AKM GLOBAL

Indirect Tax Digest

Legislative Updates: June 2026

Goods and Service Tax

NOTIFICATION

No. S.O. 3502 (E)- F.No. A-50/7/2025-GSTAT-DOR- Central GST (CGST)[1]	The Central Government has extended the time limit for filing appeals/applications before the GSTAT to 31st July 2026 for orders communicated before 01st May, 2026 and orders passed before 01st February 2026, superseding Notification S.O. 4220(E) dated 17.09.2025. For subsequent orders, appeals shall be filed within the statutory timelines of three months under Section 122(1) and six months under Section 112(3) of the CGST Act.

CIRCULARS

255/01/2026-GST[2]	The Circular clarifies the jurisdiction and validity of actions in cases involving migration/transfer of registered persons from one GST jurisdiction to another due to change in Principal Place of Business. It provides that actions validly initiated by the transferor jurisdictional authority shall remain valid even after migration. However, the transferee jurisdictional authority shall take over and continue all further proceedings, including implementation and appellate actions. The transferor authority shall not initiate any fresh proceedings post-migration and must transfer such matters to the transferee authority.

INSTRUCTION

Instruction No. 02/2026/GST-II-**Haryana**[3]	The Government of Haryana vide this instruction has directed that SCN issued in Form DRC-01 and Demand Orders (DRC-07) issued under Section 73,74, 74A and 122 of the HGST/CGST/IGST Acts already served through the GST portal, shall additionally be communicated to taxpayers via registered/speed post for intimation purposes. Such notices/orders shall be deemed to be received on the date of portal availability under Section 169 of CGST Act. The instruction is effective from 01st June 2026.

[1] Dated 30th June 2026 | [2] Dated 25th June 2026 | [3] Dated 1st June 2026

GSTIN ADVISORY

GSTIN Advisory[4]	GSTN has extended the implementation date for mandatory capture of "Ship To GSTIN" in Bill-To-Ship-To transactions and the voluntary closure of E-Way Bill functionality. The implementation was scheduled to be effected from 15th June 2026 vide GSTIN advisory dated 21st May 2026, however both the functionalities will now be effective from 01st August 2026 to allow adequate system readiness and transition.
GSTIN Advisory[5]	GSTN has issued a technical advisory providing the implementation blueprint for E-way bill system changes earlier proposed vide advisory dated 21.05.2026. The advisory relates to system-level changes in e-Invoice API, e-Way Bill by IRN, API and introduction of Voluntary Closure of E-Way Bill facility. The E-way bill systems changes will be effective from 01st August 2026 as already outlined in GSTN advisory dated 09th June 2026.
GSTIN Advisory[6]	GSTN has revised the timeline for amendment of Aggregate Annual Turnover (AATO) for FY 2025-26. The amendment window will be available from 01st to 31st July 2026, followed by review by jurisdictional tax officers from 01st to 15th August 2026. The change forms a part of GSTN's transition towards an automated AATO system, wherein turnover will be progressively derived from GST returns filed post the amendment window.

JUDICIAL UPDATES

M/s Narayan Enterprises and Anr., Shri Moloy Banik v. The Union of India [WP (C)/2933/2026], 2026 (6) TMI 577- Gauhati High Court

Issue:

- Whether Input Tax Credit (ITC) can be denied to a bona fide purchaser solely on ground that the supplier failed to deposit the tax collected with the Government.
- Whether compliance with conditions prescribed under Section 16(2) of the CGST Act, supported by valid tax invoices, receipt of goods and payment through banking channels entitles the purchasing dealer to ITC.
- Whether the revenue department can deny ITC in the absence of any evidence of collusion, fraud or non-genuine transactions on the part of the purchasing dealer.

Ratio:

- The Hon'ble Gauhati High Court held that a bona fide purchasing dealer cannot be denied ITC merely because the selling dealer failed to deposit the tax collected with the Government.
- In cases wherein the purchasing dealer possesses valid tax invoices, has received the goods and made payment through banking channels, the condition for availing ITC stands satisfied and the ITC cannot be denied solely due to supplier default.

