

UNION BUDGET

2026-2027

KEY DIRECT AND INDIRECT TAX PROPOSALS



KOCHHAR & Co.
ADVOCATES & LEGAL CONSULTANTS



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INTRODUCTION

The Union Budget 2026, presented by Finance Minister Nirmala Sitharaman in her ninth consecutive Budget speech, sets out a clear and confident vision of the Government's commitment to nation-building. The Budget strikes a careful balance between fiscal prudence and sustained investment in growth, resilience, and inclusion.

Positioned at a critical inflexion point, Union Budget 2026 charts the course for India's next phase of transformation, with Viksit Kartavya Bharat as its overarching theme. The focus is firmly on strengthening economic fundamentals while unlocking new drivers of long-term, sustainable growth.

Kochhar & Co.'s Taxation Practice Group analyses the key reforms and proposals introduced in the Budget, highlighting measures aimed at catalysing investment and enhancing India's competitiveness.

The emphasis on strategic and emerging sectors such as ISM 2.0 for semiconductors, a long-term framework for rare-earth ecosystems, and targeted tax incentives for hyperscaler investments signals a decisive push towards reducing import dependence and reinforcing India's position in global value chains.

Further, incentives such as tax holidays for global cloud and data-centre service providers underscore India's ambition to consolidate its standing as a trusted digital and technology hub.

Please find attached an overview of the key Direct and Indirect tax proposals introduced in the Union Budget 2026.



KEY PROPOSALS UNDER DIRECT TAX

1. Income Tax Rates:

The Finance Bill 2026 does not propose any change to the income tax slabs for individuals and HUFs under the New Tax Regime (Section 115BAC). The following rates will remain unchanged:

S. N.	Total Income	Rate of Tax
1	Up to ₹ 4,00,000	Nil
2	From ₹ 4,00,001 to ₹ 8,00,000	5%
3	From ₹ 8,00,001 to ₹ 12,00,000	10%
4	From ₹ 12,00,001 to ₹ 16,00,000	15%
5	From ₹ 16,00,001 to ₹ 20,00,000	20%
6	From ₹ 20,00,001 to ₹ 24,00,000	25%
7	Above ₹ 24,00,000	30%

2. Proposed changes for ease of compliance:

- **Extended time limits for filing revised returns and updated returns**
 - Time limit for filing revised returns is being extended to 31st March of the relevant year instead of 31st December but will be subject to payment of a Fee.
 - Filing of updated returns will now be permitted in cases of reduced losses also but within the prescribed dates.
 - Provisions relating to the filing of updated returns will be extended to cases where notices for re-assessment have been issued. In such cases higher additional tax will be required to be paid.

3. Proposed changes relating to International Tax Issues

- **Data Centres and related services**
 - Tax holiday is proposed for foreign companies with respect to income arising from procuring 'Data Centre Services' from data centres in India up to 31st March 2047.
 - 'Data Centre Service' means services provided by data centres through physical, infrastructure, security & IT infrastructure, networking and other human resources in India.
 - A safe harbour of 15% will be provided to resident companies providing 'Data Centre Services' to their foreign parents/affiliates.
- **Promoting the manufacturing of electronic goods by contract manufacturers**
 - Income of foreign companies providing capital goods, equipment or tooling to an Indian contract manufacturer producing electronic goods on behalf of such foreign company in a 'Custom Bonded Area' to be exempt for five years
- **Foreign Assets of Small Taxpayers - Disclosure Scheme, 2026**
 - Government proposes to introduce a limited period scheme to enable eligible non-resident Indians to declare their undisclosed foreign assets and foreign-sourced income, subject to payment of tax and/or fee-based on the nature and source of the undisclosed assets.
 - The declarants will be granted immunity from penalty and prosecution under the Black Money Act.
- **Tax certainty to the IT/ITES Sector**
 - New common safe harbour rules will be provided for entities providing different types of IT/ITES with a higher threshold and competitive margins.
 - Larger transactions of IT/ITES to be covered under the accelerated Advance Pricing Agreement program.
- Exemption from MAT to Non-residents availing the presumptive taxation scheme.
- **Global income of foreign experts visiting India to be exempt**
 - Global incomes of foreign experts visiting India to provide services under a notified Government scheme will be exempt from Indian tax for five years.

4. Other tax incentives relating to taxation of profits from business

- Expenditure incurred by Indian resident entities on prospecting specified critical minerals will be allowed as a deduction against their business income.
- Specified critical minerals are listed as Beryllium, Glauconite, Graphite, Indium, Lithium, Niobium, Potash, Rhenium, and Tantalum.

5. Proposed changes relating to Capital markets

- **Increase in rates of Securities Transaction Tax w.e.f. 1st April 2026**
 - Rates of STT will be raised:
 - on the sale of an option in securities from 0.1% to 0.15% of the option premium,
 - on the sale of an option where the option is exercised from 0.125% to 0.15% of the intrinsic price, and
 - on the sale of a future in securities from 0.02 per cent to 0.05 per cent of the traded price.
- **Buy back of shares**
 - Buy-back consideration will be taxable as “Capital gains” and not as a dividend.
 - Rate of tax on Capital gains arising from buy-back will be 30% in the case of promoters. The rate of tax in the case of promoter companies will be 22%.
 - For other shareholders, the rate will be as applicable to capital gains.
- E-filing and e-verification of applications for grant of certificates of TDS at lower rates or no TDS will be enabled.
- E-filing scheme will be introduced to enable small investors to file Forms 15G/15H for non-deduction of TDS from income from – (i) units of a mutual fund (ii) interest from securities, and (iii) dividends, to depositories, instead of filing separate applications with companies/ Mutual Funds.
- Individual Persons Resident Outside India (PROI) will be permitted to invest in Equity instruments of listed Indian companies through Portfolio Investment Scheme with increased limit of 10%.

6. Important changes relating to Individuals:

- It is proposed that interest on compensation awarded by a Tribunal under the Motor Vehicles Act, 1988, to an individual or his legal heir, on account of death or permanent disability or any bodily injury, will be exempt, and no TDS will be deducted.
- **No deduction of Interest expenditure against dividend Income.**

It is proposed that no deduction shall be allowed in respect of interest expenditure incurred for earning dividend income or income from units of mutual funds. The amendment will apply for tax year 2025-26 onwards.

7. Rationalisation of Minimum Alternative Tax (MAT)

- It is proposed to reduce the rate of MAT from 15% to 14%.
- MAT paid under the old regime will now be treated as final tax, and no new MAT credit will be allowed. Existing MAT credit may be set off only under the new tax regime, up to 25% of the tax liability for domestic companies.
- For foreign companies, set-off will be allowed to the extent of the difference between normal tax and MAT.

8. TDS and TCS

- TDS provisions will now also be applicable to supply of manpower services effective from 1st April 2026.
- TCS provisions are being modified as follows:

Nature of Receipt	Current Rate	Proposed Rate
Sale of alcoholic liquor	1%	2%
Sale of tendu leaves	5%	2%
Sale of scrap	1%	2%
Sale of minerals, being coal, lignite or iron ore	1%	2%

Remittance under the Liberalised Remittance Scheme of an amount or aggregate of the amounts exceeding ten lakh rupees	(a) 5% for purposes of education or medical treatment (b) 20% for purposes other than education or medical treatment	(a) 2% for purposes of education or medical treatment (b) 20% for purposes other than education or medical treatment
Sale of "overseas tour programme package" including expenses for travel, hotel stay, boarding or lodging, or any similar or related expenditure	(a) 5% of the amount or aggregate of amounts up to INR 10 lakh (b) 20% of the amount or aggregate of amounts exceeding INR 10 lakh	2%

9. Proposed changes to curb litigation

- **Clarification regarding Document Identification Number (DIN)**

- It is proposed that an assessment will not be treated as invalid merely due to any mistake, in quoting a computer-generated DIN, if it contains a reference to that DIN in any other manner. Minor errors in notices or summons will not affect the validity of the assessment if the DIN is referenced in the assessment order.
- Clarifications under the Income Tax Act, 1961, will apply from October 1, 2019, while those under the Income Tax Act 2025 will take effect from April 1, 2026.

