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EDITORIAL

Friends,
Jurisdictional boundaries on legacy credits and examine the recent judicial developments concerning transitional credits arising from the erstwhile indirect tax regime of VAT, Service Tax and Central Excise.

The transition from the erstwhile indirect tax regime (VAT, Service Tax, Central Excise) to GST was accompanied by complex disputes over the treatment of transitional credits. Taxpayers sought to carry forward credits through TRAN 1 filings, while authorities often initiated proceedings under Sections 73 and 74 of the CGST Act. Recent judicial pronouncements have clarified the jurisdictional limits of GST authorities in adjudicating such matters, particularly where credits pertain to the pre-GST regime.

M/s Shiv Shakti Trading Co. vs. State of Haryana [2026 VIL 847 P&H]
In this case, proceedings were initiated under GST law in respect of credits availed under the erstwhile VAT regime. The Punjab & Haryana High Court, relying on precedents such as Usha Martin Limited vs. ADC, CGEx, Jamshedpur [2024] 124 GSTR 396 (Jharkhand) and Steel Authority of India Limited vs. State of Jharkhand (2025 SCC OnLine Jhar 436), held that GST authorities lack jurisdiction to adjudicate credits claimed under VAT. The Supreme Court's dismissal of the SLP in the SAIL case reinforced this position.

Key takeaway: Credits availed under VAT or CENVAT cannot be reopened or adjudicated under GST, as the jurisdiction lies outside the scope of the GST framework.
- Jurisdictional limits protect taxpayers from retrospective application of GST law.
- TRAN Appeals may rely on this ground to contest proceedings.
- Authorities cannot disallow TRAN Credit merely because Credit under the earlier regime was not correct.

In the same vein it is important also to understand another matter.

In another appeal, M/s Karam Chand Thapar & Bros (Coal Sales) Ltd. [AAAR Order dated 15.07.2026], the Appellate Authority for Advance Ruling (AAAR) examined the scope of Section 142(11)(a) of the CGST Act, which was designed to prevent double taxation during the transition. The AAAR clarified:

- The statutory test is whether tax was leviable under the existing law, not whether it was actually paid.
- Mere non-payment of Service Tax under the old regime cannot, by itself, justify levy of GST.

Key takeaway: GST cannot be imposed retrospectively to cure non-payment under Service Tax, VAT, or Central Excise. The liability must be tested under the law prevailing at the time of the transaction.
- Section 142(11)(a) ensures continuity without duplication of tax.
- AAAR rulings provide persuasive authority for similar disputes.

Implications for Taxpayers
These rulings collectively underscore that legacy credits and liabilities must be adjudicated under the laws in force at the time of accrual, not under GST. For businesses, this has several implications:
- **Defensive strategy** - Taxpayers facing proceedings under GST for VAT/CENVAT credits can challenge jurisdiction.
- **Risk management** - Companies should maintain documentation from the pre-GST era to substantiate credit claims.
- **Litigation outlook** - Similar appeals before GSTAT are likely to succeed on jurisdictional grounds, reducing exposure to retrospective demands.

Conclusion
The jurisprudence emerging from High Courts, AAAR, and the Supreme Court establishes a clear boundary: GST authorities cannot adjudicate disputes rooted in the pre-GST regime. This protects taxpayers from double taxation and ensures that transitional provisions are interpreted in line with legislative intent. For businesses, the message is clear-while compliance under GST remains critical, disputes relating to legacy credits must be defended under the appropriate jurisdiction, not conceded under GST.

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

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SYNOPSIS

TAX CALENDAR

Date	Form/Return/Challan	Reporting Period	Description
30th August	Challan-cum-statement	Jul-26	Furnishing of challan-cum-statement in Form No. 141 (Income-tax Rules, 2026) in respect of deduction of tax under section 393(1) [Table Sl. No. 2(i), 3(i), 6(ii) & 8(vi)] of the Income-tax Act, 2025 for the month of July, 2026.
31st August	Form No. 10-EE	Aug-26	Furnishing of statement in Form No. 10-EE (Income-tax Rules, 1962) for exercising the option to claim relief under section 89A (Income-tax Act, 1961) for income arising from retirement benefit account maintained in a notified country at the time of withdrawal or redemption.
31st August	Form No. 10BBD	Aug-26	Furnishing of Form No. 10BBD (Income-tax Rules, 1962) reporting details of funds received from eligible persons, directly or through an Alternative Investment Fund, during the Previous Year 2025-26.
31st August	Form No. 10BA	Aug-26	Furnishing of declaration in Form No. 10BA (Income-tax Rules, 1962) by an assessee claiming deduction under Section 80GG (Income-tax Act, 1961) in respect of the rent paid for residential accommodation.
31st August	Form No. 10E	Aug-26	Furnishing of Form No. 10E (Income-tax Rules, 1962) by an employee claiming relief under section 89 (Income-tax Act, 1961) when salary is paid in arrears or in advance, etc.
31st August	Form No. 10CCD	Aug-26	Furnishing of certificate in Form No. 10CCD (Income-tax Rules, 1962) by a resident individual being an author (including a joint author) claiming deduction under section 80QQB (Income-tax Act, 1961) in respect of royalty income.
31st August	Form No. 10CCE	Aug-26	Furnishing of certificate in Form No. 10CCE (Income-tax Rules, 1962) by a resident individual being a patentee claiming deduction under section 80RRB (Income-tax Act, 1961) in respect of royalty income on patents.
31st August	Form No. 10H	Aug-26	Furnishing of certificate of foreign inward remittance in Form No. 10H (Income-tax Rules, 1962) by a resident individual being an author/patentee claiming deduction under Section 80QQB/80RRB (Income-tax Act, 1961) in respect of income earned from any source outside India.
31st August	Form No. 10-IA	Aug-26	Furnishing of the certificate in Form No. 10-IA (Income-tax Rules, 1962) from the medical authority certifying 'person with disability', 'severe disability', 'autism', 'cerebral palsy' or 'multiple disability' for the purposes of sections 80DD and 80U (Income-tax Act, 1961).

