

# S&S Tax Snippets

18<sup>th</sup> Ed.



# Regulatory Updates

## GST Updates:

Sl. no.	Notification No and date	Supressing/Amending Notification	Comments
1.	9/2025 – CT (Rate) dated 17.09.2025 read with Corrigendum G.S.R. 676(E) dated 18.09.2025	Suppressing - 1/2017-CT (Rate) dated 28.06.2017	Base rate Notification with new rate slabs prescribed in line with the GST Council recommendation.
2.	10/2025 – CT (Rate) dated 17.09.2025	Suppressing – 02/2017-CT (Rate) dated 28.06.2017	Base Notification which lists the Exempted intra-state supplies of goods with respective HSN
	10/2025 – IT (Rate) dated 17.09.2025	Suppressing – 02/2017-IT (Rate) dated 28.06.2017	
3.	11/2025 – CT (Rate) dated 17.09.2025	Amending – 3/2017-CT (Rate) dated 28.06.2017	Specified goods required in connection with petroleum operations is now taxable at 9% as against earlier 6%
	11/2025 – IT (Rate) dated 17.09.2025	Amending – 3/2017-IT (Rate) dated 28.06.2017	
4.	13/2025 – CT (Rate) dated 17.09.2025	Amending – 21/2018-CT (Rate) dated 26.07.2018	Intra-state supplies of handicraft goods now stand taxable at 2.5% as against earlier 6%
	13/2025 – IT (Rate) dated 17.09.2025	Amending – 22/2018-CT (Rate) dated 26.07.2018	
5.	14/2025 – CT (Rate) dated 17.09.2025	-	In exercise of the powers conferred under Section 9(1) read with Section 15(5) of the CGST Act tax rate of 6% on intra-state supply of Fly ash bricks, Bricks of fossil meals, Building bricks, Earthen or roofing tiles.
	14/2025 – CT (Rate) dated 17.09.2025		
6.	15/2025 – CT dated 17.09.2025	-	Registered persons having aggregate turnover up to 2 crores in any financial year is exempted from filing the annual return in terms of first proviso to Section 44(1).
7.	15/2025 – CT (Rate) dated 17.09.2025	Amending – 11/2017-CT (Rate) dated 28.06.2017	<ul style="list-style-type: none"> <li>Construction services, composite supply of works contract in respect of offshore works contract and provided to Government is taxed at 9% which was 12% earlier.</li> </ul>
	15/2025 – IT (Rate) dated 17.09.2025	Amending – 8/2017-IT (Rate) dated 28.06.2017	

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	15/2025 - CT (Rate) dated 17.09.2025	Amending - 11/2017-CT (Rate) dated 28.06.2017	<ul style="list-style-type: none"> <li>Supply of hotel accommodation with accommodation value up to 7,500/- per day is taxed at 2.5% with no ITC.</li> <li>Transport of passengers by air taxable at 9%.</li> </ul>
	15/2025 - IT (Rate) dated 17.09.2025	Amending - 8/2017-IT (Rate) dated 28.06.2017	<ul style="list-style-type: none"> <li>Transport of goods by rail is taxable at 2.5% without ITC or 9% with ITC.</li> <li>Multimodal transport of goods when not involving by air is taxed at 2.5% without ITC, and if involves transport by air, the same is taxable at 9%.</li> <li>Local delivery services supplied through ECO is taxable at 9%.</li> <li>Support services to exploration, mining or drilling of petroleum crude or natural gas or both is taxable at 9%.</li> <li>Services by way of Job work taxable mostly at 2.5%.</li> <li>Beauty and physical well-being taxable at 2.5% and others.</li> </ul>
8.	16/2025 - CT (Rate) dated 17.09.2025	Amending - 12/2017-CT (Rate) dated 28.06.2017	The entry under the said Notification for Services by way of transportation of goods shall not apply to local delivery services provided by an ECO and through an ECO.
	16/2025 - IT (Rate) dated 17.09.2025	Amending - 9/2017-IT (Rate) dated 28.06.2017	Specific entries for services of life insurance and health insurance, and Re-insurance of insurance services are notified as nil.
9.	17/2025 - CT (Rate) dated 17.09.2025	Amending - 17/2017-CT (Rate) dated 28.06.2017	Services by way of local delivery undertaken by unregistered persons through ECO is notified under Section 9(5) of the CGST Act thereby ECO is liable to collect and pay tax.
	17/2025 - IT (Rate) dated 17.09.2025	Amending - 14/2017-IT (Rate) dated 28.06.2017	