- **Clarifications regarding timelines for completing assessments**

- It is proposed that time limits prescribed under sections 153 and 153B of the Income Tax Act 1961 will apply only up to the draft assessment stage. Further, section 144C will govern the time limit for finalisation of assessments, regardless of the limits prescribed in sections 153 and 153B.
- Section 92CA(3A) is proposed to be amended to clarify that the sixty-day period for the order of the Transfer Pricing Officer will commence prior to expiry of the limitation for Draft Assessment/Assessment order.

- **Clarifications on jurisdiction of Jurisdictional Assessing Officer/Faceless Assessing Unit:**

- It is proposed to clarify that jurisdiction in respect of pre-assessment enquiry will be with the jurisdictional Assessing Officer, while the jurisdiction of National Faceless Assessment Unit will be on the assessment process.

10. Rationalising provisions relating to Penalties

Major changes are proposed in the provisions relating to penalties for various defaults under the Income Tax Act:

- Penalties for not getting accounts audited, for not filing an audit report in respect of international transactions, for not filing a statement of financial transactions, etc., are being converted into mandatory Fines.
- It is proposed to integrate assessment & penalty proceedings by a common order after providing a reasonable opportunity to the taxpayer to explain the issue.
- It is also proposed that recovery of interest on penalty would be kept in abeyance during the pendency of the first appeal.
- The proposed amendments will be applicable in cases where the assessment is made on or after 1st of April 2027 under the Income-tax Act, 1961 or under the Income-tax Act, 2025.
- A new Penalty of INR 200 per day is proposed in cases of non-furnishing of the statement of crypto assets and INR 50,000 for furnishing inaccurate particulars of such assets.

11. Rationalising provisions relating to Prosecution

Major changes are also proposed in the provisions relating to prosecution for offences under the Income Tax Act to decriminalise certain minor offences and to make the punishment for other offences proportionate to the crimes. These are:

- The nature of prescribed punishment is being changed from rigorous imprisonment to simple imprisonment.
- Maximum punishment is proposed to be limited to 2 years instead of the 7 years as at present.
- In respect of certain offences imposition of a fine is being introduced in place of imprisonment.
- In cases of tax evasion not exceeding INR 10 lakh, punishment will be only by way of a fine.
- Certain minor offences are being decriminalised

KEY PROPOSALS UNDER CUSTOMS AND EXCISE DUTY

Legislative Changes made under the Customs Act, 1962

Baggage rules amended

1. The existing Baggage Rules and regulations are being superseded, w.e.f. February 02, 2026, by the Baggage Rules, 2026 and the Customs Baggage (Declaration and Processing) Regulation, 2026. Some of the key changes made in the Rules are as follows:

- a. Passengers are allowed to import duty-free used personal effects, including jewellery and travel souvenirs, required for reasonably satisfying the daily necessities of life.
- b. Re-import of an article into India allowed – Any article, whether new or used, taken out of India earlier, may be allowed to be re-imported duty-free, subject to the condition that a declaration was submitted to the Customs at the time of departure from India electronically or otherwise.
- c. If any resident or tourist of Indian origin has been residing abroad for more than one year, he/she shall be allowed duty-free clearance of jewellery up to 40 grams, if brought in by a female passenger and 20 grams, other than a female passenger.
- d. Passengers of 18 years of age or above (other than crew members) shall be allowed clearance of one new laptop, including a notepad, free of duty in bona fide baggage.

General Free Allowance	
Resident or a tourist of Indian origin	Allowed clearance of articles free of duty up to the value of Rs. 75,000
Tourist of foreign origin	Allowed clearance of articles free of duty up to the value of Rs. 25,000

- e. Goods not covered by baggage allowance are:
 - i. Firearms.
 - ii. Cartridge of firearms exceeding 50.
 - iii. Cigarettes exceeding 100 sticks or cigars exceeding 25 or tobacco exceeding 125 gms.
 - iv. Alcoholic liquor or wines in excess of 2 litres.
 - v. Gold or silver in any form other than ornaments.
 - vi. Television.

2. A single portal accessible through URL <https://www.icegate.gov.in> or web application or mobile application named Atithi has been introduced. New electronic customs declaration forms have also been introduced.

Deferred Payment of Import Duty Rules amended

3. The Deferred Payment of Import Duty Rules, 2016, have been amended to increase the period of deferment from 15 days to a month. The benefit of deferment has been extended to 'Eligible Manufacturer Importers'.

Amendments brought in for fishing and fishing-related activities

4. The jurisdiction of the Customs Act has been extended beyond the whole of India to include '*fishing and fishing-related activities by Indian-flagged fishing vessels beyond the territorial waters of India*'. This amendment has been brought in to extend the jurisdiction and implementation of the Act to the fishing and fishing-related activities carried out beyond the territorial waters of India.
5. Under Section 2 of the Act, a new definition under sub-section (28A) has been inserted to define the expression '*Indian-flagged fishing vessel*' to mean a vessel which is used or intended to be used for the purpose of fishing in the seas and entitled to fly the flag of India.
6. A new section 56A is being inserted to provide special provisions for fishing and fishing-related activities by an Indian-flagged fishing vessel beyond the territorial waters of India. The Provision provides that fish harvested beyond the territorial waters of India by an Indian – flagged fishing vessel:
 - a. may be brought into India free of duty.
 - b. be treated as an export of goods, if the goods are landed at a foreign port.

The CBIC /Board may make regulations to provide for the form and manner of making an entry in respect of fish harvested by an Indian-flagged fishing vessel, including its declaration, custody, examination, assessment of duty, clearance, transit or transshipment.

Penalty for the purposes of voluntary payment renamed as a charge for non-payment of duty

7. Section 28(6) of the Act provides that the Customs Authorities can conclude any proceedings pursuant to a show cause notice (issued for reasons of collusion, willful misstatement or suppression of facts) if the importer pays the duty, interest and 15% penalty within 30 days from the receipt of the notice. The penalty amount has been renamed as a charge for non-payment of the duty.

Validity period for Advance rulings extended to five years

8. Section 28J is being amended to provide that the advance ruling issued under the Act shall remain valid for a period of five years, instead of the current three years. The proviso to the said provision is also being amended, to provide that the validity for the advance ruling already issued and in force on the date the Finance 2026 receives its assent can be extended by the advance ruling Authority for five years (from the date of the ruling), upon a request by the Applicant.

Requirement of Prior permission for the removal of goods from customs-bonded warehouses waived

9. Section 67 of the Act is being amended to do away with the requirement of seeking prior permission of the proper officer for the removal of goods from one customs-bonded warehouse to another.

CBIC empowered to make regulations for the custody of goods

10. Section 84 of the Act is being amended, enabling and empowering the CBIC / Board to make provisions for the custody of goods imported or to be exported under the regulations framed under the Act.

Reduction of Customs duty on the import of goods for personal use

11. With effect from April 1, 2026, customs duty on the import of goods for personal use has been reduced from 20% to 10%.

