NEWSLETTER
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CUSTOMS AND GST ALERT

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CASE LAW UPDATES

BHANDARI SCRAP TRADERS v. UNION OF INDIA

[2026] 188 taxmann.com 986

Supreme Court holds that there are no grounds to declare Section 16(2)(c) of the Central Goods and Services Tax Act, 2017 (CGST Act) as unconstitutional, or read down the provisions thereof; Distinguishes judgements delivered in the context of the Delhi Value Added Tax Act, 2004 (Delhi VAT Law) by holding that a purchaser under the Delhi VAT Law and a purchaser under the CGST Act could not be treated at par with each other, in cases where their suppliers fail to pay tax.

DHARIWAL INDUSTRIES PVT. LTD. v. UNION OF INDIA

[2026] 188 taxmann.com 926

Karnataka High Court holds the *Health Security se National Security Cess Act, 2025* and the *Health Security se National Security Cess Act, 2026* unconstitutional, for being vague; Holds that the capacity-based manner of levying the Cess, founded on ‘assumed’ or ‘deemed production’ instead of ‘actual production’ of pan masala pouches, lacked a rational basis, was arbitrary, and violated Article 14 of the Constitution.

BIRLA NU LTD. v. UNION OF INDIA

[2026] 182 taxmann.com 297

Telangana High Court strikes down Rule 39(1)(a) of the Central Goods and Services Tax Rules, 2017 (CGST Rules) and declares it to be *ultra vires* Section 20 of the CGST Act, to the extent it mandated Input Tax Credit (ITC) available for distribution in a month to be distributed in the same month by an Input Service Distributor (ISD); Holds that the said rule could not have introduced a timeline for distribution of ITC, as the same was a substantive restriction which was not contemplated by the parent provision.

IPROCESS CLINICAL MARKETING PVT. LTD. v. ASSISTANT COMMISSIONER OF COMMERCIAL TAXES

[2026] 182 taxmann.com 181

Karnataka High Court holds that Notification No. 4/2019-IT specifying the 'place of supply' of research and development services related to pharmaceutical sector, provided by an Indian entity to a foreign entity, as the *location of the recipient*, thereby making such services eligible for 'export' status, has retrospective effect; holds that the Notification was beneficial, clarificatory, and elucidatory in nature, warranting retrospective application.

EMERSON PROCESS MANAGEMENT (INDIA) PVT. LTD. v. UNION OF INDIA

[2026] 185 taxmann.com 141

Gujarat High Court holds that transfer of unutilised ITC of CGST belonging to a transferor company situated in one State to a transferee company situated in another State, into which the transferor company had amalgamated, was permissible; observes that there was no provision prohibiting or debarring transfer of ITC on the ground that the transferee and the transferor companies were located in different states.

SRI SHEKHAR CHANDRA PODDER v. UNION OF INDIA

[2026] 188 taxmann.com 71

Tripura High Court holds that the extension of due date for filing annual return for FY 2017-18 up to 07.02.2020 was intended for the benefit of the assessees, and the same did not result in consequent extension of time limit for passing orders under Section 74(10) of the CGST Act beyond 5 years from the original due date of filing annual return for FY 2017-18 i.e. beyond 31.12.2023.

STATE BANK OF INDIA v. COMMERCIAL CGST AND C.EX., SLG COMMISSIONERATE

[2026] 187 taxmann.com 1127

Calcutta High Court holds that section 74 of the CGST Act treats each financial year as a separate limitation unit, and therefore clubbing of multiple financial years in a single show-cause notice was not permitted thereunder; holds that every financial year would have a specific period of limitation and such period of limitation shall commence independently and would vary from year to year, and therefore a consolidated show cause notice was illegal, without jurisdiction, and not tenable in law.

