

# INDIRECT TAX DIGEST

01 August 2025

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## GOODS & SERVICES TAX (GST)



### LEGISLATIVE UPDATES

#### NOTIFICATION

<p>eCF No. 654225/143 (Assam SGST)<sup>1</sup></p>	<p>The Government of Assam has notified the Assam Goods and Services Tax (Reimbursement for Indigenous Bell Metal Industries) Scheme, 2025 (Scheme) for reimbursement of State tax paid through the Electronic Cash Ledger (ECL) under Assam Goods and Services Tax Act, 2017 (AGST Act) by taxpayers engaged in manufacture and sale of indigenously produced Bell Metal Items. The gist of the key provisions of the Scheme are as under:</p> <ul style="list-style-type: none"> <li>▪ <b>Duration:</b> The Scheme will be applicable for a period of 10 years from the first date of the month for which such reimbursement is allowed.</li> <li>▪ <b>Separate GST registration:</b> An eligible manufacturer shall be considered as a separate business vertical and shall be required to obtain a separate GST registration.</li> <li>▪ <b>Eligible amount to be reimbursed under the Scheme:</b> An eligible manufacturer making Intra-State supply of Indigenous Bell Metal shall be entitled to receive reimbursement of 100% of State Goods Services Tax (SGST) paid through ECL.</li> </ul>
<p>S.O. 146 (Bihar GST and VAT)<sup>2</sup></p>	<p>The Government of Bihar has introduced the Bihar Taxpayer Accidental Death Grant Scheme, 2025 (the Scheme) for Non-corporate Taxpayers registered under Bihar Value Added Tax Act, 2005 and Bihar Goods and Services Tax Act, 2017. Under this Scheme, in case of accidental death<sup>3</sup> of an eligible taxpayer, a grant of INR 0.5 Mn. shall be paid to the nominee or legal dependents of the taxpayer.</p>

#### GSTN ADVISORY

<p>GSTN Advisory<sup>4</sup></p>	<p>The GST Portal is enabled to allow taxpayers to file an Appeal in Form APL-01 against the Rejection Order (in Form SPL-07) issued in respect of Amnesty Scheme (under section 128A of the Central Goods and Services Tax Act, 2017 (CGST Act)). The steps for filing the appeal have been provided. Further, an option has also been enabled for restoring the appeal (filed against original demand order) which was withdrawn for filing application under Amnesty Scheme. However, the option to withdraw appeals filed under the Amnesty Scheme is not available and hence, taxpayers must exercise due caution.</p>
<p>GSTN Advisory<sup>5</sup></p>	<p>An Email and SMS notification service will be shortly introduced to inform taxpayers of every successful OTP consent access granted by them to Application Suvidha Providers (ASP). The taxpayer's authorised signatory will receive a notification containing the following details:</p> <ul style="list-style-type: none"> <li>▪ Name of ASP and the underlying GST Suvidha Providers (GSP);</li> <li>▪ Date and time of OTP consent; and</li> <li>▪ Validity Period of the consent.</li> </ul> <p>Further, the GST Portal will also be enhanced to provide details of the current and historical access gained by ASP/GSP and enable the taxpayer to revoke any active consent.</p>

<sup>1</sup> Dated 14 July 2025

<sup>2</sup> Dated 16 July 2025

<sup>3</sup> Death due to accident caused by external violence which is apparent in nature and, as an illustration, shall include Train or road accident, electric shock, snake-bite, drowning, burning from fire, falling from tree or building, attack by wild animals, terrorist or criminal attack or death caused by atomic radiation and war etc. However, it shall not include death caused by self-inflicted injury or suicide or accident caused under inebriated condition or death caused while committing criminal offences or natural death or death caused by disease.

<sup>4</sup> Dated 16 July 2025

<sup>5</sup> Dated 17 July 2025

GSTN Advisory <sup>6</sup>	<p>Table 3.2 of Form GSTR-3B automatically captures the details of Inter-State supplies made to unregistered persons, composition taxpayers and Unique Identification Number holders out of the supplies declared in Table 3.1 and 3.1.1 of Form GSTR-3B. These details are captured from the details uploaded by the Taxpayer in Form GSTR-1/Invoice Furnishing Facility (IFF)/GSTR-1A.</p> <p>Currently, the value of supplies auto-populated in Table 3.2 can be edited/ amended. However, <i>vide</i> GSTN Advisory<sup>7</sup>, it was informed that for the tax period starting from April 2025 onwards, the auto-populated values in Table 3.2 of Form GSTR-3B will be non-editable. Any modification/ amendment can be done only by amending the corresponding values in respective tables of Form GSTR-1A or through Form GSTR-1/IFF filed for subsequent tax period. However, the implementation of this restriction was deferred <i>vide</i> GSTN Advisory<sup>8</sup>.</p> <p>In this regard, <i>vide</i> the present GSTN Advisory, it is clarified that the aforesaid restriction shall now be made applicable from July 2025 tax period onwards.</p>
GSTN Advisory <sup>9</sup>	<p>It is observed that the GST portal had inadvertently issued notices in Form GSTR-3A for non-filing of Form GSTR-4 to cancelled Composition Taxpayers due to a system related glitch. Such instances also include taxpayers whose registrations was cancelled prior to FY 2024-25.</p> <p>In this regard, the Taxpayers who have duly filed the relevant return or whose registration was cancelled prior to FY 2024-25 have been advised to ignore such notices and raise a grievance on the GST Portal for other issues.</p>

