

DA TAX ALERT INDIRECT TAX

AN E-TAX ALERT FROM
Darda Advisors LLP

June 2025

Issue: 61

**GST COMPLIANCE
CALENDER**

**GOODS AND
SERVICE TAX**

**CUSTOMS AND
OTHER**

DA NEWS

PREFACE

We are pleased to present to you the Sixty-First edition of DA Tax Alert, our monthly update on recent developments in the field of Indirect tax laws. This issue covers updates for the month May 2025.

During the month of May 2025, there were certain changes under Goods and Service Tax, Customs and other; key judgments and rulings such as Refund Denial for Data Hosting Services Set Aside; Services Held as Export Under GST and Customs Duty Assessment Applies Only at Home Consumption Stage, Not Warehousing - CESTAT

In the Sixty-First edition of our DA Tax Alert-Indirect Tax, we look at the tumultuous and dynamic aspects under indirect tax laws and analyze the multiple changes in the indirect tax regime introduced during the month of May 2025.

The endeavor is to collate and share relevant amendments, updates, articles, and case laws under indirect tax laws with all the Corporate stakeholders.

We hope you will find it interesting, informative, and insightful. Please help us grow and learn by sharing your valuable feedback and comments for improvement.

We trust this edition of our monthly publication would be an interesting read.

Regards

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Co-founder and Managing Partner

Darda Advisors LLP
Tax and Regulatory Services

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GST COMPLIANCE CALENDAR

June
2025

10

GSTR-7
TDS Deductor

10

GSTR-8
TCS
Deductor

11

GSTR-1
Normal Taxpayer

13

GSTR-1/6
QRMP Taxpayer & Input
Service Distributor

20

GSTR-5A
OIDAR Service Provider

20

GSTR-3B
Normal & QRMP Taxpayer

20

GSTR-5
Non-Resident Taxable
Person

Validity of Rule 36(4) Restricting Input Tax Credit Based on Supplier GSTR-1 Filings Upheld - HC

DA Insights:

The Court upheld Rule 36(4) of the CGST/TNGST Rules, stating it is not ultra vires as Section 16 allows ITC to be subject to prescribed conditions. It held that ITC is a concession, not a right, and the rule is a valid anti-evasion measure, not violative of Article 14.

Issue:

Whether Rule 36(4) of the Central and Tamil Nadu Goods and Services Tax Rules, 2017, which restricts the availment of Input Tax Credit (ITC) based on suppliers' filing of GSTR-1 returns, is ultra vires to the CGST/TNGST Acts and violative of Article 14 of the Constitution of India.

Legal Provisions:

Section 16, 37 and 43A of the CGST/TNGST Acts, 2017

Observation and Comments:

The Court examined the evolution of Rule 36(4), which from 2019 restricted ITC claims where invoices were not uploaded by suppliers. Initially allowing 20%, the limit was progressively reduced to nil by 2022. The petitioner challenged its legality, arguing that it went beyond the parent Act (CGST/TNGST) since Section 43A (which could justify such a rule) was never notified.

The Court held that Rule 36(4) is not ultra vires. It observed that Section 16 of the CGST Act itself provides that ITC is subject to "such conditions and restrictions as may be prescribed", thereby granting legislative backing for such subordinate legislation. Moreover, the

rule was a calibrated response to tax evasion and input credit fraud during the initial

implementation phase of GST. The Court also noted the GST Council's advisory role and found no constitutional violation in the restrictions imposed.

Ultimately, the Court upheld the validity of Rule 36(4) and dismissed the writ petitions, affirming that Input Tax Credit is a concession, not a vested right, and can be restricted through Rules as long as the statute permits.

[L & T Geoststructure LLP v. Union of India & Ors., W.P. Nos. 5978 & 5983 of 2020](#)

Refund Denial for Data Hosting Services Set Aside; Services Held as Export Under GST

DA Insights:

This case underscores the importance of judicial consistency and the binding nature of departmentally unchallenged decisions. It also reaffirms the clarificatory value of GST circulars in determining taxability and export classification.

