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EDITORIAL

Friends,

In this edition, we will discuss the GST implications of sale of MEIS scrips, particularly the requirement of ITC reversal and the circumstances in which proceedings under Section 74 of the CGST Act, 2017 can be invoked.

The treatment of MEIS scrips and similar duty credit instruments under GST has been a contentious issue. Initially, these scrips were notified as exempt supplies under Notification No. 35/2017 dated 13.10.2017, requiring reversal of Input Tax Credit (ITC). However, with Notification No. 14/2022 dated 05.07.2022, clause (d) was inserted in Explanation 1 to Rule 43, excluding duty credit scrips from exempt supplies. The amendment was held to be prospective, not retrospective, leaving taxpayers exposed to ITC reversal obligations until June 2022.

In case of Power Tech Global Pvt. Ltd. [2026 VIL 47 GSTAT KLK]

The Hon'ble GSTAT - Kolkata Bench examined whether ITC reversal was required on sale of MEIS scrips and whether Section 74 of the CGST Act could be invoked.

Key Findings:

- Notification No. 14/2022: Tribunal held the amendment excluding duty credit scrips from exempt supplies is prospective. ITC reversal applied until June 2022.
- Section 164(3): Government has power to give retrospective effect but chose prospective application. Hence, ITC benefit cannot be claimed retrospectively.
- Section 74(1): Can be invoked only when fraud, wilful misstatement, or suppression of facts to evade tax is proven with material evidence. Mere incorrect ITC claim or non-disclosure in GSTR 3B is insufficient.
- Instruction No. 05/2023 GST: Clarifies that Section 74 requires investigation and evidence of fraud; otherwise, liability must be determined under Section 73.

Suppression and Time Bar Considerations

The Tribunal emphasized that suppression must be construed strictly as intentional concealment to evade tax, not clerical mistakes. Investigation and incriminating material are required for invoking Section 74.

Compliance Outlook

The ruling provides clarity on two fronts:

- ITC reversal is required until June 2022, but not thereafter.
- Section 74 cannot be invoked without investigation and material evidence of fraud. Incorrect claims or omissions fall under Section 73.

For taxpayers, this means:

- Review ITC claims for FY 2020 21 to FY 2022 23 and reverse common ITC where applicable: For FY 2022 23, the Section 73-time bar remains open until 30th September 2026. Taxpayers should evaluate whether sales of MEIS/ RoDTEP scrips occurred up to 5th July 2022 and reverse ITC accordingly. For FY 2020 21, the Section 74-time bar extends until 31st August 2026, and for FY 2021 22 until 30th June 2027.
- Importantly, only common ITC needs to be reversed, not ITC directly linked to manufacturing activities.
- Ensure documentation supports the absence of fraud or wilful misstatement.
- Prepare for scrutiny under Section 73, but resist unwarranted invocation of Section 74.

Conclusion

The Tribunal's decision in Power Tech Global Pvt. Ltd. sets important contours for ITC reversal and enforcement under GST. By distinguishing between genuine errors and fraudulent suppression, it ensures that taxpayers are not unfairly penalized. The compliance message is: reverse common ITC on MEIS scrips until June 2022, maintain transparency, and defend against unjustified Section 74 proceedings. One needs to see incase taxpayers wish to contest this core issue in other fora.

Just to reiterate, we remain available over telecom or e-mail for any clarifications.

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SYNOPSIS

S.NO.	TOPICS	PAGE NO.
1]	TAX CALENDER	4
2]	INCOME TAX	5-7
NOTIFICATION	FOREIGN ASSETS OF SMALL TAXPAYERS- DISCLOSURE SCHEME RULES, 2026.	
NOTIFICATION	APPROVAL UNDER SECTION 45(4)(B) OF THE INCOME TAX ACT, 2025 FOR "INTERNATIONAL INSTITUTE OF BIO-TECHNOLOGY AND TOXICOLOGY, TAMIL NADU".	
3]	GST	8
CASE LAW	WINSTROL PETROCHEMICALS PVT. LTD. VERSUS COMMISSIONER, STATE GST AND OTHERS: UTTARAKHAND HIGH COURT.	
4]	FEMA	9
CASE LAW	CONTINUANCE OF CRIMINAL PROCEEDINGS POST TRIBUNAL EXONERATION: IDENTITY OF FOUNDATIONAL FACTS: MUKESH KUMAR GUPTA VERSUS STATE: DELHI HIGH COURT	
5]	CUSTOM	10-14
NOTIFICATION	FIXATION OF TARIFF VALUE OF EDIBLE OILS, BRASS SCRAP, ARECA NUT, GOLD AND SILVER	
CIRCULAR	RETURN OF EXPORT CARGO FROM INTERNATIONAL WATERS DUE TO CLOSURE OF THE STRAIT OF HORMUZ	
PUBLIC NOTICE	MANDATORY FILING OF SEA CARGO MANIFEST AND TRANSSHIPMENT REGULATION (SCMTR) - DISCONTINUATION OF SUPPLEMENTARY IGM/EGM FILINGS BY 12TH AUGUST 2026	
PUBLIC NOTICE	SINGLE UNIFIED MULTI-PURPOSE ELECTRONIC BOND IN CUSTOMS	
6]	DGFT	15-20
NOTIFICATION	AMENDMENT IN PARA 1.25 OF THE FOREIGN TRADE POLICY, 2023. - 33/2026-27 - FOREIGN TRADE POLICY	
NOTIFICATION	AMENDMENT TO PARA 4.63 OF FTP-2023 - 32/2026-27 - FOREIGN TRADE POLICY	
NOTIFICATION	AMENDMENT IN IMPORT POLICY OF RAW SUGAR CLASSIFIED UNDER EXIM CODE 170114 OF CHAPTER 17 OF SCHEDULE–1 (IMPORT POLICY) OF ITC (HS), 2022 AND ONE-TIME CONVERSION FROM ADVANCE AUTHORISATION SCHEME TO TARIFF RATE QUOTA (TRQ) SCHEME	
NOTIFICATION	AMENDMENT IN PARA 2.52 AND 2.53 OF THE FOREIGN TRADE POLICY (FTP) 2023	
NOTIFICATION	AMENDMENT IN IMPORT POLICY AND POLICY CONDITION OF CLEAR FLOAT GLASS (4 MM- 12 MM), FALLING UNDER ITC (HS) CODES 70051090 AND 70052990, COVERED UNDER CHAPTER 70 OF SCHEDULE - I (IMPORT POLICY) OF ITC (HS) 2022.	
PUBLIC NOTICE	MODALITIES FOR APPLICATION AND DISTRIBUTION OF TRQ FOR IMPORT OF 10 LAKH MT OF RAW SUGAR AND ONE-TIME CONVERSION FROM ADVANCE AUTHORISATION (AA) SCHEME TO TARIFF RATE QUOTA (TRQ) SCHEME.	
7]	SECTIONWISE COMPENDIUM ON GST	21
8]	INCOME TAX SECTION-WISE COMMENTARY AND ANALYSIS OF RECENT DEVELOPMENTS	22
9]	LET'S DISCUSS FURTHER	23

TAX CALENDAR

Date	Form/Return/Challan	Reporting Period	Description
25th August	PMT-06	Jul-26	GST payment by a registered person opting for return filing under QRMP Scheme
28th August	GSTR-11	Jul-26	Statement of inward supplies by persons having a Unique Identification Number (UIN) for claiming a GST refund

NOTIFICATION

FOREIGN ASSETS OF SMALL TAXPAYERS- DISCLOSURE SCHEME RULES, 2026.

