



THE COTTON TEXTILES EXPORT PROMOTION COUNCIL

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Sub: DGFT clarifies on (a) Applicability of 3% amount due to non-achievement of minimum Value Addition & (b) Amount equivalent to 10% of CIF value as mentioned in HBP 2023

Dear Member,

O/o DGFT has received requests from the Trade seeking relaxation in payment of 3% amount under Para 4.49(b) and similar provisions of HBP 2023 against Advance Authorisation (AA) issued prior to 1.4.2023.

In this connection, attention is drawn to Para 4.48(a) of HBP 2023 which provides that AA including Annual Requirement issued up to 31.3.2023 shall be governed by respective provisions contained in the relevant HBPs, under which the subject AA was issued, excepting provisions relating to clubbing and extension in Export Obligation period.

Accordingly, DGFT has clarified vide its Policy Circular No.2/2024 dated 3.5.2024 ([copy enclosed](#)) that -

-- Provisions relating to payment of 10% of CIF value given in Para 4.49(a)(ii) and 3% of shortfall in FOB value in Para 4.49(b) of HBP 2023 are applicable only in cases where AA is issued on or after 1.4.2023.

-- Prior to 1.4.2023, AA issued will be governed by relevant provisions of HBP under which such AAs were issued.

-- This clarification will not constitute a ground for refund of fees already paid.

Regards,

Dr. Siddhartha Rajagopal
Executive Director

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