Darda

DA TAX ALERT
INDIRECT TAX

AN E-TAX ALERT FROM

Darda Advisors LLP

July 2025
Issue: 62

GST COMPLIANCE CALENDER

GOODS AND SERVICE TAX

CUSTOMS AND OTHER

DA NEWS

PREFACE

We are pleased to present to you the Sixty-Second 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 June 2025.

During the month of June 2025, there were certain changes under Goods and Service Tax, Customs and other; key judgments and rulings such as Restoration of Cancelled GST Registration Permissible if Dues Cleared - HC and Mis-description Alone Won't Deny Advance Authorization Benefit - HC

In the Sixty-Second 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 June 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

Vineet Suman Darda
Co-founder and Managing Partner

Darda Advisors LLP
Tax and Regulatory Services

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GST COMPLIANCE CALENDAR

July 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

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- Restoration of Cancelled GST Registration Permissible if Dues Cleared - HC
- Recovery Notice Issued Without Prior Service on Taxpayer Quashed - HC
- Remand Ordered as Department Failed to Follow Due Process of Law - HC
- Relief Not Denied Merely Due to Procedural Delay in Filing Appeal - HC
- HC Upholds ITC Rejection for Lack of Evidence and Non-Existent Suppliers
- Right to Reason Prevails as HC Quashes GST Cancellation
- Other Notifications/Circulars/Guidelines/instructions/Portal changes

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Restoration of Cancelled GST Registration Permissible if Dues Cleared - HC

DA Insights:

This judgment reiterates the principle of substantive compliance over procedural lapses under GST. The HC has given a fresh lease of life to taxpayers whose registrations were cancelled solely due to procedural shortcomings, especially where the taxpayer has cleared all dues and filed returns.

Issue:

Whether GST registration can be restored when the taxpayer, after cancellation of registration for non-filing of returns, subsequently files all pending returns and pays dues, even though the prescribed timeline for filing revocation application has expired, and no personal hearing was granted.

Legal Provisions:

Section 29(2)(c), 44, 73(10) of Central Goods and Services Tax Act, 2017 along with Rule 22(4) of CGST Rules,2017.

Observation and Comments:

The High Court noted that although the petitioner had failed to respond to the show cause notice and could not file a revocation application within the prescribed 270 days (add name of timeline), she had filed all her pending returns up to March 2022 and discharged her tax liability along with applicable interest and late fees. The delay was attributed to the petitioner's unfamiliarity with online procedures, which the Court found to be a reasonable ground.

The Court emphasized that as per the proviso to Rule 22(4) of the CGST Rules, if a taxpayer who has received a cancellation notice under Section 29(2)(c) furnishes all pending returns and clears tax dues with interest and late fee, the officer may drop the proceedings and restore the registration through Form GST REG-20.

Drawing from this legal framework and relying on its earlier ruling in Sanjoy Nath v. Union of India, the Court observed that cancellation of registration has severe civil consequences and hence should not be treated mechanically. It directed the petitioner to approach the concerned GST authority within two months and mandated the officer to consider restoration of registration on merits.

Additionally, the Court clarified that the limitation period under Section 73(10) would be computed from the date of this judgment for the relevant years, further protecting the petitioner's compliance timeline.

RIJU MONI GOGOI Vs THE UNION OF INDIA (WP(C)/3726/2025)

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Recovery Notice Issued Without Prior Service on Taxpayer Quashed - HC

DA Insights:

The judgment narrows the scope for departmental shortcuts in enforcement. Future recovery actions must strictly adhere to procedural safeguards, else risk being struck down. The ruling is challenge-proof on principle and offers strong grounds to contest any similar garnishee notices.

Issue:

Whether a recovery notice under Section 79(1)(c) of the CGST Act, 2017, issued to a third-party bank, is valid in law when no prior notice was served on the taxpayer alleged to be holding money on behalf of the defaulter.

Legal Provisions:

Section 79(1)(c)(i) & (vii), CGST Act, 2017

Observation and Comments:

The Bombay High Court noted that the recovery notice dated 9 July 2024, though issued under Section 79(1)(c), was not served on the petitioner but instead directed to a third-party bank branch in Gurugram. The petitioner had no relationship with that branch and maintained their account elsewhere. Critically, the petitioner was denied the opportunity to demonstrate that no money was due to the defaulter—an essential procedural right under the statute.

