



Newsletter

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GST



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(Under the jurisdiction of Ministry of Corporate Affairs)



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GST COLLECTION UPDATES

₹1,74,550 crore gross GST revenue collected during December 2025; records Year on Year growth of 8.6%

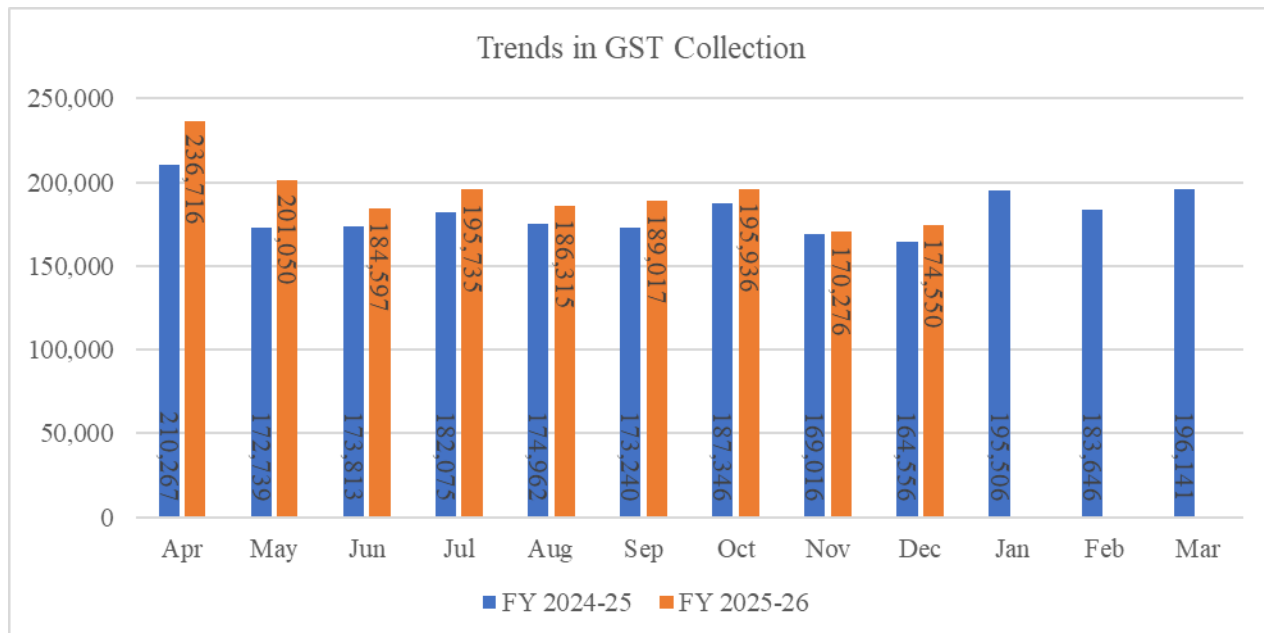
Net revenue at ₹ 1,45,570 crore is up by 2.2% for the month and up by 6.8% for the year

Gross Goods and Services Tax (GST) revenue collected for December 2025 is **₹1,74,550 crore**, a **6.1%** increase compared to that in the same month in 2024. This growth was driven by a **19.7%** rise in GST from Imports. GST revenue net of refunds for December 2025 is **₹1,45,570 crore** which is a growth of **6.8 %** over that for the same period last year.

Breakdown of December 2025 Collections:

- ❖ Central Goods and Services Tax (CGST): ₹ 34,289 crore
- ❖ State Goods and Services Tax (SGST): ₹ 41,368 crore
- ❖ Integrated Goods and Services Tax (IGST): ₹ 98,894 crore, including ₹ 51,977 crore collected on imported goods

The chart below shows trends in monthly gross GST revenues during the current financial year.

