

# Communiqué

## Indirect Tax

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# Notifications and Updates

### Significant Changes Now Active on the e-Way Bill Platform

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As part of its continued commitment to improving data quality, traceability, and operational efficiency within the E-Way Bill (EWB) system, the government is set to introduce key functional enhancements to the EWB portal. The upcoming changes include two significant updates. First, capturing the "Ship-To GSTIN" will be made mandatory in Bill-To Ship-To transactions, aimed at strengthening traceability and ensuring greater data accuracy. Second, a new EWB Closure functionality will be introduced, allowing taxpayers to voluntarily close E-Way Bills in specific applicable scenarios. The advisory further outlines the proposed implementation timelines for these changes and details the necessary action points that stakeholders must undertake to make the required system adjustments and ensure adequate preparedness ahead of the rollout.

[Source : News](#)

### Offline Utility Now Available for Annexure-B in Accumulated ITC Refund Applications

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Previously, taxpayers filing refund applications under specific categories involving accumulated Input Tax Credit (ITC) were required to upload Annexure-B in PDF format, in accordance with the prevailing guidelines. To further automate the refund filing process and enable system-based verification of invoices and documents, a standardized Annexure-B Offline Utility has now been deployed on the GST portal. Going forward, all taxpayers are required to submit Annexure-B exclusively through this prescribed utility to ensure uniformity in the process.

The Annexure-B Offline Utility is applicable for refund applications filed under the following categories: Exports of Goods or Services without payment of tax on account of accumulated ITC (excluding electricity), supplies made to SEZ Units or SEZ Developers without payment of tax, ITC accumulated due to Inverted Tax Structure under Clause (ii) of the first proviso to Section 54(3), and Export of Electricity without payment of tax on account of accumulated ITC.

[Source : News](#)





# Rulings

### Compostable Plastic Bags Attract 5% GST Only If They Meet Biodegradability Standards

In the case of Easy Flux Polymers Private Limited, the Rajasthan Appellate Authority for Advance Ruling (AAAR) held that the bags manufactured by the applicant are classifiable under Chapter 39 (Plastics and Articles Thereof). It further clarified that the concessional GST rate of 5% under Serial No. 319 of Notification No. 09/2025-Central Tax (Rate), which covers “Paper Sacks/Bags and Bio-degradable Bags” under Chapters 39 and 48, is applicable only to bags that qualify as bio-degradable; accordingly, non-paper bags would be eligible for the concessional rate only upon establishing their bio-degradable nature. On the issue of determining bio-degradability, the AAAR observed that such technical or scientific evaluation falls within the exclusive domain of competent nodal agencies, such as the Pollution Control Board under the Plastic Waste Management Rules, and not within the scope of advance ruling authorities, whose jurisdiction is confined to interpretation of GST law under Section 97(2) of the CGST Act, 2017. The AAAR also expressed reservations regarding the evidentiary value of the test reports submitted by the appellant, noting that the samples were self-drawn without clarity on sampling methodology or size, thereby undermining the neutrality of the testing process. Additionally, it held that since supplies are continuous in nature, a one-time certification is insufficient, and bio-degradability standards must be consistently maintained. Rejecting the appellant’s contention that certifications from CPCB and CIPET conclusively establish bio-degradability, and its argument that the AAAR ought to have determined eligibility under Serial No. 319, the AAAR concluded that in the absence of a valid determination of bio-degradability, the standard GST rate applicable to plastic bags under Chapter 39 would apply, while directing the jurisdictional GST authorities to independently draw and test samples to ascertain bio-degradability and determine the applicability of the concessional notification.

### Solar Power Sales Under PPA Get GST Exemption; No Registration Needed

In the matter of Evolve Green Power Private Limited, the Tamil Nadu Authority for Advance Ruling (AAR) held that the supply of electrical energy generated through a rooftop solar power plant under a Power Purchase Agreement (PPA) constitutes an exempt supply of goods and is not liable to GST, thereby obviating the requirement for GST registration in both Tamil Nadu (location of the applicant) and West Bengal (place of supply). The applicant is engaged in the development, ownership, and operation of solar power systems installed at the off-taker’s premises, supplying electricity for captive consumption over a long-term period of 25 years, with a provision for transfer of ownership of the plant at the end of the tenure. Examining the nature of the transaction under Section 7 of the CGST Act, 2017, the AAR held that the generation and supply of electricity qualifies as a supply of goods, which is specifically exempted under Notification No. 2/2017-Central Tax (Rate). The authority rejected the contention that the arrangement could be characterized as a works contract or a service, emphasizing that the principal and predominant objective of the transaction is the supply of electrical energy. It further clarified that the inter-State nature of billing does not impact the taxability of the transaction, as the exemption is determined based on the nature of the supply rather than the place of billing. On the issue of registration, the AAR observed that since the applicant is exclusively engaged in making exempt supplies, the provisions of Section 23 of the CGST Act apply, thereby exempting the applicant from obtaining GST registration. Accordingly, it was ruled that no GST is payable on the supply of electricity under the PPA, whether inter-State or intra-State, and that the applicant is not required to obtain GST registration in either State.