The Court emphasized that Section 79(1)(c)(vii) permits the person receiving such a notice to establish, to the officer's satisfaction, that no funds are held for the defaulter. This statutory protection hinges on prior notice being served to that person. Since no such notice was issued to the petitioner, the Court held that the foundational procedural requirement was not met.

The Bombay High Court delivered a procedurally focused judgment that emphasizes the importance of natural justice in tax recovery proceedings. The Court observed that Section 79(1)(c) establishes a two-stage process: first, service of notice on the person who allegedly owes money to the defaulter, and second, providing that person an opportunity to prove to the officer's satisfaction that no amount is actually due or payable.

In support of its view, the Court also relied on the Karnataka High Court's decision in SJR Prime Corporation Pvt. Ltd., which had quashed a similar notice for failing to observe procedural due process. Ultimately, without adjudicating the factual dispute, the Bombay High Court quashed the notice and permitted the authorities to issue a fresh one, if desired, in accordance with law.

M/s GALAXY INTERNATIONAL Vs UNION OF INDIA AND ORS [W.P.No.11399 of 2024]

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Remand Ordered as Department Failed to Follow Due Process of Law - HC

DA Insights:

Merely identifying defects in an adjudication order without conducting proper inquiry or passing a speaking order violates the scheme of the law.

Issue:

Whether an appellate order under Section 107 of the CGST Act can be sustained when it sets aside an adjudication order without clearly stating so and without conducting any further inquiry as required under the Act.

Legal Provisions:

Section 107(11) & (12), Central Goods and Services Tax Act, 2017

Observation and Comments:

The High Court observed that while the appellate authority purported to allow the department's appeal, the operative portion of the order lacked any clear direction as to the setting aside of the adjudication order. Instead, the appellate authority merely faulted the adjudicating officer for not adequately analyzing the legality of the ITC availed, not issuing a reasoned order, and not affording sufficient opportunity to the assessee. However, the appellate authority itself failed to conduct any further enquiry or reassessment as mandated under Section 107(11) and (12) of the CGST Act.

Emphasizing procedural fairness, the Court held that appellate authorities cannot act mechanically and must engage with the material facts and evidence before reaching conclusions. The Court also clarified that since no clarity was provided on the operative impact of the appellate order, it was appropriate to remand the matter back to the adjudicating authority to ensure a fair, full hearing.

The Calcutta High Court thus set aside both the appellate and adjudication orders and directed the adjudicating authority to pass a fresh, reasoned decision within eight weeks after giving due notice and hearing to the petitioner. It also clarified that the High Court had not expressed any opinion on the merits, leaving all contentions open for reconsideration.

BAJAJ WHEELS PVT LTD AND ANR Vs THE UNION OF INDIA AND ORS [WPA 495 of 2024]

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Relief Not Denied Merely Due to Procedural Delay in Filing Appeal - HC

DA Insights:

Medically unfit assesses who miss procedural deadlines under GST law may still be granted relief, as timelines are not legal cul-de-sacs but facilitative tools to ensure orderly adjudication. The time limits prescribed in the GST Act serve to uphold procedural discipline, not to extinguish the right to appeal in deserving cases.

Issue:

Whether an appeal under Section 107 of the CGST/WBGST Act, 2017 can be entertained despite a delay of 196 days, especially when the petitioner's delay was due to business closure and medical incapacity of the director.

Legal Provisions:

Section 73, 107 of the CGST Act, 2017

Observation and Comments:

The Court found that although the petitioner's appeal was delayed by 196 days, the explanation provided—pertaining to temporary business closure and the director's ill health—was backed by medical evidence and merited consideration. The Court noted that mere procedural delay should not defeat the appellate remedy, especially when nil returns were regularly filed despite business inactivity, indicating statutory compliance.

