

**Directorate General of Foreign Trade**  
**Udyog Bhawan**  
**DES-V Section**

**Minutes of the Meeting of NC-V meeting held on 26.03.2009**

The Meeting No. 52/AM-09 for the licensing year 2008-09 to consider the cases under Duty Exemption Schemes (Chapter-4) held on 26.03.2009 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. Pradip Kumar, F.T.D.O	DGFT

**(TEXTILES AND LEATHER ITEMS)**

**Manual agenda cases**

Case No.765	M/s Lumens India, Kolkata
NC 52/09 dt. 26.03.2009	F.No. 01/84/50/352/AM-09/DES-V
Ratification of input output norms against Advance Authorization No. 0210118753	

dated 22.10.2008 – under Para 4.7 of HBP (Vol.I) 2004-2009.

Decision: The Committee considered the case as per agenda alongwith other relevant papers and went through the details submitted by the firm. It was observed that in the calculation sheet submitted, applicant firm have given measurement of glove in linear meters without giving width of the same, in absence of which it is not possible to compute the requirement of inputs in Sq mtrs. In view of this Committee was constrained to maintain the earlier decision of reject in this case.

Firm may be informed accordingly.

Case No.766	Ref. recd. from PC-4 Section in r/o M/s Vigneshwara Exports Ltd. Mumbai
NC 52/09 dt. 26.03.2009	F.No. 01/84/162/694/AM-09/DES-V
Request for clubbing and redemption of four Qty. based Advance License No. 0310135010 dated 23.04.2002, 0310160147 dated 23.09.2002, 0310199393 dated 01.05.2003 and 0310209889 dated 25.06.2003 – 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 in this case PC-IV Section of DGFT have sought clarification on clubbing & redemption of the following four Qty. based advance licences pertaining to Textile products:-

S No	Adv. License No. & Date	Import item	Export item
1	0310135010 dated 23.04.2002	100% polyester dyed printed fabric	100% polyester dyed printed Quilt cover & Pillow cover
2	0310160147 dated 23.09.2002	Relevant processed man made fabrics	Made-ups made form man made fabrics 100% polyester dyed satin

			100% polyester dyed satin fabrics	Quilt cover & Pillow cover
3	0310199393 dated 01.05.2003		100% polyester dyed satin fabric	Made-ups made form man made fabrics 100% polyester dyed satin fitted sheets with U-elastic
4	0310209889 dated 25.06.2003		Relevant processed man made fabrics 100% polyester dyed fabrics	Made-ups made form man made fabrics 100% polyester dyed satin fitted sheets with U-elastic

The Committee observed that in the given details only import items mentioned at S.NO.2 and 3 are identical and the import items at S.No. 1 and 4 are different. Hence, all the four import items are not identical in this case. The Committee therefore decided to refer back the case to PC-IV Section with above observation for their necessary action.

Case No.767	Ref. recd. from PC-4 (B) Section
NC 52/09 dt. 26.03.2009	F.No. 01/84/162/695/AM-09/DES-V
Regarding suggestion for fixation of Value Caps under DEPB for embroidered fabric/made-ups/garments.	

Decision: The Committee considered the case as per agenda alongwith other relevant papers and observed that PC-4(B) Section of DGFT have sought suggestions for fixation of Value Caps against all the DEPB entries which cover embroidered fabrics/made-ups/garments in the light of observation of Deptt. of Revenue as pointed out by the O/o Commissioner of Customs (Exports), Mumbai. Deptt. of Revenue have pointed out that the embroidered fabrics/made-ups/garments have a large component of labour in the cost which may go upto 70-80% or even higher while the material component of the cost is in the range of 20-30% or even less. The Committee observed that without having any relevant data on this proposal, it is not possible to take a view on it. In view of this it was decided as below: -

- (i) To call for relevant data from AEPC & TEXPROCIL and Indian Silk Export Promotion Council by sending complete set of papers received from PC-4 (B) pertaining to this proposal alongwith comments;
- (ii) Deptt. of Revenue may be requested to give details of all such cases, wherein this observation has been pointed out alongwith details of port's name.

The case stands deferred for re-listing on 07.05.2009.

Case No.768	M/s Mercer Knit Apparels, Coimbatore
NC 52/09 dt. 26.03.2009	F.No. 01/84/50/442/AM-09/DES-V
Ratification of input output norms against Advance Authorization No. 3210039626 dated 29.01.2009 – under Para 4.7 of HBP (Vol.I) 2004-2009.	