Amendments made in the Exemption Notifications

12. The Government has extended the validity of 5 exemption notifications which are set to lapse on March 31, 2026. Accordingly, imports of following items shall enjoy exemption for two years, and this notification shall remain valid till March 31, 2028:
- Import of precious stones by post, subject to specified conditions;
 - Import of raw materials or semi-finished goods for execution of an export order, which are to be re-exported within 6 months from the date of clearance, after jobbing;
 - Exemption on basic, additional and special duty on specific copper products imported into India after being produced from copper reverts (recycled scrap/residue) that were exported for toll smelting or processing;
 - Gold and silver, which have been re-imported into India after being produced from copper anode slime exported for toll smelting/processing, from customs duties (basic, additional, and special) exceeding the processing charges, freight, and insurance;
 - Import of works of art and antiques.
13. The exemption on import of capital goods, required for the manufacture of Lithium-ion cells for use in electrically operated vehicles, has now been extended to cover the manufacture of Lithium-ion cells used in Battery Energy Storage Systems (BESS).
14. The Government has withdrawn the exemption/concessional rate of BCD and Social Welfare Surcharge on import of critical minerals with immediate effect, the details of which are given below:

Sl. No.	Chapter/heading/sub-heading/tariff item	Description of goods	Rate
1.	26030000	Copper ores and concentrates	Nil
2.	26050000	Cobalt ores and concentrates	Nil
3.	26090000	Tin ores and Concentrates	Nil
4.	26110000	Tungsten Ores and Concentrates	Nil
5.	2613	Molybdenum ores and concentrates	Nil
6.	26151000	Zirconium ores and concentrates	Nil
7.	26159010	Vanadium ores and concentrates	Nil
8.	26159020	Niobium or tantalum ores and concentrates	Nil
9.	2617	Antimony Ores and Concentrates	Nil
10.	28152000	Potassium hydroxide	Nil
11.	28419000	Salts of oxometallic or peroxometallic acids of Beryllium and Rhenium	Nil
12.	8001	Unwrought Tin	Nil
13.	81019400	Unwrought tungsten, including bars and rods obtained simply by sintering	Nil
14.	81029400	Unwrought molybdenum, including bars and rods obtained simply by sintering	Nil
15.	810320	Unwrought tantalum, including bars and rods obtained simply by sintering, powders	Nil
16.	81052020	Cobalt, unwrought	Nil
17.	81061010	Bismuth, unwrought	Nil
18.	81092100	Unwrought zirconium, powders, Containing less than 1 part hafnium to 500 parts zirconium by weight	Nil
19.	81101000	Unwrought antimony, powders	Nil
20.	81121200	Beryllium unwrought, powders	Nil

21.	811231	Hafnium unwrought, waste and scrap, powders	Nil
22.	81124110	Rhenium unwrought	Nil
23.	81126910	Cadmium unwrought, Powders	Nil
24.	81126920	Cadmium, wrought	Nil
25.	81129200	Unwrought; Waste and scrap; powders of: (i) Gallium (ii) Germanium (iii) Indium (iv) Niobium (v) Vanadium	

Amendments made into the Social Welfare Surcharge and Agricultural Infrastructure Development Cess (AIDC)

15. The Government has amended the exemption notification relating to Social Welfare Surcharge (SWS) consequent to the omission of certain entries from the exemption notifications. These amendments do not alter the effective duty incidence, and the relevant goods continue to remain exempt from the levy of SWS. Similarly, consequential amendments have been made to the exemption notification relating to the levy of Agriculture Infrastructure and Development Cess (AIDC) on new pneumatic tyres; however, the applicable rate of AIDC remains unchanged at 0.5%.

Duty on import of baggage in excess of the allowance

16. Goods imported as baggage in excess of the duty-free allowance as admissible under the Baggage Rules, 2026 shall be liable to Customs duty at the rate of 35% ad valorem.

Withdrawal of the benefit of Exemption Notification

17. Amendments have been made in the mega exemption Notification No. 45/2025 (Customs), revising the effective rate of duty. Accordingly, exemption has been withdrawn from the following goods.

S. No.	Chapter or heading or sub-heading or tariff item	Description of goods
1.	01	Animals and birds imported by the zoo
2.	0207 25 00, 0207 27 00	Meat and edible offal, of turkeys, frozen
3.	0306 19 00	Frozen Krill
4.	0306 36 60	Artemia
5.	0511 91 40	Artemia cysts
6.	0802 11 00	All goods
7.	0802 12 00	All goods

8.	0802 31 00	All goods
9.	0802 99 00	Pecan nuts
10.	0810 40 00	Cranberries, fresh; Blueberries, fresh
11.	0811 90	Cranberries, frozen; Blueberries, frozen
12.	0813 40 90	Cranberries, dried; Blueberries, dried
13.	1207 99 90	Shea Nuts
14.	1209	All goods (other than those falling under sub- headings 1209 91 and 1209 99)
15.	1505	All goods
16.	2008 19 21, 2008 19 22, 2008 19 29, 2008 19 91	All goods
17.	2008 19 92	All goods
18.	2008 93 00	Cranberries, otherwise prepared or preserved, whether or not containing added sugar or other sweetening matter or spirit, not elsewhere specified or included
19.	2008 99	Blueberries, otherwise prepared or preserved, whether or not containing added sugar or other sweetening matter or spirit, not elsewhere specified or included
20.	2106 90	All goods (excluding compound alcoholic preparations of a kind used for the manufacture of beverages, of an alcoholic strength by volume exceeding 0.5% by volume, determined at a temperature of 20 degrees centigrade)
21.	2202 99	Cranberry products
22.	2309 90 31	Prawn and shrimps feed
23.	2529 22 00	Acid grade fluorspar containing by weight more than 97% of calcium fluoride
24.	2701, 2702, 2703	All goods
25.	2709 00 10	Petroleum Crude
26.	2710	Naphtha, for use in the manufacture of fertilisers: Provided that nothing contained in this S. No. shall have effect after the 31 st March, 2026
27.	2711	Liquefied petroleum gases (LPG), in excess of the quantity of petroleum gases and other gaseous hydrocarbons consumed in the manufacture of polyisobutylene by the unit located in Domestic Tariff Area (DTA), received from the unit located in Special Economic Zone (SEZ) and returned by the DTA unit to the SEZ unit from where such Liquefied petroleum gases (LPG) were received. Explanation. - For the purposes of this entry, the quantity of the petroleum gases and other gaseous hydrocarbons consumed in the manufacture of polyisobutylene shall be calculated by subtracting from the quantity of the said gases received by the DTA unit manufacturing polyisobutylene, the quantity of the said gases returned by the said unit to the SEZ unit: Provided that nothing contained in this S.No. shall have effect after the 31 st March, 2026
28.	28, 38	The following goods, namely: -

		(i) Silicon in all forms, that is, polycrystalline silicon or ingots, for the manufacture of undiffused silicon wafers; (ii) Undiffused silicon wafers, for the manufacture of solar cells or solar cell modules : Provided that nothing contained in this S. No. shall have effect after the 31 st March, 2026
29.	2809 20 10	Phosphoric acid
30.	2841	Ammonium Metavanadate
31.	29, 38	Gibberellic acid
32.	29	DL-2 Aminobutanol, Diethyl malonate, Triethyl orthoformate, Aceto butyrolactone, Thymidine, Artemisinin
33.	29	Maltol, for use in the manufacture of deferiprone: Provided that nothing contained in this S.No. shall have effect after the 31 st March, 2026
34.	2910 20 00	Methyloxirane (propylene oxide)
35.	Any Chapter	Artificial Plasma
36.	3102 30 00	All Goods
37.	31	Ammonium phosphate or ammonium nitro- phosphate, for use as manure or for the production of complex fertilisers
38.	3104 30 00	Potassium sulphate, containing not more than 52% by weight of potassium oxide
39.	3302 10	All goods (excluding compound alcoholic preparations of a kind used for the manufacture of beverages, of an alcoholic strength by volume exceeding 0.5 per cent. Volume, determined at 20 degrees centigrade)
40.	3822 90 90	All goods
41.	39	Ethylene vinyl acetate (EVA)
42.	39 or 74	The following goods, if imported for the manufacture of Copper - T contraceptives, namely: - (i) Alatheon (ii) Copper wire Provided that nothing contained in this S.No. shall have effect after the 31 st March, 2026
43.	3904	All goods
44.	4002 70 00	Ethylene - propylene - non-conjugated diene rubber (EPDM) for use in the manufacture of insulated wires and cables falling under heading 8544 (except sub- heading 8544 11): Provided that nothing contained in this S.No. shall have effect after the 31 st March, 2026
45.	4011 30 00	All goods other than goods covered under S. Nos. 155 and 156
46.	4104 11 00, 4104 19 00, 4105 10 00, 4106 21 00, 4106 31 00, 4106 91 00	Wet blue leather (hides and skins)
47.	4702	Rayon grade wood pulp
48.	4823 90 90	All goods other than kites
49.	4906	All goods
50.	5201 00 25	Other: of staple length exceeding 32.0 mm

