



Customs and Foreign Trade Policy Monthly newsletter

November 2025



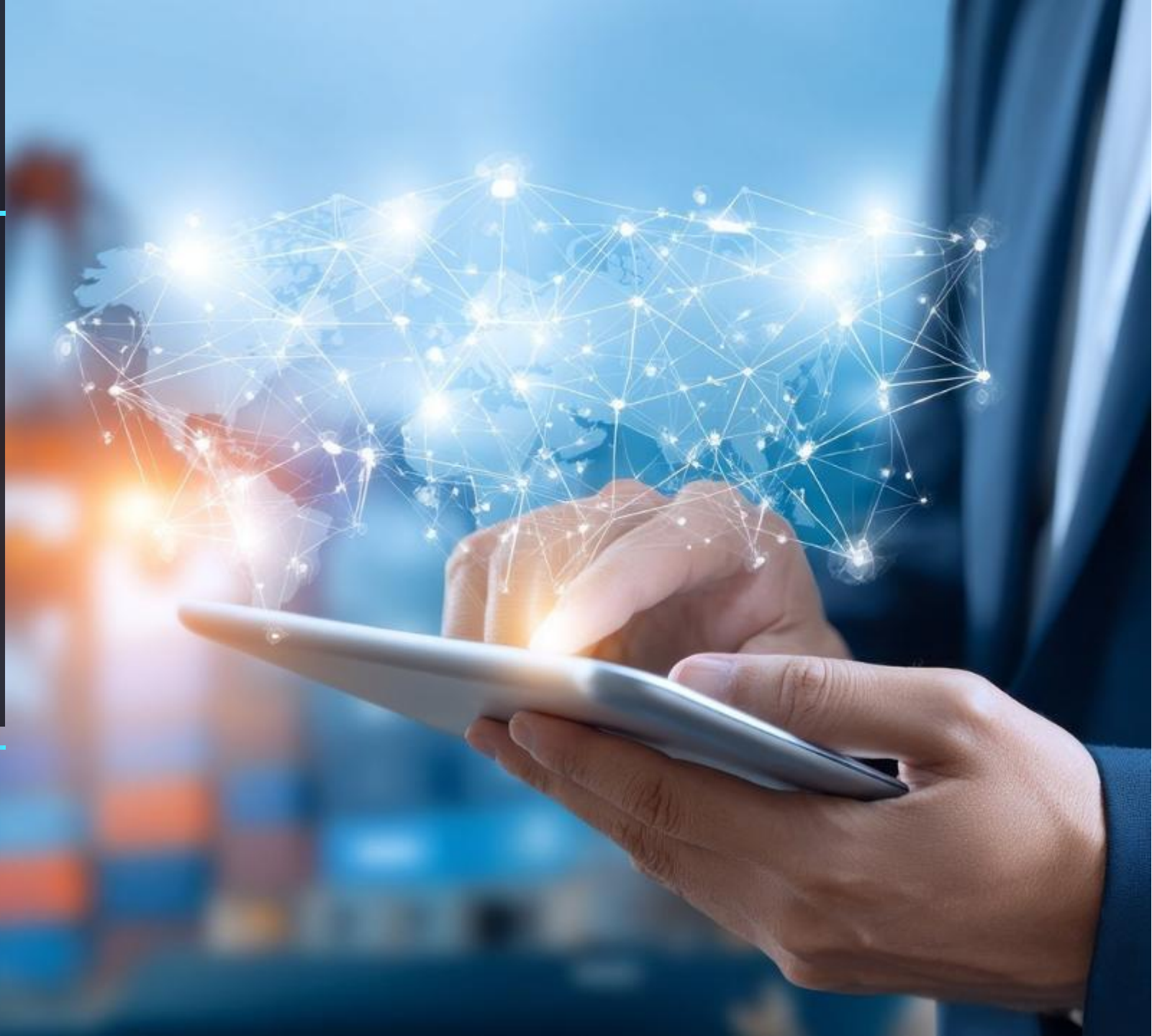
The better the question. The better the answer. The better the world works.



Shape the future
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Contents

- 01 Key notifications, circulars, instructions, public notices and trade notices
- 02 Quality Control Orders (QCOs) issued by the Bureau of Indian Standards (BIS)
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The background features a blurred image of a person's hands typing on a laptop. Overlaid on this are several digital elements: a large yellow circle in the top left, a wireframe world map in the top right, a bar chart with the value '1029.64' in the middle right, and various hexagonal icons containing symbols like '@', a hand cursor, and 'SEO'. A timer at the bottom center shows '00:00:15:09'.

| 01

Key notifications, circulars,
instructions, public notices
and trade notices

Notifications issued: Customs, Tariff and Non-Tariff

Consolidation of Customs Notifications

- 01 Consolidation of entries of *erstwhile* Notification No. 50/2017-Customs dated 30 June 2017 ('Notification 50/2017') and 30 other standalone Customs notifications into a single notification.
- 02 Modification of Sl. No. 5 of Notification No. 39/1996-Customs dated 23 August 1996 to provide duty exemption on the supplies by Air India Engineering Services Limited to cover three specified aircrafts maintained and operated by the Indian Air Force.
- 03 Removal of Sl. No. 166A of Notification 50/2017 which had earlier prescribed 5% BCD for bulk drugs used in the manufacture of poliomyelitis vaccine (inactivated and live) and monocomponent insulins.
- 04 The notification is effective from 1 November 2025.

