

INDIRECT TAX DIGEST

19 December 2025

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GOODS & SERVICES TAX (GST)



LEGISLATIVE UPDATES

NOTIFICATION

<p>Order No. D.C. (A&R)-2/GST/PWR/Sections/2017-18/ADM-8 (Maharashtra SGST)¹</p>	<p>The following officers have been appointed as ‘proper officers’ for the purpose of undertaking actions under sections 74A, 122, 122A and 122B of the Maharashtra Goods and Services Tax Act, 2017:</p> <ul style="list-style-type: none"> ▪ All the Deputy Commissioners of State Tax; ▪ All the Assistant Commissioners of State Tax; and ▪ All the State Tax Officers.
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GSTN ADVISORY

<p>FAQs²</p>	<p>The GSTN has issued responses to various Frequently Asked Questions regarding disclosures in Form GSTR-9/9C for FY 2024-25.</p>
<p>GSTN Advisory³</p>	<p>From November 2025 tax period onwards, the value of inter-state supplies made to unregistered persons, composition taxpayers and Unique Identification Number holders as reported in Table 3.2 of Form GSTR-3B will be auto-populated from the corresponding supplies declared in Form GSTR-1/1A and Invoice Furnishing Facility (‘IFF’) and the same shall be made non-editable. The modifications in these values can be done by filing Form GSTR-1A for the same tax period or the same can be reported in Form GSTR-1/IFF that is filed for subsequent tax periods.</p>
<p>GSTN Advisory⁴</p>	<p>The GST registration of Taxpayers (except those registered only for compliances under Tax Collected at Source or Tax Deducted at Source or the persons who have obtained registration <i>Suo-moto</i>) who fail to furnish bank account details within thirty days of registration [as per Rule 10A of the Central Goods and Services Tax Rules, 2017 (‘CGST Rules’)] will be automatically suspended by the GST portal.</p> <p>Once bank account details are furnished, the cancellation proceedings will be automatically dropped by the portal. However, if the cancellation proceedings are not dropped automatically on the same day after adding bank details, the taxpayer can manually initiate the process.</p> <p>It is also clarified that the requirement to furnish bank account details is not mandatory for suppliers of Online Information and Database Access or Retrieval services (except those who have appointed a representative in India) and Non-Resident Taxable persons.</p>

¹ Dated 9 December 2025

² Dated 4 December 2025. The FAQs can be accessed by clicking [here](#).

³ Dated 5 December 2025

⁴ Dated 5 December 2025

JUDICIAL UPDATES

Reads down section 16(2)(aa) of CGST in respect of a bona fide claim of input tax credit

M/s. MCLEOD Russel India Ltd. Vs. Union of India and Ors. [TS-995-HC(GAUH)-2025-GST]

Issue

- Whether section 16(2)(aa) of Central Goods and Services Tax Act, 2017 ('CGST Act') is unconstitutional and arbitrary in as much as it seeks to deny input tax credit ('ITC') to a *bona fide* recipient?

Ratio

- Section 16(2)(aa) of CGST Act stipulates a condition that Form GSTR-2A/2B should reflect the payment of tax which may or may not have been paid or correctly uploaded. Merely because of this condition, ITC to a *bona fide* buyer cannot be denied as it would be against the object and purpose of CGST Act.
- The aforesaid restriction on the claim of ITC is quite unfair as an onerous burden is placed on the purchasing dealer. Since the object of inserting section 16(2)(aa) is to prevent fraudulent claim of ITC and promote supplier compliance, the said amendment is not held unconstitutional.
- Presently, the said amendment is only read down to hold that in case of a supplier being absent, before denying ITC to a *bona fide* recipient, the tax authority must give an opportunity to the recipient to prove his *bona fides*, which can be verified by tax invoices and other documents.

Amount demanded in the Order cannot exceed the alleged demand in the show cause notice

Ukas Goods Carrier Vs. Union Territory of JK & Ors. [TS-987-HC(J&K)-2025-GST]

Issue

- Whether the amount demanded in the Order can exceed the alleged demand as per the show cause notice ('SCN').