NOTIFICATION

NOTIFICATION GRANTING TAX EXEMPTION TO THE MAHARASHTRA ELECTRICITY REGULATORY COMMISSION UNDER SECTION 11 OF THE INCOME-TAX ACT, 2025.

OUR COMMENT: The Central Board of Direct Taxes, Department of Revenue, Ministry of Finance issued Notification No. 117/2026 dated 25.08.2026 notified that in exercise of the powers conferred by Schedule VII [Table: Sl.No.42] read with section 11 of the Income-tax Act, 2025 (30 of 2025) (hereinafter referred to as the Income-tax Act), the Central Government hereby notifies the "Maharashtra Electricity Regulatory Commission (PAN: AAAGM0004R)" (hereinafter referred to as the assessee), a Commission constituted under the Electricity Regulatory Commissions Act, 1998 (No. 14 of 1998) for the purposes of that serial number.

2. This notification shall be effective from the tax year 2026-2027, subject to the condition that the assessee continues to be a Commission constituted under the Electricity Regulatory Commissions Act, 1998 (No. 14 of 1998), with one or more of the purposes specified in Schedule VII [Table: Sl.No.42] of the Income-tax Act.

[For further details please refer the Notification]

NOTIFICATION

GRANTING TAX EXEMPTION TO MAHARASHTRA ELECTRICITY REGULATORY COMMISSION (PAN: AAAGM0004R) IN RESPECT OF THE SPECIFIED INCOME UNDER SECTION 10(46A) OF THE INCOME-TAX ACT, 1961 AND SECTION 536(2)(A) TO (C) AND (E) OF THE INCOME-TAX ACT, 2025.

OUR COMMENT: The Central Board of Direct Taxes, Department of Revenue, Ministry of Finance issued Notification No. 116/2026 dated 25.08.2026 notified that section 10 (46A) of the Income-tax Act, 1961 (43 of 1961) provided for exemption of specified income of certain bodies or authorities or Boards or Trusts or Commissions, not being a company as may be notified by the Central Government in the Official Gazette for the purposes of that section;

And whereas, the Income-tax Act, 1961 (43 of 1961) was repealed by section 536(1) of the Income-tax Act, 2025 (30 of 2025);

And whereas, section 536(2)(a) and (b) of the Income-tax Act, 2025 (30 of 2025), inter alia, provides that irrespective of the repeal of the Income-tax Act, 1961 (43 of 1961) (hereinafter referred to as the Act of 1961) and subject to sub-section (4) thereof, nothing shall affect-

(i) the previous operation of the provisions of the Act of 1961 and any order or anything duly done or suffered thereunder; or

(ii) any right, privilege, obligation or liability acquired, accrued or incurred under the Act of 1961 or orders under that Act;

And whereas, section 536(2)(c) of the Income-tax Act, 2025 (30 of 2025) provides that the provisions of the Act of 1961 shall continue to apply to any proceeding pending on the date of commencement of the Income-tax Act, 2025 (30 of 2025) and to any proceedings initiated on or after the 1st April, 2026 (including notices, assessment, reassessment, recomputation, rectification, penalty, reference, revision and appeals) in respect of any tax year beginning before the 1st April, 2026 and such proceedings shall be carried out as per the procedure specified in the Act of 1961;

And whereas, section 536(2)(e) of the Income-tax Act, 2025 (30 of 2025) provides that any proceeding pending on the date of its commencement before any income-tax authority or any other authority constituted under the repealed Income-tax Act, Appellate Tribunal, or any court, by way of application, appeal, reference or revision or by any other means, shall be continued and disposed of as if this Act had not been enacted;

Now, therefore, in pursuance of the provisions of section 536(2)(a) to (c) and (e) of the Income-tax Act, 2025 (30 of 2025), the Central Government hereby notifies, for the purposes of section 10 (46A) of the Income-tax Act, 1961, "Maharashtra Electricity Regulatory Commission" (PAN: AAAGM0004R), a Commission constituted under the Electricity Regulatory Commissions Act, 1998 (No. 14 of 1998).

