

Directorate General of Foreign Trade
Udyog Bhawan
DES-V Section

Minutes of the Meeting NC-V held on 31.01.2008

The Meeting No. 43/AM-08 for the licensing year 2007-08 to consider the cases under Duty Exemption Schemes (Chapter-4) of Foreign Trade Policy 2004-09 pertaining to Textiles and Leather was held on 31.01.2008 in Room No.4 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 Adviser	DIPP
2.	Sh. Ashok Kumar Arora, DDG	DGFT
3.	Sh. Pramod Kumar, Tech. Officer	DOR
4.	Sh. Pradip Kumar, FTDO	DGFT

(TEXTILES and LEATHER ITEMS)

At the outset the Minutes of NC Meeting No. 42/AM08 held on 24.01.2008 were ratified by the Committee. Thereafter The Agenda for individual cases for Meeting No. 43/AM08 was taken up for discussion and the decision taken in respect of each case is enumerated below: -

Online generated cases.

1	Case No.:4/29/84-ALC3/2007	Party Name:G. D. ENTERPRISE	Meet No/Date:43/84-ALC3/2007 31.01.2008	Status: Deferred
	HQ File : 01/84/050/00186/AM08/	RLA File : 02/24/040/00193/AM08/	Lic.No/Date:0210105068 09.10.2007	Defer Date: 28.02.2008
	Decision: Committee considered the case as per Agenda and observed that information/documents called for by DGFT is still awaited. It was therefore decided to await the same and defer the case for re-listing on 28.02.2008.			

2	Case No.:1/39/84-ALC3/2007	Party Name:MODEL EXIMS	Meet No/Date:43/84-	Status:
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		ALC3/2007 31.01.2008	Deferred
HQ File : 01/84/050/00233/AM08/	RLA File : 06/24/040/00029/AM08/	Lic.No/Date:0610012664 19.12.2007	Defer Date: 28.02.2008
Decision: Committee considered the case as per Agenda and observed that the case is under examination of DIPP and comments are still awaited from them. It was therefore decided to await the same and defer the case for re-listing on 28.02.2008.			

Manually generated cases

Case No.905	M/s. Gaurav International
NC 43/08 dt. 31.01.2008	F.No. 01/84/50/341/AM-03/DES-V
Ratification of input output norms against Advance Authorization No. 0510068057 dt. 12.09.2002 – under Para 4.7 of HBP (Vol.I) 2004-2009.	

Decision: The Committee considered the case as per agenda alongwith other relevant papers and heard Sh. Prabir Samanta, an import executive of the firm, who appeared for Personal Hearing. It was observed that ALC had allowed the import of (i) linen/rayon fabric (solid and (ii) linen/rayon (yarn dyed) fabric both @ 2.25 Sq mtrs. /Pc whereas firm asked @ 2.62 Sq mtrs./Pc in respect of import item (i) and @ 2.85 Sq mtrs./Pc in respect of import item (ii) because of the fact that their export product is belted Ladies trouser. In view of this Committee decided to call for copies of shipping bills and sample of the export product in order to ascertain as to whether the export product is actually the belted Ladies trouser or not. It was also decided to refer the details submitted by the firm to DC (MSME) for their comments.

The case stands deferred for re-listing on 28.02.2008.

Case No.906	M/s. Siera Silk Mills Pvt. Ltd., Bangalore.
NC 43/08 dt. 31.01.2008	F.No. 01/84/50/185/AM-08/DES-V
Ratification of input output norms against Advance Authorisation No.0710053714 dated 8.10.2007 – under Para 4.7 of HBP (Vol.I) 2004-2009.	

