

Directorate General of Foreign Trade
Udyog Bhawan
DES-V Section

Minutes of the Meeting of NC-V meeting held on 19.03.2009

The Meeting No. 51/AM-09 for the licensing year 2008-09 to consider the cases under Duty Exemption Schemes (Chapter-4) held on 19.03.2009 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 Advisor	DIPP
2.	Sh. R.A.Lal, Dy.Director,	R.O, TC, Noida
3.	Sh. G.D.Giri, Vice President, M/s Shahi Exports	Nominee, AEPC
4.	Sh. Ashok Kumar Arora, Dy.DGFT	DGFT
5.	Sh. Kuldeep Singh, Asstt. Director	DC (MSME)
6.	Sh. Pradip Kumar, F.T.D.O	DGFT

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(TEXTILES AND LEATHER ITEMS)
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At the outset the Minutes of NC Meeting No. 43/AM09 dated 22.01.2009, 44/AM09 dated 29.01.2009, 45/AM09 dated 05.02.2009, 46/AM09 dated 12.02.2009, 47/AM09 dated 19.02.2009, and 48/AM09 dated 26.02.2009, 49/AM09 dated 05.03.2009 and 50/AM09 dated 12.03.2009 were ratified. Thereafter, Agenda for individual cases for Meeting No. 51/AM09 was taken up for discussion and the decision taken in respect of each case is enumerated below: -

MEETING NUMBER

: 51/84-ALC3/2008 MEETING DATE : 19.03.2009

Manual agenda case

Case No. 749	M/s Shahi Exports (Pvt.) Ltd. Bangalore
NC 51/09 dt. 19.03.2009	F.No. 01/84/50/456/AM-07/DES-V
Ratification of input output norms against Advance Authorization No. 0710049245 dated 29.12.2006 – under Para 4.7 of HBP (Vol.I) 2004-2009.	

Decision: The Committee considered the case as per agenda alongwith other relevant papers and went through the CAD, Sketch, Measurement submitted by the firm. 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 as detailed below: -

- (i) For the export item no. 1 i.e Men's shorts, the relevant item of import may be allowed @ 2.20 Sq mtrs./Pc.
- (ii) For the export item no. 2 i.e Girls Bloomer, the relevant item of import may be allowed @ 0.57 Sq mtrs./Pc.
- (iii) For the export item no. 3 i.e Kids Dress, the relevant item of import may be allowed @ 0.96 Sq mtrs./Pc.

The GSM should match in import & Export. The R.A. shall be advised to take necessary action subject to compliance of other usual conditions.

Case No. 750	M/s Shahi Exports (Pvt.) Ltd. Bangalore
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NC 51/09 dt. 19.03.2009	F.No. 01/84/50/468/AM-07/DES-V
Ratification of input output norms against Advance Authorization No. 0710049487 dated 09.01.2007 – under Para 4.7 of HBP (Vol.I) 2004-2009.	

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

- (i) For the export item no. 1 i.e Men's shorts, since the Qty. of inputs asked is on higher side, it was decided to call the applicant firm for personal hearing alongwith sample of this product and relevant details i.e measurement, calculation sheet to compute the actual requirement.
- (ii) For the export item no. 2 i.e Mens' Shorts, the relevant item of import may be allowed @ 2.38 Sq mtrs./Pc.

The case stands deferred for re-listing on 16.04.2009.

Case No. 751	M/s Shahi Exports (Pvt.) Ltd. Bangalore
NC 51/09 dt. 19.03.2009	F.No. 01/84/50/461/AM-07/DES-V
Ratification of input output norms against Advance Authorization No. 0710049373 dated 04.01.2007 – under Para 4.7 of HBP (Vol.I) 2004-2009.	

Decision: The Committee considered the case as per agenda alongwith other relevant papers and went through the CAD, Sketch, Measurement submitted by the firm. 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 as applied by the firm.

The GSM should match in import & Export.

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

Case No. 752	M/s Shahi Exports (Pvt.) Ltd. Bangalore
NC 51/09 dt. 19.03.2009	F.No. 01/84/50/484/AM-07/DES-V
Ratification of input output norms against Advance Authorization No. 0710049754 dated 23.01.2007 – under Para 4.7 of HBP (Vol.I) 2004-2009.	