● *Notification No. 45/2025-Customs dated 24 October 2025*

Notifications issued: Customs, Tariff and Non-Tariff

01

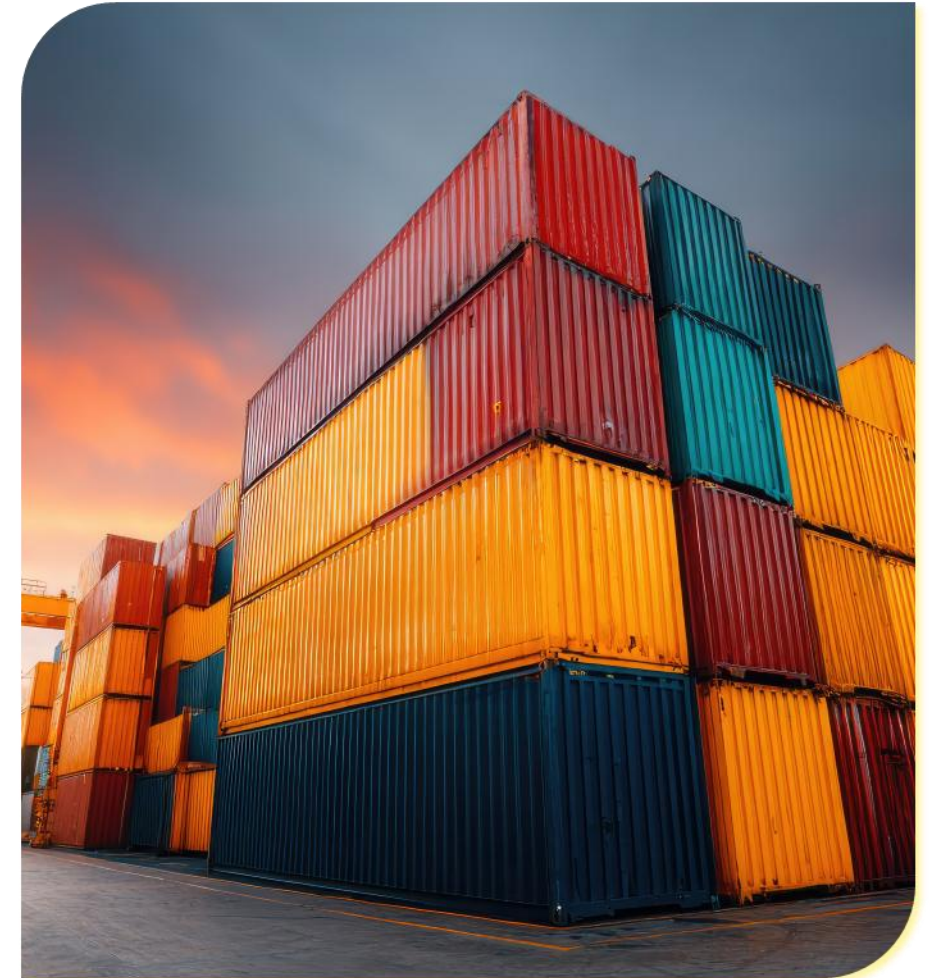
Amendments have been made to specified exemption Notifications including SWS, AIDC and Health Cess, to align them with changes made *vide* Notification No. 45/2025-Customs dated 24 October 2025. *[Notification No. 44/2025-Customs dated 24 October 2025]*

02

Import duty of 30% imposed on yellow peas under CTI 07131010 for all BLs issued on or after 1 November 2025. For BLs issued on or before 31 October 2025, import duty to continue to be exempted. *[Notification Nos. 46/2025-Customs and 47/2025-Customs both dated 29 October 2025]*

03

Principal Additional Director General/Additional Director General (NCTC-PX) of DGARM appointed as proper officer to receive and process PNR information under the Passenger Name Record Information Regulations, 2022. *[Notification No. 62/2025-Customs (N.T.) dated 1 October 2025]*



