Anivesh
Legal Consultants

Indirect Tax Updates – 16th April 2026 to 30th April 2026

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April GST collections

GST Collections	April’ 25 (Rs. in Crores)	April’ 26 (Rs. in Crores)	% Growth (Rs. in Crores)
Gross domestic revenue	1,77,511	1,85,122	4.3%
Less: Refund – domestic	12,931	19,996	54.6%
Net Domestic Revenue	**1,64,580**	**1,65,126**	**0.3%**
Gross Import Revenue	45,754	57,580	25.8%
Less: Refund – Imports	13,716	11,797	-14.0%
Net Customs Revenue	**32,038**	**45,784**	**42.9%**

Top 5 gainers

Top 5 losers

State/ UT	Growth (+)	State/UT	Growth (-)
Puducherry	108%	Ladakh	-8%
Punjab	66%	Andaman & Nicobar Island	-4%
Chandigarh	65%	Jharkhand	0%
Haryana	58%	Lakshadweep	1%
Kerala	55%	Nagaland	2%

Important Case Laws

1. **Telangana State Cooperative Marketing Federation Ltd. vs AC [Supreme Court: SLP(C) Nos.15057-15058 of 2020]**

Pre-deposit from earlier appeal round meets 12.5% requirement after remand; no fresh deposit needed.

After a remand in a VAT dispute, the assessing authority disallowed input tax credit of Rs. 1.62 crore. The assessee had already deposited Rs. 81.44 lakh in the earlier appeal, exceeding 12.5% of the fresh demand. The appellate authority insisted on a fresh pre-deposit under the second proviso to Section 31(1) of the Telangana VAT Act. The Supreme Court held that the proviso only requires proof of payment of 12.5% of the difference between assessed tax and admitted tax. Since the entire demand was disputed, admitted tax was nil, and the existing deposit satisfied the statutory condition.

The deposit made earlier for the previous appeal was available to maintain the appeal against the reassessment. The High Court order was set aside, the appeal restored, and penalty quashed. This ruling prevents a double pre-deposit burden when a matter is remanded and reassessed, confirming that earlier deposits carry forward and ensuring the right to appeal is not defeated by a technical demand for fresh payment.

Anivesh (ALC) Comments: This ruling protects taxpayers from double pre-deposit demands. Map existing deposits against fresh reassessment demands. If the old payment already meets the statutory percentage, resist any additional deposit.

Important Case Laws

2. **Jawaharlal Nehru Technological University Kakinada vs PCCT [Andhra Pradesh HC: Writ Petition No. 23535 of 2026]**

Affiliation and NOC fees of public universities are statutory duties, not "business"

The issue before the Andhra Pradesh High Court in Jawaharlal Nehru Technological University Kakinada vs PCCT pertained to the levy of GST on affiliation fees and No Objection Certificate fees collected by a public university from affiliated colleges and institutions. The Department sought to treat such collections as consideration for supply of services liable to GST on the ground that the university was engaged in "business" under Section 2(17) of the CGST Act.

The University argued that affiliation and NOC activities are statutory and regulatory functions performed under education laws and are not commercial or profit-oriented activities. Hence, collection of fees for discharge of such statutory duties cannot be treated as "business" under GST law.

The Andhra Pradesh High Court held that affiliation and NOC fees collected by public universities are statutory and regulatory in nature and, therefore, do not constitute "business" under Section 2(17) of the CGST Act. Accordingly, such fees cannot be subjected to GST merely because consideration is collected in the course of discharging statutory obligations.

Anivesh (ALC) Comments: The ruling strengthens the view that statutory and regulatory functions performed by public universities may fall outside the scope of "business" under GST law. A similar view was also observed in ***University of Madras vs Union of India***, wherein the Madras High Court recognized that statutory functions of educational institutions cannot automatically be treated as commercial activities merely because fees are collected. However, taxpayers should evaluate the factual matrix and prevailing judicial position before adopting a non-taxability position under GST.

3. Tata Projects Limited vs. UOI [Bombay HC: Writ Petition No. 2583 of 2025]

Refund under inverted duty structure was denied on the ground that amended Rule 89(5) applied prospectively.