Decision: The Committee considered the case as per agenda alongwith other relevant papers and accepted the clarification given by the firm with regard to GSM. It was decided that DC (MSME) may give their comments after examining the details submitted by the firm and defer the case for re-listing on 23.04.2009.

Case No.769	M/s B.N.T Connection Impex Ltd., Chennai
NC 52/09 dt. 26.03.2009	F.No. 01/84/50/442/AM-69/DES-V
Ratification of input output norms against Advance Authorization No. 0410075110 dated 04.10.2005 – under Para 4.7 of HBP (Vol.I) 2004-2009.	

Decision: The Committee considered the case as per agenda alongwith other relevant papers and there was indeed some typographical error in the minutes of NC meeting held on 28.08.2008. In view of this Committee decided to rectify the earlier minutes of Norms Committee against this advance as detailed below: -

Export Product	Import Item	Qty. allowed
Men's Plain front Pant (with cut pockets)	1. 65% polyester 35% rayon woven fabric of relevant GSM (for body panels)	1. 2.40 Sq mtrs/Pc
	2. Polysheen 270 pocketing woven fabric of relevant GSM.	2. 0.52 Sq mtr./Pc
	3. Curtain Waist Band	3. 0.068 Sq mtr./Pc
	4. Hook & Eye	4. Net to net with accountability clause.

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

Case No.770	M/s Chelsea Mills, New Delhi
NC 52/09 dt. 26.03.2009	F.No. 01/84/50/600/AM-08/DES-V
Ratification of input output norms against Advance Authorization No. 0510205902 dated 06.07.2007 – 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. M.K.Jain, Proprietor, who appeared for personal hearing in this case. He explained the case alongwith sample, measurement and calculation sheets pertaining to this case. The Committee after detailed deliberations in consultation with representatives of technical authorities present in the meeting decided as detailed below in partial modification of its earlier decision taken on 01.11.2007: -

- (i) Size-wise specification mentioned on each export item in this case may be deleted;
- (ii) As regards export product No. 1, since, there are six pockets and specific design, it was decided to allow 100% cotton denim fabric, GSM-340+/-10% @ 2.75 Sq mtrs./Pc instead of 2.58 Sq mtrs/Pc (allowed earlier) and 100% cotton dyed lining fabric, GSM-180+/-10% @ 0.315 Sq mtrs./Pc instead of 0.20 Sq mtrs/Pc (allowed earlier).

- (iii) As regards export product No. 2, it was decided to allow 98% cotton 2% spandex denim fabric, GSM-340+/-10% @ 2.70 Sq mtrs./Pc instead of 2.58 Sq mtrs/Pc (allowed earlier).

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

Case No.771	M/s Chelsea Mills, New Delhi
NC 52/09 dt. 26.03.2009	F.No. 01/84/50/546/AM-07/DES-V
Ratification of input output norms against Advance Authorization No. 0510200791 dated 12.03.2007 – 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. M.K.Jain, Proprietor, who appeared for personal hearing in this case. He explained the case alongwith sample, measurement and calculation sheets pertaining to this case. The Committee after detailed deliberations in consultation with representatives of technical authorities present in the meeting decided as detailed below in partial modification of its earlier decision taken on 19.07.2007: -

- (i) Size-wise specification mentioned on each export item in this case may be deleted;
- (ii) As regards export product No. 1, since, there are cargo pockets of specific design, it was decided to allow - 99% cotton 1% spandex stretch denim fabric, GSM-430+/-10% @ 1.926 Sq mtrs./Pc instead of 1.78 Sq mtrs/Pc (allowed earlier), Elastic of relevant width from 0.70 mtrs to 0.80 mts/Pc, Interlining from 0.085 Sq mtrs to 0.25 Sq mtrs/Pc and 65% Polyester 35% cotton dyed fabric, GSM-105+/-10% @ 0.30 Sq mtrs./Pc instead of 0.28 Sq mtrs/Pc (allowed earlier).
- (iii) As regards export product No. 2, it was decided to allow - 99% cotton 1% spandex stretch denim fabric, GSM-430+/-10% @ 0.82 Sq mtrs./Pc instead of 0.77 Sq mtrs/Pc (allowed earlier), Elastic of relevant width from 0.55 mtrs to 0.70 mts/Pc, 65% Polyester 35% cotton printed fabric @ 0.25 Sq mtrs./Pc instead of 0.17 Sq mtrs/Pc (allowed earlier) and Interlining from 0.03 Sq mtrs. to 0.25 Sq mtrs./Pc. Since, Tape was not found in sample, it was decided to not allow the same.
- (iv) As regards export product No. 3, it was decided to allow - 99% cotton 1% spandex stretch denim fabric, GSM-370+/-10% @ 0.75 Sq mtrs./Pc instead of 0.72 Sq mtrs/Pc, 65% Polyester 35% cotton