OUR COMMENT: The Central Board of Direct Taxes, Department of Revenue, Ministry of Finance issued Notification No. 114/2026 dated 14.08.2026 notified that in exercise of the powers conferred by section 143 of the Finance Act, 2026 (4 of 2026), the Central Government hereby makes the following rules, namely: -

1. Short title and commencement. -

(1) These rules may be called the Foreign Assets of Small Taxpayers- Disclosure Scheme Rules, 2026.

(2) They shall come into force on the 16th day of August, 2026.

2. Definitions. - (1) In these rules, unless the context otherwise requires, -

(a) "Act" means the Finance Act, 2026 (4 of 2026);

(b) "Indexed cost of acquisition" shall have the same meaning as assigned to it in section 48 of the Income-tax Act, 1961 (43 of 1961);

(c) "Form" means a Form appended to these rules;

(d) "section" means a section of the Finance Act, 2026 (4 of 2026) in Chapter IV; and

(e) "valuation date" means the 31st day of March, 2026.

(2) Words and expressions used in these rules and not defined but defined in the Act or the Income-tax Act, 1961 (43 of 1961) or the Income-tax Act, 2025 (30 of 2025) or the Black Money (Undisclosed Foreign Income and Assets) and Imposition of Tax Act, 2015 (22 of 2015) shall have the meanings respectively assigned to them in those Acts.

(3) For the purposes of the Act and these rules, "income-tax authority" shall mean the Principal Director General of Income-tax (Systems) or the Director General of Income-tax (Systems), as the case may be.

(4) For the purposes of the Act and these rules, "last date" shall mean the 31st day of December, 2026.

3. Fair market value. - (1) For the purposes of clause (I) of sub-section (1) of section 131 of the Act, the fair market value of the assets shall be determined in the following manner, namely: -

(a) value of bullion, jewellery or precious stone shall be the higher of, -

(i) its cost of acquisition; and

(ii) the price that the bullion, jewellery or precious stone shall ordinarily fetch if sold in the open market on the valuation date for which the assessee may obtain a report from a valuer recognised by the Government of a country or specified territory outside India or any of its agencies for the purpose of valuation of bullion, jewellery or precious stone under any regulation or law:

Provided that the indexed cost of acquisition shall be deemed to be the fair market value where the valuation as per sub-clause (ii) is not carried out;

(b) valuation of archaeological collections, drawings, paintings, sculptures or any work of art (hereinafter referred to as artistic work) shall be the higher of, -

(i) its cost of acquisition; and

(ii) the price that the artistic work shall ordinarily fetch if sold in the open market on the valuation date for which the assessee may obtain a report from a valuer recognised by the Government of a country or specified territory outside India or any of its agencies for the purpose of valuation of artistic work under any regulation or law:

Provided that the indexed cost of acquisition shall be deemed to be the fair market value where the valuation as per sub-clause (ii) is not carried out;

(c) valuation of shares and securities, -

(i) the fair market value of quoted shares and securities shall be the higher of, -

(I) its cost of acquisition; and

(II) the price as determined in the following manner, namely: -

(A) the average of the lowest and highest price of such shares and securities quoted on any established securities market on the valuation date; or

INCOME TAX

(B) where on the valuation date there is no trading in such shares and securities on any established securities market, average of the lowest and highest price of such shares and securities on any established securities market on a date immediately preceding the valuation date when such shares and securities were traded on such securities market;

(ii) the fair market value of unquoted equity shares shall be the higher of, -

(I) its cost of acquisition; and

(II) the value, on the valuation date, of such equity shares as determined in the following manner, namely: -

the fair market value of unquoted equity shares = [(A + B -L) * (PV)]/(PE)

where,

A = book value of all the assets (other than bullion, jewellery, precious stone, artistic work, shares, securities and immovable property) as reduced by, -

(i) any amount of income-tax paid, if any, less the amount of income-tax refund claimed, if any, and

(ii) any amount shown as asset including the unamortised amount of deferred expenditure which does not represent the value of any asset;

B = fair market value of bullion, jewellery, precious stone, artistic work, shares, securities and immovable property as determined in the manner provided in this rule;

L = book value of liabilities, but not including the following amounts, namely: -

(i) the paid-up capital in respect of equity shares;

(ii) the amount set apart for payment of dividends on preference shares and equity shares;

(iii) reserves and surplus, by whatever name called, even if the resulting figure is negative, other than those set apart towards depreciation;

(iv) any amount representing provision for taxation, other than amount of income-tax paid, if any, less the amount of income-tax claimed as refund, if any, to the extent of the excess over the tax payable with reference to the book profits in accordance with the law applicable thereto;

(v) any amount representing provisions made for meeting liabilities, other than ascertained liabilities;

(vi) any amount representing contingent liabilities other than arrears of dividends payable in respect of cumulative preference shares;

PE = total amount of paid-up equity share capital as shown in the balance-sheet;

PV = the paid-up value of such equity shares:

Provided that the indexed cost of acquisition shall be deemed to be the fair market value where the valuation as per item (II) is not carried out;

(iii) the fair market value of an unquoted share and security other than equity share in a company shall be the higher of, -

(I) its cost of acquisition; and

(II) the price that the share or security shall ordinarily fetch if sold in the open market on the valuation date for which the assessee may obtain a report from a valuer recognised by the Government of a country or specified territory outside India or any of its agencies for the purpose of valuation of share and security under any regulation or law:

Provided that the indexed cost of acquisition shall be deemed to be the fair market value where the valuation as per item (II) is not carried out;

(d) the fair market value of an immovable property shall be the higher of, -

(i) its cost of acquisition; and

(ii) the price that the property shall ordinarily fetch if sold in the open market on the valuation date for which the assessee may obtain a valuation report from a valuer recognised by the Government of a country or specified territory outside India in which the property is located or any of its agencies for the purpose of valuation of immovable property under any regulation or law:

Provided that the indexed cost of acquisition shall be deemed to be the fair market value where the valuation as per sub-clause (ii) is not carried out;

(e) value of an account with a bank shall be, -

(i) the sum of all the deposits made in the account with the bank from the date of opening of the account till the valuation date; or

(ii) where a declaration of such account has been made under Chapter VI of the Black Money (Undisclosed Foreign Income and Assets) and Imposition of Tax Act, 2015 (22 of 2015) and the value of the account as computed under sub-clause (i) has been charged to tax and penalty under that Chapter, the sum of all the deposits made in the account with the bank since the date of such declaration:

Provided that where any deposit is made from the proceeds of any withdrawal from the account, such deposit shall not be taken into consideration while computing the value of the account.

[For further details please refer the Notification]

NOTIFICATION

APPROVAL UNDER SECTION 45(4)(B) OF THE INCOME TAX ACT, 2025 FOR "INTERNATIONAL INSTITUTE OF BIO TECHNOLOGY AND TOXICOLOGY, TAMIL NADU"

OUR COMMENT: The Central Board of Direct Taxes, Department of Revenue, Ministry of Finance issued Notification No. 115/2026 dated 21.08.2026 notified that In pursuance of the section 45(4)(b) of the Income-tax Act, 2025, the Central Government hereby approves the International Institute of Bio Technology and Toxicology, Tamil Nadu (PAN: AAATF0061E) for Scientific Research under the category of Research Association, for the purposes of section 45(3)(a)(i) of the said Act of 2025 and rules 32 and 33 of the Income-tax Rules, 2026.

