



Anivesh
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Indirect Tax Updates From 16th May 2025 to 31st May 2025

Index

S. No.	Topic	Page No.
1	May 2025 GST Collections	1
2	GST Advisory	2
3	Important GST Case Laws	3-8
4	Central Excise Case Laws	9
5	Service Tax Case Laws	10
6	Customs Notifications	11-14
7	Customs Instructions	15
8	Foreign Trade Policy updates	16-19

May 2025 GST collections

GST Collections	May'24 (Rs. in Crores)	May'25 (Rs. in Crores)	% Growth (Rs. in Crores)
Gross domestic revenue	1,31,783	1,49,785	13.7%
Less: Refund – domestic	11,912	18,314	53.7%
Net Domestic Revenue	1,19,872	1,31,471	9.7%
Gross Import Revenue	40,956	51,266	25.2%
Less: Refund – Imports	16,446	8,896	45.9%
Net Customs Revenue	24,510	42,370	72.9%
State/ UT	Growth (+)	State/UT	Growth (-)
Lakshadweep	445%	Mizoram	-26%
Manipur	102%	Uttarakhand	-13%
Ladakh	89%	Dadra and Nagar Haveli and Daman & Diu	-6%
Chandigarh	53%	Andhra Pradesh	-3%
Andaman & Nicobar islands	45%	Uttar Pradesh	0%

Top 5
gainers

Top 5
losers

GST Advisory

1. Advisory dated May 16, 2025 on reporting values in Table 3.2 of GSTR-3B

- As per the earlier advisory dated April 11, 2025, it was communicated that the auto-populated values in Table 3.2 of Form GSTR-3B [details of inter-state supplies made to unregistered persons, composition taxable persons and UIN holders] would be made non-editable starting from the April 2025 tax period (i.e., for the return to be filed in May 2025).
- In the interest of taxpayer convenience and to facilitate smooth filing, it has been decided that Table 3.2 shall remain editable for the time being. Taxpayers are advised to report or amend the auto populated entries, if required and furnish their returns accurately, ensuring the correctness of the disclosed information.

Important GST Case Laws

1. M/s Viraj Steel & Energy Private Limited Vs. Jt. CST [Orissa High Court]

- The Petitioner's factory was subjected to a search and seizure operation, which revealed a shortage of 341.36 MT of MS Billets worth Rs. 1.53 crores. The Petitioner later filed an appeal after two years, which was rejected as time-barred under Section 107(4) of the CGST Act. Subsequently, the Petitioner then filed a writ petition challenging the SCN and demand order, arguing that confiscation is not valid without physical availability of goods.
- The Hon'ble Orissa High Court held that the power to confiscate goods and impose redemption fine under Section 130 of the CGST Act, 2017 is not limited to only physically available goods. The definition of 'goods' under Section 2(52) of the Act includes every kind of movable property other than money and securities. The Department can exercise the power of confiscation and imposition of redemption fine even when the goods are not physically available, such as when they have been released on a bond or undertaking.

Important GST Case Laws

2. M/s Medicana Vs. UOI & Others [Patna High Court]:

- The Petitioner failed to file GST returns for six consecutive months. The GST Department issued a SCN for cancellation of registration, which was uploaded only on the GST portal. An ex parte order of cancellation was passed without any personal hearing or response from the Petitioner. The Petitioner later attempted to file belated returns but was not able to file GST returns by the GST portal due to cancellation. Subsequently, the Petitioner approached the High Court, alleging violation of principles of natural justice.
- The Hon'ble Patna High Court held that SCN should have been served through multiple modes (e.g., registered post) as cancellation of registration has serious civil consequences. Such notice must be served through registered post under acknowledgment to ensure proper communication and adherence to principles of natural justice. Also, such cancellation order lacked substantive reasoning and failed to mention the Petitioner's failure to appear or reply, violating procedural fairness. Accordingly, SCN and Order issued by the Department was set aside and GST registration of the Petitioner got restored.

Anivesh (ALC) Comments: Uploading notices on the GST portal alone is not sufficient; proper service of notice through multiple modes (like registered post) is essential.

Important GST Case Laws

3. M/s Life Sciences Chemicals Vs. UOI [Gujarat High Court]

- The question before Hon'ble Gujarat HC was whether the assignment/transfer of leasehold rights over land and buildings attracts GST under the CGST Act, 2017, especially when the transfer is akin to a sale of land.
- The Hon'ble Gujarat HC reaffirmed its position taken in case of ***Gujarat Chamber of Commerce and Industry*** wherein it was held that transfer/assignment of leasehold rights over industrial land is a transfer of interest in immovable property, and not subject to GST. Para 5 of Schedule III excludes sale of land from GST, and such assignment of leasehold rights falls within this exclusion. Hence, GST is not applicable on the assignment/sale of leasehold rights of land.

