

GOVERNMENT OF INDIA
MINISTRY OF COMMERCE

DIRECTORATE GENERAL OF FOREIGN TRADE

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Policy CIRCULAR NO. 16(RE-98)/97-2002 dated : 1st July, 1998

Subject :- 1) Revalidation of Special Imprest Licence

2) Prorata reduction of export obligation in value
terms under quantity wise Advance licence.

It has been represented to this Directorate that revalidation of Special Imprest Licence is being denied as paragraph 7.23 of the Handbook of Procedures (Vol.1) (RE-98) 1997-2002 is not applicable to Special Imprest Licence.

It may be clarified that Special Imprest Licences issued prior to 12.11.97 may be granted revalidation under paragraph 7.23 of the Handbook of Procedures (Vol.1) (RE-98) 1997-2002 subject to a maximum period of 30 months as has been the case for Advance licence.

In respect of Special Imprest Licence, issued on or after 12.11.97, where the contracted duration of the execution of the project is less than 30 months, revalidation may be granted by the licensing authorities as per paragraph 7.23 of Handbook of Procedures (Vol.1) (RE-98) 1997-2002 but in no case the total validity of the licence shall exceed 30 months from the date of issuance.

2. It has also been decided that in Quantity based Advance licence

issued during the Exim Policy 1992-97 and Advance licence issued during 1997-2002, the export obligation in value terms shall be fixed with reference to the aggregate CIF value of imports. For example, if a licence has been issued for US\$10,000 with an export obligation of US\$40,000 and the actual imports effected is US\$2000, the export obligation shall stand reduced to US\$8000 irrespective of the fact whether a particular input has been imported for 100% of the value earmarked for the same.

This issues with the approval of DGFT.

(Ajay Sahai)

Dy.DGFT,

Copy to :

1. All Customs Authorities.
2. All Licensing Authorities.