## Amendments made to CGST Rules

In line with the GST Council recommendation, CGST (Third Amendment) Rules, 2025 amending CGST Rules, 2017 has been notified. Major amendments made to the CGST Rules are as follows:

1. Amendment made to Rule 31A to change the value of supply of lottery to be 100/140 of the face value of the ticket in line with the increase in rate of tax at 40%.
2. Rule 39(1A) amended to include payment of IGST under RCM along with existing CGST payment under RCM by ISD before distribution of credit in respect of input services.
3. Amendment to Rule 90 to enable the proper officer for grant of provisional refund on the basis of identification and evaluation of risk by the system.
4. Rule 110(1) amended to prescribe part A of Form GST APL-02A as provisional acknowledgement for filing the appeal and proviso allowing manual filing of appeal and cross objections omitted thereby disallowing manual filing. Further, Form GST APL – 02 has been substituted with Part B of Form GST APL – 02A.
5. Rule 110A inserted to provide the procedure for the appeals to be heard by a single member bench who may hear the appeals which does not involve a question of law.
6. Rule 113(2) has been substituted to prescribe Form GST APL-04A for summary of the Order passed by the Appellate Tribunal.
7. Amendments made to Form GSTR 9 and Form GSTR-9C.
8. Introduction of Form GST APL-02A for provisional acknowledgement for submission of Appeal/Application and Form GST APL-04A for summary of the order and demand after issue of order by the GSTAT.
9. Form GST APL-05, Form GST APL-06, and Form GST APL-07 has been substituted.

### *Notification 13/2025 – CT dated 17.09.2025*

#### **Timelines for filing appeals before the GST Appellate Tribunal**

The Ministry of Finance, Department of Revenue, has specified the timelines for filing appeals before the GST Appellate Tribunal under Section 112(1) of the CGST Act, 2017. It states that appeals in respect

of orders communicated to the appellant before 1 April 2026 may be filed up to 30 June 2026. For orders communicated on or after 1 April 2026, appeals must be filed within three months from the date of communication of the order.

### *Notification S.O. 4220(E) dated 17.09.2025*

#### **GST Compensation Cess abolished on 19 product categories with effect from 22.09.2025**

The CBIC issued a principal Notification based on GST Council recommendations. The notification substitutes compensation cess rates with "Nil" for nineteen entries in the Schedule, effectively eliminating the cess levy on goods covered under serial numbers 2, 3, 4, 4A, 4B, 39, 40, 41, 42, 47, 48, 50, 51, 52, 52A, 52B, 53, 54, and 55. This amendment came into force from 22.09.2025, superseding the previous amendment made through Notification No. 3/2023 dated July 26, 2023. The notification represents a significant rationalisation of the compensation cess structure, providing substantial relief to taxpayers and consumers by removing cess obligations on multiple product categories previously subject to compensation cess under the GST regime. The said levy of compensation cess continues on products such as Pan masala, Tobacco and related products such as cigarettes, Hokka, etc.

### *Notification No.02/2025-Compensation Cess dated 17.09.2025*

#### **CBIC Simplifies DIN Requirements: eOffice Issue Numbers now Deemed Equivalent to DIN**

CBIC has issued this circular, simplifying Document Identification Number (DIN) requirements for official communications. Previously, all communications to taxpayers required a separate DIN. However, communications sent through CBIC's eOffice system now generate an automatic 'Issue number' which will serve as the DIN itself. Taxpayers can verify these Issue numbers online at <https://verifydocument.cbic.gov.in> to check document authenticity and details like file number, date, issuing office, and recipient information. This change eliminates the need for two different identification numbers on the same document.

