

# S&S Tax Snippets

11<sup>th</sup> Ed.



# Regulatory Updates

## GST

### **Circular** and quoting of DIN not necessary for communications generated in common portal

In modification of the Circular No. 122/41/2019-GST dated 05.11.2019 and 128/47/2019-GST dated 23.12.2019, it has been clarified that since the documents and summary generated through the common portal of GST always bear a Reference No. which is verifiable through the portal, the generation of the DIN is not necessary on such communication through portal. Accordingly, the documents bearing the reference number i.e., RFN is to be treated to be valid communication.

### **GSTIN** Updates: Filing of GST returns on expiry of three years

**Circular No. 249/06/2025-GST dated 09.06.2025**

In terms of Finance Act, 2023 read with Notification No. 28/2023-Central Tax dated 31.07.2023 implemented with effect from 01.10.2023, the taxpayers are not allowed to file returns after the expiry of a period of 3 years from the due to furnishing the returns namely, GSTR-1, GSTR-3B, GSTR-4, GSTR-5, GSTR-5A, GSTR-6, GSTR 7, GSTR 8 and GSTR 9. The same is implemented on the GST portal from July 2025.

### **Advisory on filing of amnesty applications under**

**GSTN update dated 07.06.2025**  
**Section 128A**

In view of the difficulties faced in filing the amnesty applications on the GST portal, an alternative route of manual entry of the order has been enabled. Accordingly, the taxpayers while initiating the filing of the applications the taxpayer can enter 'no' against 'whether the demand order is issued through GST portal and then enter the order number with prefix of 'ONL'. Subsequently, the basic details such as mobile number and email ID as well as Order details, payment details and demand related information may be entered manually.

**GSTN update dated 11.06.2025**

### **System validation for filing of refund applications on GST portal for QRMP taxpayers**

The difficulties faced by the persons registered under Quarterly Return Monthly Payment scheme while filing the refund applications such as non-recognition of invoices furnished using the invoice furnishing facility for 1st two months of the quarter in the portal, resulting in the inability to proceed with refund filing has now been addressed and the technical issues are resolved. Accordingly, the taxpayers under the QRMP scheme can now file refund applications for the invoices for which

### **GSTR-3B forms already been filed** **Filing of SPL-01/SPL-02 where payment is made through GSTR 3B and other cases** **GSTN update dated 10.06.2025**

In light of the difficulties faced while filing the applications in Form SPL-01 and SPL-02 related to auto population of payment details in Table no. 4 of the forms where payment is made through 'payment towards demand order' functionality, pre-deposit amount and payments made through GSTR-3B, it has been advised that the taxpayers may proceed to file such forms and that the portal would allow the same. Subsequently the taxpayers are required to upload the payment information as attachments along with online application for verification by the jurisdictional officer specifically in cases

### **Special Economic**

**Zone (SEZ) notified under Section 56A of the Income Tax Act, 1961**  
**to Boost Semiconductor and Electronics Component Manufacturing**

In a significant stride toward fostering high-technology manufacturing, the Union Government has unveiled transformative reforms to the Special Economic Zones (SEZ) Rules, 2005 tailored

specifically for the semiconductor and electronics component sectors. Recognizing the capital-intensive nature and extended gestation periods of these industries, the minimum land requirement for establishing an exclusive SEZ has been reduced from 50 hectares to a mere 10 hectares. Further, the Board of Approval is now empowered to waive the encumbrance-free land condition where land is mortgaged or leased to government bodies. Rule 53 has been revised to include the value of free-of-cost goods in Net Foreign Exchange (NFE) computations, as per applicable customs valuation norms. Rule 18 has also been amended to permit SEZ units in these sectors to make domestic sales into the Domestic Tariff Area (DTA), subject to payment of applicable duties. These progressive reforms, notified on 3rd June 2025, aim to catalyze a vibrant semiconductor

## Courtroom Updates

**SC has clarified that the Animal feed additives/folic acid feed premixes would be classified under HSN 2309 90 90 instead of HSN 2936**

The Hon'ble Supreme Court has clarified the legal position regarding the classification of animal feed additives, specifically folic acid feed premixes under various brand names, such as Layvit Premix, Brovit Premix, and others. These products, used in animal feeding preparations, are to be classified under HSN Code 2309 90 90, which falls under the category of "Preparations of a kind used in animal feeding" under the heading "Others". This classification supersedes the departments contention of classifying these products under HSN Code 2936, which pertains to "Provitamins, Vitamins, and Hormones". The Supreme Court's decision aligns with the CESTAT, Bombay judgment in the case of *B.V. Bio Corp. Pvt. Ltd. v. Commissioner of Customs (NS-I), Maharashtra Final Order Nos. A/95394-95395/2024-WZB* in Appeal No. C/85017/2018 with C/85325/2021. The Tribunal in the instant case has held that, although the

sufficient to classify them as separate chemically defined organic compounds. Therefore, the products are classifiable under Tariff Item 2309 90 90.