This notification shall be effective for the assessment year 2026-27 relevant to the financial year 2025-26, subject to the condition that the assessee continues to be a Commission constituted under the Electricity Regulatory Commissions Act, 1998 (No. 14 of 1998) with one or more of the purposes specified in section 10 (46A) of the Income-tax Act, 1961.

[For further details please refer the Notification]

GST

CASE LAW

XITHELIA NOVA HEALTHCARE PRIVATE LTD. VERSUS STATE OF UTTARAKHAND 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 before the Court was whether service of the show cause notice exclusively through the GST portal, after cancellation of the petitioner's registration, could be treated as effective service, and whether the adjudication order could be sustained in the absence of an effective opportunity of personal hearing.

The learned counsel appearing for the petitioner submitted that since the GST registration had already been cancelled, the petitioner could not reasonably be expected to regularly monitor the GST portal. It was contended that the Revenue ought to have adopted an alternative permissible mode of service to ensure effective communication of the proceedings. It was further submitted that the petitioner had not been afforded an opportunity of personal hearing before passing the adverse adjudication order.

The Court observed that the Revenue did not dispute that the show cause notice had been served only through the GST portal. Relying upon the principles laid down in Raj Shekhar Pandey vs. State Tax Officer [2026 (2) TMI 1071 – UTTARAKHAND HIGH COURT] and the decisions in M/s Ahs Steels [2024 (10) TMI 1038 – ALLAHABAD HIGH COURT] and M/s Katyal Industries [2024 (2) TMI 1447 – ALLAHABAD HIGH COURT], the Court held that once the registration of an assessee had been cancelled, the assessee could not reasonably be expected to regularly access or monitor the GST portal. Accordingly, service of the show cause notice merely through the GST portal, without adopting an alternative permissible mode of service, could not be regarded as effective service.

The Court further considered the requirement of providing an opportunity of hearing under Section 75(4) of the CGST Act. Where an adverse decision is contemplated against the person chargeable with tax, the statutory requirement of affording an opportunity of personal hearing has to be complied with. The Court held that failure to provide such an opportunity would result in violation of the principles of natural justice.

Applying these principles, the Court held that the show cause notice served merely through the GST portal after cancellation of the petitioner's GST registration did not constitute valid and effective service. Consequently, the petitioner was deprived of an effective opportunity to respond to the proceedings and avail the opportunity of personal hearing.

Accordingly, the impugned adjudication order demanding tax and penalty was quashed and set aside. However, the Court granted liberty to the Revenue to recommence the proceedings from the stage of the show cause notice in accordance with law. The Court further clarified that if the petitioner seeks a personal hearing in the fresh proceedings, the same must be granted in accordance with Section 75(4) of the CGST Act.

In conclusion the writ petition was allowed to the extent of quashing the GST adjudication order on account of ineffective service of the show cause notice after cancellation of the petitioner's GST registration and failure to provide an effective opportunity of hearing. The Revenue was permitted to initiate fresh proceedings from the stage of the show cause notice, subject to proper service and compliance with the principles of natural justice.

[Decided in the favour of Petitioner]

FEMA

CASE LAW

PRAKASH CHANDRA YADAV VERSUS DIRECTORATE OF ENFORCEMENT: DELHI HIGH COURT

OUR COMMENTS: In the present case, the appellant challenged the penalty imposed for alleged violation of Section 8(1) and Section 8(2) of the Foreign Exchange Regulation Act (FERA), contending that the transaction in question did not involve any dealing in foreign exchange or any unauthorised conversion of Indian currency into foreign currency or vice versa.

The learned counsel appearing for the appellant submitted that the appellant had merely received a cheque payable in Indian currency and had not received or dealt with any amount payable in foreign currency. It was contended that the transaction, therefore, did not constitute acquisition, borrowing, transfer, lending or exchange of foreign exchange otherwise than through an authorised dealer, as contemplated under Section 8(1) of FERA.

It was further submitted that the Explanation to Section 8(1) was not attracted, as there was no allegation that any foreign exchange had been deposited with the appellant or that any account in foreign exchange had been opened with him. It was also contended that Section 8(2) had no application since there was neither any allegation nor any finding that the transaction involved conversion of Indian currency into foreign currency or vice versa at a rate other than the rate authorised by the Reserve Bank.

After considering the rival submissions, the Court examined the scope of Sections 8(1) and 8(2) of FERA. The Court observed that the determinative requirement under Section 8(1) was the existence of a dealing in foreign exchange, such as acquisition, borrowing, transfer, lending or exchange of foreign exchange otherwise than through an authorised dealer.

The Court noted that, on the admitted facts, the appellant had received only a cheque payable in Indian currency. There was no material to establish that the appellant had received any amount payable in foreign currency or any instrument which answered the statutory description of foreign exchange. Accordingly, the essential requirement for attracting Section 8(1) was not satisfied.