[Source : News](#)



### High Court Revives GST Registration from Original Date, Overlooks Appeal Delay

In the case of Atul Dnyaneshwar Harale vs. State of Maharashtra (Writ Petition No. 14413 of 2025), the Bombay High Court (Aurangabad Bench) set aside the order cancelling the petitioner's GST registration as well as the appellate order rejecting the appeal on the ground of limitation, holding that procedural delays should not defeat the fundamental right to carry on business. The Court relied on its earlier decision in Rohit Enterprises, wherein it was held that although appellate authorities are bound by statutory limitation and lack the power to condone delays beyond prescribed timelines, the writ jurisdiction of the High Court under the Constitution remains unaffected by such constraints, particularly where substantive rights are involved. The Court further noted that this position had been reaffirmed in Ganesh Majoor Sahakari Sanstha, thereby reinforcing the principle that cancellation of GST registration does not confer any vested right upon the Revenue; rather, it leads to a loss of revenue and is therefore counterproductive. Taking a pragmatic and equitable view, the Court observed that the assessee should be afforded a fair opportunity to revive its business and reintegrate into the GST regime. Accordingly, the Court restored the petitioner's GST registration with effect from March 1, 2020, subject to the condition that all pending returns are duly filed and outstanding dues, including interest, penalty, and late fees, are discharged in accordance with Rule 23(1) of the CGST Rules.

### Renault-Nissan Not Liable for GST on Transport Charges Recovered from Employees

In the matter of Renault Nissan Technology & Business Centre India Private Limited (Advance Ruling No. 31/ARA/2026), the Authority for Advance Ruling (AAR) held that nominal transport charges recovered by the applicant from its employees do not qualify as a "supply" under Section 7 of the CGST Act, 2017. The applicant, engaged in providing IT/ITES support services, arranged transportation facilities for its employees through third-party vendors and recovered a subsidized, grade-based amount via salary deductions. The AAR observed that the provision of transportation is neither a core activity of the applicant nor incidental or ancillary to its principal business operations. It further held that the recovery of partial cost from employees represents a mere cost-sharing arrangement without any element of profit or quid pro quo, and therefore does not constitute "consideration" in terms of the GST law. Accordingly, the transaction was held to fall outside the ambit of GST, and no tax liability arises in respect of such recoveries.

[Source : Rulings](#)



### Black Alkaline Water Meets Mineral Water Standards, Subject to 5% Levy

In the matter of Oxyhydra Beverages Pvt. Ltd. [TS-345-AAR(GUJ)-2026-GST], the Gujarat Authority for Advance Ruling (AAR) held that “ALVA” black mineral water, an alkaline water variant manufactured and supplied by the applicant, is classifiable under HSN 2201 10 10 and attracts GST at 5% in terms of Sr. No. 146 of Schedule I to Notification No. 09/2025-Central Tax (Rate). The AAR noted that the product contains added minerals but does not include sugar, sweeteners, flavouring agents, or preservatives. Based on the laboratory reports and manufacturing process details furnished, it was observed that the product remains essentially purified water with permissible mineral enhancement, without any alteration to its fundamental character. Rejecting the contention for classification under residual beverage entries, the AAR emphasized that Chapter 22 of the HSN, along with its explanatory notes, specifically covers mineral waters, whether naturally occurring or artificially fortified, provided they do not contain added sugar or flavouring substances. Accordingly, the product was held to fall within Heading 2201, covering “waters, including natural or artificial mineral waters and aerated waters, not containing added sugar or other sweetening matter,” and was held eligible for the concessional GST rate applicable thereto.

