

S&S Tax Snippets

9th Ed.



Regulatory Updates

Customs Notifications

Anti-dumping duty imposed on "Glufosinate and its salt" imported from China PR – Partial coverage under levy permitted

The Ministry of Finance, through Notification No. 09/2025-Customs (ADD) dated 08.05.2025, has imposed a definitive anti-dumping duty on imports of "Glufosinate and its salt" from China PR. The goods fall under tariff items 3808 91 93, 3808 91 99, 3808 93 91, 3808 93 99, 3808 99 12, 3808 99 91, and 3808 99 99. Based on findings of dumping and injury to the domestic industry, a duty of USD 2,998 per metric tonne is levied for five years from the notification date. The duty applies to all producers and exporters from China PR and is payable in Indian currency based on applicable exchange rates.

Notification No. 09/2025-Customs (ADD) dated 08.05.2025

Anti-dumping duty imposed on "Sodium Citrate" imported from China PR – Continued levy for five years

The Ministry of Finance, through Notification No. 10/2025-Customs (ADD) dated 08.05.2025, has imposed a definitive anti-dumping duty on imports of Sodium Citrate from China PR. The product falls under tariff item 2918 15 20 of the Customs Tariff Act. Following a review of dumping and injury to the domestic industry, the designated authority has recommended the continuation of the anti-dumping duty and the same is set at USD 96.05 to USD 152.78 per metric tonne, depending on the producer, and will be applicable for five years. This duty applies to all producers and exporters from China PR and is payable in Indian currency based on applicable exchange rates

Notification No. 10/2025-Customs (ADD) dated 08.05.2025



Anti-dumping duty imposed on "Textured Tempered Coated and Uncoated Glass" imported from China PR and Vietnam – Continued levy for five years

The Ministry of Finance, through Notification No. 11/2025-Cus (ADD) dt. 08.05.2025, has imposed a definitive anti-dumping duty on imports of Textured Tempered Coated and Uncoated Glass from China PR and Vietnam. The product falls under tariff headings 7003, 7005, 7007, 7016, 7020, and 8541 of the Customs Tariff Act. Following a review of dumping and injury to the domestic industry, the designated authority has recommended the continuation of the anti-dumping duty. The duty imposed ranges from USD 658 to USD 664 per metric tonne, depending on the producer, and will be applicable for five years. This duty applies to all producers and exporters from China PR and Vietnam and is payable in USD.

Notification No. 11/2025-Customs (ADD) dated 08.05.2025

Prohibition on Imports and Transit of Goods from Pakistan – Immediate Enforcement

The Ministry of Commerce and Industry, through Notification No. 6/2025-26 dt. 02.05.2025, has imposed a prohibition on the direct or indirect import or transit of all goods originating in or exported from Pakistan. This restriction, effective immediately, is imposed in the interest of national security and public policy, in line with Section 3 of the Foreign Trade (Development & Regulation) Act, 1992. Any exceptions to this prohibition will require prior approval from the Government of India. The restriction applies to all goods from Pakistan until further orders.

Notification No. 6/2025-26 dated 02.05.2025

Exemption from Customs Duty on Certain Goods for Public Exhibition – Conditions Apply

The Ministry of Finance, through Notification No. 29/2025-Cus dt. 09.05.2025, has exempted goods falling under certain categories from customs duty, provided they meet specified conditions. These goods include works of art intended for public exhibition in museums or galleries, memorials for public places, and antiques as defined under the Antiquities and Art Treasures Act, 1972. The exemption is subject to the condition that the goods must not be sold or traded and are used solely for public exhibition. Importers must submit an undertaking to this effect and ensure that antiques are registered with the Archaeological Survey of India within 90 days. Non-compliance will result in the duty being payable.

Notification No. 29/2025-Customs dated 09.05.2025

Countervailing Duty Imposed on Textured Tempered Coated and Uncoated Glass from Vietnam – Five-Year Levy

The Ministry of Finance, through Notification No. 03/2025-Cus (CVD) dt. 10.05.2025, has imposed a definitive countervailing duty on imports of Textured Toughened (Tempered) Coated or Uncoated Glass from Vietnam. The product falls under tariff headings 7003, 7005, 7007, 7016, 7020, and 8541 of the Customs Tariff Act, 1975. Following final findings by the designated authority confirming subsidisation and injury to the domestic industry, the duty is being levied for a period of five years. The countervailing duty is calculated as the difference between the landed value and the reference price (USD 593 to USD 664 per metric tonne), after adjusting for any anti-dumping duty already paid. This duty is payable in Indian currency and aims to counteract the adverse effects of subsidised imports.