The Court further held that the Explanation to Section 8(1) could not be invoked in the absence of any allegation or evidence that foreign exchange had been deposited with the appellant or that an account in foreign exchange had been opened with him. The Court also considered Section 8(2) of FERA and observed that the provision would apply only where a transaction provided for conversion of Indian currency into foreign currency or foreign currency into Indian currency at a rate other than the rate authorised by the Reserve Bank. In the present case, there was no allegation or finding of any such unauthorised conversion or exchange-rate manipulation. Therefore, Section 8(2) was also held to be inapplicable.

The Court further considered the objection regarding alleged suppression of the earlier order passed in the criminal revision proceedings. It observed that the earlier order was confined to the limited question of whether sufficient material existed to permit the criminal prosecution to proceed on a prima facie basis. Since the criminal proceedings had subsequently ended in acquittal, the said order had ceased to have material relevance for determining the legality of the penalty in the present appeal. Accordingly, the non-filing of the said order could not constitute suppression of a material fact so as to justify rejection of the appeal. Applying these principles, the Court held that mere receipt of Indian currency through a cheque drawn on an NRE account, in the absence of any dealing in foreign exchange or any unauthorised currency conversion, did not constitute a violation of Section 8(1) or Section 8(2) of FERA. The allegations and material on record were therefore insufficient to sustain the penalty imposed upon the appellant.

Accordingly, the Court set aside the order of the Tribunal and allowed the appeal. The penalty imposed upon the appellant was held to be unsustainable and refund of the penalty amount deposited by the appellant was directed.

In conclusion, the Court held that receipt of Indian currency through a cheque drawn on an NRE account, without any acquisition, transfer, exchange or other dealing in foreign exchange and without any unauthorised currency conversion, did not attract the provisions of Section 8(1) or Section 8(2) of FERA. The Tribunal's order was accordingly set aside, the appeal was allowed, and refund of the deposited penalty was directed.

[Decided in the favour of Appellant]

CUSTOMS

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. 71/2026- Customs (N.T) dated 25.08.2026 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 (i.e., no change)
2	1511 90 10	RBD Palm Oil	1220 (i.e., no change)
3	1511 90 90	Others – Palm Oil	1214 (i.e., no change)
4	1511 10 00	Crude Palmolein	1227 (i.e., no change)
5	1511 90 20	RBD Palmolein	1230 (i.e., no change)
6	1511 90 90	Others – Palmolein	1229 (i.e., no change)
7	1507 10 00	Crude Soya bean Oil	1257 (i.e., no change)
8	7404 00 22	Brass Scrap (all grades)	7945 (i.e., no change)

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	1500 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 (i.e., no change)
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 (i.e., no change)
4.	71	(i) Gold bars, other than tola bars, bearing manufacturers or refiner's engraved serial number and weight expressed in metric units; (ii) Gold coins having gold content not below 99.5%	1500 per 10 grams

CUSTOMS

		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 (i.e., no change)"

2. This notification shall come into force with effect from the 26th day of August, 2026.

[For further details please refer the Notification]

NOTIFICATION

SEEKS TO EXEMPT 10 LAKH MT OF RAW SUGAR FALLING UNDER TARIFF HEADING 1701 FROM THE WHOLE OF THE CUSTOMS DUTY LEVIABLE THEREON UNDER THE FIRST SCHEDULE TO THE CUSTOMS TARIFF ACT, 1975, UP TO 31ST OCTOBER, 2026, WHEN IMPORTED UNDER THE TARIFF RATE QUOTA (TRQ) SCHEME (OPEN GENERAL LICENCE).

OUR COMMENTS: The Central Board of Indirect Taxes and Customs, Department of Revenue, Ministry of Finance, issued Notification No. 30/2026- Customs dated 21.08.2026 notified that in in exercise of the powers conferred by sub-section (1) of section 25 of the Customs Act, 1962 (52 of 1962), the Central Government, on being satisfied that it is necessary in the public interest so to do, hereby exempts the goods of the description specified in column (3) of the Table below, falling under the tariff heading of the First Schedule to the Customs Tariff Act, 1975 (51 of 1975) (hereinafter referred to as the 'Customs Tariff Act'), as specified in the corresponding entry in column (2) of the said Table, in such quantity of total imports of such goods, as specified in column (4) below (herein after referred to as the 'Tariff Rate Quota (TRQ) quantity'), when imported into India, from the whole of the customs duty leviable thereon under the First Schedule to the Customs Tariff Act, subject to the condition specified in the Annexure to this notification, namely: -

TABLE

Sl. No.	Tariff Heading	Description of goods	Tariff Rate Quota (TRQ) quantity
(1)	(2)	(3)	(4)
1.	1701	Raw Sugar	10,00,000 MT

ANNEXURE

Condition
(a) The TRQ is allotted to the importer by the Directorate General of Foreign Trade, in accordance with the relevant procedure as specified in the Hand Book of Procedures, 2023; (b) The TRQ authorization shall contain name and address of the importer, Importer-Exporter Code (IEC), Customs notification number, tariff heading as applicable, quantity and validity period of certificate; (c) The TRQ authorization shall be issued electronically by the Directorate General of Foreign Trade and transmitted to Indian Customs EDI System (ICES); and (d) Imports made against the TRQ shall be allowed only upon debiting electronically in the ICES system.