Notifications issued: Customs, Tariff and Non-Tariff

04

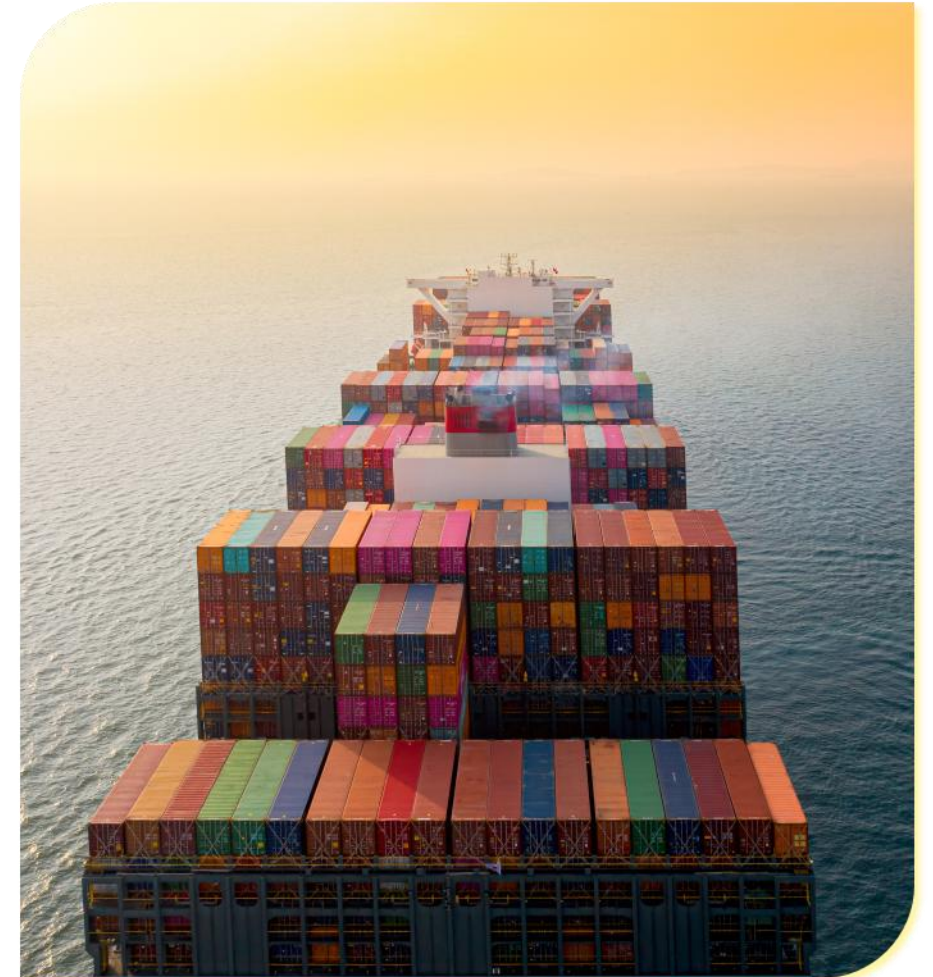
List of proper officers under Section 110 of the Customs Act, 1962 modified, specifically empowering them to perform functions related to seizure of goods, documents, etc., as outlined in the specified sub-sections of the said section. *[Notification No. 63/2025-Customs (N.T.) dated 1 October 2025]*

05

Changes made to the tariff value of edible oils, brass scrap (all grades), areca nut, gold and silver. *[Notification Nos. 64/2025-Customs (N.T.) dated 9 October 2025, 65/2025-Customs (N.T.) dated 15 October 2025 and 72/2025-Customs (N.T.) dated 31 October 2025]*

06

Addition of ICD at Malur in Kolar district of Karnataka for import unloading and export loading. *[Notification No. 66/2025-Customs (N.T.) dated 23 October 2025]*



Notifications issued: Customs, Tariff and Non-Tariff

07

The AIR of duty drawback for gold and silver jewellery/articles revised. *[Notification No. 67/2025-Customs (N.T.) dated 27 October 2025]*

08

Anti-dumping duty on import of untreated fumed silica produced by M/s Shandong Dongyue Silicone Material Co. Ltd., from China increased from US\$1,018 per MT to US\$1,296 per MT. *[Notification No. 30/2025-Customs (ADD) dated 27 October 2025]*



Notifications issued: Customs, tariff and non-tariff

Issuance of Customs (Voluntary Revision of Entries Post Clearance) Regulations, 2025

- 01 Authorized individuals, including importers, exporters, and Customs brokers, can now electronically request revision of customs entries and revision of entries cum refund made during the clearance process through the common portal.
- 02 Applications must be filed at the port where customs duties were paid, and should address entries made under a single/multiple bills of entry or shipping bill(s).
- 03 Revised entries will be subject to risk assessments, and customs officials may request additional documentation to verify accuracy. In cases of discrepancies, Customs authorities reserve the right to reassess duties.
- 04 Authorized persons will be required to retain revised entry documents for a period of five years.

● *Notification No. 70/2025-Customs dated 30 October 2025*

Notifications issued: Customs, tariff and non-tariff

Issuance of Customs (Voluntary Revision of Entries Post Clearance) Regulations, 2025

- 05 A document fee of INR1,000 per entry has been issued. *[Notification No. 69/2025-Customs (N.T.) dated 30 October 2025]*
- 06 The Deputy/Assistant Commissioner of Customs has been appointed as the proper officer for the purpose of the said revision of entries post clearance. *[Notification No. 68/2025-Customs (N.T.) dated 30 October 2025]*
- 07 Revision not to be done under instrument-based scheme notified under the Foreign Trade (Development and Regulation) Act, 1992 or any notification issued under Section 25(1) of the Customs Act, or any regulation made thereunder, or the Customs Tariff Act, 1975. If benefit is already availed and the same is to be reversed, a different procedure for such reversal is already provided in such notification or under such regulation. *[Notification No. 71/2025-Customs (N.T.) dated 30 October 2025]*
- 08 Guidelines to Voluntary Revision of Entries Post Clearance also issued. *[Circular No. 26/2025-Customs dated 30 October 2025]*



Auto-approval of incentive bank account and IFSC code

To streamline IGST refund and drawback processes, auto-approval for incentive bank account and IFSC code registration for an IEC across Customs locations introduced. **[Circular No. 24/2025-Customs dated 7 October 2025]**



Phase-wise implementation of the Sea Cargo Regulations

Implementation of Sea Cargo Manifest and Transshipment Regulations, 2018 in a phased manner. The sea arrival manifest and sea entry inward messages operational nationwide since 16 January 2025. Sea departure manifest operational since 26 August 2025. The transitional provisions extended till 31 December 2025. **[Circular No. 25/2025-Customs dated 8 October 2025]**