2. This notification shall be applicable to the International Institute of Bio Technology and Toxicology, Tamil Nadu for the tax years 2026- 2027 to 2030-2031, subject to the conditions that it shall—

(i) comply with the conditions specified in rule 33 of the Income-tax Rules, 2026;

(ii) prepare statement under section 45(4)(a) of the Income-tax Act, 2025 for each tax year in Form No.15 and deliver or cause to be delivered to the Director General of Income-tax (Systems) or the person authorised by him on or before the 31st May, immediately following the tax year in which the donation is received, in accordance with rule 31 of the Income-tax Rules, 2026:

(iii) furnish to the donor, a certificate in Form No.16 specifying the amount of donation in accordance with rule 31 of the Income- tax Rules, 2026.

GST

CASE LAW

WINSTROL PETROCHEMICALS PVT. LTD. VERSUS COMMISSIONER, STATE GST AND OTHERS: UTTARAKHAND HIGH COURT

OUR COMMENT: In the present case, the petitioner challenged the validity of the GST adjudication order on the ground that the show-cause notice had been served merely by uploading it on the GST portal after the petitioner's GST registration had already been cancelled.

The principal issue involved in the writ petition was whether a show-cause notice uploaded exclusively on the GST portal, after cancellation of the assessee's GST registration, could be treated as valid service, and whether an adjudication order passed without affording an effective opportunity of personal hearing could be legally sustained.

The learned counsel appearing for the petitioner submitted that the petitioner's GST registration had already been cancelled and, therefore, the petitioner could not reasonably be expected to continue monitoring the GST portal for notices. It was contended that the Revenue was required to serve the notice through an alternative permissible mode so as to ensure effective communication of the proceedings. It was further submitted that the petitioner had not been afforded the mandatory opportunity of personal hearing before passing the adverse adjudication order.

After considering the rival submissions, the Court observed that the Revenue did not dispute that the show-cause notice had presumably been served only by uploading it on the GST portal. Relying upon the principles laid down in M/s Ahs Steels and M/s Katyal Industries v. State of U.P. and Others, the Court observed that once the GST registration of an assessee had been cancelled, the assessee could not be expected to regularly access or monitor the GST portal. Accordingly, service of notice merely through the GST portal, without adopting an alternative permissible mode of service, could not be regarded as effective service of the notice.

The Court further considered the requirement of providing an opportunity of hearing under Section 75(4) of the CGST Act. The provision mandates that an opportunity of hearing shall be granted where a request is received in writing or where an adverse decision is contemplated against the person chargeable with tax. The Court observed that the requirement of hearing embodies the principles of natural justice and audi alteram partem. In this regard, reliance was also placed on the decision of the Supreme Court in Radha Krishan Industries v. State of Himachal Pradesh, wherein the importance of adherence to principles of natural justice in fiscal adjudication was emphasized.

Applying these principles, the Court held that the service of the show-cause notice merely by uploading it on the GST portal after cancellation of the petitioner's registration was not valid. Consequently, the petitioner had not been afforded an effective opportunity to respond to the proceedings or to avail the opportunity of personal hearing contemplated under Section 75(4) of the CGST Act.

Accordingly, the impugned GST adjudication order was quashed and set aside. However, the Court clarified that the Revenue would remain at liberty to initiate fresh proceedings by issuing a proper notice in accordance with law and following the prescribed procedure, including affording an opportunity of personal hearing to the petitioner, if sought.

In conclusion, the writ petition was disposed of by quashing the impugned adjudication order on account of invalid service of notice after cancellation of GST registration and failure to provide an effective opportunity of hearing. The Revenue was, however, permitted to undertake fresh proceedings in accordance with law after ensuring proper service of notice and compliance with the principles of natural justice.

[Decided in the favour of Petitioner]

FEMA

CASE LAW

CONTINUANCE OF CRIMINAL PROCEEDINGS POST TRIBUNAL EXONERATION: IDENTITY OF FOUNDATIONAL FACTS: MUKESH KUMAR GUPTA VERSUS STATE: DELHI HIGH COURT

OUR COMMENTS: In the present case, the petitioner challenged the continuation of criminal proceedings arising out of a complaint filed against him, contending that the Appellate Tribunal had already set aside the departmental adjudication order and exonerated him on merits on the basis of the same foundational facts and evidence relied upon in the criminal complaint.

The learned counsel appearing for the petitioner submitted that the criminal complaint was founded on substantially the same allegations, documents and statements which had already been considered by the Appellate Tribunal. It was contended that the Tribunal, upon appreciation of the evidence, had categorically found that the material relied upon by the department was insufficient to establish the petitioner's involvement. The Tribunal had also found deficiencies relating to the alleged confessions, the identity of the petitioner and the reliance placed upon hearsay material.

It was further submitted that the adjudicating authority had improperly relied upon reproductions of statements instead of the original statement and that the identity of the petitioner with the person referred to in the interim report had not been established. The Tribunal had also noticed factual inconsistencies, including the issue relating to the custody of the petitioner's passport, which materially weakened the department's case. Further, no reliable material had been produced to establish the alleged acquisition or payment of foreign exchange.

After considering the rival submissions, the Court examined the findings recorded by the Appellate Tribunal and the material forming the basis of the criminal complaint. The Court observed that departmental or adjudicatory proceedings and criminal proceedings are ordinarily independent of each other and may, in appropriate circumstances, proceed simultaneously. However, where the departmental or appellate authority has exonerated the person on merits after examining the very same foundational facts and evidence upon which the criminal prosecution is based, the effect of such exoneration requires consideration.

The Court noted that the Appellate Tribunal had not merely granted relief on a technical or procedural ground but had examined the evidence on merits. The Tribunal had found that the alleged confessions could not safely be relied upon, that the adjudicating authority had relied upon reproduced material instead of the actual statement, and that the identity of the petitioner with the person referred to in the interim report had not been established.

The Court further took note of the Tribunal's finding that hearsay evidence had been improperly relied upon and that there were material factual inconsistencies in the department's case. In particular, the evidence relating to the custody of the petitioner's passport and the absence of material establishing the acquisition or payment of foreign exchange cast serious doubt upon the foundational allegations against the petitioner.

The Court observed that the criminal complaint substantially reproduced the same foundational allegations and relied upon the same material which had already been found inadequate by the Appellate Tribunal. Thus, the prosecution did not rest upon any independent or additional evidence capable of establishing the alleged offence.

Applying the principle that, although departmental and criminal proceedings are generally independent, an unequivocal exoneration on merits on identical foundational facts may justify interference with the criminal prosecution, the Court held that continuation of the criminal proceedings in the circumstances would be unjust and oppressive. The Tribunal's findings went to the very foundation of the allegations and materially undermined the evidentiary basis of the criminal complaint.

The Court further observed that hearsay evidence, without proper evidentiary identification or corroboration, could not by itself form the basis for sustaining a criminal conviction. Where the identity of the accused and the foundational facts necessary to establish the alleged offence had not been satisfactorily established, continuation of the prosecution would serve no legitimate purpose.

Accordingly, the Court held that the criminal complaint was founded upon the same facts and evidence in respect of which the petitioner had already been exonerated on merits by the Appellate Tribunal. Since the Tribunal's findings directly affected the very foundation of the criminal case, permitting the prosecution to continue would amount to an abuse of the process of law. In conclusion, the petition was allowed and Criminal Complaint No. 860/1/2002, along with all consequential proceedings arising therefrom, was quashed. The Court held that the Appellate Tribunal's finding of exoneration on merits, based upon the same foundational facts and material relied upon in the criminal complaint, rendered continuation of the prosecution unjust. The prosecution was accordingly brought to an end.

