F.NO 01/60/162/65/AM-25/PRC/06
Government of India
Ministry of Commerce & Industry
Department of Commerce
Directorate General of Foreign Trade

Vanijya Bhavan, New Delhi-110011
Dated, the 29 May, 2025

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CORRIGENDUM

Subject:-Corrigendum in respect of Case No. 8 of PRC Meeting No.30AM25 held on 04.04.2025-reg.

The request of M/s. Pokarna Engineered Stone Limited, Visakhapatanam considered before PRC in its meeting PRC Meeting No. Meeting No.30AM25 held on 04.04.2025 (Case No.8). The statement/justification of the firm in Agenda Item was mentioned as under:-

Subject: Request For Waiver Of Condition 4 To The Chapter Heading 68109990 Of Import Policy against policy relaxation Authorization No. 23 12 VSEZ 2007 2725 dated 20/06/2007.

Applicant Statement: Our journey began on April 1, 2009, when we established a Special Economic Zone (SEZ) unit for the manufacturing of quartz surfaces in APSEZ, Atchutapuram, Visakhapatnam, Andhra Pradesh. Over the past 14 years, our unwavering commitment to excellence and dedication has propelled us to become a major contributor to India's foreign exchange reserves, with nearly 95% of our products earmarked for export. I am immensely proud to share that our Company has received the prestigious Top Exporter Award from CAPEXIL for three consecutive years, namely 2019-20, 2020-2021, and 2021-2022. This recognition further underscores our commitment to excellence in the export sector. We are also honored with 4 star Export House status. Central to our mission has been our steadfast commitment to sourcing over 80% to 95% of our raw materials domestically. This conscious choice aligns with our vision to contribute to our nation's economic stability and growth. While we take immense pride in our contributions to the export sector, we now face a formidable challenge that warrants your kind intervention. The goods we manufacture fall under the HS Code 6810 9990. However, our production process inevitably yields nearly 15% to 20% of second and third-choice materials in addition to our regular R&D trial productions and remnants from cut-to-size orders. Unfortunately, there is no viable export market for these materials, compelling us to explore domestic sales. In addition to the above, we would like to draw your attention to the specific challenges we face with our Grade-1 inventory. Due to the obsolescence of designs, Grade-1 materials sometimes encounter significant difficulties in gaining acceptance within the foreign market. Given the limited or negligible demand for such Grade-1 designs overseas, we are left with no viable option but to seek opportunities within the domestic market. To effectively address this concern, we respectfully request that consideration be given to an exemption for Grade-1 inventory that has been held in our inventory. Granting this exemption would not only help us navigate the challenges associated with Grade-1 materials but also contribute to the efficient utilization of resources that would otherwise remain idle. The existing import policy, as we interpret it, poses a substantial impediment to our operations. This policy stipulates that while the import of processed tiles/ slabs of agglomerated/ artificial stones is permissible, it mandates a CIF value of US$ 50 or more per square meter. This condition does not account for the unique nature and market worth of the materials we intend to offer within the DTA. Furthermore, the policy does not differentiate between products based on their thickness. It uniformly applies a Minimum Import Price (MIP) of US$ 50 per square meter to materials with thicknesses of 12mm, 20mm, and 30mm. Notably, the production cost of the 30mm thickness material is substantially higher, approximately 100%, compared to the 12mm variant. Treating these materials, the same way by imposing the same MIP does not appear equitable or rational. We gratefully acknowledge the Policy Relaxation Committee's (PRC) grant of a necessary MIP waiver in 2018 and 2024 for slabs held by our company as of December,2023. We are now submitting details of unsold inventory which was produced during the period from 1ST January,2024 to 31st December2024 and remain unsold as on 31st December,2024 and request your good selves to consider for waiver of MIP. The details are:-Category of Inventory Produced during the period from 1.1.2024 to 31.12.2024 and remain unsold as on 31st December,2024 1St Grade export rejects, Second and Third grade and R & D Trial production 11342 NOS. Slab wise details of inventory is attached. We humbly request you to consider our application to waive MIP of US$50 per square meter on accumulated Second and third grade & non-moving Grade-1 export rejects slabs in addition to our regular R&D trail production.

Decision: The Committee went through the statement made by the applicant and discussed the matter at length and observed that the applicant has faced difficulty beyond their control. Accordingly, it decided to accede to the request and allowed waiver of MIP condition for sale of goods manufactured by the EOU into the DTA for the items as applied but not exceeding 15% of the total production from 01st January, 2024 to 31st December 2024. The firm shall approach the DC within 30 days from the date of uploading of the minutes of meeting.

(Action: Applicant/ DC AP SEZ)

2. Now, the decision of PRC Meeting No.30AM25 of the firm may be read as under:-

Decision: "The Committee went through the statement made by the applicant and discussed the matter at length and observed that the applicant has faced difficulty beyond their control. Accordingly, it decided to accede to the request and allowed waiver of MIP condition for sale of goods manufactured by the SEZ into the DTA for the items as applied but not exceeding 15% of the total production from 01st January, 2024 to 31st December 2024. The firm shall approach the DC within 30 days from the date of uploading of the minutes of meeting.

(Action: Applicant/ DC AP SEZ)"

This issues with the approval of Competent Authority.

Sanjay

(Sanjay Kumar)
Dy. Director General of Foreign Trade