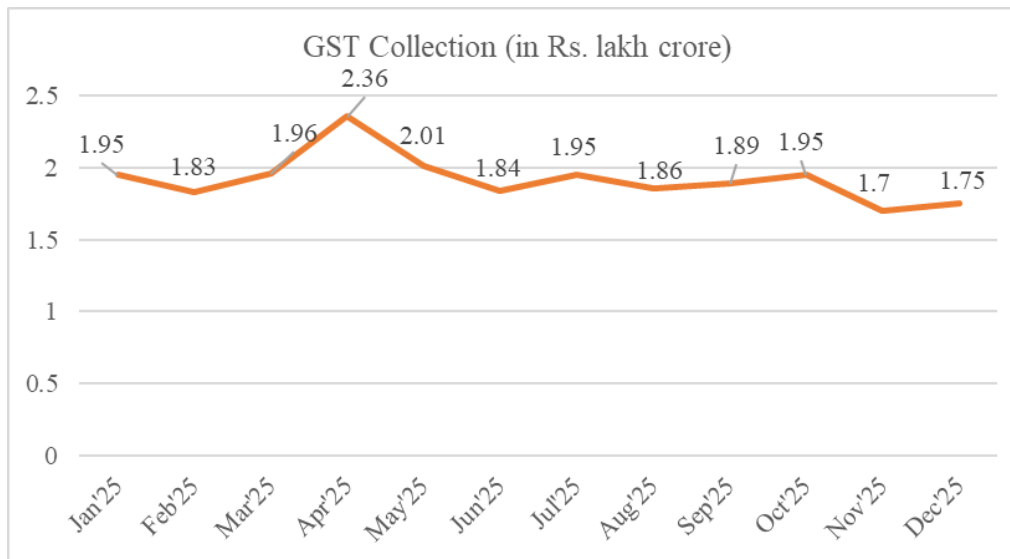


Note: November and December GST collection figures exclude Cess.

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

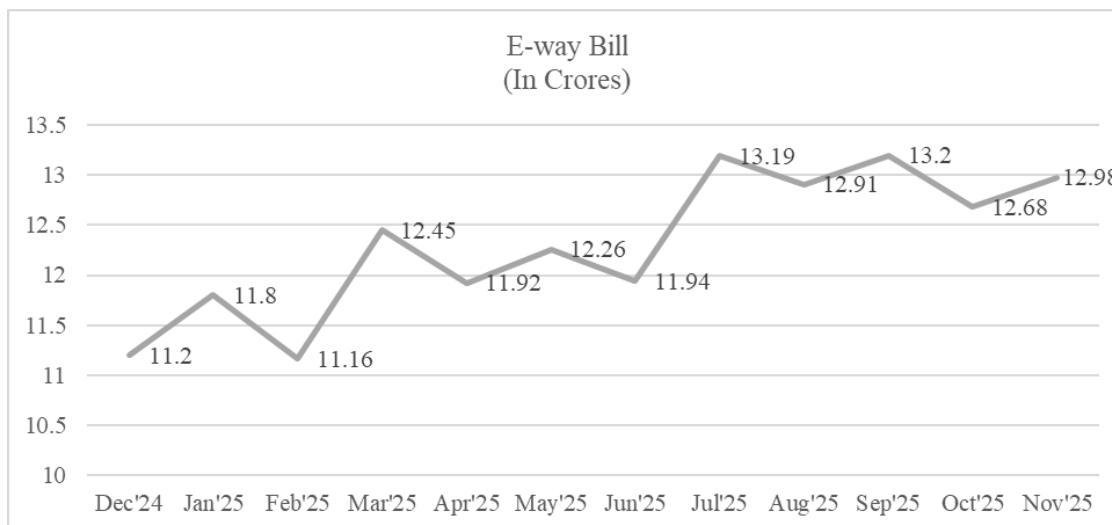
TRENDS IN GST COLLECTION AND E-WAY BILLS GENERATED

The chart below shows trends in monthly gross GST revenues during the last one year



Note: November and December GST collection figures exclude Cess.

E-WAY BILL STATISTICS



Source: <https://gstn.org.in/>

Note: The revenue collections in the current month pertains to the transactions conducted in the previous month. For example: Revenue collections for the month of Jan'25 (as per GST Website data release) reflects the transactions conducted in Dec'24. Therefore, in the above charts e-way bills generated in Dec'24 is shown corresponding to the GST Revenue collection for Jan'25 and so on.

NOTIFICATIONS

Notification No. 20/2025-Central Tax dated Dec 31, 2025

In exercise of the powers conferred by section 164 of the Central Goods and Services Tax Act, 2017 (12 of 2017), the Central Government, on the recommendations of the Council, hereby makes the following rules further to amend the Central Goods and Services Tax Rules, 2017, namely: –

1. Short title and commencement. (1) These rules may be called as the Central Goods and Services Tax (Fifth Amendment) Rules, 2025.

(2) They shall come into force from 1st day of February, 2026.