[Decided in the favour of Appellant]

NOTIFICATION

FIXATION OF TARIFF VALUE OF EDIBLE OILS, BRASS SCRAP, ARECA NUT, GOLD AND SILVER

OUR COMMENTS: The Central Board of Indirect Taxes and Customs, Department of Revenue, Ministry of Finance, issued Notification No. 70/2026- Customs (N.T) dated 14.08.2026 notified that in exercise of the powers conferred by sub-section (2) of section 14 of the Customs Act, 1962 (52 of 1962), the Central Board of Indirect Taxes & Customs, being satisfied that it is necessary and expedient to do so, hereby makes the following amendments in the notification of the Government of India in the Ministry of Finance (Department of Revenue), No. 36/2001-Customs (N.T.), dated the 3rd August, 2001, published in the Gazette of India, Extraordinary, Part-II, Section-3, Sub-section (ii), vide number S. O. 748 (E), dated the 3rd August, 2001, namely:-

In the said notification, for TABLE-1, TABLE-2, and TABLE-3 the following Tables shall be substituted, namely: -

"TABLE-1

Sl. No.	Chapter/ heading/ sub-heading /Tariff item	Description of goods	Tariff value (US $Per Metric Tonne)
(1)	(2)	(3)	(4)
1	1511 10 00	Crude Palm Oil	1208
2	1511 90 10	RBD Palm Oil	1220
3	1511 90 90	Others – Palm Oil	1214
4	1511 10 00	Crude Palmolein	1227
5	1511 90 20	RBD Palmolein	1230
6	1511 90 90	Others – Palmolein	1229
7	1507 10 00	Crude Soya bean Oil	1257
8	7404 00 22	Brass Scrap (all grades)	7945

TABLE-2

Sl. No.	Chapter/ heading/ sub-heading/tariff item	Description of goods	Tariff value (US $)
(1)	(2)	(3)	(4)
1.	71 or 98	Gold, in any form, in respect of which the benefit of entries at serial number 194 of the Notification No. 45/2025-Customs dated 24.10.2025 is availed	1407 per 10 grams
2.	71 or 98	Silver, in any form, in respect of which the benefit of entries at serial number 195 of the Notification No. 45/2025-Customs dated 24.10.2025 is availed	2097 per kilogram
3.	71	(i) Silver, in any form, other than medallions and silver coins having silver content not below 99.9% or semi-manufactured forms of silver falling under sub-heading 7106 92; (ii) Medallions and silver coins having silver content not below 99.9% or semi-manufactured forms of silver falling under sub-heading 7106 92, other than imports of such goods through post, courier or baggage. **Explanation.** - For the purposes of this entry, silver in any form shall not include foreign currency coins, jewellery made of silver or articles made of silver.	2097 per kilogram
4.	71	(i) Gold bars, other than tola bars, bearing manufacturers or refiner's engraved serial number and weight expressed in metric units;	1407 per 10 grams

		(ii) Gold coins having gold content not below 99.5% and gold findings, other than imports of such goods through post, courier or baggage. **Explanation.** - For the purposes of this entry, "gold findings" means a small component such as hook, clasp, clamp, pin, catch, screw back used to hold the whole or a part of a piece of Jewellery in place.	

TABLE-3

Sl. No.	Chapter/ heading/ sub-heading/tariff item	Description of goods	Tariff value (US $ Per Metric Ton)
(1)	(2)	(3)	(4)
1	080280	Areca nuts	11574"

2. This notification shall come into force with effect from the 15th day of August, 2026.

[For further details please refer the Notification]

CIRCULAR

RETURN OF EXPORT CARGO FROM INTERNATIONAL WATERS DUE TO CLOSURE OF THE STRAIT OF HORMUZ

OUR COMMENTS: The Central Board of Indirect Taxes and Customs, Department of Revenue, Ministry of Finance, issued Circular No. 36/2026 dated 20.08.2026 clarified that:

1. Kind reference is invited to Circular No. 12/2026-Customs dated 17.03.2026, Circular No. 15/2026-Customs dated 27.03.2026 and subsequent Circular No. 25/2026-Customs dated 14.05.2026 issued under Section 143AA of the Customs Act, 1962 with regards to the ongoing West Asia crisis.

2. Representation has been received from the trade and industry highlighting that the operational challenges arising from disruption of maritime routes and uncertainties in the Gulf region continue to persist, necessitating continuation of the facilitative framework for transshipment of international cargo through Indian ports.

3. In order to facilitate the uninterrupted international trade, it is clarified that international transhipment of both FCL and LCL cargo shall be permitted from all seaports and international airports, including cases involving transhipment through other Customs stations, subject to compliance with the provisions of the Customs Act, 1962, the rules made thereunder.

4. It has been decided that, the following measures shall temporarily be followed in case of transshipment of Liquid Bulk, Break Bulk and Solid/Dry Bulk international cargo:

(i) Jurisdictional Principal Commissioners/Commissioners of Customs may permit, temporary unloading, storage and transshipment of liquid bulk, break bulk and solid/dry bulk cargo destined for foreign ports which are compelled to divert to an Indian port due to maritime security concerns, disruption of international shipping routes, or other logistical exigencies, in Customs areas, bonded warehouses, bonded tanks, silos, yards or other approved storage facilities for the sole purpose of onward international transshipment or re- export.

(ii) Such permission may be granted on a case to case basis subject to customs supervision during discharge, ullage survey and quantity determination, storage under the custody of an approved custodian under Section 45 of the Customs Act, 1962, maintenance of proper inventory records, execution of suitable bond or undertaking, testing of the cargo and ensuring that the cargo remains under Customs control at all times and is not cleared for home consumption or diverted into the Domestic Tariff Area.

(iii) Solid/Dry Bulk Cargo shall be governed by the same operational framework applicable to Break Bulk Cargo, particularly with regard to weighment, quantity verification and safeguards against diversion.

(iv) Repacking of bulk cargo, wherever operationally necessary, may be permitted within the Customs area on a case-to-case basis under Customs supervision, subject to maintenance of proper accounts and compliance with all applicable statutory provisions.

5.1 The procedure prescribed in the Board Circulars No. 14/2007-Cus dated 16.03.2007, No. 12/2026-Customs dated 17.03.2026 and No. 15/2026-Customs dated 27.03.2026 for allowing International Transhipment of FCL/LCL cargo from all Ports/Airports shall be duly followed. The Nodal Officer shall ensure that permissions for international transhipment are granted by the jurisdictional Assistant/Deputy Commissioner of Customs, duly authorised by the jurisdictional Commissioner, on priority basis, after due verification.

5.2 For, transshipment involving multiple customs stations, the following existing procedures prescribed under Circular No. 15/2026-Customs dated 27.03.2026 for movement and transshipment of containerized cargo through Indian ports, airports and other Customs stations shall continue to apply:

(i) The Nodal Officer at the originating Customs station shall obtain prior consent through official email from the Nodal Officer of the concerned transit/destination Customs station;

(ii) The Nodal Officer of the transit/destination station shall convey consent through official email after verifying availability of sufficient, safe and secure storage space, adequate infrastructure and logistics support, and readiness to handle and supervise such transhipment cargo;

(iii) Upon receipt of such consent, the Nodal Officer of originating customs station shall ensure that the permission for international transhipment permission may be granted at the originating station on priority basis;

(iv) The movement of cargo to the transit/destination Customs station shall take place under appropriate Customs control (including sealing of containers, where required).

5.3 The Custodian of the cargo at the originating, transit and destination Customs stations shall be responsible for safe custody, secure storage, proper handling and accounting of transhipment cargo during the entire period it remains under their charge. The Custodian shall ensure compliance with all Customs instructions, maintain proper records, facilitate Customs supervision, and immediately report any discrepancy, damage or irregularity noticed in the transhipment cargo.