2. This notification shall come into force with immediate effect, and shall remain in force upto and inclusive of the 31st day of October, 2026.

[For further details please refer the Notification]

NOTIFICATION

SEEKS TO AMEND NOTIFICATION NO. 47/2021-CUSTOMS (ADD), DATED THE 26TH AUGUST, 2021 - ANTI DUMPING DUTY ON IMPORTS OF "NATURAL MICA BASED PEARL INDUSTRIAL PIGMENTS EXCLUDING COSMETIC GRADE" ORIGINATING IN OR EXPORTED FROM CHINA PR.

OUR COMMENTS: The Central Board of Indirect Taxes and Customs, Department of Revenue, Ministry of Finance, issued Notification No. 21/2026- Customs (ADD) dated 21.08.2026 notified that in exercise of the powers conferred by sub-sections (1) and (5) of section 9A of the Customs Tariff Act, 1975 (51 of 1975) read with rules 18 and 23 of the Customs Tariff (Identification, Assessment and Collection of Anti-dumping Duty on Dumped Articles and for Determination of Injury) Rules, 1995, the Central Government hereby makes the following further amendment in the notification of the Government of India, in the Ministry of Finance (Department of Revenue) No. 47/2021-Customs (ADD), dated the 26th August, 2021, published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i), vide number G.S.R. 590(E), dated the 26th August, 2021, namely:-

In the said notification, in paragraph 3, for the figures, letters and word "25th November, 2026", the figures, letters and word "25th February, 2027" shall be substituted.

[For further details please refer the Notification]

CIRCULAR

MODALITIES FOR PAYMENT OF EXEMPTED GST AT THE TIME OF IMPORT OF RAW SUGAR ACTUALLY IMPORTED UNDER ADVANCE AUTHORISATION (AA) SCHEME TO BE CONVERTED INTO TARIFF RATE QUOTA (TRQ) SCHEME.

OUR COMMENTS: The Central Board of Indirect Taxes and Customs, Department of Revenue, Ministry of Finance, issued Circular No. 37/2026 dated 27.08.2026 clarified that:

1. Kind reference is invited to Notification No. 31/2026-27 dated 20.08.2026 issued by DGFT amending the import policy condition for "Raw Sugar" classified under Exim code 170114 of chapter 17 of ITC(HS), 2022 - Schedule - I and Public Notice No. 27/2026-27 dated 20.08.2026 detailing the modalities for the allocation of the 10 Lakh MT Tariff Rate Quota (TRQ) for Raw Sugar along with the Modalities for one time conversion from Advance Authorisation (AA) Scheme to Tariff Rate Quota (TRQ) Scheme.

2. The matter of payment of IGST in respect of the quantity of Raw Sugar actually imported under Advance Authorisation (AA) Scheme, has been examined in the Board.

3. The following procedure for payment of IGST shall be adopted at the port of import (POI): -

(a) for the relevant imports where the AA holder is required to pay IGST, the AA holder may approach the concerned assessment group at the POI with relevant details for purposes of payment of the tax.

(b) the assessment group at POI shall cancel the OOC and indicate the reason in remarks. The BE shall be assessed again so as to charge the tax.

(c) the payment of tax shall be made against the electronic challan generated in the Customs EDI System.

(d) on completion of above payment, the port of import shall make a notional OOC for the BE on the Customs EDI System [so as to enable transmission to GSTN portal of, inter alia, the IGST amount with their date of payment (relevant date) for eligibility as per GST provisions].

(e) interest liability, if any, on account of payment of IGST shall stand waived off.

(f) the procedure specified at (a) to (d) above can be applied once to a BE.

4. The input credit with respect to such assessed BE shall be enabled to be available subject to the eligibility and conditions for taking input tax credit under Section 16, Section 17 and Section 18 of the CGST Act, 2017 and rules made thereunder.

5. Further, it is clarified that the payment of IGST should not be made through the Voluntary Payment Challan module as the process is not adequate to ensure a convenient transfer of relevant details between Customs and GSTN so that Input Tax Credit of GST may be taken by the importer.

6. The Chief Commissioners are expected to proactively guide the Commissioners and officers to iron out any local level issues in implementing the broad procedure described in para 3 and 4 above and ensuring appropriate convenience to the trade including in carrying out consequential actions. For this, suitable Public Notice and Standing Order should be issued.

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

[For further details please refer the Circular]

CUSTOMS

PUBLIC NOTICE

ISSUANCE OF PUBLIC NOTICE IN RESPECT OF M/S. APOLLO WORLD CONNECT LTD. CFS - APPOINTMENT OF CUSTODIAN UNDER SECTION 45(1) OF THE CUSTOMS ACT, 1962 FOR GOODS IMPORTED/EXPORTED THROUGH KAMARAJAR PORT, ENNORE.