2. In the Central Goods and Services Tax Rules, 2017 (hereinafter referred to as the said rules), after rule 31C, the following rule shall be inserted, namely: –

“31D. Value of supply of goods on basis of retail sale price. -(1) Notwithstanding anything contained in the provisions of this Chapter, the value of supply of goods bearing the description specified in column (3), falling under the corresponding Chapter/ heading/ sub-heading/ tariff item specified in column (2), of the Table below, shall be deemed to be the retail sale price declared on such goods, less the amount of tax as applicable, namely: -

Table

| S. No. | Chapter / Heading / Sub-heading / Tariff item | Description of Goods |
|--------|---|---|
| (1) | (2) | (3) |
| 1. | 2106 90 20 | Pan masala |
| 2. | 2401 | Unmanufactured tobacco; tobacco refuse [other than tobacco leaves] |
| 3. | 2402 | Cigars, cheroots, cigarillos and cigarettes, of tobacco or of tobacco substitutes |
| 4. | 2403 | Other manufactured tobacco and manufactured tobacco substitutes; “homogenised” or “reconstituted” tobacco; tobacco extracts and essences (other than biris) |
| 5. | 2404 11 00 | Products containing tobacco or reconstituted tobacco and intended for inhalation without combustion |
| 6. | 2404 19 00 | Products containing tobacco or nicotine substitutes and intended for inhalation without combustion |

(2) The amount of applicable tax referred to in sub-rule (1) shall be determined in the following manner, namely: –

Tax amount = (Retail sale price X tax rate in % of applicable taxes) / (100+ sum of applicable tax rate).

Explanation. – For the purposes of this rule, –

- (a) “applicable tax” means IGST or CGST or SGST or UTGST as the case may be.
- (b) “retail sale price” means the maximum price declared on goods at which such goods in packaged form may be sold to the ultimate consumer and includes all taxes, duties, surcharge or cess by whatever name called;
- (c) where on the package of any specified goods more than one retail sale price is declared, the maximum of such retail sale price shall be deemed to be the retail sale price;
- (d) where the retail sale price declared on packages of any specified goods is altered to increase the retail sale price at any stage before, during, or after the supply, such altered retail sale price shall be deemed to be the retail sale price;
- (e) where different retail sale prices are declared on different packages for the sale of any specified goods above in packaged form in different areas, each such retail sale price shall be the retail sale price for the purposes of valuation of the specified goods intended to be sold in the area to which the retail sale price relates.”.

3. In the said rules, in rule 86B, in the first proviso, after clause (e), the following clause shall be inserted, namely: –

- “(f) the registered person other than a manufacturer shall be exempted from the provisions of this rule only in respect of goods specified under rule 31D, on which the tax has been paid by the supplier on the basis of retail sale price:”.

Source: <https://taxinformation.cbic.gov.in/content-page/explore-notification>

Notification No. 19/2025 dated Dec 31, 2025

In exercise of the powers conferred by sub-section (5) of section 15 of the Central Goods and Services Tax Act, 2017 (12 of 2017), the Government, on the recommendations of the Council, hereby makes the following amendment in the notification of the Government of India in the Ministry of Finance (Department of Revenue) No. 49/2023-Central Tax, dated the 29th September, 2023 published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i) vide number G.S.R. 705(E), dated the 29th September, 2023, namely: –

In the said notification, after clause (iii), the following clause shall be inserted, namely: –

- “(iv) supply of the following goods bearing the description specified in column (3), falling under the corresponding Chapter/ heading/ sub-heading/ tariff item specified in column (2), of the Table below, on which retail sale price is declared : -

Table

| S. No. | Chapter / Heading / Sub-heading / Tariff item | Description of Goods |
|--------|---|---|
| (1) | (2) | (3) |
| 1. | 2106 90 20 | Pan masala |
| 2. | 2401 | Unmanufactured tobacco; tobacco refuse [other than tobacco leaves] |
| 3. | 2402 | Cigars, cheroots, cigarillos and cigarettes, of tobacco or of tobacco substitutes |
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| 5. | 2404 11 00 | Products containing tobacco or reconstituted tobacco and intended for inhalation without combustion |
| 6. | 2404 19 00 | Products containing tobacco or nicotine substitutes and intended for inhalation without combustion |

