

CUSTOMS AND GST ALERT



CASE LAW UPDATES

STATE OF KERALA v. ASIANET SATELLITE COMMUNICATIONS LTD

[2025] 174 taxmann.com 1107

Supreme Court upholds parallel levies of service tax and entertainment tax on providers of broadcasting services; applies the *aspect theory* to hold that simultaneous taxation of the service element by the Union legislature, and the *entertainment (luxury)* element by the State legislatures on the same activity of broadcasting, was permissible.

L&T GEOSTRUCTURE LLP v. UNION OF INDIA

[2025] 174 taxmann.com 1043

Madras High Court upholds validity of rule 36(4) of the Central Goods and Services Tax Rules, 2017 (*which previously restricted availment of input tax credit (ITC) to an amount equal to that reflected in Form GSTR-2A plus a specified percentage (5-20%), and currently restricts availment of input tax credit to only that amount which is reflected in Form GSTR-2B*); holds that the said restrictions were reasonable and intended to implement the object of allowing only legitimate and eligible ITC.

SRI RAM STONE WORKS v. STATE OF JHARKHAND

[2025] 174 taxmann.com 475

Jharkhand High Court holds that, while undertaking scrutiny of returns under section 61 of the Central Goods and Services Tax Act, 2017, an assessing officer was only empowered to highlight and intimate discrepancies in returns, and was not authorised to expand the scope of

proceedings and question the prices at which goods were sold by the assessee, unless the transactions were shown to be sham.

INDIAN OIL CORPORATION LTD v. THE ASSISTANT COMMISSIONER OF CENTRAL TAX

[2025] 174 taxmann.com 1

Karnataka High Court holds that refund of accumulated ITC due to inverted duty structure could not be denied merely because (i) the input and output were the same; or (ii) where the principal input and output attracted the same rate of tax; holds such refund to be eligible notwithstanding whether the inverted duty structure had arisen due to a higher tax rate applicable on some other inputs, or due to any other reason.

REGULATORY UPDATES

Foreign Trade Policy

NOTIFICATION NO 07/2025-26-FTP AND INSTRUCTION NO 11/2025-CUS

Directorate General of Foreign Trade has notified port restrictions on imports from Bangladesh, whereby imports through certain land ports have been disallowed, except imports of *fish, liquified petroleum gas, edible oil, and crushed stone*, and export from Bangladesh to Nepal / Bhutan transiting through India.

NOTIFICATION NOS 08/2025-26, 09/2025-26 AND 10/2025-26

To align with changes introduced by the Finance Act, 2025, the Directorate General of Foreign Trade has:

- (i) updated the *ITC (HS) 2022, Schedule-I (Import Policy)* in respect of silver, gold and platinum, with effect from 19.05.2025;
- (ii) updated the *ITC (HS) 2022, Schedule-II (Export Policy)* and *General Notes to Export Policy*, with effect from 19.05.2025; and
- (iii) Rate schedule under the Remission of Duties and Taxes on Export Products (RoDTEP) scheme, with effect from 01.05.2025.

NOTIFICATION NO 11/2025-26

Directorate General of Foreign Trade has restored the RoDTEP scheme for exports by Advance Authorization holders, Special Economic Zone units and Export Oriented Units, with effect from 01.06.2025.

NOTIFICATION NO 13/2025-26

Directorate General of Foreign Trade has amended the import policy condition for *roller chain and parts*, whereby import shall be “Free” only if CIF value is equal to or above INR 235 per kilogram.

NOTIFICATION NO 14/2025-26

Directorate General of Foreign Trade has amended the import policy condition for *cabinet hinges*, whereby import shall be “Free” only if CIF value is equal to or above INR 280 per kilogram.

For any clarifications, please write to:

Mr. Shammi Kapoor
Senior Partner
shammi@vaishlaw.com

Mr. Arnab Roy
Partner
arnab@vaishlaw.com



Corporate, Tax and Business Advisory Law Firm

DELHI

1st, 9th, 11th Floor,
Mohan Dev Building, 13, Tolstoy Marg,
New Delhi, 110001
(India)

+91-11-42492525
delhi@vaishlaw.com

MUMBAI

106, Peninsula Centre,
Dr. S.S. Rao Road, Parel,
Mumbai, 400012
(India)

+91 22 42134101
mumbai@vaishlaw.com

BENGALURU

Bhive Premium Ramanashree (MG Road)
No. 2/1, Brunton Road, Off MG Road,
Opposite Old Passport Office
Bengaluru, 560001 (India)

+91 80 40903588/89
bangalore@vaishlaw.com

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