printed fabric @ 0.25 Sq mtrs./Pc instead of 0.17 Sq mtrs/Pc (allowed earlier), Elastic of relevant width from 0.55 mtrs to 0.65 mts/Pc and Interlining from 0.023 Sq mtrs. to 0.25 Sq mtrs./Pc.

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

Case No.772	M/s Evinix Accessories Ltd., Faridabad
NC 52/09 dt. 26.03.2009	F.No. 01/84/162/707/AM-09/DES-V
Request for permission to transfer of unutilized material to 100% EOU.	

Decision: The Committee considered the case as per agenda alongwith other relevant papers and went through the relevant details submitted by the firm in respect of all the advance authorizations referred therein. It was also observed that applicant firm is registered with NSEZ as a 100% Export Oriented Unit as per LOP No. 4-525/2001-100%EOU-1/6071 dated 30.07.2001 and with Custom (Bond) vide license No. 01/CPBWEVI/2002. In view of this, Committee after detailed deliberations in consultation with representatives of technical authorities present in the meeting felt that in this case export commitment may be reduced in proportion to the quantum of duty free material actually utilized for the production and the unutilized imported material against the advance authorization scheme may be permitted to carry forward to 100% EOU scheme. In case there is outstanding export commitment, it will be subsumed in the export performance of the unit. Hence, Committee decided to permit the applicant firm to carry forward the unutilized imported material against the advance authorization scheme to 100% EOU in this case.

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

Case No.773	M/s Parveen Kumar Hosiery, Ludhiana.
NC 52/09 dt. 26.03.2009	F.No. 01/84/162/771/AM-06/DES-V
Ratification of input output norms against Advance Authorization No. 3010044937	



dated 29.11.2005 – under Para 4.7 of HBP (Vol.I) 2004-2009.

Decision: The Committee considered the case as per agenda alongwith other relevant papers and 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 the item of import with 13% wastage i.e as applied by the firm.

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

Case No.774	Ref. from Jt.DGFT, Madurai- M/s Fenner Conveyor Belting Pvt. Ltd.
NC 52/09 dt. 26.03.2009	F.No. 01/84/162/580/AM-08/DES-V
Application for fixation of norms for the Advance Authorization issued under 4.7 of HBP.	

Decision: The Committee considered the case as per agenda alongwith other relevant papers and decided to link the earlier similar decision of the firm wherein adhoc norms have been fixed and defer the case for re-listing on 23.04.2009.

Case No.775	M/s Joosub Peermahomed & Co., Mumbai
NC 52/09 dt. 26.03.2009	F.No. 01/84/50/36/AM-09/DES-V
Ratification of input output norms against Advance Authorization No. 0310462421 dated 25.02.2008 – 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 firm have not submitted the calculation and size-wise measurement in Sq mtrs to compute the requirement of inputs in Sq mtrs. In view of this it was decided to call size-wise calculation in Sq mtrs to reconsider the case and defer it for re-listing on 23.04.2009.



Case No.776	M/s Gaurav international, Gurgoan.
NC 52/09 dt. 26.03.2009	F.No. 01/84/50/208/AM-05/DES-V
Ratification of input output norms against Advance Authorization No. 0510159854 dated 14.06.2005 – 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 firm have not given the size-wise calculation & measurement justifying their proposal for enhancement in the Qty. as allowed earlier. In view of this it was decided to advise the applicant firm to furnish the same to O/o DC (MSME) for their examination under intimation to DGFT. It was therefore, decided to defer the case for re-listing on 23.04.2009.

Case No.777	M/s Naser Bali (Gloves) Pvt. Ltd, Chennai
NC 52/09 dt. 26.03.2009	F.No. 01/84/50/365/AM-07/DES-V
Ratification of input output norms against Advance Authorization No. 0410085462 dated 09.11.2006 – under Para 4.7 of HBP (Vol.I) 2004-2009.	