Issue:

Whether the cloud hosting and data-related services provided by Amazon Data Services India to entities located outside India qualify as "export of services" under GST law, thereby making them eligible for refund claims.

reconsideration in light of the updated legal position and precedents. A time-bound directive was issued for adjudication within four months with an opportunity of hearing.

Legal Provisions:

Section 2(6), 54 of the IGST Act, 2017 & Circular No. 232/26/2024-GST

Observation and Comments:

The Court noted that multiple orders had already been passed by the Appellate Authority and the Adjudicating Authority in favor of Amazon Data Services India, recognizing the impugned services as exports. These favorable orders were not contested by the Department and had attained finality. Furthermore, the Circular dated 10.09.2024 also supported the Petitioner's stance that such services are to be treated as exports.

Considering that the orders challenged in these writ petitions predated the favorable Appellate Orders and the clarifying Circular, the High Court held that a fresh examination was warranted. The Court thus set aside the impugned Orders-in-Appeal and remanded the matters to the Commissioner (Appeals) for

[Amazon Data Services India Pvt. Ltd. vs. CGST Authorities \[W.P.\(C\) 7191/2025\]](#)

HC Sets Aside Order for Improper SCN Service and Denial of Hearing

DA Insights:

This judgment reinforces the importance of procedural fairness under GST law, particularly concerning service of notices and access to the GST portal. It also reflects judicial restraint on the validity of contentious notifications pending before the Supreme Court.

Issue:

Whether the Show Cause Notice (SCN) issued on 10th December 2023 and the consequent order dated 24th April 2024 are valid when (a) the SCN was uploaded under the "Additional Notices Tab" before that tab became accessible on the GST portal, and (b) the petitioner was denied proper hearing and access to the portal due to retrospective cancellation of registration.

submissions afresh and clarified that the constitutional validity of Notification No. 56/2023 would remain subject to the outcome of the Supreme Court's decision in SLP No. 4240/2025.

Legal Provisions:

Notification No. 56/2023 – Central Tax dated 28.12.2023

Observation and Comments:

The Delhi High Court noted that the SCN was uploaded on 10th December 2023 under the "Additional Notices Tab", which was only made visible after 16th January 2024. At the time of issuance, the petitioner had limited access to the GST portal due to retrospective cancellation of registration from 1st July 2017. The petitioner had requested access to the portal during the hearing but was not provided adequate opportunity to file a detailed response.

Relying on its own precedent in *Neelgiri Machinery v. Commissioner DGST*, where similar issues arose, the Court held that the impugned order violated the principles of natural justice and must be set aside. It remanded the matter to the Adjudicating Authority, granting the petitioner time till 15th July 2025 to file an additional reply. The Court directed the authority to consider all

[M/s Grilled Roti v. Commissioner of Delhi Goods and Services Tax and Anr \[W.P. \(C\) 6868/2025\]](#)

HC Sets Aside Appellate Rejection for Limitation in Ex Parte GST Case

DA Insights:

This case underscores that even minor delays in filing appeals might be excused if the underlying order was ex parte and the taxpayer's response was not considered.

Issue:

The petitioner challenged an appellate order that dismissed their appeal on the ground of limitation. The petitioner argued that the delay was marginal, the original adjudication order was passed ex parte without a hearing, and they had filed a response which was not considered by the appellate authority.

Legal Provisions:

Section 107 of the WBGST/CGST Act, 2017, Section 73 of the said Act, Form DRC-06, Form APL-04.

Observation and Comments:

The High Court observed that the adjudication order was passed ex parte and the petitioner claimed to have filed a timely response. Considering the multi-tiered adjudicatory structure under the Act and the fact that the Appellate Tribunal is not yet constituted, the court found that the appellate authority erred in summarily rejecting the appeal on limitation without examining the factual matrix. The court noted that the appellate forum is better positioned to handle factual matters due to access to records on the GST portal. Given these circumstances, the court deemed it appropriate to set aside the appellate order dated 20th September, 2024. The matter was remanded back to the appellate authority with directions to consider the petitioner's response to the show-cause and afford a proper hearing before deciding the appeal on merits.

Consequently, the demand raised in Form APL-04 dated 20th September, 2024 was also set aside. The court clarified that the respondents were not deemed to have admitted the petitioner's allegations as no counter affidavit was filed.