## ORDERS

DTT-D011/10/2025-Policy -T&T/430 (Delhi SGST) <sup>10</sup>	The Government of Delhi has issued an order to reimburse the amount of Delhi Goods and Services Tax (DGST) payable and deposited on services by way of admission to exhibition of the film 'Tanvi - The Great' in Multiplexes / Cinema Halls of Delhi, subject to prescribed conditions and restrictions.
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## JUDICIAL UPDATES

### Input tax credit on goods and services used for construction of immovable property is not available

#### HMSU Rollers (India) Pvt. Ltd. [TS-385-AAR(GUJ)-2025-GST]<sup>11</sup>

#### Issue

- Whether proportionate ITC is eligible on the following:
  - Steel, cement and other consumables to the extent of their utilisation in execution of works contract service when supplied for construction of immovable property, in the form of factory, being an Integrated Factory Building with Gantry Beam, used for mounting across the pre-cast concrete beams, poles over which the crane would be operated (Factory).
  - Installation and Erection Services of the Pre-Engineered Building (PEB) when supplied for construction of the factory.
  - Other capital goods like rails, electrification, etc. installed or erected for smooth operation of crane.

#### Ratio

- The Supreme Court ruling in **Safari Retreats**<sup>12</sup> held that in the case of works contract, benefit of ITC is not available in respect of services supplied for construction of immovable property, subject to the following two exceptions:
  - When the goods, services or both, are received for construction of 'plant and machinery'; and
  - Where the works contract service supplied for construction of immovable property is an input service for further supply of works contract services.
- As per the above Supreme Court ruling, construction can be said to be done on taxable person's own account if:
  - It is made for his personal use and not for service; or
  - It is to be used by the person constructing as a setting in which business is carried out further stating that construction cannot be said to be on a taxable person's 'own account' if it is intended to be sold or given on lease or license.
- In the instant case, applying the wordings of section 17(5)(c) and (d) and its interpretation by the Supreme Court, the ITC is blocked and by no stretch of imagination can the structure under consideration be covered under the scope of 'plant and machinery'. Further, even if it is assumed to be a plant and machinery, even then, in terms of the second explanation to section 17(5) of CGST Act, civil structures are excluded from the definition of 'plant and machinery'.
- Considering the above, ITC on works contract and services received for construction of immovable property on his own account is blocked. Hence, ITC on inputs and input services used for construction of immovable property is not available. This finding is also substantiated *vide* the amendment in section 17(5)(d) of CGST Act through the Finance Act, 2025.

<sup>6</sup> Dated 19 July 2025

<sup>7</sup> Dated 11 April 2025. Our update on the same can be accessed by clicking [here](#)

<sup>8</sup> Dated 16 May 2025. Our update on the same can be accessed by clicking [here](#).

<sup>9</sup> Dated 20 July 2025

<sup>10</sup> Dated 23 July 2025

<sup>11</sup> **Editor's Note:** Although the amendment to Section 17(5)(d) of CGST Act as per section 124 of Finance Act, 2025 has not been made effective, the entire ruling refers to the phrase 'plant and machinery' and also draws an analogy from the said amendment and hence, the same is referred to in the ensuing paragraphs.

<sup>12</sup> Chief Commissioner of Central Goods and Service Tax vs M/s Safari Retreats Private Limited [TS-622-SC-2024-GST]

- As regards ITC eligibility on procurement of other capital goods, it may be noted that once capital goods like rails, electrification, etc. installed or erected for smooth operation of crane, they are embedded in the civil structure and hence, becomes an immovable property. As a result, ITC stands blocked under section 17(5)(c) and 17(5)(d) of CGST Act. Thus, the averment regarding availment of proportionate credit on such capital goods is not legally tenable.

### Sets aside the unlawful overnight custody of detinue during detention at Zonal Office

#### Barkha Bansal Vs. State of U.T., Chandigarh and Ors. [CRWP-6077-2025 (O&M) (Punjab and Haryana High Court)]

##### Issue

- Whether keeping a person summoned under section 70 of CGST Act overnight in the Zonal Office can be construed as voluntary and not violative of constitutional safeguards?
- Whether the arrest of a person summoned under section 70 would be legally sustainable if there is a substantial non-compliance of section 69 of CGST Act by the Directorate General of GST Intelligence (DGGI) officers while granting authorisation for such arrest?
- Whether the grounds of arrest need to be furnished to the person concerned when formal arrest is affected or when he is first put under restraint by DGGI officials?

