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THINKING BEYOND

Monthly newsletter - November 2025

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Insightful article on GST, Customs & Foreign trade policy



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A Landmark Judgment on GST and Customs Jurisdiction in the case of M/s. National Association of Container Freight Stations_2025 MHC 2422 (WP Nos. 11222, 149 & 152 of 2022)



CA Mugada Rajesh

The recent decision of the Madras High Court in the case of National Association of Container Freight Stations (NACFS) v. The Joint Commissioner of Customs marks a significant legal milestone in clarifying the distinct jurisdictions of Customs authorities and GST law enforcement, particularly around goods auctioned by Container Freight Stations (CFS). This article delves into the background, legal issues, and implications of the judgment for stakeholders in the customs and indirect tax ecosystem.

Background:

The dispute arose from a Public Notice issued by the Chennai Customs Commissioner on February 12, 2021. The Customs authorities directed Container Freight Stations not to collect Goods and Services Tax (GST) on unclaimed or uncleared cargo goods sold through auction. The rationale given was that the final bid amount included customs duty and Integrated GST (IGST), thus exempting the CFS operators from charging GST again on these sales.

This directive was challenged by the National Association of Container Freight Stations, which argued that the Public Notice was legally unsustainable. They contended that once customs duty and IGST were paid on import, the subsequent sale of these goods through auction by CFS constituted a fresh supply under GST law on which GST was payable.

Legal Issues at the Core:

The core legal issue revolved around whether Customs authorities had jurisdiction to direct CFS operators on GST matters, and whether auction sales conducted post-clearance fell within the scope of GST taxable supplies. The case scrutinized the overlap and boundaries between Customs law (Customs Act, 1962) and the Central Goods and Services Tax Act, 2017 (CGST Act).

Madras High Court's Ruling:

The Court decisively ruled in favour of the NACFS. It held that Customs authorities lack jurisdiction to issue directions regarding GST collections, which fall squarely within the GST authorities' domain under the CGST Act. The Public Notice issued by Customs was declared wholly without jurisdiction and inconsistent with legal provisions. Further 'disposal of the goods' is deemed to be supply under the provisions of the GST Act, 2017.

Importantly, the Court clarified the distinction between import taxation and domestic supply taxation. Customs duty and IGST paid on import pertain to the clearance of goods into the domestic market, whereas any subsequent auction sale by a CFS is a separate transaction subject to GST. Charging GST again on auctioned goods is not double taxation but taxation of a distinct supply.

The court further observed an inconsistent practice whereby Customs themselves collect GST when conducting auctions, highlighting the correctness of requiring CFS operators to collect GST.

Implications for Stakeholders:

This judgment brings critical clarity to the indirect tax and customs nexus. Container Freight Stations, customs authorities, and GST officials now have a judicial precedent to define their roles and responsibilities clearly.

For CFS operators, it confirms the legal obligation to charge and collect GST on auction sales of unclaimed or uncleared cargo, ensuring compliance with GST law and safeguarding tax revenues.

Customs authorities are reminded of their limited role in GST, restricted to regulating customs procedures and not extending into GST collection directives, thus maintaining regulatory boundaries.

Conclusion:

The Madras High Court's verdict in National Association of Container Freight Stations v. The Joint Commissioner of Customs serves as a landmark ruling reaffirming the separate jurisdictions of Customs and GST authorities. It promotes legal certainty around tax treatment of auction sales under GST post-import clearance, preventing administrative overreach by Customs and protecting lawful GST collection by CFS operators. This case will likely serve as a key precedent in future disputes at the intersection of Customs and GST law in India. This ruling ultimately strengthens the framework of the indirect tax regime by reinforcing the principles of jurisdictional clarity and correct tax incidence under evolving Indian GST jurisprudence.





