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# Dimensions

## Indirect Taxes Bulletin

### Part II - Customs, Trade and Product Regulations Bulletin

September 2026

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## PART I: CUSTOMS

### A. Judgments and rulings

#### Classification of laser imagers as diagnostic apparatus or accessory | Supreme Court of India | Carestream Health India Private Limited[1]

Issue for consideration

- Whether imported laser imagers which receive diagnostic data from medical equipment and print it on film, are classifiable as diagnostic apparatus under Heading 9018 or as accessories under the residual Heading 9033?

Facts

- The importer classified the laser imagers under Tariff Code 9018 9019 ('Other diagnostic instruments and apparatus').
- The laser imager does not itself perform any diagnosis. It receives data from diagnostic equipment and prints the data on film.
- The laser imagers can be used with different types of medical equipment, including ultrasound and MRI machines falling under Heading 9018 and CT and X-ray machines falling under Heading 9022.
- The importer contended that the laser imagers should be treated as diagnostic apparatus under Heading 9018, while the Revenue sought classification under the residual Heading 9033 0000.

Findings

- The Supreme Court held that the laser imager is not a diagnostic apparatus because it has no diagnostic capability of its own. It only performs the ancillary function of printing data received from diagnostic equipment. The Court therefore held that it is an accessory to such equipment.
- Chapter 90 Note 2(b) provides that an accessory can be classified along with the machine with which it is used where it is suitable solely or principally for a particular kind of machine, or for different machines falling under the same tariff heading.
- The laser imagers could, however, be used with machines falling under two different tariff headings - Heading 9018 as well as Heading 9022. The Court therefore held that they could not be classified along with the machines under Heading 9018 by applying Note 2(b).
- Accordingly, Note 2(c), which covers other parts and accessories not falling within Note 2(a) or 2(b), applied and the laser imagers were classifiable under the residual Heading 9033.

Conclusion

The Supreme Court ruled in favour of the Revenue and held that the laser imagers are classifiable under Tariff Code 9033 0000 as accessories not specified or included elsewhere in Chapter 90.

**Dhruva Comments**

As per Chapter 90 Note 2(b), an accessory is classified with a machine where it is suitable solely or principally for that machine. In *Carestream (supra)*, suitability for machines under different headings led to classification under Heading 9033 through Note 2(c). However, 'principally' does not require exclusive use, and court had found no evidence that these imagers were principally suited to machines under Heading 9018. On the other hand, they were suited to machines under Headings 9018 and 9022. Therefore, it is essential for the assessee to substantiate that an accessory is mainly suited to one kind of machine, and its other uses are minor to distinguish the present decision.

#### Reliance on fake AI-generated precedents renders the adjudication order a nullity | Supreme Court of India | Vijay Ghanshyam Gadiya[2]

Issue for consideration

- Whether a customs adjudication order can be sustained when the adjudicating authority relies on non-existent or incorrectly represented judicial precedents generated through Artificial Intelligence ('AI')?

Facts

- The Additional Commissioner of Customs imposed a penalty exceeding ₹425 crore on the appellant under Section 114 of the Customs Act, 1962 ('Customs Act') for allegedly mis-declaring natural diamonds as lab-grown diamonds to obtain a lower rate of duty.
- The Gujarat High Court dismissed the appellant's challenge to the penalty order.
- Before the Supreme Court, the appellant contended that several judgments and articles relied upon in the Order-in-Original were fabricated or incorrectly presented through the use of AI.

Findings

- The Supreme Court independently checked the authorities cited in the Order-in-Original. It found that some cases did not exist, some contained false

[1] 2026 (8) TMI 816

[2] 2026 (9) TMI 363

citations, and some existing judgments did not lay down the legal principles attributed to them.

- Relying on *Pooja Ramesh Singh v. Jammu & Kashmir Bank Limited*,[3] the Court reiterated that there must be zero tolerance for reliance on unverified AI-generated precedents. Even limited reliance on fabricated material affects the integrity of the entire decision-making process.
- The Court clarified that AI may be used to assist legal research and speed up decision-making. However, the adjudicating authority must independently verify the cases and legal principles produced through AI.
- Since the penalty order relied on fabricated and incorrectly represented authorities, the Court held that it could not be sustained.

### Conclusion

The Supreme Court set aside both the Gujarat High Court's order and the Order-in-Original. It directed that the customs proceedings be decided afresh by a different officer of the same rank and left it open to the appointing authority to consider action against the officer who passed the original order.

**Dhruva Comments**

This decision extends the Supreme Court's rule against unverified AI-generated precedents to departmental tax and customs adjudication. A taxpayer challenging such an order is not required to establish that the fabricated precedent changed the final outcome; the presence of such material in the reasoning is itself sufficient to invalidate the order. The ruling does not prohibit the use of AI, but places the entire responsibility for verifying every case and legal proposition on the adjudicating officer.

## Time limit for customs adjudication begins afresh after interim court order ends| Delhi High Court | GKEM International Private Limited[4]

### Issue for consideration

- Whether the Order-in-Original was time-barred when customs adjudication had been deferred due to pending court proceedings and an interim order?

### Facts

- A Show Cause Notice was issued alleging diversion of duty-free inputs imported under Advance Authorisations.
- The petitioners requested deferment of adjudication because a related writ petition and interim protection were pending. The Department accordingly transferred the notice to the Call Book.
- After the writ petition was dismissed, the Department resumed adjudication and passed the Order-in-Original within one year. The petitioners challenged it as time-barred under Section 28(8) of the Customs Act.

### Findings

- Under Section 28(9A), Customs Act, where adjudication cannot be completed due to an interim court order, the limitation period under Section 28(9) begins afresh when that reason ends. The Order-in-Original was therefore passed within time.
- Merely transferring a notice to the Call Book does not extend limitation. The extension arose from the circumstance specified in Section 28(9A), namely the pending proceeding and interim protection.
- Although the Department would ordinarily have to communicate the reason for deferment, this requirement was satisfied because the petitioners had themselves sought deferment on the same ground. They could not subsequently rely on the resulting delay to challenge the proceedings.

### Conclusion

The Delhi High Court dismissed the limitation challenge while leaving the petitioners free to challenge the demand on merits before the appellate authority.

**Dhruva Comments**

Section 28(9A) gives the Department the full adjudication period afresh after the specified impediment ends, and not merely the unused portion of the original period. However, placing a matter in the Call Book by itself does not extend limitation; the Department must establish one of the circumstances specifically listed in Section 28(9A). This distinguishes the ruling from *VOS Technologies Private Limited,*[5] where notices remained in the Call Book for several years without proper reasons or communication were quashed.

## Customs claim not filed during insolvency proceedings cannot be raised after Resolution Plan approval | Delhi High Court | Jaiprakash Associates Limited[6]

### Issue for consideration

- Whether Customs could adjudicate and recover duty relating to a pre- Corporate Insolvency Resolution Process ('CIRP') import when it had not filed any claim

[3] 2026 SCC OnLine SC 1258
[4] 2026 (9) TMI 575
[5] 2024 SCC OnLine Del 8756
[6] 2026 (9) TMI 213

during CIRP and the Resolution Plan had subsequently been approved?

### Facts

- The petitioner imported equipment in September 2023. CIRP commenced in June 2024, and a public announcement was issued inviting creditors to submit their claims.
- Customs did not submit any claim during CIRP. It subsequently issued a Show Cause Notice relating to the import.
- Despite being informed that the Resolution Plan had been approved in March 2026 and that unfiled pre-CIRP claims stood extinguished, Customs passed an Order-in-Original confirming duty, interest and penalty.