Explanation. - For the purposes of this clause, –

- (a) “retail sale price” means the maximum price declared on goods at which such goods in packaged form may be sold to the ultimate consumer and includes all taxes, duties, surcharge or cess, by whatever name called;
- (b) where on the package of any specified goods more than one retail sale price is declared, the maximum of such retail sale price shall be deemed to be the retail sale price;
- (c) where the retail sale price declared on packages of any specified goods is altered to increase the retail sale price at any stage before, during, or after the supply, such altered retail sale price shall be deemed to be the retail sale price;
- (d) where different retail sale prices are declared on different packages for the sale of any specified goods above in packaged form in different areas, each such retail sale price shall be the retail sale price for the purposes of valuation of the specified goods intended to be sold in the area to which the retail sale price relates.
- (e) “tariff item”, “heading”, “sub-heading” and “Chapter” shall mean respectively a tariff item, heading, sub-heading, and Chapter as specified in the First Schedule to the Customs Tariff Act, 1975 (51 of 1975);
- (f) the rules for the interpretation of the First Schedule to the Customs Tariff Act, 1975 (51 of 1975), including the Section and Chapter Notes and the General Explanatory Notes of the First Schedule shall, so far as may be, apply to the interpretation of this clause.”

2. This notification shall come into force on the 1st day of February 2026.

Source: <https://taxinformation.cbic.gov.in/content-page/explore-notification>

GST PORTAL UPDATES

Advisory & FAQ on Electronic Credit Reversal and Re-claimed Statement & RCM Liability/ITC Statement

1. To ensure correct and accurate reporting of reversed and reclaimed ITC and to avoid clerical mistakes, **Electronic Credit Reversal and Re-claimed Statement (Reclaim Ledger)** was introduced on the GST portal from *August 2023 return period onwards for monthly taxpayers and from July-September 2023 quarter for quarterly taxpayers*. This Reclaim Ledger captures the ITC temporarily reversed in Table 4(B)2 and its subsequent reclaim in Table 4(A)5) and 4(D)1.
2. As of now taxpayer get a **warning message** if a taxpayer attempts to re-claim excess ITC in table 4D(1) than the available ITC reversal balance but the taxpayer is allowed to file its Form GSTR-3B.
3. To the taxpayers multiple opportunities have been given to report their opening balance which was earlier reversed ITC but was not reclaimed till that time, for the newly introduced Reclaim Ledger.
4. This statement can be viewed by the taxpayer by navigating to the **Dashboard > Services > Ledger > Electronic Credit Reversal and Re-claimed**.
5. To assist taxpayers in correctly reporting Reverse Charge Mechanism (RCM) transactions, another statement called **“RCM Liability/ITC Statement” (RCM Ledger)** was introduced on the GST Portal from August 2024 onwards for monthly filers and from July-September-2024 period for quarterly filers. The ledger captures and track the RCM liability shown in Table 3.1(d) of GSTR-3B and its corresponding ITC claimed in Table 4A(2) and 4A(3) of GSTR-3B for each return period.
6. A **warning message** comes to the taxpayer in case the ITC claimed in Table 4(A)2 and 4(A)3 exceed the closing balance of RCM ledger plus the liabilities being reported in Table 3.1(d).
7. To the taxpayers multiple opportunities have been given to report the RCM ITC opening balance and amend the opening balance for both the said statements where any transaction related to excess ITC reversal or excess RCM liability/ITC prior to implementation of the said statements could be declared as opening balance to these statements.
8. This RCM Liability/ITC Statement can be accessed through: **Services >> Ledger >> RCM Liability/ITC Statement**.
9. Now, the taxpayers are hereby informed that, shortly, negative values or avilment of excess ITC over and above available balance, shall not be allowed in both the ledgers. Both the statements shall have a below mentioned validation for regulation of ITC:
 - (a) The reclaimed ITC in Table 4(D)(1) shall be lesser than or equal to the combined values of closing balance of **Electronic Credit Reversal and Re-claimed Statement** and ITC being reversed in Table 4(B)(2) of current period GSTR-3B and,
 - (b) The RCM ITC claimed in Table 4(A)2 & 4(A)3 shall be equal to or less than the combined values

of RCM liabilities paid in Table 3.1(d) of the same GSTR-3B and closing balance of RCM Liability/ ITC Statement.

10. In case the taxpayers are already having negative closing balance in ***Electronic Credit Reversal and Re-claimed Statement or RCM Liability/ITC Statement***, the system will not allow such taxpayers to file their GSTR-3B until:

- (a) Mandatorily reversal of such excess claimed ITC (Negative closing balance) as per ***Electronic Credit Reversal and Re-claimed Statement*** is made in Table 4(B)(2) of current period GSTR-3B. In case there is no ITC available in current period, this reversal declared in table 4(B)2 will be added to the liability of the taxpayer in current period while filing GSTR-3B.
- (b) For negative balance in ***RCM Liability/ITC Statement***, taxpayer need to either pay the additional RCM liability equivalent to negative closing balance in Table 3.1(d) or reduce the ITC claimed in Table 4A(2) or 4A(3) to the extent of closing balance in the current return period.