Extension of online application facility under MOOWR

The existing online facility for making applications under MOOWR scheme through InvestIndia portal extended till 15 November 2025. *[Circular No. 27/2025-Customs dated 31 October 2025]*



Issuance of Look Out Circulars

Exclusive use of online portal for processing Look Out Circulars mandated. Designated officers to manage user credential creation and coordination and field formations to seek procedural guidance and report issues via nodal officers. *[Instruction No. 30/2025-Customs dated 13 October 2025]*

✦ Notifications issued: DGFT

01

Export of specified agricultural commodities to Bhutan exempted from applicable restrictions and prohibitions. *[Notification No. 36/2025-26 dated 3 October 2025]*

02

Export policy of de-oiled rice bran under CTIs 23024000, 23069019, 23069029 and 23069090 changed from 'prohibited' to 'free'. *[Notification No. 37/2025-26 dated 3 October 2025]*

03

Export of 100 MTs of wheat seed (DWR-162) under CTI 10019100 from University of Dharwad to Indonesia via Mangalore Sea Port permitted as one-time exemption, subject to specified condition. *[Notification No. 38/2025-26 dated 3 October 2025]*



✦ Notifications issued: DGFT

04

Export of non-basmati/basmati rice under CTH 1006 to EU countries subject to issuance of Certificate of Inspection by EIC/EIA. However, export to other European countries is exempt from this requirement till 2 April 2026. *[Notification No. 39/2025-26 dated 3 October 2025]*

05

Import policy condition of specified items under Chapters 70, 73, 84 and 85 revised and effective from 1 November 2025. *[Notification No. 40/2025-26 dated 10 October 2025]*

06

Import of sulfadiazine API under Chapter 29, having a CIF value of less than INR1,774 per kg restricted till 30 September 2026. However, imports made by AA holders, EOUs and SEZ units exempted from the above restriction. *[Notification No. 41/2025-26 dated 10 October 2025]*



✦ Notifications issued: DGFT

07

Export of specified chilled and frozen meat products under CTHs 0201, 0202 and 0206 permitted only upon remittance to the Meat Export Development Fund operated by APEDA, effective 29 October 2025. *[Notification No. 42/2025-26 dated 14 October 2025]*

08

Import of areca nuts (roasted or otherwise) under CTIs 08028090 and 20081991, having a CIF value of less than INR351 per kg prohibited. However, imports made by AA holders, EOUs and SEZ units exempted from the above prohibition. *[Notification No. 43/2025-26 dated 15 October 2025]*

09

Import policy amended in sync with Finance Act, 2025, thereby changing policy conditions as well as Section notes, Chapter notes, Supplementary notes, Chapter headings, sub-headings, and descriptions for specified tariff entries. *[Notification No. 44/2025-26 dated 15 October 2025]*



✚ Notifications issued: DGFT

10

Import policy conditions for specified items under Chapters 29 and 38 amended. *[Notification No. 45/2025-26 dated 15 October 2025]*

11

Import of synthetic knitted fabrics under CTI 60053600 to remain 'restricted' and subject to MIP condition of US\$3.5 per kg, except for fabrics falling within the 28 to 48 grams per square range. However, imports made by AA holders, EOUs and SEZ units are exempted from the above conditions. *[Notification No. 46/2025-26 dated 21 October 2025]*





Exemption of silver jewelry from import restriction

EOUs, SEZ units, AA and DFIA holders exempted from import restrictions on silver jewelry under CTIs 71131141 and 71131149 subject to specified condition. ***[Circular No. 06/2025-26 dated 27 October 2025]***



Amendment to para 2.35 of HBP 2023

Para 2.35 of HBP 2023 amended to provide regional authorities the authority to issue EUC as per Appendix 2Q for restricted imports, in accordance with the restricted authorization granted by DGFT. ***[Public Notice No. 23/2025-26 dated 1 October 2025]***



Extension of date for filing of annual RoDTEP return

Last date for filing of annual RoDTEP return extended to 30 November 2025. *[Public Notice No. 24/2025-26 dated 3 October 2025]*



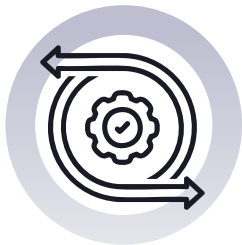
Fixation of new SION

SION for export of mobile phones under 'Engineering & Electronic Items' notified to enable regional authorities to issue AA directly, without referring individual cases to the Norms committee. *[Public Notice No. 25/2025 dated 10 October 2025]*



Renumbering of provisions for Diamond Imprest Authorization

Procedural and compliance guidelines for Diamond Imprest Authorization renumbered in HBP 2023. *[Public Notice No. 26/2025-26 dated 15 October 2025]*



Reinstatement of suspended SION

Suspended SION for export of hot dipped galvanized tension bar/gate rods/truss rods/drop rods reinstated. *[Public Notice No. 27/2025-26 dated 22 October 2025]*



Amendment to para 4.84(b) of HBP 2023

Para 4.84(b) of HBP 2023 amended to align with para 4.36(a) of FTP 2023, to allow AA holders to import gold as replenishment after the completion of exports. *[Public Notice No. 28/2025-26 dated 23 October 2025]*