##### Ratio

- Non-functioning CCTV cameras**
  - The Supreme Court in *Paramvir Singh Saini inter<sup>13</sup> alia* held that CCTV systems must be installed and equipped with night vision and must necessarily have audio and video footage.
  - The affidavit filed by tax authorities states that cameras have been installed on the premises of the Zonal Office but due to some ongoing construction work, they are intermittently non-functional.
  - The above explanation regarding CCTV cameras is rather incongruous because all electronic and digital resources of the Zonal Office including the E-office portal, were fully functional. It is beyond comprehension as to how only the cameras were affected.
  - In absence of any details regarding the allegedly ongoing construction work or the nature of obstruction caused to the operation of cameras, the aforesaid explanation is liable to be rejected inevitably leading to the inference that the cameras were intentionally made non-functional.
- Keeping a summoned person overnight in the zonal office**
  - It is a settled law that an arrest is an overt act that significantly impacts how society views the arrestee<sup>14</sup>. Hence, multiple procedural safeguards are put in place by the Legislature as well as Judiciary to ensure that arrests are not mechanically made.
  - In *Ram Kotumal Issrani<sup>15</sup>*, the Bombay High Court expressed strong disapproval of the practice of detaining a person overnight for recording his statement under section 50 of Prevention of Money Laundering Act, 2002. Similarly, the Telangana High Court in *Agarwal Foundries<sup>16</sup>* had held that keeping a prospective accused in the office premises at ungodly hours would take the colour of an informal custody as it involves deprivation of the liberty. Hence, the said person would be entitled to the constitutional protections provided under Articles of 21 and 22 of the Constitution of India (Constitution).
  - In the present case, no justifiable reasons exist to keep the Taxpayer in Zonal Office for over 30 hours. Further, a *prima facie* cognisable offence was yet to be made out against the detinue and in spite of that, he was kept in the Zonal Office overnight and was subjected to prolonged interrogation. It does not stand to reason that the detinue, a family man, would voluntarily subject himself to such treatment.
  - Further, at this stage only data had been extracted from the laptop of the detinue for forensic analysis. In absence of cognisable offence, it was premature on the part of DGGI officials to entertain the idea of arrest, let alone justify it. Such observation itself suggests that the detinue was not a free agent while he remained in the Zonal Office overnight.
  - When a person is summoned to the office of State-run agency and kept under constant watch, an atmosphere suggesting stepping out is not an option is created. The very fact that DGGI officials do possess the power to arrest is sufficient to induce a sense of fear and inhibition in the mind of detinue, making the matter a prime example of psychological coercion.
  - Thus, the DGGI officials have failed to indicate any reasons necessitating the continuation of interrogation at night which led to detinue being held in informal custody for an indefinite period. Hence, the detinue is entitled to the protections available under Articles 21 and 22 of Constitution, as held in *Agarwal Foundries (supra)*. Further, the detinue is also entitled to be released in view of the directions issued in *Mahesh Devchand Gala<sup>17</sup>* that led to issuance of Circular dated 27 March 2025.

<sup>13</sup> Paramvir Singh Saini Vs. Baljit Singh and Ors. [2021 (1) SCC 184]

<sup>14</sup> Sukhwant Singh Vs. State of Punjab [2009 (4) RCR (Criminal) 868]

<sup>15</sup> Ram Kotumal Issrani Vs. Directorate of Enforcement and Ors. [2024 SCC Online Bom. 1050]

<sup>16</sup> Agarwal Foundries [TS-962-HC-2020(AP)-NT]

<sup>17</sup> Mahesh Devchand Gala [TS(DB)-GST-HC(BOM)-2024-886]

▪ **Compliance of section 69 of CGST Act**

- It is a settled law that the officers are required to show substantive reasons to believe that an offence has been committed by the prospective accused. Further, the Courts are required to strike a balance between the reasonable needs of law enforcement agencies and protection of citizens from abuse of power.
- Judicial review is available to the extent of examining whether the satisfaction regarding 'reasons to believe' is based upon material which establishes the guilt of the arrestee and if adequate and due care is taken to ensure that the arrest is not made arbitrarily, on whims and fancies of the tax authorities. Additionally, it is also mandatory to provide the grounds of arrest along with 'reasons to believe' to the arrestee.
- The Hon'ble Supreme Court in *Radhika Agrawal*<sup>18</sup> has laid down that a Commissioner must:
  - o Record his opinion on the file;
  - o Consider the nature of offence;
  - o The role of the person involved;
  - o The evidence available on record;
  - o Satisfaction that person involved is guilty of the offence;
- In the present case, though a formal order was passed on the basis of the arrest proposal made through the E-office portal, neither did the designated officer make any recording on the file nor recorded any satisfaction after examining the relevant material. As such it appears that the opinion has been rendered without following the principles laid down in the aforesaid Supreme Court ruling which further renders the authorisation to arrest granted by the designated officer under Section 69 devoid of objective standards of reasons and justice.
- Further, authorisation was granted digitally, without even verifying if the relevant material calls for an arrest. This alone would be sufficient to hold that there is total non-compliance of the procedure prescribed under Section 69 of CGST Act.
- The designated officer merely gave authorisation on the *ipse dixit* of the tax authorities, who had forwarded the proposal to arrest. The approach adopted is mechanical in nature and does not reflect application of mind. Further, the record was not produced in Court and the affidavits filed by tax authorities do not contain any information regarding the issuance of the communication and authorisation under Section 69 of the CGST Act along with the DIN.
- The failure to follow the principles mandated by law while granting authorisation to arrest certainly vitiates the arrest as it suffers from an incurable illegality.