Anivesh (ALC) Comments: Multiple contradicting judgments of various High Courts on issues like leasehold rights, transfer of development rights has created a lot of confusion in industry. A detailed judgment of Apex Court is awaited to settle all the issues.

Important GST Case Laws

4. **Khaleeque Ahmed Proprietor, M/s Mark AD Grafix Vs. Supdt, CGST [Delhi High Court]**

- The Petitioner challenged a demand order on ground that the SCN was never properly communicated (not uploaded on portal or sent by email). Also, the order was passed/uploaded beyond the deadline set under Notification No. 56/2023-Central Tax (i.e., after 30 April 2024). The Department admitted that the SCN and pre-notice consultation were only sent by speed post, and not uploaded or emailed.
- The Hon'ble Delhi High Court observed that order was signed on April 30, 2024 but uploaded on May 5, 2024, which is beyond the statutory deadline. Hence, it is part of a recurring procedural lapse in GST matters, where communications are not consistently uploaded or sent through digital means. Accordingly, the Hon'ble Delhi High Court directed the Department for not taking coercive steps against the Petitioner and is directed to create a proper SOP to ensure that all notices, orders, and communications are (a) uploaded on the portal, (b) sent by email on the registered email address, and (c) also sent by Speed post. Also, the Department was directed that every order/notice carries signatures, DIN, date, and is uploaded the same day it is passed. The matter is listed for further consideration on August 8, 2025.

Important GST Case Laws

5. M/s K. C. Timber Products Vs. Additional Commissioner, UP [Allahabad High Court]

- The Petitioner filed an appeal in 2021 against a tax order dated July 8, 2021. The Appellate Authority dismissed the appeal on December 24, 2024, solely on the ground that the certified copy of the impugned order was not filed in time as per Rule 108 of the CGST Rules.
- The Petitioner argued that the amendment to Rule 108(3) dated 26.12.2022 allows for submission of a self-certified copy of the order within 7 days of appeal filing is clarificatory in nature and must be applicable retrospectively.
- The Allahabad High Court agreed with the petitioner, holding that the amendment is procedural and clarificatory, and thus applies retrospectively. The appeal was filed electronically in time with all necessary documents, and the absence of a certified copy was a technical lapse. Hence, writ petition was allowed and remanded back to Appellate Authority for decision on merits.

Important GST Case Laws

6. M/s Sri Sai Vishwas Polymers Versus Union of India [Uttarakhand High Court]

- The Petitioner claimed a refund of Rs. 1,05,25,755/- under the IGST. A show cause notice was issued by the Department alleging ineligibility of this refund due to violation of Rule 96(10) of the CGST Rules, 2017. The Petitioner submitted responses, but the department rejected them and passed an order confirming the refund as inadmissible. The Petitioner challenged both the legality of Rule 96(10) of the CGST Rules and the order passed by the Department.
- The Hon'ble Uttarakhand High Court held that the omission of Rule 96(10) of the CGST Rules, 2017 without a saving clause renders it as if it never existed. Further, the Court relying on judgment passed by the Supreme Court's in case of *M/s Kolhapur Canesugar Works Limited*, it has been stated that all actions under the omitted rule must cease immediately. Therefore, any order passed after the omission, based on that rule, is without jurisdiction.

Anivesh (ALC) Comments: The principles outlined above equally extend to SCN's and orders issued in relation to the formula used for calculation of the Refund under exports made under LUT. The deletion of the Rules quashes the pending proceedings/ investigations related to past period as legally non-est.

Central Excise Case Laws

1. M/s Asiatic Drugs & Pharmaceuticals Private Limited versus Commissioner, CGST [Delhi – Central Excise]

- The Appellant imported goods under Advance Authorization before 01.07.2017. Due to partial non-fulfilment of export obligations, the appellant voluntarily paid applicable customs duties (including Countervailing Duty (CVD) and Special Additional Duty (SAD)) after 01.07.2017 (post-GST). A refund claim for Rs. 68,06,074/- (CENVAT credit of CVD and SAD) was filed under Section 142(3) of the CGST Act, 2017.
- The Hon'ble CESTAT, Delhi observed that Section 142(3) allows refund of duties paid under the pre-GST regime, even if paid after July 1, 2017. The department's contention was rejected that refund should be barred for duty paid post-GST. Accordingly, it has been held that refund of CENVAT credit of CVD and SAD paid post July 1, 2017 is allowed in cash under Section 142(3) of the CGST Act, provided such credit was admissible under the old law.