Similar Case:

1. M/s Hindusthan Enterprises And Anr Vs The Deputy Commissioner Of State Tax Shibpur Charge And Ors [W.P.A. 9476 of 2025]
2. Alligare Chem Pvt. Ltd. v. State of Chhattisgarh & Ors [WPT No. 76 of 2025]

[ASHOK KUMAR SAHA Vs UNION OF INDIA AND ORS \[WPA 26030 of 2024\]](#)

HC Overturns GST Order Due to Faulty Notice Communication on Portal

DA Insights:

This case emphasizes the importance of effective communication of notices to taxpayers. Orders passed based on SCNs uploaded only to less visible tabs on the portal, especially before portal improvements, are vulnerable to challenge on grounds of denial of natural justice

Issue:

The petitioner challenged an SCN and consequent order, claiming the SCN and a reminder notice were uploaded only in the 'Additional Notices Tab' on the GST portal and thus did not come to their knowledge. The impugned order was passed ex parte, without a personal hearing and in the absence of a reply from the petitioner.

The adjudicating authority was directed to issue a personal hearing notice (which should also be emailed, not just uploaded) after receiving the reply and then pass a fresh order. Access to the GST portal was also to be ensured for the petitioner.

Legal Provisions:

Relates to the procedure for issuing Show Cause Notices and granting personal hearings under the GST Act

Observation and Comments:

The court noted that similar cases involving SCNs uploaded in the 'Additional Notices Tab' had resulted in remands. While the GST portal functionality changed after January 16, 2024, making the 'Additional Notices Tab' visible, the SCN in this case was issued in November 2020, prior to this change. Given that the petitioner did not get a proper opportunity to be heard and no reply was filed, the court followed previous decisions and held that the matter deserved to be remanded. The impugned order was set aside. The court granted the petitioner time until July 10, 2025, to file a reply.

ETEMAD CARGO THROUGH ITS SURVIVING PARTNER UMESH CHANDRA MISHRA Vs ASSISTANT COMMISSIONER

Writ Petition Challenging ITC Recovery Dismissed Due to Availability of Statutory Appeal

DA Insights:

This case reinforces the principle that taxpayers generally must exhaust the statutory appeal remedy under Section 107 of the CGST Act before approaching the High Court via a writ petition against an assessment order. Allegations of natural justice requiring factual examination are usually better addressed initially by the appellate authority.

Issue:

The petitioner filed a writ petition challenging an Order-in-Original imposing recovery of ITC, interest, and penalties, alleging violation of natural justice (denial of cross-examination) and the issuance of a common notice for multiple years. The respondents contended that the writ petition was not maintainable due to the availability of a statutory appeal remedy and alleged forum shopping to avoid the pre-deposit requirement.

Legal Provisions:

Article 226 of the Constitution of India, Section 107 of the CGST Act, Section 74 read with Section 20 of the IGST Act

Observation and Comments:

The court examined the maintainability of the writ petition given the availability of a statutory appeal under Section 107. While acknowledging that writ petitions are maintainable in certain circumstances (e.g., total violation of natural justice), the court held that in this case, the primary allegation of natural justice violation (denial of cross-examination) involved factual matters that the appellate authority is competent to examine. Relying on Supreme Court precedent (*Greatship (India) Ltd.*), the

court stated that High Courts should generally refrain from entertaining writ petitions against assessment orders when an adequate statutory appeal remedy exists. The court concluded that the writ petition was not maintainable due to the efficacious alternative remedy available. It dismissed the writ petition but granted the petitioner liberty to file a statutory appeal under Section 107. The appellate authority was directed to consider the appeal on merits without raising limitation issues if filed within the prescribed period. The court also confirmed its territorial jurisdiction over the matter.

M/s GOYAL TRADING COMPANY and Others Vs UNION OF INDIA AND OTHERS [Wrt. 15428 of 2025]

GST Portal Changes

Advisory on Reporting Values in Table 3.2 of GSTR-3B

The previously announced change to make Table 3.2 of GSTR-3B non-editable from April 2025 has been deferred due to taxpayer feedback. Until further notice, the table will remain editable, allowing taxpayers to review and amend auto-populated entries as needed for accurate return filing.