Updates In Customs and FTP

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Customs-Tariff

Notifications

Notification No. and Date of issue	Subject
<p>48/2025-Customs(T) Dated 14-Nov-2025</p>	<p>Seeks to (i) remove export duty on Cane Molasses (HS 1703 10 00) (ii) reduce BCD on Crude olive pomace oil (HS 1510 10 00)</p> <p><u>Summary:</u></p> <p>CBIC has issued Notification No. 48/2025-Customs dated 14 November 2025 to amend earlier customs notifications. The changes include removing the export duty on cane molasses classified under HS 1703 10 00 by inserting a new entry granting a Nil rate. The notification also revises the duty structure for crude olive pomace oil under HS 1510 10 00 by adjusting Table I of Notification No. 45/2025, substituting the earlier tariff entries and introducing a 15% basic customs duty. These amendments update the applicable rates and classifications under the Customs Act, 1962. Read more</p> <p><u>Read more : https://taxinformation.cbic.gov.in/view-pdf/1010511/ENG/Notifications</u></p>
<p>49/2024-Customs(T) Dated 28 -Nov-2025</p>	<p>Seeks to amend further the Project Import Regulations, 1986</p> <p><u>Summary:</u></p> <p>The Ministry of Finance has issued Notification No. 49/2025-Customs amending the Project Imports Regulations, 1986 under section 157 of the Customs Act, 1962. The amendment, effective from 29 November 2025, inserts a new entry under Serial No. 3FF of the existing Table. This addition designates “Jaipur Metro Projects” as an eligible category under the project imports framework and specifies the “Managing Director or Director (Project), Rajasthan Metro Rail Corporation Limited (RMRCCL)” as the authorised officer for certification and related procedural requirements. The notification updates the regulatory list governing project imports to include this new infrastructure project, enabling it to access the benefits and procedures available under the scheme. The amendment follows earlier updates to the principal regulations, originally notified in April 1986 and last amended in February 2023.</p> <p><u>Read more : https://taxinformation.cbic.gov.in/view-pdf/1010515/ENG/Notifications</u></p>

Customs

Circulars

Circulars No. and Date of issue	Subject
<p>Circular No. 28/2025 Dated 15-Nov-2025</p>	<p>Launch of Online Module for Permissions under Section 65 (MOOWR and MOOSWR)</p> <p><u>Summary:</u></p> <p>The Circular dated 15 November 2025 announces the launch of a dedicated online module on ICEGATE 2.0 for processing applications related to permissions under Section 65 of the Customs Act, covering both MOOWR (2019) for warehouses licensed under Section 58 and MOOSWR (2020) for special warehouses licensed under Section 58A. The module aims to simplify, digitalize, and standardize the application and approval workflow for trade and departmental officers. Detailed user manuals with step-by-step instructions and screenshots have been provided by DG Systems to ensure smooth usage</p> <p><u>Read more : https://taxinformation.cbic.gov.in/view-pdf/1003298/ENG/Circulars</u></p>

Launch of SWIFT 2.0 and onboarding of AQCS, PQMS and FSSAI on SWIFT 2.0 as Single Touch Point for Trade for NOC Processing.

Summary:

The Central Board of Indirect Taxes & Customs (CBIC) has issued Circular No. 29/2025-Customs announcing the launch of SWIFT 2.0, an upgraded Single Window Interface for Facilitating Trade. This fully digital platform will serve as a single touch point for importers, exporters, and Partner Government Agencies (PGAs) for all EXIM clearance processes, replacing the earlier SWIFT system that primarily acted as a document repository. SWIFT 2.0 enables online submission of additional data and documents for obtaining No Objection Certificates (NOCs), real-time tracking via dashboards, automated SMS/email updates, online payment of PGA fees, and digital access to approved NOCs.

