Circular No. 37/2026 -Cus

F. No. 140605/6/2026-DBK
Government of India
Ministry of Finance: Department of Revenue
Central Board of Indirect Taxes and Customs
Drawback Division

New Delhi, dated the 27th August 2026

To,
All Principal Chief Commissioners/Chief Commissioners,
All Principal Directors General/Directors General,
All Principal Commissioners/Commissioners,
under CBIC

Ma'am/Sir,

Subject: Modalities for payment of exempted GST at the time of import of Raw Sugar actually imported under Advance Authorisation (AA) Scheme to be converted into Tariff Rate Quota (TRQ) Scheme – Reg.

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

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

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

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

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

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

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

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

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

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

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

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

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

Hindi version follows.

Yours faithfully,

(Parag Aggarwal)
OSD (Drawback)