda alongwith other relevant papers and observed that case is under examination of DC (MSME). It was decided to defer the case for re-listing on 07.01.2009.

Case No. 582	M/s Chelsea Mills, New Delhi
NC37/10 dt. 10.12.2009	F.NO.1/84/50/180/AM06 -DES-V
Re-fixation of input output norms in respect of Advance Authorization No. 0510159171 dt. 06.06.2005 – under Para 4.7 of HBP (Vol1) 2004-2009.	

Decision: The Committee considered the case as per agenda alongwith other relevant papers and observed that this case has already been cleared by NC in its meeting held on 01.01.2009. Firm have now requested that against export item No.2 one input has been left out for fixation of norms in this case has not been finalized. The Committee after detailed deliberations in consultation with representatives of technical authorities present in the meeting decided to rectify the earlier minutes as detailed below: -

S. No	Export item No.	Import item No.	Description of import item	Qty. allowed
1(a)	2	7	100% cotton printed fabric, GSM-115+/-10%	2959 Sq mtrs.(@ 0.20 Sq mtrs/Pc)
1(b)	2	8	100% cotton dyed fabric, GSM-168+/-10%	5179 Sq mtrs. (@ 0.35 Sq mtrs/Pc)

The R.A shall be advised to take necessary action subject to compliance of other usual conditions.

Outside agenda case

Case No. 1	First Appeal under RTI, Act, 2005 by Sh. Sandeep Zavery
NC37/10 dt. 10.12.2009	F.NO.1/84/162/441/AM10 -DES-V
Request for seeking confirmation on RTI reply given by R.A, Kanpur regarding import items allowed for export of Finished Leather (SION, G-7)	

Decision: The Committee considered the case as per agenda alongwith other relevant papers and observed that in this case applicant Sh. Sandeep Zaveri, Mumbai is not satisfied with the reply given by R.A, Kanpur with regard to applicant's request for seeking information under which Public Notice/Notification/Circular or any other instructions from the DGFT or from the Ministry of Commerce, Supplementary tanning agents like Vegetable Tannin Agents Gambier/Chestnut/Tara/Sumac etc are allowed for import against export of Finished Leather (SION, G-7) has been endorsed with the condition that the said items shall be used by Licensee only and shall not be allowed for transfer/sale against the Duty Free Import Authorization on transferability. The Committee also gone through the reply given by R.A, Kanpur. It was felt that erstwhile DFRC Scheme has

since been renamed to DFIA Scheme. The reply given by R.A, Kanpur is correct and complete, hence the Committee felt that the reply provided by R.A, Kanpur is correct. However, in any case, seeking clarifications under Para 2.5 of FTP does not come under the purview of Regional Office and for this, powers are vested with DGFT only. The Committee felt that a suitable reply may be sent accordingly to the applicant by concerned first appellate authority.

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