The Court criticized the appellate authority for mechanically rejecting the appeal on limitation grounds without appreciating the petitioner's bona fides or the wider scheme of the Act, which provides a multi-tiered adjudicatory structure. The absence of a functioning appellate tribunal further weighed in favor of remanding the matter to ensure access to justice. The order of the appellate authority was set aside and the case remanded for disposal on merits within 16 weeks.

HORIZON HI TECH BNGICON LTD Vs STATE OF WEST BENGAL [WPA No.3258 of 2025]

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HC Upholds ITC Rejection for Lack of Evidence and Non-Existent Suppliers

DA Insights:

This judgment reinforces that the entitlement to Input Tax Credit is not an absolute right but a conditional benefit contingent on strict statutory compliance. It underscores that the burden of proving ITC eligibility under Section 155 of the CGST Act is substantive, not procedural, and lies squarely on the claimant.

Issue:

Whether cancellation of GST registration on grounds of bogus ITC and non-existent suppliers, upheld by both authorities without specific reference to Section 29(2)(e), can be set aside when the taxpayer fails to furnish supporting documents.

Legal Provisions:

Section 29(2)(a) & Section 155 of the CGST Act, 2017, Rule 21(b) & (e) of CGST Rules, 2017.

Observation and Comments:

The Court firmly held that Input Tax Credit (ITC) is a statutory concession and not a vested right, and therefore must be claimed strictly within the four corners of the law. Relying on the framework under Section 16 and Rule 21 of the CGST Rules, the Court reiterated that the entitlement to ITC arises only upon actual receipt of goods or services backed by valid tax invoices, proper accounting, and payment of tax to the government.

The Court underscored that the burden of proof under Section 155 squarely rests on the assessee. It is not enough to merely assert bona fide conduct or produce invoices and payment records. The taxpayer must demonstrate, through documentary and transactional evidence, the genuineness of purchases and movement of goods. This includes—where necessary—bank statements, e-way bills, transport proofs, and physical stock records.

Crucially, the Court noted that the department's findings on physical verification of suppliers—who were found to be non-existent at their declared business premises—substantially weakened the taxpayer's case. Once such factual defects are established, the presumption of fictitious or paper transactions becomes legitimate, unless rebutted by cogent evidence.

The Court further approved the application of the Supreme Court's ruling in Ecom Gill Coffee Trading, clarifying that mere invocation of good faith or systemic shortcomings does not dilute the burden of proof for ITC claims. The judgment reflects a growing judicial emphasis on substantive compliance and due diligence, especially in an environment of increasing invoice fraud under GST.

AFZAL HUSAIN ALTAF HUSAIN SAIYED PROP. OF M/ s DEVINE IMPEX Vs UOI

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Right to Reason Prevails as HC Quashes GST Cancellation

DA Insights:

The High Court underscored that administrative silence cannot override the rule of law — reasoned orders are non-negotiable. The cancellation of GST registration and rejection of appeal without recording reasons was held arbitrary and unsustainable in law.

Issue:

Whether the suo motu cancellation of GST registration for non-filing of returns and dismissal of appeal due to delay, without recording any reasons, was legally sustainable?

Legal Provisions:

Section 29, CGST Act, 2017 and Rule 21, CGST Rules, 2017

Observation and Comments:

The petitioner, a small commercial vehicle owner, was registered under the GST regime but failed to file his quarterly GST returns from April 2023 to February 2025. Despite the lapse in filing, he had discharged the corresponding tax liability. Based on the non-filing of returns, the department suo motu cancelled his registration under Section 29 of the CGST Act, 2017 read with Rule 21 of the CGST Rules, 2017. Aggrieved, the petitioner filed an appeal which was dismissed on the sole ground of delay – the appeal was filed after a gap of 277 days.

The appellate authority rejected the appeal without assigning any reasons or providing an opportunity of hearing. The High Court found this deeply problematic, holding that such an unreasoned order was arbitrary, violative of Article 14 (equality before law) and Article 21 (right to life and due process) of the Constitution. The Court emphasized that administrative and quasi-judicial decisions must reflect application of mind, and must not merely restate conclusions without justification.

