DIRECTORATE GENERAL OF FOREIGN TRADE
DES-VI (FOOD & MISC)

Minutes of the meeting of NC-VI held on 06.05.2010

Meeting No. 06/AM11 for the licensing year 2010-11 to consider cases under Duty Exemption Schemes (Chapter-4) of Foreign Trade Policy 2009-14 pertaining to Misc. & Food Products was held on 06.05.2010 under the Chairmanship of Shri A.K. SINGH, Jt. DGFT. Following officers were present in the meeting.

S.No.	Name of the Officer	Designation	Department
1.	Sh. Shaish Kumar	IA	DIPP
3.	Sh. T.M. Skaria	DDG	DGFT
4.	Sh. Raghu Nath	FTDO	DGFT

Committee ratified the minutes of meeting No. 2/11, 3/11 & 4/11 held on 22.04.2010 and 5/11 held on 29.04.2010. Thereafter agenda for individual cases were taken up for discussion. Decision taken in each case is enumerated below. Ad-hoc norms fixed in this meeting are valid for a period of 12 months as per Public Notice 37 dated 23.08.2007

1	72	M/S. SRI TOOLS INDS., LUDHIANA	M.No. 06/11 Dt. 06.05.2010	Status: Approved
	HQ File :01/(81)/85/050/292/AM08/	RLA File :30/21/40/0021/AM08	Lic.No/Date:3010051813 16.05.2007	

The case considered by the committee as per agenda. Representative of the firm was present in the meeting to explain the case. He stated that the export quantity has been wrongly given in the original Licence, which has since been amended. He also furnished the revised export quantities in No. of pieces as well as by weight in kgs.

Taking into account the documents as well as explanation given by the firm's representative and in consultation with the technical member, Committee ratified the norms as under:-

Export Item	Qty.		Import Item	Qty.
	Pcs	Kgs		
1.Sparklighter with Lighter Flints Sparklighter fitted with Lighter Flints.	125050	7146.08	Lighter Flints	205.00Kgs to be accounted in export products.
2. Lighter Flints fitted with Bush/Sheet Lighter Flints fitted with Bush/Sheet	48300	71.34		
3. Lighter flints packed in Polybags	81500	75.942		

Denominations of 5pcs/1-pcs/50pcs or 100pcs				

RLA to take consequential action as per policy/procedure.

5	73 **Case No.:4/6/85-ALC3/2010**	M/S. INDO GERMAN ALKALOIDS	M.No. 06/11 DT. 06.05.2010	**Status: Approved**
	HQ File :01/85/050/00015/AM11/	RLA File :03/94/040/01114/AM10/	Lic.No/Date:0310566525 25.03.2010	

The case was considered by the committee as per agenda. It was noted that a similar case of the firm was earlier approved by NC in its meeting No. 19 held on10.09.2010 in advance Licence No. 0310522679 dt. 04.06.2009. On the similar basis, Committee ratify the norms as under:-

Export Item	Qty.	Import Item	Qty.
Podophyllum Resin BP/USP	1Kg	Podophyllum Roots (Podophyllym Resin 5+/-10%)	19.71Kg

RA to take consequential action as per policy/procedure.

3	**74** **Case No.:5/6/85-ALC3/2010**	M/S. JABS INTERNATIONAL PVT.LTD.	M. No. 06/11 dt. 06.05.2010	**Status:** Approved
	HQ File :01/85/050/00016/AM11/	RLA File :03/94/040/00083/AM11/	Lic.No/Date:0310570962 23.04.2010	

The case was considered by the committee as per agenda. Committee decided to approve the case with 0.5% wastage as under:-

Export Item	Qty.	Import Item	Qty.
Sterlized Dried Ginger	100.000MT	Dried Ginger	100.500MT

RA to take consequential action as per policy/procedure.

4	**75** **Case No.:1/6/85-ALC3/2010**	M/S. JINDAL DRUGS LIMITED	M. No. 06/11 dt. 06.05.2010	**Status: Transferred**
	HQ File :01/85/050/00012/AM11/	RLA File :03/94/040/01099/AM10/	Lic.No/Date:0310567309 30.03.2010	
5	**76** **Case No.:2/6/85-ALC3/2010**	M/S. JINDAL DRUGS LIMITED	M. No. 06/11 dt. 06.05.2010	**Status: Transferred**
	HQ File :01/85/050/00013/AM11/	RLA File :03/94/040/01103/AM10/	Lic.No/Date:0310566492 25.03.2010	

6	**77** **Case No.:3/6/85-ALC3/2010**	M/S. JINDAL DRUGS LIMITED	M. No. 06/11 dt. 06.05.2010	**Status: Transferred**
	HQ File :01/85/050/00014/AM11/	RLA File :03/94/040/01104/AM10/	Lic.No/Date:0310565979 23.03.2010	
	The case was considered by the committee as per agenda. It was noted that committee has allowed 2.61Kg of Cocoa Beans-Dried & Fermented for 1Kg of Cocoa Butter for export in Nine advance authorizations of this firm in M. No. 14 held on 06.08.2010 vide Case No. 335. RA may decide the instant cases under para 4.7.1 of HBP. Vol. I.			

