

CUSTOMS AND GST ALERT

NEWS UPDATES

- E-filing of appeals before Customs, Excise and Services Tax Appellate Tribunal (CESTAT) is set to become mandatory from 01.01.2026. Documents pertaining to previously filed appeals would also need to be e-filed, not later than one week before the final hearing of the respective appeals. The e-filing portal can be accessed [here](#).
- Forms GSTR-9 and GSTR-9C for FY 2024-25 have been made available for filing on the online GST portal. GSTN has released a list of Frequently Asked Questions (FAQs) in this regard, which can be accessed [here](#).

CASE LAW UPDATES

UNION OF INDIA v. SICPA INDIA PVT LTD

[2025] 178 taxmann.com 200

Sikkim High Court holds that upon closure of business, the accumulated ITC must be reversed and refund thereof would not be permitted, since no such right was granted under the CGST Act; reverses an earlier decision which had permitted such a refund.

HIKAL LTD v. UNION OF INDIA

[2025] 178 taxmann.com 333

Bombay High Court holds that upon omission of rule 96(10) of Central Goods and Services Tax Rules, 2017 (CGST Rules) without any savings clause, all pending proceedings (not constituting

transactions “past and closed”) shall lapse; observes that upon removal of rule 96(10), it should be regarded as *a provision that never existed*.

EAGLE SECURITY AND PERSONNEL SERVICES v. UNION OF INDIA

[2025] 177 taxmann.com 549

Bombay High Court upholds the validity of sections 17(2) and 17(3) of the Central Goods and Services Tax Act, 2017 (CGST Act) to the extent they deny ITC to the supplier whose outward supplies attract GST on reverse charge basis, by including such supplies in the value of “exempt supplies”; observing that ITC is not an absolute right and is subject to conditions and restrictions, cites limited scope for judicial interference in policy matters.

RAWMAN METAL & ALLOYS v. DEPUTY COMMISSIONER OF STATE TAX, THANE

2025 (10) TMI 489

Bombay High Court holds that rule 86A of the CGST Rules permits blocking of Electronic Credit Ledger (ECrL) only to the extent of ITC available in it at the time of exercising power under the said rule, despite the department having reasons to believe that the total ineligible ITC claimed by the assessee exceeds the amount available in the ECrL; emphasises on strict interpretation of taxation statutes and holds *negative blocking of ITC* to be impermissible.

SUKRAFT RECYCLING PVT LTD v. UNION OF INDIA AND ORS

[2025] 178 taxmann.com 34

Bombay High Court allows refund of unutilised ITC of Compensation Cess paid on inputs used for manufacturing export goods which were not liable to Cess; observes that while the definition of “input” under the CGST Act included both CGST and IGST, the definition under the Goods And Services Tax (Compensation To States) Act, 2017 included only Cess, thus holds that refund application for Cess is made primarily under the latter Act, but by following procedures prescribed under the former Act; also holds that although exports were undertaken on payment of tax, since the export goods were not liable to Cess, refund of unutilised ITC of Cess could be separately claimed.

M/S HM LEISURE v. ASSISTANT COMMISSIONER, CGST, DIV-1 AND ORS

2025 (8) TMI 67

Bombay High Court holds that duplication of proceedings by issuance of show cause notices on the same subject matter and period by different authorities would result in chaos, harassment, and conflicting decisions; in a case where notice was issued by the Central GST department in respect of a single state and another notice was issued by the Directorate General of GST Intelligence in respect of all-India operations, holds that the former authority ought to have transferred proceedings to the latter for further adjudication.

LOUIS DREYFUS COMPANY PVT LTD v. UNION OF INDIA

[2025] 177 taxmann.com 527

Andhra Pradesh High Court permits refund of IGST paid on reverse charge basis on import ocean freight in respect of goods imported on Cost-Insurance-Freight (CIF) basis, the levy of which was declared invalid by the Supreme Court in *Mohit Minerals*; concurs with the view that payment of such IGST would not be construed as payment of a *tax*, but of an *amount paid under a mistake of law*, the refund of which could be claimed without applying any period of limitation.

SURAJ MANGAR v. ASSISTANT COMMISSIONER OF WEST BENGAL STATE TAX

[2025] 176 taxmann.com 951

Calcutta High Court holds that the time limit of 60 days prescribed for passing an order on a refund application was mandatory, and non-compliance of the same would vitiate any order passed in violation of such time limit.

