

International Trade

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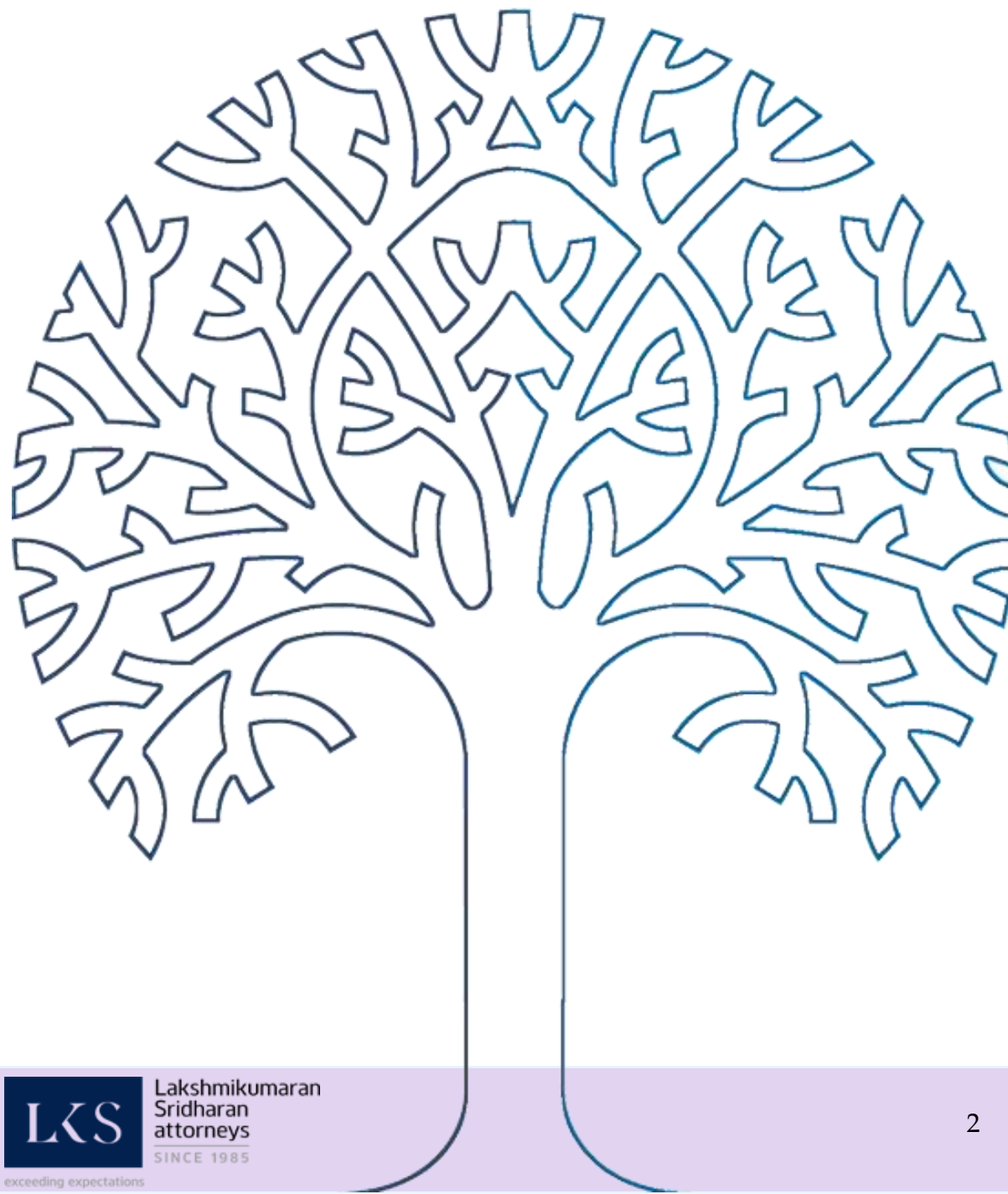
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An e-newsletter from  
**Lakshmikumaran & Sridharan, India**

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# Article

## **Quantitative restrictions on imports of metallurgical coke affirmed: Interplay between Foreign Trade Policy and Quantitative Restrictions clarified**

*By Ankur Sharma and Nikita Chauhan*

The Delhi High Court has recently held that quantitative restrictions imposed under Section 9A of the Foreign Trade (Development and Regulation) Act, 1992 are not subject to the transitional arrangements outlined in Paragraph 1.05(b) of the Foreign Trade Policy. Elaborately discussing this decision, the authors in continuation of their earlier article covering the imposition of these restrictions in December 2024 highlight that the decision has important implications for importers. According to them, the improbability of relying on pre-existing Irrevocable Commercial Letters of Credit in instances where safeguard investigations are ongoing or anticipated, will lead to greater unpredictability. They suggest that a provision similar to the one in anti-dumping and countervailing investigations, where the Central Government must decide within 3 months of the conclusion of the investigation, must be introduced for safeguard investigations as well.



# Quantitative restrictions on imports of metallurgical coke affirmed: Interplay between Foreign Trade Policy and Quantitative Restrictions clarified

By Ankur Sharma and Nikita Chauhan

This article is in continuation of the article written in December 2024 regarding the imposition of quantitative restrictions on imports of 'Low Ash Metallurgical Coke' ('LAM Coke') into India.

Recently, the Hon'ble Delhi High Court delivered a significant judgment in a batch of petitions where certain traders and users of LAM Coke had challenged the notification issued by the Ministry of Commerce imposing these quantitative restrictions.

## Points of challenge: The genesis of the dispute

The primary contention of the petitioners was that the quantitative restrictions should not apply to such consignments of LAM Coke for which Irrevocable Commercial Letters of Credit ('ICLCs') had been opened prior to the date of the notification that imposed these quantitative restrictions, i.e., 26 December 2024.

The Petitions were filed on the following grounds:

The petitioners' ICLCs were opened when LAM Coke was categorised as 'free' under the prevailing import policy, which meant that the imports of LAM Coke did not require any government authorisation. They argued that since the notification imposing quantitative restrictions was issued on 26 December 2024, the 'free' import policy was in effect until that date. Thereafter, the import policy for LAM Coke had changed to 'restricted', meaning thereby that imports would require government authorisation.