CHEC-TPL Line 4 Joint Venture, engaged in construction of metro rail works for MMRDA, discharged GST at 12% on outward works contract services while procuring inputs and input services taxed at higher rates of 18% and 28%, resulting in accumulation of Input Tax Credit due to inverted duty structure. The Petitioner filed refund claims under Section 54(3)(ii) of the CGST Act for the period from 2018 to 2021. However, the refund claims were rejected by the Original Authority and subsequently by the Appellate Authority. The Department rejected the refund claims holding that the amended formula under Notification No.14/2022 would apply prospectively only to applications filed on or after 5th July 2022, as clarified by CBIC Circular No.181/13/2022-GST. Accordingly, refund claims filed prior to the amendment were denied.

The Bombay High Court held that the amendment made by Notification No.14/2022 to Rule 89(5) was clarificatory and retrospective in nature. The Court observed that the CBIC Circular restricting the amendment prospectively was contrary to the intent of the amendment. Since the refund applications were filed within the limitation period prescribed under Section 54(1), the Petitioner was entitled to refund as per the amended formula. Accordingly, the Court quashed the impugned orders and directed the Department to grant the refund to the Petitioner.

Anivesh (ALC) Comments: The judgement reinforces the settled principle that amendments intended to remove an anomaly/defect in a provision are clarificatory/curative and must be applied retrospectively to claims filed within the statutory limitation period (two years under Section 54(1) of the CGST Act). CBIC Circular 181/13/2022 was held to contrary to the statute and struck down.

Important Case Laws

4. Kanika Exports vs. UOI [Delhi HC: Writ Petition No. 12512 of 2021]

Amendment to Explanation 2(e) of Section 54 is prospective and refund claims relating to periods prior to 01.02.2019 cannot be rejected as time-barred under the amended provision.

The petitioners filed refund claims for unutilised ITC under Section 54 of the CGST Act relating to exports without payment of IGST and inverted duty structure. The department rejected the refund applications as time-barred by applying amended Explanation 2(e) to Section 54 and treating export dates as the relevant date for limitation purposes.

The issue was whether amended Explanation 2(e) to Section 54 applies retrospectively and whether refund claims for periods prior to 01.02.2019 could be rejected as time-barred by treating export date as the relevant date for limitation.

The petitioners argued that refund of unutilised ITC for periods prior to 01.02.2019 was governed by unamended Explanation 2(e), where limitation was computed from the end of the financial year, and the amended provision could not retrospectively restrict vested refund rights.

The department argued that export refund claims were governed by Explanation 2(a), where limitation is computed from the export date, and that amended Explanation 2(e) was clarificatory and retrospective, making the refund claims time-barred.

The Delhi High Court held that amendment to Explanation 2(e) of Section 54 is prospective and refund claims relating to periods prior to 01.02.2019 would be governed by the unamended provision, where limitation is computed from the end of the financial year. Accordingly, rejection of refund claims as time-barred was set aside.

Important Case Laws

5. **<u>Spring Merchandiser Pvt Ltd vs CCGST&CE [CESTAT Ahmedabad: Excise Appeal No. 11405 of 2025-SM]</u>**

Interest is payable on refunded investigation deposits, but not on delayed interest.

The petitioners had deposited Rs.15 lakh during investigation in 2005 relating to alleged wrong availment of Cenvat credit after the proceedings were decided in its favour, refund was sanctioned, but the department granted interest only on 7.5% of the amount treating it as statutory pre-deposit, leading to the present dispute for full interest refund. The petitioners argued that refund of unutilised ITC for periods prior to 01.02.2019 was governed by unamended Explanation 2(e), where limitation was computed from the end of the financial year, and the amended provision could not retrospectively restrict vested refund rights.

The appellant argued that once the proceedings had concluded in its favour, interest was payable on the entire amount deposited during investigation as compensation for deprivation of funds. It was further contended that interest should be granted at 12% per annum in line with judicial precedents.

The department argued that interest could only be granted in accordance with Section 11BB of the Central Excise Act and only on the statutory pre-deposit amount. It was further contended that departmental authorities could not grant interest beyond the statutory provisions and prescribed rate.