GST Collection

Rs 2,01,050 crore gross GST revenue collected for May 2025

GST Gross and Net Collections as on 31/05/2025 (Amount in crores)						
GST Collections	Monthly			Yearly		
	May-24	May-25	% Growth	May-24	May-25	% Growth
A	B	C	D = C/B--1	E	F	G = F/E-1
A.1. Domestic						
CGST	32,409	35,434		76,255	84,067	
SGST	40,265	43,902		93,804	1,03,274	
IGST	47,902	58,767		1,09,698	1,28,271	
CESS	11,207	11,683		23,459	23,976	
Gross Domestic Revenue	1,31,783	1,49,785	13.7%	3,03,216	3,39,588	12.0%
A.2. Imports						
IGST	39,879	50,070		77,706	95,824	
CESS	1,076	1,196		2,084	2,355	
Gross Import Revenue	40,956	51,266	25.2%	79,790	98,179	23.0%
A.3. Gross GST Revenue(A.1+A.2)						
CGST	32,409	35,434		76,255	84,067	
SGST	40,265	43,902		93,804	1,03,274	
IGST	87,781	1,08,836		1,87,404	2,24,095	
CESS	12,284	12,879		25,544	26,330	
Total Gross GST Revenue	1,72,739	2,01,050	16.4%	3,83,006	4,37,767	14.3%

Link:https://tutorial.gst.gov.in/downloads/news/approved_monthly_gst_data_for_publishing_may_2025.pdf

Customs Duty Assessment Applies Only at Home Consumption Stage, Not Warehousing - CESTAT

DA Insights:

This decision reinforces that assessment powers under Section 17 apply only at the stage of home consumption, not during warehousing. It helps prevent redundant disputes when goods are ultimately exported. The case highlights the need for policy-level clarity from CBIC to streamline warehousing procedures.

Issue:

Whether Customs Authorities are empowered to assess and re-assess customs duties on warehoused goods before a Bill of Entry (BOE) for home consumption is filed.

doing business'. The Tribunal suggested that CBIC should consider issuing clarificatory instructions to prevent such issues.

Legal Provisions:

Section 17,46,59,60,68,69 and 73A of the Customs Act, 1962

Observation and Comments:

The Hon'ble Tribunal held that the Customs Authorities do not have the power to assess or re-assess warehoused goods under Section 17 of the Customs Act until a BOE for home consumption is filed. Filing a BOE for warehousing under Section 46 does not invoke the assessment provisions of Section 17, as the goods are not yet cleared for home consumption. The Tribunal emphasized that assessment under Section 17 is applicable only at the stage of home consumption.

It was also noted that when goods are imported with the intention of re-export, assessing duties at the warehousing stage—especially when those goods might never be cleared for domestic use—is not legally justified. Imposing duties, fines, and penalties at that stage leads to unnecessary litigation and contravenes the spirit of 'ease of

Jayant Impex vs Commissioner of Customs (NS-II), 2025-TIOL-859-CESTAT-MUM

Open Mining Areas are not eligible under the MOOWR scheme - HC

DA Insights:

This decision reinforces the settled legal principle that writ jurisdiction is not to be invoked in the face of available statutory remedies. It clarifies that open mining sites are not eligible under the MOOWR warehouse licensing framework.

Issue:

Whether large open mining areas can be licensed as private bonded warehouses under Sections 58 and 65 of the Customs Act, 1962, read with the MOOWR Scheme, 2019, and whether the writ petitions against administrative rejection orders and show-cause notices are maintainable without exhausting the statutory appellate remedies.

Legal Provisions:

Sections 58, 65, 128, 129, and 130-E

Observation and Comments:

The Court held that the Assistant Commissioner of Customs followed due process, provided a hearing, and issued a reasoned order rejecting the applications for warehouse licenses. The core reason was that vast open mining areas are not suitable to be treated as bonded warehouses under the MOOWR Scheme. The administrative decision was not arbitrary or perverse and was supported by the scheme's requirements.

