

MESSAGE



The GST ecosystem continues to evolve through a combination of strong revenue performance, policy proposals in Union Budget 2026-27, and technology-led improvements on the GST portal. January, 2026 witnessed steady growth in collections, reflecting sustained economic activity as well as improved import-linked receipts, as GST collections rose by 6.2% to over ₹1.93 lakh crore this month.

On the reform front, the Finance Bill, 2026 proposes key changes to facilitate trade and improve certainty. These include enabling issuance of credit notes for post-supply discounts without linkage to pre-supply agreements, subject to corresponding ITC reversal by recipients; strengthening of refunds through granting 90% provisional refund for inverted duty structure and allowing refund even below ₹1,000 in cases where goods are exported with payment of tax; and an interim arrangement for hearing of appeals by an existing authority or tribunal in conflicting advance ruling matters.

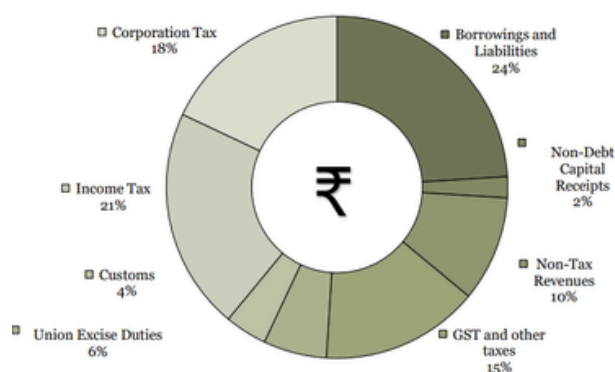
A significant proposal also relates to intermediary services, wherein the existing provision deeming the place of supply as the location of supplier is proposed to be omitted, thereby aligning place of supply with the general rule i.e., location of recipient, and enabling eligible intermediary services supplied to overseas recipients to be treated under export-related provisions. From the January 2026 tax period onwards, GSTN has introduced key enhancements in GSTR-3B, including an enhanced interest computation in Table 5.1 providing the benefit of the minimum cash balance available in the Electronic Cash Ledger from due date of return filing till tax payment. The portal also enables flexible ITC utilisation for IGST payment and will collect interest for delayed last returns of cancelled taxpayers through GSTR-10.



Pankaj Kumar Singh
Additional Secretary

Budget 2026-27 Key Highlights : GST Amendments proposed

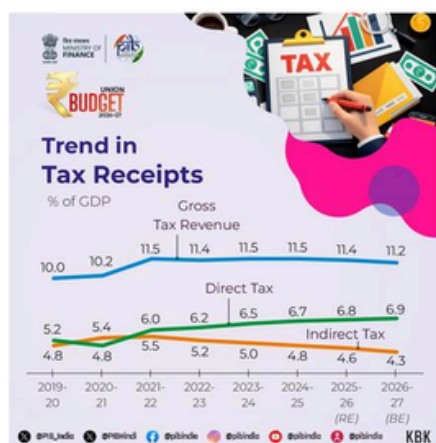
Rupee Comes From



The Union Budget 2026-27 was presented by the Hon'ble Union Minister for Finance and Corporate Affairs, Smt. Nirmala Sitharaman, in the Parliament on 01.02.2025. The Budget proposed changes in GST laws for ensuring trade facilitation and reduction of litigation. These proposed amendments include:

- Provision for issuance of credit notes for post-supply discounts without linkage to pre-supply agreement, subject to reversal of proportionate ITC by the recipient (amendment to section 15(3) of CGST Act, 2017).
- Enabling provision for issuance of credit notes specifically in cases where post-supply discounts are provided (amendment to section 34(1) of CGST Act, 2017).
- Provision for grant of 90% provisional refund in cases where refund is claimed on account of inverted duty structure (amendment to section 54(6) of CGST Act, 2017).
- Provision for allowing refund even below ₹1,000 in cases where goods are exported with payment of tax (amendment to section 54(14) of CGST Act, 2017).
- Provision empowering existing authority or tribunal for hearing appeals made under Section 101B of the CGST Act, 2017, until the National Appellate Authority for Advance Ruling is constituted (amendment to section 101A of CGST Act, 2017; effective from 1st April, 2026).
- Omission of place of supply provision for intermediary services (omission of section 13(8)(b) of IGST Act, 2017), thereby aligning place of supply with location of recipient under residuary provisions and enabling export treatment in eligible cases.

These changes will be brought into effect from a date to be notified, in coordination with States, as per recommendations of the GST Council.



- **Advisory on Interest Collection and Related Enhancements in GSTR-3B**

GSTN has informed that from January, 2026 period onwards, few enhancements have been made in filing of GSTR-3B. For detailed advisory, kindly click on the link given below:

https://tutorial.gst.gov.in/downloads/news/advisory_on_interest_calculator.pdf

These include an interest computation in Table 5.1 of the GSTR-3B by providing the benefit of minimum cash balance available in the Electronic Cash Ledger from due date of return filing till the date of tax payment (offset), auto-population of the 'tax liability breakup table' in GSTR-3B on the basis of date of documents related to supplies reported in GSTR-1 / GSTR-1A / IFF pertaining to any previous tax period (auto-populated values are suggestive in nature and taxpayer may modify upwards these values based on their own records and computations, if required), and update in Table 6.1 allowing suggestive cross-utilisation of ITC for payment of IGST after exhaustion of available IGST ITC. Further, in case of cancelled taxpayers, interest applicable on delayed filing of the last applicable GSTR-3B shall be levied and collected through the Final Return (GSTR-10).