The Tribunal held that the appellant was entitled to interest on the entire deposited amount from the date of deposit till the date of actual refund at the rate of 12% per annum, following settled judicial precedents treating such interest as compensation for deprivation of funds. However, the Tribunal held that no “interest on interest” would be admissible.

Important Case Laws

6. **<u>Agratas Energy Storage Solutions Pvt. Ltd. [AAAR Gujrat: ADVANCE RULING (APPEAL) NO. GUJ/GAAAR/APPEAL/2026/04]</u>**

Section 17(5)(d) to deny ITC on industrial land lease rentals used for factory construction.

Agratas Energy Storage Solutions Pvt. Ltd., a subsidiary of Tata Sons, obtained 321 acres of land from the Government of Gujarat on a 50-year lease for setting up a battery cell manufacturing factory and paid GST on annual lease rentals under reverse charge mechanism, seeking ITC eligibility on such payments.

Whether Agratas Energy Storage Solutions Pvt Ltd was entitled to ITC of GST paid on annual lease rentals charged by the Government of Gujarat/State tax department for leased industrial land used for construction, repair, renovation, and maintenance of factory premises under Section 17(5)(d) of the CGST Act.

Appellate Authority for Advance Ruling upheld the ruling against Agratas Energy Storage Solutions Pvt Ltd and held that ITC on GST paid on annual lease rentals for industrial land is blocked under Section 17(5)(d) of the CGST Act, as the land was used for construction of immovable property; accordingly, the appeal was rejected..

<u>Anivesh (ALC) Comments:</u> The ruling adopts a strict interpretation of Section 17(5)(d) by treating lease rentals for industrial land as intrinsically linked to construction of immovable property, thereby denying ITC even for vacant land and post-construction periods.

GST Advisory

1. **<u>Advisory dated April 16, 2026</u>:** The GSTN issued an advisory regarding incorrect system-calculated interest for the February 2026 tax period, which was auto-populated in Table 5.1 of March 2026 GSTR-3B due to a technical glitch. The issue arose because the system did not properly consider the benefit of available cash balance while computing interest as per Rule 88B(1). To rectify this, GSTN has provided a facility on the portal to recompute the interest so that taxpayers can ensure correct self-assessment and reporting. Steps to follow:

- Check the auto-populated interest in Table 5.1 of GSTR-3B and verify detailed interest calculation through system-generated GSTR-3B PDF
- Click on "Re-compute Interest" button in Table 5.1
- Review the recomputed interest reflected in updated GSTR-3B PDF and update/edit interest values in Table 5.1 if required
- Ensure manually entered interest is not less than recomputed value

GST Advisory

2. **<u>Advisory dated April 21, 2026</u>:** The GSTN has issued an advisory introducing an IMS Offline Tool to enhance ease of compliance for taxpayers. Earlier, IMS allowed taxpayers to take actions such as accept, reject or keep pending the invoices uploaded by suppliers through GSTR-1, GSTR-1A or IFF. To further simplify this process, the offline tool (Excel-based) has been introduced, enabling taxpayers to manage and take actions on invoices more efficiently, especially in bulk.

   Key steps to follow :

- Download and use the Excel-based IMS Offline Tool
- Import invoice data uploaded by suppliers
- Take actions like accept, reject or keep invoices pending
- Perform actions on both individual and bulk invoices
- Upload updated data back to the GST portal

GST Notifications

1. **<u>Notification No. 01/2026-Central Tax dated April 21, 2026</u>:** The Central Government on the recommendations of the GST Council to extend the due date for furnishing FORM GSTR-3B for the month of March 2026 has been extended to 21st April 2026 for registered persons required to furnish returns under Section 39(1) read with Rule 61(1)(i) of the CGST Rules, 2017.

2. **<u>Notification No. 01/2026-Central Tax (Rate) dated April 30, 2026</u>:** The Central Government amends Notification No. 09/2025 – Central Tax (Rate) by revising the tariff entries under Schedule I (2.5%) and Schedule III (20%) for specified non-alcoholic beverages and drink products falling under heading 2202, including packaged drinking beverages and fruit-based drinks falls under heading 2202. The changes primarily involve substitution of HSN codes against certain serial numbers to realign classification and will come into effect from 1st May 2026.