6. The provisions of this Circular shall remain in force up to 31.10.2026.

7. Difficulties, if any, in implementation of this Circular may be brought to the notice of the Board.

[For further details please refer the Circular]

PUBLIC NOTICE

MANDATORY FILING OF SEA CARGO MANIFEST AND TRANSSHIPMENT REGULATION (SCMTR) - DISCONTINUATION OF SUPPLEMENTARY IGM/EGM FILINGS BY 12TH AUGUST 2026

OUR COMMENTS: The Central Board of Indirect Taxes and Customs, Department of Revenue, Ministry of Finance, issued Public Notice No. 118/2026 dated 11.08.2026 notified that:

1. Kind attention of Authorized Sea Carrier (Including Shipping Lines), Authorized Sea Agent (Steamer/Shipping Agents), Authorized Carrier (Transshippers), Terminal Operators, Custodians, Freight Forwarders, Importers, Exporters, Customs Brokers, Authorized Persons of all above, Associations and Federations representing the above persons and all other concerned stakeholders is invited to the Board's Notification No.38/2018 dated 11.05.2018, the Public Notice No.61/2025 dated 24.11.2025 regarding Pan India Implementation of Stuffing(SF) message under SCMTR, 2018 w.e.f 25.11.2025, Public Notice No.37/2026 dated 10.06.2026 and PN No.42/2026 dated 29.06.2026 issued by this office regarding the Pan India Implementation of ASR message and SFCN message w.e.f 25.05.2026. Further, Circular No.29/2026 – Customs dated 01.07.2026 vide F.No. 450/58/2015-Cus.IV(Pt.I) issued by CBIC & Public Notice No.47/2026 dated 03.07.2026 regarding Mandatory filing of Sea Cargo Manifest and Transhipment Regulations (SCMTR), 2018 may also be referred.

2. DG Systems, CBIC, vide letter F. No. DGSYS/APP/ICES/GEN/3/2024/974-977 dated 07.08.2026, has informed that the supplementary filing for the ports shall be **permanently disabled with effect from 12.08.2026**. Accordingly, all amendment filings are required to be made only through the prescribed SCMTR amendment messages.

3. In view of the above, it is hereby informed that **with effect from 12.08.2026, Supplementary IGM/EGM filings shall be permanently disabled in the System.** Any amendment to the cargo/manifest particulars, wherever required, shall

henceforth be carried out only through SCMTR amendment messages, as prescribed in the SCMTR framework.

4. All Authorized Sea Carriers, Shipping Lines, Shipping/Steamer Agents, Customs Brokers, Freight Forwarders and other concerned stakeholders are therefore advised to ensure that their systems and operational processes are fully enabled for SCMTR-based filing and amendment before the aforesaid cut-off date.

5. Shipping Lines/Agents and other concerned stakeholders who are yet to migrate completely to the SCMTR environment are advised to take immediate necessary action.

6. Any difficulties may be immediately taken up with ICEGATE Helpdesk email idicegatehelpdesk@icegate.gov.in with a copy to scmtr-prevchn@gov.in to resolve this issue at the earliest

[For further details please refer the Public Notice]

PUBLIC NOTICE

SINGLE UNIFIED MULTI-PURPOSE ELECTRONIC BOND IN CUSTOMS

OUR COMMENTS: The Central Board of Indirect Taxes and Customs, Department of Revenue, Ministry of Finance, issued Public Notice No. 116/2026 dated 12.08.2026 notified that:

1. Kind attention of all Importers, Exporters, Customs Brokers, and other stakeholders is invited to this office Public Notice No. 16/2025 dated 07.03.2025, issued in accordance with CBIC Circular No. 04/2025-Customs dated 17.02.2025 (F. No. 450/119/2021-CusIV), regarding the implementation of the Single Unified Multi-Purpose Electronic Bond (SEB) under the "Ekal Anubandh" initiative. A copy of the said Circular is enclosed herewith for ready reference.

2. It is observed that usage of e-Bond or e-Bank Guarantee has been very limited in this Commissionerate since the issuance of the above Public Notice. Accordingly, it is once again reiterated that all stakeholders are strongly encouraged to avail the SEB facility through the ICEGATE portal, which enables seamless, all-India electronic execution of Bonds and Bank Guarantees. This system is aimed at reducing transaction costs, improving transparency, and facilitating ease of doing business. The step-by-step procedure for execution of e-Bond and linking of e-BG is provided in the annexures to the Circular and Public Notice for ease of reference and compliance.

3. Importers and exporters currently need to submit separate bonds with security for each transaction at different ports under various customs scenarios, as mandated by multiple Board circulars. To streamline processes and to enhance efficiency and reduce the administrative load on businesses, CBIC has decided to introduce a project named "**Ekal Anubandh**", vide Circular No. 04/2025-Customs dated 17.02.2025 wherein trade will be encouraged to use single All-India Multi-purpose Electronic Bond with end-to-end automation. As a first step, single All-India Multipurpose Bond for importers or exporters in lieu of the transaction-wise Bonds being submitted across different ports, thus offering significant potential to save both time and costs in trade procedures.

4. **The Key features include:**

i. Importer/Exporter can choose the obligations; he intends to undertake in the common bond format and submit at any port of importer's choice electronically at ICEGATE.

ii. Option to include additional obligations or additional amount at the later stage is available at ICEGATE.

iii. Electronic Payment of stamp duty and electronic execution of Bond through integration with National E-Governance Services Limited (NeSL) by affixing electronic signature without any requirement for notary.

iv. Online linking End-to-End issued Electronic Bank Guarantee.

v. Verification of Bank Guarantee (BG) issued by issuing Bank.

5. The Procedures are explained in the annexures (refer to Board Circular No. 04/2025- Customs dated 17.02.2025) for Single Unified Multi-Purpose Electronic Bond (SEB) as detailed below:

i. The process of execution of bond electronically including the digital payment of stamp duty is elaborated in Annexure-A.

ii. Linking of e-Bank Guarantee is elaborated in Annexure-B.

iii. Format of the SEB is provided in Annexure-C.

CUSTOMS

iv. Format for Supplementary Bond for addition of new events is provided in Annexure-D.

v. Format for Supplementary Bond for addition of Amount is provided in Annexure-E.

vi. For the sake of uniformity, the quantum of Bank Guarantee to be provided in the different instances prescribed earlier through the Board circulars have been collated and made available in Annexure-F. The importer/exporter may also be able to select the quantum of bank guarantee applicable for different purposes like provisional assessment, EP schemes etc. Further, a separate option is also available in case there is a need for having different quantum of bank guarantee other than those specifically listed in Annexure-F.

vii. The list of States and UTs enabled at NeSL for e-BG and e-Customs Bond is enclosed as Annexure-G.

viii. Importer may approach any of the Banks listed in Annexure-H for issuance of e-BG in the format specified in Annexure-I.

6. With electronic bonds and bank guarantees, importers/exporters/customs brokers can manage and track documents in real time, ensuring greater security and transparency throughout transactions. The "**Ekal Anubandh**" project ensures that above digital solutions are environmentally friendly, cost-effective, and more convenient, as they eliminate the need for physical signatures and paperwork, allowing for faster approvals and fewer delays. Therefore, the importers and exporters are encouraged that, wherever required, importers/exporters/customs brokers may execute a single unified multi-purpose electronic bond and electronic bank guarantee.

7. For further details of the e-Bond and e-Bank Guarantee module, detailed Advisories issued by ICEGATE website may be referred to.

8. The Single All-India Multipurpose electronic Bond (SEB) under "**Ekal Anubandh**" project shall be implemented through detailed advisories being issued by DG Systems in a phased manner. User feedback will be suitably incorporated during implementation.

9. CBIC Circular No. 04/2025-Customs dated 17.02.2025 and ICEGATE User Manual ebond registration is herewith enclosed for detailed reference.