***Commissioner of Customs (NS1) v. Venkateshwara B.V. Bio Corp Pvt. Ltd, Civil Appeal Diary No. 57701 of 2024, Supreme Court Conclusion of Section 73/74 proceedings does not automatically stop penalty proceedings in GST***

Petitioner company was alleged to have been engaged in trading of tax invoices without effecting underlying supply of goods. Three units of the Petitioner entity were issued notices under Section 74 and 122 of the CGST Act. The notices also proposed to impose penalty under Section 122(1)(ii) and (vii) of the CGST Act. While the Department dropped set-aside the demand and dropped proceedings under Section 74 of the Act, penalty proceedings under Section 122 of the Act continued, which was challenged by the Petitioner.

The court held that the conclusion of proceedings under Section 73/74 does not ipso facto stop penalty proceedings under Section 122. There can be situations where penalty proceedings for issuance of fake invoices may stand independently to proceedings under Section 73/74. The court differentiated Section 122 which provides for penalty after adjudication by the proper officer from **Order uploaded under incorrect tab in the GST portal to be set aside**

***Patanjali Ayurved Ltd v. UOI, Writ Tax No. 1603/2024, Allahabad High Court*** The petition was filed under the 'Additional Notices' tab. The petition also contested the vires of Notification No. 56/2023 which extended time limits under Section 73 of the CGST Act.

The Court noted that the validity of these notifications is under consideration before the Supreme Court in the case *M/s. HCC-SEW-Meil-AAG JV vs. Assistant Commissioner of State Tax (SLP No. 4240/2025)*.

It observed that the impugned order had been passed without affording the petitioner an opportunity to be heard. Consequently, it set aside the order and remanded the matter for de novo adjudication. The Court held that a personal hearing must be granted, and notice must be issued on both the portal, and the registered email of the Petitioner. The Court also held that the final order will be subject to outcome of the proceedings before the Supreme Court.

***JKM Impex v. UOI, W.P. (C) No. 6544 and AAAR cannot travel beyond the order of the AAR 29740/2025, Delhi High Court***

The Petitioner challenged orders of the AAR and AAAR regarding the valuation method for used cars under Notification No. 08/2018-CT(R). The question submitted for advance ruling before the AAR was whether payments made to car owners and refurbishment expenses could be deducted from the resale price to compute taxable margin, which was answered in the negative. On appeal, the AAAR upheld the order of the AAR. However, it made observations regarding ITC restrictions under the notification, which were not part of the original AAR order.

The Petitioner argued that the AAAR exceeded its jurisdiction by addressing ITC, which was not in issue before the AAR. The Court held that the AAAR had travelled beyond the scope of the appeal and ordered the deletion of the paragraphs relating to observations regarding ITC. The AAAR's ruling on valuation, however, was not quashed.

***Cash credit account does not constitute property for attachment Mr. Tejinder Singh vs. Chief Commissioner of CGST, D.B.***

***CWP No. 12624/2022, Rajasthan High Court***

The Court quashed a provisional attachment letter issued under Section 83 of the MGST Act, 2017, attaching the petitioner's cash credit account with a Bank. The Court held that a cash credit account does not constitute "property" of the account holder, as it represents a borrowing facility and not an asset or property. Referring to precedents and its own ruling in *Sargam Foods Pvt. Ltd. v. State of Maharashtra*,

the Court held that Section 83 cannot be invoked to attach such accounts.

It held that the words "including bank account" under Section 83 pertain only to accounts holding positive balances. Hence, the Court quashed the order for lack of jurisdiction, despite the existence of an alternate remedy. It further noted that the Department would have the liberty to pursue other remedies under law.

***Skytech Rolling Mill Pvt. Ltd. v. Joint Assessee can file a single appeal against an SCN Commissioner of State Tax, W.P. No. 1928/2025, issued for separate financial years Bombay High Court***

In the present case, the department issued a single Show Cause Notice (SCN) to the assessee covering three separate financial years. The assessee submitted a reply, and subsequently, a common order was passed by the department. Upon reviewing the facts, the Court ruled that given the issuance of a common SCN and a common order, the assessee is permitted to file a consolidated appeal before the Appellate Authority under Section 107 of the CGST Act, 2017.