[4] Dated 9th June 2026 | [5] Dated 17th June 2026 | [6] Dated 1st July 2026

- The burden of ensuring that the supplier deposits tax cannot be placed upon a genuine purchaser as such a requirement would impose an impossible obligation on the purchasing dealer.
- The Hon'ble Court relied on its earlier decision in *National Plasto Moulding v. State of Assam, 2024 (8) TMI 836* and the Hon'ble Delhi High Court's decision in *On Quest Merchandising India Pvt. Ltd.*, 2017 (10) TMI 1020 reiterating that denial of ITC is not justified in the absence of evidence establishing collusion, fraud or non-genuine transactions

M/s. Mayank Bansal, Nadar Hussain (Partner- Quantum Infratech Assam) v. The Union of India, State of Assam [WP (C)/24/2026, WP (C)/25/2026], 2026 (6) TMI 629- Gauhati High Court

Issue:

- Whether partners of a partnership firm, being persons other than the taxable person, can be proceeded against under Section 122(1A) of the CGST Act, 2017.
- Whether Section 122(1A) of the CGST, 2017 can be applied to transactions relating to the period prior to its commencement on 01.01.2021.

Ratio:

- The expression "any person" is wide enough to cover persons other than the taxable person, including partners, who have retained the benefit of or caused the prohibited transaction. Accordingly, penalty under Section 122(1A) can be imposed on such persons.
- Section 122(1A) does not create a new offence but merely identifies the category of persons liable for penalty in respect of contraventions already covered under Section 122(1). Consequently, the invocation of penalty under Section 122(1A) is not barred merely because an underlying transaction relates to a period prior to 01.01.2021. Accordingly, penalty under Section 122(1A) may be imposed even in respect of transactions undertaken prior to 01.01.2021 provided that the penalty proceedings are initiated after the provision comes into force.

M/s. Jumoni Boruah Phukan v. The Union of India [WP (C)/ 3071/2026], 2026 (6) TMI 941- Gauhati High Court

Issue:

- Whether a taxpayer whose GST registration has been cancelled for non-filing of returns can seek restoration of registration by furnishing pending returns and paying the applicable tax, interest, penalty and late fee under the proviso to Rule 22(4) of the CGST Rules, 2017.

Ratio

- In case, GST registration has been cancelled for non-filing of returns, the registered person may seek restoration by furnishing all pending returns and paying the applicable tax, interest and late fee in accordance with the proviso to Rule 22(4) of the CGST Rules, 2017.
- The proper officer is required to consider the restoration application in accordance with GST law and upon fulfilment of the prescribed conditions, the proper officer may restore the registration by dropping the cancellation proceedings.
- Cancellation of GST registration entails serious civil consequences and therefore, the benefit of the proviso to Rule 22(4) should be extended to eligible taxpayers who rectify the default and comply with the statutory requirements.

- Restoration of registration does not absolve the taxpayer from the liability to pay the outstanding tax, interest, penalty and late fee, which remain payable in accordance with the CGST Act and the CGST Rules.

Foreign Trade Policy

NOTIFICATION

20/2026-27[7]	The Government has amended Para 2.03(A)(iii) of the FTP, 2023 to extend exemption from Quality Control Orders (**"QCO's"**)/ BIS requirements for imports of all permissible goods, including raw materials, components, consumables, spares, and capital goods, required for authorised operations within Special Economic Zones (SEZs). The exemption granted is extended only for the use of the imported goods within the SEZ for authorised operations. Any clearance or removal of such goods or products manufactured therefrom into the Domestic Tariff Area (DTA) will be subject to applicable QCO/BIS requirements and other laws at the time of clearance.
22/2026-2027[8]	The Government has amended the import policy under Chapters 74 and 76 of the ITC(HS), 2022 by relaxing the timeline for obtaining registration under the Non-Ferrous Metal Import Monitoring System (NFMIMS). Importers can now obtain the mandatory registration any time before the Customs grants the 'Out of Charge' order, instead of getting the same before the arrival of the import consignment, thereby facilitating smoother import clearance.

PUBLIC NOTICE

Public Notice No. 16/2026-27[9]	The DGFT has amended Para 2.88 of the Handbook of Procedures, 2023 to include the India–Oman Comprehensive Economic Partnership Agreement (India-Oman CEPA) in the list of Free Trade Agreements. The amendment enables authorised agencies to issue Certificates of Origin (COO) for exports under the India-Oman CEPA, facilitating exporters in availing preferential tariff benefits.

[7] Dated 2nd June 2026 | [8] Dated 30th June 2026 | [9] Dated 2nd June 2026

Customs

CIRCULAR

28/2026-Customs[10]	The CBIC has clarified that in case of export consignments, the Customs Officer may accept test reports issued by NABL-accredited laboratories, Export Promotion Council (EPC) recognised laboratories and other recognised agencies without mandatorily referring samples to the Central Revenue Control Laboratory (CRCL), unless the case involves risk-based intervention or specific intelligence. The existing procedure for testing import consignments remains unchanged.