▪ **Relevant time when the grounds of arrest is to be communicated**

- The arrest of the taxpayer would be assumed to have commenced during his overnight detention at the zonal office as he was deprived of his right to freedom of movement beyond the boundaries of the zonal office.
- While the DGGI officials put the detinue under restraint at 5.46 PM on 5 June 2025, they did not show any urgency in supplying the grounds of arrest. As such, the subsequent process of arrest and remand stands vitiated.
- The DGGI officials also failed to supply the detinue with the 'reasons to believe' that he has committed an offence under the CGST Act, necessitating his arrest. Such conduct is in clear violation of the ratio laid down by the Hon'ble Supreme Court in *Radhika Agarwal (supra)* and *Arvind Kejriwal*<sup>19</sup>, and thus renders the arrest of the taxpayer illegal and non-est in the eyes of law.
- There is nothing available on the record that would prompt this Court to disbelieve the report of the Warrant Officer.
- The statement of any person summoned by DGGI must be recorded during office hours. Further, the person so summoned is well within his rights to record his statement in the presence of his counsel. The counsel may be present in the field of vision of the taxpayer, but not his hearing range. Additionally, any person summoned by DGGI may request his statement to be recorded under CCTV surveillance.
- The issue revolving around the obstructions caused to the Warrant Officer as well as in the release of the taxpayer, shall be taken up for further consideration in the next scheduled date of hearing.
- The DGGI officials were also directed to furnish an affidavit showing complete compliance with the directions issued by the Hon'ble Supreme Court in *Paramvir Singh Saini (supra)* and deliberate as to why records have not been produced.

<sup>18</sup> Radhika Agarwal [TS-96-SC-2025-GST]

<sup>19</sup> Arvind Kejriwal Vs. Directorate of Enforcement [2025 2 SCC 248]

## CUSTOMS



### LEGISLATIVE UPDATES

#### NOTIFICATION

25/2025-Customs (ADD) <sup>20</sup>	<p><i>Vide</i> Notification No. 08/2021-Customs (ADD), effective 19 February 2021, Anti-Dumping duty (ADD) was imposed for a period of five years on ‘Aniline’ (HSN 2921 41) originating in or exported from China PR. <i>Vide</i> Notification No. 25/2025-Customs (ADD), effective 18 July 2025, such levy has been continued for a period of five years from the date of publication of the said notification.</p>
Corrigendum <sup>22</sup> to Notification No. 18/2025-Customs (ADD) <sup>23</sup>	<p><i>Vide</i> Notification No. 18/2025 (ADD)<sup>21</sup>, effective 23 June 2025, ADD was imposed for a period of five years on ‘Linear Alkyl Benzene’ classified under HSN 3817 0011, originating in or exported from Iran and Qatar. A corrigendum has been issued in respect of the above notification to provide that -</p> <ul style="list-style-type: none"> <li>▪ The concessional rate of ADD in respect of imports from Iran Chemical Industries Investment Co. (Iran) shall now apply to exports made by it from ‘Any country including Iran’ (Earlier ‘Iran’).</li> <li>▪ Similarly, the concessional rate of ADD in respect of imports from SEEF Ltd. (Qatar) shall now apply to exports made by it from ‘Any country including Qatar’ (Earlier ‘Qatar’).</li> </ul>

