**BY E-MAIL / COURIER**

**File No.129/2023-Opinion**

14.06.2023

M/s. J.K. Fenner (India) Limited,

Khivraj Complex II, 5th Floor,

480 Anna Salai, Nandanam,

Chennai – 600 035.

Attn.: Mr. M. Kishorkanth, Supply Chain Management <kishorkanth@jkfenner.com>

**Mobile:**  **99407 89356**

Sir,

**Sub.: Import of materials for manufacture and export of Vee/Fan Belts under ‘No Norms’ category – Clarifications – Reg.**

1. In connection with the above, find attached the following.

(a) Opinion.

(b) Our Bill towards professional charges.

2. Should you need any further clarification in this regard, please feel free to contact me. Kindly arrange for payment of the attached bill.

Yours faithfully,

**S. MURUGAPPAN**

Attached: as above.

sm/ss

**OPINION**

**1. QUERIST:**

M/s. J.K. Fenner (India) Limited,

Khivraj Complex II, 5th Floor,

480 Anna Salai, Nandanam,

Chennai – 600 035.

**2. FACTS:**

2.1 The querist intends to import various materials for manufacture of Vee/Fan Belts that are meant for export. These belts are manufactured by using various inputs, including, RFL Treated Textile Fabric, Nylon Cut Fiber and Conex Meta- Aramid cut fiber etc. According to the querist there are no norms fixed for these export products.

2.2 Querist has indicated that following are the inputs to be used in the manufacture of the belts to be exported. Inputs to be imported and inputs locally procured have been mentioned separately by the querist.

**Inputs - Import**

|  |  |
| --- | --- |
| 1. | Ethylene Propylene Non-Conjugated diene rubber (EPDM) |
| 2. | Ethylene Propylene Copolymer |
| 3. | Dipped Polyester Cable Cord |
| 4. | RFL Treated Textile Fabric |
| 5. | Nylon Cut Fibre |
| 6. | Conex Meta-Aramid cut fibre |
| 7. | Rubber Accelerators - Zinc Dimethyl Acrylate (ZDMA) |
| 8. | Antioxidant |
| 9. | Miscellaneous Chemicals - Resin |
| 10. | Rubber Processing Oil |

**Inputs - Indigenous**

|  |  |
| --- | --- |
| 1. | Zinc Oxide White Seal |
| 2. | Zinc Stearate |
| 3. | Rubber Accelerators (TMQ / TDQ / HS / TQ) |
| 4. | Carbon Black |
| 5. | Peroxide |
| 6. | Precipitated Silica |
| 7. | Rubber Processing Oil |

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**3. QUERY:**

 In the above context, querist wants to know the procedure for obtaining inputs free of customs duty on self-declaration basis.

**4. OPINION:**

# 4.1 Under the current Foreign Trade Policy, inputs are permitted to be imported without payment of customs duty under duty exemption scheme by issue of advance authorisation. Advance authorisations are issued where standard input/output norms (SION) are already fixed for the export products.

4.2 Even in respect of cases where no norms have been fixed for a particular export product, it is possible to import the inputs required for manufacture of the export product under a scheme notified as Self-Ratification Scheme and as contained in para 4.06 of the current Foreign Trade Policy. In terms of sub-para (i) of the above para, where there is no standard input/output norm / valid adhoc norms for an export product then, the eligible exporter can apply for an advance authorisation under this scheme on self-declaration and self-ratification basis. The regional authority can issue advance authorisations and such cases need not be referred to the Norms Committee for ratification of norms. Application under this scheme needs to be made along with a certificate from chartered engineer in the prescribed format. However, it is to be noted that this scheme is not available in respect of certain inputs which are mentioned against sub-para (vii) of para 4.06. This sub paragraph covers all inputs falling within Chapters 50 to 63 of ITC (HS) Classification. Since some of the materials to be used in the manufacture of these belts include RFL Treated Textile Fabric as well as Nylon Cut Fiber and Conex Meta-Aramid cut fiber, the querist will not be eligible to apply for advance authorisation under this self-ratification scheme.

4.3 In the absence of applicability of the above scheme, the querist can opt for fixation of norms in terms of para 4.06 of the Handbook of Procedure in force now. As per this para, where norms have not been notified, then the eligible exporter can make an application for advance authorisation in Form ANF-4B along with prescribed documents and upload the same online to the Norms Committee concerned in DGFT head quarters for fixation of standard input/output norms / adhoc norms. The email addresses for the various norms committee are given in para 4.06 of the Handbook of Procedure. The same paragraph provides that the decision of the norms committee will be available in the website of DGFT and the applicant can periodically check the website with regard to the application filed by them. It may be noted that it is necessary that the company provides production and consumption data for the past three years in the manufacture of these goods for the purpose of fixing the norms.

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4.4 It is to be noted that in case, the norms fixed by the norms fixation committee and approved by the DGFT are different from the ones claimed by the eligible exporter then, in case of any rejection or revision downwards, the applicant has to pay the applicable customs duty with interest within 30 days from the date of hosting of the norms committee decision on DGFT website. This will be the case if imports have already been made based on the claims in the application for authorisation.

4.5 As such, it will be in the interest of the querist to get the norms fixed as quickly as possible. Otherwise, in case of any changes in the norms applied for, will result in payment of customs duty with interest to the extent of the particular input or the quantity of the input claimed has not been approved.

**S. MURUGAPPAN**

sm/ss

**Disclaimer:-** The above opinion is provided based on the information and documents made available to us by the queriest and further based on the laws and rules prevalent as on date and the understanding of such provisions by the author and is meant for the private use of the person to whom it is provided without assuming any liability for any consequential action taken based on the views expressed here.