Ratio

- The SCN must specify the amount of tax, along with interest and penalty, alleged to have been payable by Taxpayer. This gives a clear and adequate opportunity to the Taxpayer to respond and make representation.
- Section 75(7) of CGST Act ensures that the final order issued under section 74(9) is not passed for an amount in excess of the amount specified in SCN. Further, the tax authorities must not pass an order on the grounds other than those specified in the SCN.
- In the present case, the Order is issued, confirming a demand for an amount exceeding the amount specified in SCN. Hence, the Order violates section 75(7) of CGST Act and the principles of natural justice.
- In view of the above, the Order was set aside, with a liberty to the tax authority to reconsider the matter and pass a fresh order. Further, if the tax authority intends to issue an order in excess of the amount specified in SCN, it must issue a fresh SCN for such excess amount if the same is within limitation.

Review Petition filed by the tax authority against the earlier decision affirming the mandatory nature of the 60-day time limit for disbursal of refund applications dismissed

The Assistant Commissioner of West Bengal State Tax, Cooch Behar Charge and Ors. Vs. Suraj Mangar [TS-994-HC(CAL)-2025-GST]

Historical Background

- The Impugned High Court Order⁵ held that the time limit of 60 days as provided in section 54(7) of CGST Act is mandatory and its non-compliance vitiates the order.

Issue

- Whether the Impugned High Court Order holding the mandatory nature of the time limit of 60 days stipulated in Section 54(7) of CGST Act is bad in law.

Ratio

- The reliance placed by the tax authorities on the GST Council minutes by way of supplementary affidavit was unsustainable as the tax authorities cannot bring additional materials on record that were not present at the time when the Impugned High Court Order was passed.
- The Supreme Court in *Canon India*⁶ does not lay down any absolute proposition that wherever all subsisting judgments on the topic or every statutory provision is not considered, the Court would reopen the entire gamut of arguments and enter into a re-examination of the law and facts of the case in the garb of a review, particularly when such provision was not argued in the original hearing.
- In review, the court's jurisdiction is limited to errors apparent on the face of the record. Further, a judgment can operate as a precedent only for what has been actually held therein and not for the secondary/tertiary propositions or legal fictions that can be derived / deduced from its ratio.

⁵ Suraj Mangar Vs. The Assistant Commissioner of West Bengal State Tax and Others. [2025 (8) TMI 241 - Calcutta High Court]

⁶ Commissioner of Customs Vs. Canon India Pvt. Ltd. [2025 (4) SCC 509]

- Section 56 of CGST Act was specifically considered in the Impugned High Court Order wherein it was observed that the said provision highlights the mandatory nature of section 54(7) of CGST Act rather than mitigating it. The issue of depletion of public exchequer on paying interest to individuals due to delays by the proper officer was also considered. Thus, the High Court had examined the facts and law and the same is explicit in the Impugned High Court Order.
- Hence, under the garb of review, the High Court cannot reopen the entire hearing and permit re-argument on merits by taking into consideration the provisions which were not cited earlier as well as the “real” connotation of the provisions cited in Impugned High Court Order.
- Hence, the present case does not come within the scope of Order XLVII Rule 1 of the Code of Civil Procedure, 1908 and consequently, the Review Petition was dismissed.

CUSTOMS



LEGISLATIVE UPDATES

NOTIFICATION

07/2025-Customs(CVD) ⁷	<p>Vide Notification No. 3/2021-Customs(CVD)⁸, Countervailing Duty ('CVD') was imposed on 'Textured Tempered Glass', classified under HSN 7007 1900, originating in, or exported from Malaysia, for a period of five years till 9 March 2026.</p> <p>Vide Notification No. 07/2025-Customs(CVD), the applicability of the aforesaid notification has been extended till 8 June 2026.</p>
34/2025-Customs (ADD) ⁹	<p>Vide Notification No. 14/2021-Customs (ADD)¹⁰ (as amended from time to time), Anti-Dumping Duty ('ADD') was imposed on 'Faced Glass Wool in Rolls' originating in or exported from People's Republic of China, for a period of five years till 17 March 2026.</p> <p>Vide Notification No. 34/2025-Customs (ADD), the levy of ADD on the aforesaid product, classifiable under HSN 7019, has now been extended till 17 June 2026.</p>