10. This Public Notice shall be considered as a Standing Order for the purpose of officers and staff of the Commissionerate.

11. The facility for submission of e-Bond and e-Bank Guarantee is operational with immediate effect. Stakeholders are requested to discontinue the use of manual Bonds and BGs, as their acceptance will cease **w.e.f. 24.08.2026**, except in exceptional circumstances with prior approval of the Deputy/Asst. Commissioners of Customs of the respective sections of Chennai-II (Import). The format for seeking such manual approval is enclosed in Annexure III for reference.

12. Such manual filing of Bond/Bank Guarantee by Importers/Exporters shall be allowed only up to three occasions by the Deputy/Assistant Commissioners of respective sections and meanwhile efforts shall be taken to resolve the issues. Fourth occasion shall be permitted only with the permission of the concerned Additional/Joint Commissioner of Customs.

13. Difficulties faced, if any, may be brought to the notice of Deputy/Asst. Commissioner of Customs of the respective sections for necessary action.

[For further details please refer the Public Notice]

DGFT

NOTIFICATION

AMENDMENT IN PARA 1.25 OF THE FOREIGN TRADE POLICY, 2023. - 33/2026-27 - FOREIGN TRADE POLICY

OUR COMMENTS: The Directorate General of Foreign Trade, Department of Commerce, Ministry of Commerce & Industry issued Notification No. 33/2026-27 dated 21.08.2026 notified that In exercise of powers conferred by Section 3 read with Section 5 of the Foreign Trade (Development & Regulation) Act, 1992 (No. 22 of 1992), as amended, read with Para 1.02 and 2.03 of the Foreign Trade Policy (FTP), 2023, the Central Government hereby makes the following amendments in Para 1.25 (d) of FTP, 2023, with immediate effect:

Existing Para 1.25 (d)	Revised Para 1.25 (d)
For granting status, an export performance would be necessary in all the three preceding financial years (and in all the two preceding financial years for Gems & Jewelry Sector).	For granting status, an export performance would be necessary in all the three preceding financial years (and in all the two preceding financial years for Gems & Jewelry Sector): **Provided that** for grant of One Star Export House status (other than for Gems & Jewelry Sector), export performance in any two out of the three preceding financial years shall be sufficient.

Effect of this Notification:
The Para 1.25(d) of the FTP, 2023 is amended to allow granting of One Star Export House status to applicants (other than for Gems & Jewelry Sector) who possess export performance in any two out of the three preceding financial years subject to other provisions of Para 1.25 of FTP, 2023

[For further details please refer the Notification]

NOTIFICATION

AMENDMENT TO PARA 4.63 OF FTP-2023 - 32/2026-27 - FOREIGN TRADE POLICY

OUR COMMENTS: The Directorate General of Foreign Trade, Department of Commerce, Ministry of Commerce & Industry issued Notification No. 32/2026-27 dated 21.08.2026 notified that In exercise of powers conferred by Section 5 of the Foreign Trade (Development and Regulation) Act, 1992 read with paragraph 1.02 of the Foreign Trade Policy, 2023 (as amended from time to time), the Central Government hereby amends Para 4.63 of FTP-2023, with immediate effect, as under:

Para No.	Existing Para	Revised Para
4.63	Imports under Diamond Imprest Authorisation are exempted from payment of Basic Customs Duty, Additional Customs Duty, Education Cess, Anti- dumping Duty, Countervailing Duty, Safeguard Duty, Transition Product Specific Safeguard Duty, wherever applicable. Such, imports are also exempt from whole of the Integrated Tax and Compensation Cess leviable under sub-section (7) and sub-section (9) respectively, of section 3 of the Customs Tariff Act, 1975 (51 of 1975)	Imports under Diamond Imprest Authorisation are exempted from payment of Basic Customs Duty, Additional Customs Duty, Education Cess, Anti- dumping Duty, Countervailing Duty, Safeguard Duty, Transition Product Specific Safeguard Duty, wherever applicable. Such, imports are also exempted from whole of the Integrated Tax leviable under sub-section (7), of section 3 of the Customs Tariff Act, 1975 (51 of 1975).

Effect of the Notification: The reference in Para 4.63 of FTP 2023 to exemption from Compensation Cess leviable under sub-section (9) of section 3 of the Customs Tariff Act, 1975 stands omitted, Compensation Cess having been discontinued with effect from 01.02.2026 on the recommendation of the GST Council in its 56th Meeting. Exemption from the whole of the Integrated Tax leviable under sub-section (7) of section 3 of the said Act on imports under Diamond Imprest Authorisation continues to be available.

[For further details please refer the Notification]

NOTIFICATION

AMENDMENT IN IMPORT POLICY OF RAW SUGAR CLASSIFIED UNDER EXIM CODE 170114 OF CHAPTER 17 OF SCHEDULE–1 (IMPORT POLICY) OF ITC (HS), 2022 AND ONE-TIME CONVERSION FROM ADVANCE AUTHORISATION SCHEME TO TARIFF RATE QUOTA (TRQ) SCHEME

OUR COMMENTS: The Directorate General of Foreign Trade, Department of Commerce, Ministry of Commerce & Industry issued Notification No. 31/2026-27 dated 20.08.2026 notified that in exercise of powers conferred by Section 3 of FT (D&R)

DGFT

Act, 1992, read with paragraph 1.02 and 2.01 of the Foreign Trade Policy, 2023, as amended from time to time, the Central Government hereby amends the import policy condition for 'Raw Sugar' classified under Exim Code 170114 of Chapter 17 of ITC (HS), 2022 – Schedule–1 (Import Policy) as under:

Exim Code	Item Description	Policy	Existing Policy Condition	Revised Policy Condition
170114	Raw Sugar	Free	-	Import is "Free" subject to a Tariff Rate Quota (TRQ) of 10 lakh MT (duty-free) up to 31.10.2026, subject to the conditions specified below.

2. In addition to the TRQ of 10 lakh MT mentioned above, Advance Authorisations already issued under SION E52 are given a one-time option for conversion from the Advance Authorisation Scheme to the TRQ Scheme in respect of the quantity of Raw Sugar actually imported under such Advance Authorisations up to the date of this Notification. This will include refined sugar, already produced and to be produced out the imported raw sugar available under the Advance Authorisation.

3. The conversion is subject to payment of the exempted GST availed at the time of import, condition that the refined sugar manufactured out of the imported Raw Sugar shall be sold in the domestic market by 31.10.2026 and such other conditions as may be prescribed.

4. The DGFT shall specify the procedure for administering the TRQ and the one-time conversion from the Advance Authorisation Scheme to the TRQ Scheme through a Public Notice.

Effect of this Notification:

The import policy for raw sugar is amended to allow 10 Lakh MT of duty-free imports under TRQ till 31.10.2026.

Further, a one-time option is provided for conversion of Advance Authorisations already issued under SION E-52 to the TRQ Scheme, in respect of the quantity of Raw Sugar actually imported thereunder up to the date of this Notification subject to specified conditions.