Decision: The Committee considered the case as per agenda alongwith other relevant papers and observed that in this case firm have already completed export obligation as per their application. Therefore, 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 in partial modification of its earlier decision taken in its meeting held on 11.01.2007. R.A may issue EODC accordingly in this case.

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

Case No.778	M/s Bhadresh Trading Corp. Ltd., Mumbai
NC 52/09 dt. 26.03.2009	F.No. 01/84/162/717/AM-09/DES-V
Fixation of SION for Raw Cotton not carded or combed.	

Decision: The Committee considered the case as per agenda alongwith other relevant papers and went through the relevant details submitted by the applicant firm alongwith comments of Central Institute for Research on Cotton Technology for standardization of input output norms for Raw cotton (not Carded or Combed). The Committee has also gone through the earlier application from M/s Dwarkadas Cotton Co. Ltd.

The Committee felt that in absence of specific name of Fertilizer and its quantitative requirement (which depend on condition of soil & geographical area where raw cotton is grown), not allow Fertilizer. However, D/o of Fertilizer may be asked to comment on quantitative norms in this regard.

Committee observed that for obtaining 1 MT of Cotton Lint i.e Raw Cotton, approximately 3 MT of harvested Cotton is required (which grows in five Hectares land). Cleaned Raw Cotton is packed into bales and 1 bale contains approximately 170 Kgs of cotton, 1 MT ton of cotton is packed into 6 bales. In view thereof, for import of Seed, the committee felt that 5 Gms/Kg of export Qty would be sufficient.

As far as requirement of Pesticides/Insecticides/Biocides/Herbicides/Fungicide is concerned, the Committee took note of SION at S.No. **E-79** (for white sugar) and **E-106** (Raw Sugar) wherein 8.25 Kg/MT of Biocides / Herbicides / Fungicide / Insecticides is allowed. The Committee took further note of the fact that in the earlier application, M/s Dwarkadas Cotton Co. Ltd. sought 20 Kgs while only 17.4 Kgs were sought in the present case, for every ton of export quantity. After detailed deliberations in consultation with representatives of technical authorities present in the meeting, it was decided to allow 15 Gms/Kg of export Qty.

As regards Packing materials, keeping in view the size of bales and area to be covered, Committee decided to segregate plastic material i.e PP/ HDPE/LDPE/LLDPE and cotton fabrics. It was decided to allow PP/ HDPE/LDPE/LLDPE @ 2.29 Gms/Kg (for making relevant packing material of plastic woven fabric) and Grey cotton fabric (75 – 95 GSM) - suitable for packing cotton bales @ 3.5 Gms/Kg of export Qty. Import of these relevant packing materials (PP/HDPE/LDPE/LLDPE or Grey Cotton Fabric) would be permitted based on the type of packing material used in the export consignment.

As regards Mild Steel Sheets/Coils, Committee felt that sheets cannot be allowed. However, mild steel coils (of width ranging from 1/2" to 3/4") are used for packing bales. Depending on the number of strapping in the bale, it was worked out that an average quantity of 9.55 Gms/Kg of raw cotton would be required for strapping cotton into bales. Alternatively, PVC Straps may be allowed with wastage of 5%, on net content basis (of import item in the export product), wherever PVC straps were used for strapping the bales.

In view of the above, facts, Committee after detailed deliberations in consultation with representatives of technical authorities present in the meeting, decided to fix the standardized of input output norms (SION) for Raw cotton (not Carded or Combed) as detailed below: -

<u>Export item</u>	<u>Quantity</u>	<u>Import item</u>	<u>Quantity allowed</u>
<u>Raw cotton</u> <u>(not carded</u> <u>or combed)</u>	<u>1 Kg</u>	<u>1) Seeds</u> - -	<u>0.0050 Kgs</u>
-	-	<u>2A) Grey cotton fabrics (75- 95</u> <u>GSM) - for suitable for packing</u> <u>cotton bales</u>  Or  <u>2B) PP/ HDPE/LDPE/LLDPE</u> <u>granules, suitable for making</u> <u>plastic woven fabrics for packing</u> <u>cotton bales</u>	<u>0.0035 Kgs</u>  Or  <u>0.00229 Kgs</u>
-	-	<u>3A) Mild Steel Coils (Width 1/2"</u> <u>- 3/4")</u> - Or	<u>0.00955 Kgs</u> - - Or

		3B) PVC Straps -	<u>1.05 Kgs / Kg</u> <u>content of import</u> <u>item in the export</u> <u>product.</u>
-	-	<u>4) Pesticides/Insecticides/</u> <u>Biocides/Herbicides/</u> <u>Fungicide</u> -	<u>0.015 Kgs</u> -

- On the above lines, a suitable Public Notice may be issued with the approval of DGFT to publish the above norms as SION.

