Anivesh
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Indirect Tax Updates – 1st May 2026 to 31st May 2026

Index

May GST collections

GST Collections	May' 25 (Rs. in Crores)	May' 26 (Rs. in Crores)	% Growth (Rs. in Crores)
Gross domestic revenue	1,38,102	1,34,530	-2.6%
Less: Refund – domestic	17,793	17,030	-4.3%
Net Domestic Revenue	**1,20,309**	**1,17,500**	**-2.3%**
Gross Import Revenue	50,070	59,654	19.1%
Less: Refund – Imports	8,794	10,250	16.6%
Net Customs Revenue	**41,276**	**49,403**	**19.7%**

Top 5 gainers

Top 5 losers

State/ UT	Growth (+)	State/UT	Growth (-)
Dadra and Nagar Haveli and Daman & Diu	38%	Lakshadweep	-82%
Mizoram	20%	Sikkim	-53%
Uttar Pradesh	13%	Manipur	-42%
Haryana	8%	Himachal Pradesh	-27%
Tripura	7%	Jammu and Kashmir	-20%

Important Case Laws

1. <u>Midas Tankers Private Limited vs UOI [Bombay HC: Writ Petition No. 2554 of 2026]</u>

IGST cannot be separately levied on ocean freight in CIF contracts when such freight forms part of the composite supply.

The petitioner, was engaged in providing vessel hire and freight services. During GST audit for FY 2021-22, the department alleged that transportation services provided by the petitioner for import of goods on CIF basis were liable to GST as the place of supply was India. A show cause notice and adjudication order were issued confirming IGST, CGST and SGST demand along with interest and penalty.

The petitioner argued that as per ***Union of India vs. Mohit Minerals Pvt. Ltd.***, separate IGST on ocean freight in CIF contracts is impermissible since freight and insurance already form part of the composite supply on which IGST was paid at the time of import. Hence, separate levy would amount to double taxation. The petitioner also alleged violation of natural justice and defects in the show cause notice. The department contended that under Section 13(9) of the IGST Act, the place of supply for transportation services was the destination of goods. Since the goods were destined for India, the services were taxable in India and GST was payable by the petitioner.

The Bombay High Court held that transportation services in CIF contracts form part of the composite supply of imported goods and cannot be taxed separately under GST. Relying on ***Union of India vs. Mohit Minerals Pvt. Ltd.***, the Court held that IGST had already been paid on the composite value including freight and the refund and interest directed to be granted.

<u>Anivesh (ALC) Comments:</u> The court held that ocean freight in CIF imports cannot be subjected to separate IGST levy, the ruling is specific to the CIF import structure and the Supreme Court's decisions in ***Mohit Minerals***. The decision should not be interpreted to mean that transportation services are not independently taxable merely because they form part of a composite supply at a subsequent stage.

Important Case Laws

2. Maruti Enterprises vs. UOI [Gujrat HC:R/Special Civil Application No. 18080 of 2023]

ITC is admissible only when the supplier has deposited the GST with government, even for bona fide purchasers.

The petitioners challenged the constitutional validity of Section 16(2)(c) of the CGST Act, 2017, which denies Input Tax Credit to the purchasing dealer where the supplier fails to deposit the tax collected with the Government. The petitioners contended that despite being bona fide purchasers and complying with all procedural requirements under GST law, they were denied ITC solely because of the supplier's default in payment of tax.

The petitioners argued that Section 16(2)(c) is arbitrary and unconstitutional as a purchaser has no mechanism to verify whether the supplier has deposited tax with the Government. It was contended that denial of ITC despite valid invoices, receipt of goods/services and reflection in GSTR-2A/2B is unjust, and the provision should apply only in cases involving fraud or collusion. The department contended that under Section 16(2)(c), ITC is available only when the supplier has actually paid tax to the Government. It was argued that the provision safeguards Government revenue and prevents fraudulent ITC claims, with the burden of proving eligibility lying on the purchasing dealer.

The Gujarat High Court upheld the validity of Section 16(2)(c) of the CGST Act and held that ITC can be availed only if the supplier has deposited the tax with the Government. The Court observed that the provision safeguards Government revenue and is neither arbitrary nor unconstitutional, though it advised the Government to strengthen mechanisms for protecting bona fide purchasers.

Anivesh (ALC) Comments: This ruling upholds the constitutional validity of Section 16(2)(c) of the CGST Act and reiterates that availment of ITC is conditional upon actual payment of tax by the supplier to the Government. The judgment also emphasizes that while genuine purchasers may face hardship, the burden to establish ITC eligibility continues to rest upon the purchasing dealer under the GST framework.

Important Case Laws

3. <u>Tata Sons Projects Ltd. vs. UOI [Bombay HC: Writ Petition No. 4914 of 2022]</u>

Payment of damages under the arbitral award is not consideration for any supply and hence not liable to IGST.