[For further details please refer the Notification]

NOTIFICATION

AMENDMENT IN PARA 2.52 AND 2.53 OF THE FOREIGN TRADE POLICY (FTP) 2023

OUR COMMENTS: The Directorate General of Foreign Trade, Department of Commerce, Ministry of Commerce & Industry issued Notification No. 30/2026-27 dated 20.08.2026 notified that in exercise of powers conferred by Section 3 and Section 5 of Foreign Trade (Development & Regulation) Act, 1992, read with paragraph 1.02 and 2.01 of the Foreign Trade Policy 2023, as amended from time to time, the Central Government hereby makes the following amendments relating to Para 2.52 and 2.53 of the Foreign Trade Policy (FTP), 2023, with immediate effect:

Para No.	Existing Para	Revised Para
2.52: Denomination of Export Contracts	(a) All export contracts and invoices must be denominated either in freely convertible currency or Indian rupees, but export proceeds must be realized in freely convertible currency. (b) Export proceeds for specific exports may also be realized in rupees, provided: It is through a freely convertible Vostro account of a non-resident bank located in a country other than an ACU member, Nepal, or Bhutan. Rupee payment via Vostro account must correspond to free foreign currency payment	(a) All export contracts and invoices, other than those involving member countries of the Asian Clearing Union (ACU), shall be denominated either in foreign currency or Indian Rupees. Export proceeds shall be realized either in any foreign currency or in Indian Rupees. (b) Export contracts involving member countries of the ACU, other than Nepal and Bhutan, shall be denominated in a currency determined by the ACU. However, such transactions may also be denominated and settled in accordance with the directions issued by

	by the buyer in their non-resident bank account. The free foreign exchange remitted by the buyer to their non-resident bank (after deducting bank service charges) will count as export realization under FTP export promotion schemes. (c) Contracts settled through the ACU must be denominated in ACU Dollars, although transactions may be settled in ACU Dollar or ACU Euro per RBI notifications. The Central Government may relax these provisions when appropriate. Export contracts and invoices can be denominated in Indian rupees under an EXIM Bank/Government of India line of credit. (d) Invoicing, payment, and settlement of exports and imports in INR are also permitted, subject to compliance with RBI's A.P. (DIR Series) Circular No. 10, dated July 11, 2022. INR trade	the Reserve Bank of India from time to time. (c) Export contracts involving Nepal and Bhutan shall be denominated and settled in Indian Rupees, or in accordance with the directions issued by the Reserve Bank of India from time to time. Further, export contracts and invoices under EXIM Bank/Government of India Lines of Credit may also be denominated in Indian Rupees.

	transactions must follow these guidelines: (i) Indian importers must pay in INR, credited into the Special Vostro account of the correspondent bank of the partner country, against invoices for goods or services from the overseas seller/supplier. (ii) Indian exporters must receive export proceeds in INR from balances in the designated Special Vostro account of the correspondent bank of the partner country.	
2.53: Applicability of FTP Schemes for Export Realisations in Indian Rupees	i. Export proceeds realized in Indian Rupees against exports to Iran are permitted to avail exports benefits / incentives/ fulfilment of Export Obligations under the FTP, at par with export proceeds realized in freely convertible currency, subject to compliance of para 2.19 of the FTP. ii. Export proceeds realized in Indian Rupees as per para 2.52(d)(ii) are permitted to avail exports benefits / incentives / fulfilment of Export	Exports to any country, other than Nepal and Bhutan, for which export proceeds are realized in Indian Rupees through banking channels by credit to Indian Rupee accounts of persons resident outside India, opened in accordance with the Foreign Exchange Management (Deposit) Regulations, as amended from time to time, shall be eligible for export benefits/incentives and fulfilment of Export Obligations under the FTP, at par with exports realized

	Obligations under the FTP.	in any foreign currency. In the case of exports to Iran, the above provisions shall apply subject to compliance with the provisions of para 2.19 of the FTP.

Effect of this Notification: Paras 2.52 and 2.53 of the Foreign Trade Policy (FTP) 2023 have been amended to align the provisions relating to denomination of export contracts and eligibility for FTP benefits in respect of export realisations in Indian Rupees with the Foreign Exchange Management (Manner of Receipt and Payment) Regulations, 2023.

This is issued with the approval of the Minister of Commerce and Industry.

[For further details please refer the Notification]

NOTIFICATION

AMENDMENT IN IMPORT POLICY AND POLICY CONDITION OF CLEAR FLOAT GLASS (4 MM- 12 MM), FALLING UNDER ITC (HS) CODES 70051090 AND 70052990, COVERED UNDER CHAPTER 70 OF SCHEDULE - I (IMPORT POLICY) OF ITC (HS) 2022.

OUR COMMENTS: The Directorate General of Foreign Trade, Department of Commerce, Ministry of Commerce & Industry issued Notification No. 29/2026-27 dated 18.08.2026 notified that in exercise of powers conferred by Section 3 and Section 5 of Foreign Trade (Development & Regulation) Act, 1992, read with paragraph 1.02 and 2.01 of the Foreign Trade Policy 2023, as amended from time to time, the Central Government hereby amends the import policy condition for the following HS codes covered under Chapter 70 of the ITC (HS), 2022, Schedule-I (Import Policy) as under:

HS code	Item Description	Existing Import Policy	Revised Import Policy	Existing Import Policy Condition	Revised Policy Condition
700510	Non-wired glass, having an absorbent, reflecting or non-reflecting layer				
70051090	Other	Free	Restricted	-	However, import is "**Free**" where the CIF value is ₹34,000 and above per MT.
700529	Other non-wired glass : -- Other				
70052990	Other : -- Other	Free	Restricted	-	However, import is "**Free**" where the CIF value is ₹34,000 and above per MT.

2. Minimum Import Price (MIP) condition on the above items shall not be applicable for imports by Advance Authorisation holders, Export Oriented Units (EOUs) and units in the SEZ subject to the condition that the imported inputs under the above ITC (HS) Codes are not sold into Domestic Tariff Area (DTA).

3. The MIP condition shall remain applicable for a period of one year from the date of publication of this Notification.

Effect of the notification:

The Import Policy and Policy Condition of Clear Float Glass (4 mm-12 mm), falling under ITC (HS) Codes 70051090 and 70052990, is revised from "Free" to "Restricted". However, import shall be "Free" if CIF value is ₹34,000 and above per MT. The above restriction is not applicable for imports by Advance Authorisation holders, Export Oriented Units (EOUs) and units in the SEZ subject to the condition that the imported inputs under the above ITC

(HS) Codes are not sold into Domestic Tariff Area (DTA). The Minimum Import Price (MIP) condition shall remain applicable for a period of one year from the date of publication of this Notification.

This is issued with the approval of the Hon'ble Minister of Commerce & Industry.

[For further details please refer the Notification]

PUBLIC NOTICE

MODALITIES FOR APPLICATION AND DISTRIBUTION OF TRQ FOR IMPORT OF 10 LAKH MT OF RAW SUGAR AND ONE-TIME CONVERSION FROM ADVANCE AUTHORISATION (AA) SCHEME TO TARIFF RATE QUOTA (TRQ) SCHEME

OUR COMMENTS: The Directorate General of Foreign Trade, Department of Commerce, Ministry of Commerce & Industry issued Public Notice No. 27/2026-27 dated 20.08.2026 notified that in exercise of powers conferred under Paragraphs 1.03 and 2.04 of the Foreign Trade Policy, 2015-2020, the Director General of Foreign Trade hereby prescribes the modalities for operationalisation of the TRQ Scheme for import of Raw Sugar notified vide Notification No. 31/2026-2027 dated 20 August 2026:

Modalities for the allocation of the 10 Lakh MT Tariff Rate Quota (TRQ) for Raw Sugar:

2. The criteria for eligibility and Application process are given as under:

i. Applications for TRQ are invited online from millers and refiners possessing their own functional capacity to convert raw sugar into white/refined sugar. The Application window is from 21.08.2026 till 28.08.2026.

ii. All applications for grant of TRQ authorisations shall be submitted online through the DGFT website (https://dgft.gov.in) -- > Import Management System -- >Tariff Rate Quota (TRQ)

iii. Applicants must submit a self-declaration of refining capacity, along with supporting evidence of the same in the form of a copy of Consent to Operate issued by the State Pollution Control Board or any other document evidencing the refining capacity of the entity.

iv. The details given in the applications will be subject to scrutiny, and any misdeclaration will entail suspension of IEC and would attract penal action under the Foreign Trade (Development and Regulation) Act, 1992, and the rules and orders made thereunder.

v. Preference in allocation shall be given to the importers who give an undertaking to complete such import by 15th October 2026.