Referring to binding precedents, the Court emphasized that when a statutory remedy of appeal exists in tax matters, High Courts should not entertain writ petitions under Article 226, unless exceptional circumstances are shown. Since the Customs Act provides an adequate appellate mechanism under Sections 128 to 130-E, the Court dismissed the petitions as not

maintainable. For the show-cause notices challenged in W.Ps. No. 16067/2025 and 16204/2025, the Court held they were premature, and the petitioner must first respond to them before approaching the court.

[*M/s JMS Mining Pvt. Ltd. v. State of Madhya Pradesh & Others, W.P. No. 14776 of 2025*](#)

Encashment of Bank Guarantees Is Arbitrage - SC

DA Insights:

The judgment reinforces that coercive recovery, especially through bank guarantee encashment, cannot be treated as payment of duty under the Customs Act. It also affirms that in such cases, refund claims are not barred by unjust enrichment principles.

Issue:

Whether the encashment of bank guarantees by the Customs Department, pending final adjudication, can be treated as 'payment of duty' under Section 27 of the Customs Act, 1962, and whether the refund of such amount is subject to the bar of unjust enrichment.

Legal Provisions:

Section 27, 142 of the Customs Act, 1962

Observation and Comments:

The Supreme Court observed that the department had encashed the bank guarantees furnished by the appellant as security, even before the issue was finally adjudicated by the Court. This act of coercive recovery could not be equated with the payment of duty as required under Section 27 of the Customs Act. The key term "paid" in the statute implies a voluntary payment of duty under an order, and not a forcible recovery through bank guarantee encashment.

The Court held that since the amount was not "duty paid" in the legal sense, the doctrine of unjust enrichment does not apply. The encashment of bank guarantees was held to be arbitrary and unauthorized, especially when the matter was pending. Therefore, the respondents had no lawful authority to retain such sums. The High Court's dismissal of the refund petitions was set aside, and the department was directed to refund the entire amount with interest at 6% from the date of encashment till repayment.

[M/s Patanjali Foods Ltd \(Formerly known as M/s Ruchi Soya Industries Ltd\) vs Union of India and Ors](#)
[Civil Appeal Nos. 3833-3835 of 2025](#)

SC Upholds Merchant Exporters Drawback Claims Prior to Circular Date

DA Insights:

This ruling confirms that clarificatory circulars which merely interpret or explain existing benefits under the law are retrospective in nature. Exporters cannot be denied legitimate incentives due to delayed departmental clarification.

Issue:

Whether CBEC Circular No. 35/2010-Cus dated 17.09.2010 clarifying the entitlement of 1% AIR customs duty drawback to merchant exporters (despite availing CENVAT benefits) has retrospective effect from 2006, or is applicable only prospectively from September 20, 2010.

benefits for the period prior to September 20, 2010, was incorrect, and the appellant was entitled to the same from 2008 onwards.

Legal Provisions:

Notification No. 81/2006-Cus dated 13.07.2006, CBEC Circular No. 35/2010-Cus dated 17.09.2010

Observation and Comments:

The Supreme Court held that the CBEC Circular No. 35/2010-Cus was clarificatory, declaratory, and curative in nature and therefore must operate retrospectively. The Circular did not create new rights or modify any existing statutory scheme but rather clarified the correct interpretation of earlier notifications. Specifically, it reinforced that merchant exporters like the appellant were always entitled to claim the 1% All Industry Rate (AIR) customs duty drawback on Soyabean Meal exports, even if they had availed CENVAT credit under Rule 18 or 19(2) of the Central Excise Rules.

The Court further emphasized that the language and intent of the circular made it evident that it was meant to explain the existing benefit under Notification No. 81/2006 and subsequent ones. The doctrine of fairness and the principle of contemporaneous exposition were applied to support the retrospective nature of the clarification. Accordingly, the denial of drawback

M/s Suraj Impex (India) Pvt. Ltd vs Union of India and Ors Arising out of SLP (C) Nos. 26178-79 of 2016

Outdated Investigations Can't Deny Current FTA Benefits - CESTAT

DA Insights:

This judgment underscores that valid AIFTA certificates must be honored unless specifically invalidated through proper verification. Past investigations against unrelated parties cannot be used as the basis for denial without fresh evidence.