Tata Sons Private Ltd and Docomo had disputes arising from a Shareholders Agreement, which were resolved through an arbitral award directing Tata to pay damages, interest and costs to Docomo. After enforcement proceedings were initiated in various jurisdictions, the parties settled the matter before the Delhi High Court through consent terms. Subsequently, the DGGI issued a show cause notice seeking to levy IGST on the amounts paid by Tata, alleging that Docomo had provided a taxable service by agreeing to withdraw enforcement proceedings.

The petitioner argued that payment under the arbitral award was merely damages for breach of contract and not consideration for any service. It was also contended that withdrawal of enforcement proceedings did not amount to an independent taxable supply. The department contended that Docomo had agreed to refrain from pursuing further proceedings, which amounted to a taxable supply of service under Entry 5(e) of Schedule II of the CGST Act.

The Bombay High Court quashed the show cause notice and held that settlement of the arbitral award did not constitute a "supply" under GST law. The Court observed that payment of damages was merely compensation for breach of contract and withdrawal of enforcement proceedings was incidental to settlement of the award, not an independent taxable service.

<u>Anivesh (ALC) Comments:</u> The judgment reiterates that damages paid under an arbitral award or settlement thereof do not qualify as consideration for any independent "supply" under GST law. The Bombay High Court held that withdrawal of enforcement proceedings is merely incidental to settlement of the award and cannot be taxed as a service of "tolerating an act" under Entry 5(e) of Schedule II of the CGST Act.

4. Vodafone Idea Ltd. vs UOI [Bombay HC: Writ Petition No. 6637 of 2025]

GST demand against a non-existent entity post-merger is void ab initio.

The petitioner, Vodafone Idea Ltd., was formed pursuant to the merger of Vodafone Mobile Services Ltd., Vodafone India Ltd. and Idea Cellular Ltd. under an NCLT-approved scheme, and the GST authorities were duly informed about the merger. Despite this, DGGI issued a show cause notice and demand against VMSL, a non-existent entity, alleging wrongful availment of ITC in relation to slump sale of tower business.

The petitioner argued that proceedings against VMSL were void since it had ceased to exist after merger and the department was already informed about the amalgamation. Reliance was placed on Maruti Suzuki India Ltd. to contend that notices issued to non-existent entities are without jurisdiction. The department contended that Section 87 of the CGST Act permits determination of GST liabilities of the erstwhile entity for the pre-merger period, and therefore the notice issued to VMSL for FY 2017-18 was valid.

The Bombay High Court allowed the writ petition and quashed the show cause notice issued against VMSL. Relying on ***Maruti Suzuki India Ltd.***, the Court held that once the department was aware of the merger, proceedings against the non-existent amalgamating entity were void ab initio and without jurisdiction. The Court further held that Section 87 of the CGST Act does not permit initiation of proceedings against a non-existent entity post-merger.

Anivesh (ALC) Comments: This ruling reinforces that GST proceedings initiated against a non-existent entity post-merger are void ab initio, even if the liability pertains to the pre-merger period. The judgment also held that Section 87 of the CGST Act does not empower authorities to issue notices to an amalgamating entity after it ceases to exist.

Important Case Laws

5. Sreekrishna Traders vs. State of Karnataka [Karnataka HC: WA Nos. 1385 & 1388 of 2026]

Once a confiscation order is passed under Section 130 of CGST Act, the release mechanism u/s 129 ceases to be available.

The appellant, an arecanut trader, had goods and vehicles intercepted and confiscated under Section 130 of CGST/KGST Act by enforcement authorities. The Single Judge directed provisional release subject to 25% cash deposit and 75% bank guarantee. The appellant filed IAs seeking modification of these interim orders on the ground that in identical matters involving similar arecanut traders, this Court had directed release on deposit of 200% of tax payable along with an indemnity bond. The trader argued that other arecanut traders facing identical interception by the same department were granted release on the softer condition of depositing 200% of tax and an indemnity bond under Section 129(1)(a) of the CGST Act, and that his case deserved the same treatment. The department argued that the other cases the trader was relying upon involved only detention and seizure of goods under Section 129 of the CGST Act, which is a lesser action under GST law. The present case involved full confiscation under Section 130, where under sub-section (5) thereof, ownership of the goods legally transfers to the Government, and therefore stricter release conditions rightfully apply.

The Court upheld the stricter conditions. Section 129 which deals with detention and seizure of goods in transit, where the owner can secure release by paying tax and penalty, and Section 130 which deals with full confiscation, where the Government becomes the legal owner of the goods and conveyance. Once confiscation is ordered under Section 130 and ownership transfers to the Government under sub-section (5) thereof, the release mechanism under Section 129 ceases to be available entirely. All further proceedings including valuation, penalty, interest and fine are then governed exclusively by Section 130. Both appeals were dismissed.

Important Case Laws

6. <u>CCE & CGST vs. Deputy Conservator of Forests [Gujarat HC: Tax Appeal Nos. 505 & 506 of 2025]</u>

Entry fees collected by forest officers for Gir Forest are sovereign functions and not taxable as Tour Operator services.

