

# CUSTOMS AND GST ALERT

Corporate, Tax and Business Advisory Law Firm

## NEWS UPDATES

- The Central Government has assigned benches to various judicial and technical members of the GST Appellate Tribunal (GSTAT).
- From the tax period November 2025, Table 3.2 of Form GSTR-3B i.e., figures of inter-state outward supplies made to unregistered persons, composition taxable persons, and Unique Identification Number (UIN) holders, shall be auto-populated from details reported in Form GSTR-1/1A, and these figures shall not be editable.
- The Central Government has proposed to restrict the filing of Form GSTR-3B in cases where the closing balance of the *Electronic Credit Reversal and Re-claimed Statement* or *RCM Liability/ ITC Statement* is negative until such negative balance is cleared by payment in cash or reversal of input tax credit (ITC).

## CASE LAW UPDATES

### STATE OF KARNATAKA v. TAGHAR VASUDEVA AMBRISH

[2025] 181 taxmann.com 199

**The Supreme Court** holds that property used for sub-letting of rooms as hostels for long-term stays to students qualifies as a *residential dwelling*, and the rent charged for the said services is exempt from GST; it holds that the exemption shall apply even if rent is paid by a registered person, if the property is used for their own residence and rented in a personal capacity.

### **RABIRUN VINIMAY PVT LTD. v. UNION OF INDIA**

[2025] 180 taxmann.com 578

**Calcutta High Court** holds that a company whose business had been sold as a going concern in a scheme under the Insolvency and Bankruptcy Code, 2016, could not be saddled with past dues, and claims, if any, must be made only under the waterfall mechanism.

### **VINAYAK INTERNATIONAL HOUSEWARES PVT LTD. v. UNION OF INDIA**

[2025] 181 taxmann.com 264

**Delhi High Court** holds that since Rule 96(10) of the Central Goods and Services Tax Rules, 2017 (which restricted assessees availing the benefit of certain duty exemption schemes on the import of goods, from undertaking export on payment of IGST and from claiming a refund thereof) was omitted from 08.10.2024, no proceedings under the said rule could be continued.

### **K.V. JOSHY & C.K. PAUL v. ASSISTANT COMMISSIONER**

[2025] 181 taxmann.com 148

**Kerala High Court** holds that, where a purchaser had availed ITC on goods procured from registered suppliers, duly paid tax to such suppliers, but the suppliers had failed to remit such tax to the government, disallowance of ITC to such purchaser would be impermissible; holds that action must be initiated against defaulting suppliers for non-payment of tax and without proving collusion, action taken against purchasers was not sustainable.

### **RITE WATER SOLUTIONS (INDIA) LTD. v. JOINT COMMISSIONER, CGST & CENTRAL EXCISE,**

#### **NAGPUR**

Writ Petition No 466 of 2025

**Bombay High Court (Nagpur bench)** holds that issuance of a consolidated show cause notice covering multiple financial years is not permissible; sets aside the relevant show cause notices.

**PRINCIPAL COMMISSIONER OF CENTRAL TAX, BANGALORE EAST GST COMMISSIONERATE  
BANGALORE v. WIPRO TECHNOLOGIES**

[2025 \(8\) TMI 1061](#)

**Karnataka High Court** allows the refund of CENVAT credit on the export of IT software services, despite such services not being taxable during the relevant period; it holds that the taxability of output services was not a pre-condition for refund of ITC, in cases where services were exported.

**KEI INDUSTRIES LTD v. COMMISSIONER, CGST & CENTRAL EXCISE, ALWAR, RAJASTHAN**

[2025 \(11\) TMI 1641](#)

**CESTAT (Larger Bench)** holds that, since Education Cess and Secondary and Higher Education Cess were discontinued on 01.03.2015 and 01.06.2016 respectively, they were never available for availment as CENVAT credit and therefore, the question of granting cash refund of such cesses did not arise after the introduction of the GST regime; it observes that there was no provision permitting cash refund of cesses that could not be transitioned into the GST regime.

**IN RE: BECTON DICKINSON INDIA (P.) LTD.**

[\[2025\] 175 taxmann.com 770](#)

**Appellate Authority for Advance Ruling, Tamil Nadu** rules that TR-6 challan was not a prescribed document for availing ITC if IGST paid on import of goods.

## REGULATORY UPDATES

### Foreign Trade Policy

**NOTIFICATION NO 51/2025-26**

Directorate General of Foreign Trade has amended the export policy of *organic sugar*. Accordingly, exports thereof shall be allowed subject to an overall ceiling of 50,000 MT per financial year as per the prescribed procedure.

#### **PUBLIC NOTICE NO 34/2025-26**

Directorate General of Foreign Trade has streamlined administrative processes relating to the extension of LOP/LOI for EOU/BTP/EHTP/STPs by clarifying that the validity period of LOP/LOI shall be up to five years at one time once the unit commences production.

#### **PUBLIC NOTICE NO 39/2025-26**

Directorate General of Foreign Trade has prescribed a procedure for the first round of Allocation of Tariff Rate Quota (TRQ) for the import of Gold under the India-UAE Comprehensive Economic Partnership Agreement.

#### **POLICY CIRCULAR NO 08/2025-26**

Directorate General of Foreign Trade has notified the procedure for implementation of the Import Management System for the import of restricted IT Hardware, for the calendar year 2026. The online portal for submission of applications shall be open from 22.12.2025 till 15.12.2026, and authorisations issued for import of restricted hardware shall be valid till 31.12.2026.

**For any clarifications, please write to:**

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