Notification No. 03/2025-Customs (CVD) dated 10.05.2025.

GST Updates

Grievance Redressal Mechanism for processing of application for GST registration

In furtherance of Instruction No. 3/2025-GST dated 17.04.2025 which provided instructions for processing of applications for GST registration, in order to provide a quick and effective grievance redressal mechanism to applicants, Principal Chief Commissioner/Chief Commissioner of CGST Zones is instructed to publicize an email address on which the applicants can raise their grievances containing the ARN details, jurisdiction details etc.

In line with the above instructions, the applicants having any complaints/grievances on email, to cgst-blr@gov.in specifying the name of the entity, ARN, ARN date, jurisdiction and issue in brief. Additionally, the applicants can also visit/contact the GST Seva Kendra, Bengaluru Zone situated on 3rd Floor, C.R. Building Annex, Queens Road, Bangalore, who will ensure timely resolution of the grievances received.

Instruction No. 04/2025-GST dated 02.05.2025, r/w, Public Notice No. 1/2025 dated 09.05.2025

Advisory on Appeal withdrawal with respect to waiver scheme

In view of the mandatory withdrawal of the appeal for the waiver scheme provided under Section 128A of the CGST Act, it is clarified that the Assesses are required to upload the screen shot of the status of the Appeal filed by the Assesseees as 'Appeal Withdrawn'. In cases where the withdrawal application is filed before issuance of final acknowledgment in Form APL-02, then the system would automatically withdraw the appeal, and the status would automatically change to 'Appeal Withdrawn'. In cases where the withdrawal application is filed after issuance of APL-02, then the said withdrawal application is subjected to the approval of the Appellate Authority and once the same is approved, the status of the application changes from 'Appeal submitted' to 'Appeal Withdrawn'.

Advisory dated 14.05.2025

Updates in refund filing process for recipients of Deemed Export and other refund categories

The refund applications under this category no longer needs to be filed in the chronological order of Tax period and the taxpayer are not required to select 'from period' and 'to period' while filing the refund application. Additionally, the table '**Amount eligible for Refund**' has also been modified to include balance in ECL at the time of filing, Net ITC of deemed export, refund amount as per the uploaded invoices, eligible refund amount and refund amount not eligible as insufficient balance in ECL. The said functionality has been updated in order to maximize the amount of refund a taxpayer can claim in terms of the uploaded invoices, irrespective of the fact that the sufficient balance is available in the respective head of the ECL or not.

Further, similar update has also been made for other refund categories namely, Export of services with payment of tax, Supplies made to SEZ unit/SEZ developer with payment of tax, refund claimed by Supplier on account of Deemed export. Also, the said refund categories are changed from 'tax period based filing' to 'invoice based filing'. Additionally, it must also be noted that invoices once uploaded with a refund application will be locked for any further amendment and will not be available for any subsequent refund claims.

GSTN updates dated 08.05.2025



Flavoured Milk is classifiable under CTH 0402 99 90 and not under CTH 2202 99 30

The Hon'ble Supreme Court dismissed an SLP filed by the department against a judgment of the High Court of Andhra Pradesh wherein it was held that flavoured milk is classifiable as 'milk and cream, concentrated or containing added sugar or other sweetening matter' under CTH 0402 99 90 and not as 'beverages containing milk' under CTH 2202 99 30.

The High Court had observed that though CTH 0402 speaks only about milk containing added sugar, flavoured milk cannot be taken out of the said tariff heading merely because it contains 0.5% of badam flavour. Applying the principle of *nocitor a sociis*, the High Court held that the CTH 2202 would cover beverages which contain milk as well as water. Further, it was observed that Entry 0402 is a special entry and the entry under 2202 being a general entry, would have to give way to entry 0402.

ACCT v. Sri Vijaya Visakha Milk Producers Co. Ltd., SLP (Civil) Diary No. 17602/2025, Supreme Court

Rule 86A does not permit blocking of excess ITC in the ECL exceeding credit available at the time of issuance of the Order

The Hon'ble Supreme Court dismissed an SLP filed by the Department against a judgement of the Hon'ble Delhi High Court. The High Court had held that ITC cannot be blocked in excess of the credit available in the electronic credit ledger of the registered taxpayer. The Court noted that this would result in creating an artificial negative balance in the ECL of the taxpayer.