### Findings

- A 'claim' under the Insolvency and Bankruptcy Code, 2016 ('IBC') arises from the underlying right to payment. It need not have been quantified through a Show Cause Notice or adjudication order before commencement of CIRP commencement date. The statutory public announcement obligated the Department to file its claim during CIRP.
- Since the import occurred before CIRP, Customs was required to submit its claim during the insolvency process. A separate notice to Customs about the CIRP was unnecessary once the statutory public announcement had been made.
- An approved Resolution Plan binds government authorities under Section 31(1) of the IBC. Therefore, an unfiled pre-CIRP customs claim cannot be adjudicated or recovered after approval of the plan.
- In case of conflict, the IBC prevails over the Customs Act by virtue of Section 238 of the IBC.

### Conclusion

The Delhi High Court quashed the Order-in-Original because the unfiled pre-CIRP customs claim stood extinguished upon approval of the Resolution Plan.

### Dhruva Comments

The ruling clarifies that a customs claim arises from the underlying import and not from the later issuance of a Show Cause Notice or adjudication order. Customs must therefore file even disputed or unquantified claims during CIRP. Although Section 142A of the Customs Act gives customs dues a first charge, or priority over the importer's assets, it expressly makes this priority subject to the IBC. Further, while Customs can determine liability during CIRP, recovery must be in accordance with the IBC and the treatment provided under the Resolution Plan. This power cannot be used after approval of the Resolution Plan to revive a claim that was never filed and already stands extinguished.

## Interest refundable where Rule 96(10) IGST repayment itself had no legal basis | Bombay High Court | Leben Laboratories Private Limited[7]

### Issue for consideration

- Whether interest paid on the repayment of import Integrated Goods and Services Tax ('IGST') under Rule 96(10) of the Central Goods and Services Tax Rules, 2017 ('CGST Rules') was refundable after the Supreme Court held that the rule was deemed to have been omitted from inception?

### Facts

- The petitioner imported raw materials under Advance Authorisations without payment of IGST and used them to manufacture exported goods. It paid IGST on the exports and claimed a refund of that amount.
- Rule 96(10) of the CGST Rules, as it then stood, did not permit an exporter to retain both the import exemption and the export IGST refund. The petitioner therefore repaid the import IGST in March and April 2022, together with interest.
- The petitioner subsequently sought a refund of the interest paid.

[7] 2026 (9) TMI 211

### Findings

- The Court referred to *Mahindra & Mahindra Limited,*[8] and *A.R. Sulphonates Private Limited*[9] which held that the Customs Tariff Act did not authorise interest on delayed payment of additional customs duties during the period before 16.08.2024.
- However, the Court ultimately decided the case by relying on *Goodluck India Limited*[10] in which the Supreme Court held that Rule 96(10) was deemed to have been omitted from inception.
- Since Rule 96(10) was treated as never having imposed the restriction, the petitioner had no legal obligation to repay the import IGST in 2022. Consequently, interest could not be charged on a repayment that was itself not required.

### Conclusion

The Bombay High Court allowed the petition and directed the Customs authorities to process the petitioner's application and refund the interest.

**Dhruva Comments**

The Court held that once Rule 96(10) was treated as omitted, the import IGST repayment itself was not required and, therefore, no interest could arise. Although only interest was ordered to be refunded, the reasoning may also support refund of the import IGST repaid solely under Rule 96(10). Such refund should, however, be available only where Input Tax Credit ('ITC') based on the reassessed Bills of Entry was not availed or has been reversed, and subject to the applicable refund conditions including unjust enrichment.

## FSSAI clearance prevents subsequent customs reclassification and seizure | Bombay High Court | Shivshakti Enterprises[11]

### Issue for consideration

- Whether Customs could seize imported roasted areca nuts and require a bank guarantee for their release after Food Safety and Standards Authority of India ('FSSAI') had certified that the goods complied with food-safety standards?

### Facts

- The petitioner imported two consignments of roasted areca nut splits on March 28, 2026.
- After testing the goods, FSSAI issued an unconditional No-Objection Certificate ('NOC') confirming compliance with the Food Safety and Standards Act, 2006.
- Customs subsequently sent fresh samples to Central Revenue Control Laboratory ('CRCL). Based on the reported moisture content of 6.8 percent and 6.9 percent, Customs seized the goods and required a bank guarantee of ₹40 lakh for provisional release.

### Findings

- The Court followed *NBG International Private Limited*[12] which recognised that an FSSAI NOC is issued after testing by notified laboratories under the prescribed food-import procedure.
- In these circumstances, Customs could not disregard the FSSAI clearance and rely on a contrary CRCL test to reopen the categorisation of the goods, seize them or impose a bank-guarantee condition.
- Since the goods had remained detained from March 2026, the Court required the petitioner to obtain a fresh fitness certificate from FSSAI before selling them in the open market.

### Conclusion

The Bombay High Court quashed the seizure memo and ₹40 lakh bank-guarantee condition. It directed the immediate release of the goods without a bank guarantee, subject to obtaining a fresh FSSAI fitness certificate before sale.

**Dhruva Comments**

The ruling does not make FSSAI the authority for customs classification. It applies where Customs seeks to reclassify goods merely by contradicting the product characteristics already tested by FSSAI, without any separate basis. A classification inquiry based on other evidence, such as the manufacturing process or composition not examined by FSSAI, may still remain open. Importers should therefore retain the complete FSSAI laboratory report and sampling records, and not merely the NOC.

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[8] 2022 (10) TMI 212 (Bombay High Court)
[9] 2025 (4) TMI 578 (Bombay High Court).
[10] 2026 (8) TMI 719 (Supreme Court)
[11] 2026 (9) TMI 107
[12] 2026 (3) TMI 1212 (Bombay High Court)

## Detailed technical report cannot be rejected on Customs officer's assumptions | Bombay High Court | Mahindra & Mahindra Limited[13]

### Issue for consideration

- Whether Customs could deny concessional duty on Battery Management Systems ('BMS') and Cell Supervisory Circuits ('CSC') by treating them as Printed Circuit Board Assemblies ('PCBAs'), without properly addressing a detailed technical expert report stating otherwise?

### Facts

- The petitioner imported BMS and CSC for manufacturing lithium-ion battery packs for electric vehicles and claimed the concessional 2.5 percent Basic Customs Duty under S. No. 512 of Notification No. 50/2017-Customs.
- The notification grants the concession to parts and components (under any chapter) used in manufacturing lithium-ion batteries and battery packs but specifically excludes PCBAs.
- Customs treated the imported products as PCBAs and confirmed differential duty of approximately ₹14.07 crore, along with interest and penalty.
- The petitioner relied on a Veermata Jijabai Technological Institute ('VJTI') report, prepared after physical inspection and component-level analysis, which concluded that the products could not themselves be regarded as PCBAs. The adjudicating authority dismissed the report as irrelevant without obtaining any competing technical opinion.

### Findings

- The dispute was not about the tariff headings declared for the products. The question was whether BMS and CSC fell within the specific PCBA exclusion in the exemption notification.
- The adjudicating authority could not reject the detailed VJTI report merely by relying on its own understanding of the products. Any disagreement had to be supported by a reasoned technical analysis.
- The Court clarified that a counter-expert opinion may not be required in every case. However, given the physical examination and detailed analysis undertaken by VJTI, a counter-expert opinion ought to have been obtained before rejecting its conclusions.
- Although an appeal was available before CESTAT, the Court entertained the writ petition because the specialized technical evidence had been rejected without an adequate technical basis. The Court expressly limited this approach to the facts of the case.