Amendment to paras 2.88(a) and 2.91 of HBP 2023

Paras 2.88(a) and 2.91 of HBP 2023 amended to facilitate exporters to obtain COO under the India-EFTA TEPA through self-declaration, in addition to the existing system of issuance of COO by authorized agencies. *[Public Notice No. 29/2025-26 dated 28 October 2025]*



Amendment to appendix 2B of FTP 2023

Appendix 2B to FTP 2023 amended to notify list of authorized agencies permitted to issue preferential COO under the India-EFTA TEPA. *[Public Notice No. 30/2025-26 dated 28 October 2025]*



TRQ framework for gold import under India- UAE CEPA

Import of gold under CTH 7108 within TRQ framework of India-UAE CEPA to require BIS hallmarking and GST registration. TRQ allocation to be undertaken through competitive online bidding/tender process. *[Public Notice No. 31/2025-26 dated 29 October 2025]*



Pilot launch of Bharat Aayat Niryat LabSetu

LabSetu, a unified digital platform for exporters/importers to access accredited testing and inspection services, launched to strengthen India's trade facilitation ecosystem. Pilot phase of the platform to commence on 4 November 2025 and exporters/importers to be able to submit applications for product and commodity testing from 11 November 2025. **[Trade Notice No. 14/2025-26 dated 27 October 2025]**



Amendment to appendix 2B of FTP 2023

Eligibility criteria for exporters to register on 'Source from India' feature of the trade connect portal expanded beyond status holders. Exporters having valid IEC (IECs not covered under DEL), and a minimum export realization of US\$100,000 in any of the last three financial years (FYs) to be able to access the platform. **[Trade Notice No. 15/2025-26 dated 29 October 2025]**



Refund process for cancelled gold TRQ applications under India-UAE CEPA

Procedure for refunding application fees for gold bullion TRQ allocations under India-UAE CEPA for FY 2025-26, following cancellation of provisional allocations, outlined. *[Trade Notice No. 16/2025-26 dated 29 October 2025]*



Draft amendment to ANF 10A

Inputs from stakeholders invited on a draft amendment to ANF 10A, which proposes a unified format for all SCOMET export authorization applications. Feedback is requested to be submitted within 30 days of date of publication of this notice. *[Trade Notice No. 17/2025-26 dated 31 October 2025]*

02

Quality Control Orders
(QCOs) issued by the
Bureau of Indian
Standards (BIS)



BIS notifications in relation to mandatory QCOs

QCOs from 1 October 2025 and onwards

Extension of effective date of QCOs

- 01 'Ethylene Vinyl Acetate Copolymers (Quality Control) Order, 2022' made effective from 3 October 2026. *[S.O. 4495(E) dated 1 October 2025 issued by the Ministry of Chemicals and Fertilizers]*
- 02 'Polypropylene (PP) Materials for Moulding and Extrusion (Quality Control) Order, 2024' made effective from 24 April 2026. *[S.O. 4779(E) dated 22 October 2025 issued by the Ministry of Chemicals and Fertilizers]*



BIS notifications in relation to mandatory QCOs

QCOs from 1 October 2025 and onwards



Rescission of QCOs

- 01 'Lauric Acid (Quality Control) Order, 2022' rescinded. *[S.O. 4780(E) dated 22 October 2025 issued by the Ministry of Chemicals and Fertilizers]*
- 02 'Acid Oil (Quality Control) Order, 2022' rescinded. *[S.O. 4781(E) dated 22 October 2025 issued by the Ministry of Chemicals and Fertilizers]*
- 03 'Palm Fatty Acids (Quality Control) Order, 2022' rescinded. *[S.O. 4782(E) dated 22 October 2025 issued by the Ministry of Chemicals and Fertilizers]*
- 04 'Rice Bran Fatty Acids (Quality Control) Order, 2022' rescinded. *[S.O. 4783(E) 22 October 2025 issued by the Ministry of Chemicals and Fertilizers]*
- 05 'Coconut Fatty Acids (Quality Control) Order, 2022' rescinded. *[S.O. 4784(E) dated 22 October 2025 issued by the Ministry of Chemicals and Fertilizers]*



BIS notifications in relation to mandatory QCOs

QCOs from 1 October 2025 and onwards



Rescission of QCOs

- 06 'Hydrogenated Rice Bran Fatty Acids (Quality Control) Order, 2022' rescinded. *[S.O. 4785(E) dated 22 October 2025 issued by the Ministry of Chemicals and Fertilizers]*
- 07 'Acrylonitrile (Quality Control) Order, 2022' rescinded. *[S.O. 4862(E) dated 24 October 2025 issued by the Ministry of Chemicals and Fertilizers]*
- 08 'Maleic Anhydride (Quality Control) Order, 2022' rescinded. *[S.O. 4863(E) dated 24 October 2025 issued by the Ministry of Chemicals and Fertilizers]*
- 09 'Styrene (Vinyl Benzene) (Quality Control) Order, 2022' rescinded. *[S.O. 4864(E) dated 24 October 2025 issued by the Ministry of Chemicals and Fertilizers]*

BIS notifications in relation to mandatory QCOs

Upcoming QCOs

QCOs to be implemented in November 2025

- 01 'Cross Recessed Screws (Quality Control) Order, 2025' to be implemented from 1 November 2025. *[S.O. 3927(E) dated 27 August 2025 issued by the Department of Promotion of Industry and Internal Trade]*



03

Key judicial rulings

DGFT is the proper authority to clarify issues related to licensing disputes

1

The Respondent was engaged in production of calcined petroleum coke (CPC), using raw petroleum coke (RPC) as feedstock. Following a Supreme Court order, the Indian government amended the import policy in October 2018 to allow calciners to import RPC, subject to recommendations from an expert committee. Based on the committee's decision in May 2021, the Respondent was issued a licence to import specified amount of RPC for manufacturing CPC.