51.	5603 11 10, 5603 11 90	Hydrophilic Non-Woven, Hydrophobic Non- Woven, imported for use in the manufacture of Adult Diapers: Provided that nothing contained in this S.No. shall have effect after the 31 st March, 2026
52.	7112	Spent catalyst or ash containing precious metals: Provided that nothing contained in this S.No. shall have effect after the 31 st March, 2026
53.	7202 60 00	Ferro-Nickel
54.	7229	INVAR
55.	73181500, 73181600, 73182990	All goods
56.	7325	Metal parts for use in the manufacture of electrical insulators falling under heading 8546: Provided that nothing contained in this S.No. shall have effect after the 31 st March, 2026
57.	73	Pipes and tubes for use in the manufacture of boilers: Provided that nothing contained in this S.No. shall have effect after the 31 st March, 2026
58.	7326 90 99	Forged steel rings for the manufacture of special bearings for use in wind-operated electricity generators: Provided that nothing contained in this S.No. shall have effect after the 31 st March, 2026
59.	7402 00 10	Blister Copper
60.	7802	All goods
61.	7902	All goods
62.	8101 99 90	Tungsten (wolfram) bars and rods, other than those obtained simply by sintering, profiles, plates, sheets, strip and foil
63.	8105 20 30	All goods
64.	84 or any other Chapter	Permanent magnets for the manufacture of PM synchronous generators above 500KW for use in wind-operated electricity generators: Provided that nothing contained in this S.No. shall have effect after the 31 st March, 2026
65.	84 or any other Chapter	The following goods, namely: - (i) High-speed cold-set web offset rotary double-width four plate wide printing machines with a minimum speed of 70,000 copies per hour or High-speed Heat-set web offset rotary printing machines with a minimum speed of 70,000 copies per hour; (ii) Mailroom equipment suitable for use with (i), namely: (a) overhead conveyor gripper; (b) stacker; (c) wrapper; (d) labeller; (e) strapper; (f) inserters; (g) delivery conveyors Provided that nothing contained in this S.No. shall have effect after the 31 st March, 2026

66.	8415 90 00	All goods other than indoor or outdoor units of a split-system air conditioner
67.	84198912, 84198913, 84198914, 84198915, 84198916, 84198917, 84198919	All goods
68.	8419	Coffee roasting, brewing or vending machines for use in the manufacture or processing of coffee
69.	8421 99 00	All goods other than the Reverse Osmosis (RO) membrane element for household-type filters
70.	85 or any other Chapter	Television equipment, cameras and other equipment for taking films, imported by a foreign film unit or television team: Provided that nothing contained in this S.No. shall have effect after the 31st March, 2026
71.	85 or any other Chapter	Photographic, filming, sound recording and radio equipment, raw films, video tapes and sound recording tapes of foreign origin, if imported into India after having been exported therefrom: Provided that nothing contained in this S.No. shall have effect after the 31st March, 2026
72.	8507 90	Battery separators
73.	8529 90 90	Parts of Radio Trunking terminals
74.	8523	CD-ROMs containing books of an educational nature, journals, periodicals (magazines) or newspapers
75.	85 or any other Chapter	Parts and Components of Digital Still Image Video Cameras: Provided that nothing contained in this S.No. shall have effect after the 31st March, 2026
76.	8529 10 99, 8529 90 90	Parts suitable for use solely or principally with the apparatus of headings 8525, 8526 or 8527: Provided that nothing contained in this S.No. shall have effect after the 31st March, 2026
77.	Any Chapter	Raw materials or parts for use in the manufacture of e- Readers: Provided that nothing contained in this S.No. shall have effect after the 31st March, 2026
78.	86	Loco simulators
79.	8609 00 00	Refrigerated containers
80.	8901	All goods (excluding vessels and other floating structures that are imported for breaking up): Provided that nothing contained in this S.No. shall have effect after the 31st March, 2026
81.	8906	All goods (excluding vessels and other floating structures as are imported for breaking up): Provided that nothing contained in this S.No. shall have effect after the 31st March, 2026
82.	9022 30 00	X-ray tubes for use in the manufacture of X-ray machines for medical, surgical, dental or veterinary use (9022 14 20 or 9022 14 90): Provided that nothing contained in this S.No. shall have effect after the 31st March, 2026

83.	9022 90 90	Flat Panel Detector, including Scintillators, for use in the manufacture of X-ray machines for medical, surgical, dental or veterinary use (9022 14 20 or 9022 14 90): Provided that nothing contained in this S.No. shall have effect after the 31st March, 2026
84.	9504	Parts of video games for the manufacture of video games: Provided that nothing contained in this S.No. shall have effect after the 31st March, 2026

18. Customs duty exemption extended till March 31, 2028, for the following items

Sl. No.	S. No. of notification No. 45/2025- Customs	Brief Description
1.	5	Meat and edible offal of ducks, frozen
2.	14	Planting materials, namely, oil seeds, seeds of vegetables, flowers and ornamental plants, tubers and bulbs of flowers, cuttings or saplings of flower plants, seeds or plants of fruits and seeds of pulses
3.	58	Algal oil for the manufacturing of aquatic feed
4.	61	Lactose for use in the manufacture of homoeopathic medicine
5.	69	Specified goods used in the processing of seafood
6.	84	Gold ores and concentrates for use in the manufacture of gold
7.	85	Specified bunker fuels for use in ships or vessels
8.	98	Electrical energy supplied to DTA by power plants of 1000MW or above, and granted formal approval for setting up in SEZ prior to July 19, 2012
9.	99	Electrical energy supplied to DTA from power plants of less than 1000MW, and granted formal approval for setting up in SEZ prior to 19 July, 2012
10.	111	Medical use of fission Molybdenum-99 (Mo-99) for use in the manufacture of radio pharmaceuticals
11.	112	Pharmaceutical Reference Standard
12.	114	Specified goods used for the manufacture of ELISA Kits
13	119	Anthraquinone or 2-Ethyl Anthraquinone, for use in the manufacture of Hydrogen Peroxide