The Petitioners relied on Paragraph 1.05(b) of the Indian Foreign Trade Policy, 2023 ('FTP') which deals with transitional agreements. Relevant excerpt from Paragraph 1.05(b) is reproduced below:

*"In case of change of policy from 'free' to 'restricted/prohibited/state trading' or 'otherwise regulated', the import/export already made before the date of such regulation/restriction will not be affected. However, the import through High Sea sales will not be covered under*

*this facility. Further, the import/export on or after the date of such regulation/restriction will be allowed for importer/ exporter who has a commitment through Irrevocable Commercial Letter of Credit (ICLC) before the date of imposition of such restriction/ regulation and shall be limited to the balance quantity, value and period available in the ICLC. For operational listing of such ICLC, the applicant shall have to register the ICLC with jurisdictional RA against computerized receipt within 15 days of imposition of any such restriction/ regulation. Whenever, Government brings out a policy change of a particular item, the change will be applicable prospectively (from the date of Notification) unless otherwise provided for."*

Hence, the Petitioners argued that by virtue of Paragraph 1.05(b), imports should be allowed for those importers who had a commitment through an irrevocable ICLC opened before the quantitative restriction was imposed.

The following arguments were presented by the Parties:

### Petitioners' arguments:

The Petitioners argued that they had entered into contracts and opened ICLCs for the import of LAM Coke before the

imposition of the quantitative restrictions. They maintained that the benefit of transitional arrangement under Paragraph 1.05(b) of the FTP was available to them, and thus, these imports should be allowed. Therefore, the government should follow the procedure and register such ICLCs rather than deny registration, due to which, the importers were unable to clear their consignments.

They further contended that the notification imposing quantitative restrictions was essentially an amendment to the import policy of LAM Coke, falling squarely within the ambit of Paragraph 1.05(b) of the FTP. Consequently, these restrictions would be subject to the transitional arrangements under Paragraph 1.05(b).

The Petitioners refuted the idea that Paragraph 1.05(b) was limited only to restrictions imposed under Section 3 of the Foreign Trade (Development and Regulation) Act ('**FTDR Act**') and did not apply to measures under Section 9A (like the quantitative restriction imposed in the present case).

### Respondents' arguments:

The respondents, i.e. the Government of India, contended that the rejection of the applications for ICLC registration was justified on the grounds of reasonableness and merit.

The Government argued that the Notification imposing quantitative restrictions was issued under Section 9A of the FTDR Act, a standalone provision which deals specifically with quantitative restrictions to safeguard domestic industry from increased imports causing serious injury.

The Government highlighted that the imposition of restrictions under Section 9A was pursuant to a detailed investigation by the Directorate General of Trade Remedies ('DGTR'), involving consultations with stakeholders, including importers. On the other hand, Paragraph 1.05(b) of the FTP intends to address unforeseen contingencies under Section 3 restrictions, in case of genuine hardship, where the importers, in the customary course of proceedings, would not have been aware of the restrictions to be imposed by the Government.

However, for measures undertaken under Section 9A, all interested parties are aware of the investigation, and the impending restrictions that may be imposed upon conclusion of the investigation.

### Judgment of the Court:

The High Court dismissed the petitions, ruling in favour of the Government and upholding the applicability of the quantitative restrictions to the Petitioners' imports.

The High Court's reasoning centered on the distinction between actions taken under Section 3 and Section 9A of the FTDR Act. It accepted the Government's argument that Paragraph 1.05(b) of the FTP, which provides for transitional arrangements, is primarily applicable to restrictions imposed under Section 3 of the FTDR Act, which are often implemented to address general trade policy concerns or unforeseen contingencies.

In contrast, the court emphasised that Section 9A provides a specific mechanism for imposing quantitative restrictions as a safeguard measure to protect the domestic industry from serious injury caused by increased imports. This action under Section 9A is contingent upon a thorough investigation conducted under the Safeguard Measures (Quantitative Restrictions) Rules, 2012 ('Safeguard Rules'), which includes notice to interested parties and a determination of serious injury to the domestic industry. Thus, parties are aware of the process and the outcome of the investigation conducted pursuant to Section 9A. On the other hand, parties are not aware of any measures that are to be imposed under Section 3.

Crucially, the High Court noted that Rule 12 of the Safeguard Rules explicitly states that safeguard quantitative restrictions

take effect from the date of publication of the notification. This rule does not provide for any further transitional arrangements based on pre-existing ICLCs, unlike the provisions under the FTP related to Section 3 actions.

The High Court relied on the Supreme Court's judgment in *Union of India v. Agricas LLP*<sup>1</sup>, which established that Section 9A operates independently and is a result of incorporating Article XIX of the General Agreement on Tariffs and Trade ('GATT') into the domestic law.

The High Court concluded that subjecting safeguard measures under Section 9A to the transitional arrangement provisions of the FTP would defeat the very purpose of these measures, which are intended to provide relief to the domestic industry facing serious injury from import surges. The High Court particularly noted that if the imports under these ICLCs were to be allowed, it would lead to imports of 610,121 MT of LAM Coke from Indonesia, as against the allocated quota of 66,364 MT, thereby defeating the purpose of the safeguard measures altogether.

## Going forward:

While the Petitioners may choose to appeal this decision, the immediate effect of this judgment is significant. It clarifies that quantitative restrictions imposed under Section 9A are not subject to the transitional arrangements outlined in Paragraph 1.05(b) of the FTP.

This interpretation has important implications for importers. The improbability of relying on pre-existing ICLCs in instances where safeguard investigations are ongoing or anticipated, will lead to greater unpredictability, which might subsequently create uncertainty once the DGTR issues Final Findings. In the present case, while the Final Findings were issued on 1 May 2024, the safeguard measures were imposed after almost eight months, on 26 December 2024. Hence, the unpredictability is bound to grow.

Unlike anti-dumping and countervailing duty investigations, where, if the measures are to be imposed, the same has to be done by the Central Government within three months of the conclusion of the investigation by the DGTR, there is no provision of such a timeline for safeguard investigations.

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<sup>1</sup> (2021) 14 SCC 341.

To create a balance between the interests of the domestic industry and importers, it is time that a similar provision should be introduced for safeguard investigations as well, so that the importers are not left with an indefinite period of unpredictability, and can conduct their business knowing well

that the Government must decide regarding applicability of the safeguard measures within a three-month period.