Decision: The Committee considered the case as per agenda alongwith other relevant papers and heard Sh.T.V.Parthasarathy, an authorized representative of the firm, who appeared for Personal Hearing. He explained the Committee that the total export quantity in this case is however 7600 Kgs containing 100% silk and blended fabrics, out of which 6000 Kgs will be 100% silk fabrics including Satin silk and 1600 Kgs is blended fabrics. In the blended fabrics the composition is 60% mulberry raw silk yarn and 40% other yarns which works out to 960 kgs of mulberry raw silk yarn and 640 kgs of other yarn, which is procured indigenously. The Committee after detailed deliberations in consultation with representatives of technical authorities present in the meeting decided to ratify the advance authorization issued in this case by allowing item of import @ 1.35 kg/kg content in the export product taking cue from SION at S.No. J-123 or as applied for whichever is less.

The description of export item mentioned in the advance authorization may be amended to read as “ total 7000 kilograms of 100% silk fabrics & blended fabrics and blended fabric shall contain at least 1000 Kg of silk”

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

Case No.907	M/s. Floor Decor
NC 43/08 dt. 31.01.2008	F.No. 01/84/162/766/AM-08/DES-V
Ratification of input output norms against Advance Authorisation No. 1010027072 dt. 06.08.2006 – under Para 4.7 of HBP (Vol.I) 2004-2009.	

Decision: Committee considered the case as per Agenda and observed that firm have reported that in this case they are procuring import item from EOU and that they normally procure in various cut-sizes. In view of this Committee decided to refer the case with full facts to EOU Division for their comments as to whether the inputs procured under advance authorization can be allowed under EOU. The case may be re-opened on receipt of comments from EOU Division.

Case No.908	M/s. Aditya Birla Nuvo Ltd.
NC 43/08 dt. 31.01.2008	F.No. 01/84/50/222/AM-07/DES-V
Ratification of input output norms against Advance Authorisation No. 0210092180 dt. 03.08.2006 – under Para 4.7 of HBP (Vol.I) 2004-2009.	

Decision: Committee considered the case as per Agenda and observed that this case has already been decided by NC on the basis that the Bill of Entry for this licence may be called and gross weight mentioned on Bill of Entry be totaled up to be imposed on import quantity. Wastage % of clean weight as certified by the international agency be imposed and the total be taken into account for the quantity mentioned in the export product and both the gross weight and the net weight of greasy wool be imposed on licence. TC, Mumbai have also sent their comments vide their letter dated 28.12.2007 by conducting spot study through their regional offices as detailed below: -

Export item	Qty. to be exported	Import item	Qty. allowed for import (i.e greasy wool) per unit of export product (i.e scoured wool/cleaned wool)
Scoured wool of the micron 17.5 to 19.0	1 Kg	Greasy wool	1.32 Kg
Scoured wool of the micron 19.1 to 21.0	1 Kg	Greasy wool	1.33 Kg
Scoured wool of the micron 21.1 to 28.0	1 Kg	Greasy wool	1.35 Kg

In view of the above Committee decided that R.A may be advised to take necessary action as per TC, Mumbai report in respect of various microns mentioned above in respect of all Advance Authorizations of the firm issued after 03.08.2006. It was also decided that for conversion of this adhoc norms into Standard Input Output Norms, Wool & Woolens export promotion council may be asked to furnish Industry data of the same in respect of 3-4 firms for the last three years.

Case No.909	M/s. RR Leather Products Pvt. Ltd., Chennai.
NC 43/08 dt. 31.01.2008	F.No. 01/84/50/087/AM-08/DES-V
Ratification of input output norms against Advance Authorisation No. 0410090091 dt. 25.6.2007.	
RLA, Chennai. Ref. No.04/24/40/114/AM08.	

Decision: Committee considered the case as per Agenda and observed that the case is under examination of DC (MSME) and comments are still awaited from them. It was therefore decided to await the same and defer the case for re-listing on 28.02.2008.

Case No.910	The Synthetic & Rayon Textiles Export Promotion Council, Mumbai.
NC 43/08 dt. 31.01.2008	F.No. 01/84/162/1128/AM-08/DES-V
Regarding Data on DEPB Rates for Synthetic Textiles items.	