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### **Outside agenda cases**

Case No.1	M/s Chelsea Mills, New Delhi
NC 52/09 dt. 26.03.2009	F.No. 01/84/162/352/AM-08/DES-V
Ratification of input output norms against Advance Authorization No. 0510204724 dated 11.06.2007 – 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. M.K.Jain, Proprietor, who appeared for personal hearing in this case. He explained the case alongwith sample, measurement and calculation sheets pertaining to this case. The Committee after detailed deliberations in consultation with representatives of technical authorities present in the meeting decided as detailed below in partial modification of its earlier decision taken on 19.07.2007: -

- (i) Since, in the minutes of NC meeting held on 13.09.2007, for export item No. 1 the norms for import item No. 8 i.e 100% Polyester dyed fabric, GSM-105+/-10% was missing, it was decided that to allow the same @ 0.22 Sq mtrs/Pc. Further, earlier allowed norms for 'Pumice Stone' at S.No. 8 may be

amended to read as at S.No.9 of import item for export item No. 1.

- (ii) Since, exports have taken prior to the decision of NC in this case, the condition of Style No. mentioned in earlier decision of NC may waived.

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

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Case No.2	M/s Chelsea Mills, New Delhi
NC 52/09 dt. 26.03.2009	F.No. 01/84/50/569/AM-05/DES-V
Ratification of input output norms against Advance Authorization No. 0510149750 dated 28.01.2005 – under Para 4.7 of HBP (Vol.I) 2004-2009.	

Decision: The Committee considered the case as per agenda alongwith other relevant papers and heard Sh. M.K.Jain, Proprietor, who appeared for personal hearing in this case. He explained the case alongwith sample, measurement and calculation sheets pertaining to this case. The Committee after detailed deliberations in consultation with representatives of technical authorities present in the meeting decided as detailed below in partial modification of its earlier decision taken on 17.03.2005: -

- (i) In the earlier decision of ALC, the GSM of fabric was mentioned 275+/-10% instead of 275+/-25% (as per application). In view of this it was decided to rectify the same to read as 275+/-25%.

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

Case No.3	M/s Chelsea Mills, New Delhi
NC 52/09 dt. 26.03.2009	F.No. 01/84/50/588/AM-05/DES-V
Ratification of input output norms against Advance Authorization No. 0510150556 dated 07.02.2005 – under Para 4.7 of HBP (Vol.I) 2004-2009.	

Decision: The Committee considered the case as per agenda alongwith other relevant papers and heard Sh. M.K.Jain, Proprietor, who appeared for personal hearing in this case. He explained the case alongwith sample,

measurement and calculation sheets pertaining to this case. The Committee after detailed deliberations in consultation with representatives of technical authorities present in the meeting decided as detailed below in partial modification of its earlier decision taken on 19.05.2005: -

- (i) In the earlier decision of ALC, the GSM of fabric was mentioned 275+/-10% instead of 275+/-25% (as per application). In view of this it was decided to rectify the same to read as 275+/-25%.

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

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Case No.4	M/s Chelsea Mills, New Delhi
NC 52/09 dt. 26.03.2009	F.No. 01/84/50/157/AM-06/DES-V
Ratification of input output norms against Advance Authorization No. 0510158636 dated 30.05.2005 – under Para 4.7 of HBP (Vol.I) 2004-2009.	

Decision: The Committee considered the case as per agenda alongwith other relevant papers and heard Sh. M.K.Jain, Proprietor, who appeared for personal hearing in this case. He explained the case alongwith sample, measurement and calculation sheets pertaining to this case. The Committee after detailed deliberations in consultation with representatives of technical authorities present in the meeting decided as detailed below in partial modification of its earlier decision taken on 19.07.2007: -

- (ii) In the earlier decision of ALC, the GSM of fabric was mentioned 275+/-10% instead of 275+/-25% (as per application). In view of this it was decided to rectify the same to read as 275+/-25%.

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

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