Officers using eOffice must ensure all document information is correctly entered. Regular DIN will still be required for communications sent outside the eOffice system or those without a Reference Number (RFN) from the GST portal. This update modifies earlier circulars and aims to reduce duplication while maintaining proper verification of official documents sent to taxpayers. The Department have issued a similar circular under Customs law providing the similar clarification.

***Circular No. 252/09/2025-GST dated 23.09.2025 and Circular No. 23/2025-Customs, dated 23.09.2025***

**Instructions and timelines for filing appeals before the GST Appellate Tribunal**

The department issued a User Advisory for the GSTAT E-Filing Portal, which provides taxpayers and representatives with clear instructions and timelines for filing appeals before the GST Appellate Tribunal. It explains that until 31 December 2025, appeals can be filed in a staggered manner, based on the date of the earlier appeal or notice issued, with detailed schedules provided. A table on the timeline for filing appeals in a staggered manner is provided below:

Appeals against orders or notices issued	Appeal can be filed from
On or before 31 January 2022	24.09.2025 to 31.10.2025
On or after 01.02.2022 but upto 28.02.2023	01.11.2025 to 30.11.2025
On or after 01.03.2023 but upto 31.01.2024	01.12.2025 to 31.12.2025
On or after 01.02.2024 but before 31.05.2024	01.01.2026 to 31.01.2026
on or after 01.06.2024 but before 31.03.2026	01.02.2026 to 30.06.2026
On or before 31.03.2026	01.03.2026 up to 30.06.2026

The Advisory further provides that if an appellant misses the scheduled filing window, they may still submit their appeal before the GSTAT up to 30 June 2026. For orders in APL-04 communicated on or after 1 April 2026, appeals must be filed within three months of communication. The Advisory also provides that in cases where ARN/CRN is not available in the GSTN system, the filing window will be open from midnight of 31 December 2025 until

30 June 2026 and has also provided for the steps to validate an ARN/CRN via the portal and filing of the appeal.

***GST User Advisory for the GSTAT E-Filing Portal dated 24.09.2025 and Order No. 1499-1502 dated 24.09.2025***

**FAQs were issued to provide clarity on the implementation of the 56<sup>th</sup> GST Council Meeting Decisions**

The CBIC has issued detailed clarifications regarding decisions of the 56th GST Council meeting held on September 3, 2025, covering various sectors and compliance requirements. A short sector-wise summary on the same is provided below:

1. Medicines and Pre-packaged Commodities: Manufacturers must revise MRP reflecting new GST rates and issue revised price lists to dealers. Recalling or re-labelling stocks released before 22.09.2025 is not mandatory if price compliance is ensured at the retailer level. Subsequently, the Department of Consumer Affairs, Weights and Measures Units issued a Notification No. I-10/14/2020-W&M dated 18.09.2025 revising the said clarification wherein they have allowed the manufacturers/packers/importers etc., to voluntarily affix additional revised price stickers on unsold packages manufactured before 22.09.2025, which are lying unsold with them. The Department of Consumer Affairs has waived the newspaper advertisement requirement for price revisions, making re-stickering voluntary while mandating circulars to dealers with copies to Legal Metrology authorities.
2. Drones and Bricks: A uniform 5% GST now applies to all types of unmanned aircraft, replacing earlier varied rates of 5%, 18%, and 28%. The special composition scheme for bricks continues with 6% without ITC and 12% with ITC, except sand lime bricks, which now attract 5% GST.
3. Insurance Services: Individual life and health insurance services provided to individuals or families are exempt from GST. Reinsurance services are also exempted, though insurers

must reverse ITC on other inputs and input services.