Decision: Committee considered the case as per Agenda and decided to examine the case on file. The case stands deferred for re-listing on 28.02.2008.

Case No.911	M/s. Bhilad Textiles Industries Pvt. Ltd.
NC 43/08 dt. 31.01.2008	F.No. 01/84/162/1148/AM-08/DES-V
Ratification of input output norms against Advance Authorisation No. 0310454982 dt. 20.12.2007 – under Para 4.7 of HBP (Vol.I) 2004-2009.	

Decision: Committee considered the case as per Agenda and observed that the flow chart submitted by the firm does not specify the stage-wise wastage involved at each stage of manufacturing process, in absence of which it is not possible to compute the requirement of inputs in this case. Therefore Committee is constrained to reject the case.

RLA may take suitable consequential action accordingly.

Case No.912	M/s. Bhilad Textiles Industries Pvt. Ltd.
NC 43/08 dt. 31.01.2008	F.No. 01/84/162/1149/AM-08/DES-V
Ratification of input output norms against Advance Authorisation No. 0310454980 dt. 20.12.2007 – under Para 4.7 of HBP (Vol.I) 2004-2009.	

Decision: Committee considered the case as per Agenda and observed that the flow chart submitted by the firm does not specify the stage-wise wastage involved at each stage of manufacturing process, in absence of which it is not possible to compute the requirement of inputs in this case. Therefore Committee is constrained to reject the case.

RLA may take suitable consequential action accordingly.

Case No.913	M/s. Chidambaram Fishnets Pvt. Ltd.
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NC 43/08 dt. 31.01.2008	F.No. 01/84/162/1150/AM-08/DES-V
Ratification of input output norms against Advance Authorisation No. 0410092464 dt. 03.12.2007 – under Para 4.7 of HBP (Vol.I) 2004-2009.	

Decision: The Committee considered the case as per agenda alongwith other relevant papers and in consultation with representative of technical authorities present in the meeting decided to ratify the advance authorization issued in this case taking cue from SION at S.No. H-158 by allowing 3% wastage on import item or as applied for whichever is less.

The Regional Authority shall be advised to take necessary action subject to compliance of other usual conditions.

Case No.914	M/s. INDIX, Mumbai
NC 43/08 dt. 31.01.2008	F.No. 01/84/50/376/AM-07/DES-V
Ratification of input output norms against Advance Authorisation No.0310407763 dt. 13.11.2007 – under Para 4.7 of HBP (Vol.I) 2004-2009.	

Decision: The Committee considered the case as per agenda and in consultation with the representative of technical authorities present in the meeting decided to ratify the Advance authorization issued in this case on the basis of written comments of TC, Mumbai conveyed vide their letter NO. 18/2593/06/EP-II/283 dated 12.02.2007 as detailed below: -

S. No	Export Product	Export Qty.	Import Item	Qty. allowed per Pc of export product
1	Aprons Length =132 cm Width = 47 cm	4500 Pcs	65/35 Poly/cotton 7 OZS, Twill, Solid Dyed, Width = 147 cm	0.47 Sq mtrs./Pc

The quality of fabric used in the export products should conform with the quality of fabric imported in terms of GSM, fibre composition and special finish (if any) imparted to the fabric.

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

Case No.915	M/s. Youngman Woollens Mills Pvt. Ltd. Ludhiana
NC 43/08 dt. 31.01.2008	F.No. 01/84/162/369/AM-07/DES-V
Redemption against Advance Authorization No. 3010030502 dt. 23.12.2003 – under Para 4.7 of HBP (Vol.I) 2004-2009.	

Decision: The Committee considered the case as per agenda alongwith other relevant papers and observed that this case was rejected on the basis of written comments of TC, Mumbai conveyed vide their letter dated 07.09.2007 on the basis of the facts/information gathered from Industry circles that 11-15 Denier Acrylic Fibre is mainly used for the manufacture of Carpet yarn and handknitted sweaters and not being used for the manufacture of dyed printed synthetic blankets under the advance authorization in question. Now, firm have represented against this rejection. In view of this Committee decided to refer firm's representation to TC, Mumbai for their comments.