#### CIRCULAR

18 <sup>24</sup> & 19 <sup>25</sup> /2025-Customs	<p>Circular No. 34/2019-Customs<sup>26</sup> clarified that an application under the Manufacturing and Other Operations in Warehouse Regulations (MOOWR) could be made on a microsite hosted on Invest India portal.</p> <p>In this regard, Circular No. 18/2025-Customs was issued to provide that the above functionality shall no longer be available and the applicants desirous of obtaining a license under MOOWR are required to submit their application directly to the jurisdictional Principal Commissioner / Commissioner of Customs.</p> <p>However, <i>vide</i> Circular No. 19/2025-Customs, Circular No. 18/2025-Customs was withdrawn and it was clarified that the functionality to file MOOWR application through Invest India portal shall continue till 31 October 2025. Further, an alternate digital model for filing MOOWR applications is also under consideration and the same will be transitioned to the new system in due course.</p>
20/2025-Customs <sup>27</sup>	<p>CBIC has clarified that only in case of import of inputs mentioned in Para 4.29 of the Foreign Trade Policy, 2023 (FTP), correlation of technical characteristics, quality and specification of inputs with export product is required to be established when imported under the Duty Free Import Authorisation Scheme. Further, in case of inputs specified in Para 4.12 and 4.28(iii) of FTP, only the name of specific input along with its quantity is required to be declared in Shipping Bill / Bill of Export. Declaration of technical characteristics, quality and specification of the inputs used in the manufacture of the export product is not required.</p>

#### INSTRUCTION

24/2025-Customs <sup>28</sup>	<p>It is clarified that an electronic Certificate of Origin (e-CoO) issued by the Mauritius Revenue Authority is a valid document for claiming preferential tariff treatment under the India-Mauritius Comprehensive Economic Cooperation and Partnership Agreement, subject to certain conditions and restrictions including those provided in Notification No. 38/2021-Customs (NT)<sup>29</sup>.</p> <p>Further, for defacement purposes, a printed copy of e-CoO shall be presented to the Customs officer who shall cross-check the Unique Reference Number and other particulars entered in the Bill of Entry with the printed copy of e-CoO. Dated 31 March 2021</p>
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<sup>20</sup> Dated 18 July 2025  
<sup>21</sup> Dated 19 February 2021  
<sup>22</sup> Dated 24 July 2025  
<sup>23</sup> Dated 23 June 2025  
<sup>24</sup> Dated 22 July 2025

<sup>25</sup> Dated 23 July 2025  
<sup>26</sup> Dated 1 October 2019  
<sup>27</sup> Dated 24 July 2025  
<sup>28</sup> Dated 22 July 2025  
<sup>29</sup> Dated 31 March 2021

## JUDICIAL UPDATES

### Statements and documents arising from an Income tax investigation is not admissible as evidence in Central Excise proceedings

#### Kushal Raj Jain and Ors. Vs. Commissioner, Central Excise, Jaipur [TS-618-CESTAT-2025-EXC]

##### Issue

- Whether the statements given by various persons under the Income Tax Act, 1961 (IT Act) can be used as evidence in the proceedings under the Central Excise Act, 1944 (CE Act)?
- Whether personal penalty can be imposed in the absence of any allegation pertaining to confiscation of goods?

##### Ratio

- **Admissibility of statements given by various persons under IT Act as evidence**
  - Section 9D of CE Act provides that statements made before a Gazetted Officer of Central Excise are relevant to prove a case either in a Court or in any other proceeding, if such a statement is admitted as evidence after following the prescribed procedure.
  - Income tax officers are empowered to examine persons on oath and to record statements under sections 131, 132, 133A and 133H of IT Act. These provisions also make it explicit that such statements can be used in proceedings under IT Act. However, nothing in any of these provisions suggest that the statements so recorded can be used as evidence to prove any case under CE Act. Similarly, nothing in CE Act provides that the statements recorded under the IT Act by Income tax officers can be used as evidence in the proceedings under the CE Act. Similarly, documents recovered under an Income Tax investigation cannot be used to demand CE duty. Thus, none of the documents relied upon in the Impugned Show Cause Notice (SCN) are of any evidentiary value to prove the case of the revenue.
  - In the instant case, the allegation is of clandestine manufacture, removal and sale of goods. While the information or documents provided by the Income Tax authorities could have been used to start an investigation, clandestine manufacture and removal must be established to demand Central Excise duty. While it is true that clandestine activities cannot be established to mathematical accuracy, there must at least be sufficient evidence to establish the alleged clandestine manufacture. In the instant case however, there is none.
  - The Central Excise officers could have used the information received from Income Tax authorities and conducted an investigation under the CE Act. However, no investigation was conducted and the SCN was issued by relying on statements recorded and documents seized under the IT Act.
  - Considering the above, confirmation of demand is unsustainable and was set aside.
- **Imposition of Personal Penalty**
  - Rule 209A of Central Excise Rules, 1944 and Rule 26 of Central Excise Rules, 2001 provides for imposition of penalty on persons for acts which rendered the goods liable to confiscation. Further, Rule 26 of Central Excise Rules, 2002, in addition to the above, also provides for imposition of penalty if a document is issued without delivering goods so as to enable the recipient to avail ineligible CENVAT credit.
  - In the present case, neither any goods have been confiscated nor any goods have been held to be liable to confiscation. Further, there is also no allegation that any invoices were issued without supplying goods so as to enable the taxpayer to take ineligible CENVAT credit. Therefore, no penalty can be imposed under these rules.
- Considering the above, the Impugned Order is set aside and the appeals were allowed with consequential reliefs.

