



दि प्लास्टिक एक्सपोर्ट प्रमोशन कौन्सिल

(भारत सरकार, वाणिज्य एवं उद्योग मंत्रालय, वाणिज्य विभाग द्वारा प्रायोजित)
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THE PLASTICS EXPORT PROMOTION COUNCIL

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Ref. : Plexh/Cir/1503

24th October, 2017

All Members/All Members of the COA

Dear Members,

Sub: Important amendments in Chapter-4 of Hand Book of Procedures 2015-2020

Ref. : PUBLIC NOTICE No. 32/2015-2020 NEW DELHI, DATED THE 18 October, 2017

This has reference to above referred Public notice regarding important Amendments in Chapter-4 of Hand Book of Procedures 2015-2020, related to clubbing of Advance Authorizations, extension of Export Obligation period and regularization of bonafide default in the cases where Authorizations were issued for import of drugs from unregistered sources with pre import condition issued by Directorate General of Foreign Trade, Department of Commerce, Ministry of Commerce & Industry, Government of India.

In exercise of powers conferred under Para 2.04 of the Foreign Trade Policy 2015-2020, as amended from time to time, the Director General of Foreign Trade, in public interest, makes the following amendments in Hand Book of Procedures 2015-2020 as under:.

1) Para 4.38 of handbook of procedures 2015-20 is amended to read as under:

"4.38 Facility of Clubbing of Authorizations

- (i) No clubbing of Authorizations issued on or before 31st March, 2009 shall be allowed.
- (ii) Request for clubbing shall be made in ANF - 4C to the concerned RA who has issued the Authorizations.
- (iii) Facility of clubbing of Advance Authorizations shall be available only for redemption / regularization of such Authorizations and no further import or export shall be allowed.
- (iv) Facility of clubbing shall also be available for Advance Authorizations for Annual Requirement issued during Foreign Trade Policy period 2009- 14 and 2015-20, wherever exports and imports have taken place as per Standard Input Output Norms (SION) notified.
- (v) Only Authorizations under which similar duty exemption has been availed shall only be allowed to be clubbed. Such Authorizations may pertain to different financial years.
- (vi) In case, exports are made outside EO period of any Authorization, EO extension may be allowed before clubbing of such authorization, as per Para 4.42 of Handbook of procedures on payment of composition fee.
- (vii) Only such Advance Authorizations shall be clubbed where exports under all Authorizations have been made within the initial/ extended EO period of the earliest issued Authorization

- (viii) Clubbing shall be permitted only when there is shortfall in fulfillment of export obligation occurred in first authorization and excess exports are made in subsequent Authorizations. However, this condition may not be insisted when validity period (for import) of Authorizations runs concurrently and imports made in subsequent authorization falls within validity period (for import) of first authorization and such import made within validity period of first authorization are on pro-rata, equal to or in excess to the extent of exports made in first authorization. Subsequent Authorizations issued after expiry of validity of first Authorization shall not be allowed to be clubbed.
- (ix) Clubbing of Authorizations issued with different EO periods shall also be allowed.
- (x) Accounting of exports made outside expiry of initial or extended EO period of earliest issued authorization shall not be taken into consideration for EO fulfillment after clubbing of such Authorizations.
- (xi) Inputs which are common in all Authorizations shall only be clubbed and duty free inputs shall be accounted for as per SION/Ad-Hoc Norms fixed by NC. In other words all inputs covered in all Authorizations need not be same.
- (xii) Minimum value addition as prescribed in FTP and Procedures for the export product will be required to be maintained on clubbing. Upon clubbing, if shortfall in value or quantity is noticed, the same shall be regularized under the provisions of Para 4.49 of HBP 2015-20.
- (xiii) After clubbing, Authorizations shall for all purposes, be deemed to be one Authorization. The value addition would be calculated on the basis of total CIF and total FOB arrived at after clubbing the Authorizations.
- (xiv) No clubbing shall be permitted in respect of Authorizations where misrepresentation / fraud have come to the notice of RA. Further, no clubbing of Authorizations, where EODC/redemption letter has already been issued or adjudication orders have already been passed by RA/Customs Authority, shall be permitted.
- (xv) **Additional provisions for clubbing of Authorizations covered under Appendix-30A (issued under FTP 2009-14) / Appendix-4J (issued under FTP 2015-20) and Authorizations issued with EOP less than 18 months:**
 - (a) Export obligation period of clubbed Authorizations shall be reckoned from the date of earliest import in any of the Authorizations proposed to be clubbed.
 - (b) Clubbing of such Authorizations shall be allowed provided all exports are completed within initial/extended Export Obligation period reckoned from date of earliest import in any of the Authorizations proposed to be clubbed.

2) Para 4.42 (d) is amended to read as under:

(d) Extension in export obligation period for Authorizations issued under Appendix-4J (issued under FTP 2015-20) shall be allowed for a period not more than the half of the stipulated export obligation period. In such cases, composition fee shall be levied @ 0.5% per month of unfulfilled FOB value, in case exports effected are more than 50% within initial Export Obligation period and @ 1% per month where less than 50% exports have been effected within initial export obligation period.

3) Sub-Para (g) is inserted in Para 4.49:

(g) Regularization of Bonafide default in the cases where Authorization was issued for import of drugs from unregistered sources with pre import condition:

Import of drugs from unregistered sources issued with pre import condition shall be regularized in the following manner:

- (i) The Authorization holder shall submit documents showing consumption of full imported quantity as per norms. In case, there is shortfall in fulfillment of EO and unutilized imported quantity remains with the authorization holder, the Authorization holder shall either submit a certificate from the jurisdictional Central Excise / Customs Authority certifying destruction of the unutilized imported quantity in their presence or proof of re-export of the same to the same supplier in-terms of para 4.43A of HBP 2015-2020.
- (ii) Exports made under free shipping bills/under same authorization after expiry of EO period using unutilized quantity of drugs shall also be accepted in-lieu of submission of destruction certificate as stated in para (i) above, provided the exact description and technical characteristics of the drug exported matches with that of export item described in the Advance Authorization. However, the Authorization holder shall pay customs duty with applicable interest to the Customs Authority on unutilized quantity imported under Advance Authorization. The exports made outside EO period shall only be considered for waiver of destruction certificate and not for waiver of liability of applicable duties and interest.

The original circular is available using below link for download:

[http://dgft.gov.in/Exim/2000/PN/PN17/PN%2032%20\(eng\).pdf](http://dgft.gov.in/Exim/2000/PN/PN17/PN%2032%20(eng).pdf)

Members are requested to take note of above notifications.

With best regards,

Yours sincerely,

Sribash Dasmohapatra
Executive Director