4. **Hospitality and Beauty Services:** Hotel accommodations valued at Rs 7,500 or less per unit per day attract mandatory 5% GST without ITC, with no option for 18% with ITC. Similarly, beauty and physical well-being services attract a mandatory 5% without ITC. Service providers cannot avail ITC on inputs used exclusively for such services and must reverse proportionate ITC as per Section 17(2) for inputs used partly for such services.
5. **Job Work Services:** Bus body building and other residual job work services attract 18% with ITC. Job work on bricks attracting 5% GST will be taxed at 5% with ITC.
6. **Transport and Leasing Services:** Multimodal transport at 5% GST with restricted ITC (limited to 5% of input service value) when no air transport is involved, and 18% with full ITC when at least one leg involves air. Local delivery services through e-commerce operators are taxable at 18%, with liability on ECO when suppliers are unregistered. GTA definition now excludes e-commerce operators providing local delivery services. Leasing/renting services without an operator are taxed at rates applicable to the supply of like goods, while services with an operator offer an option: 5% with restricted ITC or 18% with full ITC.

**Frequently Asked Questions No. 1-3 dated 16.09.2025 and 18.09.2025**

## **Customs Updates:**

### **Customs exemption on certain defence goods**

In continuation of Notification No. 19/2019-Customs dated 06.07.2019, as amended, it is notified that exemption is extended to specific defence and strategic goods. These include Flight Motion Simulator (CTH 88, 8536), Target Motion Simulator (CTH 88, 8536), HACFS parts (Any Chapter), Low Noise Amplifier, Vent Guide Assemblies for MRSAM (CTH 84, 85), IAWDS parts (CTH 84, 85, 87, 90, 93), Military Transport Aircraft C-140/C-295MW (CTH 88)

Ship-Launched Missiles (CTH 93), Rockets >100mm (CTH 93), and related technical documentation (CTH 49). Effective 22.09.2025.

**Notification No. 37/2025-Customs dated 17.09.2025.**

### **Revision in Customs valuation for certain goods**

In continuation of Notification No. 36/2001-Customs (N.T.) dated 03.08.2001, the tariff values have been revised for certain imported goods under Section 14 of the Customs Act, 1962. The updated values are as follows: Crude Palm Oil (USD 1081/MT), RBD Palm Oil (USD 1085/MT), Other Palm Oils (USD 1083/MT), Crude Palmolein (USD 1100/MT), RBD Palmolein (USD 1103/MT), Other Palmolein (USD 1102/MT), Crude Soyabean Oil (USD 1167/MT), and Brass Scrap (USD 5656/MT). For precious metals, Gold (USD 1175 per 10 grams) and Silver (USD 1364 per kg) are prescribed, with specific conditions for medallions, coins, and gold findings. The tariff value for Areca Nuts is maintained at USD 7463/MT. The said Notification shall be effective from 16.09.2025.

**Notification No. 56/2025-Customs (N.T.) dated 15.09.2025**

### **New Finalisation of Provisional Assessment Rules introduced**

In supersession of the Customs (Finalisation of Provisional Assessment) Regulations, 2018, the Customs (Finalisation of Provisional Assessment) Regulations, 2025 have been notified under Sections 18, 157, and 158 of the Customs Act, 1962.

Further, CBIC has issued circular to streamline procedures under the aforesaid regulations. It has been specifically clarified that these regulations, effective from 29.03.2025, apply to all provisional assessments pending as of that date as well as those undertaken thereafter, including Project Imports. Importers and exporters are required to submit documents or information, including test reports or other supporting evidence, within 14 months. Officers are mandated to conclude enquiries and transfer relevant documents within the same period.

Assessments will be finalised within 3 months of receiving documents or completing enquiries, with



extensions allowed by senior officers within statutory limits. Any duty voluntarily paid during the pendency of provisional assessment will be adjusted against the final duty payable, with interest as applicable. On finalisation, bonds and securities will be cancelled or re-credited if no dues remain, and refunds or recoveries processed under Section 18. Cases pending beyond 17 months will be reported to the Commissioner for monitoring and extension decisions.