### Conclusion

The High Court set aside the Order-in-Original and remanded the matter for fresh adjudication. It did not decide that BMS and CSC qualified for the concessional duty.

**Dhruva Comments**

The judgment does not make an importer's expert report binding on Customs. It applies the approach adopted in *Bharti Cellular Limited*[14] and *Monopoly Innovations Private Limited*[15] where a dispute depends on specialized technical facts, the authority must establish a proper technical basis before rejecting expert evidence. Importantly, the tariff classification was not being reconsidered here; the unresolved question was whether the products fell within the notification's specific PCBA exclusion.

## Service Exports from India Scheme benefits already earned cannot be reduced by later exclusions or ₹5 crore cap| Gujarat High Court | Oxane Partners India Private Limited[16]

### Issue for consideration

- Whether amendments issued in 2020 and 2021 could retrospectively exclude services from the Service Exports from India Scheme ('SEIS') or impose a ₹5 crore cap on benefits already earned for services supplied during financial year 2019-20.

### Facts

- The petitioners provided management consultancy and maritime support services that were eligible under the SEIS provisions of the Foreign Trade Policy ('FTP') applicable during financial year 2019-20.
- They supplied the services and earned foreign exchange before the relevant policy changes were introduced. Notification No. 57/2015-20 dated 31.03.2020 stated that the eligible services and reward rates for financial year 2019-20 would subsequently be notified in Appendix 3X.
- Notification No. 29/2015-20 dated 23.09.2021 introduced Appendix 3X, excluded Appendix 3E services for financial year 2019-20 and capped the total SEIS entitlement at ₹5 crore per Importer Exporter Code.

[13] 2026 (8) TMI 1808
[14] (2014) 6 SCC 401
[15] 2021 (9) TMI 1111 (Bombay High Court)
[16] 2026 (8) TMI 1326

### Findings

- Section 5 of the Foreign Trade (Development and Regulation) Act, 1992, allows the Central Government to amend the FTP, but does not authorize retrospective amendments taking away benefits that have already accrued.
- The petitioners had supplied eligible services and earned foreign exchange under the policy then in force. Their entitlement could not subsequently be withdrawn or reduced by changing the eligible-service list or introducing a monetary cap.
- The Court followed its earlier decision in *Gujarat Ambuja Exports Limited*[17] which had applied the Supreme Court's settled law against retrospective withdrawal of accrued export incentives.
- The notifications could operate only from their respective dates of issue. Exporters were also permitted to submit claims which they had been prevented from filing because of the retrospective restrictions.

### Conclusion

The High Court set aside the retrospective application of the notifications and directed the authorities to process the petitioners' claims and release the eligible benefits within 12 weeks.

**Dhruva Comments**

The decision protects the FTP benefits already earned; it does not prevent the Government from changing or discontinuing an incentive prospectively. Consistent with the decision in *Kanak Exports*[18], the relevant point is when the eligible services were supplied and foreign exchange was earned and not when the application was filed or the duty credit scrip was issued.

## Duty drawback cannot be recovered after an unexplained ten-year delay without fraud allegations | Madras High Court | S.M. Apparels Private Limited[19]

### Issue for consideration

- Whether Customs could recover duty drawback more than ten years after payment merely because the exporter had not submitted proof of receiving the export proceeds?

### Facts

- The petitioner exported garments between 2004 and 2007 under 1,583 shipping bills and received duty drawback of approximately ₹4.99 crore.
- In 2018, Customs issued a Show Cause Notice under Rule 16A of the Customs, Central Excise Duties and Service Tax Drawback Rules, 1995 ('Drawback Rules'), alleging that the petitioner had not submitted proof of receiving the export proceeds.
- Customs passed the impugned order in November 2022 and subsequently attached the petitioner's bank account.
- The Department argued that the Drawback Rules do not prescribe any time limit for initiating recovery.

### Findings

- Even where the Drawback Rules do not prescribe a limitation period, Customs must initiate recovery within a reasonable time.
- Following *L&T Construction Equipment Limited*[20] and *Pratibha Syntex Limited*[21], the Court held that the unexplained delay of more than ten years in issuing the notice was unreasonable.
- The Court distinguished *Rajbir Singh*[22], where delayed proceedings were permitted because there was material indicating fraudulent availment of drawback discovered later.
- Customs also failed to explain the further delay of approximately four years between issuing the Show Cause Notice and passing the order.

### Conclusion

The High Court set aside the order and the attachment of the petitioner's bank account.

**Dhruva Comments**

This decision continues the approach adopted in *Texel Industries*[23] where an order passed eleven years after the Show Cause Notice was quashed, and *L&T Construction Equipment (supra)* where recovery initiated beyond three years was considered unreasonable. Read together, Customs must issue the notice and complete adjudication within a reasonable time; merely keeping proceedings pending does not preserve the demand indefinitely. However, three years is not an automatic limitation period, for instance *Rajbir Singh (supra)* permits delayed action where Customs produces credible evidence of fraud discovered later.

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[17] 2026 (3) TMI 1 (Gujarat High Court)
[18] 2015 (11) TMI 80 (Supreme Court).
[19] 2026 (8) TMI 1759
[20] 2025 (3) TMI 1513 (Madras High Court)
[21] 2013 (287) E.L.T. 290 (Gujarat High Court)
[22] 2025 SCC OnLine Del 2847
[23] 2023 (3) TMI 138 (Madras High Court)

## Time spent pursuing the refund route excluded from customs appeal limitation | Delhi High Court | Senior India Private Limited[24]

### Issue for consideration

- Whether customs appeals could be rejected as time-barred when the importer had initially pursued refund claims in accordance with the binding Delhi High Court decisions prevailing before the Supreme Court's ruling in *ITC Limited*[25]?

### Facts

- The appellant imported pressure relief valves and paid customs duty at a higher rate under the classification allegedly insisted upon by Customs.
- Relying on *Aman Medical Products Limited*[26] and *Micromax Informatics Limited*[27], which permitted a refund claim without first challenging the assessment, the appellant filed refund applications under Section 27 of the Customs Act within the prescribed one-year period.
- The Supreme Court held in *ITC Limited (supra)* that a refund cannot be granted unless the assessment in the Bill of Entry is first modified through an appeal or another permissible proceeding.
- Within six days of that decision, the appellant applied under Section 149 to amend the Bills of Entry.
- The appellant also filed appeals under Section 128 against the assessments of the Bills of Entry. The Commissioner (Appeals) and the CESTAT rejected them as time barred.

### Findings

- Following *M.P. Steel Corporation*,[28] the Court held that Section 14 of the Limitation Act, 1963 does not directly apply to customs appeals. However, its underlying principle excluding time spent diligently pursuing an unsuccessful remedy can apply to appeals under Section 128.
- Ordinarily, time preceding the filing of an original refund application cannot be excluded. However, this was a special transitional situation because the binding Delhi High Court decisions prevailing at the time treated a refund claim as an independent and sufficient remedy.
- The appellant had acted diligently by filing the refund claims within time and applying for amendment within six days of the decision in *ITC Limited*. The relevant period up to 2.06.2020 was therefore excluded while calculating limitation.
- After this exclusion, the appeals were also covered by the statutory extension granted under the Taxation and Other Laws (Relaxation and Amendment of Certain Provisions) Act, 2020. The appeals filed on 31.08.2020 were therefore within time.

### Conclusion

The High Court set aside the orders rejecting the appeals on limitation and restored the matters for adjudication on merits.