[Source : Rulings](#)

### Education Consultancy and foreign University Support Services Not Deemed ‘Intermediary Services’ -High Court Grants Refund

In Fateh Education Consulting Pvt. Ltd. vs. Assistant Commissioner & Ors. [TS-336-HC(DEL)-2026-GST], the Delhi High Court directed the Revenue to process the refund claim, holding that the services provided by the assessee to foreign universities qualify as export of services and not “intermediary services.” The Court noted that the assessee rendered consultancy, marketing, and student recruitment support on a principal-to-principal basis, without charging students, binding universities, or guaranteeing admissions. Relying on precedents such as Global Opportunities Pvt. Ltd. and K.C. Overseas Education Pvt. Ltd., the Court held that merely facilitating business for an overseas entity does not make a service intermediary in nature, especially where the foreign university is the contractual recipient and pays the consideration.



### High Court affirms constitutional validity of Section 16(2)(c); holds ITC admissible only upon actual tax payment by supplier

In Maruti Enterprise vs. Union of India [TS-312-HC(GUJ)-2026-GST], the Gujarat High Court upheld the constitutional validity of Section 16(2)(c) of the CGST Act, affirming that availment of input tax credit (ITC) is conditional upon actual payment of tax by the supplier. The Court held that ITC is a statutory benefit, not a vested or constitutional right, and its grant is intrinsically linked to tax reaching the Government. Rejecting challenges by bona fide purchasers, it clarified that denial of ITC is not absolute but deferred, as re-availment is permitted under Rule 37A once the supplier pays the tax. The Court further observed that adequate safeguards exist under Sections 73 and 74 for recovery from defaulting suppliers, and that practical hardships do not render the provision unconstitutional, as it balances revenue protection with taxpayer interests.

[Source : Rulings](#)

### Supreme Court holds that online skill-based games played for stakes fall outside Article 19 protection; affirms States' power to impose complete prohibition

In State of Tamil Nadu & Ors. vs. Junglee Games India Pvt. Ltd. & Anr. [TS-392-SC-2026-GST], the Supreme Court upheld the legislative competence of States under Entry 34 of List II, holding that the expression "betting and gambling" extends to wagering on both games of chance and games of skill. The Court affirmed the constitutional validity of amendments enacted by Tamil Nadu and Karnataka prohibiting online gaming involving monetary stakes, irrespective of the nature of the game. It clarified that while games of skill may enjoy limited protection under Article 19, wagering on such games does not, as betting and gambling are treated as *res extra commercium*. The Court rejected narrow interpretations adopted by certain High Courts and emphasized that once the element of wagering is involved, the underlying nature of the game becomes irrelevant, thereby empowering States to regulate or prohibit such activities in the interest of public order, health, and welfare.

### High Court holds that recording of reasons is mandatory; sets aside retrospective cancellation of GST registration

In J. N. Lighting India LLP vs. Union of India & Ors. [TS-325-HC(BOM)-2026-GST], the Bombay High Court set aside the retrospective cancellation of GST registration, holding that the absence of recorded reasons renders such action unsustainable in law. The Court observed that both the show-cause notice and the cancellation order lacked substantive grounds and prior intimation of non-compliance. Relying on settled jurisprudence, including G.B. Traders, it held that the issue is no longer *res integra*. Accordingly, the impugned orders were quashed, and the matter was remanded to the adjudicating authority with liberty to initiate fresh proceedings through a reasoned show-cause notice within the prescribed timeframe.



