

TO BE PUBLISHED IN THE GAZETTE OF INDIA EXTRAORDINARY  
(PART-I, SECTION-1)

**GOVERNMENT OF INDIA  
MINISTRY OF COMMERCE**

Public Notice No.48 (RE-01)/ 1997-2002

New Delhi: dated the 7<sup>th</sup> November, 2001

In exercise of powers conferred under paragraph 4.11 of the Export and Import Policy, 1997-2002, as notified in the Gazette of India extraordinary, Part-II-Section 3 – Sub- section (ii) vide S.O No. 283(E) dated 31.3.97, the Director General of Foreign Trade hereby lays down the following guidelines for extension in export obligation period in respect of Advance Licences for physical exports.

1. In respect of Advance Licences for physical exports issued on or after 1.4.97, where the stipulated time period of 30 months for fulfilment of export obligation is over, and where the licence holder has failed to complete his export obligation within the stipulated time period, he can apply for extension of export obligation period for six months from the date of the public notice on submission of a Bank Guarantee, covering the Customs duty together with 24% simple interest on the unutilised exempt material from the date of import upto the period of export obligation sought for, which shall be forfeited in the event of non fulfilment of export obligation in the extended period. Bank Guarantee should be valid for a period of 12 months from the date of this public notice.
- The Bank Guarantee shall be required to be submitted by all applicants including those eligible for LUT facility being status holders or otherwise.
2. The request for extension shall be filed with the concerned licensing authority within a period of 60 days from the date of the Public Notice. The licensing authority, which originally issued the licence, shall be competent to grant extension in export obligation period. In cases where BG/Bond has been initially executed with the Customs authority, the licence holder shall be required to furnish a certificate to this effect alongwith request for extension of EO within 60 days from the date of this public notice from the concerned Assistant Commissioner of Customs and Central excise with whom the BG has been executed for seeking extension in EO period.
3. In cases where the licence holder applies for export obligation extension for a period of less than six months, the same shall be granted by the licensing authority and in such cases, the BG shall be required to be valid for a period of six months in addition to the period of export obligation sought for. However, in such cases, no further extension in EO period beyond the period already applied for shall be allowed.
4. However, no extension in export obligation shall be allowed in respect of the licences where misrepresentation/fraud has come to the notice of the licensing authorities. Further, in respect of licences where adjudicating orders have already been passed, no extension in export obligation period shall be admissible.
5. In such cases where the licence holder has not availed the facility accorded under this Public Notice, adjudication proceeding shall be initiated on the expiry of 60 days from the date of this Public Notice.

6. In such cases where export obligation has been fulfilled prior to the date of this Public Notice but outside the prescribed export obligation period, such exports shall be deemed to have been made within the prescribed export obligation period for the purpose of regularisation of the case provided composition fee of either 1% or 5% or both, has been paid by the applicant. In case the composition fee either 1% or 5% or both has not been paid, the exports effected within this deemed extended period shall be regularised by payment of composition fee of either 1% or 5% or both depending upon whether the exports have been effected within six months from the expiry of original EO period of 18 months or 12 months or more from the expiry of original EO period of 18 months.
7. Exports made from the date of this public notice may be accepted towards discharge of export obligation. Customs may allow provisional clearance of export consignment. However, the exports made in anticipation of grant of extension in EO in terms of this public notice shall be entirely on the risk and responsibility of the exporter.

This issues in public interest.

(N.L.Lakhanpal)  
Director General of Foreign Trade

Copy to all concerned,

By orders etc.

(Ajay Sahai)  
Jt. Director General of Foreign Trade