## FOREIGN TRADE POLICY



## INDIA-UK FTA

Press Release ID:  
2147805<sup>30</sup>

On 24 July 2025, the Government of India and the Government of United Kingdom of Great Britain and Northern Ireland have signed the Comprehensive Economic and Trade Agreement marking a significant milestone in India's engagement with major developed economies, reflecting a shared commitment to strengthen economic integration.

<sup>30</sup> Dated 24 July 2025

## LEGISLATIVE UPDATES

### NOTIFICATION

Corrigendum <sup>31</sup> to Notification No. 21/2025-26 <sup>32</sup>	Effective 27 June 2025, <i>vide</i> Notification No. 21/2025-26 <sup>33</sup> , import of certain goods, classified under Chapter 53 from Bangladesh were regulated to the effect that their import would not be allowed through any land port on the India-Bangladesh border and would only be allowed through the Nhava Sheva Seaport. In this regard, a Corrigendum has been issued to correct the typographical error by changing the HSN code of ' <i>Unbleached woven fabrics of jute or of other textile bast fibers</i> ' to <b>531010</b> from 530010.
Corrigendum <sup>34</sup> to Notification No. 40/2024-25 <sup>35</sup>	<i>Vide</i> Notification 40/2024-25, effective 26 November 2024, the DGFT has amended its Import Policy (ITC HS - Schedule I) along with the corresponding Policy Conditions, to align it with amended Customs Tariff. A Corrigendum has been issued to the aforesaid notification to rectify the reference of 'S.O. 7624(E)' (as provided in the original notification) to 'S.O. 5068(E)'.
Corrigendum <sup>36</sup> to Notification No. 51/2024-25 <sup>37</sup>	Notification No. 51/2024-25 which extended the 'Free' Import Policy of Tur / Pigeon Peas (Cajanus Cajan) (HSN 0713 6000) upto 31 March 2026. A Corrigendum has been issued to the aforesaid notification to rectify the reference of 'F.No. M-5012/300/2002/PC-2(A)./E-1657' and 'Part-I, Section 1' to 'S.O..... (E)' and 'Part-II, Section 3, Sub-section (ii)', respectively.

### TRADE NOTICE / CIRCULAR / PUBLIC NOTICE

Policy Circular No. 02/2025-26 <sup>38</sup>	Para 2.12 of Foreign Trade Policy, 2023 (FTP) is a facilitative provision which allows clearance of goods to importers whose authorisations (such as Advance Authorisation) are issued subsequent to the arrival of imports. In this regard, it is clarified that goods already imported/shipped/arrived in advance but not cleared from Customs may be cleared for home consumption against an Authorisation issued subsequent to the date of shipment (date of Bill of Lading) but before their clearance from Customs, without any mandatory requirement for warehousing. However, this facility would not be available to 'Restricted' items or items traded through State Trading Enterprises, unless specifically allowed by DGFT.
Public Notice 15/2025-26 <sup>39</sup> and Trade Notice 09/2025-26 <sup>40</sup>	<i>Vide</i> Notification No. 17/2025-26 <sup>41</sup> , effective 17 June 2025, export of Pharma Grade Sugar, up to a total of 25,000 Metric Tonnes per financial year, was permitted to <i>bona fide</i> pharma exporters against a Restricted Export Authorisation subject to certain safeguards. In this regard, <i>vide</i> Trade Notice 06/2025-26 <sup>42</sup> , a one-time quota of 25,000 MT was allocated for the current sugar season upto 30 September 2025. The procedure for obtaining such Export Authorisation was prescribed to <i>inter alia</i> provide that online applications may be made between 20 June and 20 July 2025. The window for making such online applications has now been extended to 31 July 2025 <i>vide</i> Trade Notice No. 09/2025-26. Further, <i>vide</i> Public Notice 15/2025-26, it is stated that the columns related to 'Shipment Details' and 'Foreign Buyer/Consignee Details' of ANF-2N - Application form for Export authorisation for Restricted Items - for issuance of export authorisation of Pharma Grade Sugar Export have been made 'optional' at the time of application for export authorisation for Pharma Grade Sugar.
Public Notice 16/2025-26 <sup>43</sup>	Three new Standard Input Output Norms (SION) for exporting products under Chemical and Allied Product Group have been notified as follows: <ul style="list-style-type: none"> <li>▪ A-3690 for export of 1kg '<i>Betamethasone Valerate EP/BP/USP</i>' against import of 0.915kg of '<i>Betamethasone</i>'.</li> <li>▪ A-3691 for export of 1kg '<i>Ferrous Fumarate USP/BP/FCC/IP</i>' against import of 0.725kg of '<i>Fumaric Acid 99%</i>'.</li> <li>▪ A-3692 for export of 1kg '<i>Ferrous Fumarate USP/BP/FCC/IP</i>' against import of 0.65kg '<i>Maleic Anhydride</i>'.</li> </ul>
Public Notice 17/2025-26 <sup>44</sup>	Para 10.16(A) of the Handbook of Procedures, 2023 - Procedure for grant of General Authorisation for Export of Chemicals and related equipment (GAEC) - has been amended to expand the scope of GAEC and Related Equipment for chemicals listed in Appendix 10(N) to cover additional countries.