***Metalax Industries v. Additional Commissioner, Discounts No. 6897 of 2025 by and retailers, Nos. 1920 of 2025 and 12025 of 2025, Delhi High Court for services- High Court to consider the issue***

The assessee, a retailer dealing in household appliances and electronics, filed a Writ Petition challenging a GST demand order passed by the Additional Commissioner, CGST Delhi West. The demand was based on the Revenue's contention that discounts received by the assessee from manufacturers constituted consideration for services rendered by the retailer in promoting the manufacturers' products, thereby attracting GST liability. The petitioner contended that such discounts were commercial incentives and not linked to any service obligation.

The primary issue before the Court was whether trade discounts given by manufacturers to retailers

could be treated as consideration for a taxable

service under Section 15 of the CGST Act, 2017. After hearing the parties, the Delhi High Court held that, prima facie, such discounts could not be construed as consideration for any service rendered. Accordingly, the impugned demand order was stayed.

**Vardhman Electronics v. Additional Commissioner, CGST Delhi West, W.P.(C) No. 6334 of 2023, Delhi High Court.**  
**Assessee can avail the refund of the unutilised excess ITC upon discontinuance of their business**

The assessee filed a Writ Petition challenging a refund rejection order that denied their claim for refund of unutilized excess Input Tax Credit (ITC) remaining in their electronic credit ledger after the payment of tax, interest, penalty, fees, and other amounts following the discontinuation of their business. The primary legal question was whether the refund of ITC under Section 49(6) of the CGST Act is restricted to the entities specified under Section 54(3) of the CGST Act or if every registered entity has a right to claim ITC refund upon business discontinuation.

After considering the submissions and precedents cited by both parties, the Court observed that although Section 54(3) of the CGST Act does not explicitly address refunds to discontinued or closed businesses, neither Section 54(3) nor Sections 49(6) and 54 expressly prohibit such refunds. Guided by the fundamental principle that no tax shall be collected or retained without authority of law, the Court ruled that the assessee is entitled to claim a refund of the ITC balance even after the

**Extra Duty Deposit is not in nature of Customs discontinuing their business.**  
**duty and the limitation period to seek Customs SICPA India Private Limited and Anr. v. Union of duty refund is not applicable to the same.**

**India and Ors. WP(C) No.54 of 2023, Sikkim High Court**  
An Importer during the period of 2014 to 2017 have cleared goods under provisional assessment and made Extra Duty Deposit (EDD) payments at various stages of the assessment proceedings. After the

assessment was finalized, the customs

authorities accepted the importer's valuation. The importer subsequently filed for a refund of the EDD paid. However, the department rejected the refund application on the grounds that it was filed beyond the two-year limitation period specified under Section 27 of the Customs Act, 1962.

The High Court, after considering the facts and submissions of both parties, held that the EDD paid by the importer was not in the nature of customs duty. The Court referred to *Circular No. 5/2016-Cus., dated 09.02.2016*, which clarified that payments collected after provisional assessment for the release of goods were in the nature of a 'security deposit'. Since the allegations of undervaluation raised during the provisional assessment were disapproved, the necessity for EDD payment ceased to exist. Consequently, the Court determined that the EDD payments were not customs duty and that the limitation period for filing a refund application under Section 27 was not applicable in this case.

**Sentec India Company Pvt. Ltd. v. Assistant Commissioner of Customs, W.P.(C) No. 868 of 2025, Delhi High Court.**  
**Speaking order under Section 17(5) of Customs Act, 1962 is required for the purpose of passing an order of reassessment.**  
**the Customs Act, 1962**

In the instant case, the Department sought to revise the classification of the imported goods and enhance the assessable value as per the bill of entry filed by the assessee, by issuing an order under Section 17(4) of the Customs Act. The assessee challenged this order before the Commissioner, who ruled in their favor. The Commissioner held that it is mandatory for the adjudicating authority to pass a speaking order under Section 17(5) of the Customs Act, 1962, when changing the classification and enhancing the value. The Tribunal, after considering the submissions of both parties, upheld the Commissioner's order and dismissed the Department's appeal.

**Commissioner of Customs (Port) v. Chem Silk Commerce Pvt. Ltd. Final Order No.**

**76012/KOL/2024 in Appeal No. 6/70678/2018**

# THANK YOU

For further queries/information please get in  
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