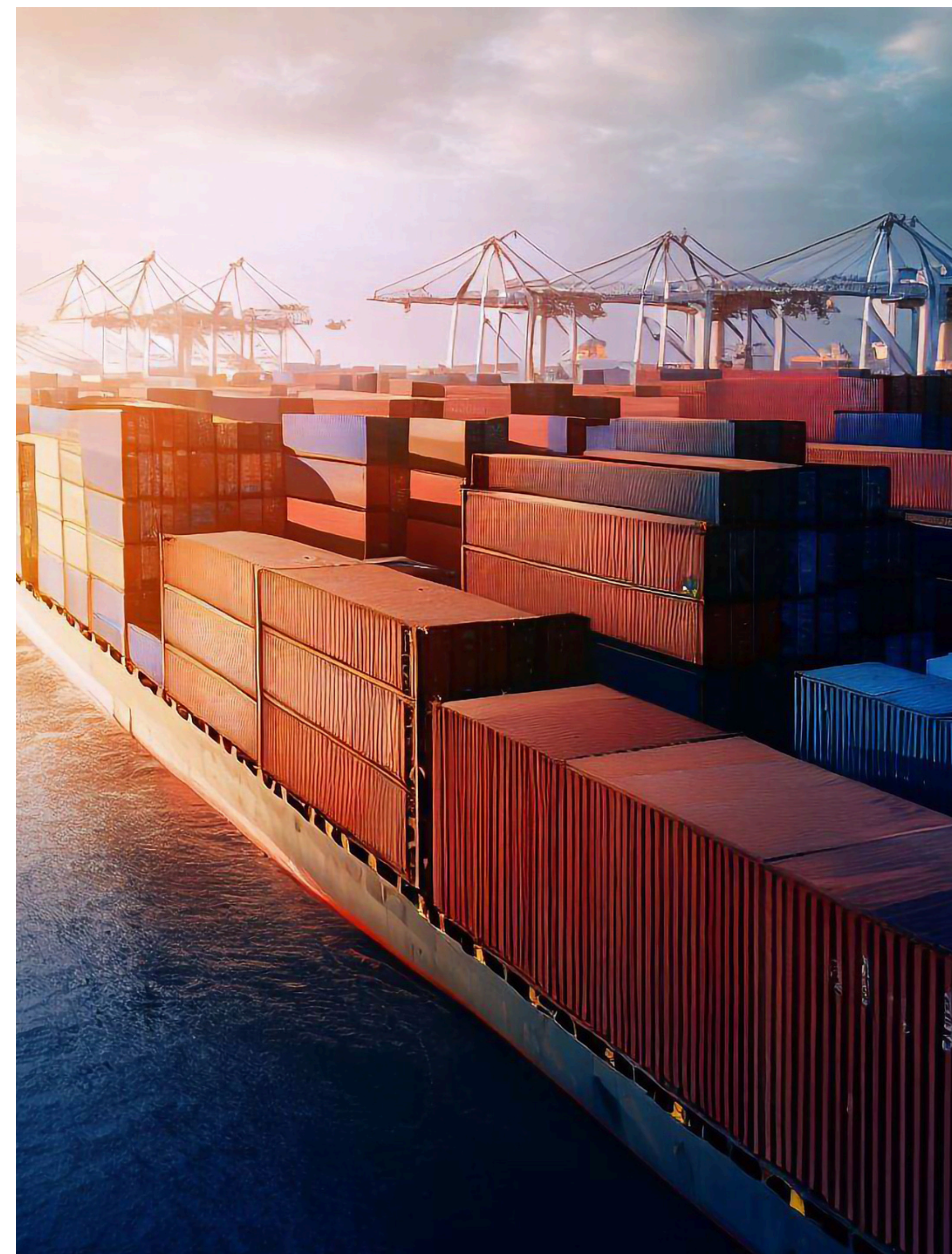
# Customs

## **Import Clearance and Identification of Hazardous Goodse**

The Board has issued revised procedural guidelines to facilitate identification and expeditious clearance of hazardous cargo, pursuant to representations received from trade seeking system-based flagging of such consignments. Following consultations with Mumbai Customs Zone-II (NAC Chemicals), a list of identified hazardous goods has been compiled in Annexure-A. Under the revised system, importers will be required to mandatorily declare hazardous goods at the item level in the Bill of Entry where such goods fall within specified chapters. The system will automatically flag such Bills of Entry for priority processing and generate alerts at the stages of assessment, examination, and grant of out-of-charge to ensure timely identification by Customs officers. Necessary system enhancements are being implemented, with a detailed advisory to be issued by DG Systems, and nationwide rollout targeted for 01.07.2026. Additionally, the Risk Management System (RMS) will be suitably updated by the National Customs Targeting Centre (NCTC) to augment facilitation. Field formations have been directed to disseminate these instructions through Trade/Public Notices and Standing Orders, and to report any implementation challenges to the Board promptly.

## **Safeguard Duty Imposed on Import of Non-Alloy and Alloy Steel Flat Products (Notification No. 02/2025-Customs (SG) dated 30.12.2025)**

Pursuant to Notification No. 02/2025-Customs (SG) dated 30.12.2025 imposing safeguard duty on specified Non-Alloy and Alloy Steel Flat Products, and providing exemptions subject to conditions such as CIF value, country of origin, and product classification, the Board has enabled system-based qualifiers in the Single Window Table of the Bill of Entry to facilitate correct availment of such exemptions. Importers seeking exemption are required to mandatorily declare the prescribed particulars in the Single Window Table at the time of filing the Bill of Entry. The Directorate General of Systems (DG Systems) will issue a detailed advisory to operationalize electronic filing of these declarations. Field formations have been directed to sensitize officers and trade stakeholders to ensure uniform implementation, and any operational issues encountered are to be reported to the Board promptly.



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