Customs Notifications

1. **<u>Notification No. 38/2026-Customs (N.T.) dated April 16, 2026:</u>** The CBIC has appointed a Common Adjudicating Authority (Principal Commissioner/Commissioner of Customs, Air Cargo) for adjudication of multiple show cause notices issued to Control Components India (P) Ltd., by assigning powers of specified customs officers for the purpose.
2. **<u>Notification No. 39/2026-Customs (N.T.) dated April 20, 2026:</u>** CBIC has amended Notification No. 12/97-Customs (N.T.) by omitting a specified entry (item viii) under serial number 11 relating to the State of Tamil Nadu, thereby modifying the list of notified customs locations.
3. **<u>Notification No. 40/2026-Customs (N.T) dated April 23, 2026:</u>** CBIC has amended Notification No. 12/97-Customs (N.T.) by inserting Hirnoda (Jaipur) as a notified customs location for unloading of imported goods and loading of export goods, and making a consequential renumbering change in the existing entry for Kishangarh.
4. **<u>Notification No. 41/2026-Customs (N.T) dated April 24, 2026:</u>** The Central Government has amended Notification No. 77/2023-Customs (N.T.) by revising duty drawback rates for specified tariff items under Chapter 71, with increased rates for items 711301, 711302, and 711401.`

Customs Notifications

5. **Notification No. 42/2026-Customs (N.T.) dated April 30, 2026:** CBIC has revised tariff values for specified goods including edible oils, gold, silver, brass scrap, and areca nuts by substituting updated Tables under Notification No. 36/2001-Customs (N.T.), effective from May 1, 2026.

6. **Notification No. 05/2026-Customs (ADD) dated April 23, 2026:** The Central Government has amended Notification No. 68/2021-Customs (ADD) to exclude Lithograde Aluminium Coils of width above 1150 mm from the scope of anti-dumping duty on imports of certain flat rolled aluminium products from China.

7. **Notification No. 06/2026-Customs (ADD) dated April 24, 2026:** The Central Government has amended multiple anti-dumping duty notifications by revising and expanding the applicable tariff (HSN) codes for specified goods, effective from May 1, 2026.

Customs Circular & Instruction

1. **Circular No. 21/2026-Customs dated April 15, 2026:** CBIC allows simplified handling of export containers returned to India due to maritime disruptions, permitting offloading without Bill of Entry (if seals intact), with cancellation of Shipping Bills/LEO and recovery of export incentives; 100% examination applies if seals are tampered.

2. **Instruction No. 04/2026-Customs dated April 20, 2026:** CBIC updates the list of authorized officers for food imports under FSSAI, adding 5 new Points of Entry (ICD Dhirpur, Electronic SEZ Park Gandhinagar, ICD Naya Raipur, ICD Dahej, and ICD Varnama) (total 171), and modifies Instruction No. 31/2025; field officers are directed to ensure compliance.

3. **Instruction No. 05/2026-Customs dated April 23, 2026:** CBIC directs time-bound processing of RoDTEP and RoSCTL scrolls, mandating generation and credit within 3 days (similar to drawback) to avoid delays and ensure timely disbursal to exporters.

4. **Instruction No. 06/2026-Customs dated April 27, 2026:** CBIC clarifies that goods supplied from SEZ to DTA (on payment of duty) and subsequently re-exported shall be treated as imported goods, making them eligible for drawback under Section 74, subject to identification and other conditions.

Central Excise Notifications

1. **<u>Notification No. 19/2026-Central Excise dated April 30, 2026:</u>** Excise duty rate is revised to Rs. 23 per litre against serial number 2 under Notification No. 06/2026-Central Excise, effective from May 1, 2026.
2. **<u>Notification No. 20/2026-Central Excise dated April 30, 2026:</u>** Excise duty rate is revised to Rs. 33 per litre against serial number 1 under Notification No. 08/2026-Central Excise, effective from May 1, 2026.
3. **<u>Notification No. 21/2026-Central Excise dated April 30, 2026:</u>** Excise duty rate is revised to Nil against serial number 2 under Notification No. 11/2026-Central Excise, effective from May 1, 2026.