[Portal update on 30.01.2026](#)

- **Advisory on RSP-Based Valuation of Notified Tobacco Goods under GST**

An advisory on reporting of taxable value and tax liability under RSP-based valuation in e-Invoice, e-Way Bill and GSTR-1 / GSTR-1A / IFF has been issued for the information and guidance of taxpayers. The advisory may be accessed through the following link:

https://tutorial.gst.gov.in/downloads/news/advisory_on_rsp_based_valuation_gstr-1_final_version.pdf

[Portal update on 23.01.2026](#)

- **Advisory on Filing Opt-In Declaration for Specified Premises, 2025**

GSTN vide the said advisory has informed the taxpayers that the relevant declarations issued vide Notification No. 05/2025 – Central Tax (Rate), dated 16th January 2025, are now made available electronically on the GST Portal. These declarations may be opted for and filed by persons who are applying for registration or are already registered and supplying hotel accommodation services by declaring the premises as “specified premises”. (It is not available for composition taxpayers, TDS/TCS taxpayers, SEZ units/developers, casual taxpayers, or cancelled registrations.)

- The portal provides Annexure VII (Opt-in Declaration for registered persons) and Annexure VIII (Opt-in Declaration for new applicants). Registered taxpayers can file Annexure VII for the subsequent financial year during the specified window: 1st January to 31st March of the preceding financial year. New applicants can file Annexure VIII within 15 days from ARN generation.

- A maximum of 10 premises can be selected in one declaration. Additional declarations may be filed for remaining premises, if any. However, separate PDFs with reference numbers will be generated for each premise. Suspended taxpayers are allowed to file the declaration. However, cancelled taxpayers

- are barred from filing such declarations. The option exercised will continue for subsequent financial years unless an opt-out declaration (Annexure IX) is filed within the prescribed time.

<https://services.gst.gov.in/services/advisoryand/releases/read/645>

Portal update on 04.01.2026

Filed declarations may also be downloaded from the portal, and confirmation is sent via email/SMS to authorised signatories. For FY 2025–26, declarations were filed manually; eligible taxpayers are advised to file Annexure VII electronically again for FY 2026–27 during the above window.

• **Gross and Net GST revenue collections for the month of Dec, 2025**

Please click on the link below to view the gross and net GST revenue collections for the month of Dec, 2025.

https://tutorial.gst.gov.in/downloads/news/monthly_gst_data_for_publishing_dec_2025_final_01jan2026.pdf

The detailed advisory and procedure may be accessed through the following link:

Portal update on 01.01.2026

BEST PRACTICES/OUTREACH PROGRAMMES ACROSS INDIA

• **GST 2.0 Outreach Programme for MSMEs and Traders**



During the Republic Day 2026 celebrations, Central Board of Indirect Taxes and Customs (CBIC) under the Ministry of Finance organised a two-day programme in New Delhi for 100 MSMEs, traders and shopkeepers from across India as Special Guests, recognising their exemplary adoption of GST 2.0. An interactive session with Sh. Vivek Chaturvedi, Chairman, CBIC, Board Members and senior officers highlighted GST 2.0's impact on compliance, transparency and Ease of Doing Business. Participants shared positive feedback, appreciating the engagement, hospitality and learning experience—reaffirming the Government's commitment to stakeholder outreach and a confident, collaborative MSME ecosystem.

• **GST Stakeholder Outreach in Bengaluru**

Sh. Mahesh Kumar Rustagi, Director General, Directorate General of Taxpayer Services, Central Board of Indirect Taxes and Customs (CBIC), along with the Commissioner, CGST Bengaluru South and the Commissioner, City Customs Bengaluru, held a meeting with trade representatives at Bengaluru on 18 December,





2025. The interaction focused on strengthening stakeholder engagement, addressing trade concerns and reinforcing a collaborative approach towards effective GST implementation.

LEGAL CORNER

- **Ut res magis valeat quam pereat**

Ut Res Magis Valeat Quam Pereat is a well-established maxim of statutory interpretation which literally means “it is better for a thing to have effect than to be made void.” Under this principle, when the language of a statute or provision admits more than one reasonable interpretation, courts should prefer the construction that makes the law effective and operative rather than one that would render it inoperative, futile or meaningless. This approach helps ensure that legislative intent is upheld and that laws serve the purpose for which they were enacted, instead of being nullified due to technicalities or ambiguity.

The rationale behind this maxim is rooted in the presumption that a statute should not be declared void for mere vagueness, and that the judiciary, when interpreting legal provisions, should start with a presumption in favour of validity and effectiveness. In practice, this means avoiding interpretations that would reduce a legal provision to a “dead letter” and adopting a reading that preserves the statute’s functionality and objective as far as possible within the language used.

However, this is not a license for judicial rewriting. The principle applies only when there is genuine ambiguity; it cannot be used to save a provision that is patently illegal, unconstitutional, or where the plain language leads to an unavoidable dead end. A classic example is found in *Avtar Singh v. State of Punjab*, where the court emphasized that a statute must be read to avoid making any part of it redundant. Ultimately, while the law strives to let a “thing avail rather than perish,” it remains bound by the limits of clear text and legislative mandate.