OUR COMMENTS: The Central Board of Indirect Taxes and Customs, Department of Revenue, Ministry of Finance, issued Public Notice No. 124/2026 dated 21.08.2026 notified that:

1. Attention of all Importers, Exporters, Customs Brokers, Steamer Agents, Shipping Lines, Container Freight Stations and members of the Trade is invited to the Public Notice No. 12/2018 issued by Custom House, Chennai, wherein M/s. APOLLO WORLD CONNECT LTD., Survey No. 1/3 B3, Pulicut Road, Kattupalli Village, Ponneri Taluk, Thiruvallur, Chennai - 600120 was appointed as 'Custodian' of imported goods landed at Marine Infrastructure Developement Pvt Ltd, Port (MIDPL port) and received in their CFS at Survey No. 1/3 B3, Pulicut Road, Kattupalli Village, Ponneri Taluk, Thiruvallur, Chennai - 600120 until the goods are cleared for Home Consumption or are warehoused or are transshipped in accordance with the provisions of the Customs Act, 1962. Similarly, M/s. APOLLO WORLD CONNECT LTD., also appointed as 'Custodian' of cargo brought into their premises for Export till they are exported.

2. In exercise of powers conferred under Section 45(1) of the Customs Act, 1962, M/s. APOLLO WORLD CONNECT LTD., Survey No. 1/3 B3, Pulicut Road, Kattupalli Village, Ponneri Taluk, Thiruvallur, Chennai - 600120, is appointed as 'Custodian' of imported goods landed at M/s. Kamarajar Port, Ennore and received in their CFS at Survey No. 1/3 B3, Pulicut Road, Kattupalli Village, Ponneri Taluk, Thiruvallur, Chennai - 600120 until the goods are cleared for Home Consumption or are warehoused or are transhipped in accordance with the provisions of the Customs Act, 1962. Similarly, M/s. APOLLO WORLD CONNECT LTD., also appointed as 'Custodian' of cargo brought into their premises for Export till they are exported from this port.

3. M/s. APOLLO WORLD CONNECT LTD., as the custodian of the goods meant for Exports and Imports would be required to comply with the provisions of the section 45 of the Customs Act, 1962, Handling of Cargo in Customs Areas Regulations, 2009, as well as rules, regulations and instructions issued from time to time.
This Public Notice will come to effect from 21-08-2026.

[For further details please refer the Public Notice]

PUBLIC NOTICE

ISSUANCE OF PUBLIC NOTICE IN RESPECT OF M/S. MARINE INFRASTRUCTURE DEVELOPER PVT LTD. CFS.

OUR COMMENTS: The Central Board of Indirect Taxes and Customs, Department of Revenue, Ministry of Finance, issued Public Notice No. 121/2026 dated 21.08.2026 notified that attention of all Importers, Exporters, Customs Brokers, Steamer Agents, Shipping Lines, Container Freight Stations and members of the Trade is invited to the Public Notice No. 247/2012 dated 23.11.2012 issued by Custom House, Chennai wherein the premises of M/s. L&T Shipbuilding Ltd. at Kattupalli Village, Ponneri Taluk, Tiruvallur District – 600120 was declared as 'Customs Area' for the purpose of examination and clearance of cargo imported in FCL containers which were allowed to be moved from Minor port, Katupalli to the C.F.S (Other than LCL Cargo and passenger's unaccompanied baggage) and cargo meant for export under Section 8(b) of the Customs Act, 1962, Public Notice No. 162/2013 dated 24.07.2013 for declaration of the covered Shed Area of 4700 Sq. fts for the specific purpose of handling Import LCL Cargo as 'Customs Area', Public Notice No 205/2013 dated 19.09.2013 for declaration International Transhipment of LCL Containers-declaration of specified area for the purpose of Hub point operation, Public Notice No. 87/2017 dated 21.04.2017, and its Corrigendum dated 26.04.2017, whereby the custodianship was changed from M/s. L&T Shipbuilding Ltd. to M/s. Marine Infrastructure Developer Pvt. Ltd.

In exercise of powers conferred under Section 8(b) of the Customs Act, 1962, the premises of M/s. Marine Infrastructure Developer Pvt Ltd., Kattupalli Village, Ponneri Taluk, Tiruvallur District – 600120, is declared as 'Customs Area' for handling of imported FCL and LCL cargo as declared in Public Notices referred above (other than Passenger Unaccompanied Baggage) arrived from M/s. Kamarajar Port and for handling of export cargo, till they are exported from this port.

The procedures for dealing with Export and Import cargo is to be followed as laid down in Handling of Cargo in Customs Areas Regulations, 2009 and as laid down in the public notices issued in this regard by Custom House, Chennai from time to time.
This Public Notice will come to effect from 21-08-2026

[For further details please refer the Public Notice]

DGFT

NOTIFICATION

AMENDMENT IN THE EXPORT POLICY OF WHEAT.

OUR COMMENTS: The Directorate General of Foreign Trade, Department of Commerce, Ministry of Commerce & Industry issued Notification No. 35/2026-27 dated 24.08.2026 notified that in exercise of powers conferred by Section 5 read with Section 3 of the Foreign Trade (Development & Regulation) Act, 1992 (No. 22 of 1992), as amended, read with Para 1.02 and 2.01 of the Foreign Trade Policy, 2023, the Central Government hereby makes the following amendment in the Export Policy of Wheat under Schedule 2 of the ITC (HS) Export Policy:

ITC (HS) Codes	Description	Existing Export policy	Revised Export Policy
10011900	Durum Wheat: -- Other	Prohibited	Free
10019910	Wheat	Prohibited	Free

2. The export policy of the above-mentioned products/items shall accordingly be 'Free' with immediate effect.

Effect of this Notification: The export policy of Wheat under the above-mentioned HS Codes is revised from 'Prohibited' to 'Free' with immediate effect.