Issue:

Entry was set aside, and the appeal was allowed.

Whether the denial of exemption under Notification No. 46/2011-Cus based on ASEAN-India Free Trade Agreement (AIFTA) certificates was valid, when the department failed to verify the Certificates of Origin and relied on unrelated, outdated investigations.

Legal Provisions:

Notification No. 46/2011-Cus

Observation and Comments:

The Tribunal noted that the appellant imported low-fat cocoa powder from Malaysia between July 2014 and May 2018 and claimed duty exemption under Notification No. 46/2011-Cus, backed by valid Certificates of Origin under AIFTA. The department, however, denied the benefit citing outdated investigations (from 2011-2012) concerning different importers and goods, without verifying the current certificates.

The Tribunal held that once valid Certificates of Origin are submitted, the burden shifts to the department to conduct government-to-government verification before denying exemption. In the present case, the department failed to verify with Malaysian authorities or produce direct evidence against the appellant. Denial of exemption merely due to lack of foreign cost data, despite confirmation of compliance by Malaysian authorities, was unsustainable. As such, the impugned order demanding duty for 11 Bills of

[Shellz India Pvt. Ltd \(Formerly known as Tifosi Foods Pvt. Ltd\) vs Principal Commissioner of Customs \(Import\), ICD, Tughlakabad, New Delhi Customs Appeal No. 51618 of 2022](#)

HC Allows Dual Export Benefits: Rebate + Drawback When Cenvat Reversed

DA Insights:

The judgment reinforces the principle that distinct export incentives (rebate and drawback) can co-exist if they do not target the same duty incidence. Reversal of credit continues to serve as a valid mechanism for ensuring compliance in such dual claims.

Issue:

Whether a manufacturer-exporter can validly claim both rebate of output duty under Rule 18 of the Central Excise Rules, 2002, and duty drawback at the All Industry Rate on inputs, when Cenvat credit on inputs has been reversed.

under law, provided no double relief was availed for the same duty element.

Legal Provisions:

Rule 18 of the Central Excise Rules, 2002

Observation and Comments:

The Bombay High Court rejected the Department's contention that claiming both Cenvat credit-based output duty rebate and input duty drawback constituted an impermissible double benefit. It held that the appellant had reversed Cenvat credit on inputs and paid duty using accumulated credit that was unrelated to the exported goods. Therefore, there was no overlap in the tax benefits claimed.

Relying on Spentex Industries Ltd. and Bombay Dyeing, the Court clarified that reversal of credit amounts to non-availment, satisfying the legal requirement. Since the drawback was claimed on inputs and rebate was claimed on duty paid on the final product, there was no duplication of benefit. The Department's reading of mutual exclusivity between rebate and drawback benefits was found to be overly restrictive and legally unsound.

The Court quashed the rejection order and upheld the petitioner's right to rebate under Rule 18, affirming that the dual benefits were permissible

[Indorama Synthetics India Ltd vs Union of India and Ors \[Writ Petition No. 5120 of 2022\]](#)

Customs Notification / Circulars / Guidelines / Instructions

Restoration of RoDTEP for AAs, SEZs, and EOUs from 01.06.2025

The Government of India has reinstated RoDTEP benefits for Advance Authorisation (AA) holders, Special Economic Zones (SEZs), and Export-Oriented Units (EOUs), effective 1st June 2025. This decision, notified under Section 5 of the Foreign Trade (Development and Regulation) Act, 1992, aligns with Para 1.02 of the Foreign Trade Policy 2023. RoDTEP rates, including updated HS codes per the Finance Act, 2025, are available in Appendix 4RE on the DGFT portal. This move ensures equitable support for exports from AAs, SEZs, and EOUs, enhancing competitiveness and boosting India's outward trade.