**Dhruva Comments**

This decision confirms that importers who filed refund claims within the prescribed time, relying on the law prevailing before the decision in *ITC Limited (supra)*, can obtain exclusion of the relevant period while computing limitation for appeals against the Bills of Entry. Although *M.P. Steel Corporation (supra)* ordinarily does not permit exclusion of the period preceding the institution of an original proceeding, the Court held that this period could not be treated as inaction in the present case because the binding law prevailing at the time recognised refund as an independent remedy. However, this relief is confined to such transitional cases: the importer must have acted diligently and promptly, and the ruling cannot be used to revive claims involving unexplained inaction.

## Completely destroyed vehicles treated as scrap; vessel berthing is not unloading | Gujarat High Court| | ITC Global Holdings Private Limited[29]

### Issue for consideration

- Whether approximately 3,900 fire-damaged automobiles remained restricted motor vehicles requiring an import licence or had become scrap?
- Whether bringing the vessel carrying the damaged vehicles into the notified ship-breaking area amounted to unauthorised unloading under Sections 33 and 34 of the Customs Act?

### Facts

- A vessel carrying approximately 3,900 automobiles suffered a major fire at sea. The vessel and its cargo were subsequently transferred to a salvor.
- The vessel was sold for demolition and brought to the Alang ship-breaking area. The sale agreements required the vehicles to be scrapped and prohibited their use as spare parts.

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[24] 2026 (8) TMI 868
[25] 2019 (9) TMI 802
[26] 2009 (9) TMI 41 (Delhi High Court)
[27] 2016 (3) TMI 431 (Delhi High Court)
[28] 2015 (4) TMI 849 (Supreme Court)
[29] 2026 (8) TMI 1087

- Customs confiscated the vehicles under Sections 111(d) and 111(h) and the vessel under Section 115(2), alleging import without the required licence and unauthorised unloading.

Findings

- Survey reports established that the vehicles had been completely damaged by fire, could no longer function as vehicles and could not safely be removed without breaking the vessel. They had therefore lost their commercial identity as automobiles and could not be treated as restricted motor vehicles or usable second-hand goods.
- 'Unloading' requires physical removal of cargo from the vessel. A vessel may berth without unloading its cargo, just as cargo may be unloaded offshore without the vessel berthing.
- The damaged vehicles remained on board until they were removed during ship-breaking after Customs had seized them. Therefore, the importer had neither unloaded nor attempted to unload the cargo in violation of Sections 33 or 34.
- Talaja was a notified customs port and the Alang foreshore had been notified for ship-breaking. No separate permission under the Customs Act was required merely to bring the vessel into that area

Conclusion

The Gujarat High Court dismissed the Revenue's appeals and upheld the CESTAT decision setting aside the confiscation of the vehicles and vessel and the consequential penalties.

**Dhruva Comments**

The decision was rendered under the 1992–97 Import Policy, under which commercial and passenger vehicles required an import licence. Whether damaged or condemned goods retain their original identity or become scrap is a recurring indirect-tax dispute. For instance, in *Chitrahar Traders*[30] condemned plant and machinery intended only for dismantling were treated as scrap for sales-tax purposes. *ITC Global (supra)* applies the same principle at the time of import: goods are scrap where the damage has destroyed their original use and commercial identity, they cannot be used even as spare parts, and the technical and contractual evidence permits only scrapping.

## B. Notifications, Circulars, Public Notices etc.

### Rationalisation of documentation under the Eligible Manufacturer Importer ('EMI') Scheme | CBIC | Circular[31]

- **Effective date:** September 15, 2026.
- Prospective EMI applicants are no longer required to submit historical EXIM filings, GSTIN return statuses, manufacturing declarations, aggregate turnover figures, factory property holding rights, book values of plant and machinery, or job-worker details.
- Document to be uploaded has been substantially reduced from ten to the below three:
  - UDYAM Registration Certificate (where MSME status is claimed).
  - a Chartered Accountant Certificate with a valid UDIN.
  - An authorization letter for the signatory
- The Chartered Accountant's certificate format has been revised to mandate specific justifications where the applicant reflects a negative net worth or negative net current assets.

**Dhruva Comments**

This circular delivers real, practical relief for manufacturer-importers: lower compliance costs, faster application processing, and reduced administrative burden at the entry stage of availing benefit of deferred duty payment. By trusting backend IT verification over manual document submission, Central Board of Indirect Taxes and Customs ('CBIC') signals a shift toward ease of doing business which is highly likely to translate into higher scheme uptake.

### National Assessment Centre ('NAC') Portal launched to Ensure Assessment Uniformity | CBIC | Circular[32]

- CBIC has launched a dedicated digital portal (naccustoms.gov.in) accessible by trade, customs brokers, and departmental officers.
- The portal serves as a central repository, *inter alia,* for:
  - Customs Authority for Advance Rulings ('CAAR') rulings, audit objections, and legal decisions.
  - Issues requiring policy intervention, advisories,
  - Alerts, circulars / public notices.
  - Issues resolved / taken up by NACs, Customs Clearance Facilitation Committees ('CCFC') and

[30] (2011) 4 SCC 560
[31] Circular No. 39/2026-Customs [F. No. 450/81/2016-Cus IV], Central Board of Indirect Taxes and Customs, dated September 3, 2026
[32] Circular No. 41/2026-Customs [F. No. 450/26/2019-Cus-IV(Pt.)], Central Board of Indirect Taxes and Customs, dated September 3, 2026

Permanent Trade Facilitation Committees (PTFC) and minutes of their meetings.

  - Classification, valuation, and other assessment and trade facilitation related information.

- It is equipped with keyword-search functionalities and role-based logins.
- It enables designated NAC commodity groups to update sector-specific assessment guidance and resolve divergent classification practices across field Commissionerate.

**Dhruva Comments**

The portal is explicitly aimed at promoting uniformity, certainty and transparency in assessment across Customs formations, enhancing predictability and informed compliance, while reducing divergent practices and avoidable disputes. A recurring challenge under the Faceless Assessment regime has been the divergence of classification and valuation positions taken by different Appraising Groups across various ports for identical items. This portal *inter-alia* seeks to bridge this information gap by creating a single, searchable repository of departmental rulings and key deliberations.

## Single All-India Multipurpose Electronic Bond (*Ekal Anubandh*) and e-BG linking operationalised | CBIC & DG Systems | Advisory & User Manual[33]

Statutory link.

- Issued by the Directorate General of Systems and Data Management, CBIC, operationalising the Single All-India Multipurpose Electronic Bond (*Ekal Anubandh*) and electronic Bank Guarantee (e-BG) linking module on ICEGATE 2.0 with effect from August 24, 2026.

Key highlights

- Importers and exporters can execute a single, comprehensive electronic bond covering multiple operational scenarios across all Indian customs ports. Imports under the Customs (Import of Goods at Concessional Rate of Duty or for Specified End Use) Rules, 2022 are currently excluded from this module
- The bond is digitally stamped and executed through online Aadhaar-based e-signing.
- Users can link e-Bank Guarantees directly to both electronic bonds and existing physical bonds.
- In the event of documented technical glitches on online portal, field formations are empowered to accept manual, physical bonds and bank guarantees as an interim measure upon application.