14.	134	Specified goods for use in the manufacture of sheets or back sheet, which are used in the manufacture of solar photovoltaic cells or modules
15.	138	Specified goods for use in the manufacture of Brushless Direct Current (BLDC) motors
16.	140	Tags, labels, stickers, belts etc. imported by bona fide exporters
17.	141	Specified goods imported by bona fide exporters for use in the manufacture of handicraft items, for export
18.	142	Specified goods imported by bona fide exporters for use in the manufacture of textile or leather garments, for export
19.	143	Specified goods imported by bona fide exporters for use in the manufacture of leather or synthetic footwear, or other leather products, for export
20.	144	Specified goods for the manufacture of orthopaedic implants or other artificial parts of the body
21.	146	Capacitor grades polypropylene granules or resins for the manufacture of capacitor-grade plastic film
22.	148	Super absorbent polymer (SAP) imported for use in the manufacture of specified goods
23.	150	Polytetramethylene ether glycol (PT MEG) for use in the manufacture of spandex yarn
24.	155	New or retreaded Pneumatic tyres of rubber of a kind used in aircrafts
25.	156	New or retreaded Pneumatic tyres of rubber of a kind used in aircrafts
26.	160	Pulp of wood or of other fibrous cellulosic material for the manufacture of newsprint, paper and paperboard, adult diapers, and goods falling under heading 9619
27.	162	All goods imported for use in the manufacture of paper, paperboard, or newsprint
28.	163	Specified goods used in the printing of newspapers
29.	164	Lightweight coated paper weighing upto 70g/m, imported by actual users for printing of magazines
30.	173	Pile fabrics for the manufacture of toys



31.	174	Moulds, tools and dies, for the manufacture of parts of electronic components or electronic equipment
32.	175	Graphite Felt for growing silicon ingots, and thin steel wire used in a wire saw for slicing of silicon wafers
33.	184	Simply Sawn Diamonds
34.	185	Seeds for use in the manufacturing of rough lab-grown diamonds
35.	205	Ferrous Scrap
36.	208	Magnesium Oxide (MgO) coated cold-rolled steel coils for use in the manufacture of cold-rolled grain-oriented steel (CRGO).
37.	209	Specified goods for the manufacture of cold-rolled grain-oriented steel
38.	220	Forged steel rings for the manufacture of special bearings for use in wind-operated electricity generators
39.	222	Copper wire or refined copper for the manufacture of photovoltaic ribbon for solar photovoltaic cells or modules
40.	227	Dies for drawing metal, when imported after repairs from abroad, in exchange for similar worn-out dies exported out of India for repairs
41.	228	Parts and raw materials for the manufacture of goods to be supplied in connection with the purposes of offshore oil exploration or exploitation
42.	229	Specified goods when imported by a specified person, in relation to various petroleum operations or coal bed methane operations
43.	230	Goods for the manufacture or the maintenance of wind-operated electricity generator components.
44.	232	Parts of catalytic converters and goods for Use in the manufacture of catalytic converters or their parts
45.	233	Platinum or Palladium for use in the manufacture of Noble Metal Compounds and Noble Metal Solutions
46.	234	Ceria zirconia compounds for use in the manufacture of washcoat for catalytic converters



47.	235	Cerium compounds for use in the manufacture of washcoat for catalytic converters
48.	237	Machinery, electrical equipment, other instruments and their parts, except populated PCBs for use in the fabrication of semiconductor wafers and Liquid Crystal Displays
49.	238	Machinery, electrical equipment, other instruments and their parts, except populated PCBs, for use in assembly, testing, marking and packaging of semiconductor chips
50.	239	Specified goods for the manufacture of certain goods and their parts
51.	246	Bushings made of Platinum and Rhodium alloy, when imported in exchange of worn out or damaged bushings exported out of India
52.	247	Parts and components for the manufacture of tunnel boring machines
53.	256	Evacuated tubes with three layers of solar selective coating for use in the manufacture of solar water heaters and systems
54.	267	Ball screws for use in the manufacture of CNC Lathes
55.	268	Linear Motion Guides for use in the manufacture of CNC Lathes
56.	269	CNC Systems for use in the manufacture of CNC lathes
57.	270	Certain goods for use in the manufacture of plastic processing machineries
58.	272	Parts and components for use in the manufacture of goods like Micro ATMs, Fingerprint reader/scanner, Iris scanner, miniaturized POS card reader
59.	273	All parts for use in the manufacture of LED lights or fixtures including LED Lamps
60.	274	All inputs for use in the manufacture of LED (Light Emitting Diode) driver or Metal Core Printed Circuit Board for LED lights and fixtures or LED lamps
61.	277	Goods imported for being tested in the specified test centres
62.	280	Specified goods for use in the manufacturing of Microphones

63.	292	<p>Parts, components and accessories for the manufacture of Digital Video Recorder (DVR)/ Network Video Recorder (NVR) falling under 8521 90 90, other than the following items, namely</p> <p>(a) populated printed circuit boards; (b) charger or power adapter;</p> <p>Sub-parts for use in the manufacture of items mentioned at (i) above</p>
64.	293	Parts, components and accessories for use in manufacture of reception apparatus for television
65.	294	Parts, components and accessories for the manufacture of CCTV Camera
66.	295	Parts, components and accessories except Lithium-ion cell and PCBA for use in manufacture of Lithium-ion battery and battery pack
67.	296	Inputs, parts or sub-parts for use in the manufacturing of PCBA of Lithium-ion battery and battery pack
68.	297	Open cell for use in the manufacture of LCD and LED TV panels
69.	302	Specified goods for use in the manufacture of LCD and LED TV panels
70.	306	Magnetrons of up to 1.5 KW used for the manufacture of domestic microwave ovens
71.	314	Parts, sub-parts, inputs or raw material for use in manufacture of Lithium-ion cells
72.	319	Lithium-ion cell for use in manufacture of battery or battery pack other than for cellular phone or EV
73.	320	Lithium-ion cell for use in the manufacture of battery or battery pack of cellular mobile phone
74.	321	Lithium-ion cell for use in the manufacture of battery or battery pack of EV or hybrid motor vehicle
75.	333	Parts of gliders or simulators of aircrafts (excluding rubber tyres and tubes of gliders)
76.	334	Raw materials for manufacture of aircrafts and parts of aircrafts



77.	335	Components or parts including engines, of aircraft for manufacture of air craft
78.	336	Parts, testing equipment, tools and tool-kits for MRO of aircraft, components or parts of aircraft
79.	337	Other Aircrafts
80.	338	Components or parts, including engines, of aircraft
81.	339	Satellites and payloads, ground equipment brought for testing and ground installations for satellite including its spares and consumables
82.	340	Scientific and technical instruments, apparatus, equipment, etc., required for launch vehicles and satellites and payloads
83.	341	All goods under heading 8802 (except CTH 8802 60 00)
84.	342	All goods under heading 8802 (except CTH 8802 60 00)
85.	343	All goods under heading 8802 (except CTH 8802 60 00)
86.	345	Parts (other than rubber tubes) of aircraft of heading 8802
87.	348	Parts (other than rubber tubes) of aircraft of heading 8802
88.	350	Barges or pontoons imported along with ships for the more speedy unloading of imported goods and loading of export goods
89.	355	Fishing vessels, tugs and pusher crafts, light vessels, excluding vessels and other floating structures as are imported for breaking up
90.	375	Stainless steel tube and wire, cobalt chromium tube, etc., are required for the manufacture of Coronary stents/coronary stent system and artificial heart valve
91.	376	Ostomy products for managing Colostomy, Ileostomy, Ureterostomy, Ileal Conduit Urostomy Stoma cases
92.	377	Medical and surgical instruments, apparatus and appliances, including spare parts and accessories thereof

93.	382	Hospital Equipment for use in the specified hospitals
94.	386	Raw materials, parts or accessories for the manufacture of Cochlear Implants
95.	387	X-Ray Baggage Inspection Systems and parts thereof
96.	388	Portable X-ray machine/system
97.	392	Parts and cases of braille watches, for the manufacture of Braille watches
98.	396	Parts of electronic toys for the manufacture of electronic toys
99.	415	All items of machinery and auxiliary equipment required for the initial setting up of a project for the generation of power or the generation of compressed bio-gas (Bio-CNG) using non-conventional materials
100.	440	All items of machinery, and auxiliary equipment for setting up a fuel cell-based system for the generation of power or for demonstration purposes or balance of systems operating on biogas or bio-methane or by-product hydrogen