Read more : <https://taxinformation.cbic.gov.in/view-pdf/1003299/ENG/Circulars>



Circular No. 29/2025
Dated 21-Nov-2025

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GST Portal News and Updates

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Sl.No	Date	Functionality	Particulars
01	01-11-2025	Gross and Net GST revenue collections for the month of Oct, 2025	<p>The Gross and net revenue for the month of Oct-25 was declared. The same can be checked by clicking on –</p> <p>October 2025 collections : https://tutorial.gst.gov.in/downloads/news/net_revvenue_gst_oct_2025.pdf</p>
02	01-11-2025	Advisory for Simplified GST Registration Scheme	<p>In pursuance of Rule 14A of the Central Goods and Services Tax (CGST) Rules, 2017, a Simplified GST Registration Scheme has been introduced to reduce the compliance burden and enhance the ease of doing business for small taxpayers.</p> <p>As per Rule 14A (Option for taxpayers having a monthly output tax liability below the prescribed threshold limit), any person who, on his own assessment, feels that his total output tax liability on the supply of goods or services, or both, to registered persons will not exceed Rs.2.5 lakh per month (including CGST, SGST/UTGST, IGST, and Compensation Cess) shall be eligible to register under this scheme. However, a person registered under this rule in a State or Union Territory shall not be eligible to obtain another registration in the same State or Union Territory under this rule against the same PAN.</p> <p>Key Features Implemented on the GST Portal:</p> <ol style="list-style-type: none">1. While applying for registration in FORM GST REG-01, applicants should select "Yes" under the "Option for Registration under Rule 14A."2. Aadhaar authentication is mandatory for the Primary Authorized Signatory and at least one Promoter/Partner.3. Registration shall be granted electronically within three working days from the date of generation of the Application Reference Number (ARN), subject to successful Aadhaar authentication.4. Taxpayers opting for registration under Rule 14A are advised to take note of the following conditions, in case they intend to withdraw from the Scheme at a later stage:5. All returns due from the effective date of registration up to the date of filing the withdrawal application must be filed.6. The taxpayer must have filed:<ol style="list-style-type: none">A. Returns for a period of minimum three months, if applying for withdrawal before 1st April 2026, orB. Returns for a period of minimum one tax period, if applying for withdrawal on or after 1st April 2026.7. No amendment or cancellation application for registration availed under rule 14A should be pending.8. No proceedings under Section 29 (cancellation of registration) for registration availed under rule 14A should be initiated or pending.
03	20-11-2025	Advisory for Furnishing of Bank Account Details as per Rule 10A	<p>As per Rule 10A, taxpayers (except those registered under TCS, TDS, or suo-moto registrations) must furnish their bank account details within 30 days of grant of registration or before filing details of outward supplies in GSTR-1 or IFF, whichever is earlier.</p> <p>The changes with respect to Rule 10A will be implemented on the GST Portal soon. Therefore, the taxpayers who have not yet furnished the bank account details till date are advised to update the same at the earliest to avoid suspension of their GST Registration and disruption of business activities.</p> <p>Bank account details can be added through a non-core amendment by navigating to: Services > Registration > Amendment of Registration Non-Core Fields.</p>

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Legal Updates

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Export Remittance Need Not Be Invoice-Wise –Delhi High Court Sets Aside Tax Demand

Transformative Learning Solutions Pvt. Ltd. v. Commissioner, CGST, Delhi East & Anr. [W.P.(C) 4987/2025 decided on 24.09.2025]

01 Facts of the Case



The Petitioner, engaged in export of goods, was subjected to Audit for F.Y. 2017-18 to 2021-22. Based on the audit observations, the Department alleged that the Petitioner failed to furnish proof for realisation of export proceeds i.e., Bank Realisation Certificates (BRCs) or Foreign Inward Remittance Certificates (FIRCs), corresponding to each export invoices.

Consequently, the Adjudicating Authority confirmed the demand and imposed equivalent penalty under Section 74 of the Act, and appropriated reversed ITC. Aggrieved by the said Order, the Petitioner approached the High Court of Delhi.

02 Question in Dispute



Whether non-availability of invoice-wise or transaction-wise FIRC details can justify denial of export benefits and confirmation of tax demand under Section 74 of the CGST Act, 2017?