Decision: The Committee considered the case as per agenda alongwith other relevant papers and went through the CAD, Sketch, Measurement submitted by the firm. 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 in partial modification of its earlier decision taken on 19.07.2007 as detailed below: -

- (i) For the export item no. 1 i.e Men's shorts, the relevant item of import may be allowed @ 1.88 Sq mtrs./Pc.
- (ii) For the export item no. 2 i.e Men's Trouser, the relevant item of import may be allowed @ 2.30 Sq mtrs./Pc.

The GSM should match in import & Export. The R.A. shall be advised to take necessary action subject to compliance of other usual conditions.

Case No. 753	M/s Birdy Exports (Pvt.) Ltd. Bangalore
NC 51/09 dt. 19.03.2009	F.No. 01/84/50/405/AM-09/DES-V
Ratification of input output norms against Advance Authorization No. 0710061649 dated 03.12.2008 – under Para 4.7 of HBP (Vol.I) 2004-2009.	

Decision: The Committee considered the case as per agenda alongwith other relevant papers and decided to refer the case to DC (MSME) for their examination and comments. It was therefore decided to defer the case for re-listing on 16.04.2009.

Case No. 754	M/s Arra Garments
NC 51/09 dt. 19.03.2009	F.No. 01/84/50/262/AM-09/DES-V
Ratification of input output norms against Advance Authorization No. 32100386215 dated 22.08.2008 – under Para 4.7 of HBP (Vol.I) 2004-2009.	

Decision: The Committee considered the case as per agenda alongwith other relevant papers and decided to refer the case to DC (MSME) for their examination and comments. It was therefore decided to defer the case for re-listing on 16.04.2009.

Case No. 755	M/s Indix, Mumbai
NC 51/09 dt. 19.03.2009	F.No. 01/84/50/335/AM-09/DES-V
Ratification of input output norms against Advance Authorization No. 0310488916 dated 03.10.2008 – under Para 4.7 of HBP (Vol.I) 2004-2009.	

Decision: The Committee considered the case as per agenda alongwith other relevant papers and examined the sample & details submitted by the firm and observed that in this case export product i.e Men's Vest is made of entirely from imported fabric. Hence, Committee felt that requirement of inputs asked for is justified. It was therefore, decided to allow the item of import @ 1.26 Sq mtrs./Pc in this case. The GSM should match in import & Export. The R.A. shall be advised to take necessary action subject to compliance of other usual conditions.

Case No. 756	M/s Gulati Exports house, Gurgoan
NC 51/09 dt. 19.03.2009	F.No. 01/84/50/302/AM-07/DES-V
Ratification of input output norms against Advance Authorization No. 0510162562 dated 22.07.2005 – 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 earlier approved by the ALC in its meeting held on 22.07.2005 by allowing the inputs as applied by the firm. Now, firm have informed that their export product i.e 'Embroidery Ladies Tank Top' is known as 'Knitted Ladies Blouse' in the International market, hence they amended the description of export product accordingly. Previously the style on order was Short Cami but later on the style changed from Short Cami to Tank Top. Since, this Tank Top has double shoulder straps with hand embroidery, it requires more consumption, resulting enhancement in consumption from 180.20 gms/Pc to 208 gms./Pc and decrease in total Qty. to be exported from 204972 Pcs to 177180 Pcs. The Committee also went through the shipping bills submitted in this case. In view of this, Committee after detailed deliberations in consultation with representatives of technical authorities present in the

meeting

decided to allow the changed description of export item @ 208 gms/Pc in this case. Firm may be advised that frequent change in the description of export item may not be allowed in future. R.A may redeem the licence accordingly. The R.A. shall be advised to take necessary action subject to compliance of other usual conditions.

Case No. 757	M/s JBF Industries Ltd., Mumbai
NC 51/09 dt. 19.03.2009	F.No. 01/84/50/41/AM-09/DES-V
Ratification of input output norms against Advance Authorization No. 0310464251 dated 10.03.2008 – 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 earlier approved by the NC in its meeting held on 24.04.2008 as per SION, H-1837. Firm have represented that as per SION, H-1837, Estofil Dyes/Master Batch is not allowed, which is necessary to manufacture their export product, which is DOPE DYED. They have also stated that earlier in their similar case (Advance Licence No. 0310373749 28.03.2006), the then ALC-1 in its meeting held on 01.08.2007 had approved the case by allowing the items of import as applied by the firm and Estofil Dyes/Master Batch @ 0.105 Kg/Kg. In view of this, 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 in partial modification of its earlier decision taken on 24.04.2008 as detailed below:-