[33] Public Notice No. 116/2026-Customs dated August 12, 2026

## C. Trends in product classification – Sector-wise key rulings matrix

| Product under consideration | Issue | Rationale and principles relied upon | Accepted HS Code |
|---|---|---|---|
| **Sector: Chemicals** | | | |
| Low-ethoxylated Fatty Alcohol Ethoxylates (1 & 2 Moles)<br><br>**Forum:** CESTAT[34] | **3824 9090 / 3824 9990** *(Miscellaneous chemicals)*<br>v.<br>**3402 1300** *(Non-ionic Organic Surface-Active Agents)*<br><br>***Dispute Context:***<br>*Eligibility for exemption under Free Trade Agreement* | ▪ **HS Explanatory Notes:**<br>○ As per Chapter Note 3 to Chapter 34, the product must cumulatively yield a translucent/transparent liquid without separation of insoluble matter and reduce surface tension, to qualify as an Organic Surface-Active Agent.<br>○ Water-insoluble surface-active products are expressly excluded from 3402 and directed to 3824.<br>▪ **Test report:** Tests showed a translucent liquid separating into two layers, failing the water-solubility requirement to be classified under Chapter 34. | **3824 9090 / 3824 9990**<br>*[In favour of Assessee]* |
| Magnesium Bis-glycinate Chelate (bulk coordination compound with citric acid stabilizer)<br><br>**Forum:** Advance Ruling[35] | **2922 4990** *(Amino Acids)*<br>v.<br>**2106 / 2941** *(Food Preparations / Antibiotics)*<br><br>***Dispute Context:***<br>*Difference in duty rates (Classification based on chemical structure v. end-use).* | ▪ **HS Explanatory Notes:**<br>○ **Chapter Note 5(C)(3):** Coordination compounds are classified by reference to their organic ligand (glycine), directing it to amino acids (Heading 2922).<br>○ **Permitted Stabilizers:** Water and citric acid stabilizers do not alter classification per Chapter 29 Notes 1(d) & 1(f).<br>▪ **End-use:** Objective chemical composition at the time of import determines classification, not its downstream use in food supplements. | **2922 4990**<br>*[In favour of Applicant]* |
| **Sector: Electronics** | | | |
| PCB-mounted LED modules (without driver/control circuitry)<br><br>**Forum:** CESTAT[36] | **8539 / 8541** *(LED Lamps/Diodes)*<br>v.<br>**9405** *(Lamps/Lighting Fittings)*<br><br>***Dispute Context:***<br>*Difference in duty rates.* | ▪ **Condition at the time of import:** The LED modules could perform as lamp but for the electric circuitry.<br>▪ **Specific coverage:** Tariff Code 8539 explicitly covers LED lamps, whereas Tariff Code 9405 is a residual heading for lighting fittings not elsewhere specified.<br>▪ **End-use:** Classification depends on the essential character at the time of importation, not the intended downstream use in streetlights. | **Heading 8539**<br>*[Partially in favour of Assessee, no incremental duty implication]* |
| Separately imported Laptop LCD display panels (lacking video-signal converting components)<br><br>**Forum:** CESTAT[37] | **8524** *(Flat Panel Display Modules)*<br>v.<br>**8473 3099** *(Computer Parts)*<br><br>***Dispute Context:***<br>*Difference in duty rates.* | ▪ **HS Explanatory Notes:**<br>○ Note 2 to Heading 8524 provides that flat panel display when are not integrated with any other device remains classified under Heading 8524 only.<br>○ Note 7 to Chapter 85 gives Heading 8524 precedence over any other heading in the nomenclature. | **Tariff Code 8524.**<br>*[In favour of Revenue]* |

[34] Commissioner of Customs v. Godrej Industries Limited, 2026 (8) TMI 1621
[35] Inhalation Health Private Limited v. Pr. Commissioner /Commissioner of Customs, Raigad, 2026 (8) TMI 168
[36] Elektron Lighting Systems Private Ltd v. Pr. Commissioner of Customs, New Delhi, 2026 (8) TMI 656
[37] N.R. Computech v. Commissioner of Customs, 2026 (8) TMI 1233

| Product under consideration | Issue | Rationale and principles relied upon | Accepted HS Code |
|---|---|---|---|
| | | ▪ **Specific tariff heading v. intended use:** Where a tariff heading contains the specific description of the good, the importer cannot rely upon the end use thereof to change the classification.<br>▪ **Sequential application of General Rules of Interpretation**: Rule 3(b) says that the heading which occurs last in the numerical order among those which equally merit consideration; Heading 8524 is thus applicable. | |
| **Sector: Industrial components** | | | |
| Aluminium Hollow Profiles for Solar PV Modules<br><br>**Forum:** CESTAT[38] | **7604 2100** *(Hollow Profiles)*<br>v.<br>**7616 9990** *(Other Articles of Aluminium)*<br><br>***Dispute Context:*** *Eligibility of duty exemption* | ▪ **Section Notes:** Section Note 9(b) to Section XV provides that even if the profiles are worked upon after manufacture, they are classifiable under 'Profiles'.<br>▪ **Validity of exemption based on end-use:** Benefit of duty exemption is available irrespective of classification under Chapter 76 given that the end use condition is satisfied. | **7604 2100** *[In favour of Assessee]* |
| Pins, bolts, diaphragms, valves, gaskets, seals, bushes, and liners for GEHO slurry pumps<br><br>**Forum:** CESTAT[39] | **8413 9110** *(Parts of pump)*<br>v.<br>**7318 / 4016** *(Residual metal/rubber headings)*<br><br>***Dispute Context:*** *Difference in duty rates (Part of machine v. part of general use)* | ▪ **HS Explanatory Notes:** Note 2(b) to Section XVI provides that parts suitable for use solely or principally with a particular kind of machine must be classified with that machine.<br>▪ **Evidence:** Evidence established the components were specifically designed/manufactured solely for GEHO pumps. | **Chapter 84 (Parts of pump** *[In favour of Assessee]* |
| **Sector: Medical** | | | |
| Automated real-time PCR-based molecular diagnostic platform (BD Viper™ LT System)<br><br>**Forum:** Advance Ruling[40] | **9027 5090 / 8990** *(Apparatus for chemical/ physical analysis)*<br>v.<br>**9031 4900** *(Optical measuring/ checking instrument)*<br><br>***Dispute Context:*** Difference in duty rates | ▪ **HS Explanatory Notes:** As per the General Rules of Interpretation ('GRI') and scope of Heading 9027, the system does not determine the chemical composition, concentration, or quantity of the original specimen.<br>▪ **Product function:** It processes the specimen, reads generated fluorescence against assay criteria, and reports a binary positive/negative result, matching the checking function of Heading 9031.<br>▪ **Regulatory license not determinative:** The characterisation of goods under another enactment enacted for a different purpose is not determinative of their tariff classification. | **9031 4900** *[In favour of Revenue]* |
| **Sector: Retail** | | | |
| Incomplete parts of electric ride-on toy cars | **9503 0091** *(Parts of Toy)*<br>v. | ▪ **Essential Character:** As per Rule 2(a) of GRI, incomplete goods are treated as complete only if they possess the essential | **9503 0091**. *[In favour of Assessee]* |