03 Judgment



The Court observed that the impugned order was unreasoned and vague, as it rejected refund and confirmed demand merely on the ground that FIRCs and invoices were “too voluminous to reconcile.”

It held that transaction-wise matching of FIRCs is not required, and periodic or consolidated remittances are acceptable, so long as the total export consideration is realized in foreign exchange corresponding to the export value declared.

The Court emphasized that such a mechanical approach of insisting on one-to-one reconciliation defeats the substance of zero-rated export provisions under GST.

The impugned order was set aside, and the matter was remanded to the Adjudicating Authority for fresh consideration after granting an opportunity of personal hearing.

04 HNA Comments

The ruling reiterates a substantive compliance approach for exporters holding that realization of foreign exchange on an aggregate or periodic basis suffices to establish export eligibility. By setting aside the demand, merely on the basis of non-reconciliation of individual FIRCs, the Court safeguards genuine exporters from procedural denials. The judgment aligns with the principle that zero-rated benefits cannot be denied for technical deficiencies when substantive conditions of export are fulfilled.



Delhi High Court Upholds Anti-Profiteering Order For Non-Passing Of Gst Rate Reduction Benefit

[Sharma Trading company v. Union of India & Ors. W.P.(C) 13194/2018 (High Court of Delhi)]

01 Facts of the Case



The Petitioner a distributor of Hindustan Unilever Ltd. (HUL), challenged the National Anti-Profiteering Authority (NAPA) Order under Section 171 of the CGST Act, 2017 holding the Company guilty of Profiteering. The allegation was that despite a reduction in GST rate on Vaseline VTM 400 ml from 28% to 18% with effect from 15.11.2017, the Petitioner continued to sell the product at the same MRP, thereby not passing on the benefit of tax reduction.

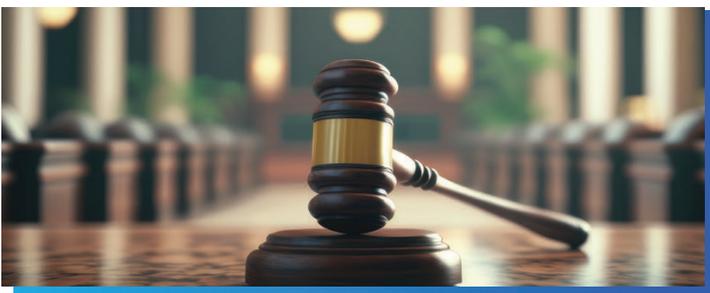
The NAPA, after investigation, found that the base price was increased post reduction. The petitioner contended that the increased base price was justified since the quantity of the product was enhanced and the product was sold under special promotional schemes.

02 Question in Dispute



Whether the non-reduction in price on the ground of increase in quantity of the production or promotional schemes justified, despite GST rate reduction?

03 Judgment



The Court reiterated that the constitutional validity of Section 171 of the CGST Act and related Rules has already been upheld in Reckitt Benckiser India Pvt. Ltd. v. Union of India (2024) and therefore, the challenge to these provisions was not maintainable.

The Court held that the increase in quality of the product or introduction of promotional schemes cannot be treated as equivalent to passing on the benefit of tax reduction and the benefit must reach the consumer in monetary form through a corresponding price reduction.

Citing Reckitt Benckiser (supra), the Court observed that any commercial justification or transitional difficulty cannot override the statutory mandate of Section 171. The Court upheld the direction of NAA to deposit the profiteered amount of Rs. 5,55,126/- (plus interest @18%) to the Consumer Welfare Fund.

04 HNA Comments

Even though anti profiteering provisions are not enforceable as on date, the provisions of anti-profiteering as per Section 171 of the CGST Act, 2017 is still in force. The Delhi High Court view that even if the quantum has been increased the provisions of anti profiteering would get attracted goes against the larger picture of passing on the benefit to end Customer.



