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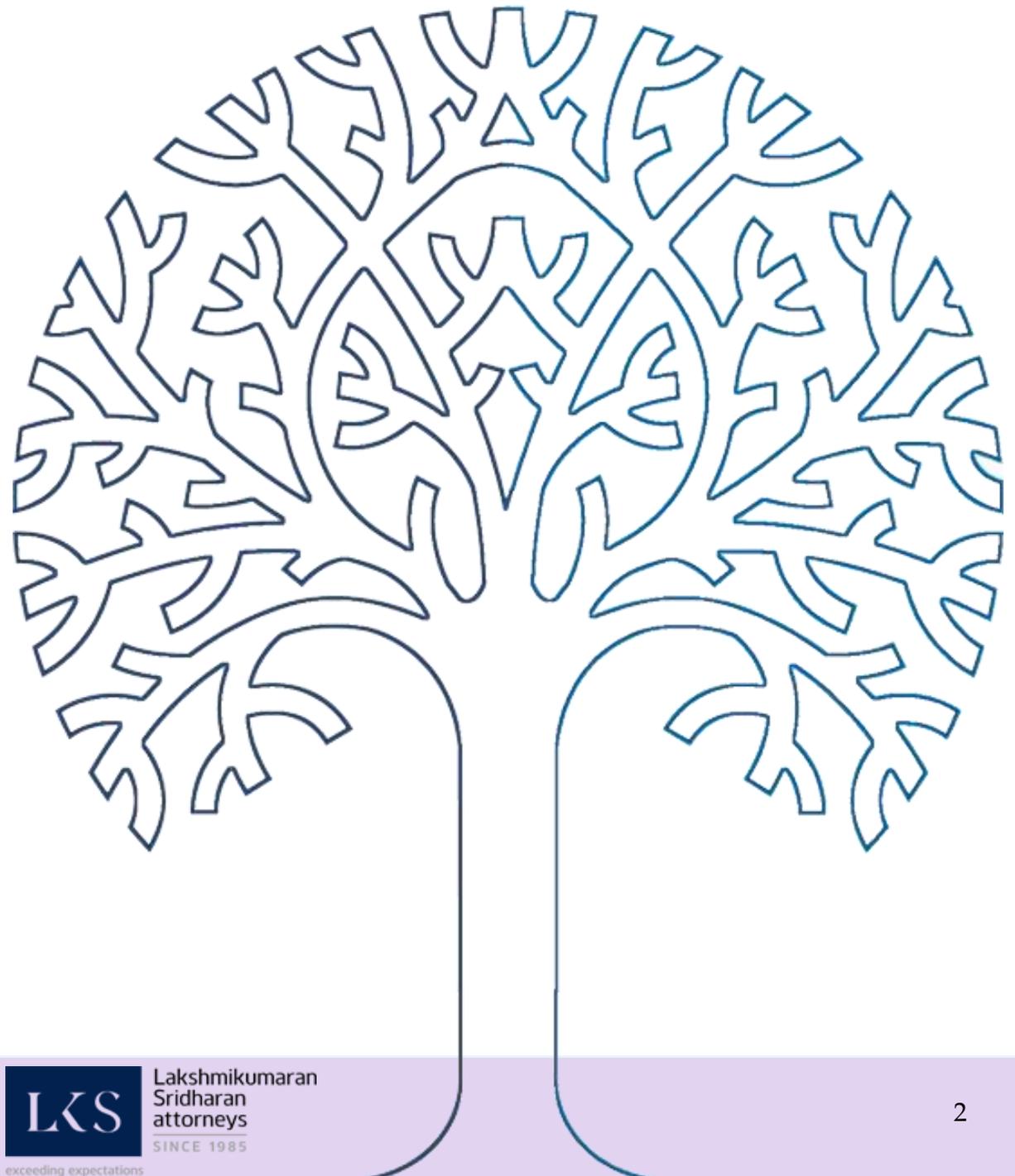
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# Article

## **India's unwavering efforts to promote and protect the electronics manufacturing in India**

*By Pareesha Gupta*

The Indian Government is actively working to make India a global manufacturing hub for electronics by introducing various schemes which attract both domestic and foreign companies to invest in the sector. The article in this issue of International Trade Amicus discusses the Government's initiatives towards the development of the electronic sector and the actions being taken to protect the Indian producers of electronic goods from unfairly priced imports. It also highlights some actions taken by the developed countries like the European Union and the USA to protect their domestic producers in this sector. According to the author, the electronics manufacturing industry in India needs the government's support from promotion and protection measures to decrease its dependence on imports and cement India's stake in the global supply chain of electronics.