[38] Saatvik Green Energy Limited v. Commissioner of Customs, 2026 (8) TMI 1324
[39] Weir Minerals (India) Pvt Ltd v. Pr. Commissioner of Customs, 2026 (9) TMI 564
[40] Becton Dickinson India Private Limited v. Office of the Commissioner of Customs, 2026 (8) TMI 1403

| Product under consideration | Issue | Rationale and principles relied upon | Accepted HS Code |
|---|---|---|---|
| (lacking battery, motor, charger)<br><br>**Forum:** CESTAT[41] | **9503 0010** *(CKD/SKD Complete Toys)*<br><br>***Dispute Context:*** Difference in duty rates *and requirement of mandatory BIS license* | character of the finished article. Chartered Engineer reports confirmed the lots lacked essential functional components (batteries, motors) necessary to operate the toy.<br>▪ **QCO Applicability:** The BIS Quality Control Order applies strictly to functional toys, not non-functional individual parts. | |
| Natural Rubber Latex Balloons (plain/decorative)<br><br>**Forum:** CESTAT[42] | **4016 9590** *(Inflatable Rubber)*<br>v.<br>**9503 0090** *(Toy Balloons)*<br>***Dispute Context:*** *Availability of concessional duty rate* | ▪ **HS Explanatory Notes:** Expressly include 'toy balloons' in Heading 9503.<br>▪ **Specific v general heading**: A specific functional heading (9503) prevails over general material-based residual entries (4016) as per GRI 1. | **9503 0090** *[In favour of Revenue]* |
| **Sector: Textiles** | | | |
| Triangular-cut umbrella fabric panels<br><br>**Forum:** CESTAT[43] | **6307** *(Made-up Textile Articles)*<br>v.<br>**5407** *(Woven Synthetic Filament Fabrics)*<br><br>***Dispute Context:*** *Difference in duty rates (Specific v. general textile)* | ▪ **Section Notes:** Note 7 to Section XI treats articles cut otherwise than into squares/rectangles as 'made-up' articles<br>▪ **Essential Character:** The fabric acquired the distinct commercial identity and essential character of an umbrella panel, ceasing to be mere fabric in running length. | **Tariff Code 6307** *[In favour of Assessee]* |

[41] Commissioner, Customs v. Shre Enterprises, 2026 (8) TMI 1082
[42] Vee Vee Enterprises v, Commissioner of Customs, 2026 (8) TMI 1540
[43] Citizen Umbrella Manufacturers Limited v. Commissioner of Customs, 2026 (8) TMI 250

## PART II: FOREIGN TRADE POLICY AND GLOBAL TRADE

### A. Notification and Trade Notice

#### Alignment of INR denomination and export realisation with FEMA Regulations | Directorate General of Foreign Trade | Notification[44]

- **Effective date:** With immediate effect.
- Paragraphs 2.52 and 2.53 of the Foreign Trade Policy (FTP) 2023 have been amended to fully align with the Foreign Exchange Management (Manner of Receipt and Payment) Regulations, 2023.
- All export contracts and invoices (other than those involving Asian Clearing Union members) may now be denominated either in freely convertible foreign currency or in Indian Rupees (INR).
- Export proceeds realized in INR through authorized banking channels are now explicitly recognized as eligible for all FTP export benefits, incentives, and fulfilment of Export Obligations (EO) at par with proceeds realized in freely convertible currencies.

#### Integration of License-Wise Voluntary Duty Payments for EODC Processing | Directorate General of Foreign Trade | Trade Notice[45]

- DGFT has integrated license-wise voluntary duty payment data directly from Customs/ICEGATE into its own online system.
- For voluntary duty payments made on or after August 1, 2026, Regional Authorities (RAs) will exclusively rely upon the electronic payment data reflected on the DGFT portal (both BO and Customer portals) to process and close Export Obligation Discharge Certificate (EODC) applications under the Advance Authorisation (AA) and Export Promotion Capital Goods (EPCG) schemes.

### B. Upcoming regulation

#### Foreign Exchange Management (Export and Import of Goods and Services) Regulations, 2026[46]

- **Effective date:** October 1, 2026.
- The new regulations supersede the 2015 export-only framework, integrating both the import and export of goods and services into a single regulatory instrument.
- The standard period for the realization and repatriation of full export value will be 15 months[47] from the date of shipment or invoice. However, this period is extended to 18 months for exports that are invoiced or settled in Indian Rupees (INR).
- AD banks will be empowered to handle exceptions. They can independently approve extensions for realization timelines, allow reductions or write-offs in export values, permit setoffs of export receivables against import payables, and authorize third-party receipts and payments.
- For shipping bills or invoices valued up to INR 10 lakh (or equivalent), closure or reduction of export/import values in EDPMS and IDPMS can now be processed based merely on a self-declaration from the exporter or importer. Bulk quarterly closures via self-declaration are also permitted.
- The time gap between the outward and inward remittance legs of a Merchanting Trade Transactions is capped at six months.
- The regulations explicitly prohibit AD banks from levying any charges or penalties on constituents (exporters, importers, or merchant traders) for regulatory delays or violations.

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[44] Notification No. 30/2026-27, Directorate General of Foreign Trade, dated August 20, 2026

[45] Trade Notice No. 15/2026-27, Directorate General of Foreign Trade, dated August 5, 2026

[46] Notification No. FEMA 23(R)/2026-RB

[47] Vide Notification No. FEMA 23(R)/(8)/2026-RB dated 05 June 2026, this time-limit was reduced from 15 month to 9 months

**PART III: PRODUCT REGULATIONS**

## A. Special Chemicals, Organisms, Materials, Equipment and Technologies ('SCOMET')

### Revised Defence Export SOP and consolidated Open General Export Licence Framework | Department of Defence Production | Notification[48]

Statutory link & effective date

- Issued by the Department of Defence Production (DDP), Ministry of Defence, on August 27, 2026.
- The revised Standard Operating Procedure (Export SOP) supersedes the earlier SOP dated September 12, 2025, while the consolidated Open General Export Licence (OGEL) notification supersedes the three distinct OGEL notifications issued on May 10, 2024.

Key highlights

**A. Overview of the Revised Export Standard Operating Procedure (SOP)**

- The revised SOP governs individual export authorisations for Munitions List items under SCOMET Category 6 and specified firearm parts, detailing the framework across the following broad headings:
  - **Export Categories**: Export permissions of SCOMET Category 6 items divided into six categories: .
    - Items for government end-use (including military use) under four sub-categories.
    - Permission for civilian usage of items at 2.1a and 2.1d will not be considered.
    - Participation in exhibitions/tenders, demonstration, business development etc.
    - Re-export after undertaking repair/ replacement.
    - Export for repair/ replacement.
    - Export after undertaking testing/MRO activity.
  - **Mode of application and Documents Required**:
    - Mandates an online application process
    - Requires common documents such as purchase orders, technical specifications, and end-user certificates (EUCs), Specific EUC formats for specific sub-categories.
    - Specific documents also prescribed for specific cases such as transfer of technology/ software/ services, and export-based purpose.
  - **Examination Procedure**: Establishes an inter-agency consultation matrix. Key highlights:
    - Ministry of External Affairs consultation remain mandatory for civil/ non-government end use, exports to certain sensitive countries, complete systems/ sensitive items listed in Appendix II, and Transfer of Technology ('ToT')/ software/ services.
    - DRDO consultation required for export of Complete systems/Sub systems/ Platforms or sensitive items covered under specified SCOMET categories, with several sub-categories requiring only DRDO consultation.
    - Department of Space/ISRO consultation required for export of Complete systems/Sub systems/ Platforms Category under Category 6A011(c).
    - Non-lethal items and samples for exhibitions are granted exemptions from extensive consultations
    - Exports of any item as samples for participating in exhibitions, tenders, RFPs, or NITs, as well as non-lethal demonstration samples, are exempt from stakeholder consultation, provided the exporter holds a valid manufacturing license.
    - The validity of a No objection from stakeholders generally to be valid for two years.
  - **Repeat Orders**:
    - In case of identical items to be exported to different entities, re-consultation requirement with DRDO/ISRO etc. for identical items not required. However, consultation with Ministry of External Affairs would be required in all cases.
    - Re-consultation is waived entirely if the repeat order involves the exact same item, country, and end-user, where consultations with stakeholders has already been done.

