**OPINION**

**1. Querist :**

M/s.Virgo polymer India Ltd.,

A1A, MMDA Indl Complex,

MM Nagar,

Kanchipuram - 603 209.

**2. Facts**

The querist is engaged in manufacture and export of Flexible Container bags and for this purpose they use advance authorisation for import of inputs such as polypropylene. The goods are manufactured by the license holder himself and also sent to job workers for completion of manufacturing activity either fully or in parts.

**3. Query**

In the above background, the querist wants to know whether the name of the job worker needs to be endorsed in the advance authorisations.

**4. Opinion**

4.1 Paragraph 4.35 of the Handbook of procedures for the current foreign trade policy contains provisions with regard to the facilities for using supporting manufacturer or a jobber in the manufacture of the export product. As per paragraph 4.35 (a), the imported material may be used in any unit of the holder of advance authorisation or jobber/supporting manufacturer provided the same is endorsed in the authorisation by the licensing authority.

4.2 The expression used here is jobber/supporting manufacturer. Hence whether the person is a supporting manufacturer or only a jobber, then in both cases the endorsement is necessary.

4.3 it is also to be seen that in terms of clause © of paragraph 4.35 mentioned above if the authorisation holder is registered under GST Act then he has the option of getting the names of the jobber endorsed by jurisdictional customs authority as per GST rules in lieu of regional licensing authority’s endorsement. Or in other words there is no need to mention the job worker’s name in the application and get it endorsed by the DGFT authorities in the advance authorisation. The authorisation holder can approach jurisdictional customs authorities and obtain the endorsements.

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4.4 Clause (b) of paragraph 4.35 states that when endorsement is made by the licensing authority the authorisation holder as well as the job worker/supporting manufacturer will be jointly and severally liable for completion of export obligation. It also provides that anyone of them can import the goods. It is to be noted that this is only an option given to the authorisation holder. The same paragraph also provides that the bank guarantee or letter of undertaking is to be furnished in the joint names.

4.5 As far as the above paragraph is concerned there is no distinction made between a job worker and a supporting manufacturer. As such if the querist does not want to execute bank guarantee or letter of undertaking jointly, then they can approach the jurisdictional customs authority for endorsement of the job worker’s name in the advance authorisation already issued, since the querist is registered under GST provisions.

**S. MURUGAPPAN**

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