2

The licence specified that the goods so imported should conform to specific BIS standard. However, as explained by both the DGFT and the Ministry of Environment (MoE), conforming to such standard was relevant only to CPC and not to RPC which is processed further to produce CPC. Despite this clarification, Customs authorities seized a portion of the RPC imported by the Respondent, for alleged violation of import policy conditions.

3

Legal challenges followed, with initial appeals going in favor of the Respondent, confirming that the RPC imported was within the licence and policy conditions. The case eventually reached CESTAT after a remand from the High Court. In parallel, both the DGFT and MoE issued formal clarifications reiterating that sulphur content limits apply only to CPC and not to RPC.

4

CESTAT closely examined the matter and held that basis the clarification issued by DGFT, the Company is eligible to import the goods as permitted by DGFT and accordingly dismissed the department's appeal.

Condition for availing concessional BCD with respect to CKD imports

1

The Appellant had imported kits for caterpillar dumpers in completely knocked down (CKD) condition and availed benefit of concessional customs duty rate under Notification No. 50/2017. Customs authorities alleged misdeclaration of goods as CKD kits to wrongfully claim the exemption benefit, asserting that key components like engine, gear box, and transmission mechanism, were imported in 'pre-assembled' form, contrary to the Notification's requirements.

2

CESTAT analyzed the conditions of the notification and the technical definitions involved. It held that 'preassembled condition' implies independent existence even if identifiable as engine, gear box and transmission mechanism which turns into assembly as soon as fitted over chassis or body assembly. The distinction was not in the degree of identifiability but in the progress of assimilation as 'motor vehicle' from 'preassembled' to 'assembled'.

3

CESTAT further held that it would offer absurd consequence if any one or two of the three were identifiable and, even without the engine, held as progression warranting withhold of most favorable duty rate. Thus, 'preassembled' must be taken to mean putting together of engine, gearbox and transmission mechanism and disparate existence as sufficient condition for availing the least of the duty burden.

4

Accordingly, it was held that the imports are not to be deprived of the lowest rate of duty and the demand arising therefrom was held to be inconsistent with the law, thereby setting aside the demands for differential duty and penalties.

Classification of glucometers under Customs Tariff

1

Interim Application in Customs Appeal filed by the Appellant against Advance Ruling passed by the Customs Authority for Advance Rulings on classification of blood glucose monitors (glucometers) under CTH 9018 the Customs Tariff. The Appellant stated that the glucometers were classifiable under CTH 9027, thereby being liable to the levy of BCD at 5% against CTH 9018 where it liable to duty at 7.5%, as held by CAAR.

2

The Appellant contended that devices falling under CTH 9018 must necessarily be goods which, in the vast majority of cases, are used only in professional practice by doctors, surgeons, etc. However, glucometers were mostly used by individuals at their homes/workplaces to monitor and manage blood glucose levels. Hence, the said goods cannot be classified under CTH 9018.

3

The Appellant further contended that on account of the impugned Ruling, it was suffering a higher rate of duty when compared to similar goods imported by its competitors. On the other hand, the department argued that no interference is called for w.r.t. the impugned order, as irrespective of who uses glucometers, the same would merit classification under CTH 9018.

4

After considering past precedents, the Bombay High Court stayed the operation of the impugned order till the final disposal of the Customs Appeal. Accordingly, the Appellant undertook to provisionally clear the said goods under CTH 9027, thereby executing a bond to that effect.

Penalty under tax statutes are civil and not criminal in nature

1

The Appellant, an importer availed exemption from payment of BCD under Notification No. 50/2017 and was required to file quarterly returns under the Customs (Import of Goods at Concessional Rate of Duty) Rules, 2017. The department found that the Appellant had delayed submission of quarterly returns from July 2017 to March 2019 and imposed seven separate penalties of INR25,000 each under Section 158 of the Customs Act for procedural lapses, which were upheld in appeal by Commissioner (Appeals).

2

The Appellant argued that the required returns had been filed, supported by certificates from relevant authorities, and contended that any breach was procedural rather than substantive. It submitted that its filings were *bona fide* and substantiated by documentary evidence, and highlighted that they met the material conditions for exemption, even if some returns were not submitted to the exact correct authority or by the precise deadline.

3

CESTAT observed that the contraventions to be purely procedural, with no evidence of fraud, gross or wilful neglect, or intent to evade government revenue. Further, it emphasized that penalties should not ordinarily be imposed for technical/minor breaches in which deliberate defiance or conscious disregard for obligations is absent. Even minimum penalties may be waived where the breach is venial and not dishonest.

