

Public Notice No. 38(RE:2010)/2009-2014

The 9th March, 2011

Subject: Amendment in Appendix 25A, HBP Vol.I (Appendices and Aayat Niryat Forms) regarding periodicity of Bank Guarantee (BG) to be executed with Regional Authorities in case of domestic procurement of goods against EPCG authorization.

In exercise of powers conferred under paragraph 2.4 of the Foreign Trade Policy, 2009-2014, the Director General of Foreign Trade hereby makes the following amendments in the Appendix 25A of Handbook of Procedures Vol.I (Appendices and Aayat Niryat Forms) 2009-2014:

Amendment:

(i) The existing Note at the bottom of Appendix 25 A "The Bank Guarantee shall be valid till the expiry of the export obligation period plus six months" shall be substituted by the following:

"The Bond/ BG shall be filed for a minimum period of three years with an undertaking to keep the BG alive for the entire period of export obligation viz.8+2=10 years or 12+2=14 years, as the case may be."

(ii) The details regarding E-mail ID, Phone/FAX Number of the exporters and Bank Guarantor have been added in Para 1 of Appendix 25A.

Effect of Public Notice:

Validity of Bank Guarantee is being harmonized with provisions of Customs Circular No.58/2004 dated 21.10.2004 as amended from time to time. In addition, specific contact details like E-mail ID, Phone Number/FAX Number of the exporter and the Bank are to be provided.

Sd/-

(Anup K Pujari)

Director General of Foreign Trade

(Issued from F. No.01/36/218/169/AM-11/EPCG-I)

APPENDIX 25 A

BANK GUARANTEE FORMAT

To,
The President of India
Acting through the Director General of Foreign Trade

In consideration of the President of India, acting through the Director General of Foreign Trade (which expression shall be deemed to include the Joint Director General of Foreign Trade/Deputy Director General of Foreign Trade), or any other authority for the time being authorised to perform the duties of Joint Director General of Foreign Trade/Deputy Director General of Foreign Trade), Ministry of Commerce, Government of India, New Delhi (hereinafter referred to as the Government) having agreed to grant to _____ (full expanded name, E-mail I.D, Phone No./Fax. No. of the Importer/Exporter with complete address) (hereinafter referred to as Importer/Exporter) an Authorisation being Authorisation No. _____ dt. _____ (hereinafter referred to as Authorisation for the import of the goods mentioned therein) for a value of Rs. _____ (Rupees _____ only) under the _____ Scheme (fill up the actual Scheme) notified by the Government under the Foreign Trade Policy 2009-14 as may be amended from time to time (hereinafter referred to as scheme) on the terms and conditions specified in the said Authorisation which term inter alia stipulates production of a Bank guarantee for Rs. _____ (Rupees _____ only). We _____ (indicate the name, E-mail I.D, Phone No./Fax. No and full address and other particulars of the Bank) (hereinafter referred to as Bank) at the request of the Importer/Exporter do hereby unconditionally and irrevocably undertake to pay the Government an amount not exceeding Rs. _____ against any loss or damage caused to or suffered by the Government by reason of any failure on the part of the said Importer/ Exporter of any of the terms or conditions contained in the said Authorisation including the export obligation mentioned therein.

2. We _____ (indicate the name of Bank) do hereby undertake to pay the amounts due and payable under this guarantee without any demur or protest, merely on a demand from the Government stating that the amount claimed is due by way of loss or damage caused or suffered by the Government by reason of breach by the Importer/Exporter of any of the terms or conditions of the said Authorisation. Any such demand made on the Bank shall be conclusive as regards the amount due and payable by the Bank under these presents.

3. We undertake to pay to the Government any money so demanded notwithstanding any dispute or disputes raised by the Importer/Exporter in any suit or proceeding pending before any court or Tribunal relating thereto and our liability under these presents being absolute and unequivocal.

4. We, _____ (indicate the name of Bank) further agree that the guarantee herein contained shall remain in full force and effect during the period that would be taken for the performance of the said Authorisation and that it shall continue to be enforceable till all the obligations of the Importer/Exporter under or by virtue of the said

Authorisation have been fully discharged to the satisfaction of the Government or till Jt.DGFT/Dy.DGFT, or any Licensing authority for the time being authorised to perform the duties of Jt.DGFT/Dy.DGFT, Ministry of Commerce, New Delhi certifies that the terms and conditions of the said Authorisation have been fully and properly carried out by the Importer/Exporter and accordingly discharges this guarantee. Provided, however, unless a demand or claim under this guarantee is made on us in writing on or before the _____ . We shall be discharged from all liability under this guarantee thereafter.

5. We _____ (indicate the name of bank), further agree with the Government that the Government shall have the fullest liberty without our consent and without affecting in any manner our obligations hereunder (i) to vary any of the terms and conditions of the said Authorisation and modify the said scheme from time to time or (ii) to extend time of performance by the said Importer/Exporter from time to time or to postpone for any time or (iii) from time to time any of the powers exercisable by the Government against the said Importer/Exporter and to forbear or enforce any of the terms and conditions relating to the said Authorisation and we shall not be relieved from our liability by reason of any such variation, or extension being granted to the said Importer/Exporter for any forbearance, act or omission on the part of the Government or any indulgence by the Government to the said Authorisation holder or by any such matter or thing whatsoever which under the law relating to sureties would, but for this provision, have effect of so relieving us.

That this shall be a continuing Bank Guarantee and shall not be discharged by any change in the constitution of the importer/exporter or of the Bank.

That the guarantor will not revoke the guarantee without prior written consent of the Government.

"Dated the _____ day of _____ year _____ for _____ (indicate the name of the Bank)"

Note: "The Bond/ BG shall be filed for a minimum period of three years with an undertaking to keep the BG alive for the entire period of export obligation viz.8+2=10 years or 12+2=14 years, as the case may be."