19. Rate of duty changed effectively from May 01, 2026, on the following items

S. No.	Heading, sub-heading, tariff item	Commodity	New Tariff Rate w.e.f 1st May 2026
1.	0207 25 00, 0207 27 00	Meat and edible offal of turkeys, frozen <i>[S. No. 4 of TABLE I of notification No. 45/2025- Customs dated 24.10.2025]</i>	5%
2.	0306 36 60	Artemia <i>[S. No. 10 of TABLE I of notification No. 45/2025-Customs dated 24.10.2025]</i>	Nil
3.	0511 91 40	Artemia cysts <i>[S. No. 13 of TABLE I of notification No. 45/2025-Customs dated 24.10.2025]</i>	Nil
4.	0802 11 00	Almonds, in shell <i>[S. No. 24 of TABLE I of notification No. 45/2025-Customs dated 24.10.2025]</i>	Rs.35 per kg



5.	0802 12 00	Almonds, shelled <i>[S. No. 25 of TABLE I of notification No. 45/2025-Customs dated 24.10.2025]</i>	Rs. 100 per kg
6.	0802 31 00	Walnuts, in shell <i>[S. No. 26 of TABLE I of notification No. 45/2025-Customs dated 24.10.2025]</i>	100%
7.	1209 (other than those falling under subheadings 120991 and 120999)	Seeds, fruit and spores, of a kind used for sowing <i>[S. No. 34 of TABLE I of notification No. 45/2025-Customs dated 24.10.2025]</i>	15%
8.	1505	Wool grease and fatty substances derived therefrom (including lanolin) <i>[S. No. 40 of TABLE I of notification No. 45/2025-Customs dated 24.10.2025]</i>	15%
9.	2008 19 21, 2008 19 22, 2008 19 29, 2008 19 91	Makhana, other roasted nuts and seeds <i>[S. No. 62 of TABLE I of notification No. 45/2025-Customs dated 24.10.2025]</i>	30%
10.	2008 19 92	Other nuts, otherwise prepared or preserved <i>[S. No. 63 of TABLE I of notification No. 45/2025-Customs dated 24.10.2025]</i>	30%
11.	2309 90 31	Prawns and shrimps feed <i>[S. No. 76 of TABLE I of notification No. 45/2025-Customs dated 24.10.2025]</i>	5%
12.	2504	Natural graphite <i>[S. No. 1 of notification No. 36/2024-Customs dated 23.07.2024]</i>	2.5%
13.	2505	Natural sands of all kinds, whether or not coloured, other than metal-bearing sands <i>[S. No. 2 of notification No. 36/2024-Customs dated 23.07.2024]</i>	Nil



14.	2506	Quartz (other than natural sands); quartzite, whether or not roughly trimmed or merely cut, by sawing or otherwise, into blocks or slabs of a rectangular (including square) shape <i>[S. No. 3 of notification No. 36/2024-Customs dated 23.07.2024]</i>	2.5%
15.	2530 90 91	Strontium sulphate (natural ore) <i>[S. No. 4 of notification No. 36/2024-Customs dated 23.07.2024]</i>	Nil
16.	2701, 2702, 2703	Coal; briquettes, ovoids and similar solid fuels manufactured from coal; Lignite, whether or not agglomerated, excluding jet; Peat (including peat litter), whether or not agglomerated <i>[S. No. 86 of TABLE I of notification No. 45/2025-Customs dated 24.10.2025]</i>	2.5%
17.	2709 00 10	Petroleum crude <i>[S. No. 87 of TABLE I of notification No. 45/2025-Customs dated 24.10.2025]</i>	Re 1 per tonne
18.	2804 50 20	Tellurium <i>[S. No. 15 of notification No. 36/2024-Customs dated 23.07.2024]</i>	Nil
19.	2804 61 00	Silicon, containing by weight not less than 99.99% of silicon <i>[S. No. 16 of notification No. 36/2024-Customs dated 23.07.2024]</i>	Nil
20.	2804 69 00	Silicon, other <i>[S. No. 17 of notification No. 36/2024-Customs dated 23.07.2024]</i>	Nil
21.	2804 90 00	Selenium <i>[S. No. 18 of notification No. 36/2024-Customs dated 23.07.2024]</i>	Nil
22.	2805 30 00	Rare-earth metals, scandium and yttrium, whether or not intermixed or inter alloyed <i>[S. No. 19 of notification No. 36/2024-Customs dated 23.07.2024]</i>	Nil

23.	2809 20 10	Phosphoric Acid <i>[S. No. 109 of TABLE I of notification No. 45/2025-Customs dated 24.10.2025]</i>	5%
24.	2811 22 00	Silicon dioxide <i>[S. No. 20 of notification No. 36/2024-Customs dated 23.07.2024]</i>	2.5%
25.	2816 40 00	Oxides, hydroxides and peroxides of strontium or barium <i>[S. No. 22 of notification No. 36/2024-Customs dated 23.07.2024]</i>	Nil
26.	2822 00 10	Cobalt oxides <i>[S. No. 23 of notification No. 36/2024-Customs dated 23.07.2024]</i>	Nil
27.	2822 00 20	Cobalt hydroxides <i>[S. No. 24 of notification No. 36/2024-Customs dated 23.07.2024]</i>	Nil
28.	2822 00 30	Commercial cobalt oxides <i>[S. No. 25 of notification No. 36/2024-Customs dated 23.07.2024]</i>	Nil
29.	2825 20 00	Lithium oxide and hydroxide <i>[S. No. 26 of notification No. 36/2024-Customs dated 23.07.2024]</i>	Nil
30.	2825 30	Vanadium oxides and hydroxides <i>[S. No. 27 of notification No. 36/2024-Customs dated 23.07.2024]</i>	Nil
31.	2825 60 10	Germanium oxides <i>[S. No. 28 of notification No. 36/2024-Customs dated 23.07.2024]</i>	Nil
32.	2825 70	Molybdenum oxides and hydroxides <i>[S. No. 29 of notification No. 36/2024-Customs dated 23.07.2024]</i>	Nil
33.	2825 80 00	Antimony Oxides <i>[S. No. 30 of notification No. 36/2024-Customs dated 23.07.2024]</i>	Nil
34.	2825 90 20	Cadmium oxide <i>[S. No. 31 of notification No. 36/2024-Customs dated 23.07.2024]</i>	Nil



35.	2827 35 00	Chlorides of Nickel <i>[S. No. 32 of notification No. 36/2024-Customs dated 23.07.2024]</i>	Nil
36.	2827 39 30	Strontium chloride <i>[S. No. 33 of notification No. 36/2024-Customs dated 23.07.2024]</i>	Nil
37.	2833 24 00	Sulphates of Nickel <i>[S. No. 34 of notification No. 36/2024-Customs dated 23.07.2024]</i>	Nil
38.	2834 21 00	Nitrates of potassium <i>[S. No. 35 of notification No. 36/2024-Customs dated 23.07.2024]</i>	Nil
39.	2836 91 00	Lithium carbonates <i>[S. No. 36 of notification No. 36/2024-Customs dated 23.07.2024]</i>	Nil
40.	2836 92 00	Strontium carbonate <i>[S. No. 37 of notification No. 36/2024-Customs dated 23.07.2024]</i>	Nil
41.	2910 20 00	Methyloxirane (propylene oxide) <i>[S. No. 118 of TABLE I of notification No. 45/2025-Customs dated 24.10.2025]</i>	2.5%
42.	2918 15 30	Bismuth citrate <i>[S. No. 40 of notification No. 36/2024-Customs dated 23.07.2024]</i>	Nil
43.	3102 30 00	Ammonium nitrate, whether or not in aqueous solution <i>[S. No. 126 of TABLE I of notification No. 45/2025-Customs dated 24.10.2025]</i>	5%
44.	3801	Artificial Graphite; colloidal or semi- colloidal graphite; preparations based on graphite or other carbon in form of pastes, blocks, plates or other semi- manufactures <i>[S. No. 41 of notification No. 36/2024-Customs dated 23.07.2024]</i>	2.5%
45.	3808 93 30	Gibberellic acid <i>[S. No. 115 of TABLE I of notification No. 45/2025-Customs dated 24.10.2025]</i>	5%