[48] F. No. 01(02)/2025-D(EPC) and F. No. 01(10)/2018-D(EPC), Department of Defence Production, Ministry of Defence, dated August 27, 2026

- **Validity of Authorization**: Prescribes varied validity periods tailored to the transaction type:
    - General exports are valid until contract completion.
    - ToT, tender participation and business development for 24 months.
    - Demonstration and re-exports for 12 months.
    - Exhibitions/MRO for 6 months.
- **Other key conditions**: Stipulates that items exported for testing or exhibitions cannot be offered for sale. Export authorizations to countries subject to UN arms embargo/ UNSC sanctions will be considered in consultation with MEA. DDP reserves right to review export authorizations in case of Foreign Policy considerations/ National Security objectives.
- **Open General Export License (OGEL)**: Prescribes OGEL as a one-time license for specified items and countries, without seeking further authorization from DDP. Current validity of OGEL prescribed is two years.
- **Time frame**: Prescribed processing timelines as:
    - 4 weeks where stakeholder consultation is required.
    - 2 weeks where consultation is not required.
- **Competent authority to grant authorisation**: Vests authorization powers in the Joint Secretary (DIP), Department of Defence. Unresolved applications may be escalated to the Defence Export Steering Committee (DESC). DRDO and DPSU heads are granted autonomy to authorize exports for their own promotional tenders.
- **Record Keeping**: Mandates the retention of physical or electronic export records for a period of 5 years from the date of export.
- **Appeal against Denial**: Provides a 30-day window to file an appeal before the Secretary (DP) against any application rejection
- **Prohibition on brokering**: Remains prohibited under the Foreign Trade Development and Regulation (FTDR) Act 1992 and the Weapons of Mass Destruction and Their Delivery Systems (Prohibition of Unlawful Activities) Act 2005.
- **Penal provisions**: Specifies that any unlawful activities will attract enforcement under the Arms Act 1959, Foreign Trade Development and Regulation (FTDR) Act 1992, the Weapons of Mass Destruction and Their Delivery Systems (Prohibition of Unlawful Activities) Act 2005 and Customs Act 1962.

**B. Consolidated Open General Export Licence (OGEL) Framework**

- **Single unified architecture:** The three separate 2024 OGEL regimes covering Major Platforms, Parts & Components, and Intra-company Technology Transfers, have been merged into a single consolidated framework.
- **Coverage:** Applicable for exports to specified countries and items grouped into: (i) Complete systems/platforms; (ii) Residual parts/components; and (iii) Intra-company Transfer of Technology.
- **Scope:** Eligible items for export:
    - For Military End Use:
        - Complete Systems/ Sub-Systems/ Platforms and other Sensitive Items.
        - Residual items including certain Parts & Components, Protective Equipment etc.
        - Intra-company Transfer of Technology/Software.
    - For Civil end Use:
        - Part and Components of SCOMET Category 6A001.
        - All items under Category 6A013.
- **Long-term foreign manufacturer licensing route:** A dedicated mechanism is introduced for Indian entities holding long-term supply contracts or agreements with Foreign Original Equipment Manufacturers (FOEMs). An OGEL under this route may be granted for eligible items and the specific FOEM, with the license validity aligned with the underlying contract duration.
- **Mode of application:** Online.
- **Documents required:** The documentation list prescribes 11 categories of documents including Authorised Economic Operator (AEO) certificate.
- **General terms and conditions**:
    - Mandates quarterly and annual usage reporting, within 15 days of end of quarter/ year.

- In case items could be covered under catch-all provisions, regular export authorization process to be followed.
- Inter-company transfer of technology/ software applications limited to exports by India subsidiary which have been imported from the country of the parent company abroad or from subsidiaries of the parent company abroad.

- **Countries or destinations allowed:** Exports to all countries except UNSC-embargoed nations and deliveries to Special Economic Zones (SEZ).
- **Consultation:** To be considered by DDP in consultation with MEA. DRDO to be additionally consulted in cases of technology transfers.
- **Other key restrictions:** Prohibits export of classified, secret, or WMD-linked technologies and mandates compliance with the Security Manual for Licensed Defence Industries.
- **Validity:** Standard OGELs are granted a 3-year validity, while those tied to Foreign OEM (FOEM) contracts are co-terminus with the agreement.
- **Pre-export compliances:** This *inter alia,* includes:
  - Registration and obtaining authorization on prescribed online portal.
  - Ensure fulfilment of license requirements.
  - System for keeping records for inspection by relevant authority.
  - Possession of prescribed documentation including End-user certificates.
  - Prescribed declaration on all commercial documents.

**Dhruva Comments**

The overhaul substantially streamlines the authorization process for regular exporters, bringing more non-lethal transactions and promotional samples within the expedited two-week processing track.

However, this commercial facilitation is accompanied by significantly tighter operational controls. The mandate requiring AEO certification sets a higher entry barrier, obliging companies to institutionalize robust supply-chain security and internal compliance mechanisms. Defence manufacturers should carefully structure their delivery schedules and contractual commitments to account for the mandatory undertaking that gives domestic armed forces' demands statutory priority over export execution.

## B. Legal Metrology

### Mandatory Synchronization with Indian Standard Time (IST) | Ministry of Consumer Affairs | Notification[49].

- **Effective date:** The Legal Metrology (Indian Standard Time) Rules, 2026, will come into force 180 days from the date of publication in the Official Gazette.
- **Universal Reference:** Indian Standard Time (realized as UTC(NPLI) + 5:30) is designated as the exclusive official time reference for all administrative, commercial, and legal operations across India. Using, displaying, or recording unauthorized alternate time references is prohibited, subject to limited exceptions for scientific research or clearly labelled foreign time-zone displays alongside IST.
- **Standardized time format:** The rules explicitly prescribe the format for documenting IST. When recording time alone, the format must be HH:MM:SS. When combined with the date, the required format is DD-MM-YYYY- HH:MM:SS
- **Critical Sector Mandates:** Entities in critical infrastructure sectors, including telecommunications, financial services, energy grids and data centres, must synchronize their time-dependent systems to IST using authorized sources
- **Resilience & NavIC integration:** Critical infrastructure sector must deploy redundant time-synchronization systems incorporating NavIC or another authorized timing source. Global Navigation Satellite System (GNSS)-based timing devices must receive at least one timing reference directly from the NavIC constellation or from an authorized timing source. In the event of reference input failure, entities must maintain local holdover capability using high-stability atomic clocks calibrated by CSIR-NPL or RRSL
- **Cybersecurity, audits & penalties:** Systems must adhere to strict cybersecurity safeguards against jamming, spoofing, and intrusion. Compliance is subject to periodic audits by the Legal Metrology

[49] Notification G.S.R. 761(E) [F. No. 1-9/1/2025-W&M], Ministry of Consumer Affairs, Food and Public Distribution, dated August 27, 2026

Division, with violations punishable under the penal provisions of the Legal Metrology Act, 2009.

**Dhruva Comments**

This notification aims to mandate IST as the unified time scale across the country. The framework safeguards critical national networks against foreign disruptions and spoofing risks. Organizations in telecom, fintech, and critical infrastructure must use the 180-day transition window to audit their internal clocks and calibrate timing infrastructure with relevant standards.

## C. Bureau of Indian Standards

### Implementation timeline extended for television Sets (IS 18112:2022) | CBIC | Instruction[50]

- The Ministry of Electronics and Information Technology ('MeitY') has extended mandatory compliance deadline for 'Television Sets' (Sl. No. 64 of the Schedule to the Electronics and Information Technology Goods (Compulsory Registration) Order, 2021).
- The date for mandatory compliance with Indian Standard IS 18112:2022 has been officially extended from July 26, 2026, to January 26, 2027.