# India's unwavering efforts to promote and protect the electronics manufacturing in India

*By Pareesha Gupta*

## Introduction

Over the last decade, India has significantly increased its electronics assembly and manufacturing capabilities and continues its efforts to drive the growth given the huge domestic demand and export potential. India's electronics industry has grown significantly over the past decade, evolving from a small-scale sector to a global manufacturing hub. The Indian Government is actively working to make India a global manufacturing hub for electronics by introducing various schemes which attract both domestic and foreign companies to invest in the sector. In recent past, India has witnessed the electronic giants such as Foxconn, Samsung, and Apple set up large electronics manufacturing and assembly facilities in India. Over the years, the policy has successively evolved from promoting the manufacturing of finished electrical goods to manufacturing of parts and components with an aim to establish a complete ecosystem of electronic manufacturing in the country.

One of the tools in the hands of the Government to achieve this policy objective is customs duties and trade remedial actions which work to incentivize domestic manufacturing and address unfair trade. On the customs duties front, the annual budgets presented by the Government over the years have seen customs duties being increased on the imports of finished goods and successively on parts and components of finished goods. Apart from that, the Government in recent times has also stepped-up efforts to protect the electronics sector from imports of unfairly traded goods, particularly against imports from China.

This article briefly touches on the Government's initiatives towards the development of the electronic sector in the country. Thereafter, the article focuses on the actions of the Indian Government to protect the Indian producers of electronic goods from unfairly priced imports through trade remedial actions like anti-dumping duties. The article closes by summarizing the importance of protecting the domestic producers in the electronic sector and highlights some actions by the developed

countries like the European Union (EU) and the United States of America (USA) to protect their domestic producers in this sector.

## Government's promotion initiatives

The Indian Government has introduced the following illustrative schemes in last decade or so to promote the electronic manufacturing in the country as part of its Make in India program:

1. Production-Linked Incentive ('**PLI**') Schemes
2. Semiconductor Mission
3. Digital India
4. Startup & MSME Support

The *PLI scheme* facilitates in providing financial incentives to boost domestic production of specified electronic goods, such as, mobile phones and semiconductors with specified additional sales and export targets to encourage foreign and domestic companies to manufacture in India for catering domestic and export demand. The role of *Semiconductor mission* cannot be undermined as it aims to establish India as a global semiconductor and display manufacturing hub. The *Digital*

*India* scheme promotes digital infrastructure and electronics adoption across sectors like education, healthcare, and governance. The *Startup & MSME Support* encourages innovation through funding and incubation centers for small and medium-sized enterprises (SMEs).

## Government's protection initiatives

The Government has not only promoted investments in the electronic sector but also actively protected it against the influx of imported unfairly priced electronic goods.

The Directorate General of Trade Remedies ('**DGTR**') under the Ministry of Commerce is tasked with the responsibility to conduct trade remedial investigations on applications filed by the domestic producers in India and thereafter recommend imposition of trade remedial duties (like anti-dumping or ADD and countervailing duties or CVD) to the Ministry of Finance ('**MoF**'). In this context, the DGTR recently recommended Anti-Dumping Duties ('**ADD**') on imports of Soft Ferrite Cores from China PR.<sup>1</sup> In 2023, the DGTR also recommended ADD on imports of Printed Circuit Boards ('**PCB**') from China PR and Hong Kong which were imposed by the MoF on 14 March 2024.<sup>2</sup>

<sup>1</sup> Final Findings dated 23 December 2024 in the Anti-dumping Investigation Concerning Imports of Soft Ferrite Cores Originating in or Exported from China PR.

<sup>2</sup> Final Findings dated 29 December 2023 in the Anti-dumping Investigation Concerning Imports of Printed Circuit Boards (PCBs) Originating in or Exported from China PR and Hongkong

Both the DGTR and MoF exercise their powers under the trade laws to use trade remedy measures to correct the domestic prices of unfairly traded imports affecting the economic interests of the domestic producers of specified goods and the country at large.