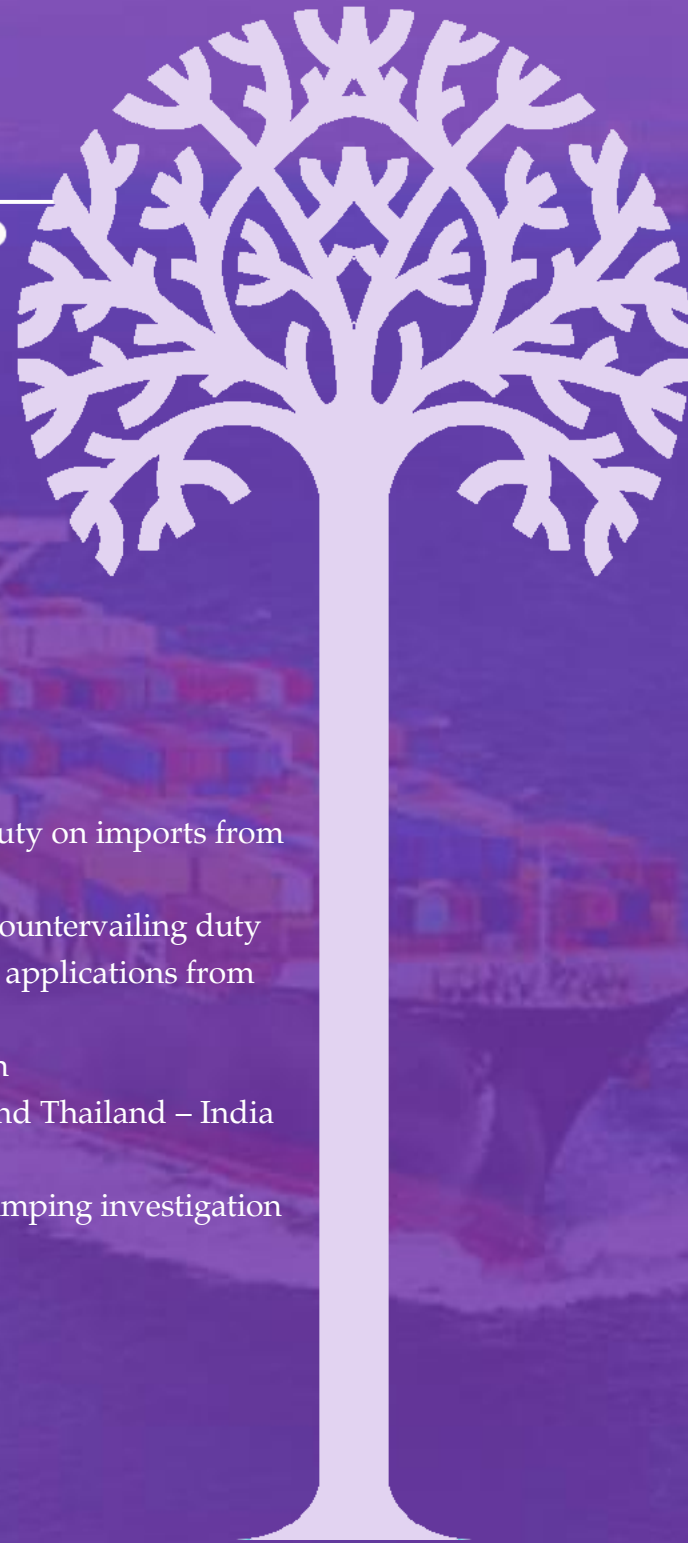
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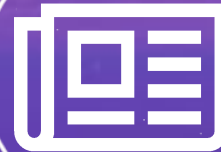
# Trade Remedy News.



- Acetonitrile from China PR, Russia and Taiwan – India's DGTR recommends imposition of anti-dumping duty
- Acrylic Solid Surfaces from China PR – India imposes anti-dumping duty
- Aluminium Foil below 80 Microns from Thailand – India's DGTR recommends continuation of anti-dumping duty after mid-term review
- Aluminium Foil upto 80 microns from China PR – India's DGTR recommends imposition of anti-dumping duty while provisional duty has been imposed
- Azo Pigment from China PR – India's DGTR recommends imposition of anti-dumping duty
- Beta Naphthol from China PR – India initiates anti-dumping investigation
- Clear Float Glass from Malaysia – India initiates sunset review of anti-dumping investigation
- Décor Paper from China PR – India's DGTR recommends withdrawal of individual anti-dumping duty on imports from Kingdecor (Zhejiang) Co. Ltd.
- Digital Offset Printing Plates from China PR and Taiwan – India's DGTR recommends imposition of countervailing duty
- Effect pearlescent pigments or mica pearlescent pigments, excluding effect pigments for automotive applications from China PR – India's DGTR recommends imposition of countervailing duty
- Elastomeric Filament Yarns from China PR and Vietnam – India initiates anti-dumping investigation
- Emulsion Styrene Butadiene Rubber of 1500 series from European Union, Japan, Korea RP, Russia and Thailand – India initiates anti-dumping investigation
- Ethylene Diamine from China PR, European Union, Saudi Arabia and Taiwan – India initiates anti-dumping investigation
- Flax Fabric from China PR and Hong Kong – India initiates sunset review of anti-dumping duty
- Flexible Slabstock Polyol from China PR and Thailand – India initiates anti-dumping investigation
- Flexible Slabstock Polyol from Saudi Arabia – India initiates sunset review of anti-dumping duty



# Trade Remedy News.



- Insoluble Sulphur from China PR and Japan – India's DGTR recommends imposition of anti-dumping duty
- Linear Alkyl Benzene from Iran and Qatar – India's DGTR recommends imposition of anti-dumping duty
- Low Ash Metallurgical Coke from Australia, China PR, Colombia, Indonesia, Japan and Russia – India initiates anti-dumping investigation
- N-(1,3- dimethylbutyl)-N'-phenyl-p-phenylenediamine (also known as PX-13) from China PR, European Union, Korea RP and Thailand – India initiates anti-dumping investigation
- Non-Alloy and Alloy Steel Flat Products – India's DGTR recommends imposition of provisional safeguard duty
- Plastic Processing Machines from China PR and Taiwan – India's DGTR recommends imposition of anti-dumping duty
- Poly Vinyl Chloride Paste Resin from China PR, Korea RP, Malaysia, Norway, Taiwan and Thailand – India imposes anti-dumping duty
- Potassium Tertiary Butoxide from China PR and USA – India's DGTR recommends imposition of anti-dumping duty
- Pretilachlor and its intermediate PEDDA from China PR – India's DGTR recommends imposition of anti-dumping duty
- Roller Chains from China PR – India imposes anti-dumping duty
- Sodium Tertiary Butoxide from China PR – India's DGTR recommends anti-dumping duty
- Soft Ferrite Cores from China PR – India imposes anti-dumping duty
- Trichloro Isocyanuric Acid from China PR and Japan – India imposes anti-dumping duty
- Vacuum insulated flask and other vacuum vessels, of stainless steel from China PR – India imposes anti-dumping duty
- Viscose Rayon Filament Yarn (VFY) above 75 deniers from China PR – India initiates anti-dumping investigation