The Central Excise department issued show cause notices demanding Service Tax of Rs. 3.44 crores on fees collected by the Deputy Conservator of Forests, Gir Forest, from tourists including entry permits, camera fees and park access charges for the period 2009-10 to June 2017. The department classified this activity as “Tour Operator” service under Section 65(105) of the Finance Act, 1994. The adjudicating authority confirmed the demand, which was subsequently set aside by CESTAT. Revenue appealed to the High Court. The Deputy Conservator collects fees from tourists and facilitates forest visits including transport, which squarely fits the definition of “Tour Operator” under the Finance Act, 1994. The Deputy Conservator is a State Government officer discharging sovereign functions assigned by the State. All fees collected flow directly into the consolidated fund of the Government of Gujarat, not into any private account, and such statutory levies cannot be taxed by the Central Government.

The High Court dismissed Revenue's appeal, holding that forest conservation and the collection of permit fees are sovereign functions of the State Government protected under Article 246(3) of the Constitution, which grants States exclusive legislative power over forests. The Central Government has no authority to levy tax on statutory charges collected by the State for this purpose. The Court also noted that Revenue had wrongly proceeded against the individual officer any action, if at all maintainable, would lie against the Government of Gujarat, not the officer personally.

<u>Anivesh (ALC) Comments:</u> The ruling rightly holds that entry fees collected by forest officers for Gir Forest are sovereign functions, not taxable as 'Tour Operator' services. Although this case relates to Service Tax, the principle remains highly relevant under GST.

Important Case Laws

7. Assam Electricity Regulatory Commission vs. UOI [Gauhati HC: WP(C) No. 3038/2024]

Regulatory and quasi-judicial functions of statutory electricity commissions are not taxable supply under GST and cannot be subjected to Service Tax or GST.

The Assam Electricity Regulatory Commission, a statutory body discharging regulatory functions such as tariff determination and licensing under the Electricity Act, received show cause notices and demand orders from GST authorities seeking to levy Service Tax and GST on fees collected by it for the period 2016-17 to 2022-23. The Commission challenged these demands before the Gauhati High Court.

The Commission argued that its functions are purely statutory and quasi-judicial in nature, neither amounting to trade, commerce, nor business. The fees collected do not constitute "consideration" as defined under Section 2(31) of the CGST Act, and the activity does not qualify as "supply" under Section 7. Further, Schedule III of the CGST Act expressly excludes services rendered by courts and tribunals, within which the Commission squarely falls.

The department sought to classify the Commission's activities as taxable support services, attempting to artificially separate its regulatory functions from its adjudicatory functions to bring at least a portion within the GST net.

The Court allowed the petitions, relying on the settled position established by the Delhi High Court in Central Electricity Regulatory Commission vs. DGGI (affirmed by the Supreme Court on dismissal of SLP), and consistent rulings of Karnataka and Himachal Pradesh High Courts. The Court held that regulatory functions of statutory commissions are neither business nor trade, the element of consideration is absent, and Schedule III exclusion for courts and tribunals applies. Any attempt to artificially segregate regulatory and adjudicatory functions is untenable. All demand notices and orders were quashed.

Important Case Laws

8. **Sai Traders vs State of Uttar Pradesh [Allahabad HC: Writ Tax No. 2173 of 2026 & connected]**

Limitation for filing a GST appeal under Section 107 runs from the date of actual communication of the order to the assessee, not from the date it is merely uploaded on the Common Portal.

A batch of writ petitions challenged appellate orders that had dismissed the assessees' appeals under Section 107 solely as time-barred, without examining the merits. In each case the appellate authority computed limitation from the date the adjudication order was uploaded on the GST Common Portal, rather than the date it was actually communicated to the assessee.

The petitioners argued that limitation should run only from the date of actual communication of the order, and that mere uploading on the portal – which generates no acknowledgement of retrieval – is not valid service under Section 169. The State raised a preliminary objection that the petitioners had an alternative remedy of appeal to the Tribunal under Section 112, and contended that upload on the portal was valid constructive service from which limitation ran.

The Allahabad High Court held that the effective date of communication is the date of actual communication, not of upload. The deeming fiction of constructive service under Section 169 applies only to physical modes and acknowledged electronic modes, not to mere portal upload. A presumption operates in the assessee's favour and the burden shifts to the Revenue to prove earlier communication. The impugned orders were quashed and remitted for decision on merits.

Anivesh (ALC) Comments: A significant taxpayer-friendly ruling on portal-based service of orders. Assessees whose appeals were rejected solely as time-barred – measured from the portal upload date – now have strong support to seek restoration where no acknowledged email or physical service was effected.