The PCBs form basic component of any electronic device and is a backbone for any electronic device. The Indian government imposed ADD of about 30% on imports of PCBs from China and Hong Kong.<sup>3</sup> The imposition of ADD on PCB has gone a long way in protecting the domestic industry of PCB in India which otherwise did not have any protection of custom duties because PCBs (Tariff heading 8534) are covered under the India's commitments for zero duty under the Information Technology Agreement (ITA), a plurilateral agreement enforced by the World Trade Organization (WTO).

The DGTR recently also recommended ADD on imports of Soft Ferrite Cores from China. Soft Ferrite Cores are used in applications such as RF transformers, Switch Mode Power Supplier (SMPS), ferrite loop sticks antennas, electric vehicles, electric vehicles' chargers, mobile chargers, LED drivers, telecommunication devices, solar panels, etc. The recommended ADDs range between 30-35% pursuant to a full-fledged

<sup>3</sup> Anti-dumping Investigation Concerning Imports of Printed Circuit Boards (PCBs) Originating in or Exported from China PR and Hongkong (the individual participating producers from China were awarded duties in the range of Nil % to

investigation by the DGTR. The protection comes on the backdrop of India's intention to strengthen the Indian ferrite industry as the Electronics Manufacturing Cluster (EMC 2.0) scheme of the Government also intends to make India as an electronics manufacturing hub to drive the growth of ferrites market. The Indian ferrites industry has gained importance over the years due to the society's paradigm shift towards 5G infrastructure, the rollout of smart city initiatives, and electric vehicles manufacturing which is amplified due to environmental concerns. With the advent of Internet of Things (IoT) and 5G technology in India, the demand for semiconductor chips has risen which supports the need for the protection of ferrites industry in India. The market size of ferrites is targeted to increase manifold by the year 2033 and India is aimed at gaining a recognizable spot in the entire global ecosystem of the market.<sup>4</sup>

## Conclusion

The Government of India's schemes like PLI and EMC have gone a long way in attracting investments in the electronic sector in India. At the same time, protecting India's domestic industry

75% depending upon their injury and dumping margins). Duties were imposed on bare PCBs of up to six layers with certain exclusions of high-end PCBs.

<sup>4</sup> [Soft Ferrite Core Market Size, Demand & Industry Outlook 2023-2033](#).

from unfairly priced imports is the goal of an anti-dumping measure, and it is the duty of the DGTR, as a wing of the Ministry of Commerce, to create a level playing field for the domestic manufacturers. By recommending ADDs on PCB and Soft Ferrite Cores, the DGTR has amplified its standing on safeguarding the Indian market from the low-priced imports that impede the domestic production.

The foreign jurisdictions such as the EU have also been active in protecting its electronics industry by taking recourse to the trade remedy measures. One of the recent (January 2025) cases in point is that of the European Commission (EC) imposing ADDs on imports of Mobile Access Equipment (MAE) from China.<sup>5</sup> In another case, the EC imposed definitive countervailing duties in 2024 on imports of battery electric vehicles (BEVs) from China for a period of five years.<sup>6</sup>

The USA has recently in 2024 released its preliminary findings on imports of Crystalline Silicon Photovoltaic Cells, whether or not assembled into modules from Cambodia, Malaysia, Thailand, and Vietnam into the USA<sup>7</sup> as part of the

steps taken by the US Government's to impose ADD and CVD duties and limit the unfairly priced imports of these products injuring the US solar cells industry.

It must be kept in mind that the aim of any ADD/CVD measure is not to restrict or prohibit the imports of subject goods but to correct the prices in the domestic market by imposing necessary duties so that the imports that are below the fair market price of a country gets imported at fair prices and not pose a threat to a the domestic producers in the importing country. Such measures not only restrict unfairly priced imports but also boost the confidence of the local manufacturers to enhance their production and expand their market presence. The electronics manufacturing industry in India needs the government's support from promotion and protection measures to decrease its dependence on imports and cement India's stake in the global supply chain of electronics.