11. For more information on ***Electronic Credit Reversal and Re-claimed Statement*** please refer the advisory dated 17th September, 2024 issued by GSTN by clicking below link https://tutorial.gst.gov.in/downloads/news/itc_pending_ledger.pdf. Also, detailed advisory on Introduction of RCM Liability/ITC Statement can be seen by clicking on below link: <https://services.gst.gov.in/services/advisoryandreleases/read/514>.

FAQs related to Electronic Credit Reversal and Re-claimed Statement and RCM Liability/ITC Statement

1. How to view my Electronic Credit Reversal and Re-claimed Statement?

You can view the statement by navigating to the **Dashboard > Services > Ledger > Electronic Credit Reversal and Re-claimed**.

2. How to view my RCM Liability/ITC Statement?

You can view the RCM Liability/ITC Statement by navigating to the **Dashboard > Services > Ledger > RCM Liability/ITC Statement**.

3. What will be changed in the GSTR-3B in respect of *Electronic Credit Reversal and Re-claimed Statement*?

Shortly, taxpayer will not be able to file their GSTR-3B in case the ITC claimed in Table 4D(1) exceeds the closing balance in the ***Electronic Credit Reversal and Re-claimed Statement (ITC reclaim ledger)*** and the ITC reversed in Table 4B(2) of the current return period putting together.

4. How to file GSTR-3B if closing balance of Electronic Credit Reversal and Re-claimed Statement (ITC reclaim ledger) is already Negative?

If the closing balance of the ITC reclaim ledger is negative, it indicates that excess ITC was reclaimed earlier. Therefore, to file GSTR-3B, you must reverse the excess claimed ITC in Table 4B(2) of the respective return period, up to the amount of the negative closing balance. This will allow you to correct the discrepancy and proceed with filing the return. In case there is no ITC available, this reversal declared in table 4(B)2 will be added to your liability in current period while filing GSTR-3B.

Example: The closing balance of the ITC reclaim ledger for the current return period is -₹10,000, which means ₹10,000 of excess ITC has been reclaimed in earlier periods. To file your GSTR-3B, you would need to reverse this earlier excess reclaimed ITC of ₹10,000 in Table 4B(2) for the current period.

5. How will the validation mechanism work in GSTR-3B for RCM Liability/ITC Statement?.

The taxpayers will not be able to file GSTR-3B in case the claimed RCM ITC in Table 4A(2) or 4A(3) exceeds the available balance in the RCM Liability/ITC Statement and the RCM liability reported in Table 3.1(d) for the current return period put together.

6. How to file GSTR-3B if closing balance of RCM Liability/ITC Statement is Negative?

If the closing balance of the RCM Liability/ITC Statement is negative, it indicates that excess RCM ITC has been claimed earlier. To proceed with filing, you must either pay the outstanding RCM liability in Table 3.1(d) or reduce the ITC being claimed in Table 4A(2) or 4A(3) in the current return period, equivalent to the amount of the negative closing balance. Once the discrepancy is corrected, you will be able to file your return.

Example:

Let's assume that the closing balance of the RCM Liability/ITC Statement is -₹5,000. This means that ₹5,000 of excess RCM ITC has been claimed earlier. To resolve this and file your GSTR-3B, you can:

1. **Pay the RCM liability:** You can pay additional ₹5,000 in Table 3.1(d) for the current return period to cover the excess ITC claimed.

OR

2. **Reduce the ITC claimed:** You can reduce ₹5,000 from the RCM ITC in Table 4A(2) or Table 4A(3) for the same period, if RCM ITC is available more than ₹5,000 in current period.

Once either the excess RCM liability is paid or the requisite ITC is reduced from available ITC to match the available negative closing balance, the discrepancy will be resolved, and you can proceed with filing your return.

Source: <https://services.gst.gov.in/services/advisoryandreleaseds/read/643>

Consolidated FAQs on GSTR -9/9C for FY 2024-25

GSTN has published series of FAQ on 16th Oct, 2025 and 4th Dec, 2025 for assisting the taxpayer in filing of Annual Return i.e., GSTR-9/9C. The consolidated FAQs may be accessed by clicking the link: https://tutorial.gst.gov.in/downloads/news/combined_faq_on_gstr_9_and_9c_17122025.pdf

Auto Suspension of GST Registration due to Non-Furnishing of Bank Account Details as per Rule 10A

As per Rule 10A, taxpayers (except those registered under TCS, TDS, or Suo-moto registrations) must furnish their bank account details within 30 days of grant of registration or before filing details of outward supplies in GSTR-1 or IFF, whichever is earlier.