Important Case Laws

9. **<u>Divyashakti Chemicals vs AC of CT, Hyderabad [Telangana HC: Writ Petition No. 13026 of 2026]</u>**

A second adjudication for the same period on identical allegations is not automatically barred under Section 6(2)(b) of the CGST Act where the assessee failed to raise the overlap before the authority.

The petitioner's registration was cancelled and a show cause notice was issued alleging wrongful availment of ITC without actual supply, culminating in an order-in-original dated 18 March 2025, against which a statutory appeal is pending. A second order-in-original dated 10 December 2025 was then passed for the same period (January–November 2019) on identical allegations, which the petitioner challenged by writ as a duplication barred under Section 6(2)(b).

The petitioner argued that the second proceeding covered the same subject matter and period and was therefore a duplication and an abuse of process, barred under Section 6(2)(b) of the CGST Act. The Department defended the second order; the Court noted that the petitioner had not participated in that proceeding to bring the alleged overlap to the authority's notice.

The Telangana High Court held that, while the subject matter might be the same, it was not shown that the demand or relief was identical, and the petitioner had failed to flag the overlap before the authority as required by the Supreme Court in Armour Security (India) Ltd. The Court declined to quash the second order, leaving the petitioner to seek rectification under Section 161 (the six-month window being open) or to file an appeal. The writ was disposed of.

<u>Anivesh (ALC) Comments:</u> The ruling is a caution that the Section 6(2)(b) bar on parallel proceedings is not self-executing - taxpayers must raise the duplication before the adjudicating authority and exhaust statutory remedies rather than rushing to writ, or risk being relegated to appeal.

Important Case Laws

10. **<u>Sumukha Ventures vs JC of CT, Bengaluru [Karnataka HC: Writ Petition No. 7772 of 2026]</u>**

Where the show cause notice and order-in-original are passed by the very officer who conducted the audit, the natural-justice objection must be examined; the order was set aside and remitted.

The petitioner challenged a show cause notice dated 30 September 2025 and the consequent order-in-original, both emanating from the same officer who had earlier conducted the audit of the petitioner, where both audit and enforcement proceedings had been initiated.

The petitioner argued that an officer who has already recorded findings in the audit cannot also adjudicate, as the assessing authority would inevitably be guided by the audit findings, violating the principles of natural justice. The Revenue maintained the validity of the notice and order; the Court directed that the jurisdictional objection be examined on merits by the authority.

The Karnataka High Court held that the jurisdictional objection deserved consideration, and directed the Deputy Commissioner (Audit) to record a finding on jurisdiction after obtaining orders from the Joint Commissioner (Administration), keeping all of the petitioner's contentions open. The order-in-original was set aside and the matter remitted for reconsideration; the petition was disposed of.

<u>Anivesh (ALC) Comments</u>: The decision supports an assessee's right to a fair adjudication untainted by pre-formed audit conclusions, But stops short of holding such overlap impermissible – it routes the objection back to the authority. Taxpayers should raise officer-overlap objections early and on the record.

Important Case Laws

11. **<u>Mohammed Kamran vs ADG, DGGI, Bengaluru [Karnataka HC: Writ Petition No. 9407 of 2026]</u>**

A Section 6(2) bar must be proved with cogent material that State authorities formally initiated identical proceedings; and provisional attachment under Section 83 does not require a pre-decisional hearing.

The Directorate General of GST Intelligence initiated proceedings and passed a provisional attachment order under Section 83 against the petitioner, who was in judicial custody. The petitioner challenged the proceedings as barred under Section 6(2), the State having allegedly begun proceedings on the same subject, and the attachment as violative of natural justice for want of prior hearing.

The petitioner argued that the Central proceedings were barred under Section 6(2) as the State had already commenced action on the same subject matter, and that the provisional attachment, passed without any opportunity while he was in custody, breached natural justice. The Department contended there was no material showing the State had issued any notice or begun adjudication, and that Section 83 permits immediate protective attachment with only a post-decisional remedy under Rule 159(5).

The Karnataka High Court rejected the Section 6(2) plea as premature and unsubstantiated, holding that a writ court cannot examine the bar in the abstract without cogent proof of formally-initiated, identical State proceedings. On natural justice, relying on ***Narasimhan Engineering*** and the Supreme Court in ***Radha Krishan Industries***, it held that Section 83 contemplates immediate protective action with post-attachment safeguards under Rule 159(5), not a pre-decisional hearing.

<u>Anivesh (ALC) Comments:</u> The ruling underscores two points: a Section 6(2) cross-empowerment objection must be backed by hard evidence of parallel State proceedings, and provisional attachment can be ordered without prior hearing, the remedy being a post-attachment objection under Rule 159(5).

Important Case Laws

12. **Mayank Bansal, -Quantum Infratech Assam vs UOI [Gauhati HC: WP(C) No. 24/2026 & connected]**

Partners of a firm who retain the benefit of, and at whose instance, fraudulent transactions are conducted can be penalised under Section 122(1A) of the CGST Act, and the provision is not retrospective.