INSTRUCTION

33/2025-Customs ¹¹	The Calcutta High Court in India Paint Association ¹² quashed Notification No. 12/2025-Customs (ADD) ¹³ levying anti-dumping duty ('ADD') on import of Titanium Dioxide originating in or exported from China PR. Accordingly, the customs authorities have been directed to stop collecting ADD on imports of Titanium Dioxide originating in, or exported from, China PR.
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PUBLIC NOTICE

13/2025 (New Delhi Commissionerate) ¹⁴	Public Grievance Officer has been appointed for the Office of Principal Commissioner of Customs, Inland Container Depot, Tughlakabad (Import). It is also clarified that a Turant Seva Kendra ('TSK') is also functioning in the said office for expediting the grievances of trade related to faceless assessment of import consignments. Further, a 'Customs Facilitation Centre' is also functioning under the said Commissionerate and the trade may approach the facilitation centre for any kind of guidance and support on Customs procedures and related issues.
14/2025 (New Delhi Commissionerate) ¹⁵	<p>To streamline the digitisation of warehouse processes, all stakeholders are requested to ensure that all warehouse-to-warehouse movements are carried out electronically through ICEGATE Portal. Further, public notices issued by the designated Customs formations on onboarding and registration of warehouses must be duly followed.</p> <p>Additionally, the existing system is improved to permit ex-bonding from a warehouse only if sufficient goods are available in the ledger maintained for that Importer Exporter Code at the concerned warehouse. This modification would apply to all into-bond Bills of Entry filed on or after 1 September 2025. Accordingly, every movement from one warehouse to another must be carried out electronically through the ICEGATE portal and no manual permission would be granted for bond-to-bond movements.</p> <p>However, it is observed that the importers are facing difficulties in bond-to-bond movement and ex-bonding, etc. electronically due to incorrect stock balance in the ICEGATE portal. Accordingly, for such errors (where the into bond Bill of Entry is dated prior to 1 September 2025), the facility would be extended to allow manual clearance. In this regard, the preliminary documents required to be submitted to resolve such issues have been prescribed.</p>

⁷ Dated 7 December 2025

⁸ Dated 9 March 2021

⁹ Dated 15 December 2025

¹⁰ Dated 18 March 2021

¹¹ Dated 5 December 2025

¹² India Paint Association Vs. Union of India and Ors. [2025 VIL-1250-CAL-CU]

¹³ Dated 10 May 2025

¹⁴ Dated 4 December 2025

¹⁵ Dated 12 December 2025

FOREIGN TRADE POLICY



LEGISLATIVE UPDATES

NOTIFICATION

49/2025-26 ¹⁶	Effective 9 December 2025, the imports under Diamond Imprest Authorisation are exempted from the levy of Integrated Goods and Services Tax and Compensation Cess leviable under section 3(7) and 3(9) of Customs Tariff Act, 1975 ('CT Act').
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PUBLIC NOTICE

35/2025-26 (Department of Commerce) ¹⁷	Amendments have been made to chapter 7 of the Handbook of Procedures, 2023 ('HBP') and Revised Form ANF-7A is issued to clarify the jurisdiction of Regional Authorities/Export Oriented Units. Further, the procedure for claiming Deemed Export benefits has also been revised and streamlined.
36/2025-26 (Directorate General of Foreign Trade, Department of Commerce) ¹⁸	The format for Appendix-2G of Foreign Trade Policy, 2023 ('FTP') has been revised to consolidate all approvals and updates relating to the enlistment and operation of Pre-Shipment Inspection Agencies ('PSIA') under Appendix-2G of FTP. It also incorporates the approvals granted in the 27 th Inter-Ministerial Committee Meeting ¹⁹ , including two new enlistments under Para 2.52(c) of HBP, eleven approvals for addition of instruments and one change in head office address.