The following updates have been implemented on the GST Portal with respect to Rule 10A:

❖ **Automatic Suspension:**

If a taxpayer fails to furnish bank account details within 30 days of registration, the system will automatically suspend the registration. The suspension order can be viewed at: Services > User Services > View Notices and Orders.

❖ **Adding Bank Account Details:**

Taxpayers can add bank account details through a non-core amendment by navigating to: Services > Registration > Amendment of Registration (Non-Core Fields).

❖ **Automatic Dropping of Cancellation Proceedings:**

Once bank account details are furnished, cancellation proceedings will be automatically dropped by the system.

❖ **Manual Option to Drop Proceedings:**

If the cancellation proceedings are not dropped automatically on the same day after adding bank details, the taxpayer can manually initiate the process using the “Initiate Drop Proceedings” button available at: Services > User Services > View Notices and Orders > Initiate Drop Proceedings.

❖ **Exemptions:**

Furnishing bank account details is not mandatory for OIDAR and NRTP taxpayers. However, for OIDAR taxpayers who select “Representative Appointed in India” as ‘Yes’, furnishing bank account details is mandatory.

Source: <https://services.gst.gov.in/services/advisoryandreleaseds/read/641>

Advisory on reporting values in Table 3.2 of GSTR-3B

1. Table 3.2 of Form GSTR-3B captures the inter-state supplies made to unregistered persons, composition taxpayers, and UIN holders out of the total supplies declared in Table 3.1 & 3.1.1 of GSTR-3B and is auto-populated from corresponding supplies declared in GSTR-1, GSTR-1A, and IFF in the requisite tables.
2. It is to inform you that from **November-2025 tax period onwards**, value of supplies auto-populated in Table 3.2 of GSTR-3B from the returns/forms mentioned above, shall be made **non-editable**. The GSTR-3B shall be filed henceforth with the system generated auto-populated values only in table 3.2.
3. Further, in case any modification/amendment is required in the auto-populated values of Table 3.2 of GSTR-3B, then the same can be done through GSTR-1A for the same tax period. The values thus reported in GSTR-1A shall change the auto-populated values of table 3.2 in GSTR-3B instantly and the taxpayers can file their GSTR-3B with the updated values. Moreover, the amendment of such supplies can always be reported in Form GSTR-1/IFF filed for subsequent tax periods.
4. To ensure that GSTR-3B is filed accurately with the correct values with no hassle of frequent

amendments, it is advised to report the correct values in GSTR-1, GSTR-1A, or IFF. This will ensure the auto-populated values in Table 3.2 of GSTR-3B are accurate and compliant with GST regulations.

FAQ's

❖ **What are the recent changes related to reporting supplies in Table 3.2?**

Starting from the November 2025 tax period, the auto-populated values in Table 3.2 of GSTR-3B for inter-state supplies made to unregistered persons, composition taxpayers, and UIN holders will be non-editable, and taxpayers will need to file their GSTR-3B with the system-generated auto-populated values only.

❖ **How can I rectify values in Table 3.2 of GSTR-3B if incorrect values have been auto-populated after November 2025 period onwards due to incorrect reporting of the same through GSTR-1?**

If incorrect values are auto-populated in Table 3.2 after November 2025, then the taxpayers need to correct the values by making amendments through Form GSTR-1A for the same tax period. The values thus reported in GSTR-1A shall change the auto-populated values of table 3.2 in GSTR-3B instantly and the taxpayers can file their GSTR-3B with the updated values. Moreover, the amendment of such supplies can always be reported in Form GSTR-1/IFF filed for subsequent tax periods.

❖ **What should I do to ensure accurate reporting in Table 3.2 of GSTR-3B?**

Taxpayers should ensure that their supplies are reported correctly in their GSTR-1, GSTR-1A, or IFF. It is advised to review the draft GSTR-1 or GSTR-1A before filing so that any mistakes in the statement can be corrected therein. This will ensure that the accurate values are auto-populated in Table 3.2 of GSTR-3B.