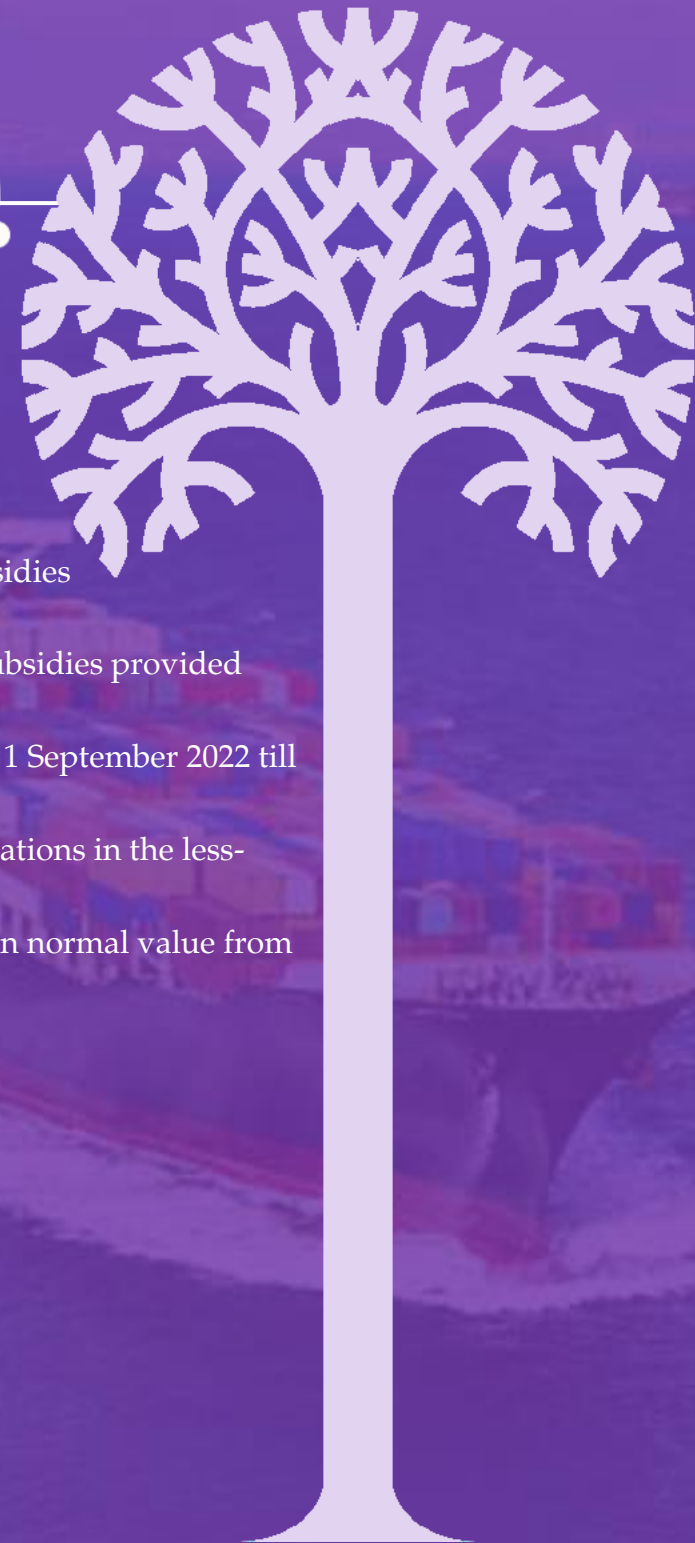




# Trade Remedy News.



- Vitamin A Palmitate from China PR, EU and Switzerland – India's DGTR recommends imposition of anti-dumping duty
- Carbon and Alloy Steel Threaded Rod from India – USA issues affirmative sunset reviews of anti-dumping duty and countervailing duty
- Hard Empty Capsules from India – USA issues preliminary determination that countervailable subsidies were provided from 1 April 2023 till 31 March 2024
- Hexamethylenetetramine from India – USA issues preliminary determination that countervailing subsidies provided from 1 April 2023 till 31 March 2024
- Lined Paper Products from India – USA issues determination of sale at less than normal value from 1 September 2022 till 31 August 2023
- Overhead Door Counterbalance Torsion Springs from India – USA postpones preliminary determinations in the less-than-fair-value investigations
- Polyester Textured Yarn from India – USA issues preliminary finding that goods not sold at less than normal value from 1 January 2023 till 31 December 2023



## Trade remedy measures by India

Product	Country	Notification No.	Date of notification	Remarks
Acetonitrile	China PR, Russia and Taiwan	F. No. 06/04/2024-DGTR	21 March 2025	Anti-dumping duty recommended
Acrylic Solid Surfaces	China PR	7/2025-Cus. (ADD)	25 March 2025	Anti-dumping duty imposed
Aluminium Foil below 80 Microns	Thailand	F. No. 07/3/2024-DGTR	26 March 2025	Mid-term review of anti-dumping duty – ADD recommended to be continued
Aluminium Foil upto 80 microns	China PR	F. No. 06/35/2023-DGTR	20 March 2025	Definitive anti-dumping duty recommended
Aluminium Foil upto 80 microns, excluding those below 5.5 micron for non-capacitor application	China PR	2/2025- Cus. (ADD)	17 March 2025	Provisional anti-dumping duty imposed
Azo Pigment	China PR	F. No. 6/06/2024-DGTR	12 March 2025	Anti-dumping duty recommended
Beta Naphthol	China PR	F. No. 6/09/2025 - DGTR	29 March 2025	Anti-dumping investigation initiated
Clear Float Glass	Malaysia	F. No. 7/04/2025-DGTR	27 March 2025	Sunset review of anti-dumping duty initiated
Décor Paper	China PR	F. No. 7/15/2023-DGTR	25 March 2025	Mid-term review of anti-dumping duty – Individual duty on imports