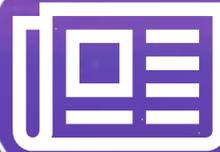
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<sup>5</sup> ADD on imports of Mobile Access Equipment (MAE) from China, available [here](#).

<sup>6</sup> CVD on imports of battery electric vehicles (BEVs) from China, available [here](#).

<sup>7</sup> Inv. No. 701-TA-722-725 and 731-TA-1690-1693.

# Trade Remedy News.



- Cast iron articles from India – EU initiates anti-dumping investigation
- Fasteners from China PR – India terminates anti-dumping investigation
- Glufosinate and its salt from China PR – India's DGTR recommends imposition of anti-dumping duty
- Hexamethylenetetramine from India – USA postpones preliminary determinations in the less-than-fair-value investigations
- Hot-Rolled Steel Products from India – USA schedules 5-year reviews of anti-dumping duty and countervailing duty
- Melamine from India – USA issues affirmative determination that countervailing duties were provided by Gujarat State Fertilizers and Chemicals Limited from 1 January 2023 till 31 December 2023, and final affirmative determination of sales at less than fair value
- Saccharin in all its forms from China PR – India continues with countervailing duty after sunset review
- Sodium Citrate from China PR – India's DGTR recommends continuation of anti-dumping duty after sunset review
- Stainless Steel Flanges from India – USA issues determination that countervailing subsidies were provided from 1 January 2022 till 31 December 2022
- Textured Tempered Glass from China PR and Vietnam – India's DGTR recommends imposition of anti-dumping duty
- Textured Tempered Glass from Vietnam – India's DGTR recommends imposition of countervailing duty
- Titanium dioxide from China – India's DGTR recommends imposition of anti-dumping duty



## Trade remedy measures by India

Product	Country	Notification No.	Date of notification	Remarks
Fasteners	China PR	F. No. 6/16/2023-DGTR	7 February 2025	Anti-dumping investigation terminated
Glufosinate and its salt	China PR	F. No. 6/19/2024-DGTR	10 February 2025	Anti-dumping duty recommended
Saccharin in all its forms	China PR	1/2025-Cus. (AVD)	25 February 2025	Countervailing duty continued after sunset review
Sodium Citrate	China PR	F. No. 7/08/2024-DGTR	12 February 2025	Sunset review recommends continuation of anti-dumping duty
Textured Tempered Glass	China PR and Vietnam	F. No. 6/29/2023-DGTR	10 February 2025	Anti-dumping duty recommended
Textured Tempered Glass	Vietnam	F. No. 6/32/2023-DGTR	11 February 2025	Countervailing duty recommended
Titanium dioxide	China PR	F. No. 6/03/2024-DGTR	12 February 2025	Anti-dumping duty recommended

## Trade remedy measures against India

Product	Investigating Country	Document No.	Date of Document	Remarks
Cast iron articles	EU	C/2025/1276	26 February 2025	Anti-dumping investigation initiated
Hexamethylenetetramine	USA	FR Doc No: 2025-02922	21 February 2025	Preliminary determinations in the less-than-fair-value investigations postponed
Hot-Rolled Steel Products	USA	FR Doc No: 2025-02546	12 February 2025	ADD and CVD – Notice given for scheduling of 5-year reviews
Melamine	USA	FR Doc No: 2025-02548	12 February 2025	Affirmative determination that countervailing duties were provided by Gujarat State Fertilizers and Chemicals Limited from 1 January 2023 till 31 December 2023.
Melamine	USA	FR Doc No: 2025-02547	12 February 2025	Final affirmative determination of sales at less than fair value
Stainless Steel Flanges	USA	FR Doc No: 2025-03054	25 February 2025	Determination that countervailing subsidies were provided from 1 January 2022 till 31 December 2022



# WTO News

- China and Canada initiate WTO dispute complaints regarding US tariff measures
- Electric vehicles from China – WTO DSB panel to examine measures by Türkiye
- Corrugating medium – Philippines launches safeguard investigation



## China and Canada initiate WTO dispute complaints regarding US tariff measures

China and Canada have initiated WTO disputes against tariff measures of the United States of America targeted against them. While the dispute initiated by Canada is against the measures adopted by the United States that impose a 25 percent *ad valorem* rate of import duty on Canadian non-energy goods and a 10 percent *ad valorem* rate of import duty on Canadian energy goods entering the United States as of 4 March 2025, the Chinese dispute relates to US measures implementing a 10% additional tariff on goods originating in China. It may be noted that on 4 March, China has further supplemented its request with an addendum targeting US measures that increase the additional tariffs on goods originating in China from 10% to 20%. Both, Canada and China have alleged that the US measures violate various provisions of the WTO's GATT 1994, including Articles I:1 and II.1(a) & (b).