Quoting extensively from landmark Supreme Court decisions, the Court underscored that reasons are the heartbeat of every conclusion and are indispensable to ensure fairness and judicial accountability. The appellate order, in its silence, bore the "inscrutable face of the sphinx," rendering it unreviewable and opaque – a violation of natural justice. The Court reaffirmed that the right to reason is now well-established as part of human rights jurisprudence and fundamental to the rule of law.

Accordingly, the High Court quashed the appellate rejection order dated 08.04.2025, and remanded the matter back to the appellate authority with directions to pass a fresh, reasoned, and speaking order after granting due opportunity of hearing to the petitioner. The revised order must be passed on or before 14th August 2025.

ANIL KUMAR Vs UNION OF INDIA AND OTHERS [CWP No. 8022 of 2025]

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GST Notification / Circulars / Guidelines / Instructions

Clarification on Review, Revision & Appeals of Orders by Common Adjudicating Authority (CAA)

This circular clarifies the roles of Reviewing Authority, Revisional Authority, and Appellate Authority for Orders-in-Original (O-I-Os) issued by Common Adjudicating Authorities (CAA) in cases initiated by DGGI. The Principal Commissioner/Commissioner under whom the CAA is posted will act as both reviewing and revisional authority. Appeals against such orders will lie with the Commissioner (Appeals) of the same jurisdiction. The concerned Commissioner will also represent the department in appeal proceedings and may appoint subordinate officers for filing departmental appeals. Input from DGGI may be sought before decisions on review or revision.

Circular No. 250/07/2025 - GST, dated 24th June, 2025

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GST Portal Changes

Introduction of Enhanced Inter-operable Services Between E-Way Bill Portals

GSTN announces the launch of the E-Way Bill 2.0 portal from 1st July 2025, offering enhanced inter-operability with the existing E-Way Bill 1.0 system. Key features include real-time data synchronization, cross-portal functionalities like E-Way Bill generation, extension, transporter update, and consolidated E-Way Bill creation. The dual-portal system ensures uninterrupted services during technical issues and supports API-based access for system integration. Taxpayers and logistics operators are advised to explore and integrate the new services for improved efficiency.

Advisory to File Pending GST Returns Before Expiry of Three Years

As per the Finance Act, 2023, taxpayers will not be allowed to file GST returns after three years from their due date, effective from the July 2025 tax period. Returns under Sections 37, 39, 44, and 52 – including GSTR-1, GSTR-3B, GSTR-4, GSTR-9/9C, and others – will be barred from filing post this limit. For example, returns due for June 2022 and earlier will be blocked from 1st August 2025.

Handling of Inadvertently Rejected Records on IMS

GSTN has clarified procedures to address issues arising from recipient taxpayers inadvertently rejecting valid invoices, debit notes, or credit notes on the Invoice Matching System (IMS). If the corresponding GSTR-3B has already been filed, recipients can request suppliers to re-report such records (unchanged) in GSTR-1A of the same period or in the amendment table of subsequent GSTR-1/IFF. ITC can then be availed or reversed based on the amended document after acceptance on IMS and recomputing GSTR-2B. Importantly, suppliers' liability remains unaffected in such cases since amendment tables reflect only delta values, ensuring no double liability.

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GST Collection

Rs 1,84,597 crore gross GST revenue collected for June 2025

GST Gross and Net Collections as on 30/06/2025 (Amount in crores)						
	Monthly			Yearly		
GST Collections	June 24	Jun-25	% Growth	June 24	Jun-25	% Growth
A	B	C	D = C/B-1	E	F	G = F/E-1
A.1. Domestic						
CGST	32,627	34,558		1,08,882	1,18,625	
SGST	40,715	43,268		1,34,518	1,46,542	
IGST	47,270	48,680		1,56,968	1,76,951	
CESS	12,188	12,400		35,648	36,376	
Gross Domestic Revenue	**1,32,800**	**1,38,906**	**4.6%**	**4,36,016**	**4,78,494**	**9.7%**
A.2. Imports						
IGST	40,040	44,600		1,17,746	1,40,424	
CESS	972	1,091		3,056	3,446	
Gross Import Revenue	**41,012**	**45,690**	**11.4%**	**1,20,802**	**1,43,869**	**19.1%**
A.3. Gross GST Revenue(A.1+A.2)						
CGST	32,627	34,558		1,08,882	1,18,625	
SGST	40,715	43,268		1,34,518	1,46,542	
IGST	87,310	93,280		2,74,714	3,17,375	
CESS	13,160	13,491		38,704	39,821	
Total Gross GST Revenue	**1,73,813**	**1,84,597**	**6.2%**	**5,56,818**	**6,22,363**	**11.8%**