***Notification No. 55/2025-Customs (N.T.) dated 12.09.2025 and Circular No. 22/2025-Customs, dated 12.09.2025.***

## Courtroom Updates

### **Export duty cannot be levied on supplies from DTA to an SEZ unit**

The Supreme Court dismissed appeals by the Department in a batch of 12 matters challenging High Court rulings that denied the imposition of export duty under the Customs Act on supplies of goods from the Domestic Tariff Area (DTA) to Special Economic Zones (SEZs). The appellants had relied on interpretations of the Customs Act, 1962, the SEZ Act, and relevant definitions such as “export” under both Acts to state that such a transaction would not qualify as an ‘export’.

The High Courts had held that supply of goods from DTA to SEZ qualifies as “export” under the SEZ Act, and that the SEZ Act overrides the charging provision in Section 12 of the Customs Act. The Courts held that the interpretations of Sections 12 of Customs Act, and Sections 2 (definitions) and Section 51 of SEZ Act, to hold that the SEZ Act’s definition of “export” must prevail, and that the charging provision under Customs does not extend to supplies from DTA to SEZ units. This view was affirmed by the Supreme Court.

***UOI v. Adani Power Ltd., C.A. No. 4489/2023, Supreme Court of India***

### **Anti-profiteering case remanded for non-consideration of increased GST rates**

The Petitioner challenged the constitutional validity of Section 171 of the CGST Act, 2017 and allied rules, along with SCN and order issued by the erstwhile NAPA. In the said order, it was found that the Petitioner had profited from GST rate reduction on its inputs and had not passed on the commensurate benefit to recipients.

The Petitioner submitted that there was an increase in GST rate from 15% to 18% and had borne the losses without changing MRP. Hence, it could not be argued that it had profited.

The Delhi High Court observed that the challenge to the constitutional validity of the provisions had been dismissed by a coordinate bench in *Reckitt Benckiser India Pvt. Ltd. v. UOI, W.P.(C)7743/2019*. However, the Court noted that Petitioner had borne the cost of GST increase and directed that the matter be remanded back to GSTAT for consideration of that fact.

### ***Tata Play Ltd. v. UOI, W.P.(C) 14422/2022, Delhi High Court***

### **Delayed withdrawal of appeal for availing amnesty scheme benefit permitted**

The Petitioner sought for a mandamus to direct the Department to accept its application under Section 128A of the CGST Act for waiver of interest and penalty. After suffering an order against it, the Petitioner had preferred an appeal under Section 107 of the Act. During pendency of the appeal, Notification No.21/2024-CT dated 08.10.2024 was issued for allowing waiver of interest and penalty if tax was paid and appeal was withdrawn by 31.03.2025.

The Petitioner had filed an application, paid tax liability, and had written a letter to withdraw its appeal. However, the appeal was pending as on 31.03.2025. The Court held that since there was substantial compliance, delay in withdrawal was not fatal to the Petitioner’s application. It directed the Department to dispose of the application under the scheme.

***Sun Tamil Nadu Security Management Services Pvt. Ltd. v. Commr. of GST, W.P. (MD) No. 21330/2025, Madras High Court***

## **Refund of ITC under inverted duty structure allowed despite circular**

The Petitioner, engaged in manufacture of edible oil, had sought refund of ITC accumulated prior to 18.07.2022 under Section 54 of the CGST Act. Notification No. 09/2022-CT (Rate) dated 13.07.2022 barred refunds prospectively from 18.07.2022. However, the department rejected claims filed after that date citing Circular No. 181/13/2022-GST dated 10.11.2022, which stated that the restriction would apply to all applications made after 18.07.2022.

The Court held that ITC is an indefeasible right accruing when inputs are purchased, and refunds for periods prior to 18.07.2022 cannot be denied merely because the application was filed later, but within the statutory limit. It held that the portion of the Circular was ultra vires the Notification and Section 54, arbitrary under Article 14, and violative of Articles 19(1)(g) and 300A.