<sup>31</sup> Dated 17 July 2025

<sup>32</sup> Dated 27 June 2025

<sup>33</sup> Dated 27 June 2025

<sup>34</sup> Dated 25 July 2025

<sup>35</sup> Dated 26 November 2024

<sup>36</sup> Dated 28 July 2025

<sup>37</sup> Dated 20 January 2025

<sup>38</sup> Dated 22 July 2025

<sup>39</sup> Dated 22 July 2025

<sup>40</sup> Dated 22 July 2025

<sup>41</sup> Dated 17 June 2025

<sup>42</sup> Dated 18 June 2025

<sup>43</sup> Dated 29 July 2025

<sup>44</sup> Dated 30 July 2025

## CENTRAL EXCISE/ SERVICE TAX/ VALUE ADDED TAX



### LEGISLATIVE UPDATES

#### NOTIFICATION

<p>S.O. 145 (Bihar VAT)<sup>45</sup></p>	<p>Effective 17 July 2025, the Commercial Taxes Department, Government of Bihar has revised the condition for payment of VAT at concessional rate on sale of 'Natural Gas (CNG and domestic and commercial sale of PNG)' and 'Natural Gas (Sale of PNG through Industrial Connection to Industrial units manufacturing of goods)' as under:</p> <ul style="list-style-type: none"> <li>▪ The condition pertaining sale by authorised City Gas Distribution (CGD) entity through the CGD network is revised to restrict its applicability to sale directly to the consumer/retailer. The daily cap of sales per customer remains as it is.</li> <li>▪ As regards Natural Gas (CNG and domestic and commercial sale of PNG), the concessional rate shall also apply to sales to authorised CGD entity.</li> </ul>
<p>F.N. GENCOR/2228/2025-COMTAX SECTION (51). (Chhattisgarh VAT)<sup>46</sup></p>	<p>Effective 17 July 2025, the Government of Chhattisgarh has reduced the applicable rate of VAT on sale of Natural Gas to 5% (Earlier 14.5%).</p>
<p>CCT/12-2/2025-26/1704 (Goa VAT)<sup>47</sup></p>	<p>Section 29(3) of the Goa Value Added Tax Act, 2005 (GVAT Act) provides that an assessment for any year shall not be carried out after a period of three years from the end of the year to which the return under section 24 is submitted by a dealer.</p> <p>Vide Notification No. CCT/12-2/2024-25/4634, the limitation period for completion of assessments for FY 2021-22 was extended to 31 July 2025 (from 31 March 2025). The aforesaid limitation period has now been further extended by two months i.e., till 30 September 2025.</p>
<p>810-L<sup>49</sup>, 1235-F.T.<sup>50</sup>, 1236-F.T.<sup>51</sup> and 1250-F.T.<sup>52</sup> (West Bengal Sales Tax)</p>	<p>The West Bengal Sales Tax (Settlement of Dispute) Act, 1999, is an act for enforcement of payment, and settlement of disputes relating to arrears of tax, late fee, interest or penalty under the West Bengal Value Added Tax Act, 2003, West Bengal Tax on Entry of Goods into the Local Areas Act, 2012 (Entry Tax) and the Central Sales Tax Act, 1956. The aforesaid Act and The West Bengal Sales Tax (Settlement of Dispute) Rules, 1999 have been amended to <i>inter alia</i> extend the applicability of the Act and the rules made thereunder to disputes/ proceedings pending before the tax authorities on 31 March 2025 (Earlier 10 February 2023).</p> <p>For any arrears of Entry Tax, payment of 75% (Earlier 50%) of the arrears of tax in dispute must be made.</p>