4

Accordingly, CESTAT set aside all penalties imposed, recognizing that the lapses committed were *bona fide* and merely technical. The appeal was allowed, emphasizing that penalty under tax statutes is civil and not to be equated with criminal conviction, and that the purpose was to enforce compliance and not punish honest procedural errors.

Department cannot reject duty drawback without proper reason

1

In the present case, CESTAT set aside the impugned communication which had rejected the Appellant's request for processing free shipping bills under the duty drawback scheme without conversion. The rejection was made under Rule 12(1)(a) of the Customs, Central Excise and Service Tax Drawback Rules, 1995, but without assigning any reasons or granting a hearing, thereby violating the principles of natural justice.

2

CESTAT held that while the proper officer has discretion under Rule 12(1)(a) to allow AIR of duty drawback on goods exported under free shipping bills, such discretion must be exercised fairly, transparently, and with reasoned justification. Accordingly, the impugned order lacked any explanation for the rejection and failed to consider the binding Circular No. 36/2010-Customs dated 23 September 2010, which permits granting AIR drawback without conversion of free shipping bills.

3

CESTAT emphasized that administrative and quasi-judicial decisions affecting rights must be supported by clear reasoning. It also distinguished the department's reliance on Circular No. 46/2011-Customs dated 20 October 2011 and cited precedent, noting that those pertained to conversion under Section 74 and were not applicable to the present facts.

4

CESTAT allowed the appeal by way of remand, directing the jurisdictional Commissioner to re-adjudicate the matter within 90 days, after granting a personal hearing and adhering to the principles of natural justice and decide the matter strictly in accordance with law.

Royalty for post-import technical know-how not a condition of sale for valuation

1

The Appellant is in appeal against the impugned order which held that royalty paid by the appellant to its foreign related entity was includible in the transaction value under Rule 10(1)(c) of CVR 2007 by invoking the extended period of limitation and imposed penalties under the Customs Act.

2

CESTAT held that royalty payments were for post-importation activities related to technical know-how and intellectual property used in manufacturing finished goods in India. It emphasized that the royalty was not a condition of sale of imported components and that there was no linkage between royalty and import transactions. It was further clarified that royalty payments not directly tied to the sale of imported goods cannot be added to the assessable value.

3

CESTAT also rejected the department's claim of suppression of facts to justify the extended limitation period. It noted that the Appellant had disclosed royalty payments in its financial statements submitted to the Special Valuation Branch ('SVB') and had acted under a *bona fide* belief that such payments were subject to service tax, and not customs duty. It also clarified that mere non-disclosure or legal misinterpretation does not constitute wilful suppression.

4

Accordingly, CESTAT set aside the impugned order, quashed the demand of customs duty, interest, and penalties, and allowed the appeals, thereby reaffirming that royalty payments for post-import technical services are not includible in the value of imported goods unless they are a condition of sale.

Load port CE certificate have primacy over local CE certificate for valuation purpose

1

The Appellant had imported used Picanol Gamma Rapier weaving looms with standard accessories and declared the value at €12,800 per unit. The Customs authorities alleged that the value declared was very low when compared to contemporary imports and enhanced the same to €19,000 per unit, based on certificate issued by local chartered engineer ('CE'). Aggrieved by this re-assessment, the Appellant preferred an appeal before the appellate authority which *vide* impugned order accepted the department's valuation.

2

Aggrieved by the impugned order, the Appellant filed the present appeal. It contended that the value based on the local CE certificate had ignored the invoice value certified to be reasonable by the load port CE certificate. It further argued that as per valuation guidelines of second-hand machinery under Circular No. 04/2008-Customs dated 12 February 2008 ('Circular 04/2008'), local CE certificate may be accepted only if the load port CE certificate is absent.

3

CESTAT held that the rejection of load port CE certificate in favor of the local CE certificate was untenable in view of Circular 04/2008. It further stated that the local CE certificate failed to indicate specific factors which were taken into consideration while rendering the opinion leading to the re-assessment. CESTAT also highlighted that the local CE certificate was silent on whether any test was carried out, which was in contradistinction to the load port CE certificate which had stated that the machinery was tested.

4

Ultimately, CESTAT accepted the value declared by the appellant in terms of Section 14 of the Customs Act. It also observed that primacy of load port CE certificate over local CE certificate was established by provisions of Circular 04/2008. Consequently, CESTAT set aside the impugned order with consequential relief thereof.

Customs cannot alter FOB value agreed between exporter and buyer

1

The Appellant had filed the present appeal before CESTAT against impugned order-in-appeal which had upheld the rejection of declared FOB values in 16 shipping bills filed by the appellant. The department alleged overvaluation of export goods to claim excess duty drawback and re-determined the value under Rule 5 of CVR 2007, based on ARE-1 forms submitted by supporting manufacturers.

2

CESTAT held that the FOB value is a commercial term governed by the contract between exporter and foreign buyer, and cannot be modified by Customs authorities. It emphasized that the declared FOB value was supported by irrevocable letters of credit, full remittance of export proceeds, and invoices raised on a pro-rata basis against lump-sum contracts. It was further held that Section 14 and valuation rules are only meant to determine the assessable value and not redetermine the transaction value and accordingly held that Customs officers cannot alter the transaction value.

3

CESTAT further noted that the difference between ARE-1 and shipping bill values was due to legitimate additions such as marketing expenses, agent commissions, inspection costs, warranty obligations, profit margins etc. In view of the above, it was held that the FOB Value declared by the appellant cannot be rejected.