Product	Country	Notification No.	Date of notification	Remarks
				from Kingdecor (Zhejiang) Co. Ltd. recommended to be withdrawn
Digital Offset Printing Plates	China PR and Taiwan	F. No. 6/25/2023-DGTR	28 March 2025	Countervailing duty recommended
Effect pearlescent pigments or mica pearlescent pigments, excluding effect pigments for automotive applications	China PR	F. No. 6/8/2024-DGTR	28 March 2025	Countervailing duty recommended
Elastomeric Filament Yarns	China PR and Vietnam	F. No. 6/01/2025-DGTR	28 March 2025	Anti-dumping investigation initiated
Emulsion Styrene Butadiene Rubber of 1500 series	European Union, Japan, Korea RP, Russia and Thailand	F. No. No. 6/07/2025-DGTR	29 March 2025	Anti-dumping investigation initiated
Ethylene Diamine	China PR, European Union, Saudi Arabia and Taiwan	F. No. 6/05/2025-DGTR	25 March 2025	Anti-dumping investigation initiated
Flax Fabric	China PR and Hong Kong	F. No. 7/05/2025-DGTR	29 March 2025	Sunset review of anti-dumping duty initiated
Flexible Slabstock Polyol	China PR and Thailand	F. No. 6/02/2025-DGTR	18 March 2025	Anti-dumping investigation initiated
Flexible Slabstock Polyol	Saudi Arabia	F. No. 7/03/2025-DGTR	18 March 2025	Sunset review of anti-dumping duty initiated
Insoluble Sulphur	China PR and Japan	F. No. 6/01/2024-DGTR	7 March 2025	Anti-dumping duty recommended



Product	Country	Notification No.	Date of notification	Remarks
Linear Alkyl Benzene	Iran and Qatar	F. No. 6/05/2024-DGTR	26 March 2025	Anti-dumping duty recommended
Low Ash Metallurgical Coke	Australia, China PR, Colombia, Indonesia, Japan and Russia	F. No. 6/03/2025-DGTR	29 March 2025	Anti-dumping investigation initiated
N-(1,3- dimethylbutyl)-N'-phenyl-p-phenylenediamine (also known as PX-13)	China PR, European Union, Korea RP and Thailand	F. No. 6/10/2025-DGTR	28 March 2025	Anti-dumping investigation initiated
Non-Alloy and Alloy Steel Flat Products		F. No. 22/01/2024-DGTR	18 March 2025	Provisional Safeguard duty recommended
Plastic Processing Machines	China PR and Taiwan	F. No. 6/09/2024-DGTR	27 March 2025	Anti-dumping duty recommended
Poly Vinyl Chloride Paste Resin	China PR, Korea RP, Malaysia, Norway, Taiwan and Thailand	5/2025- Cus. (ADD)	21 March 2025	Definitive anti- dumping duty imposed
Potassium Tertiary Butoxide	China PR and USA	F. No. 6/11/2024-DGTR	25 March 2025	Anti-dumping duty recommended
Pretilachlor and its intermediate PEDA	China PR	F. No. 6/31/2023-DGTR	21 March 2025	Anti-dumping duty recommended
Roller Chains	China PR	6/2025-Cus. (ADD)	24 March 2025	Anti-dumping duty imposed
Sodium Tertiary Butoxide	China PR	F. No. 6/11/2024-DGTR	25 March 2025	Anti-dumping duty recommended

Product	Country	Notification No.	Date of notification	Remarks
Soft Ferrite Cores	China PR	4/2025-Cus. (ADD)	18 March 2025	Anti-dumping duty imposed
Trichloro Isocyanuric Acid	China PR and Japan	1/2025-Cus. (ADD)	7 March 2025	Anti-dumping duty imposed
Vacuum insulated flask and other vacuum vessels, of stainless steel	China PR	3/2025-Cus. (ADD)	17 March 2025	Anti-dumping duty imposed
Viscose Rayon Filament Yarn (VFY) above 75 deniers	China PR	F. No. 6/04/2025-DGTR	29 March 2025	Anti-dumping investigation initiated
Vitamin A Palmitate	China PR, EU and Switzerland	F. No. 06/07/2024-DGTR	10 March 2025	Anti-dumping duty recommended

## Trade remedy measures against India

Product	Investigating Country	Document No.	Date of Document	Remarks
Carbon and Alloy Steel Threaded Rod	USA	FR Doc No: 2025-03826	11 March 2025	Affirmative sunset review of anti-dumping duty issued
Carbon and Alloy Steel Threaded Rod	USA	FR Doc No: 2025-03825	11 March 2025	Affirmative sunset review of countervailing duty issued

Product	Investigating Country	Document No.	Date of Document	Remarks
Hard Empty Capsules	USA	FR Doc No: 2025-05423	31 March 2025	Preliminary determination that countervailable subsidies were provided from 1 April 2023 till 31 March 2024
Hexamethylenetetramine	USA	FR Doc No: 2025-03644	7 March 2025	Preliminary determination that countervailing subsidies provided from 1 April 2023 till 31 March 2024
Lined Paper Products	USA	FR Doc No: 2025-05273	27 March 2025	Determination of sale at less than normal value from 1 September 2022 till 31 August 2023
Overhead Door Counterbalance Torsion Springs	USA	FR Doc No: 2025-03835	11 March 2025	Preliminary determinations in the less-than-fair-value investigations postponed
Polyester Textured Yarn	USA	FR Doc No: 2025-05288	28 March 2025	Preliminary finding that goods not sold at less than normal value from 1 January 2023 till 31 December 2023



# WTO News

- Canada initiates dispute on Chinese duties on agricultural, fishery products
- Canada initiates two disputes against US on steel & aluminium duties and other additional duties
- China files revised consultations with USA on tariff measures



## Canada initiates dispute on Chinese duties on agricultural, fishery products

Canada has requested for consultations with China regarding the latter's certain duties on agricultural and fishery products. As per document circulated in the WTO on 24 March 2025, China has, pursuant to a domestic 'anti-discrimination investigation', imposed an additional 100% *ad valorem* import duty on certain canola seed oil, oil residue cake and peas from Canada and a 25% percent *ad valorem* import duty on certain seafood and pork products from Canada, entering China as of 20 March 2025. According to Canada, the measures violate Articles I:1, II:1(a) and II:1(b) of the GATT 1994 and various other provisions of the Dispute Settlement Undertaking of the WTO.