## Electric vehicles from China – WTO DSB panel to examine measures by Türkiye

The WTO's DSB has agreed to the establishment of the panel to examine the measures taken by the Türkiye concerning electric

vehicles ('EVs') and certain other types of vehicles originating in China. According to China, the measures are protectionist and discriminate against EVs and other types of vehicles originating in China, and violate various provisions of the GATT, 1994. India along with EU, Japan, Republic of Korea, Brazil, Canada, Australia, UK, USA, Switzerland, Norway, Singapore, Russia and Thailand have reserved their third-party rights to participate in the panel proceedings.

## Corrugating medium – Philippines launches safeguard investigation

Philippines has on 13 February 2025 launched a safeguard investigation against imports of corrugated medium. The product subject to investigation is classifiable under ASEAN Harmonized Tariff Nomenclature (AHTN) 4805.19.10, 4805.19.90 and 4805.12.00. According to the document G/SG/N/6/PHL/22 of the WTO's Committee of Safeguards, the investigation has been initiated on the basis of import data obtained from official sources and information submitted by the members of the Pulp and Paper Manufacturers Association of the Philippines that increased imports of corrugating medium are a substantial cause of serious injury to the domestic industry.

# India Customs & Trade Policy Update



- Bourbon whiskey – AIDC reduced to 50%
- Human hair – Exports prohibited, but free if FOB value is USD 65/kg or above
- Platinum – Imports 'restricted', except platinum alloy of purity 99% or above
- Vintage motor vehicles – Classification revised to align with Central Motor Vehicle Rules, 1989
- Erythromycin Stearate tablets, export – Standard Input Output Norms revised
- Jewellery exports – Wastage and Standard Input Output Norms revised for plain jewellery, etc.
- Wheat flour with Millets, export – Standard Input Output Norms revised
- Duck meat – Guidelines issued for import of premium frozen duck meat
- Manually issued Certificates of Origin to be considered null and void

## **Bourbon whiskey – AIDC reduced to 50%**

The Ministry of Finance has reduced Agriculture Infrastructure and Development Cess (AIDC) on Bourbon Whiskey, classifiable under Tariff Items 2208 30 11 and 2208 30 91, from 100% to 50%, with effect from 13 February 2025. Amendments have been made for this purpose in Notification No. 11/2021-Cus., dated 1 February 2021 by Notification No. 14/2025-Cus., dated 13 February 2025. AIDC on all other goods of Heading 2208 however remains same as 100%.

## **Human hair – Exports prohibited, but free if FOB value is USD 65/kg or above**

The Export Policy of raw human hair has been amended from restricted to prohibited. However, the exports will be 'free' if the FOB value is USD 65 per kg or above. The goods covered are classifiable under ITC(HS) Codes 0501 00 10 and 0501 00 20 and includes waste of human hair. Notification No. 59/2024-25, dated 10 February 2025 has been issued for the purpose.

## **Platinum – Imports 'restricted', except platinum alloy of purity 99% or above**

The Import Policy of Platinum unwrought, in powder form and other, as covered under ITC(HS) Codes 7110 11 10, 7110 11 20 and 7110 19 00, has been revised from 'free' to 'restricted'.

However, it may be noted that as per Notification No. 60/2024-25, dated 5 March 2025 of the Ministry of Commerce, the import of platinum alloy of 99% or above purity by weight of Platinum is free. Amendments have been made for this purpose in Chapter 71 of Schedule I to the ITC(HS) 2022.