3. The Exim Facilitation Committee (EFC) will evaluate applications taking into consideration various factors, inter alia, the refining capacity of the units and the total quantity requested and history of imports and such other relevant factors as may be deemed necessary.

4. On allocation of quota, the TRQ holders shall submit details of Letter(s) of Credit/confirmed contract to DGFT within 15 days of obtaining the TRQ authorisation. The submissions are to be made by filing an amendment application against the TRQ Authorisation.

5. All TRQ holders shall utilise the allocated TRQ quantity for import within the prescribed period. However, a TRQ holder may surrender any unutilised quantity within 15 days of the date of issue of the TRQ Authorisation, subject to payment of an amount equivalent to 0.5% of the CIF value of the surrendered quantity. Any quantity so surrendered may be reallocated by DGFT.

6. Failure to utilise or surrender the allocated quantity within the prescribed period shall constitute non-compliance with the conditions of the TRQ Authorisation and may, without prejudice to any other action permissible under law, attract action under the FT(D&R) Act, 1992, and the rules and orders made thereunder, including cancellation/reduction of the allocation and restriction from future TRQ allocations.

7. Other Applicable Conditions:

a. All imported Raw Sugar must be processed at the TRQ holder's own facility.

b. For every 1.05 KG of Raw Sugar covered under the TRQ Authorisation, the TRQ holder shall produce and sell 1 KG of Refined Sugar in the domestic market by 31.10.2026. Failure to comply with the same shall result in such action as may be permissible under law, including payment of applicable Customs duty and interest, as applicable.

c. The Raw Sugar imported under the TRQ shall be processed into White/Refined Sugar within a reasonable period after import and, in any event, sufficiently in advance to enable its sale in the domestic market by 31 October 2026.

DGFT

Modalities for one-time conversion from Advance Authorisation (AA) Scheme to Tariff Rate Quota (TRQ) Scheme:

1. Advance Authorisations already issued under SION E52 are given a one-time option for conversion from the Advance Authorisation Scheme to the TRQ Scheme in respect of the quantity of Raw Sugar actually imported under such Advance Authorisations up to the date of this Notification.

This will include refined sugar, already produced and to be produced out the imported raw sugar available under the Advance Authorisation.

The conversion is subject to payment of the exempted GST availed at the time of import, condition that the refined sugar manufactured out of the imported Raw Sugar shall be sold in the domestic market by 31.10.2026 and such other conditions as may be prescribed.

2. The AA holders who wish to avail the option to convert from AA to TRQ scheme shall file a TRQ Application through the DGFT website (https://dgft.gov.in) -- > Import Management System -- >Tariff Rate Quota (TRQ). The Application window is from 21.08.2026 till 28.08.2026.

3. While filing such an application, the AA holder should submit the following:

a. A copy of the valid Advance Authorisation issued for SION E52.

b. A copy of the proof of GST paid against the applied quantity of Raw Sugar proposed for conversion.

c. A self-certified statement indicating the quantity and value of Raw Sugar imported and the quantity and value of Refined Sugar exported against the relevant Advance Authorisation up to the date of the Notification, i.e. -- August 2026.

d. A self-certified statement indicating the quantity of Raw Sugar available for processing, after accounting for the quantity already utilised in production/export wherever applicable.

4. For every 1.05 KG of Raw Sugar covered under the TRQ Authorisation, the TRQ holder shall produce and sell 1 KG of Refined Sugar in the domestic market by 31.10.2026. Failure to comply with the same shall result in such action as may be permissible under law, including payment of applicable Customs duty and interest, as per the provisions governing the Advance Authorisation Scheme, wherever applicable.

5. A statement of GST invoices evidencing the domestic sale of Refined Sugar, indicating the quantity of Refined Sugar sold in the domestic market, shall be submitted by the TRQ holders under this scheme on or before the 1st and 15th day of the month, with the final statement to be submitted by 1 November 2026.

6. The refined sugar already produced or subsequently produced from the eligible imported Raw Sugar shall be sold in the domestic market within the prescribed period. Failure to comply with the conditions of conversion or furnish the prescribed documents may result in cancellation of the conversion/TRQ Authorisation and such further action as may be permissible under law.

7. DGFT reserves the right to amend, modify, relax or withdraw any provision of this Public Notice, as may be considered necessary, subject to the Foreign Trade Policy and applicable law.

[For further details please refer the Public Notice]

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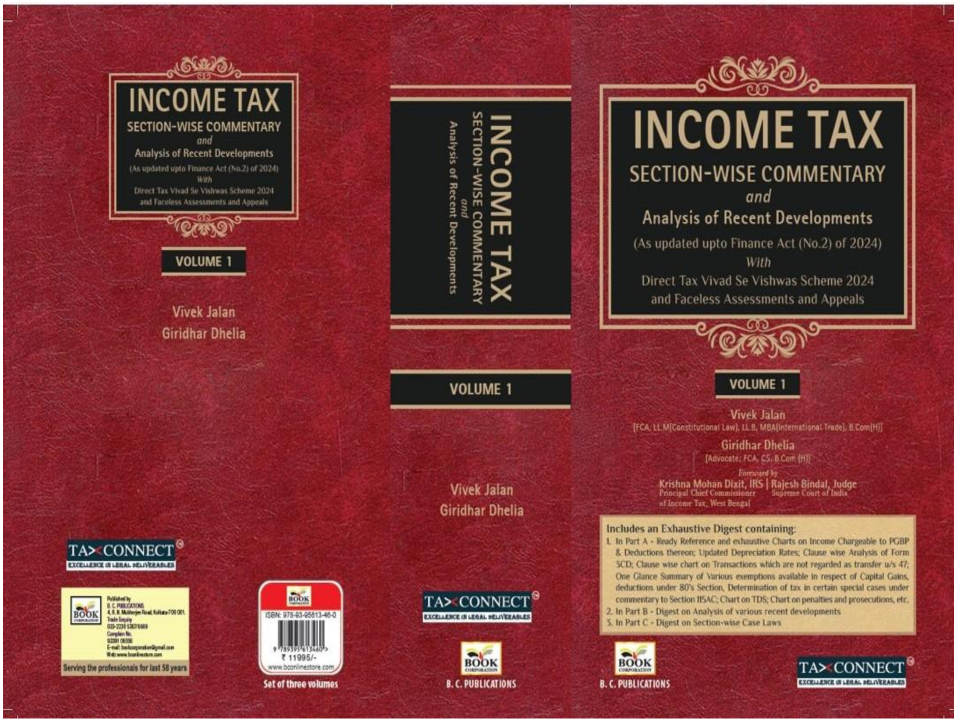
:IN STANDS

Income Tax Section-Wise Commentary and Analysis of Recent Developments



CONTENTS

1. In Part A – Ready Reference and exhaustive Charts on Income Chargeable to PGBP & Deductions thereon; Updated Depreciation Rates; Clause wise Analysis of Form 3CD; Clause wise chart on Transactions which are not regarded as transfer u/s 47; One Glance Summary of various exemptions available in respect of Capital Gains, deductions under 80's sections, Determination of tax in certain special cases under commentary to section 115AC; Chart on TDS; Chart on penalties and prosecutions, etc.
2. In Part B – Digest on Analysis of various recent developments
3. In Part C – Digest on Section-wise Case Laws

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