Link:https://tutorial.gst.gov.in/downloads/news/approved_monthly_gst_data_for_publishing_june_2025.pdf

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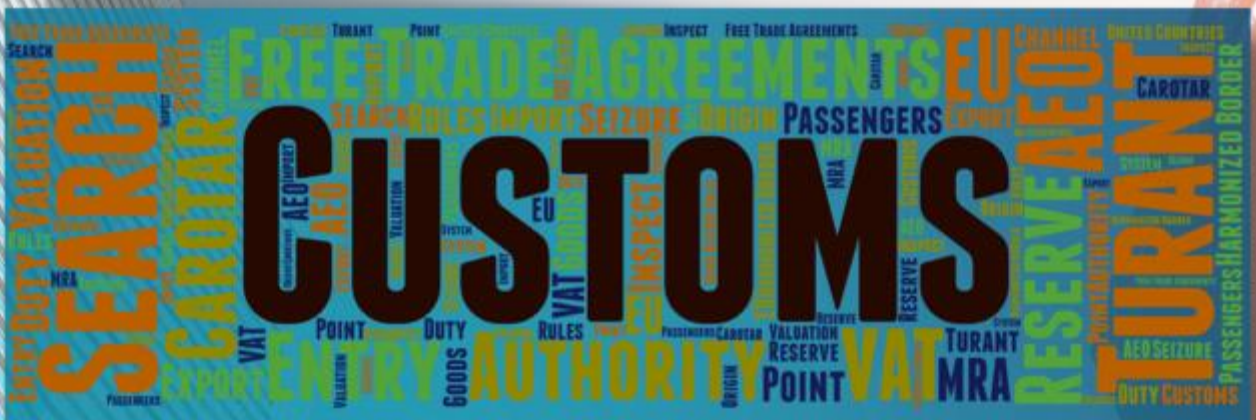

- Perishable Goods Cannot Be Withheld Indefinitely Rules HC
- Mis-description Alone Won't Deny Advance Authorization Benefit - HC
- CESTAT Delhi Sets Aside Penalty for Lack of Collusion in Cargo Diversion
- No Shield from Customs Action Without Domestic Incorporation of Treaty Provisions
- CESTAT Sets Aside Overlapping Cenvat Demands on Education Cess
- Other Notifications/Circulars/Instructions

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Perishable Goods Cannot Be Withheld Indefinitely Rules HC

DA Insights:

The High Court has upheld a principled balance between the interests of revenue and the rights of the importer. While recognising that the goods in question were perishable and susceptible to deterioration if detained indefinitely, the Court directed their conditional release to prevent irreparable commercial loss.

Issue:

Whether customs authorities can indefinitely detain perishable imported goods based on valuation/classification dispute, pending adjudication under a show cause notice.

Legal Provisions:

Section 110,124 of the Customs Act, 1962.

Observation and Comments:

The Court observed that while the Customs Department has the authority under the Customs Act to detain goods for verification and adjudication, such power must be exercised in a manner consistent with principles of fairness and proportionality. In cases involving perishable goods, indefinite detention causes irreparable harm to the importer and undermines commercial viability, especially when adjudication may take time.

The Court noted that the petitioner had offered to secure the interest of the revenue by furnishing bonds and bank guarantees. In light of this, and considering the perishable nature of the goods, it held that continued detention would amount to punitive pre-adjudication action. The Court emphasised that while revenue protection is critical, it must be balanced against the taxpayer's right to carry on business and avoid avoidable economic loss.

Accordingly, the Court directed the conditional release of the goods upon execution of a bond equivalent to the full value of the goods and furnishing of a bank guarantee to the satisfaction of the authorities. This, it held, would ensure that the department's rights remain protected while preventing disproportionate hardship to the petitioner.