Delhi High Court Issues Directions To Safeguard Right To Privacy In Accessing Cctv Footage During Search And Seizure Under GST

[Sharma Trading company v. Union of India & Ors. W.P.(C) 13194/2018 (High Court of Delhi)]

01 Facts of the Case



The Petitioner, a business entity managed by a family, challenged the search and seizure operations initiated by the GST department under Section 67(2) of the CGST Act, 2017. The search was carried out at both the business premises of the Petitioner and the residential premises of family members.

The Petitioner alleged that there was a lack of proper authorisation, wherein the authorities had illegal access of the residential premises through a tenant and seized the CCTV footage thereby violating the Right to Privacy. Furthermore, the Petitioners were coerced into making payments and withdrawing the refund applications filed. The Department stated that the search was duly authorised and lawfully conducted.

02 Question in Dispute



Whether the seizure of CCTV footage is violative of Right to privacy of the taxpayer?

03 Judgment



The Delhi High Court upheld the validity of the search, holding that the Department had sufficient “reason to believe” under Section 67(2) to justify initiation of proceedings. Furthermore, accessing the premises through a tenant was not illegal and the seizure of CCTV footage was permissible, but the Court laid down safeguards to protect the Right to Privacy of the taxpayer as follows:

- The footage shall not be accessed or used except in the presence of a member of the family and their authorised representative.
- The Department must preserve the footage in its original form and follow due procedure before any access.
- Officers were directed to follow proper communication protocols and ensure fairness during search proceedings.

Furthermore, the Court held that the allegations pertaining to coercion in withdrawal of refund application and payment would have to be raised before appropriate forums and could not be decided in the writ petitions. The Petitions were accordingly disposed, upholding the legality of the search but with explicit directions to protect the Petitioners’ privacy and procedural rights.

04 HNA Comments

The judgment provided the clarity on the scope of Section 67(2) and reinforces that the threshold of “reason to believe” is the key test for validating search and seizure operations under GST. Furthermore, the Court has made a significant intervention in safeguarding taxpayer privacy, especially concerning electronic data. By directing that CCTV footage can only be accessed in the presence of the taxpayer or their authorised representative, the judgment establishes a procedural safeguard against misuse or unauthorised access to sensitive personal information.



FEMA Updates

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Extension of time for realisation of export proceeds

Notification No. FEMA 23(R)(7)/2025-RB dated 13.11.2025

01 Earlier provisions

Prior to this notification, export proceeds shall be realised within 9 months from date of export invoice, and

In case of advance received for exports, the goods shall be shipped within 1 year from date of receipt of advance, except otherwise provided in the export agreement.

02 Change

Period for realization and repatriation of full export proceeds has been extended from 9 months to 15 months from the date of export (Regulation 9).

In case of advances received – the export shipment can be done within 3 years from the date of receipt of advance.

03 Comments

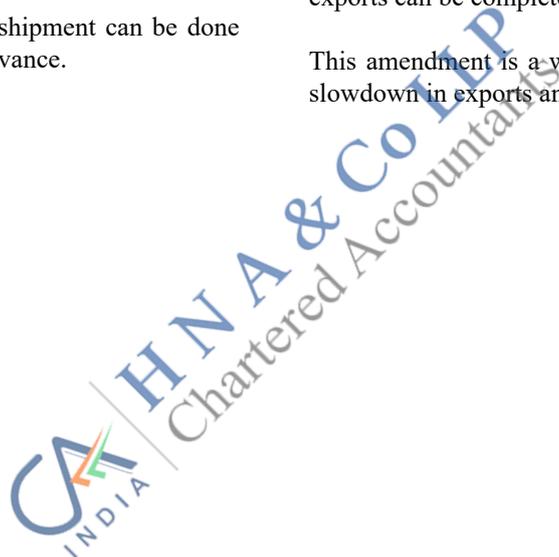
In case there is a violation of the FEMA Regulations before the issuance of this notification, i.e.