The blocking of excess credit, than what is available in the ECL at the time of issuance of the Order, is against the scheme of Rule 86A of the CGST Rules as the same is not a provision for recovery of tax or other dues.

The Court while interpreting Rule 86A of the CGST Rules observed that the necessary conditions to be satisfied under the said Rule are that there is credit of inputs tax available in the ECL and that the Commissioner has a reason to believe that the ITC available has been fraudulently availed or is ineligible on account of the reasons set out in clauses (a) to (d) of the said Rule and does not refer to the ITC used in the past for payment of dues or which has been refunded. If there is no ITC available in the ECL, one of the necessary conditions for passing the Order under said Rule would not be satisfied.

Commr. of Central Tax v. Raghav Agarwal, SLP (Civil) Diary No. 21913/2025, Supreme Court

The purchase of goods from dealers who were exempted from payment of tax is still a purchase 'which is liable to tax' in terms of Section 5A of the Kerala General Sales Tax Act

The Hon'ble Supreme Court upheld the constitutional validity of the Section 5A of the Kerala General Sales Tax Act/7A of the Tamil Nadu General Sales Tax Act and held that the purchase of goods from a dealer who is exempted from payment of tax would still attract purchase tax under the said provisions and the Assessee therein are liable to pay purchase tax as the exemption from sales tax does not automatically extend to purchase tax.

It was also held that the said Sections are independent charging provisions that impose purchase tax even when the sales tax on the same is exempt. Additionally, it was also observed that the levy of purchase tax is distinct from the sale or inter-state movement of goods, and that the state legislature has the power to tax purchases within the state in the manner prescribed.

C.T. Kochouseph v. State of Kerala, Civil Appeal No. 941/2004, Supreme Court

GST/IGST exemption to apply to compensation cess

The Petitioner is engaged in manufacturing tobacco products under HSN 2403 9910. Notification No. 40/2017-CT (Rate) and Notification No. 41/2017-IT (Rate) dt. 23.10.2017 provide certain exemption on supply of goods to merchant exporters from payment of GST. No notification was issued to grant exemption to compensation cess.

The Court held that the Compensation Cess Act, 2017 is a satellite legislation to the CGST Act and the provisions of the CGST and IGST Act apply mutatis mutandis to the levy/collection of compensation cess. Hence, the Petitioner should be eligible to avail the same exemption. The intention of the exemption was to prevent blockage of working capital for persons who supplied to merchant exporters. The levy of cess without exemption is a revenue neutral exercise as the exporter would be eligible to refund of cess. The GST Council is required to consider the aspect of exemption for compensation cess in line with the GST exemption. The impugned orders were directed to be kept in abeyance until the GST Council considers the matter.

Sopariwala Export Pvt. Ltd. v. Joint Commr., S.C.A. No. 6701/2023, Gujarat High Court

Section 61 cannot be invoked to allege discrepancy between sale price and market price.

Proceedings were initiated under Section 61 of the CGST Act against the Petitioner alleging that the transaction value of the Petitioner's supplies were lower than market value.

The Court held that the Department lacked jurisdiction to make such allegations under Section 61.

The Section only permitted the Department to point out discrepancies or errors in the returns filed by taxpayers, and not to initiate proceedings due to alleged discrepancies in transaction value, when compared to market price.

It was held that unless transactions are proven to be bogus, or goods sold at a concessional rate, the Department cannot assess the difference between the market price and the transaction value as the taxable value. The difference in price alone cannot be a ground to initiate proceedings.

Sri Ram Stone Works v. State of Jharkhand, W.P.(T) No. 5535/2025, Jharkhand High Court

Ground clearance to be measured in laden state prior to amendment

The Petitioner is engaged in the automotive manufacturing industry and was in receipt of an SCN alleging short payment of compensation cess. The Petitioner had measured ground clearance of vehicles in a laden state, while the Department alleged that the vehicles must be unladen.

The Court observed that prior to the amendment made by Notification No. 3/2023-CC (Rate) dt. 26.07.2023, the law was silent on whether the ground clearance should be measured in a laden or unladen condition. Since the Petitioner had been following industry practice and decision of the AAAR in Tata Motors Ltd., the measurement for the period prior to the amendment were correctly taken in laden state by the Petitioner.