VYOM DIPESH RAICHANNA Vs UoI [Writ Petition No. 4370 of 2025]

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Mis-description Alone Won't Deny Advance Authorization Benefit - HC

DA Insights:

procedural missteps or nomenclature mismatches in imports under Advance Authorization cannot, by themselves, defeat the substantive benefit of exemption. As long as the licensing authority (DGFT) does not find fault or breach, the customs authorities cannot unilaterally withdraw exemption benefits.

Issue:

Whether the mis-description of imported goods under the Advance Authorization Scheme can justify denial of exemption benefit under Customs Notification No. 96/2009, despite the licensing authority not raising any objection or cancelling the authorization.

Legal Provisions:

Sections 112(a), 114A, 114AA of the Customs Act,1962.

Observation and Comments:

The High Court observed that although the imported goods were initially described as "fish protein" but later identified as "decalcified fish scale," the difference in description had no bearing on the legality of the imports under the Advance Authorization Scheme. Since the DGFT had not found any violation or cancelled the license, the customs authorities had no basis to deny exemption.

The Court emphasized that under the Foreign Trade Policy, the critical criterion is whether the goods are bona fide inputs for manufacturing export products. Since the same product continued to be imported without objection under a new description, the Department's argument of misdeclaration lacked substance.

The Court also relied on the Supreme Court's ruling in Titan Medical Systems Pvt. Ltd. (2003-TIOL-42-SC-EXIM), where it was held that unless the licensing authority cancels or challenges the license, the customs department cannot independently deny exemption on grounds of alleged misrepresentation.

Finally, the Court ruled in favor of the assessee, holding that the benefit of Notification No. 96/2009 could not be denied. It set aside the differential duty demand even for the live transactions and rejected the Revenue's appeal in full.

NITTA GELATIN INDIA LTD vs COMMISSIONER OF CUSTOMS [Cus. Appeal No.2 of 2025]

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CESTAT Delhi Sets Aside Penalty for Lack of Collusion in Cargo Diversion

DA Insights:

The judgment affirms the settled principle that mens rea is essential in penal provisions, particularly when dealing with third-party logistics service providers such as shipping lines

Issue:

Whether a shipping line can be penalized under Sections 114(iii) and 114AA of the Customs Act, 1962, for diversion of cargo originally intended for a Focus Market Scheme (FMS)-notified destination, without evidence of knowledge or intent to aid evasion or fraud.

Legal Provisions:

Section 113, Section 114(iii), Section 114AA, Section 108 – Customs Act, 1962

Observation and Comments:

The Tribunal held that Evergreen Shipping Agency, acting solely as a carrier, could not be penalized under Sections 114(iii) and 114AA of the Customs Act in the absence of evidence showing its knowledge or intent to aid in the diversion of goods. The goods were shipped to Panama as per the declared port of discharge and were later redirected to Jebel Ali due to a commercial dispute, a fact substantiated by shipping records and email correspondence.

The Tribunal further observed that the confiscation of goods under Section 113, which formed the basis of the penalty under Section 114(iii), had already been set aside in the exporter's case. Since no fraudulent amendments were made to the shipping bills and no direct involvement of the appellant was proved, the necessary elements of mens rea were absent. Both penalties were therefore held unsustainable and set aside.

Evergreen Shipping Agency India Pvt. Ltd. v. Commissioner of Customs (Export), ICD Tughlakabad, 2025-TIOL-924-CESTAT-DEL.

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No Shield from Customs Action Without Domestic Incorporation of Treaty Provisions

DA Insights:

The judgment reinforces that international treaty provisions must be incorporated into domestic law to have legal effect in Indian courts. It upholds the autonomy and jurisdiction of customs authorities in cases involving fraud or misrepresentation, even in preferential trade agreements.

Issue:

Whether the Customs authorities have jurisdiction to initiate proceedings and issue show cause notices based on alleged misuse of exemption benefits under AIFTA, despite the petitioners' reliance on treaty provisions (Article 24 of AIFTA) not incorporated into Indian municipal law.