## Canada initiates two disputes against US on steel & aluminium duties and other additional duties

In another trade dispute, this time with the USA, Canada has disputed the additional import duties imposed by the USA on import of steel and aluminium from Canada. According to document WT/DS635/1 circulated in the WTO on 13 March 2025, the US has imposed additional *ad valorem* rates of import duty on certain steel and aluminum articles as of 12 March 2025, which as per Canada, violate Articles II:1(a) and II:1(b) of the GATT 1994.

Canada has also on 4 March 2025 initiated another dispute with the USA, this time on USA's imposition of 25% *ad valorem* rate of import duty on Canadian non-energy goods and a 10% *ad valorem* rate of import duty on Canadian energy goods entering the US as of 4 March 2025. According to Canada, the US measures violate Articles I:1, II:1(a), II:1(b) and V:3 of the GATT 1994 and Article 7.8.2(d) of the Trade Facilitation Agreement.

## China files revised consultations with USA on tariff measures

China has submitted a revised request for dispute settlement consultations with the United States to address new US tariff measures applied on goods originating in China. The original consultation request was regarding measures by the United States that increase the additional tariffs on goods originating in China from 10% to 20%. The document shared in WTO on 5 March 2025 notes that subsequent to the China's original request for consultations, the United States has issued the Executive Order of 3 March 2025, which amends the Executive Order of 1 February 2025 and increases the additional *ad valorem* tariffs imposed on all imported products originating in China from 10% and 20%. China also states that the measures violate Articles I:1 and II:1(a) and (b) of the GATT 1994.



# India Customs & Trade Policy Update



- Postal Imports Regulations, 2025 notified
- Import and export through personal carriage by air passengers – Harmonised procedure effective from 1 May 2025
- Camera modules of mobile phones – BCD rate clarified
- Diamond re-import after certification – Variance not exceeding  $\pm 0.01\text{mm}$  in height is allowed
- Onions – Exemption from Export duty effective from 1 April 2025
- Bengal gram (Desi chana) – Exemption from AIDC and SWS effective from 1 April 2025
- Yellow peas – Exemption from BCD and AIDC extended for Bills of Lading issued till 31 May 2025
- Lentils (Mosur) – BCD and AIDC raised to 5% each
- Urad (Beans of SPP Vigna Mungo (L.) Hepper) – Import is 'Free' up to 31 March 2026
- Rice export to European countries – Requirement of certificate of inspection
- Broken rice exports made 'free' from 7 March 2025
- Platinum imports made 'restricted' – Import of alloy with 99% or more purity is free
- Urea imports – STE status of Indian Potash Ltd. extended till 31 March 2026
- Metronidazole GEL USP – SION notified
- SCOMET goods – Procedures relaxed for General Authorisation for Export after Repair
- Walnut in any form – Export Obligation period removed for imports under Advance Authorisation

## Postal Imports Regulations, 2025 notified

The Ministry of Finance has on 28 March 2025 notified the Postal Imports Regulations, 2025 which shall apply to assessment and clearance of goods imported through specified Foreign Post Offices. The Regulation will however not apply to goods requiring testing of samples thereof before their clearance and import of goods under any export promotion scheme referred to in the Foreign Trade Policy 2009-14 or 2015-20 or 2023. It may be noted that though the Regulation provides for imposition of penalty to an extent of the amount specified under Section 158(2)(ii) of the Customs Act, 1962, the Commissioner of Customs can exempt the Postal Authority or consignee or importer or his authorised agent, from the operation of these regulations.

## Import and export through personal carriage by air passengers – Harmonised procedure effective from 1 May 2025

The Central Board of Indirect Taxes and Customs (CBIC) has decided to harmonise the procedure across the specified airports and introduce electronic processing of Bill of Entry/Shipping Bill pertaining to gems and jewellery/samples/prototypes through personal carriage by air passengers from 1 May 2025

onwards. Circular No. 9/2025-Cus., dated 28 March 2025 in this regard also lists the role of different stakeholders for import and export of gems and jewellery through the personal carriage mode. The role of different stakeholders in cases involving samples or prototypes, is also provided in the Circular. According to the Circular, the harmonized procedure and electronic processing will promote ease of doing business for such mode of transaction, especially for gems and jewellery and high-end manufacturing.

## Camera modules of mobile phones – BCD rate clarified

The Central Board of Indirect Taxes and Customs (CBIC) has clarified that when a camera module is imported as an integrated assembly, it shall continue to attract the concessional basic customs duty rate as prescribed in entry at S. No. 5A of Notification No. 57/2017-Cus. As per Circular No. 8/2025-Cus., dated 24 March 2025, however, where the components of a camera module are imported individually (not as a complete assembly), they shall attract the applicable BCD rate. The Circular in this regard notes that the camera module for use in manufacturing of cellular mobile phones has an essential character of the camera and should be classified as camera

module in terms of Rule 3(b) of the General Rules of Interpretation (GRI) of the Harmonised System.

### **Diamond re-import after certification – Variance not exceeding $\pm 0.01$ mm in height is allowed**

Notification No. 9/2012-Cus. provides for exemption to cut and polished diamonds when re-imported after certification/grading by specified agencies abroad. The Ministry of Finance has now amended this notification to state that variance not exceeding  $\pm 0.01$ mm in height is to be allowed in case of such re-imports. Notification No. 18/2025-Cus., dated 20 March 2025 has been issued for the purpose.

### **Onions – Exemption from Export duty effective from 1 April 2025**

The Ministry of Finance has exempted onions falling under sub-heading 0703 10 of the Customs Tariff Act, 1975 from export duty with effect from 1 April 2025. Notification No. 19/2025-Cus., dated 22 March 2025 has been issued for this purpose.

### **Bengal gram (Desi chana) – Exemption from AIDC and SWS effective from 1 April 2025**

The Ministry of Finance has exempted Bengal Gram (Desi Chana), falling under TI 0713 20 20 of the Customs Tariff Act,

1975, from Agriculture Infrastructure and Development Cess (AIDC) and Social Welfare Surcharge (SWS), with effect from 1 April 2025. Notification No. 20/2025-Cus., dated 27 March 2025 amends Notifications Nos. 11/2021-Cus. and 11/2018-Cus., for this purpose. It may be noted that this product was earlier exempted from AIDC *vide* Notification No. 49/2021-Cus. which expired on 31 March 2025.