46.	3904	Polymers of vinyl chloride or of other halogenated olefins, in primary forms <i>[S. No. 147 of TABLE I of notification No. 45/2025-Customs dated 24.10.2025]</i>	7.5%
47.	4906	Plans and drawings for architectural, engineering, industrial, commercial, topographical or similar purposes, being originals drawn by hand; handwritten texts; photographic reproductions on sensitised paper and carbon copies of the foregoing <i>[S. No. 169 of TABLE I of notification No. 45/2025-Customs dated 24.10.2025]</i>	Nil
48.	5201 00 25	Other cotton of staple length exceeding 32.0 mm <i>[S. No. 171 of TABLE I of notification No. 45/2025-Customs dated 24.10.2025]</i>	Nil
49.	7202 60 00	Ferro-nickel <i>[S. No. 204 of TABLE I of notification No. 45/2025-Customs dated 24.10.2025]</i>	Nil
50.	7402 00 10	Blister copper <i>[S. No. 221 of TABLE I of notification No. 45/2025-Customs dated 24.10.2025]</i>	Nil
51.	7802	Lead waste and scrap <i>[S. No. 223 of TABLE I of notification No. 45/2025-Customs dated 24.10.2025]</i>	Nil
52.	7902	Zinc waste and scrap <i>[S. No. 224 of TABLE I of notification No. 45/2025-Customs dated 24.10.2025]</i>	Nil
53.	8105 20 30	Cobalt powders <i>[S. No. 226 of TABLE I of notification No. 45/2025-Customs dated 24.10.2025]</i>	Nil
54.	8419 89 12, 8419 89 13, 8419 89 14, 8419 89 15, 8419 89 16, 8419 89 17, 8419 89 19	Reactors, columns or towers or chemical storage tanks <i>[S. No. 257 of TABLE I of notification No. 45/2025-Customs dated 24.10.2025]</i>	7.5%



Central Excise

Blended CNG: It is proposed to exclude the entire value of biogas/ Compressed BioGas (CBG) and the appropriate GST, from the transaction value for the purpose of computing the central excise duty payable on blended Compressed Natural Gas (CNG).

Additional Excise Duty on unblended Diesel: The levy of additional excise duty of Rs 2 per litre on unblended diesel has been deferred till 31 March 2028.

SEZ laws

A special one-time measure is proposed, permitting eligible manufacturing units in SEZs to sell goods, limited to a prescribed proportion of exports, into the Domestic Tariff Area at concessional rates of duty.

KEY PROPOSALS UNDER GOODS AND SERVICES TAX (GST)

Change in place of supply for intermediary services to 'location of service recipient'

Special provision for determining place of supply for 'intermediary' services from supplier based will be omitted to the general rule (location of the recipient), aligning it with the destination based consumption. This change shall definitely reduce disputes and improve export clarity. Even though the amendment brought about does not specify whether the change is retrospective in effect, the change is a beneficial impact across several sectors. The proposal shall be effective once Notified.

Conditions relaxed for deduction of post sales discounts from taxable value (date to be notified)

The requirement of establishing linkage between discount and terms of agreement along with specific invoice mapping will be eliminated to claim GST benefits on post-sale discounts. As long as a credit note is issued under Section 34 and the recipient reverses the related ITC, the post sales discount value can be deducted from the taxable value.

Proposals related to GST refunds

- Provisions enabling risk based provisional sanction of refund of 90% extended to inverted duty structure refunds akin to mechanism of zero – rated supplies. Taxpayers claiming refunds due to an inverted duty structure will now be eligible for provisional refunds, improving cash flow while the final refund is processed.
- Threshold of INR 1,000 will not apply to refund arising out of export of goods with payment of tax.

Interim authoritative body unless National Appellate Authority ('NAA') for Advance Rulings is constituted

Provisions have been enabled to appoint an interim authority (including Tribunal) for resolving conflicting AAR decisions. It is also proposed that any references to the NAA shall be deemed to refer to the notified Authority. This change takes effect from 1 April 2026 and ensures there is no gap in the appellate process. The plan to have a separate NAA is superseded by using existing, established tribunals (GSTAT). The change ensures that there is no gap in the appellate process for taxpayers seeking to appeal conflicting advance rulings. The 56th GST Council meeting and subsequent notifications set June 30, 2026, as the deadline for filing backlog appeals for orders passed before April 1, 2026. This would further make the mechanism for dispute resolution robust, ensuring consistency in advance rulings, and offering greater certainty to taxpayers.



ABOUT KOCHHAR & CO.

Kochhar & Co. ("The Firm") is one of India's pre-eminent corporate law firms. With a full-service presence in 6 (six) cities, namely New Delhi, Mumbai, Bangalore (Bengaluru), Chennai, Gurgaon (Gurugram), Hyderabad, as well as 3 (three) international locations, namely Dubai, Chicago and Toronto.

Kochhar & Co. has a reputation for cutting-edge legal expertise, clear and commercially driven advice, and an unwavering commitment to our clients' needs through delivering bespoke, sustainable, and innovative legal solutions. We pride ourselves on adopting technology and international best practices to a deeply Indian business ethos; with an advisory philosophy that places sustainable legal solutions for our clients at its centre and core.

Kochhar & Co. is the preferred law firm for some of the largest multinational and blue-chip corporations from North America, Europe and Asia including 95+ of the Fortune Global 500 corporations. The Firm has an enviable domestic footprint and acts as counsel to several large and iconic Indian corporations across both the private and public sectors.

Kochhar & Co.'s commitment to internationalism also draws from its foundational alliances with leading global law firm networks, defining its ability to provide seamless cross-border advice across all practice areas.

Key Practice Areas

Arbitration & ADR; Anti-Dumping, Aviation; Banking & Finance; Bankruptcy & Insolvency; Capital Markets; Competition & Antitrust; Corporate & Commercial; Defense; E-Commerce; Fintech, Blockchain & Cryptos; Environment; Infrastructure; Intellectual Property; International Trade; Mergers & Acquisitions; Labour & Employment; Litigation; Power & Energy; Private Equity, Venture Capital & Funds; Privatisation & Disinvestments; Project Finance; Real Estate; Shipping & Maritime; Sports & Entertainment; Start-Ups; Taxation (Direct & Indirect); Technology, Media and Telecommunication; White-Collar Crime.

Our UAE Presence

Kochhar & Co. Inc. Dubai is a leading full-service law firm in the UAE advising clients on both UAE and DIFC Laws. Our Dubai presence assumes significance as Kochhar & Co. is the first full-service law firm from the Indian sub-continent to have been granted a license by the Dubai Legal Affairs Department to practise local law in the UAE.

The Dubai team comprises of senior partners and lawyers with several decades of rich and diverse experience in the UAE, English, and Indian law matters and specialises in providing a wide range of legal services in the areas of corporate and commercial laws, banking and project finance, dispute resolution and IPR. Within a short span, Kochhar Dubai has established itself as one of the preferred counsels for numerous banks & financing corporations, and multinational and Indian companies doing business in the UAE.

