



THE COTTON TEXTILES EXPORT PROMOTION COUNCIL

(Sponsored By Government of India)

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E-Serve No.: 59 of 2024 | Date: April 18, 2024

Sub: DGFT Clarifies Export Obligation Discharge for AA holders under Customs Notifications Nos. 18/2015 & 21/2015, both dated 1.4.2015 by making physical exports or domestic supplies

Dear Member,

O/o DGFT has issued Policy Circular No.1/2024 dated 12.4.2024 ([enclosed](#)) clarifying discharge of export obligation for Advance Authorisation (AA) holders issued under Customs Notification Nos.18/2015-Cus. and 21/2015-Cus. both dated 1.4.2015. This Policy Circular issues the concerns regarding the fulfilment of export obligation through physical exports or domestic supplies.

Accordingly, the matter has been clarified by DGFT as follows:

(a) AA Holder holding an AA issued on or after 1.4.2015, under Customs Notification No.18/2015-Cus. dated 1.4.2015 has option to fulfill the export obligation either by physical exports or by making domestic supplies under para 7.02(A) (a) of FTP 2015-20 (Supply of goods against AA/ Advance Authorisation for annual requirement/DFIA).

(b) As per Para 4.14 of FTP 2015-20 with Customs Notification No.1/2019-Cus. dated 10.1.2019, AA Holder holding an AA issued on or after 10.1.2019 under Customs Notification No.18/2015-Cus. dated 1.4.2015 has options as follows:

(i) To fulfill the export obligation either by physical exports or making domestic supplies under Para 7.02 A(a) of FTP 2015-20 (Supply of goods against AA/Advance Authorisation for annual requirement/DFIA).

(ii) To make supplies under para 7.02A (b) of FTP 2015-20 (Supply of goods to EOU/STP/EHTP/BTP).

(iii) To make supplies under para 7.02(A)(c) of FTP 2015-20 (Supply of capital goods against EPCG authorisation provided exemption from payment of applicable Anti-Dumping Duty, Countervailing Duty, Safeguard Duty and Transition Product Specific Safeguard Duty if any has not been availed).

Similarly, AA Holder holding an AA for deemed export issued under Customs Notification No. 21/2015-Cus. dated 1.4.2015 only for above mentioned supplies with above stipulated conditions has an option to fulfill their export obligation either by

way of supplies under para 7.02(A) (a), (b) & sub para (c) of FTP 2015-20 or by making physical exports.

Members may kindly make a note of the above.

Regards,

Dr. Siddhartha Rajagopal
Executive Director

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