[Notification No. 11/2025-26 - DGFT, dated 26th May, 2025](#)

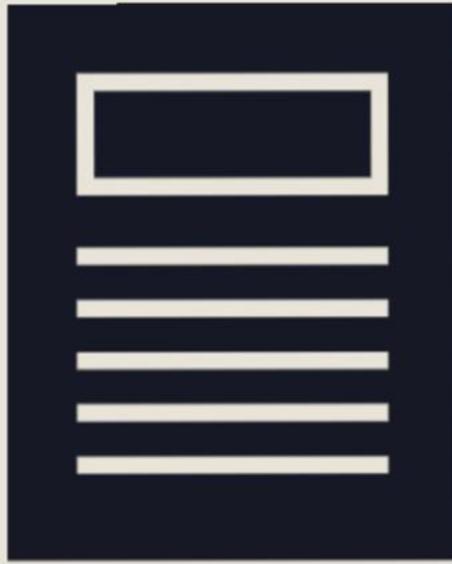
Special Economic Zones (Amendment) Rules, 2025

The Government of India has announced landmark amendments to the Special Economic Zones (SEZ) Rules, 2006, notified on June 3, 2025, paving the way for a more agile, investor-friendly, and future-ready SEZ framework – especially for the semiconductor and electronic components sector.

Key Highlights of the SEZ (Amendment) Rules, 2025:

- ✓ **Lower Entry Barriers for Semiconductor SEZs (Rule 5(2)(a)):** SEZs set up exclusively for semiconductor or electronic component manufacturing now require only 10 hectares of contiguous land, significantly easing setup requirements.
- ✓ **Expanded Component Coverage (Rule 5 Explanation):** Now officially includes: Display, camera, battery sub-assemblies, Printed circuit boards, li-ion cells, IT hardware, wearables, hearables – among others
- ✓ **Land Use Flexibility (Rule 7(1)):** SEZs permitted on land leased or mortgaged to government bodies or agencies – unlocking stalled or underutilized parcels.
- ✓ **Simplified Movement & Supply Provisions (Rule 18(6)):** Finished goods can now be:
 - Exported
 - Supplied to the Domestic Tariff Area (DTA) with duties
 - Transferred across SEZ units or bonded warehouses, per overseas entity instructions
- ✓ **Revised Net Foreign Exchange (NFE) Norms (Rule 53 – new para E):** For semiconductor manufacturing service units, free-of-cost goods (received/supplied) now count toward NFE - aligning India's model with global best practices.
- ✓ **Reduced Land Requirement for Certain SEZs (Annexure II, Serial No. 3):** Minimum land area revised from 20 hectares to just 4 hectares, fostering nimble, high-tech industrial clusters.

[Notification No: K-43022/150/2024-SEZ dated 3rd June 2025](#)



DA NEWS

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Goods and Services Tax

- Govt relaxes rules to boost GST registration among small businesses
- Fresh talks begin for GST revamp with new rates
- GST amnesty scheme update: Submit screenshot of appeal withdrawn application to become eligible, says GSTN
- SC upholds use of input tax credit for mandatory GST appeal deposit
- Supreme Court Stays ₹5,712 Crore GST Demand For Paytm's First Games Amidst Industry-Wide Tax Storm

Customs and other

- DGFT updates import policy to match customs tariff changes in budget 2025
- India, US working on new customs audit process to cut trade friction
- Samsung India fights \$500 million customs tax over telecom gear misclassification

DA Updates and Articles for the month of May 2025

1) DA - Indirect Tax Fortnightly Update – May 2025

Link: https://dardaadvisors.com/wp-content/uploads/2025/05/DA-Indirect-Tax-Fortnightly-Update_May-2025-4.pdf

2) DA Newsflash (DGFT): Restoration of RoDTEP Benefits for AA, SEZ, and EOU Exports (W.e.f. 1 June 2025)

Link: <https://www.linkedin.com/pulse/da-newsflash-dgft-restoration-rodtep-benefits-aa-sez-zlvac/?trackingId=hhwksb7mhrLne%2BHvhcE1rQ%3D%3D>

3) DA Newsflash (SEZ) - SEZ Rules amended to align with Semiconductor mission and new ECMS Scheme

Link: <https://www.linkedin.com/pulse/da-newsflash-sez-rules-amended-align-semiconductor-jxtcc/?trackingId=ERG%2F2kwvhFP8OpsLI7xL6Q%3D%3D>

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