PUBLIC NOTICE

Public Notice No. 72/2026[11]	This public notice clarifies that the re-assessment of Bill of Entry, wherever applicable, is a mandatory pre-condition for claiming refund of excess customs duty. Accordingly, refund claims requiring re-assessment are to be filed through the "Re-assessment cum Refund" module on ICEGATE 2.0. Refund applications filed without the requisite re-assessment shall be treated as incomplete and processed in accordance with the applicable provisions.

JUDICIAL UPDATES

M/s. Bright Metal Refiners v. Director General of Foreign Trade [W.P. (C) 5551/2026], 2026 (6) TMI 325- Delhi High Court

Issue:

- Whether a Notification amending the import policy of goods under CTH 7113 from "Free" to "Restricted" can be applied to consignments that have already been dispatched and arrived in India before the Notification was published in the E-Official Gazette.

Ratio:

- A Notification issued under the Foreign Trade (Development and Regulation) Act, 1992 becomes enforceable only upon its publication in the Official Gazette and in the case of electronic publication, the exact date and time of publication are legally significant.
- Subordinate legislation, including notifications amending the import policy, operates prospectively and cannot apply to consignments imported before the notification came into force.
- Accordingly, goods that had arrived in India prior to the publication of the Notification in the E-Official Gazette are required to be assessed and cleared under the import policy prevailing at the time of their arrival.

[10] Dated 15th June 2026 | [11] Dated 08th June 2026

Commissioner of Customs, Airport Special Cargo, Mumbai v. Neelam Jewels [Customs Appeal No. 24 of 2025], 2026 (7) TMI 116- Bombay High Court

Issue:

- Whether the Certificate of Origin issued by the designated authority in Thailand under the Indo-Thai Free Trade Agreement can be disregarded by Indian Customs authorities to deny concessional duty and whether statements recorded under Section 108 of the Customs Act, 1962 can override or discredit such certificate.

Ratio:

- A duly issued and authenticated Certificate of Origin under the Indo-Thai Free Trade Agreement carries statutory sanctity and cannot be lightly questioned by the importing country's authorities.
- Once the issuing foreign authority confirms the genuineness of the Certificate of Origin, Indian Customs cannot conduct a parallel enquiry to discredit or disregard it, as doing so would defeat the purpose of the trade agreement framework.
- Statements recorded under Section 108 of the Customs Act, 1962 cannot override or displace a validly issued Certificate of Origin or its evidentiary value.
- Accordingly, the Certificate of Origin must be accepted as valid, and concessional duty benefit cannot be denied on the basis of contrary statements or collateral inquiry.

Central Excise/Service Tax/ Value Added Tax

NOTIFICATION

27/2026-Central Excise[12]	The Notification dated 10.06.2026 amends Notification No. 28/2002-Central Excise to extend excise duty exemption to higher ethanol-blended petrol. It inserts entries for petrol blended with 22%, 25%, 27% and 30% ethanol and continues to prescribe Nil rate of excise duty, thereby expanding the scope of the existing exemption on ethanol-blended motor spirit.

JUDICIAL UPDATES

M/s. M Usha Devi Proprietor, K.R. Engineering Works v. The Commissioner of GST & Central Excise [Excise Appeal No. 42401 of 2018, 2026 (6) TMI 1007- CESTAT Chennai

Issue:

- Whether the demand order confirming alleged clandestine removal of goods could be sustained when the Appellant's reply was not properly considered and when the Adjudication order was not a speaking order.

Ratio:

- Allegations of clandestine removal must be established through cogent, corroborative and reliable evidence and mere reliance on statements without adequate supporting material is not sufficient to sustain duty demand.
- Adjudicating orders must be speaking and must deal with the Appellant's reply and submissions in a meaningful manner and mere non-consideration of material submissions renders the Adjudication order legally unsustainable.
- Violation of principles of natural justice, including failure to properly consider replies and supporting contentions vitiates the adjudication process and warrants remand for de novo adjudication.

[12] Dated 10th June 2026

Indirect Tax News Flash

Mint **(1st June 2026 and 2nd June 2026)**	• GST collections rise 3.2% to ₹1.94 trillion in May • What the Supreme Court's casino GST verdict means for India's casinos
Financial Express (1ST June 2026)	• GST receipts rise 3.2% in May despite war impact - Economy News
The New Indian Express (1st June 2026)	• GST collection sees modest rise of 3.2% to Rs 1.94 lakh cr in May
Money Control (12th June 2026)	• Next GST Council meeting to focus on 'process reforms', inverted duty structure fixes

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