LUXMI TRADERS v. UNION TERRITORY OF CHANDIGARH

[2026] 188 taxmann.com 812

Punjab and Haryana High Court holds that service of show cause notice upon an assessee could not be deemed sufficient merely on account of its uploading on the GST Common Portal (www.gst.gov.in), unless its receipt was acknowledged, or a reply was filed; observes that the GST common portal had not been notified under the CGST Act for service of notices / orders; therefore holds that uploading of notices and orders on the GST Common Portal was not an authorized mode of service under the CGST Act.

RASHMI AGENCY v. DEPUTY COMMISSIONER, CT & GST

[2026] 187 taxmann.com 1120

Orissa High Court holds that an amount refundable under Section 54 of the CGST Act could be withheld only when the order wherefrom the refund had arisen was pending in appeal, and the Commissioner had formed an opinion, based on reasons recorded, that grant of such refund was likely to adversely affect the revenue in the said appeal on account of malfeasance or fraud committed; holds that the mere scope for filing appeal against the aforementioned order would not be sufficient to withhold refund.

E.P. GOPAKUMAR v. UNION OF INDIA

[2026] 182 taxmann.com 231

Kerala High Court holds that exemption from GST provided to life insurance and health insurance services was intended to cover individual policies alone; holds that group insurance policies issued based on the understanding reached between the Indian Banks Association and the Insurance Company for the benefit of bank employees, being issued to a ‘group’, was not eligible for exemption from GST.

REGULATORY UPDATES

Goods and Services Tax

GSTAT ORDER NO. 156/2026

To facilitate smooth filing of appeals and protect against expiry of limitation, the Goods and Services Tax Appellate Tribunal has introduced a mechanism, whereby an appellant could record the intent to file an appeal on or before 31.07.2026 by submitting certain basic details, and obtaining a token therefor. Thereafter, the appellant can use that token and complete the actual filing of appeal within a period of 60 days from the date of token generation. If the token was obtained on or before 31.07.2026, the appeal filed within 60 days shall be considered to be within limitation.

Customs

NOTIFICATION NO 62/2026-NT AND CIRCULAR NO 33/2026

Central Government has notified the rules for determination of origin of goods and the self-certification framework under the India-UK Comprehensive Economic and Trade Agreement (CETA).

CIRCULAR NO 30/2026

Central Government has clarified that, wherever import duty is paid through Duty Credit Scrips at the time of import, and subsequently drawback or refund becomes admissible, the same shall be granted through re-credit (either into the electronic credit ledger or by revalidation of scrips) and not in cash.

Foreign Trade Policy

NOTIFICATION NO 23/2026-27 AND PUBLIC NOTICE NO 21/2026-27

Directorate General of Foreign Trade has prohibited import of goods produced or manufactured, wholly or in part, using forced labour. The Central Government has been empowered to specify goods whose import shall be prohibited in this context, having regard to the findings and recommendations (pursuant to an enquiry conducted in this regard) of the Directorate General of Foreign Trade, or any other material.

NOTIFICATION NO 24/2026-27 AND NOTIFICATION NO 26/2026-27

Directorate General of Foreign Trade has amended the ITC (HS) 2022, Schedule-I (Import Policy) and the ITC (HS) 2022, Schedule-II (Export Policy) in sync with the Finance Act, 2026.

TRADE NOTICE NO 11/2026-27

Directorate General of Foreign Trade has notified modalities regarding issuance of Preferential Certificate of Origin under the India-UK Comprehensive Economic and Trade Agreement (CETA).

TRADE NOTICE NO 12/2026-27

Directorate General of Foreign Trade has notified the policy framework for *Global Outreach for Branding, Labelling and Export Packaging under Export Promotion Mission (EPM) - Niryat Disha*. The initiative seeks to strengthen 'Brand India' globally by enhancing the image and recognition of Indian goods and services through a structured Unified Brand India framework with sector-specific branding, international marketing, and collaborative initiatives; and also seeks to expand and sustain global markets for Indian goods and services through this initiative.

For any clarifications, please write to:

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