Anivesh (ALC) Comments: Taxpayers who paid CVD/SAD or similar duties after July 01, 2017, for imports or for other obligations arising under pre-GST licenses (e.g. Advance Authorisation), can claim refund under Section 142(3) of the CGST Act. Such judgment would be useful for exporters and importers affected by late fulfilment of Advance Authorisation conditions.

Service Tax Case Laws

1. M/s Baakir Real Estate Private Limited Versus Commissioner of CGST, Delhi South [Delhi – Service Tax]

- The question before Hon'ble CESTAT, Delhi was whether service tax was leviable on the consideration for transfer of development rights?
- The Hon'ble CESTAT, Delhi held that developer was conferred the right develop the project and right to sell the developed property along with the undivided interest in the land. Hence, the transfer of development rights is a transfer in immovable property and would not be considered as “service” under Section 65B(44) of the Finance Act, 1994.

Anivesh (ALC) Comments: The development rights, when not involving land title transfer, are not automatically taxable. However, contradicting judgments of various High Courts on issues like transfer of development rights under GST has created a lot of confusion in industry. A detailed judgment of Apex Court will settle such issue.

Customs – Notifications

1. **Notification No. 30/2025-Customs (Tariff) dated May 23, 2025:** Import Conditions removed for import of Bangalore Rose Onion, streamlining Agricultural Trade Regulations.

Anivesh (ALC) Comments: It would certainly eliminate prior exemption requirement for Bangalore Rose Onion, simplifying customs procedures and potentially reducing regulatory constraints for importers or traders of this specific agricultural product.

2. **Notification No. 31/2025-Customs (Tariff) dated May 30, 2025:**

- Basic customs duty reduced from 20% to 10% on import of crude soya bean oil, crude sunflower oil, and crude palm oils.
- The exemption condition extended to import of yellow peas for shipments with Bill of Lading issued on or before March 31, 2026.

Anivesh (ALC) Comments: Such changes are intended to stabilize domestic supply and prices while supporting the food processing and edible oil industries.

Customs – Notifications

3. **Notification No. 35/2025-Customs (N.T.) dated May 16, 2025** : Notices involving both customs and central excise duty demands for 100% export-oriented undertakings (EOUs) are being assigned in following manner:

Total duty amount (Customs + Excise)	Relevant Adjudicating Authority
Up to Rs. 5 lakhs	Deputy Commissioner or Assistant Commissioner
Up to Rs. 50 lakhs	Additional Commissioner or Joint Commissioner
Above Rs. 50 lakhs	Principal Commissioner or Commissioner

4. **Notification No. 36/2025-Customs (N.T.) dated May 23, 2025** : Raxaul–Birganj railway link is now officially a transit route under the India–Nepal Treaty of Transit.

Customs – Notifications

5. **Notification No. 37/2025-Customs (N.T.) dated May 26, 2025** : Jalna is officially allowed to handle both import and export activities. Goods can now be brought into or sent out of India through Jalna, just like at other major customs stations.
6. **Notification No. 39/2025-Customs (N.T.) dated May 30, 2025** : 700 pending appeal cases reassigned to the Commissioner of Customs (Appeals), Mumbai Zone-I. Such appeals were originally under the jurisdiction of the Commissioner of Customs (Appeals), Mumbai Zone-II.

Anivesh (ALC) Comments: Such reassignment is intended to streamline and expedite the adjudication and disposal process of pending appeals.

Customs – Notifications

5. **Notification No. 40/2025-Customs (N.T.) dated May 31, 2025** : Sea Cargo Manifest and Transshipment Regulations, 2018 amended. It changes the date in Form-XII, Sr. No. 6, to September 30, 2025.

Anivesh (ALC) Comments: Such adjustment modifies a compliance or operational deadline within the existing framework governing sea cargo manifest and transshipment procedures.

6. **Notification No. 38/2025-Customs (N.T.) dated May 30, 2025** : Tariff values revised for various imported goods, including edible oils like crude palm oil, soybean oil, brass scrap, areca nuts, gold, and silver.

Customs – Instructions

1. **Instruction No. 11/2025-Customs May 17, 2025**: Authorities directed to ensure that officers within their jurisdiction are being informed and made aware of restrictions on the import of certain goods from Bangladesh to India vide Notification No. 07/2025-26 May 17, 2025 issued by DGFT, Department of Commerce.
2. **Instruction No. 12/2025-Customs May 22, 2025**: Disposal of Red Sanders seized by DRI should also be undertaken by the Disposal units of the jurisdictional Customs field formations, as is being done in case of all other seized goods.