The case stands deferred for re-listing on 28.02.2008.

Case No.916	M/s. Ashima Dyecot Pvt. Ltd.
NC 43/08 dt. 31.01.2008	F.No. 01/84/50/676/AM-03/DES-V

Fixation of norms and waiver of General Condition–5 imposed on Advance Authorization No. 081002532 dt. 07.03.2003 and deletion of value restriction in subsequent A/L issued for the same product with same norms.

Decision: The Committee considered the case as per agenda alongwith other relevant papers and heard Sh.B.J.Shah, Sr. General Manager (Finance) of the firm, who appeared for Personal Hearing. He explained that following 17 Advance Licences are involved in this case: -

S. No	Advance Licence No.	Date of A/L	Import items consumed
1	0810026532	07.03.2003	In all these A/Ls, following inputs were consumed: - (i) Grey cotton fabric (ii) Azoic/Sulpher/Vat/Rec. (iii) Silicon Emulsion (iv) Wetting Agent (v) Water Repellant Finish (vi) Resin (Crosslinking agent) (vii) Fluorinated Surfactant
2	0810037670	08.04.2004	
3	0810037671	08.04.2004	
4	0810037971	21.04.2004	
5	0810039003	28.05.2004	
6	0810039573	16.06.2004	
7	0810039574	16.06.2004	
8	0810039863	25.06.2004	
9	0810039576	16.06.2004	
10	0810046409	09.03.2005	
11	0810046810	22.03.2004	
12	0810046638	16.03.2005	
13	0810047338	19.04.2005	
14	0810047337	19.04.2005	
15	0810048576	13.06.2005	
16	0810048677	16.06.2005	
17	0810048685	17.06.2005	

Price lists and catalogues of the Dyes and Chemicals imported in these cases submitted by the firm were also discussed in the meeting in consultation with technical authorities present in the meeting. Committee also recalled its earlier decision taken on 07.08.2003 whereby following Dyes/Chemicals/auxiliaries/raw material were allowed for the export of Cotton Dyed Fabrics finished with water and/or oil repellant finish on the basis of recommendations of TC, Mumbai without any value restrictions as stipulated in the General Note-5 for Textile Products in respect of these A/Ls: -

- | | | |
|------------------------------------|---|---|
| 1. Grey Cotton Fabric | - | 1.050 Kg. per Kg. of export product. |
| 2. Dyes of 100% Strength | - | 0.015 Kg. per Kg. of export product. |
| 3. Silicon emulsion | - | 0.010 Kg. per Kg. of export product. |
| 4. Wetting agent | - | 0.001 Kg. per Kg. of export product. |
| 5. Water repellant | - | 0.056 Kg. per Kg. of export product.
extender (Fluro chemical extender). |
| 6. Resin (Cross Linking)
Agent. | - | 0.094 Kg. per Kg. of export product. |
| 7. Fluorinated Surfactant | - | 0.061 Kg. per Kg. of export product. |

The Committee also felt that adhoc norms fix for the resultant product in this case cannot be standardized because of the variation in requirement and concentration of Dyes & Chemicals from product to product with reference to Cotton Dyed Fabrics finished with water and/or oil repellent finish. In view of this Committee decided that the request of the firm for fixation of SION in this case cannot be acceded to. However, applicant firm can approach Norms Committee in specific cases where the dyes and chemicals exceed the limitation given in the General Note under Para 4.7 for fixation of adhoc norms, as no repeat is permitted in view of nature of export product.

R.A may be advised to regularize all these 17 Advance licences referred above accordingly without any value restrictions as decided by ALC in its meeting held on 07.08.2003, which was based on comments of TC, Mumbai.

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