CENTRAL EXCISE/ SERVICE TAX/ VALUE ADDED TAX



LEGISLATIVE UPDATES

NOTIFICATION

The Central Excise (Amendment) Act, 2025 (No. 34 of 2025) ²⁰	The Central Excise (Amendment) Bill, 2025 was introduced by Finance Minister in the Lok Sabha on 1 December 2025 to enable the Government to increase the effective rate of Central Excise Duty on tobacco and tobacco products so as to keep the effective rate of tax on these products same, post phase out of GST Compensation Cess. The bill has been approved by both the houses of Parliament (i.e., Lok Sabha and Rajya Sabha) and thereafter, it has received the President's assent on 11 December 2025 and accordingly, the Central Excise (Amendment) Act, 2025 (No. 34 of 2025) has been enacted and the same will come into effect from a date as may be notified.
The Health Security se National Security Cess Act, 2025 (No. 35 of 2025) ²¹	The Health Security se National Security Cess Bill, 2025 was introduced by the Finance Minister in the Lok Sabha on 1 December 2025. The bill seeks to levy cess on pan masala on the basis of installed production capacity. This cess is targeted to contribute towards twin purposes of public health and national security. The bill has been approved by both the houses of Parliament (i.e., Lok Sabha and Rajya Sabha) and thereafter, it has received the President's assent on 15 December 2025 and accordingly, the Health Security se National Security Cess Act, 2025 (No. 35 of 2025) has been enacted and the same will come into effect from a date as may be notified.

¹⁶ Dated 9 December 2025

¹⁷ Dated 10 December 2025

¹⁸ Dated 10 December 2025

¹⁹ Held on 25 June 2025

²⁰ Dated 11 December 2025

²¹ Dated 15 December 2025

INDIRECT TAX NEWS FLASH



Money Control (8 & 9 December 2025)	<ul style="list-style-type: none"> ▪ Demand sustains beyond festive season: GST 2.0 cuts, retail offers aid November auto market performance ▪ Insurance premiums log FY26's biggest jump in November as GST exemption lifts demand
LiveMint (6 & 9 December 2025)	<ul style="list-style-type: none"> ▪ Indian economy to grow 7% or more in FY26; customs next big reform area: Sitharaman ▪ Customs clean-up next: How India plans to simplify duties and cut costs
CNBC TV18 (10 December 2025)	<ul style="list-style-type: none"> ▪ India in final stage of FTA talks with Oman, New Zealand, Chile and Israel as trade discussions intensify
Economic Times (13 & 14 December 2025)	<ul style="list-style-type: none"> ▪ GST reforms may reduce retail inflation by 35 basis points in 2025-26: SBI report ▪ India-Mexico FTA talks begin amid looming tariff hikes
Business Standard (11 & 14 December 2025)	<ul style="list-style-type: none"> ▪ GST 2.0 pushes away Bill volumes to third-highest ever at 129.8 million in Nov ▪ Beyond digital fixes: Why Indian Customs needs an integrity overhaul
Outlook (12 December 2025)	<ul style="list-style-type: none"> ▪ India, New Zealand discuss ways to fast-track FTA talks



This Indirect Tax Digest summarises the key indirect tax legislative developments issued and made available on relevant government portals (including, but not limited to, those of CBIC and DGFT) between 3 December 2025 and 16 December 2025. This digest is for informational purposes only and does not constitute professional tax advice. While every effort has been made to ensure accuracy, no representation or warranty, express or implied, is given as to the completeness or correctness of the information. Readers should consult their tax advisors regarding the specific implications of any legislative changes discussed. This information is based on publicly available data as of the date indicated and is subject to change.

²¹ Dated 12 November 2025

²² Our update on the same may be accessed by clicking [here](#) and [here](#).

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