The petitioners, partners of a partnership firm alleged to have evaded GST through bogus invoices and wrongful ITC, were proceeded against for penalty under Section 122(1A). The show cause notice spanned July 2017 to March 2023, while Section 122(1A) took effect on 1 January 2021. The partners challenged both their personal liability and the retrospective reach of the provision.

The partners argued that penalty under Section 122(1A) can be imposed only on the taxable person (the firm) and not on individual partners, and that, having come into force on 1 January 2021, it could not apply to the period before that date. The Revenue argued that Section 122(1A) fastens liability on 'any person' who retains the benefit of the specified transactions and at whose instance they are conducted, which squarely covers the partners, and that it is complementary to the pre-existing Section 122(1).

The Gauhati High Court held that Section 122(1A) deliberately uses 'any person', distinct from 'taxable person', so partners who retain the benefit of and orchestrate the offending transactions are liable; it expressly disagreed with the Bombay High Court's contrary view in Shantanu Sanjay Hundekari and preferred the Delhi High Court's approach in Gurudas Mallik Thakur. On timing, it held that Section 122(1A) creates no new offence but only identifies the person behind violations of the long-standing Section 122(1), so there was no impermissible retrospective application. Liability was upheld.

Anivesh (ALC) Comments: A significant, litigant-adverse ruling that exposes partners, directors and other beneficiaries to personal penalty under Section 122(1A), and creates a clear High Court split with Bombay. Promoters and partners of firms under investigation should expect personal exposure, with the issue likely to reach the Supreme Court.

Important Case Laws

13. Flipkart India Private Limited [West Bengal AAAR]

E-commerce delivery through hub-based logistics network is courier service, not GTA service

Flipkart proposed a business model to deliver goods purchased through e-commerce portals, involving multiple transit hubs and last-mile delivery through independent partners. It sought an advance ruling on whether this qualifies as GTA service exempt from GST for unregistered customers. The lower authority ruled in its favour, prompting Revenue to appeal. Since it would issue a consignment note, assume responsibility for goods during transit, and provide road-based transportation, the service qualifies as GTA and is exempt under Sl. No. 21A of Notification No. 12/2017-Central Tax (Rate) for unregistered customers.

The customer does not independently contract for transportation delivery is embedded in the e-commerce purchase. Use of two-wheelers and electric vehicles for last-mile delivery does not qualify as transportation by goods carriage, making GTA classification unsustainable.

The Appellate Authority held that substance prevails over contractual labels. Since the customer has no independent transport contract with Flipkart and the arrangement is a contractual fiction, the activity constitutes an integrated courier and logistics service, not GTA. Exemption under Sl. No. 21A denied. Revenue's appeal allowed.

Anivesh (ALC) Comments: The ruling emphasizes that classification depends on the real nature of the transaction and not merely on contractual wording or invoicing practices. Where an e-commerce operator or logistics providers performs end-to-end fulfillment functions (sorting, tracking, hub operations, delivery to end customer, returns management etc.), the service is likely to be treated as a courier/logistics service rather than a GTA service, even if a consignment note is issued.

GST Notifications

1. **<u>Notification No. 02/2026 - Central Tax dated May 07, 2026</u>:** This Notification empowers the Principal Bench of the GST Appellate Tribunal (GSTAT), New Delhi to hear appeals filed under Section 101B of the CGST Act, pursuant to the recommendations of the GST Council (till the time separate National Appellate Authority for Advance Ruling (NAAAR) is constituted). Section 101B pertains to conflicting rulings given by appellate advance ruling authorities of two states.

   It expands the jurisdiction of the Principal Bench to include disputes involving conflicting Advance Rulings issued by different State Appellate Authorities. The notification is deemed effective from April 01, 2026 and is expected to provide a dedicated appellate forum, thereby streamlining resolution of advance ruling disputes and reducing litigation uncertainty for taxpayers operating across multiple States.

GST Advisory

1. **<u>Advisory dated May 18, 2026</u>:** A standardized Annexure-B Offline Utility (in Excel) has been deployed and is now mandatory for refund applications involving accumulated ITC – namely exports of goods/services without payment of tax, supplies to SEZ units/developers, ITC accumulated due to the inverted duty structure, and export of electricity. Invoice details must be reported HSN/SAC-wise with system-based validation against GSTR-2B; up to 2,50,000-line items may be uploaded per refund application.

2. **<u>Advisory dated May 21, 2026</u>:** Enhancements proposed in the e-Way Bill (EWB) portal- (i) mandatory capture of the "Ship-To GSTIN" in Bill-To Ship-To transactions for improved traceability, and (ii) a new EWB Closure functionality enabling taxpayers to voluntarily close e-Way Bills in specified scenarios. Implementation timelines and stakeholder action points have been notified.