❖ **Till what time/date I can amend values furnished in GSTR-1 through Form GSTR-1A?**

As there is no cut-off date for filing Form GSTR-1A before GSTR-3B which means Form GSTR-1A can be filed after filing Form GSTR-1 and till the time of filing Form GSTR-3B. Hence, any amendment required in auto-populated values of table 3.2, same can be carried out through Form GSTR-1A till the moment of filing GSTR-3B.

For more details on filing of GSTR-1A: please click <https://services.gst.gov.in/services/advisoryandreleased/506>

Source: <https://services.gst.gov.in/services/advisoryandreleased/640>

COMPLIANCE CALENDAR

| Form | Due Date | Remarks |
|--------------------------|---|--|
| GSTR-3B (Dec, 2025)* | Jan 20, 2026 | Turnover exceeding ₹5 Crore or opted to file monthly return |
| GSTR-1 (Dec, 2025) | Jan 11, 2026 | Turnover exceeding ₹5 Crore or opted to file monthly return |
| GSTR-5 (Dec, 2025) | Jan 13, 2026 | Monthly return for Non-resident taxable persons |
| GSTR-6 (Dec, 2025) | Jan 13, 2026 | Monthly return for Input Service Distributors |
| GSTR-8 (Dec, 2025) | Jan 10, 2026 | Monthly return for e-Commerce Operators liable to collect tax at source (TCS) |
| GSTR-3B (Oct-Dec, 2025)# | Jan 22/ 24, 2026 | Opted for quarterly filing as per QRMP scheme. |
| GSTR-1 (Oct-Dec, 2025) | Jan 13, 2026 | Opted for quarterly filing as per QRMP scheme |
| CMP-08 (Oct-Dec, 2025) | Jan 18, 2026 | Quarterly statement-cum-challan to make tax payment by taxpayers registered under the composition scheme |
| GSTR-5A (Dec, 2025) | Jan 20, 2026 | Monthly return for Non-resident OIDAR services providers |
| GSTR-7 (Dec, 2025) | Jan 10, 2026 | Monthly return for authorities liable to deduct tax at source (TDS) |
| RFD-10 | 2 years from the last day of the quarter in which supply was received | Quarterly return to claim refund of tax paid |

*GSTR-3B: 20th of next month for taxpayers with an aggregate turnover in the previous financial year more than ₹5 crore or otherwise eligible but still opting out of the QRMP scheme

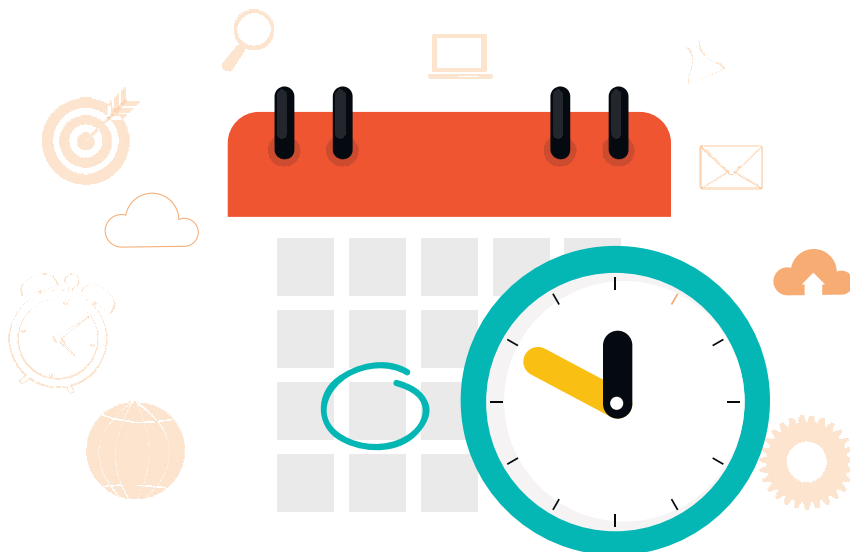
#GSTR-3B: For the taxpayers with aggregate turnover equal to or below ₹5 crore, eligible and remaining

opted into the QRMP scheme, 22nd of month next to the quarter for taxpayers in category X States/UTs and 24th of month next to the quarter for taxpayers in category Y States/UTs

Category X: Chhattisgarh, Madhya Pradesh, Gujarat, Maharashtra, Karnataka, Goa, Kerala, Tamil Nadu, Telangana and Andhra Pradesh, the Union territories of Daman and Diu and Dadra and Nagar Haveli, Puducherry, Andaman and Nicobar Islands and Lakshadweep.