Foreign Trade Policy Updates

1. **Notification No. 7/2025-26 May 17, 2025:** Restrictions on the import of certain goods from Bangladesh to India. However, such said port restriction will not apply to Bangladesh goods transiting through India but destined for Nepal and Bhutan. The restrictions are as under:
 - Import of all kinds of Ready Made Garments from Bangladesh shall not be allowed from any land port, however, it is allowed only through Nhava Sheva and Kolkata seaports.
 - Import of Fruit/ Fruit flavoured and Carbonated Drinks; Processed food items; Cotton and Cotton Yarn Waste; Plastic and PVC finished goods, except pigments, dyes, plasticisers and granules that form input for own industries; and Wooden Furniture, shall not be allowed through any Land Customs Stations (LCSs)/ Integrated Check Posts (ICPs) in Assam, Meghalaya, Tripura and Mizoram; and LCS Changrabandha and Fulbari, in West Bengal.
 - The port restrictions do not apply to the import of Fish, LPG, Edible Oil, and Crushed stone from Bangladesh.
2. **Notification No. 8/2025-26 dated May 19, 2025:** Import policy of the gold, silver, and platinum revised to align with the Finance Act 2025.

Foreign Trade Policy Updates

3. **Notification No. 9/2025-26 dated May 19, 2025:** Schedule-II (Export Policy), ITC (HS) 2022 amended to align with changes under the Finance Act, 2025.
4. **Notification No. 10/2025-26 dated May 26, 2025:** RoDTEP rates and caps (Appendix 4R) amended to align with changes made in Customs Tariff Schedule under the Finance Act, 2025 w.e.f. May 1, 2025.
5. **Notification No. 11/2025-26 dated May 26, 2025:** RoDTEP benefits for AA holders, SEZs and EOUs has been restored w.e.f. June 01, 2025.

Anivesh (ALC) Comments: Such restoration would enhance exports by providing duty remission support to EOUs, SEZ units and AA holders.

6. **Notification No. 12/2025-26 dated May 26, 2025:** Name of designated gem certification agency updated from “International Gemmological Institute (India) Pvt. Ltd., Bandra Kurla Complex, Mumbai” to “**International Gemmological Institute (India) Limited, Bandra Kurla Complex, Mumbai**” with immediate effect. This amendment is a name correction and does not impact the functional scope of the agency.

Foreign Trade Policy Updates

7. **Notification No. 13/2025-26 dated May 26, 2025:** Restrictions on import of Roller Chains and parts thereof under ITC(HS) codes 73151100, 73151900 and 73159000 having CIF value of less than Rs. 235 per kilogram. However, such products valued at Rs. 235 per kilogram or above remain on free import list.
8. **Notification No. 14/2025-26 dated May 26, 2025:** Restrictions on import of Cabinet Hinges under ITC(HS) codes 83021010, 83021090, 83024200 and 83024900 having CIF value of less than Rs. 280 per kilogram. However, such products valued at Rs. 280 per kilogram or above remain on free import list.
9. **Notification No. 15/2025-26 dated May 26, 2025:** Removal of restrictions on the export of key leather products such as finished leather, wet blue leather, El tanned leather, crust leather. Further, there is now no requirement of mandatory testing and certification previously required by Central Leather Research Institute (CLRI).

Anivesh (ALC) Comments: Such change will certainly provide greater logistical flexibility and reduced compliance costs.

Foreign Trade Policy Updates

10. **Notification No. 16/2025-26 dated May 31, 2025**: Import of Yellow Peas under ITC (HS) Code 07131010 is "Free" without the MIP condition and without Port Restriction, subject to the registration under online Import Monitoring System, with immediate effect, for all import consignments where Bill of Lading (Shipped on Board) is issued on or before March 31, 2026.
11. **Public Notice No. 07/2025-26 dated May 16, 2025**: Description of export product amended i.e. from “Di-Octyl Phthalate (DOP)” to “**Di-Octyl Phthalate (DOP) (PVC Plasticizer)**” and also, the quantity of the such item amended i.e. from 0.700 kg to 0.680 kg in Standard Input Output Norm (SION) A-1303.
12. **Public Notice No. 08/2025-26 dated May 30, 2025**: Ayush Export Promotion Council (AYUSHEXCIL), Delhi authorized and enlisted under Annexure 2E of FTP 2023 as agency to issue certificate of origin (Non-Preferential).

THANK YOU

See You Next Time



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