## **Vintage motor vehicles – Classification revised to align with Central Motor Vehicle Rules, 1989**

The Ministry of Commerce has revised the classification of vintage motor vehicles to align it with the Central Motor Vehicle Rules, 1989. The Policy Condition No. III in Chapter 87 of the Schedule I to the ITC(HS) 2022 stated earlier that 'cars manufactured prior to 1 January 1950 are free for import by actual users'. The said condition after amendment by Notification No. 58/2024-25, dated 7 February 2025 now reads as "cars classified as 'Vintage motor vehicles' under Explanation to sub-rule (1) of Rule 81A of Chapter IIIA of the Central Motor Vehicle Rules, 1989 as amended, are free for import by actual users".

## **Erythromycin Stearate tablets, export – Standard Input Output Norms revised**

The Standard Input Output Norms for export of Erythromycin Stearate tablets – 250 mg, where each tablet contains erythromycin stearate equivalent to 250 mg of erythromycin, has

been revised. Accordingly, now for export of 1 tablet, 334 mg of erythromycin stearate will be allowed to be imported. DGFT Public Notice No. 46/2024-25, dated 6 February 2025 also states that for other variants of the export items, norms may be worked out on pro-rata basis. Norms appearing at A-222 has been amended for the purpose.

### **Jewellery exports – Wastage and Standard Input Output Norms revised for plain jewellery, etc.**

The Directorate General of Foreign Trade (DGFT) has revised the percentage of wastage and the Standard Input Output Norms for export of plain jewellery and articles, and ornaments like mangalsutra containing gold and black beads/imitation stones, cubic zirconia, diamonds, precious, semi-precious stones, if the process of their manufacture is mechanised. Accordingly, percentage of wastage allowed by weight with reference to gold and platinum is now 0.90% (revised from 0.45%). For silver, the new percentage is 0.90% (revised from 0.50%). Public Notice No. 45/2024-25, dated 4 February 2025 has been issued for the purpose.

### **Wheat flour with Millets, export – Standard Input Output Norms revised**

The DGFT has revised Note 3 under SION E-136 relating to export of wheat flour with millets. As per the revision by Public

Notice No. 47/2024-25, dated 7 February 2025, the export item should contain a minimum of 60% wheat flour and a minimum of 15% millets in addition to other ingredients, if any. It may be noted that earlier the entry inserted by Public Notice No. 25/2023, dated 4 August 2023 stated, 'minimum of 65% wheat flour'. Thus, the minimum percentage for wheat flour has been reduced now.

### **Duck meat – Guidelines issued for import of premium frozen duck meat**

The DGFT has issued guidelines for facilitating the availment of import authorisation by importers acting as distributors/aggregators/suppliers for import of premium frozen duck meat destined for 3-star and above operational hotels. Accordingly, such importers are required to give an undertaking that the imported product is destined for specified hotels, maintain the records for supplies made and for obtaining subsequent authorisations, provide evidence supplies made to such hotels.

### **Manually issued Certificates of Origin to be considered null and void**

The DGFT has advised all exporters to not accept any manually issued Certificate of Origin. Trade Notice No. 28/2024-25, dated

11 February 2025 issued for the purpose states that any manual certificate issued will be considered null and void. The Trade Notice also states that manual certificates are also liable to be rejected by Customs authorities of the recipient countries. The issuing agencies have also been cautioned by the DGFT while it

observed that if agencies continue to issue CoOs outside the Trade Connect e-platform, suitable action including removal of agencies from the list of authorised agencies will be taken by the authorities.



# FTA News

- India working on trade deal with USA
- Tariff threats from USA set to charge up India's FTA talks with UK, EU
- Qatar and India explore free trade agreement, aim to double bilateral trade to \$28 bn
- Israel and India are moving towards finalising FTA

## India working on trade deal with USA

As per the United States-India Joint Leaders Statement issued by the White House on 13 February 2025, as available [here](#), the leaders have announced plans to negotiate the first tranche of a mutually beneficial, multi-sector Bilateral Trade Agreement (BTA) by fall of 2025.

The Joint Statement also highlights that in order to advance this innovative, wide-ranging BTA, the U.S. and India will take an integrated approach to strengthen and deepen bilateral trade across the goods and services sector, and will work towards increasing market access, reducing tariff and non-tariff barriers, and deepening supply chain integration.

Also, according to *Times Now* news report dated 6 March 2025, as available [here](#), India's External Affairs Minister has also hinted at an ongoing trade agreement negotiation between Washington and New Delhi.