## D. Waste Management

**Plastic Waste**

### Acceptance of One-Year EPR certificates as perpetual registrations for Import Clearance | CBIC | Instruction[51]

- Customs authorities have been instructed to clear import consignments of plastic packaging, commodities with plastic packaging, plastic raw materials (resins/pellets), and intermediate materials upon verification of the importer's Centralized Extended Producer Responsibility (EPR) portal registration.
- EPR registration certificates indicating a validity of one year are to be treated as 'one-time Registration Certificates' that do not require annual renewal.

### Discontinuation of transactions with unregistered entities on online Portal | Ministry of Environment, Forest and Climate Change ('MoEF & CC') and Central Pollution Control Board ('CPCB') | Public Notice[52]

- The Central Pollution Control Board is discontinuing the declaration and recording of purchase and sale transactions involving unregistered entities on the Common EPR (CEPR) Portal.
- Limited exceptions are preserved only for micro and small Brand Owners and Plastic Waste Processor's (PWP) related transactions.
- All producers, importers, brand owners, manufacturers, and waste processors are directed to register immediately and ensure their upstream and downstream trading partners are registered.

**Dhruva Comments**

The CPCB is enforcing digital traceability by shutting out unregistered entities from formal transaction reporting. Regulated businesses can no longer offset, or report packaging volumes sourced from or sold to unregistered partners. Corporate entities must conduct supply-chain due diligence to ensure all vendors, suppliers, and distributors hold active registrations to protect their own EPR target compliances.

### Extension of Annual Return filing timelines for Plastic Waste | MoEF&CC | Office Memorandum[53]

- The deadline for filing annual returns for FY 2025-26 has been extended to October 31, 2026, for registered Plastic Waste Processors (PWPs).
- For Producers, Importers, and Brand Owners (PIBOs), the filing timeline has been extended to December 31, 2026.

**E-waste**

### Extension of timelines for filing Quarterly and Annual Returns | MoEF&CC & CPCB | Notice[54]

- The timeline for filing quarterly and annual returns for FY 2025-26 on the centralized E-Waste EPR portal by registered producers and recyclers has been extended from April 30, 2026, to September 30, 2026.

[50] Instruction No. 14/2026-Customs [F. No. 450/51/2018], CBIC, dated August 7, 2026
[51] Instruction No. 15/2026-Customs [F. No. 401/11/2022-Cus.III], CBIC, dated September 9, 2026
[52] Public Notice File No. 20/15/2025-UPCII-H.O-CPCB Part (1), Central Pollution Control Board, dated August 27, 2026
[53] Office Memorandum F. No. 12/64/2023-HSM Part (1), Ministry of Environment, Forest and Climate Change, dated August 28, 2026
[54] Public Notice File No. CP/14/2024-WM-III-HO-CPCB-HO, CPCB, and OM F. No. 12/136/2021-HSM, MoEF&CC, both dated August 27, 2026

**Battery waste**

### Extension of Annual Return filing timeline for Battery Waste | MoEF&CC | Office Memorandum[55]

- The deadline for battery producers to file their annual returns for FY 2025-26 has been extended from June 30, 2026, to November 30, 2026.

## E. Sector-specific regulations.

**Food Safety and Standards**

### 'NFG' Qualifier in Bills of Entry for Non-Food Grade Consignments | FSSAI | Public Notice[56]

- Importers and customs brokers are advised to declare the specific qualifier 'NFG' (Non-Food Grade) in ICEGATE/SWIFT when filing Bills of Entry for non-food grade consignments.
- The requirement specifically targets dual-use commodities that share identical HSN codes across food and industrial applications.

**Dhruva Comments**

A recurring operational bottleneck in customs clearance has been the automatic routing of dual-use chemical, agricultural, and industrial imports to the FSSAI's Food Import Clearance System (FICS) solely based on tariff classification. Inserting this qualifier enables the Single Window Interface for Facilitating Trade (SWIFT) system to suppress unnecessary Partner Government Agency (PGA) routing to FSSAI, eliminating unwarranted testing fees, documentation delays, and port demurrage for non-food importers.

**Drugs, Cosmetics and Medical devices.**

### Prescription of Mandatory Checklists for Import of Cosmetics, Drugs, and Medical Devices | CBIC | Circular[57]

- CBIC Circular No. 40/2026-Customs introduces seven mandatory compliance checklists for importing cosmetics, drugs, and medical devices to be verified by customs officers before granting an out-of-charge clearance.
- Importers and customs brokers are instructed to proactively upload all requisite documentation onto e-SANCHIT to facilitate expedited Out-of-Charge clearance.
- Primary reason for introducing these mandatory checklists is to facilitate ease of doing business by providing transparency thereby removing ambiguity and guesswork for importers while ensuring strict legal compliance with the Drugs and Cosmetics Regulation.

[55] Office Memorandum F. No. 12/136/2021-HSM, Ministry of Environment, Forest and Climate Change, dated August 27, 2026

[56] Public Notice File No. TIC-B02/1/2026-IMPORTS-FSSAI, Food Safety and Standards Authority of India, dated August 10, 2026

[57] Circular No. 40/2026-Customs [F. No. CBIC-510401/4/2023], Central Board of Indirect Taxes and Customs, dated September 3, 2026

## PART IV: TRADE REMEDIES

| Product under consideration | Country of export | Type of duty Involved | Type of investigation | Status | Gazette notification issued |
|---|---|---|---|---|---|
| Glufosinate and its salts | China PR | Anti-Dumping Duty (ADD) | Anti-Absorption Investigation | Final Findings issued; recommended enhancement of ADD | Pending gazette notification[58] |
| Certain Flat Rolled Aluminium Products (FRP) | China PR | | Sunset Review | Final Findings issued; recommended continuation of ADD for 5 years | Pending gazette notification[59] |
| Natural Mica based Pearl Industrial Pigments (excluding cosmetic grade) | China PR | | Sunset Review | Existing ADD extended up to and inclusive of February 25, 2027 | Yes[60] |
| Calcined Gypsum Powder | Iran, Oman, Saudi Arabia, and United Arab Emirates (UAE) | | Sunset Review | Existing ADD extended up to and inclusive of March 16, 2027 | Yes[61] |
| Phthalic Anhydride | China PR and Republic of Korea | | Sunset Review | ADD continued and imposed for a period of 5 years | Yes [62] |
| Titanium Dioxide | China PR | | Remand Proceedings | Final Findings issued on remand; recommended imposition of definitive ADD for 5 years. | Pending gazette notification[63] |

[58] DGTR Final Findings Notification F. No. 7/02/2026-DGTR (Case No. AD (AA) – 01/2026), dated September 1, 2026
[59] DGTR Final Findings Notification F. No. 7/11/2026-DGTR (Case No. AD (SSR) – 07/2026), dated September 3, 2026
[60] Ministry of Finance (Department of Revenue) Notification No. 21/2026-Customs (ADD), dated August 21, 2026
[61] Ministry of Finance (Department of Revenue) Notification No. 22/2026-Customs (ADD), dated September 14, 2026
[62] Ministry of Finance (Department of Revenue) Notification No. 20/2026-Customs (ADD), dated August 5, 2026
[63] DGTR Final Findings Notification F. No. 6/03/2024-DGTR (Case No. AD (OI) – 03/2024), dated August 3, 2026

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