Foreign Trade Policy Updates

1. **Notification No. 11/2026-27 dated April 17, 2026:** The Government has extended the eligible destination to include Egypt and Jordan as eligible destinations under the RELIEF scheme of the Export Promotion Mission, thereby extending support to exporters facing logistics disruptions, with all other provisions remaining unchanged.

2. **Notification No. 12/2026-27 dated April 17, 2026:** The Central Government has amended the export policy of Baryte (Natural Barium Sulphate) on a grade-wise basis by shifting Grade A (Specific Gravity ≥ 4.2) and Grade B (Specific Gravity 4.10- 4.20) from Free to Restricted category, making their export subject to DGFT authorization, while Grade CDW (Specific Gravity < 4.0) continues to remain freely exportable.

3. **Notification No. 13/2026-27 dated April 27, 2026:** The Government has retained the export policy of Wheat (HS Codes 10011900 and 10019910) as "Prohibited", but permitted export of an additional 25 Lakh Metric Tonnes (LMT) subject to DGFT modalities to be notified separately, while existing provisions allowing exports based on Government approvals for food security needs of other countries continue to apply.

4. **Notification No. 14/2026-27 dated April 30, 2026:** The Central Government has extended the Minimum Import Price (MIP) condition of Rs. 67,220 per MT (CIF) on import of Virgin Multi Layer Paper Board (VPB) under specified ITC(HS) codes up to September 30, 2026, with all other conditions remaining unchanged.

5. **Notification No. 15/2026-27 dated April 30, 2026:** The has amended the RoDTEP Schedule (Appendix 4R and 4RE) to align with changes in the Customs Tariff Act, 1975 by adding 142 tariff lines, deleting 50 lines, and modifying 2 entries, effective from May 1, 2026.

Foreign Trade Policy Updates

1. **<u>Public Notice No. 04/2026-27 dated April 17, 2026:</u>** The DGFT has amended Appendix 4B of the Handbook of Procedures, 2023, to update the list of banks authorized by the Reserve Bank of India for bullion imports. Under this amendment, 15 banks, including Axis Bank, HDFC Bank, and State Bank of India, are authorized to import both gold and silver. Additionally, Union Bank of India and SBER Bank are permitted to import only gold. These authorizations are effective from April 01, 2026, and remain valid until March 31, 2029.

2. **<u>Public Notice No. 05/2026-27 dated April 30, 2026:</u>** DGFT has prescribed modalities for the export of 25 LMT of wheat. Applications must be submitted online through the DGFT website between May 01, 2026, and May 10, 2026. The allocation includes 18 LMT for high-turnover exporters, 5 LMT for State Trading Enterprises and Cooperative Societies, and 2 LMT for MSME exporters. Authorizations are non-transferable, valid for six months, and require exporters to submit monthly progress reports.

Foreign Trade Policy Updates

3. **Trade Notice No. 01/2026-27 dated April 20, 2026:** DGFT has included Chapter 72 tariff lines under the Interest Subvention Support scheme specifically for Micro and Small Enterprises (MSEs). While Medium Enterprises are excluded from this benefit for the specified tariff lines, eligibility is prospective, applying only to export credit disbursed on or after the date of this notice. All other existing guidelines under the Export Promotion Mission (EPM) remain unchanged.

4. **Trade Notice No. 02/2026-27 dated April 21, 2026:** DGFT has activated an online module for the issuance, re-issuance, and extension of Post Export EPCG Duty Credit scrips to resolve difficulties with manual scrip utilization. The module facilitates seamless data exchange between the DGFT portal and ICEGATE, covering scenarios for unclosed authorizations, pending transmissions, and manual-to-electronic scrip conversions. Authorization holders can now apply for closures or raise service request tickets online to ensure electronic transmission and revalidation of scrips.

Anivesh
Legal Consultants

THANK YOU

See You Next Time

+91 9717587750
+91 8077648656

mohit.gupta@aniveshgroup.com
ayush.agarwal@aniveshgroup.com

aniveshgroup.com
anivesh.in

C-2465, Basement, Opposite Peach Tree
Gate no. 1, Sushant Lok 1, Sector 43,
Gurgaon 122002.