7	**78**	M/S. DHAMPUR SPECIALAITY SUGAR LTD., N. DELHI	M. No. 06/11 dt. 06.05.2010	**Status: Rejected**
	HQ File :01/85/162/963/AM07	Fixation of SION for export product "Invert Sugar" against import of Cane Sugar Refined.		
	The case was considered by the committee as per agenda. It was noted that FIEO has forwarded the representation of the applicant firm for sympathetic consideration of the request for fixation of SION. It was decided that FIEO may be informed that industry data from at least three companies are required for fixation of SION. In this case, the data is not available. NC is, therefore, not in a position to fix SION. Status quo is therefore maintained. If possible, FIEO may provide the requisite data.			

8	**79**	M/S. DHAMPUR SPECIALAITY SUGAR LTD., N. DELHI	M. No. 06/11 dt. 06.05.2010	**Status:** Rejected
	HQ File :01/85/162/910/AM07	Fixation of SION for export product "Demerara Sugar- Cane Sugar Refined against import of Scan Syrup.		
	The case was considered by the committee as per agenda. It was noted that FIEO has forwarded the representation of the applicant firm for sympathetic consideration of the request for fixation of SION. It was decided that FIEO may be informed that industry data from at least three companies are required for fixation of SION. In this case, the data is not available. NC is, therefore, not in a position to fix SION. Status quo is therefore maintained. If possible, FIEO may provide the requisite data.			

9	**80**	M/S. MARICO LTD., MUMBAI	M. No. 06/11 dt. 06.05.2010	**Status: Deferred**
	HQ File :01/85/162/376/AM10	Grant of adv. Authorization under para 4.4.2 of HBP. Vol. I for export of Milling Grade Copra against import of Copra (Grade.II).		
	The case was considered by the committee as per agenda. Committee decided to call for the following information from the applicant firm:-			

	1.Specification, moisture content and other parameter of import and export items. 2. Detailed justification for 20% wastage, indicating wastage at each stage of production. 3. Difference between Sundrying and Mechanical Drying. 4. Whether the import and export items are with or without shell. 5. Commercial value of wastage obtained. 6. Whether permission has been obtained from the canalizing agency for import of the import item. Case to be re-listed on 28.05.2010.

10	**81** **Case No.:9/41/85-ALC3/2009**	M/S. WRIGLEY INDIA PVT LTD.,	M. No. 06/11 dt. 06.05.2010	**Status:** Transferred
	HQ File :01/85/050/00222/AM10/	RLA File :07/24/040/00337/AM10/	Lic.No/Date:0710068923 16.12.2009	
	The case was considered by the committee as per agenda. It was noted that a similar case of the firm was approved by NC in M.No. 45 dated 15.02.2007 in adv. Auth. No. 0710044651 dt. 02.05.2006. RLA decided this case as per earlier decision. In case, the import/export items do not match with the items in the earlier licence, RA may refer the case back to NC.			

11	**82**	M/S. NANDLAL BANKATLAL PVT. LTD., MUMBAI	M. No. 06/11 dt. 06.05.2010	**Status:**
	HQ File :01/85/162/412/AM10/	Clarification regarding import of Mannitol as an alternative item for Sugar under DFIA		
11	**83**	M/S. SBL Pvt Ltd.	M. No. 06/11 dt. 06.05.2010	**Status:**
	Ref. from PC-4	F.No. 01/94/180/141/AM09/PC-4		
	Clarification regarding import of Sugar Milk i.e. Lactose as per SION under DFIA Scheme.			

Two similar matters were discussed in NC today.

(1) Taking into account the inputs received from Directorate of Sugar and National Sugar Institute, and the provisions of Customs Circular No. 46/2007-Cus dt. 20.12.2007 to be read with inputs allowed under relevant DFIA for import of Sugar (as per relevant SION) as well as the contents of pargraph 4.55.3 of HBP Vol. I, PC-4 Section vide letter dated 31.7.2008 had clarified to Commissioner of Customs (Exports), Chennai that Sugar in the form of Lactose (Pharma Grade) can be imported against the DFIA issued to M/s. Laxmi Intl and transferred in the name of M/s. Kawarlal & Co.,

This clarification was in specific case referred to by the Customs Deptt. In the present case, M/s. SBL Pvt. Ltd., has requested for a similar clarification.

In SION E-1 for Assorted Confectionery, quantity of Sugar allowed is 66Kg for 100Kgs of export product. In the case of Biscuits under SION E-5, Sugar allowed is 21Kgs for 100Kgs of Biscuits. Committee considered the fact that Policy Division has allowed alternate inputs of

Lactose which is not published in the SION Book. Clearly, this implies that all the alternate inputs can not be listed in SION.