### **Yellow peas – Exemption from BCD and AIDC extended for Bills of Lading issued till 31 May 2025**

The Ministry of Finance has extended the exemption from Basic Customs Duty (BCD) and Agriculture Infrastructure and Development Cess (AIDC) on Yellow Peas in case where the Bill of Lading is issued on or before 31 May 2025. The date was earlier 28 February 2025. Notification No. 17/2025-Cus., dated 7 March 2025 states that it comes into force with immediate effect.

It may be noted that the current Import Policy for import of said product has also been extended till 31 May 2025. Accordingly, import of Yellow Peas covered under ITC(HS) Code 0713 10 10 will remain 'Free' with the MIP condition and without port restrictions, subject to registration under online monitoring system, for all imports where the Bill of Lading is issued on or before 31 May 2025. The Ministry of Commerce has issued

Notification No. 63/2024-25, dated 10 March 2025, for this purpose.

### **Lentils (Mosur) – BCD and AIDC raised to 5% each**

The Ministry of Finance has revised customs duties on Lentils (Mosur) classifiable under Tariff Item 0713 40 00 of the Customs Tariff Act, 1975. Accordingly, the BCD rate has been changed from 'Nil' to 5%. Further, while a specific entry has now been provided for exemption from Social Welfare Surcharge (SWS), Agriculture Infrastructure and Development Cess (AIDC) has been revised to 5% from Nil. Notification No. 16/2025-Cus., dated 7 March 2025 amends Notifications Nos. 50/2017-Cus., 11/2018-Cus., 11/2021-Cus. and 49/2021-Cus. for this purpose, with effect from 8 March 2025.

### **Urad (Beans of SPP Vigna Mungo (L.) Hepper) – Import is 'Free' up to 31 March 2026**

The Ministry of Commerce has extended the current Import Policy for import of Urad which is Beans of SPP Vigna Mungo (L.) Hepper, covered under ITC(HS) Code 0713 31 10, till 31 March 2026. Accordingly, the import of said product will be 'Free' without any restrictions/prohibitions. Notification No. 64/2024-25, dated 10 March 2025 has been issued for the purpose.

### **Rice export to European countries – Requirement of certificate of inspection**

The Ministry of Commerce has issued Notification No. 62/2024-25, dated 10 March 2025 to notify that in case of export of rice (basmati and non-basmati) to European countries, the certificate of inspection from Export Inspection Council/Export Inspection Agency is required only for exports to European Union member countries and for export to United Kingdom, Iceland, Liechtenstein, Norway, Switzerland. This certificate is not mandatory for export to other European countries for the period of six months from the date of the notification, i.e., till 9 September 2025.

### **Broken rice exports made 'free' from 7 March 2025**

The Ministry of Commerce has removed export prohibitions for exporting broken rice falling under ITC(HS) Code 1006 40 00. Notification No. 61/2024-25, dated 7 March 2025 for this purpose revises the Export Policy of this product from 'prohibited' to 'free' with immediate effect.

### **Platinum imports made 'restricted' – Import of alloy with 99% or more purity is free**

The Import Policy of Platinum covered under ITC(HS) Codes 7110 11 10, 7110 11 20 and 7110 19 00 has been revised from 'free'



to 'restricted'. The restriction will however not apply on platinum alloy of 99% or more purity by weight, which is still 'free'. Notification No. 60/2024-25, dated 5 March 2025 has been issued for the purpose.

### **Urea imports – STE status of Indian Potash Ltd. extended till 31 March 2026**

The Ministry of Commerce has extended the STE status of Indian Potash Ltd. from 31 March 2025 to 31 March 2026 for import of Urea (Agricultural grade) on Government account. Amendment has been made in Import Policy conditions under ITC(HS) Code 3102 10 10. It may be noted that all other conditions as notified by Notification No. 79/2023, dated 18 March 2024, remain the same. Notification No. 65/2024-25, dated 18 March 2025 has been issued for this purpose.

### **Metronidazole GEL USP – SION notified**

The Directorate General of Foreign Trade has notified the Standard Input Output Norms (SION) for Metronidazole GEL USP 1% (55 gm pack and 60 gm tube) under SION No. A-3684 in Chemical & Allied Product Group. Public Notice No. 49/2024-25, dated 3 March 2025 has been issued for the purpose.

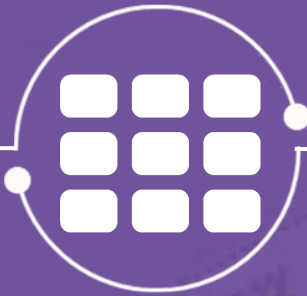
### **SCOMET goods – Procedures relaxed for General Authorisation for Export after Repair**

The DGFT has relaxed the procedures for General Authorisation for Export after Repair (GAER) in respect of goods covered under SCOMET. As per Public Notice No. 50/2024-25, dated 10 March 2025, the revised Paragraph 10.12(D) of Handbook of Procedures 2023 streamlines the procedures for multiple reexports of SCOMET items to related entities and authorized vendors/OEMs after repair in India, under a one-time authorization with quarterly post-reporting.

### **Walnut in any form – Export Obligation period removed for imports under Advance Authorisation**

The DGFT has deleted the entry at Sl. No. 13 with the description 'Walnut in any form' in Appendix 4J of the Handbook of Procedures. Appendix 4J of the HoP pertains to 'Export Obligation Period for Specified Inputs with Pre-import Condition under Advance Authorizations'. The Export Obligation was 6 months for the concerned product till the amendment by Public Notice No. 52/2024-25, dated 27 March 2025.





# FTA News

- FTA imports – CAROTA Rules amended to substitute 'certificate' for 'proof' of origin
- India-UAE CECPA – Customs duty rates further relaxed for imports from UAE
- India-Mauritius CECPA – Customs duty rates further relaxed for imports from Mauritius
- EU and India are close to finalizing FTA
- New Zealand and India working on a comprehensive, mutually beneficial FTA

## FTA imports – CAROTA Rules amended to substitute ‘certificate’ for ‘proof’ of origin

In line with the amendments made in Section 28DA of the Customs Act, 1962 by the Finance (No. 2) Act, 2024, the Ministry of Finance has now amended the Customs (Administration of Rules of Origin under Trade Agreements) Rules, 2020 (**‘CAROTAR’**). Notification No. 14/2025-Cus. (N.T.) dated 18 March 2025 has been issued to substitute the word ‘certificate’ with the word ‘proof’ in Rules 2(1)(f), 3(1)(c)/(d), 3(1)(d)(i)/(ii)/(v), 3(2), 6(1) and 6(1)(a)/(b) of the CAROTAR. Thus, the list of documents which can be submitted to establish or prove origin has been expanded to reflect the change in the recent Free Trade Agreements.