- 9 months has expired since export but no realisation of export proceeds, or
- 1 year has expired since receipt of advance and export is not made,

there would still be a requirement to approach the AD Bank/RBI, as the case may be to get the extension of time limit for realisation or exporting the goods or compounding of the violation.

However, in cases where the time limit under the earlier regulations is not expired before issuance of this notification, the extended time limit will apply and accordingly the realisation / the exports can be completed.

This amendment is a welcome move considering pressures amid slowdown in exports and global payment delays.





Firm Updates and Achievements

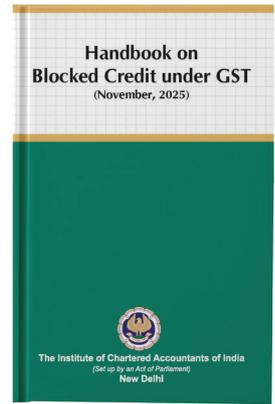




Firm Updates and Achievements

We extend our sincere congratulations and heartfelt appreciation to CA. Akshay M. Hiregange and CA. Sreenivasulu Thulasiram for their valuable efforts in revising the Handbook on Blocked Credit under GST, published by The Institute of Chartered Accountants of India (ICAI).

The handbook can be accessed using the link : [Click Here](#)



CA Akshay M Hiregange



CA Sreenivasulu Thulasiram



Professional Knowledge Sessions – November 2025

Webinar on Interest on Refunds under GST

A webinar on “Interest on Refunds under GST — Emerging Judicial Trends & Key Rulings” was conducted on 19 November 2025 at the All India Women Chartered Accountants’ Association.

The session focused on emerging judicial trends, significant court rulings, and practical aspects relating to interest on GST refunds. It provided valuable insights into evolving GST jurisprudence and was highly beneficial for tax professionals.

Attached the webinar recording link for reference <https://bit.ly/4pZ1n3>

We are delighted to acknowledge that CA Asha Latha

Seminar on Recent Judicial Trends & Key Rulings under GST

A seminar on “Recent Judicial Trends & Key Rulings under GST” was held on 28 November 2025 at ICAI SIRC, Hyderabad.

The session was conducted along with Adv. Venkat Prasad P, who shared valuable insights on Writ Remedies under GST. The seminar offered participants an in-depth understanding of recent landmark judgments and emerging litigation trends under GST.



Achievement in Poetry Competition

We are pleased to share that **Akash Takkar** secured **Second Position** in the **Poetry Competition** organized by the **Gurugram Branch of NIRC of the Institute of Chartered Accountants of India (ICAI)**, held on **29 November 2025**.

Following this achievement, **Akash Takkar** has been selected to represent the **Gurugram Branch** at the **Regional-Level Poetry Competition**, to be conducted by the **Delhi Branch of NIRC of NICASA**.

This accomplishment reflects creativity, dedication, and excellence beyond professional pursuits, and we extend our best wishes for continued success at the regional level.



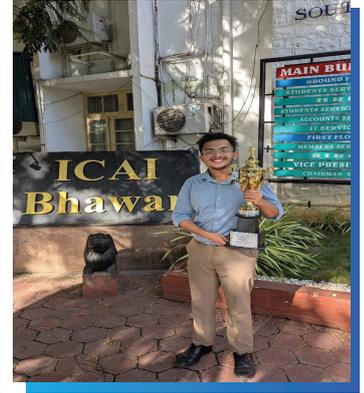


Achievement in Chess – ICAI National Talent Search

We are delighted to announce that **Mr. Sathwik Prabhu** from the **Consultancy Division, Bangalore**, secured **Second Place** at the **ICAI National Talent Search Regional-level Chess Competition** held in **Chennai**.

He subsequently represented the **Southern Region** at the **National-level competition in Udaipur on 27th and 28th October 2025**, where he achieved an impressive **Fourth Place** among participants from across the country.

Congratulations to Sathwik on this commendable achievement.



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