PEPSICO INDIA HOLDINGS PVT LTD. v. UNION OF INDIA

[2025] 178 taxmann.com 743

Gauhati High Court holds that a notice in Form GST ASMT-10 is mandatorily required to be issued before assuming jurisdiction to issue a show cause notice, where the dispute pertains to alleged wrongful availment or utilisation of ITC; holds that non-issuance of Form GST ASMT-10 would be contrary to the prescribed procedure, contrary to the scheme of the CGST Act, and would result in unauthorised invocation of jurisdiction, rendering all subsequent actions illegal.

S J CONSTRUCTIONS v. ASSISTANT COMMISSIONER

[2025] 178 taxmann.com 570

Andhra Pradesh High Court holds that a single composite show cause notice or assessment order cannot be passed in relation to more than one tax period of either a month if the assessment is taken up before the due date for filing of the annual return, or a year if the due date for filing of annual return has reached.

REGULATORY UPDATES

Goods and Services Tax

CIRCULAR NO 253/10/2025

Central Government has clarified that the previously prescribed procedure of obtaining an undertaking / CA certificate evidencing reversal of ITC by the recipient against a credit note issued by the supplier, for such supplier to be able to reduce his GST liability, shall no longer require to be followed.

CIRCULAR NO 254/11/2025

Central Government has assigned proper officers for issuance and adjudication of show cause notices for FY 2024-25 and beyond, and notified monetary limits based on designations of officers.

INSTRUCTION NO 06/2025

Central Government has issued instructions governing sanction of 90% provisional refund to certain assesseees within 7 days. These instructions include: (i) provisional refund in respect of applications flagged by the system as “low risk” should be sanctioned; (ii) provisional refund in respect of applications not flagged as “low risk” should not be sanctioned, and such applications must be scrutinised in detail; (iii) provisional refund should not be sanctioned where previous refund has become the subject matter of a show cause notice, order or appeal

proceeding; (iv) discretion to deny provisional refund should be used sparingly and not on the basis of presumptive reason(s), initiation of routine proceedings such as scrutiny, etc; and (v) provisional refunds may also be sanctioned in refund applications filed on account of inverted duty structure on or after 01.10.2025.

Customs

NOTIFICATION NOS 41/2025, 42/2025 AND 43/2025

Central Government has notified first tranche of tariff concessions under the *India-European Union Free Trade Agreement*, in respect of imports from Switzerland, Norway and Iceland.

NOTIFICATION NOS 44/2025 AND 45/2025

Central Government has comprehensively revised Customs duties rates and exemptions, which shall come into effect on 01.11.2025.

NOTIFICATION NO 59/2025-NT

Central Government has notified rules for determination of origin of goods under the *India-European Union Free Trade Agreement*.

NOTIFICATION NOS 70/2025-NT AND 71/2025-NT AND CIRCULAR NO 26/2025

Central Government has notified regulations for voluntary revision of entries made in the bill of entry, shipping bill or bill of export, post clearance of goods. Central Government has also notified that no revision shall be permitted in cases where benefit under any instrument-based scheme notified under the Foreign Trade (Development and Regulation) Act, 1992 or any Customs exemption notification has been availed and the same is required to be reversed, but a different procedure for reversal has been provided in such notifications.

CIRCULAR NO 27/2025

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](#) up to

15.11.2025, post which the application process shall be transferred to a new electronic system (expected to be launched soon).

Foreign Trade Policy

PUBLIC NOTICE NO 24/2025-26

Directorate General of Foreign Trade has extended the last date of filing annual return under the Remission of Duties and Taxes on Exported Products (RoDTEP) scheme for FY 2023-24 to 30.11.2025, with composition fee of INR 10,000/-.

TRADE NOTICE NO 14/2025-26

Directorate General of Foreign Trade has announced the Pilot Launch of *Bharat Aayat Niryat Lab Setu*. Testing and inspection agencies would be onboarded on this online platform, through which exporters / importers would be able to submit applications for product and commodity testing, track status of applications, and obtain test reports. The platform would go live on 11.11.2025 and can be accessed [here](#).

TRADE NOTICE NO 15/2025-26

Directorate General of Foreign Trade has notified that exporters having valid Importer-Exporter Codes (IECs) and who have fulfilled minimum export realisation of USD 100,000/- in at least one of the previous three financial years shall be eligible to create their microsites on the *Source from India* service of the Trade Connect ePlatform. This service serves as a one-stop reference point for international buyers to discover accomplished Indian exporters to source from, and allows Indian exporters to showcase their products and credentials.

For any clarifications, please write to:

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