## India-UAE CECPA – Customs duty rates further relaxed for imports from UAE

The Ministry of Finance has further relaxed the Customs duty rates in case of imports from United Arab Emirates under the India-UAE Comprehensive Economic Co-operation and Partnership Agreement (**‘CECPA’**). Notification No. 21/2025-Cus., dated 28 March 2025 has amended Notification No. 22/2022-Cus. with effect from 1 April 2025 for this purpose. All Tables I, II and III have been fully substituted.

## India-Mauritius CECPA – Customs duty rates further relaxed for imports from Mauritius

The Ministry of Finance has further relaxed the Customs duty rates in case of imports from Mauritius under the India-Mauritius Comprehensive Economic Co-operation and Partnership Agreement (**‘CECPA’**). Notification No. 22/2025-Cus., dated 28 March 2025 has amended Notification No. 25/2021-Cus. with effect from 1 April 2025 for this purpose. Tables I and II of the earlier notification have been fully substituted.

## EU and India are close to finalizing FTA

India and the European Union are aiming to finalize a free trade agreement (FTA) by the end of the current year. According to the European Commission President, the agreement would be ‘the largest deal of this kind anywhere in the world’. As per news report World Economic Forum, available [here](#), the EU is India’s largest trading partner, accounting for €124 billion of trade in goods in 2023, or 12.2% of total Indian trade. Trade in services between the EU and India reached nearly €60 billion in 2023, almost double the level in 2020. A third of that were digital services. As per reports, the EU wants India to lower tariffs of more than 100% on cars, wine and whiskey while India wants

greater market access and lower tariffs for key exports, including pharmaceuticals, textiles and apparel. India has also objected to a number of EU rules relating to the environment, including border carbon taxes on steel, aluminium and cement.

### **New Zealand and India working on a comprehensive, mutually beneficial FTA**

The Indian Commerce Minister has recently stated that India and New Zealand are working on a comprehensive, mutually beneficial Free Trade Agreement. As per PIB Press Release

available [here](#), the two countries have recently announced the launch of negotiations for an FTA. The Press Release also quotes the Indian Minister stating that *“There are hardly any areas where we compete with each other, and the few areas of sensitivity can be navigated with mutual respect. Given our different levels of development, there are limitless possibilities for cooperation in agri-tech, dairy, food processing, pharmaceuticals, renewable energy, critical minerals, forestry, horticulture, tourism, and sports,”* the Minister said.



# Ratio Decidendi

- Anti-dumping duty on by-product cleared to DTA when both the input, brought in EOU without payment of customs duty, and the final product, were not sent to DTA – *CESTAT Ahmedabad*
- Crimp pumps used for dispersal of medicaments is classifiable under Customs Heading 8413 and not under Heading 9616 – *CESTAT Mumbai*
- Areca nut is 'roasted' if moisture content is less than 10%; 'raw' if moisture content is between 10% to 15% - *Madras High Court*

## Anti-dumping duty on by-product cleared to DTA when both the input, brought in EOU without payment of customs duty, and the final product, were not sent to DTA

The CESTAT Ahmedabad has upheld the demand of anti-dumping duty in a case where the assessee (an EOU) had failed to pay the anti-dumping duty on Distilled Acetone cleared in Domestic Tariff Area (DTA) as 'recovered solvent' produced from the Acetone, which was earlier imported without payment of Customs duty including the anti-dumping duty. The assessee had contended that the anti-dumping duty applies to articles imported by an 100% EOU only when the imported goods are cleared into DTA as such or the goods manufactured by using the imported goods are cleared into DTA. It was submitted by the assessee that the anti-dumping duty cannot be imposed on any other waste or by product arising during the course of manufacture.

According to the Tribunal, the product which was cleared in DTA was in fact Acetone, by-product of which was produced from Acetone imported without payment of Customs Duty and it was cleared in DTA as 'recovered solvent'. The Tribunal was thus of the opinion that the provisions of anti-dumping Notification No. 75/2008-Cus. read with Section 9A(2A) of the

Customs Tariff Act, 1975 were attracted and applicable here. [*Dishman Carbogen Amcis Limited v. Commissioner* – 2025 VIL 478 CESTAT AHM CU]

## Crimp pumps used for dispersal of medicaments is classifiable under Customs Heading 8413 and not under Heading 9616

The CESTAT Mumbai has held that Crimp Pumps, one of the components of 'Nasal spray device' which is used for dispersal of medicaments which work on the principle of spray forming mechanism, are classifiable under Heading 8413 of the Customs Tariff Act, 1975 and not under Heading 9616 *ibid*. The Tribunal noted that scope of Heading 8413 is large enough to cover all types of pumps and other similar appliances, irrespective of its application in dispersal of medicament liquid or other use, while the scope of Heading 9616 is restricted to scent sprays, toilet sprays which are cosmetics in nature and items such as mounts, heads, powder-puffs and pads which are essential for its application. Explanatory Notes to both the headings were also relied upon by the Tribunal while it allowed assessee-importer's appeal. It was also noted that spray mechanism including 'crimp pump' cannot be brought under entirely different category of goods as the one specifically provided for 'cosmetics and toilet sprays'. Further, classification of parts of crimp pump was also



held as not covered under TI 3926 90 91 nor under TI 3926 90 99. *The importer was represented by Lakshmikumaran & Sridharan Attorneys here.* [Glenmark Pharmaceuticals Limited v. Commissioner – 2025 VIL 332 CESTAT MUM CU]

**Areca nut is 'roasted' if moisture content is less than 10%; 'raw' if moisture content is between 10% to 15%**

The Division Bench of the Madras High Court has dismissed the appeals filed by the Revenue department observing that as per

the parameters fixed by the Authority for Advance Rulings, if the moisture content is between 10% and 15%, the areca nut would be considered as a raw areca nut, and anything below the said category would be considered as roasted areca nut. The Court in this regard noted that the AAR Ruling had attained finality as a co-ordinate bench of the Court had declined to interfere with the said findings of the AAR. [Commissioner v. Universal Impex – 2025 (3) TMI 396-Madras High Court]

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