GST CORRIGENDUM

1. **<u>Corrigendum dated May 06, 2026:</u>** This Corrigendum numbered G.S.R. 337(E) brings changes to Notification No. 01/2026-Integrated Tax (Rate) dated 30.04.2026. Two corrections: (i) Page 2, lines 22-33 -incorrectly printed anti-dumping duty preamble text under Customs Tariff Act shall be replaced with the correct IGST preamble under Section 5 of IGST Act, 2017 (ii) Page 3, line 1-HSN code "2202 99 90" shall be read as "2202 91 00".

2. **<u>Corrigendum dated May 06, 2026:</u>** This Corrigendum numbered G.S.R. 339(E) brings changes to Notification No. 01/2026-Central Tax (Rate) dated 30.04.2026. Page 4, line 22-HSN code "2202 99 90" shall be read as "2202 91 00". Taxpayers dealing in beer/malt beverages must update classification in GST invoices and returns accordingly.

3. **<u>Corrigendum dated May 06, 2026:</u>** This Corrigendum numbered S.O. 2349(E) brings changes to Notification No. 02/2026-Central Tax [S.O. 2286(E)] dated 07.05.2026. Page 2 -the numbers and figures "18/2024" shall be read as "02/2026". Typographical correction only; original notification remains fully valid.

Customs Notifications

1. **<u>Notification No. 15/2026-Customs dated May 12, 2026:</u>** Customs duty on precious metals increases from 5% to 10% effective 13 May 2026. Applies to gold, silver, platinum (HSN 7107-7111). New entry for spent catalyst/ash containing precious metals at 10% (valid until 31 March 2027). Impacts all precious metal importers and jewellery manufacturers requiring higher capital for inventory imports.

2. **<u>Notification No. 16/2026-Customs dated May 12, 2026:</u>** Major restructuring of precious metals customs duties amending Notifications 11/2018 and 11/2021. Introduces concessional 4.35% duty for spent catalysts requiring Ministry of Environment certificate and undertaking on precious metal percentage. Redefines gold/silver/platinum findings rates (5-5.4%). Creates nil duty exemptions for goods under Notification 57/2000. Affects jewellery manufacturers, refiners, and spent catalyst importers.

3. **<u>Notification No. 17/2026-Customs dated May 12, 2026:</u>** Gold and silver duty under principal exemption notification 57/2000 increases from 4.35% to 10% effective 13 May 2026. Blanket increase across all exemption entries. Significantly impacts all gold/silver importers relying on concessional rates. Importers must recalculate costs and adjust import planning accordingly.

4. **<u>Notification No. 18/2026-Customs dated May 12, 2026:</u>** Technical amendment to Notification 22/2022 for critical minerals/strategic goods. Serial No. 12 in TABLE III modified: Column (5) changed to 10, Column (6) changed to 4. Effective 13 May 2026. Affects specific critical mineral importers.

Customs Notifications

5. **Notification No. 19/2026-Customs dated May 30, 2026:** Exempts cotton (HSN 5201) from the whole of basic customs duty and Agriculture Infrastructure and Development Cess (AIDC) on import, effective from 1 June 2026 up to and including 31 October 2026.

6. **Notification No. 20/2026-Customs dated May 31, 2026:** A consolidated customs exemption notification under Section 25(1) prescribing effective rates of basic customs duty and AIDC across Tables I and II, and tariff rate quota (TRQ) concessions under Table III, for a wide range of goods. Effective from 1 June 2026.

7. **Notification No. 43/2026-Customs (N.T.) dated May 06, 2026:** Amends Notification No. 63/1994-Customs (N.T.) to notify the Samrang–Rangia (Tamulpur–Dimakuchi motorable road) as an additional Land Customs Station on the India–Bhutan border, facilitating customs clearance and cross-border trade through the newly notified route.

8. **Notification No. 44/2026-Customs (N.T.) dated May 11,2026:** Amends Notification No. 12/97-Customs (N.T.) to notify Village Namli, Ratlam (Madhya Pradesh) as a customs location for the unloading of imported goods and loading of export goods, facilitating customs operations at the notified location.

Customs Notifications

9. **<u>Notification No. 45/2026-Customs (N.T.) dated May 08,2026</u>:**Amends Notification No. 36/2001-Customs (N.T.) to revise the tariff values for specified imported goods, including edible oils, brass scrap, gold, silver, and areca nuts. However, the notified tariff values remain unchanged from the previous notification and are effective from 9 May 2026.

10. **<u>Notification No. 48/2026-Customs (N.T.) dated May 29, 2026</u>:** Notifies the Customs Tariff (Determination of Origin of Goods under the India-Oman Comprehensive Economic Partnership Agreement) Rules, 2026 -the rules of origin operationalising the India–Oman CEPA, with effect from 1 June 2026.

11. **<u>Notification No. 46, 47 & 49/2026-Customs (N.T.) dated May 15, 19 & 29, 2026</u>:** Revised the tariff values under Section 14(2) for edible oils (crude/RBD palm oil, palmolein and crude soya bean oil), brass scrap and gold/silver. In the latest revision crude palm oil moved to USD 1,218 and brass scrap to USD 7,655 per metric tonne.