Legal Provisions:

Article 24 of the ASEAN-India Free Trade Agreement (AIFTA), Section 28 and Section 28DA of the Customs Act, 1962, Customs Tariff (Determination of Origin of Goods under Preferential Trade Agreement) Rules, 2009.

Observation and Comments:

The Court held that the Customs authorities had the legal authority to issue show cause notices in cases of alleged fraud or misrepresentation relating to import of Tin Ingots under AIFTA. The petitioners contended that the treaty's dispute resolution mechanism under Article 24 must be invoked before any domestic proceedings, and thus the show cause notices were without jurisdiction. The Court rejected this argument, clarifying that treaty provisions do not automatically override national law unless expressly incorporated into it.

The Court observed that Section 28 of the Customs Act provided sufficient authority for initiating adjudication, even before the insertion of Section 28DA. The absence of cooperation from foreign authorities in a retroactive check could not nullify domestic enforcement powers. Therefore, reliance on an unincorporated treaty clause (Article 24) to invalidate the show cause notices was held to be legally untenable. The petitions were dismissed, upholding the Customs Department's jurisdiction and action.

Purple Products Pvt. Ltd. & Kothari Metals Ltd. vs Union of India & Ors. [Writ Petition Nos. 2831 & 2491 of 2018]

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CESTAT Sets Aside Overlapping Cenvat Demands on Education Cess

DA Insights:

The decision emphasizes the importance of avoiding overlapping demands and underscores that factual submissions and documentation must be examined before confirming demands. It also clarifies that penalties are unwarranted where disputes arise from interpretational issues ultimately settled in the assessee's favour.

Issue:

Whether the use of Cenvat Credit of Basic Excise Duty (BED) for payment of Education Cess and Secondary & Higher Education (SHE) Cess was permissible, and whether overlapping demands and unverified components in the Show Cause Notice were sustainable.

Legal Provisions:

Notification No. 20/2007-CE, Rule 6(3) of the Cenvat Credit Rules, 2004, Rule 16 of the Central Excise Rules, 2002

Observation and Comments:

The Tribunal held that the demand of ₹29,33,057/- each towards Education Cess and SHE Cess, and the disallowance of equivalent Cenvat Credit, was unsustainable because the period involved overlapped with an earlier adjudicated matter that had already been decided in the appellant's favour vide Final Order No. 76495/2024. The Tribunal also noted that the adjudicating authority failed to consider documentary evidence provided for amounts related to Rule 6(3) and Rule 16. These issues, along with errors in quantification and excess re-credits, were remanded for proper verification. Further, considering that the issue revolved around interpretation of credit utilization provisions and was resolved in favour of the appellant, the penalty of ₹6,13,158/- was also set aside.

M/s Cipla Ltd. vs Commissioner of Central Excise, Siliguri (CESTAT Kolkata – Excise Appeal No. 75774 of 2016)

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Customs Notification / Circulars / Guidelines / Instructions

Use of ICETABs for Efficient Export Examination and Clearance

CBIC is extending the use of ICETABs for export examination and clearance from 19.06.2025, following its successful implementation for imports. ICETAB will allow officers to view shipping bill details, RMS instructions, and supporting documents digitally, eliminating the need for paper documents. Officers can promptly upload examination reports and cargo images, which will be stored in the e-sanchit repository. In exceptional cases where ICETAB cannot be used, prior approval from the Assistant Commissioner is required.

Circular No. 17/2025 - Customs, dated 19th June, 2025

Registration of Importers of Plastic Raw Material on Centralized EPR Portal – Compliance with Plastic Waste

As per the amended Plastic Waste Management Rules, 2024, importers of plastic raw materials—including resin, pellets, or intermediates used in packaging—must register on the Centralized EPR Plastic Packaging Portal. CBIC has instructed Customs officers to verify proof of such registration during clearance of plastic raw material consignments. All field officers are to be sensitized accordingly. The directive ensures compliance with Section 6 of the EPR Guidelines and aims to strengthen environmental accountability in plastic imports.