## Tariff threats from USA set to charge up India's FTA talks with UK, EU

India's free trade agreement (FTA) talks with the UK and the EU are set to get a firm push with high-level visits lined up in New Delhi, even as tariff threats from the USA have created uncertainty. As per news reports by *Hindu Businessline*, dated 23

February 2025, as available [here](#), visits by UK's Trade Secretary, EU President will cement economic and strategic ties.

Meanwhile, as per another report by Economic Times, dated 7 February 2025, as available [here](#), Commerce and Industry Minister Piyush Goyal has said that India is in talks with the European Union to resolve issues related to the new EU trade regulations, including the deforestation Act. The Indian Commerce Minister also stated that India will depute certain labs in the EU if the EU approve corresponding Indian labs for certification of Indian products.

## Qatar and India explore free trade agreement, aim to double bilateral trade to \$28 bn

India and Qatar are taking significant steps towards enhancing bilateral ties, with discussions underway for a future free trade agreement. As per news report by BW Business World, as available [here](#), the two countries have set a target of doubling their trade to USD 28 billion within the next five years, building on the existing strong trade relations.

Further, as per press release of the Ministry of External Affairs, available [here](#), Qatar commended the steps taken by India in making a conducive environment for Foreign Direct Investment and Foreign Institutional Investment and expressed interest to

explore investment opportunities in different sectors, including infrastructure, technology, manufacturing, food security, logistics, hospitality, and other areas of mutual interest. In this regard, Qatar has announced a commitment to invest USD 10 billion in India.

## Israel and India are moving towards finalising FTA

India and Israel are working towards resuming talks for a Free Trade Agreement (FTA), Nir M Barkat, Israeli Minister of

Economy and Industry indicated on 11 February, adding that 'it would be foolish not to do it in the fastest and best way'. See, *Money Control* news report [here](#).

As per *Economic Times* news report available [here](#), the two countries have been engaged in FTA talks since 2010, with the first round of negotiations taking place in New Delhi in May 2010. Although the goal was to finalise the agreement by mid-2022, the negotiations are still underway.



# Ratio Decidendi

- Quality Control Order is not applicable on imports dispatched from the exporting country before date of coming into force of QCO – *CESTAT Ahmedabad*
- Aircraft engine stand is classifiable under Customs TI 8609 00 00 and not under TI 8716 39 00 – *CESTAT New Delhi*
- Light Green Float Glass having absorbent layer (Tin) on one side is classifiable under TI 7005 10 10 – *CESTAT New Delhi*
- SAFTA imports – Computation of value of non-originating material – *CESTAT Kolkata*
- Natural Beta Carotene Powder is classifiable under Heading 2106 as a food flavoring material – *CESTAT Bengaluru*

## Quality Control Order is not applicable on imports dispatched from the exporting country before date of coming into force of QCO

In a case where the Bill of Lading contained the date as January 2017 while the Stainless Steel Products (Quality Control Order), 2016 came into effect from 7 February 2017, the CESTAT Ahmedabad has held that the importer was not duty bound to affix BIS mark on the stainless steel imported by them. Para 2.17 of the Foreign Trade Policy, according to which the date of shipment/ dispatch of goods should be taken as date of import, was relied upon by the Tribunal for this purpose. Further, the Tribunal did not find convincing the Department's submission that as the importer had full knowledge regarding the provisions of the QCO at the time of shipment/dispatch of the goods from the supplying country, they were duty-bound to affix the BIS mark. *The importer was represented by Lakshmikumaran & Sridharan Attorneys here.* [*Shah Foils Ltd. v. Commissioner – 2024 VIL 236 CESTAT AHM CU*]