Customs Notifications

12. **<u>Notification No. 07/2026-Customs (ADD) dated May 19, 2026</u>:** Pursuant to a new shipper review, ordered provisional assessment of imports of "Anodized Aluminium Frames for Solar Panels/Modules" from China PR produced and exported by M/s Anhui Krant Aluminum Products Co. Ltd, pending completion of the review by the DGTR.

13. **<u>Notification No. 08/2026-Customs (ADD) dated May 22, 2026</u>:** Imposed definitive anti-dumping duty of USD 290 per metric tonne on imports of "Monoisopropylamine" originating in or exported from China PR, based on the DGTR's final findings of dumping and material injury to the domestic industry.

14. **<u>Notification No. 09/2026-Customs (ADD) dated May 22, 2026</u>:** Amended Notification 47/2021-Customs (ADD) to extend the existing anti-dumping duty in force up to and including 25 November 2026, unless revoked, superseded or amended earlier.

15. **<u>Corrigendum to Notification No. 14/2026-Customs dated May 19, 2026 [G.S.R. 375(E)]</u>:** Issued technical corrections to Notification 14/2026-Customs (30 April 2026), including correcting "inserted" to "substituted", the tariff code "2202 91 29" to "2202 99 29", and inserting a consequential entry relating to Notification 45/2025-Customs.

Customs Circular & Instruction

1. **Circular No. 22/2026-Customs dated May 4, 2026:** CBIC has extended the validity of Customs relaxations issued under earlier circulars due to ongoing maritime disruptions caused by the closure of the Strait of Hormuz will remain effective up to 15.05.2026, while all other conditions remain unchanged.

2. **Circular No. 23/2026-Customs dated May 7, 2026:** Customs prescribes the procedure for claiming exemption from safeguard duty on imports of specified non-alloy and alloy steel flat products under Notification No. 02/2025-Customs (SG). Importers are required to declare prescribed INFO Codes in the Single Window Table of the Bill of Entry for exemptions based on CIF value thresholds, country of origin, and excluded product categories.

3. **Circular No. 24/2026-Customs dated May 14, 2026:** CBIC mandates importers to declare specified hazardous cargo at the item level in the Bill of Entry. Such consignments will be system-flagged to facilitate expedited customs clearance, with the facility becoming effective from **July 1, 2026**.

Customs Circular & Instruction

4. **<u>Circular No. 25/2026-Customs dated May 14, 2026</u>:** CBIC has extended the validity of the facilitation measures prescribed under various Circular No. 09/2026, 10/2026, 12/2026, 15/2026, 19/2026, and 21/2026-Customs, issued to mitigate disruptions in maritime routes due to the closure of the Strait of Hormuz, up to June 30, 2026.

5. **<u>Circular No. 26/2026-Customs dated May 15, 2026</u>:** Standardises the procedure for grant of Entry Inward and Vessel Sail-out Clearance. CBIC has clarified that grant of Entry Inward (Sections 30–31) and Sail-out Clearance (Sections 41–42) shall not be made contingent on physical boarding of customs officers, which is an independent statutory process under Section 37. Clearances are to be granted promptly upon filing of the Sea Arrival Manifest (SAM) / Sea Departure Manifest (SDM) under SCMTR, with physical boarding undertaken only on a risk-assessment basis. The measure aims to remove avoidable delays in cargo operations.

Central Excise Notifications

1. **<u>Notification No. 22 & 23/2026-Central Excise dated May 15, 2026</u>:** Revised the per-litre rates of additional duty of excise on petrol and diesel – under Notification 06/2026-CE the rates were substituted to Rs. 3 per litre (Sl. 1) and Rs. 16.5 per litre (Sl. 2), and under Notification 08/2026-CE to Rs. 16 per litre. Effective from 16 May 2026.

2. **<u>Notification No. 24 & 25/2026-Central Excise dated May 30, 2026</u>:** Further revised these excise duty rates with effect from 1 June 2026 – under Notification 06/2026-CE to Rs. 1.5 per litre (Sl. 1) and Rs. 13.5 per litre (Sl. 2), and under Notification 08/2026-CE to Rs. 9.5 per litre.

Foreign Trade Policy Updates

1. **<u>Notification No. 17/2026-27 dated May 16, 2026</u>:** The DGFT amended the import policy of silver bars covered under ITC (HS) codes 7106 92 21 and 7106 92 29 from "Free" to "Restricted", subject to Policy Condition No. 7 of Chapter 71, with immediate effect. The change tightens silver bar imports, routing them through designated channels rather than free importation.

2. **<u>Public Notice No. 06/2026-27 dated May 04, 2026:</u>** The DGFT has notified four new Standard Input Output Norms (SIONs) under the "Chemical & Allied Product" Group 'A' by inserting SION Nos. A-3698 to A-3701 for specified chemical export products. The notification enables Regional Authorities to issue Advance Authorizations directly without referring cases to the Norms Committee, thereby expediting approvals and ensuring uniformity in decision-making.

