

Government of India  
Department of Commerce  
Directorate General of Foreign Trade  
Udyog Bhawan, New Delhi – 110 011

**Policy Circular No. 45/2009-2014 (RE 2010      Dated: 8th November, 2011**

To

All Regional Authorities (RAs);  
All Commissioners of Customs;  
Exporting Community.

**Subject: Clarification on applicability of exchange rate for the purpose of calculation for composition fee – regarding.**

Attention is invited to para 4.28 (ii) of HBP v.1 regarding regularization of bona fide default by the authorization holders. In case of any shortfall in value, authorization holder is required to deposit an amount equal to 1% shortfall in FOB value in Indian Rupee. Clarification has been sought on the exchange rate applicable for determination of shortfall in Export Obligation.

2. Basis of calculation of exchange rate would be the date of issue of authorization.

This issues with the approval of DGFT.

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