Export item	Import item	Qty. allowed
Partially oriented polyester yarn (DOPE DYED) – PTA route	Purified terephthalic acid (PTA)	0.920 Kg/Kg
	Mono Ethylene Glycol (MEG)	0.370 Kg/Kg
	Titanium Dioxide	0.00338 Kg/Kg
	Spin Finish Oil	0.01014 Kg/Kg
	Estofil Dyes/Master Batch	0.105 Kg/Kg
	Antimony Trioxide	0.00061 Kg/Kg

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

Case No. 758	M/s Subbarow Apparels, Chennai
NC 51/09 dt. 19.03.2009	F.No. 01/84/50/412/AM-09/DES-V
Ratification of input output norms against Advance Authorization No. 0410100800 dated 12.12.2008 – under Para 4.7 of HBP (Vol.I) 2004-2009.	

Decision: The Committee considered the case as per agenda alongwith other relevant papers and went through the CAD, Sketch, Measurement submitted by the firm. 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 as applied by the firm.

The GSM should match in import & Export.

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

Case No. 759	M/s System 5S Pvt. Ltd. Chennai
NC 51/09 dt. 19.03.2009	F.No. 01/84/50/379/AM-09/DES-V
Ratification of input output norms against Advance Authorization No. 0410100036 dated 17.11.2008 – under Para 4.7 of HBP (Vol.I) 2004-2009.	

Decision: The Committee considered the case as per agenda alongwith other relevant papers and decided to refer the case to DC (MSME) for their examination and comments. It was therefore decided to defer the case for re-listing on 16.04.2009.

Case No. 760	M/s Shubh Swasan (Pvt.) Ltd. Chennai
NC 51/09 dt. 19.03.2009	F.No. 01/84/50/289/AM-09/DES-V
Ratification of input output norms against Advance Authorization No. 0410098304 dated 01.09.2008 – under Para 4.7 of HBP (Vol.I) 2004-2009.	

Decision: The Committee considered the case as per agenda alongwith other relevant papers and after detailed deliberations in consultation with the representatives of technical authorities present in the meeting decided to ratify the Advance authorization issued in this case as detailed below: -

- (i) The import item No.1 i.e Thermo Bonded non-woven (of 18 GSM) may be allowed with 2% wastage i.e total 91540 Sq metrs may be allowed.
- (ii) The import item No.2 i.e Co-Polyamide Hotmelt Adhesive (of 13 GSM) may be allowed with 2.5% wastage i.e total 1157 Kgs. may be allowed.

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

Case No. 761	Ref. from PC-4 (B) – The Synthetic & Rayon Textiles Export Promotion Council, Mumbai
NC 51/09 dt. 19.03.2009	F.No. 01/84/162/684/AM-09/DES-V
Request for increase in DEPB Value Cap for Polyester Staple Fibre	

Decision: The Committee considered the case as per agenda alongwith other relevant papers and observed that the existing Value Cap for (PSF) Polyester Staple Fibre (Rs. 55) was fixed during 2004-05. As per details submitted by the SRTEPC, the export price of PSF peaked to Rs. 78/Kg during 2006, more than Rs. 70/Kg during 2007 and Rs. 80/Kg in 2008. Copies of statement of export alongwith copies of shipping bills were also gone through in this case. In view of the above facts, the SRTEPC have suggested for review of the Value Cap for Polyester Staple Fibre (PSF) considering the prevailing export prices, which will boost the industry in promoting the exports of value added items

made out of various types of PSF. The Committee after detailed deliberations in consultation with representatives of technical authorities present in the meeting decided to recommend this case to DEPB for taking final view.

Case No. 762	M/s Ruksh International, Kanpur
NC 51/09 dt. 19.03.2009	F.No. 01/84/50/229/AM-08/DES-V
Ratification of input output norms against Advance Authorization No. 0610012617 dated 06.12.2007 – under Para 4.7 of HBP (Vol.I) 2004-2009.	

Decision: The Committee considered the case as per agenda alongwith other relevant papers and after detailed deliberations in consultation with the representatives of technical authorities present in the meeting decided to ratify the Advance authorization issued in this case as detailed below: -

Export item	Export Qty.	Import item	Qty. allowed
Horse Fly Mask made from coated fabric made of PVC Mesh of 438 GSM.	11250 Kgs	Coated fabric made of PVC Mesh of 438 GSM.	1.05 Kg/Kg content in the export product.