4

CESTAT concluded that the re-determination of FOB value and consequent reduction in duty drawback were unsustainable. It set aside the order-in-appeal and reaffirmed that duty drawback must be computed on the FOB value declared in shipping bills, and not on values arbitrarily reworked by Customs authorities.

Expenses incurred independently by importer cannot be added to customs value

1

In the present case, the Appellant was in appeal before CESTAT against an order-in-original which had added INR21.85 crore to the transaction value of imported motorcycles by the appellant, on account of Management Services Fees ('MSF') and Advertisement and Promotional Expenses ('APE'). It was alleged that these were a "condition of sale" under Rule 10(1)(e) of CVR 2007.

2

CESTAT held that both MSF and APE were incurred by the appellant on its own account and did not satisfy the legal criteria for inclusion in the assessable value. It emphasized that such agreements were independent commercial arrangements, and the expenses were not obligatory for import. It further clarified that marketing and support services undertaken independently by the buyer cannot be added to the transaction value.

3

CESTAT also referred to the interpretative notes to Rule 3(2)(b), which state that marketing activities undertaken by the buyer, even if agreed with the seller, do not form part of the customs value unless they discharge an obligation of the seller. It noted that SVB had previously ruled that the declared value was not influenced by the relationship between Appellant and its foreign entity, and that no additions were warranted under Rule 10(1).

4

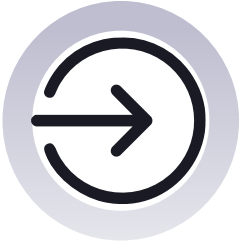
Accordingly, the impugned order was set aside. CESTAT held that no addition of MSF or APE could be made to the transaction value, and consequently, the demand for differential duty, interest and penalty was quashed. The appeal was allowed, and the matter was disposed of with a clear direction that such expenses cannot be treated as a condition of sale for customs valuation purposes.

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| 04

International trade developments

International trade developments



India-EFTA TEPA enters into force

After ratification by all parties, the India-EFTA TEPA has officially come into force on 1 October 2025.



Early ratification of India-UK CETA

The Prime Minister of UK, Keir Starmer, visited India at the invitation of Prime Minister of India. During the visit, both leaders looked forward to the early ratification of the India-UK CETA.

International trade developments



India-Peru trade agreement

India concluded the 9th round of trade agreement talks with Peru from 3-5 November 2025. The discussion witnessed progress across key chapters of the proposed agreement including trade in goods and services, rules of origin, technical barriers to trade, customs procedures, dispute settlement and critical minerals. The next round of negotiations is proposed to be held in New Delhi in January 2026.

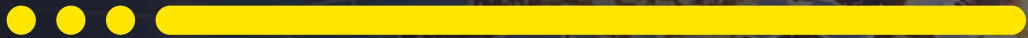


India-Chile trade agreement

The 3rd round of India-Chile CEPA negotiations was held from 27-30 October 2025. The discussions covered a wide range of chapters including trade in goods and services, investment promotion, rules of origin, intellectual property rights, technical barriers to trade, sanitary and phytosanitary measures, economic cooperation and critical minerals. Both sides re-affirmed their shared commitment to an early and time-bound conclusion of the CEPA.

Abbreviation	Full Form	Abbreviation	Full Form	Abbreviation	Full Form
AA	Advance Authorization	CTI	Customs Tariff Item	ICD	Inland Customs Depot
AIDC	Agriculture, Infrastructure and Development Cess	DFIA	Duty Free Import Authorization	IEC	Importer Exporter Code
AIR	All Industry Rate	DGARM	Directorate General of Analytics and Risk Management	IFSC	Indian Financial System Code
ANF	Aayat Niryat Form	DGFT	Directorate General of Foreign Trade	IGST	Integrated Goods and Services Tax
APEDA	Agricultural and Processed Food Products Export Development Authority	EFTA	European Free Trade Association	NCTC-PX	National Customs Targeting Centre-Passenger
BCD	Basic Customs Duty	EIA	Export Inspection Agency	PNR	Passenger Name Record
BL	Bill of Lading	EIC	Export Inspection Council	RoDTEP	Remission of Duties and Taxes on Exported Products
CESTAT	Customs, Excise and Service Tax Appellate Tribunal	EOU	Export Oriented Unit	SCOMET	Special Chemicals, Organisms, Materials, Equipment, and Technologies
CEPA	Comprehensive Economic Partnership Agreement	EUC	End User Certificate	SEZ	Special Economic Zone
CETA	Comprehensive Economic and Trade Agreement	FOB	Freight On Board	SION	Standard Input Output Norm
CIF	Cost, Insurance, and Freight	FTA	Free Trade Agreement	SWS	Social Welfare Surcharge
COO	Certificate of Origin	FTP	Foreign Trade Policy	TEPA	Trade and Economic Partnership Agreement
CTH	Customs Tariff Heading	HBP	Handbook of Procedures	TRQ	Tariff Rate Quota
MT	Metric Tons	MOOWR	Manufacturing and Other Operations in Warehouse	EU	European Union
API	Active Pharmaceutical Ingredient	Kg	Kilograms	MIP	Minimum Import Price
DEL	Denied Entities List 18 November 2025	QCO	Quality Control Order	CKD	Completely Knocked Down

Thank you



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