[For further details please refer the Notification]

NOTIFICATION

AMENDMENT IN THE EXPORT POLICY OF WHEAT FLOUR AND RELATED PRODUCTS.

OUR COMMENTS: The Directorate General of Foreign Trade, Department of Commerce, Ministry of Commerce & Industry issued Notification No. 34/2026-27 dated 24.08.2026 notified that in exercise of powers conferred by Section 5 read with Section 3 of the Foreign Trade (Development & Regulation) Act, 1992 (No. 22 of 1992), as amended, read with Para 1.02 and 2.01 of the Foreign Trade Policy, 2023, the Central Government hereby makes the following amendment in the Export Policy of Wheat Flour and related products under Schedule 2 of the ITC (HS) Export Policy:

ITC (HS) Codes	Description	Existing policy	Revised Policy
1101 0000	Wheat or Meslin Flour (Atta), Maida, Samolina (Rava / Sirgi), Wholemeal atta and resultant atta	Prohibited	Free

2. The export policy of the above-mentioned products/items shall accordingly be 'Free' with immediate effect.

Effect of this Notification: The export policy of Wheat flour and related products falling under the HS Code 11010000 is revised from 'Prohibited' to 'Free' with immediate effect.

[For further details please refer the Notification]

TRADE NOTICE

INTRODUCTION OF NEW FEATURES IN THE BANK GUARANTEE (BG) REPOSITORY MODULE ON DGFT PORTAL.

OUR COMMENTS: The Directorate General of Foreign Trade, Department of Commerce, Ministry of Commerce & Industry issued Trade Notice No. 23/2026-27 dated 28.08.2026 notified that:

1. Kind attention is drawn to the subject cited above. In this regard, it is informed that enhanced functionalities have been deployed in the Bank Guarantee (BG) Repository Module on the DGFT Portal, covering the Customer Portal (CP) and Back Office (BO) interfaces, with a view to streamline processing and facilitate proactive monitoring of Bank Guarantees.

2. The following key points may be noted:

(i). A "Purpose" field has been introduced for indicating whether the BG is a fresh submission or replacement of an existing BG. System-triggered email alerts will be sent to exporters 60 days and 45 days prior to expiry of a BG.

(ii). Regional Authorities may generate and digitally sign communications through the portal for renewal/replacement of BG, renewal notice to Bank, encashment notice to Bank and return of BG to exporter, as applicable.

(iii). A structured mechanism has been provided for tracking BG status, including Pending Acceptance, Accepted, Replaced, Returned on EODC, Encashment Notice to Bank Issued, Renewal Notice to Exporter Issued and Renewal Notice to Bank Issued.

(iv). BGs declared under the Bills Repository shall remain in "Pending Acceptance" until accepted by the concerned RA. Where such BG is linked to an invalidation file under

AA/EPCG, its status shall automatically be updated to "Accepted" upon approval of the invalidation file.

3. The above enhancements are intended to reduce paper-based tracking, enable proactive monitoring of expiring BGs, streamline linking of replacement BGs and facilitate uniform, digitally signed communications across Regional Authorities.

4. A User Manual detailing the relevant workflows is available for guidance and effective adoption on the DGFT Website.

5. All concerned stakeholders are requested to take note of the above and ensure effective adoption of the enhanced functionalities.

This Trade Notice is issued with the approval of the competent authority.

[For further details please refer the Notification]

TRADE NOTICE

ENHANCEMENTS IN THE PRE-SHIPMENT INSPECTION AGENCY (PSIA)/PRE-SHIPMENT INSPECTION CERTIFICATE (PSIC) PROCESS

OUR COMMENTS: The Directorate General of Foreign Trade, Department of Commerce, Ministry of Commerce & Industry issued Trade Notice No. 22/2026-27 dated 25.08.2026 notified that:

1. Kind reference is invited to Trade Notice No. 03/2022-23 dated 26 April 2022, wherein DGFT introduced and subsequently enhanced the electronic filing and recognition process for Pre-Shipment Inspection Agencies (PSIAs) and the issuance and verification of Pre-Shipment Inspection Certificates (PSICs). These initiatives were aimed at reducing manual processes and strengthening the PSIA/PSIC module through digital enablement.