OUR TEAM

**SHAHID KHAN**

Senior Partner & Head - Direct Tax Practice

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Shahid is a Senior Partner and heads the Direct Tax practice in the Firm. He is a former Indian Revenue Service officer and has worked with the Indian Income Tax Department in various capacities. Immediately prior to joining the Firm, he was a Member of the Central Board of Direct Taxes, the highest policy and decision-making body for income tax matters in the Government of India (GOI).

During his tenure of nearly 40 years with the Income Tax Department, he was recognised for his extensive knowledge of Indian tax laws, his efforts to modernise the department, and his contribution towards framing policy related to critical income tax issues, including international tax matters. He also has experience in acting as an appellate authority on tax matters.

Shahid was also involved in training senior officials of the Tax Department, many of whom are presently at the level of Commissioners and Additional Commissioners. He has been an integral part of several policy-making committees of the GOI and has also assisted tax departments of neighbouring countries, such as Nepal and Bangladesh, on tax policy and modernisation issues.

Shahid regularly advises leading multinational clients (including Fortune Global 500 companies) of the Firm on cross-border investment and transaction structures, as well as planning around group intellectual property assets.

His focus areas include:

- Analysis and interpretation of India's Tax Treaties ("DTAA") with different countries to provide efficient solutions for tax-related structuring.
- Analysis of risks relating to arrangements being construed as a Permanent Establishment in India, and devising possible ways to mitigate/minimise the same.
- Tax implications of 'indirect transfers' of Indian assets and related tax withholding issues.
- Evaluation of viable tax-efficient routes for cross-border mergers and acquisitions, including issues relating to General Anti-Avoidance Rules (GAAR).
- Analysis and advice on transfer pricing issues and related aspects of arm's length pricing.
- Advice relating to withholding tax issues under India's domestic tax laws, and India's Tax Treaties with various countries.
- Devising solutions for tax-effective repatriation and exit arrangements.
- Structuring salary, perquisites, and ESOPs, etc., of expatriate employees to minimise Indian tax liabilities.

Shahid also represents the Firm's multinational and domestic clients before the Authority for Advance Rulings, the Income Tax Appellate Tribunal, and the High Courts.



Shahid has been conferred with the prestigious Prime Minister's Award for Excellence in Public Administration for the development of the 'Integrated Taxpayer Data Management System' in the Indian Income Tax Department (2009).

He has also been recognised as the Gold Icon of the Department of Administrative Reforms, Government of India, and has received a Certificate of Appreciation from the Canada Revenue Agency in connection with an Indo-Canada project for the modernisation of the Indian Tax Department.

Legal 500 Asia Pacific (2020–2026) and Chambers & Partners (2024-2026) recognise Shahid as a 'Recommended Lawyer for Direct Tax' in India.

**REENA ASTHANA KHAIR**

Senior Partner & Head - Indirect Tax & International Trade Practice

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Reena is a Senior Partner and heads the International Trade & Indirect Taxation practice at the Firm. She is a lawyer of eminence with almost 30 years of work experience and specialization in the areas of international trade and indirect taxation. She represents clients regularly before the Customs, Excise, and Service Tax Appellate Tribunal, as well as before various High Courts and the Supreme Court of India. She has extensive court room experience with more than 300 reported cases argued by her.

In the domain of international trade, Reena has represented clients comprising domestic and foreign industries, as well as user industries in India, before the Designated Authority, Directorate General of Trade Remedies (DGTR), and higher forums. She has also successfully argued the highest number of anti-dumping and anti-subsidy cases before the Tribunal. She has also assisted clients in trade remedial investigations in foreign jurisdictions. She has been regularly providing advisory services and has been involved in dispute resolution for high-profile matters relating to customs, excise, service tax, FEMA, and GST. Critical issues handled by her include classification under the Harmonised System Nomenclature, valuation, export promotion schemes, drawback, Export Oriented Units (EOUs), Special Economic Zones (SEZs), inverted duty structure, admissibility of credits, transitional issues in GST, and export refunds. She regularly assists clients in the transition to the GST regime. She has also conducted Internal Management audits for optimisation of tax liability, identifying issues/risks for potential disputes with departmental authorities and restructuring of transactions undertaken for various clients, including some of India's major conglomerates and multinational corporations in the oil & gas, specialty materials and chemicals, steel and manufacturing sector.

Reena has been consistently recognized by the Forbes Legal Powerlist among the "Top 100 Lawyers" in India. She has been ranked & recognized by Asia Pacific Legal 500 as an "Elite Leading Lawyer" for Taxation and WTO & International Trade Lawyers; "Ranked Lawyer" for Taxation and WTO & International Trade by Chambers & Partners; "Litigation Star" and "Top 100 Women Lawyers in Asia" by Benchmark Litigation.

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Partner - Indirect Tax

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Shampa is a Partner in the Indirect Tax practice of the Firm. She has more than 15 years of post-qualification experience in corporate and civil law with an exclusive specialization of more than 11 years in the domain of indirect taxes. She has worked extensively on various indirect taxes including Customs, Goods & Services Tax (GST), erstwhile Service tax, Excise laws, Value Added Taxes, Foreign Trade Policy, and other ancillary laws. Prior to joining Kochhar & Co., Shampa has an enriching extensive experience of having worked with two of the Big 4 international consultancy firms namely Deloitte and Ernst & Young in the indirect tax practice in Delhi and Gurgaon.

She has advised clients and assisted them in litigation matters by way of drafting, pleading and strategising. Her experience includes advising large MNC and Indian companies on structuring of transactions by devising tax efficient models, identifying potential revenue and tax leakages in existing operations and providing feasible remedies, guiding through assessments, audit and investigations by the revenue authorities and compliance services for clients. Shampa has advised extensively on revenue investigations by custom authorities, classification of goods as per Harmonized System of Nomenclature ('HSN') including imports under free trade agreements, issues with regard to customs valuation including special valuation bench matters, anti-dumping matters and advising on export benefits and authorizations viz EPCG, SCOMET, AA under the Foreign Trade Policy. She has had the expertise of assisting IT based corporates in setting up Special Economic Zones (SEZs) units and other Export Oriented Units (EOUs). She has been a part of the GST implementation for MNCs and also offers supports for periodical compliances including GST/ VAT/ Service tax audit. Shampa has been actively involved in rendering policy advocacy support as an alternative to tax litigations by reaching out to policy makers / tax authorities to pre-empt any business disruption. She also assists clients in their anti – profiteering matters and conducting detailed diagnostic tax reviews of the existing business operations of clients. Her focus is also on central and state incentives offered in India.

Her area of industry expertise includes automobile, infra and power, pharmaceutical, telecom and information technology services, FMCG, consumer durables, defense, oil & gas and several others.



Amit Shrivastava

Partner - Direct Tax

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Amit is a highly skilled Direct Tax lawyer with experience of 16 years. Amit brings a wealth of knowledge to Direct Tax advisory and litigation. He has an extensive background in helping both domestic and international clients navigate a full spectrum of complex tax challenges. His expertise spans a wide range of critical issues, including Permanent Establishment, Transfer Pricing, and matters related to Royalty and FTS, as well as the intricate details of Double Tax Avoidance Agreements and the Income Tax Act.

Amit holds the distinguished title of Advocate-on-Record at the Supreme Court of India, a credential that underscores his deep legal expertise. He has a proven history of successfully representing clients in landmark cases before the Income Tax Appellate Tribunal, High Court, and Supreme Court. His legal proficiency is well-documented, with numerous published judgments bearing his name. Prior to his current role, Amit was associated with leading legal institutions, including key roles at Tier 1 law firms and Big Four advisory firms, where he honed his skills as a direct tax lawyer.

For any queries and any tax-related consultation, please reach us at
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