Instruction No: 21/2025 - Customs dated 2nd July 2025

Amendment to Para 2.03(A)(i)(g) of FTP 2023 – EO Period for Imports under QCO Exemptions

The Central Government has amended Para 2.03(A)(i)(g) of the Foreign Trade Policy 2023 to revise the Export Obligation (EO) period for imports under Advance Authorisation. Now, the 180-day EO restriction applies only to chemical products exempted from Quality Control Orders (QCOs) by the Department of Chemicals & Petrochemicals (DCPC). For textile products under QCOs from the Ministry of Textiles, the EO period will follow the standard provision in Para 4.40 of the Handbook of Procedures. This amendment eases compliance timelines for textile-related imports under Advance Authorisation.

Notification No: 20/2025-26 - DGFT dated 23rd June 2025

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India politics
TAX
BAM
DA NEWS
Driven by Quality, Powered by Ideation

Goods and Services Tax

- GST Relief For Middle Class Soon: Cheaper Toothpaste, Utensils, Clothes, Shoes
- GST on sin goods, cars may go up
- GST Council set to discuss reducing items in 12% slab
- CBIC says DIN not required for GST notices issued via portal with reference number

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Customs and other

- Over 1,000 copper importers face customs heat for misusing ASEAN FTA duty exemption
- Govt slashes basic customs duty on crude edible oils from 20% to 10%
- SVB 2.0: Building A Future-Ready Customs Valuation Framework
- India-US Trade Deal: Officials Discuss Market Access, Digital Trade, Customs Facilitation

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DA Updates and Articles for the month of May 2025

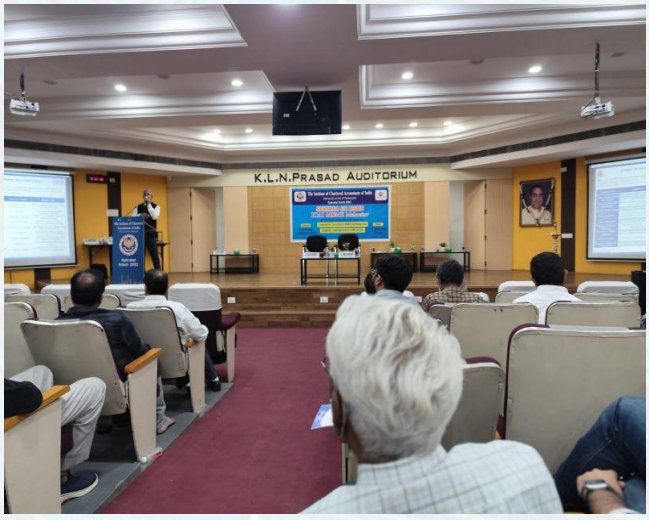
1) DA - Indirect Tax Fortnightly Update – June 2025

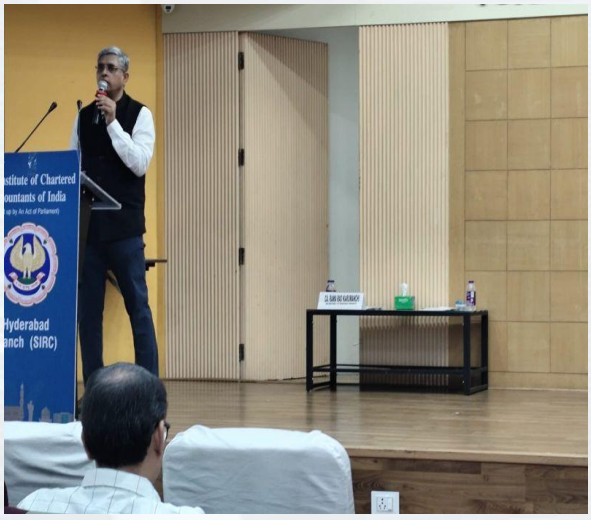
Link: https://dardaadvisors.com/wp-content/uploads/2025/06/DA-Indirect-Tax-Fortnightly-Update_June-2025-.pdf

2) DA Newsflash (GST) – Refund of unutilised ITC allowed on closure of business - Sikkim High Court

Link: https://www.linkedin.com/feed/update/urn:li:activity:7339637756362440704

3) Our Partner Vinnet Suman Darda have got opportunity to be speaking at the ICAI MSME Mahotsav held on 27th June 2025 related to MSME Incentives and Compliances





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