(2) Committee also looked at the similar case of M/s. Nandlal Bankatlal Pvt. Ltd., wherein similar issue of allowing Mannitol as an alternative to SION listed item No. 1 for export of Assorted Confectionery is under consideration.

Technical member present in the meeting pointed out that natural sugar substitutes have various names. Lactose is also known as Lacititol, Mannitol is also listed as a natural sugar substitute. Having regard to the decision taken by Policy Division that alternate input can be allowed (and listed on DFIAs) and also the fact that all such alternatives can not be published in SION Book, such inputs may be permitted in similarly placed cases by RA based on decision in one case by NC.

However, the Committee is of the view that, quantitatively, the inputs may differ in the cases cited above. The committee therefore relied on widely accepted information available on wikipedia.org wherein it is given –

For (i) Lactose i.e. Lactitol-0.4x sweetness (by weight)
(ii) Mannitol-0.5x sweetness (by weight).

Accordingly, the quantity of Lactose/Mannitol to be permitted for 100 Kgs of export product would come to:

SION	Lactose	Mannitol
E-1	$\frac{66}{0.4}$ =165Kgs	$\frac{66}{0.5}$ =132Kgs
E-5	$\frac{21}{0.4}$ = 52.5Kgs -	$\frac{21}{0.5}$ = 42Kgs -

The request for allowing Mannitol as an alternative item was earlier considered by NC in M.No.06/11 dated 06.05.2010 when committee noted the apprehension of Dte. of Sugar that excessive use of Mannitol is prohibited on health point of view and that it is sweeter in taste is used for manufacturing of confectioneries only for its goodness.

Since the quantity of the alternative items as indicated above is disproportionately high, Policy Division may review their decision to see whether the admissible quantity be limited to the quantity as per SION.

Alternatively Policy division may finalise these request, as deemed fit by Policy Division.

Both the above cases may be reverted back to Policy Division.

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<tr><td rowspan="3">10</td><td>84</td><td>M/s. Bangalore Chamber of Industry and commerce</td><td>M. No. 06/11 dt. 06.05.2010</td><td rowspan="2">Status:</td></tr>
<tr><td>HQ File :01/85/162/123/AM10</td><td colspan="2">DEPB benefit on export of Cigarette Filter Rods-amendment in the description of export product “Cigarette Filter rods” in DEPB Rate Schedule.</td></tr>
<tr><td colspan="4">NC had considered the case in M. No. 12/10 dated 23.07.2009 when a view was taken that size specification (i.e. 24.5mm X 120mm) may be deleted from description given in DEPB Schedule. Subsequently, PC-4 (B) has requested to know vide note dated 10.4.2010 whether SION has been amended deleting specification.

The SION in this case is at Sl. No. K-2. “Size” referred to in the note to the SION means size of circumference and not quantity. In case the size of circumference of Acetate Filter Rod is varied, then pro-rata SION qty. would also be varied. Thus, the SION is relevant to all Acetate Filter Rod of various circumference. Therefore, circumference specification need not deleted in the SION. However, for the purpose of DEPB benefit, committee felt that mentioning of circumference in DEPB entry is not relevant. Case may be accordingly referred back to DEPB committee.</td></tr>
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Out of Agenda

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<tr><td rowspan="3">10</td><td>85</td><td>M/s. M & M Cocoa Product Pvt. Ltd.,</td><td>M. No. 06/11 dt. 06.05.2010</td><td rowspan="2">Status:
Clarified</td></tr>
<tr><td>HQ File : 01/85//162/123/AM10</td><td></td><td></td></tr>
<tr><td colspan="4">Clarification whether Cocoa Beans processing unit of M/s. M & M Cocoa Product Pvt. Ltd., is an agro unit for purpose of export obligation in EPCG Authorisation.</td></tr>
<tr><td></td><td colspan="4">EPCG Division has requested for comments on the above subject. It was noted that in the FTP, there is no clear definition of what comprises of agro units. Agri- infrastructure incentive scrip specified in para 3.13.4 of FTP is valid for items covered under Chapter 1 to 24 of ITC(HS) Book. In this case, export product falls under Chapter 18. (Cocoa Beans and value added products of Cocoa falls under Chapter 18).. Chairman NC informed that in terms of WTO Agreement on Agriculture, all items in Chapter 1 to 24 excluding some marine products are covered by Agreement on Agriculture. NC therefore, is on the view that agro units are normally set up to process agro products into value added products. In the present case, the units is processing Cocoa beans and after processing, value added products are produced. NC would like to consider such a unit of any company/firm who is processing Cocoa Beans as an agro unit. However, EPCG Policy Division may take their view.</td></tr>
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