

DA TAX UPDATE INDIRECT TAX

An E-Tax update from
Darda Advisors LLP

Fortnightly update – April 2025

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Goods and Service Tax

Writ Petition Dismissed Due to Delay and Proper Communication via GST Portal

The Orissa High Court dismissed the writ petition filed by M/s Rahul Spares Pvt. Ltd. challenging an ex-parte assessment order under Section 73 of the OGST Act. The petitioner claimed lack of opportunity for a hearing and non-communication of the order. However, the Court held that uploading the order on the GST common portal constitutes valid communication under Section 169 of the OGST Act. Since the order was passed in 2023 and the writ was filed in 2025 without sufficient explanation, the Court found the delay unjustified and refused to entertain the petition.

M/s Rahul Spares Pvt. Ltd. vs Chief Commissioner of CT & GST & Others [W.P. (C) No. 9373 of 2025]

Court Rules Refund Can't Be Withheld Without Pending Proceedings

The petitioner challenged the rejection of a refund claim despite a prior favorable order from the Appellate Authority. The Department withheld the refund citing Section 54(11) of the CGST Act, citing license cancellation of suppliers. The Delhi High Court held that refund can only be withheld under Section 54(11) if an appeal or related proceeding is pending and the Commissioner opines it would affect revenue. Since no such appeal or proceeding was

pending, the refund could not be lawfully withheld. The Court directed the refund to be processed, subject to future outcomes if the Department challenges the order.

Shalender Kumar vs Commissioner Delhi West CGST Commissionerate & Ors [W.P.(C) 3824/2025]

Interim Relief Granted in GST Dispute Over Transaction-Based Discounts

The petitioner challenged a Show Cause Notice and subsequent order alleging undervaluation due to discounts passed based on past transactions, which the Department claimed evaded GST. The petitioner argued that the Department's interpretation of Section 15(3)(a) was flawed and contrary to Section 15(1). The Bombay High Court noted a strong prima facie case against the Revenue's reasoning and granted ad-interim relief, staying the effect and implementation of the impugned order and SCN. No coercive action is to be taken against the petitioner during the pendency of the writ. Matter posted for admission on April 29, 2025.

Hindustan CocaCola Beverages Pvt Ltd vs Union of India [W.P. No. 3674 of 2025]

Goods and Service Tax

HC Grants GST Amnesty Relief Through Section Reclassification

The petitioner challenged the validity of Section 146 of the Finance (No.2) Act, 2024, and Notification No. 21/2024-CT dated 08.10.2024, which limited the amnesty benefits to notices under Section 73 of the CGST Act. The petitioner sought quashing of a Show Cause Notice and Order-in-Original issued under Section 74, and requested reclassification under Section 73 to avail the Amnesty Scheme. The Karnataka High Court accepted the petitioner's plea to treat the case under Section 73, set aside the impugned order, and remitted the matter to the adjudicating authority with instructions to allow the benefit of the Amnesty Scheme under Section 128A. The petitioner was directed to appear on 01.04.2025, and a fresh order is to be passed within one week.

M/s Sree Balaji Packaging Industry Vs Union of India & Ors [Writ Petition No. 6425 of 2025 (T-RES)]

HC Quashes GST Order Over Hearing Denial, Orders Fresh Adjudication

The petitioner, Metal Smith India Pvt. Ltd., challenged the GST assessment and rectification orders passed without granting a proper opportunity for hearing. The Court observed that although one issue in the show cause notice was dropped, the demand for the other issue was confirmed without personal hearing, violating principles of natural justice. The Court set aside both orders and remanded the matter

to the assessing authority for reconsideration, subject to the petitioner paying ₹5,00,000 within four weeks. It also directed the lifting of any bank account attachment and ensured fresh adjudication with due process and personal hearing.

Metal Smith India Pvt. Ltd. Vs Assistant Commissioner (ST), Tamil Nadu [W.P. Nos. 10262 & 10268 of 2025]

Suspension of GST Registration Due to Non-Filing of Reply

In this case, the Delhi High Court addressed the suspension of Mansura Brush Works' GST registration due to allegations of not operating from the declared business premises. The Petitioner failed to file a reply within the stipulated time but claimed inability to access the GST portal. The Court acknowledged this technical difficulty and directed the GST authorities to restore portal access for 30 days, enabling the Petitioner to file a reply. The Department was further instructed to decide on the suspension within 30 days of the reply submission. The petition was accordingly disposed of.

Mansura Brush Works v. Commissioner of Delhi GST & Ors. [W.P. (C) 3163/2025]

GST Portal Updates

Advisory on Phase-III Changes in Table-12 of GSTR-1/GSTR-1A – Effective April 2025

GSTN has announced the implementation of Phase-III changes in Table-12 of GSTR-1 and GSTR-1A starting from the April 2025 tax period. Under this phase, Table-12 will be split into B2B and B2C tables, requiring HSN-wise reporting separately for each type of supply. Additionally, manual HSN entry will be disabled, and taxpayers must select the appropriate HSN code from a dropdown list. Detailed guidelines can be found in the Advisory dated January 22, 2025, available on the GST Portal.