*Shree Arihant Oil and General Mills v. Union of India, D.B.C.W.P. No. 2932/2023, Rajasthan High Court*

## **Scope of 'wilful suppression' under Section 74 clarified**

The Hon'ble High Court quashed an SCN issued under Section 74 of the CGST Act demanding GST on the test modules supplied by the Petitioner. The Petitioner supplied various kinds of test modules, both online and at exam centres, wherein Type II tests provided results to candidates at the time of the conclusion of the test and Type III tests have an essay component for which the test is sent to a human evaluator in the USA.

The Petitioner had approached the AAR for classification of these services. The AAR ruled that Type II tests were classifiable as OIDAR services, whereas Type III tests were outside the purview of OIDAR services. On Department appeal, the AAAR ruled that Type II and III tests were both OIDAR services. The petitioner challenged the AAAR order before the High Court, where proceedings are pending. Despite this, the department issued an SCN alleging wilful suppression.

The Court held that the SCN was illegal as there was no intentional suppression to evade tax. The Revenue had full knowledge of the petitioner's activities

through AAR/AAAR proceedings, as it had participated in the same. It was observed that mere omission or dispute on classification cannot amount to wilful suppression. Since the issue was sub judice, initiation of Section 74 proceedings was arbitrary and without authority of law.

*NCS Pearson Inc. v. UOI, W.P. No. 635/2024, Karnataka High Court*

## **The limitation for appeal runs only from the communication, not the portal upload**

The Petitioner challenged orders passed under Section 74 for FY 2020-22, contending that they were never served and were only uploaded on the portal, causing the Petitioner to miss the appeal deadline.

The Court held that uploading an order on the GST portal does not by itself amount to "communication" under Section 107 of the CGST Act, and the limitation for filing an appeal begins only when the order is duly communicated to the assessee. The Court distinguished between "service" under Section 169 and "communication" under Section 107, observing that communication implies reaching out to the assessee, which cannot be achieved by portal upload alone. It was observed that while uploading on the portal is mandatory, it may not suffice in all circumstances. Since the impugned orders had not been communicated, limitation had not begun, and the assessee retained the right to appeal.

*Sharp Tanks and Structural Pvt. Ltd. v. Dy. Commr. (GST) (Appeals), W.P. (MD) No. 24684/2025, Madras High Court*

## **Interest for anti-profiteering cases applicable prospectively from 28.06.2019**

The DGAP had submitted a report alleging that the Respondent had profited from the GST rate reduction by not passing on commensurate benefits to recipients in respect of the sale of theatre tickets.

The GSTAT rejected the Respondent's arguments that theatre prices were fixed by State laws, observing that the Respondent had never

challenged the DGAP's report, which found that base prices of tickets were not adjusted to pass on the tax reduction to customers.

On the question of imposition of interest, the Tribunal observed that the amendment to Rule 133 of the CGST rules was prospective and would apply only from 28.06.2019.

*DGAP v. Mallikaraja Cinema Hall, NAPA/3/PB/2025, GSTAT Delhi*

#### **Imports under cancelled licences permitted**

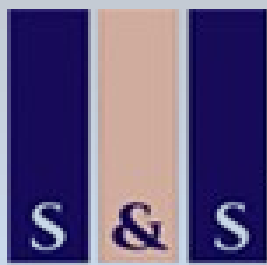
The Department demanded duty, interest and penalty from the Appellant for importing raw silk yarn duty-free in 2006-07 under DRFC/DFIA licences obtained from another dealer. The licences were later cancelled by DGFT in 2010 after finding that the original licence holder had fraudulently obtained them by over-invoicing exports. Relying on this cancellation, the Commissioner denied duty exemption and demanded duty and penalty and held the goods liable for confiscation.

The Tribunal held that licences validly issued by DGFT but subsequently cancelled cannot be treated the same as forged or fake scrips. Imports made before cancellation remain covered by valid licences and customs authorities cannot retrospectively deny exemption. The Tribunal held that fraud by the original licence-holder cannot prejudice bona fide transferees.

*M.R. & Co. v. Commr. of Customs, Chennai, Customs Appeal No. 40922/2013, CESTAT Chennai*

# THANK YOU

For further queries/information please get in touch  
with us



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