

**Government of India**  
**Ministry of Commerce & Industry**  
**Department of Commerce**  
**Directorate General of Foreign Trade**  
**Udyog Bhavan, New Delhi - 110 107**

**Policy Circular No. 20**

Dated 5th December, 2007

**Sub : Norms Committee – Para 4.7 cases Guidelines**

Work distribution in existing 7 Norms Committees (NC) is as per Indian Trade Classification (Harmonized System) – ITC (HS) of export products (**Annexure A**).

2. Time schedule is notified for fixation of norms, after issue of Advance Authorisation (AA) as under :
  - (i) 4 months for adhoc norms fixation (Handbook of Procedures, Volume1 (HBPv1) : Para 4.7.6),
  - (ii) 12 months validity of such fixed adhoc norms (Public Notice 37 dt 23.8.07), and
  - (iii) Efforts to be made to convert adhoc norms to Standard Input Output Norms (SION) within 6 months, and positively within 12 months from date of ratification of adhoc norms.
- 3.1 Major causes for delay in ratification of adhoc norms are as under :
  - (i) Receipt of application from RA and subsequent taking up in NC;
  - (ii) Availability of technical opinion from competent authority; and
  - (iii) Adequacy/Completeness of information supplied by AA applicant.
- 3.2 For expeditious disposal and adherence to above time schedule, action must be initiated by Regional Authorities (RAs) and NCs in a time bound manner as per Action Calendar annexed herewith (**Annexure B**).  
NCs meet on a weekly basis and action points for RAs/NCs are given starting with 'Week 0', when AA is issued.
- 3.3 Presently, technical departments in Government are referred to for advice on admissibility of import/export requirements for fixation of adhoc norms. NCs decide such Para 4.7 applications based on technical information. NCs should decide permissible quantities based on "average" yields/efficiency, process requirements, past production, consumption data etc.  
Chairperson(s) of NC may also associate other competent technical authorities (like CSIR institutions, IIT departments etc) for advice, keeping in view delay in deciding such applications, wherever necessary.
- 3.4 Most exporters/industrial manufacturers prepare a project report, which include details
  - establishing profitability, based on output sale proceeds and input cost forecasts, and
  - outlining basic manufacturing process, giving quantitative details of inputsSuch project reports can also be submitted by exporters along with the adhoc norm applications. This will expedite decision making for fixation of adhoc norms. In specific cases, RAs may also seek such reports to facilitate early fixation of adhoc norms.
- 3.5 Norms Committees need to mention export/import item details in generic terms, with detailed technical nomenclature and specifications (rather than brand names); to the extent possible. This would enable its application to other cases also.
- 3.6 Adhoc norms, once fixed, would be put on DGFT website. These adhoc norms may form the basis of further AAs, to any other applicant, (without reference to DGFT/NCs) while these await changes/confirmation and conversion to SION.  
Necessary changes are being made in DGFT website and EDI database for this. Adhoc norms, fixed henceforth, would be uploaded on DGFT website on a monthly basis by the respective NCs.
- 3.7 In cases, where AAs are issued for components on net to net basis, they need not be forwarded to NC for finalization/ratification.

- 3.8** Quite often, adhoc norms cannot be finalised for want of information from concerned applicant/firm. For example : Application for paints/surface coatings/printing inks must contain details (amongst others)
- (a) solid resin content (in %),
  - (b) pigment content (in %), and
  - (c) volatile content in the export product (in %).
- If such details (as outlined for different products in Appendix 33) are not given by applicant, licence/AA should not be issued by RAs to start with. Suitable amendments may also be made from time to time by Policy Division in Appendix 33, specifying additional information required to be submitted by Para 4.7 applicants. This would avoid recurrence of such cases in future.
- At times, Technical Authorities seek additional information directly from AA applicant. In all such cases, NC must issue a deficiency letter also. Wherever additional information requested by Technical Authority/NC is not furnished within a reasonable period by Para 4.7 applicant and the application cannot be finalised for want of technical information/advice, in such cases the AA application shall be rejected by NC.
- 3.9.1** Wherever, a SION exists and an application under Para 4.7 is made for higher quantity of imported inputs (than the same fixed under SION), such requests can be entertained for SION revision only. That is, such applications cannot be considered under HBPv1 – 4.7 for adhoc norms, and AA in such cases must be issued only as per the then prevailing SION.
- 3.9.2** In cases, where a SION exists and an application is made for additional inputs, other than those specified in SION, AA may be issued under Para 4.7.
- 4.1** After fixation of adhoc norms, the same needs to be converted into SION with changes, if necessary. Following steps need to be taken in this respect :
- (i) All suggestions received from different stakeholders consequent to uploading on DGFT website (as in Para 3.6 above) must be taken into account while finalizing SION; and
  - (ii) All adhoc norms fixed after 1.4.2004 (when the then existing SIONs were last made available as a published document) would be uploaded on DGFT website during the current financial year 2007-08, and accordingly, the case should be finalised and notified into SION positively by July, 2008.
- 4.2** An exercise to review all SIONs (as to quantities fixed) which have been notified before 1.4.2004 (and where further AAs have been issued) may be initiated on an sustained/regular basis. This is necessary in view of ongoing technological advancements and industrial process developments.
- 4.3** Exporters, aggrieved with decisions of NC, can represent again to concerned NC within 4 months from date of decision on adhoc norm fixation. All such representations must be made directly to NC (with a copy to jurisdictional RA) and NC shall decide such representations within 4 months thereafter.
- 5** For trade facilitation, information regarding status of Para 4.7 cases can be accessed by RAs and individual exporters on DGFT website (*dgft.gov.in*)

Sd/-

(R. S. GUJRAL)  
Director General of Foreign Trade

**Member-exporters can avail the Annexure - A and Annexure - B from the following Website :**

<http://dgft.gov.in>