Category Y: Himachal Pradesh, Punjab, Uttarakhand, Haryana, Rajasthan, Uttar Pradesh, Bihar, Sikkim, Arunachal Pradesh, Nagaland, Manipur, Mizoram, Tripura, Meghalaya, Assam, West Bengal, Jharkhand and Odisha, the Union Territories of Jammu and Kashmir, Ladakh, Chandigarh and Delhi.

Source: <https://www.gst.gov.in/>



GST NEWS

GST reforms may reduce retail inflation by 35 basis points in 2025-26: SBI report

SBI Research forecasts inflation for 2025-26 at 1.8 per cent and for 2026-27 at 3.4 per cent, but doesn't see any change in RBI's stance on present rates at least for the February monetary policy.

The decline in Consumer Price Index (CPI) or retail inflation due to massive GST rate rationalisation has been around 25 bps so far in the September-November 2025 period, according to estimates put forth by SBI Research.

GST rationalisation has led to a reduction in CPI inflation in India.

SBI Research had earlier estimated that the impact of GST on CPI could be around 85 basis points.

"However, item-by-item calculation now shows that the decline in CPI inflation due to GST has been around 25 basis points so far in the Sep-Nov'25 period," the SBI Research report read.

"We believe that this impact does not account for the discounts on e-commerce sales, which could be higher because of GST reduction. We believe that total reduction in CPI owing to GST could be 35 bps (basis points) in 2025-26," the report read.

In November 2025, Kerala's inflation stood at 8.27 per cent, with rural inflation at 9.34 per cent and urban inflation at 6.33 per cent; the sharp increase in the prices of gold, silver, and oil and fats, whose consumption is high in the state, is likely a driver.

Going forward, inflation in India is expected to rise further given the depreciation of the rupee.

SBI Research forecasts inflation for 2025-26 at 1.8 per cent and for 2026-27 at 3.4 per cent, but doesn't see any change in RBI's stance on present rates at least for the February monetary policy.

According to the SBI report, India's CPI inflation trend reversed, rising marginally to 0.71 per cent in November 2025, from 0.25 per cent in October 2025, and is expected to reach 2.7 per cent in March 2025.

Source: <https://www.moneycontrol.com/news/business/gst-reforms-may-reduce-retail-inflation-by-35-basis-points-in-2025-26-sbi-report-13723854.html>

Textiles, two-wheelers see consumption dip after GST 2.0 reforms

Despite a marginal rise in headline GST collections in November, sectoral data reveal a mixed consumption pattern, with textiles and two-wheelers showing a slowdown even as government sources say the 22nd September GST reforms will yield a "bigger multiplier effect" in the months ahead.

India's sweeping GST 2.0 changes were intended to boost consumption through rate rationalisation and

simplification. Gross collections for November rose 0.7 percent year-on-year to Rs. 1.70 lakh crore, while net collections climbed 1.3 percent, excluding the compensation cess.

Government sources emphasised that year-on-year comparisons must consider the removal of the compensation cess. “Compensation cess was always transitory, meant for servicing back-to-back loans, which concludes in FY26. Once you adjust for cess, GST growth is a green shoot,” the government source added.

Source: <https://www.moneycontrol.com/news/business/economy/textiles-two-wheelers-see-consumption-dip-after-gst-2-0-reforms-13705016.html>



GST QUIZ

1. Under Rule 31D, the value of supply of certain goods is based on:

- A. Transaction value
- B. Cost of production
- C. Retail sale price (RSP)
- D. Market value

2. The Electronic Credit Reversal and Re-claimed Statement (Reclaim Ledger) was introduced from which period for monthly taxpayers?

- A. July 2023
- B. August 2023
- C. January 2024
- D. April 2024

3. What happens if a taxpayer has a negative closing balance in Electronic Credit Reversal and Re-claimed Statement?

- A. Return is automatically filed
- B. Refund is issued
- C. Filing of GSTR-3B is blocked until correction
- D. No action required

4. Which of the following goods is covered under Rule 31D valuation based on RSP?

- A. Petroleum products
- B. Pan masala
- C. Gold ornaments
- D. Motor vehicles

5. Under Rule 31D, if multiple retail sale prices are declared on a package, which value is considered?

- A. Lowest price
- B. Average price
- C. Maximum price
- D. Declared invoice price

Answers: 1. (C), 2. (B), 3. (C), 4. (B), 5. (C)



Motto

सत्यं वद। धर्मं चर।

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ICSI House, 22, Institutional Area, Lodi Road, New Delhi 110 003

tel 011-4534 1000 email info@icsi.edu website www.icsi.edu

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