2. In continuation of the above, and with a view to further strengthen, building compliance into the system, reducing reliance on manual intervention, and enhance transparency in the process, the following changes are being implemented in the PSIA/PSIC module on the DGFT portal:

i. The date of inspection, while generating the PSIC, has been standardised as DD/MMM/YYYY.

ii. PSIC shall be generated and issued only on the date of inspection. The system shall not permit generation or issuance of a PSIC on any subsequent date.

iii. A facility has been provided for authorized PSIA users to upload and maintain signature and stamp images. These shall be auto embedded in the PSIC, eliminating the requirement of manual signing, stamping and re-uploading.

iv. During PSIC generation, Inspector shall be required to select the Inspector's name from a system-populated drop-down list. The corresponding Inspector's details shall be auto populated.

v. The permissible limit for photograph attachments of inspection has been enhanced from 5 to 10 numbers, at 5 MB each; and the permissible size for the mandatory video attachment of inspection has been enhanced from 10 MB to 50 MB (permitted formats remain MP4, AVI, MTS, MOV, FLV, WMV).

vi. Based on the selected country of inspection, registered instruments shall now be available through a drop-down list. Upon selection, the relevant instrument details shall be auto fetched from the system and displayed as read-only, minimizing manual errors.

3. Process for Uploading Signature and Stamp images of Inspectors:

i. Log in to the DGFT portal using valid credentials.

ii. Navigate to Services → Pre-Shipment Inspection → Upload Scanned Signature & Stamp for PSIC Generation.

iii. Search and select the PSIA user for whom the signature and stamp are required to be uploaded or updated.

iv. Upload the scanned signature and official stamp in the prescribed format and complete the submission process.

Support Channel

4. For any help and guidance on this process, users are encouraged to reach out to the DGFT Helpdesk with respect to any guidance and resolution of issues faced, suggestions, or feedback related to the PSIA/PSIC module. Support is available through the following channels:

i. Raise a service request ticket through the DGFT Helpdesk Service on DGFT Website → Services → DGFT Helpdesk Service

ii. Call the toll-free-Helpline number 1800-572-1550 / 1800-111-550

iii. Send an email to the Helpdesk on dgftedi@nic.in.

DGFT

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

[For further details please refer the Trade Notice]

PUBLIC NOTICE

CORRIGENDUM TO PUBLIC NOTICE NO. 27/2026-2027 DATED 20.08.2026 REGARDING 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 Corrigendum to Public Notice No. 27/2026-27 dated 24.08.2026 notified that in partial modification of Public Notice No. 27/2026-2027 dated 20.08.2026, and 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 makes the following amendment:

2. In Paragraph 7(c) of the said Public Notice, for the existing entry, the following shall be substituted, namely:

Existing:

"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. "

Substituted by:

"c. The Raw Sugar imported under the TRQ shall be processed into White/Refined Sugar within a reasonable period after import, provided that the importer shall convert the raw sugar into white/refined sugar and sell the same in the domestic market within a period, not exceeding two months, from the date of filing of bill of entry. "

3. All other terms and conditions of Public Notice No. 27/2026-2027 dated 20.08.2026 shall remain unchanged.

[For further details please refer the Public Notice]

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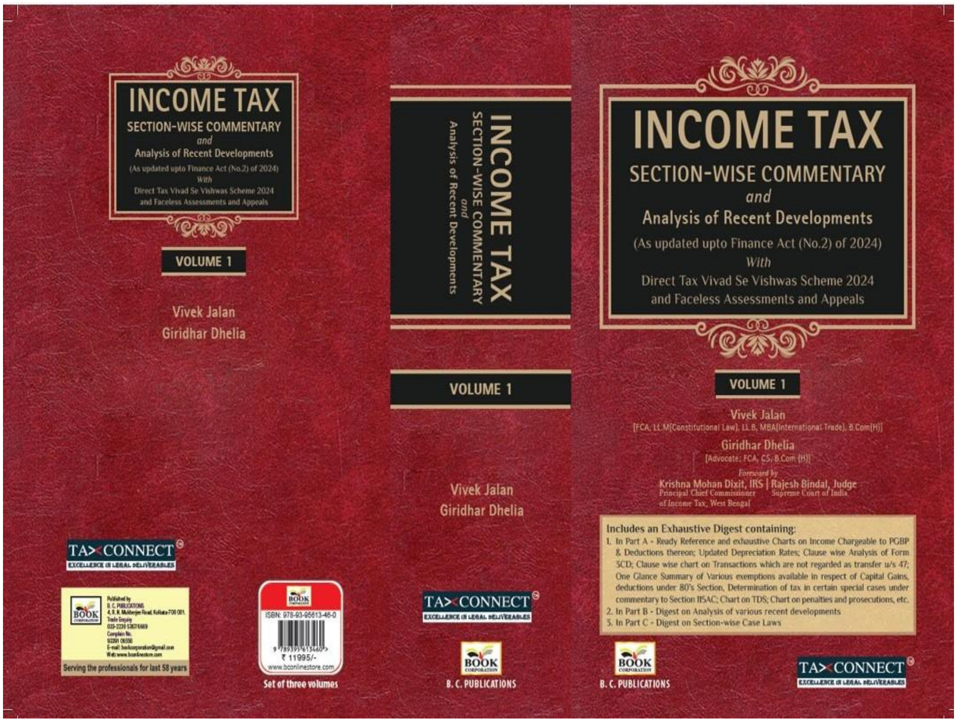

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