<sup>45</sup> Dated 16 July 2025

<sup>46</sup> Dated 17 July 2025

<sup>47</sup> Dated 17 July 2025

<sup>48</sup> Dated 31 January 2025

<sup>49</sup> Dated 16 July 2025

<sup>50</sup> Dated 29 July 2025

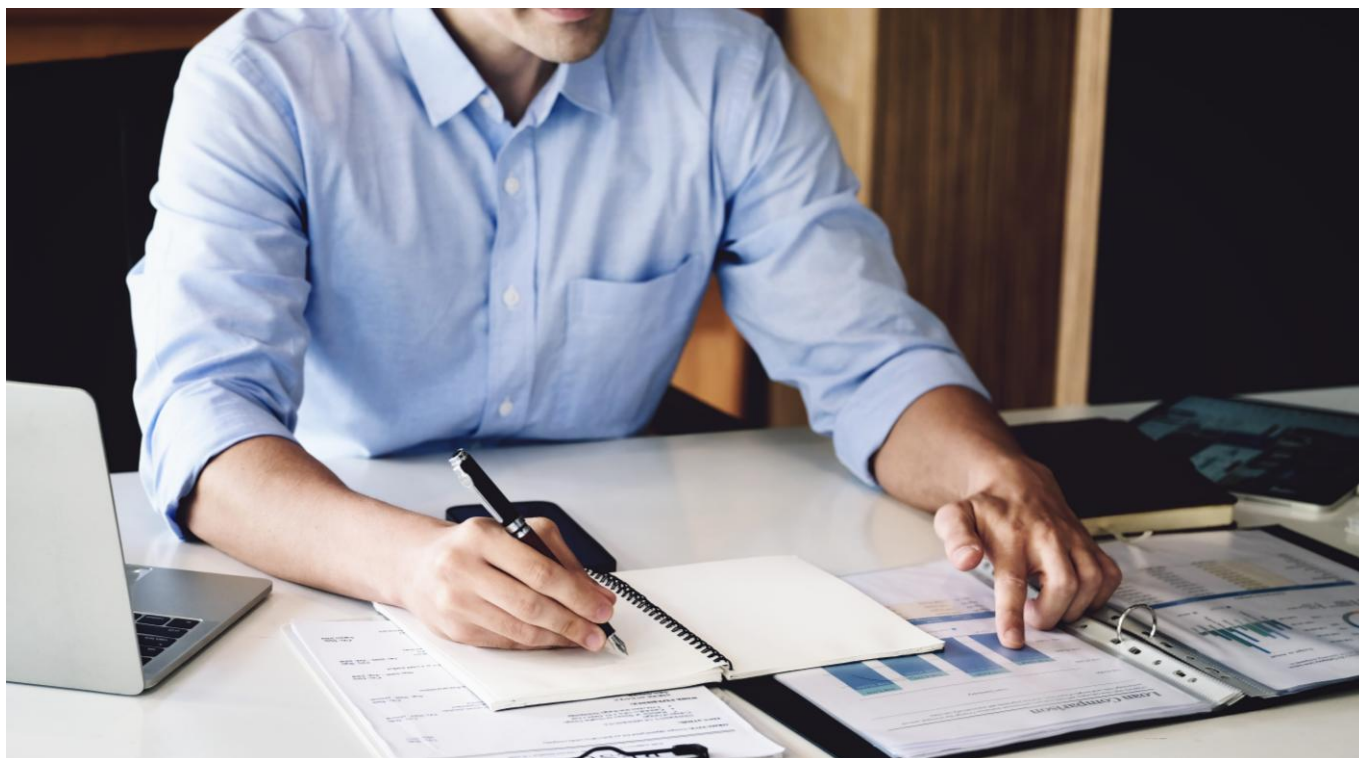
<sup>51</sup> Dated 29 July 2025

<sup>52</sup> Dated 30 July 2025

## INDIRECT TAX NEWS FLASH



The Hindu-BusinessLine (25 & 30 July 2025)	<ul style="list-style-type: none"> <li>▪ <a href="#">India-UK FTA Highlights: India, UK sign 'historic' free trade deal which will double trade by 2030</a></li> <li>▪ <a href="#">India-UK FTA: Electronics exporters to benefit from zero duties, recognition of conformity assessment</a></li> </ul>
The New Indian Express (29 July 2025)	<ul style="list-style-type: none"> <li>▪ <a href="#">India-UK FTA: Premium push while safeguarding domestic interest</a></li> </ul>
Money Control (29 & 30 July 2025)	<ul style="list-style-type: none"> <li>▪ <a href="#">GST Council may discuss uniform 12% rate for textile sector by September</a></li> <li>▪ <a href="#">US slaps 25% tariff plus penalty on India: Here's how it compares to other countries</a></li> </ul>
CNBC TV18 (28 July 2025)	<ul style="list-style-type: none"> <li>▪ <a href="#">India eyes \$1 billion in leather and footwear exports to UK in 3 years under new FTA</a></li> </ul>
India Today (16 July 2025)	<ul style="list-style-type: none"> <li>▪ <a href="#">Fewer slabs, simpler rules? Next GST Council meet may trigger overhaul</a></li> </ul>
Times of India (28 & 29 July 2025)	<ul style="list-style-type: none"> <li>▪ <a href="#">Lower GST on bicycles from 12% to 5%: Makers to govt</a></li> <li>▪ <a href="#">US imposes import restrictions on archaeological and ethnological materials from India</a></li> </ul>
Financial Express (22 July 2025)	<ul style="list-style-type: none"> <li>▪ <a href="#">Is govt considering GST on UPI transactions over Rs 2,000? Here's what Finance Ministry says</a></li> </ul>



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 16 July 2025 and 30 July 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.

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