## Aircraft engine stand is classifiable under Customs TI 8609 00 00 and not under TI 8716 39 00

The CESTAT New Delhi has held that aircraft engine stand comprising of a cradle (holder), a base and four caster wheels,

where the cradle holds the engine safely and prevents impact of any shock or jerk to the aircraft engine during transportation, is classifiable under Tariff Item 8609 00 00 of the Customs Tariff Act, 1975 and not under TI 8716 39 00. The Tribunal for this purpose relied upon Rule 3(1) of the Interpretative Rules according to which classification needs to be determined on the basis of the component that gives the essential character. It was observed that the essential character of an aircraft engine stand is given by the cradle/holder which is used to accurately curb and secure the engine, and not by the caster wheels. The Tribunal also noted that an engine stand does not by itself enable transportation of engines but is placed on another mode of transportation, be it a truck, aircraft or a vessel. Allowing the importer's appeal, the Tribunal also noted that containers falling under TH 8609 cannot be classified under TH 7310 and that classification of goods or clearance of imported goods under a particular classification does not debar an assessee to dispute the earlier classification, when the assessments are re-opened by the departments for any reason. *The importer was represented by Lakshmikumaran & Sridharan Attorneys here.* [*Inter Globe Aviation Ltd. v. Commissioner – 2024 VIL 189 CESTAT DEL CU*]

## Light Green Float Glass having absorbent layer (Tin) on one side is classifiable under TI 7005 10 10

The CESTAT New Delhi has held that Light Green Float Glass having absorbent layer (Tin) on one side is classifiable under Tariff Item 7005 10 10 of the Customs Tariff Act, 1975 as claimed by the importer and not under TI 7005 21 10 as claimed by the Department. Consequently, the benefit of S. No. 934 of Notification No. 46/2011-Cus. was also upheld. Dismissing the Department's appeal, the Tribunal noted that the impugned order by Commissioner (Appeals) took cognizance of the earlier order by the Commissioner (Appeals) in favour of the importer which was accepted by the Department. The Tribunal was hence of the view that once the earlier Order was accepted, it is not permissible for the Department to contend in this appeal that the product involved should be classified under TI 7005 21 10.

Further, Department's reliance on CBIC Circular No. 23/2024-Cus., clarifying that clear float glass which is not wired, not coloured, not reflective and not tinted and has only a tin layer on one side and there is no other metal oxide layer on it, will be said to be having no absorbent layer; therefore, will be correctly classified under TI 7005 29 90, was also rejected. The Tribunal in this regard observed that once the legal position was settled and the same was accepted by the Department, it is not open to the

Department to take a contrary view by placing reliance on a CBIC Circular.

Also, according to the Tribunal, the Circular failed to appreciate the correct understanding of Note 2(c) of Chapter 70, as Note 2(c) does not envisage any specific mode or method of 'coating', while defining the expression 'absorbent, reflecting or nonreflecting layer'. *The importer was represented by Lakshmikumaran & Sridharan Attorneys here.* [*Commissioner v. Asahi India Glass Ltd. – 2025 VIL 204 CESTAT DEL CU*]

## SAFTA imports – Computation of value of non-originating material

The CESTAT Kolkata has held that there is no justification in addition to the value of the non-originating material declared in the COO, the difference between the FOB value at which goods were supplied by the Bangladeshi supplier to the trading houses and the FOB value at which goods had been supplied by such trading houses to the Indian company. Holding the method of computation to be violative of Rule 11 of the Rules of Origin notified under the SAFTA Agreement, the Tribunal held that the Department cannot arbitrarily add the margin of the trading houses to the value of non-originating material declared in the CoO. Further, Department's contention that certain CoOs mentioned the origin criteria to be under category "B" and

therefore the value of non-originating material could not have been more than 60%, was also held as unwarranted. The Tribunal noted that mere mentioning of "B" instead of "D" is a minor discrepancy as the CoOs issued by the issuing authority in Bangladesh would always prevail. [*Vijay Biyani v. Commissioner – 2025 VIL 138 CESTAT KOL CU*]

### **Natural Beta Carotene Powder is classifiable under Heading 2106 as a food flavoring material**

The CESTAT Bengaluru has held that Natural Beta Carotene Powder used in manufacturing process as colouring products in

any article of food, thus a food colouring edible product, is classifiable under Heading 2106 of the Customs Tariff Act, 1975 and not under Heading 3203 *ibid*. The Tribunal for this purpose noted that the products covered under Heading 3203 are colouring products which are industrial products and not edible products. It was noted that Tariff Item 2106 90 60, which is meant for food flavouring material, is nothing but a product which provides colouring for the food items which are edible. [*Bioextract v. Commissioner – 2025 (2) TMI 753-CESTAT Bengaluru*]

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