Mercedes Benz India Pvt. Ltd. v. UOI, W.P. No. 5208/2025, Bombay High Court

Remedy to amend GSTR-1 under Circular No.183/15/2022-GST extended to 2020-21

The Petitioners had committed inadvertent errors while filing Form GSTR-1. The Petitioner made a representation to the Department to be permitted to amend its return beyond the statutory time limit prescribed under Section 16(4), which was subsequently denied.

The Court observed that the matter was squarely covered by Circular No.183/15/2022-GST dt. 27.12.2022 which provides for rectification of bonafide and inadvertent errors in GSTR-1 returns.

The errors committed by the Petitioner did not cause any revenue loss to the Government. Hence, the Petitioner must be permitted to amend returns, despite lapse of the statutory limit as the ITC claim of the recipient would be prejudiced.

ESDS Software Solution Ltd. v. ACCT, W.P. No. 4211/2023, Karnataka High Court

SEZ unit entitled to refund of GST paid on inward supplies

The Petitioner, an SEZ unit, claimed refund of GST paid by its suppliers on supplies made to the Petitioner, as the Petitioner's SEZ status did not reflect on the GST portal. The Department rejected the Petitioner's claim on inter alia the ground that only suppliers of goods to the SEZ unit may claim refund.

The Court observed that under the SEZ Act, goods or services exported out of, imported into, or procured from the Domestic Tariff Area by a SEZ unit, are exempt from taxes, and that the SEZ Act overrides the GST Acts. Due to the special status of SEZs, the Petitioner can claim refund, if the suppliers have not already sought refund on the same transactions.

Urjita Electronics Pvt. Ltd. v. Joint Commr., W.P. No. 26164/2021, Madras High Court

Rule 96(10) cannot be invoked post omission

The Petitioner had claimed refund of IGST. The Department passed an Order citing Rule 96(10) to demand the refund, along with interest and penalty.

The Court observed that the Rule had been omitted pursuant to the judgment in *Sance Laboratories Pvt. Ltd. v. UOI, W.P.(C) No. 17447/2023*, and Notification No.20/2024-CT, dt. 08.10.2024, without a savings or repeal clause. Hence, no Order could be passed on the strength of Rule 96(10) without a saving clause in favour of the pending proceeding.

Sri Sai Vishwas Polymers v. UOI, W.P. (MB) No. 103/2025, Uttarakhand High Court

Development agreement entered into prior to 2017 taxable under GST

The Petitioner had entered into a development agreement for the construction of a building. The Petitioner contended that the land had been transferred prior to the enactment of GST laws, and hence, the same would be subject to the levy of GST.

The Court observed that the Petitioner would not get any rights related to the property until the completion of the project, which happened after GST had come into force. The execution of the Agreement (pre-GST) itself did not grant any ownership rights to the Petitioner. The Petitioner had received the consideration (development rights) prior to the issuance of completion certificate, and hence no benefit under Notification No.11/2017, dt. 28.06.2017 could be availed. Hence, the Writ Petitions were dismissed.

Shashi Ranjan Constructions Pvt. Ltd. v. UOI, CWJC No. 6700/2024, Patna High Court

Rate is notified from date of publication of notification, not date of issuance

The Appellant had imported goods after paying applicable duty. Revenue demanded differential duty as the rate of BCD had been enhanced by Notification No. 87/2017-Cus dt. 17.11.2017, which was issued one day prior to the date of approval given for the inward entry of the Appellant's goods.

The Tribunal observed that under Section 15 of the Customs Act, the applicable rate of duty is to be taken as the rate applicable in force on the date of presentation of the BOE. Further, only the date of publication of the Notification in the Official Gazette is to be considered and not the date of its issuance.

Emami Agrotech Ltd. v. Commr. of Customs, C.A. No. 76212/2019, CESTAT Kolkata

THANK YOU

For further queries/information please get in touch
with us



Prashanth S Shivadass
Partner

Ph No: 9810507391

Email: prashanth.shivadass@sdlaw.co.in



Rishab. J
Associate Partner

Ph No: 9741224346

Email: rishab.j@sdlaw.co.in



Shradha Rajgiri
Principal Associate

Ph No: 9901901512

Email: shradha.rajgiri@sdlaw.co.in



SHIVADASS & SHIVADASS[®]
— LAW CHAMBERS —

Level 3,
No. 4/2, Millers Road,
Bangalore - 560052