

Government of India
Ministry of Commerce & Industry
Department of Commerce
Directorate General of Foreign Trade
Vanijya Bhawan, New Delhi

Dated: 11th November 2025

Policy Circular No. 07/2025-26

To,

All RAs of DGFT
All Customs Authorities
All Exporters / Members of Trade

Subject: Clarification on Redemption of Advance Authorisations impacted by Erstwhile Rule 96(10) of the CGST Rules and imports effected Between October 13, 2017 to January 09, 2019 – regarding.

It has come to the notice of this Directorate that certain exporters are facing difficulties in obtaining redemption of Advance Authorisations (AAs) affected by the erstwhile provisions of Rule 96 (10) of the CGST Rules, 2017. The said Rule, prior to its amendment, restricted the refund of IGST paid on exports in cases where the exporter or its supplier had availed specified duty exemptions, such as those under Customs Notification No. 79/2017-Customs, for imports effected between October 13, 2017 and January 09, 2019.

2. It may kindly be recalled that pursuant to issuance of Customs Notification No. 79/2017-Customs dated October 13, 2017, this Directorate had issued Notification No. 33/2015-2020 dated October 13, 2017, modifying Para 4.14 of the Foreign Trade Policy (FTP) 2015–2020 to extend exemption from payment of all duties, including IGST and Compensation Cess, for physical exports under the Advance Authorisation (AA) Scheme, subject to the *pre-import condition*. Subsequently, following the issuance of Customs Notification No. 01/2019-Customs dated January 10, 2019, the *pre-import condition* was formally withdrawn through DGFT Notification No. 53/2015-2020 dated January 10, 2019, thereby allowing exemption from IGST and Compensation Cess under the AA Scheme without prior import requirements.

3. In compliance with the Hon'ble Supreme Court's judgment dated April 28, 2023, the Customs Authorities issued Circular No. 16/2023-Customs dated June 07, 2023. While upholding the Revenue's appeal, the Hon'ble Court directed that affected parties be permitted to

claim refund or input tax credit (ITC) wherever admissible. In alignment with the above, this Directorate had also issued Trade Notice No. 07/2023-24 dated June 08, 2023 and Trade Notice No. 27/2023 dated September 25, 2023.

4. In continuation of the above, it is hereby clarified that the Export Obligation Discharge Certificate (EODC) shall not be withheld, provided all other requirements are duly fulfilled, in the following cases:

- i. **Payment of IGST in Cash:** Where IGST has been paid in cash at the time of clearance of import consignments under the AA Scheme during the period October 13, 2017 to January 09, 2019.
- ii. **Non-Availing of Duty Exemptions:** Where the applicant has not availed exemption from IGST, Compensation Cess, or other levies (except Basic Customs Duty).
- iii. **Compliance with Pre-Import Condition:** Where the applicant has complied with the prescribed pre-import and other procedural requirements under the Scheme.

This Policy Circular is issued with the approval of the DG, DGFT.



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