3. **<u>Public Notice No. 07/2026-27 dated May 05, 2026:</u>** The DGFT has amended Para 4.12 (vi) of HBP-2023 to extend the validity of ad-hoc norms ratified by the Norms Committee on or after April 01, 2015 under Para 4.07 up to March 31, 2028. The amendment also clarifies that such norms shall not apply to items listed under Appendix 4P or where the Norms Committee has specifically restricted their applicability. The amendment aims to ensure continuity, predictability and ease of doing business for exporters.

Foreign Trade Policy Updates

4. **Public Notice No. 08/2026-27 dated May 08, 2026:** The DGFT has enlisted fourteen new Pre-Shipment Inspection Agencies (PSIAs) under Appendix-2G of HBP-2023 and authorised two existing PSIAs to add approved instruments for inspection purposes. The notice also updates the list of PSIAs by removing agencies whose validity has expired and was not renewed.

5. **Public Notice No. 09/2026-27 dated May 11, 2026:** The DGFT has amended Para 2.88 and Para 2.91 of HBP-2023 to include the India-UK Comprehensive Economic and Trade Agreement (CETA) in the list of Free Trade Agreements. The amendment also permits exporters to obtain Certificates of Origin under India-UK CETA through self-declaration, in addition to issuance by authorized agencies.

6. **Public Notice No. 10/2026-27 dated May 11, 2026:** The DGFT has amended Appendix 2B of FTP-2023 to notify the list of authorized agencies permitted to issue Preferential Certificates of Origin under the India-UK Comprehensive Economic and Trade Agreement (CETA). The authorized agencies include DGFT and its regional offices, Export Inspection Council, APEDA, MPEDA, various commodity boards, and specified SEZs for designated products.

Foreign Trade Policy Updates

7. **<u>Public Notice No. 11/2026-27 dated May 14, 2026</u>:** The DGFT inserted Notes under Standard Input Output Norms M-1 to M-8 of the Gems & Jewellery group. Advance Authorisation for gold import is capped at 100 kg, first-time applicants must undergo mandatory physical inspection of their manufacturing facility, and a fresh authorisation will issue only on fulfilment of at least 50% of the export obligation under preceding authorisations.

8. **<u>Public Notice No. 12/2026-27 dated May 22, 2026</u>:** The DGFT allocated 8,606 MTRV of raw cane sugar for export to the USA under the Tariff Rate Quota scheme for US fiscal year 2026 (October 2025 to September 2026). Such exports remain “Free” subject to notified conditions, and the quota will be operated by APEDA, which will also recommend the Certificates of Origin.

9. **<u>Public Notice No. 13/2026-27 dated May 29, 2026</u>:** The DGFT revised six Standard Input Output Norms - A-1090, A-1794, A-1827, A-3105, A-3106 and A-3107- under the Chemical & Allied Products Export Group ‘A’, as set out in the annexure to the public notice. The revised norms take effect immediately and govern the duty-free input quantities permissible for the corresponding chemical export products.

10. **<u>Trade Notice No. 03/2026-27 dated May 13, 2026:</u>** The DGFT has issued clarifications under the Export Promotion Mission Interest Subvention Scheme regarding generation and use of Unique Identification Numbers for export credit. The notice permits generation of UINs after loan disbursal for eligible export credit disbursed on or after January 02, 2026, subject to prescribed conditions, and clarifies that interest subvention shall be available from the date of disbursal.

Foreign Trade Policy Updates

11. **<u>Trade Notice No. 04/2026-27 dated May 22, 2026</u>:** The Special EXIM Facilitation Committee initiated a review and re-allocation of the export quota of Pharma Grade Sugar. Exporters already allotted quota must, within 10 days, submit a Chartered Accountant's utilisation certificate showing quantities exported and any requirement for fresh allocation, supported by valid export contracts, by filing a revalidation application on the DGFT portal.

12. **<u>Trade Notice No. 05/2026-27 dated May 22, 2026</u>:** The DGFT operationalised a dedicated online module on the Trade Connect ePlatform for issuance of the Certificate of Origin for Agarwood exports. Aimed at enhancing transparency, traceability and ease of doing business, the module enables exporters and the concerned issuing authorities to process Agarwood Certificates of Origin electronically in coordination with forest and environment departments.

13. **<u>Trade Notice No. 06/2026-27 dated May 29, 2026</u>:** With the India-Oman Comprehensive Economic Partnership Agreement coming into force on 1 June 2026, the DGFT operationalised electronic filing and issuance of Preferential Certificates of Origin for exports to Oman on the Trade Connect ePlatform (www.trade.gov.in). The unified platform will issue eCOOs through authorised agencies, enabling exporters to claim preferential tariff benefits under the agreement.

THANK YOU

See You Next Time

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