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

Case No. 763	M/s Sonal Garments (India) Pvt. Ltd, Mumbai
NC 51/09 dt. 19.03.2009	F.No. 01/84/162/572/AM-08/DES-V

Clarification on Public Notice No. 52 dated 27.09.2007 regarding net weight or readymade garments exported vis-à-vis net weight of fabrics imported under Advance authorization.

Decision: The Committee considered the case as per agenda alongwith other relevant papers and heard Sh. G.D. Agarwal, an authorized representative of the applicant firm while Sh. G.D.Giri nominee of AEPC and Sh. Ashok Kumar, Dy. Director General, FIEO were also present in the meeting. Point by point discussion was held in consultation with representatives of technical authorities of the Norms Committee. The representative of AEPC submitted an illustration on the Public Notice No.52 dated 27.09.2007 to justify the ground to amend the said Public Notice as detailed below:-

- **As per Para 16 of General Note of Textiles, average wastage of 10% in SIONs is accepted.**
- **As per Para 17 of General Note of Textiles, import is permitted to the extent of 10% + actual utilization or SION whichever is lower.**
- **Calculation for working out actual utilization as given in the above notification as under: -**
- **Net weight X1000 / GSM = Sq. Mtrs.**
- Worked out on the actual utilization giving following example: -

SION of Ladies Trouser	2.20 Sq.mtrs /pc
Wastage included	10.00%
Import qty for 100 pieces	220 Sq.mtrs
GSM of Fabric	100/ per sq.mtr
Total Net weight of Fabric	22 Kgs
Inbuilt wastage in SION @ 10%	2.2 Kgs
Net weight available 22 Kgs – 2.2 Kgs	19.80 Kgs
Efficiency of Garment	80.00%
Qty available for making garment 220-20%	176 Sq.mtrs
Weight of 176 Sq.mtrs	17.60 Kgs

According to the notification, weight should be 22.00 Kgs

However actual net weight declared on S/Bill is 17.60 Kgs

Difference between net import weight and net export weight (22kgs-17.60 Kgs) 4.4 Kgs

Total difference 4.4.Kgs / 100 GSM 44 Sq.mtrs

According to this Public Notice, duty to be paid on 44 sq.mtrs although entire fabric has been used in export product.

The Committee went through the above work out and felt the need to review General Note No. 16 & 17 for Textile Product issued vide PN No. 52 dated 27.09.2007 in view of the difficulties being faced by exporters. In view of this Committee decided to amend the Public Notice No. 52 dated 27.09.2007 with the approval of DGFT in the following manner: -

General Note No. 17: - It is clarified that in SIONs where import of relevant fabric is permitted in terms of square meters per unit of an export product, an average wastage in the manufacturing process is already inbuilt in the said import Qty.

General Note No. 18: -It is further clarified that in SIONs, where import of relevant fabric is permitted in terms of square meters per unit of an export product, the import quantity of the relevant fabric is to be limited by R.A concerned to $\{(1.20 \times \text{Actual utilization in Square Meters}) \pm 5\%\}$ or quantity permitted in SION, whichever is lower. In cases where the wastage for specific designs/patterns /styles is more than 25%, the exporter may submit specific proof of such higher wastage.

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 X1000/GSM. This shall also be applied in case of grant of DFIA benefits.

Accordingly, a suitable Public Notice may be issued.

Case No. 764	M/s Gaurav International, Gurgoan
NC 51/09 dt. 19.03.2009	F.No. 01/84/50/166/AM-06/DES-V
Ratification of input output norms against Advance Authorization No. 0510160808 dated 28.06.2005 – 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 indeed there was some typographical error in the minutes of its meeting held on 18.12.2008 in this case i.e against export product No. 2, '**Children Skirt**' was mentioned instead of '**Girls Pant**'. In view of this Committee decided to amend the said minutes as detailed below:-

S.No	Export Product	Import Item	Qty. allowed.
1	Children Pant made of 98% cotton 2% spandex denim fabric, GSM-356+/-10% (Style No.336779)	98% cotton 2% spandex denim fabric, GSM-356+/-10%	1.25 Sq mtrs./Pc
2	Girls Pant made of 98% cotton 2% spandex cut corduroy fabric, GSM-285+/-10% (Style No.533981)	98% cotton 2% spandex denim fabric, GSM-356+/-10%	1.78 Sq mtrs./Pc

The GSM should match in both import & export.

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

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