

CUSTOMS AND GST ALERT

CASE LAW UPDATES

UMICORE AUTOCAT INDIA PVT LTD v. UNION OF INDIA

[2025] 176 taxmann.com 616

Bombay High Court holds that transfer of unutilised input tax credit (ITC) of CGST and SGST belonging to a transferor company situated in one State to a transferee company situated in another State, into which the transferor company had amalgamated, was permissible.

M/S R A AND CO v. ADDITIONAL COMMISSIONER OF CENTRAL TAXES, CHENNAI

2025 (7) TMI 1401

Madras High Court holds that issuance of composite show cause notices covering multiple financial years, without separate adjudication per year frustrates the limitation scheme and prevents taxpayers from giving year-wise rebuttals, resulting in jurisdictional overreach; thus, holds that issuance of a consolidated show cause notice for multiple years violates the scheme of limitation provided under GST laws.

ALSTOM TRANSPORT INDIA LTD v. COMMISSIONER OF COMMERCIAL TAXES AND ORS

2025 (7) TMI 1611

Karnataka High Court holds that secondment of employees from foreign parent to the Indian subsidiary does not constitute a taxable supply of manpower services, when the facts establish a genuine employer-employee relationship between the Indian subsidiary and the seconded personnel; holds that, in any case, if no invoices are raised by the Indian subsidiary towards

secondment, the value of services shall be deemed as “nil” and consequently, no tax liability could arise.

SAYAN BISWAS v. DEPUTY COMMISSIONER OF REVENUE, BALLY SALKIA CHARGE & ORS

2025 (7) TMI 1617

Calcutta High Court holds that two show cause notices could be issued for the same period under sections 73 (non-fraud) and 74 (fraud) of the Central Goods and Services Tax Act, 2017, since the basis for issuance of both notices would be different.

REGULATORY UPDATES

Goods and Services Tax

NOTIFICATION REGARDING EXTENSION OF DATES FOR FILING APPEALS BEFORE GSTAT

Central Government has notified 30.06.2026 as the date up to which appeals may be filed before the GSTAT, in cases where the first appeal orders have been communicated up to 31.03.2026.

GSTAT PRESIDENTIAL ORDER NO 1499-1502

President of the GSTAT, in order to prevent capacity and concurrency issues on the GSTAT online portal, has notified staggered appeal filing periods (non-mandatory) based on first appeal filing dates, subject to the outer deadline of 30.06.2026 referred above (mandatory).

NOTIFICATION NOS 09/2025-CT(R), 10/2025-CT(R), 11/2025-CT(R), 12/2025-CT(R), 13/2025-CT(R), 14/2025-CT(R), 15/2025-CT(R), 16/2025-CT(R) AND 17/2025-CT(R)

Central Government has notified changes in GST rates and exemptions in respect of various goods and services, in line with the decisions taken in the 56th GST Council meeting, all of which have come into effect from 22.09.2025.

For more details, please refer to our Special Edition Newsletter accessible [here](#).

NOTIFICATION NO 14/2025-CT

Central Government has notified persons *inter alia* engaged in the supply of *areca nuts, pan masala, tobacco and manufactured tobacco substitutes, and essential oils*, as those who shall not be eligible for grant of 90% refund on a provisional basis against exports.

NOTIFICATION NO 16/2025-CT

Central Government has appointed 01.10.2024 as the date on which certain sections of the Finance Act, 2025 shall come into force (*notably, provision requiring mandatory reduction of ITC by the recipient upon receipt of a credit note, in order for the supplier to be eligible to reduce output tax liability, provision prescribing pre-deposit requirement in cases of appeals against orders only imposing penalty, and provision notifying ‘supply of goods warehoused in a Special Economic Zone or in a Free Trade Warehousing Zone to any person before clearance for exports or to the Domestic Tariff Area’ as neither a supply of goods nor a supply of services, with retrospective effect from 01.07.2017.*)

CIRCULAR NO 251/08/2025

Central Government has clarified that – (i) recipient shall not be required to reverse ITC attributable to discounts provided by supplier through financial / commercial credit notes; (ii) post-sale discount offered by a manufacturer to its dealer / distributor shall normally not be termed as ‘consideration’ towards ‘inducement of further supply of goods’; (iii) in case there is some agreement between the manufacturer and the end customer to supply goods at a discounted price, then the post-sale discount given by the manufacturer to the dealer for supplying goods to the end customer at a discounted rate shall be termed as ‘consideration’ towards inducement of further supply of goods’; (iv) post-sale discount offered by a manufacturer to its dealers, consequent to which the dealer engages in promotional activities to boost its own sales and revenue, shall not be treated as ‘consideration’ for a separate transaction of supply of services; and (v) GST would be leviable in case a dealer undertakes specific sales promotional activities pursuant to express terms of an agreement, with a clearly defined consideration payable for such activities by the manufacturer.

Customs

CIRCULAR NO 19/2025

Central Government has notified that applications under the Manufacture and Other Operations in Warehouse Regulations, 2019 (MOOWR scheme) can be filed on the Invest India [portal](#) only up to 31.10.2025, post which the application process shall be transferred to a new electronic system (under development).

CIRCULAR NO 20/2025

Central Government has clarified that, under the Duty-Free Import Authorisation (DFIA) scheme, correlation of technical characteristics, quality and specification of imported inputs with the export product is mandatory only in case of import of notified sensitive items. For all other imports, only name and quantity of the specific input is required to be declared in the shipping bill / bill of export, and declaration of technical characteristics, quality and specification of inputs used in manufacture of the export product is not required.

CIRCULAR NO 21/2025

Central Government has issued revised guidelines governing Customs Clearance Facilitation Committees (CCFCs) and Permanent Trade Facilitation Committees (PTFCs) to improve consultative decision making, stakeholders' engagement and grievance redressal, and facilitate integration with national trade facilitation objectives.

NOTIFICATION NO 55/2025-(NT) AND CIRCULAR NO 22/2025

Central Government has introduced the Customs (Finalisation of Provisional Assessment) Regulations, 2025 *inter alia* providing for time-bound finalisation of assessments, in line with the amendments introduced by the Finance Act, 2025.

Foreign Trade Policy

NOTIFICATION NO 31/2025-26

Directorate General of Foreign Trade has released an updated version of the Special Chemicals, Organisms, Materials, Equipment and Technologies (SCOMET) list, which shall come into force from 24.10.2025.

NOTIFICATION NO 35/2025-26

Directorate General of Foreign Trade has extended the Remission of Duties and Taxes on Exported Products (RoDTEP) scheme for export of products by units in Domestic Tariff Area, Advance Authorization holders, Special Economic Zone units and Export Oriented Units, up to 31.03.2026.

PUBLIC NOTICE NO 17/2025-26

Directorate General of Foreign Trade has expanded the scope of General Authorisation for Export of Chemicals & Related Equipment (GAEC) to cover export of specified chemicals to specified countries.

PUBLIC NOTICE NO 22/2025-26

Directorate General of Foreign Trade has permitted amendments in unutilized and un-transferred DFIA's, which are system-related and corrective in nature (such as correction in units of measurement, ITC HS code, value, etc.).

POLICY CIRCULAR NO 02/2025-26

Directorate General of Foreign Trade has clarified that goods already imported / shipped / arrived in advance but not cleared from Customs, may be cleared for home consumption against an Authorisation issued after the date of shipment but before their clearance from Customs, without any mandatory requirement for warehousing. However, this facility shall not be available to imported of 'restricted' items or items traded through State Trading Enterprises, unless specifically allowed.

For any clarifications, please write to:

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