Advisory on Reporting Values in Table 3.2 of GSTR-3B – Effective April 2025

From the April 2025 tax period onwards, Table 3.2 of GSTR-3B—which captures inter-state supplies to unregistered persons, composition taxpayers, and UIN holders—will become non-editable and populated automatically from data declared in GSTR-1, GSTR-1A, and IFF. Any amendments to these values must be made in the respective GSTR-1/IFF of the current or subsequent tax period. Taxpayers are advised to report accurate inter-state supply data in their returns to avoid discrepancies. Corrections can be made using Form GSTR-1A until the filing of GSTR-3B.

Customs & Others

Dual Technology Requirement Upheld in Customs Exemption Dispute

The Delhi High Court dismissed an appeal by the Customs Department challenging the CESTAT order which interpreted the phrase "MIMO and LTE Products" under Notification No. 11/2014-Customs. The Court agreed with CESTAT's view that the exclusion from exemption applies only to products that have both MIMO and LTE technologies together. Since the imported Wireless Access Points had MIMO but not LTE, they were eligible for exemption. Referring to the precedent set in Ingram Micro India Pvt. Ltd., the Court held no substantial question of law arises.

Principal Commissioner of Customs v. M/s GO IP Global Services Pvt. Ltd [CUSAA 71/2024]

Sunset Review Outcome Makes ADD Appeal Academic

The Delhi High Court dealt with an appeal challenging a CESTAT order that had set aside an Office Memorandum refusing to impose Anti-Dumping Duty (ADD) on Styrene Butadiene Rubber imports. Initially, ADD was recommended and accepted, but the government later reversed its stance post a Sunset Review. During the hearing, the domestic industry withdrew its request for ADD, rendering the matter infructuous. The Court observed that the appeal raised significant legal questions but left

them open for future determination. Final assessments were to proceed without ADD.

Rishiroop Ltd v. Union of India and Anr [WP (C) No.3793/2025]

Court Affirms Timeliness of Special Additional Duty Refund Claim

The Gujarat High Court dismissed an appeal filed by the Commissioner of Customs against a CESTAT decision. The case concerned the refund of Special Additional Customs Duty (SAD) paid by Bharat Ship Breakers Corporation on lubricating oil used in two vessels. While the refund for one vessel was allowed, the claim for the other was initially rejected on grounds of limitation. The CESTAT ruled that the refund claim was filed within the prescribed time limit, as the final assessment was completed before the refund was requested. The Court upheld the CESTAT's decision, rejecting the appellant's reliance on unrelated judgments.

Commissioner, Customs (Preventive) Jamnagar v. Bharat Ship Breakers Corporation [R/Tax Appeal No. 217 Of 2025]

Customs & Others

EPCG Scheme Dispute: HC Rules Against Belated Guarantee Invocation

M/s ITMA Hotels India Pvt Ltd, undergoing Corporate Insolvency Resolution Process (CIRP), challenged the Customs Department's attempt to invoke bank guarantees after the rejection of their claim by the Resolution Professional. The appellant had imported capital goods under the EPCG Scheme and provided bank guarantees to cover duty liabilities. The bank guarantees expired in 2020, but the Customs Department attempted to invoke them in 2023. The Kerala High Court ruled that the Customs Department could not invoke expired guarantees, as confirmed by the bank, and set aside the invocation order. The Court left open the possibility of the Customs Department pursuing the matter through appropriate legal channels.

M/s ITMA Hotels India Pvt Ltd v. The Additional Commissioner of Customs & Others [WA No. 2183 of 2023]

COO Certificate Endorsement Binds Customs: CESTAT Ruling

The CESTAT Kolkata held that HDS Steel Traders Pvt. Ltd. is entitled to the SAFTA benefit under Notification No. 99/2011-Cus, as the customs authorities failed to issue a speaking order under Section 17(5) of the Customs Act, 1962. The Tribunal found that the reassessment of duty—done without explanation and after a five-month delay—violated

legal provisions, especially when the COO certificate was already endorsed and defaced by customs. It ruled that mere payment of reassessed duty without protest does not amount to waiver of statutory rights, and that reassessment without proper justification is unlawful.

M/s HDS STEEL TRADERS PVT LTD vs. Principal COMMISSIONER OF CUSTOMS (PORT) Customs Appeal Nos. 75286 to 75294 of 2023

Customs & Other Updates

Operationalisation of DGFT 'Global Tariff and Trade' Helpdesk

The Department of Commerce and DGFT have launched a dedicated 'Global Tariff and Trade Helpdesk' to support exporters and importers in managing challenges arising from global trade developments, such as tariff changes, import surges, and export barriers. The Helpdesk addresses issues related to EXIM clearance, logistics, supply chain disruptions, regulatory compliance, and financial or banking difficulties. Stakeholders can raise concerns by submitting a request on the DGFT portal or by emailing dgftedi@nic.in. They can also contact the toll-free number 1800-111-550. The Helpdesk will coordinate with relevant government bodies to seek resolutions and provide updates via SMS and the DGFT Helpdesk portal.

[Trade Notice No. 01/2025-26-DGFT, dated 11th Apr 2025](#)

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