



MESSAGE

The Fifth National Coordination Meeting of the State and Central GST administrations was held on December 13th, 2025 as a follow-up to the earlier coordination meeting. The discussions centred on systemic reforms under GST with dedicated working groups reviewing key functional areas. The focus remained on identifying operational issues and suggesting technology-driven and taxpayer-friendly improvements to further strengthen the GST framework.

During the month, important changes were introduced in the taxation of pan masala and tobacco-related products. A revised rate structure has been notified with effect from February 1st, 2026, whereby bidi has been brought under the 18% GST rate, while pan masala, various forms of tobacco (other than bidis), cigarettes and nicotine-based inhalation products have been placed under the 40% GST rate. At the same time, a special valuation mechanism based on the declared retail sale price has been introduced for these products, and the levy of compensation cess on specified pan masala and tobacco products has been withdrawn.

GSTN has enabled an online facility on the GST Portal for filing opt-in declarations to declare hotel accommodation premises as “Specified Premises.” The facility is available to regular taxpayers and new registration applicants supplying hotel accommodation services, while certain categories such as composition taxpayers and cancelled registrations are excluded. Declarations can now be filed electronically within the prescribed timelines, with system-generated acknowledgement and email/SMS confirmation, and the option will continue unless opted out.

Lastly, GST revenue collections remained robust, with December 2025 collections registering a year-on-year growth of 6.1% to ₹1.74 lakh crore, reflecting steady compliance and continued stabilisation of the GST system.

Pankaj Kumar Singh
Additional Secretary

5th NATIONAL COORDINATION MEETING

The 5th National Coordination Meeting of the State and Central GST administrations was held on 13th December, 2025 at Bharat Mandapam, New Delhi, under the chairmanship of the Hon'ble Revenue Secretary. Senior officers from the CBIC, Central and State Tax Departments, DoR, GSTN, CEIB and the GST Council Secretariat participated in the meeting.



The meeting focused on advancing discussions on process-oriented reforms under GST, with emphasis on improving ease of compliance, enhancing consistency in implementation and making GST procedures more business-friendly. The deliberations reflected the shared objective of strengthening systems, reducing procedural complexities and promoting greater uniformity across jurisdictions in keeping with the spirit of cooperative federalism.

The meeting provided an opportunity for detailed deliberations and exchange of views on these issues and concluded on a note underscoring the importance of continued coordination and constructive engagement between the Centre and the States as GST processes evolve.



- **Notification No. 20/2025 – Central Tax dated 31.12.2025 issued to notify Central Goods and Services Tax (Fifth Amendment) Rules, 2025**

The Central Government, vide this Notification, has notified the Central Goods and Services Tax (Fifth Amendment) Rules, 2025, to amend the Central Goods and Services Tax Rules, 2017. The notification inserts a new Rule 31D, providing a special valuation mechanism for specified goods whereby, notwithstanding anything contained elsewhere in the valuation rules, the value of supply shall be deemed to be the declared retail sale price (RSP) on such goods, reduced by the amount of applicable tax. The rule applies to pan masala, unmanufactured tobacco (other than tobacco leaves), cigars, cheroots, cigarillos and cigarettes, other manufactured tobacco and tobacco substitutes, and products containing tobacco or nicotine substitutes intended for inhalation without combustion, falling under tariff headings 2106, 2401, 2402, 2403 and 2404. The rule prescribes a formula for determining the tax component from the RSP and defines retail sale price as the maximum price declared on the package, inclusive of all taxes, duties, surcharge or cess. Where multiple RSPs are declared, the highest such price shall be adopted, and any increase in the declared RSP at any stage before, during or after supply shall be treated as the applicable RSP. Further, where different RSPs are declared for different areas, the respective area-wise RSP shall apply for valuation.

The amendment also inserts a new clause (f) in the first proviso to rule 86B, providing that registered persons other than manufacturers shall be exempt from the restrictions under rule 86B in respect of goods covered under rule 31D, where tax has

already been paid by the supplier on the basis of retail sale price. The provisions of the notification shall come into force with effect from 1st February, 2026.

- **Notification No. 19/2025 – Central Tax dated 31.12.2025 issued to notify supplies under section 15(5) of CGST Act for valuation based on Retail sale price (RSP)**

The Central Government, vide this Notification, has amended Notification No. 49/2023–Central Tax, to prescribe valuation of supply of certain specified goods on the basis of the declared Retail Sale Price (RSP) under the Central Goods and Services Tax Act, 2017. Issued in exercise of the powers under sub-section (5) of section 15 of the CGST Act, on the recommendations of the GST Council, the notification provides that for goods such as pan masala, unmanufactured tobacco (other than tobacco leaves), cigars, cheroots, cigarillos and cigarettes, other manufactured tobacco and tobacco substitutes, as well as products containing tobacco or nicotine substitutes intended for inhalation without combustion which fall under tariff headings 2106, 2401, 2402, 2403 and 2404 of the Customs Tariff Act, 1975, the value of supply shall be determined with reference to the RSP declared on the package. The RSP has been defined as the maximum price declared on the package, inclusive of all taxes, duties, cess or surcharges, by whatever name called. Where more than one RSP is declared, the highest of such prices shall be deemed to be the retail sale price, and any alteration in the RSP at any stage before, during or after supply shall be taken as the applicable RSP for valuation. The notification further states that where different RSPs are declared for different areas, each such RSP shall apply for valuation in the respective area of sale.

- **Notification No. 19/2025 – Central Tax (Rate) dated 31.12.2025 issued to amend Notification 09/2025- Central Tax (Rate), to prescribe GST rates on tobacco products**

The Central Government, in exercise of the powers conferred under sub-section (1) of section 9 and sub-section (5) of section 15 of the Central Goods and Services Tax Act, 2017 and on the recommendations of the Council, has amended Notification No. 9/2025–Central Tax (Rate) dated 17th September 2025. The amendment revises the rate structure applicable to specified tobacco and pan masala products with effect from 1st February, 2026. In Schedule II (9%), a new entry has been inserted to cover biris falling under tariff items 2403 19 21 and 2403 19 29. Further, in Schedule III (20%), new entries have been inserted to cover pan masala (2106 90 20); unmanufactured tobacco, tobacco refuse [other than tobacco leaves] (2401); cigars, cheroots, cigarillos and cigarettes, of tobacco or of tobacco substitutes (2402); Other manufactured tobacco and manufactured tobacco substitutes; homogenised or reconstituted tobacco; tobacco extracts and essences [other than biris] (2403 (other than 2403 19 21, 2403 19 29)), and products containing tobacco or reconstituted tobacco/nicotine substitutes and intended for inhalation without combustion (2404 11 00 and 2404 19 00). Consequentially, Schedule VII (14%) and the entries relating thereto have been omitted.

- **Notification No. 03/2025-Compensation Cess (Rate) dated 31.12.2025 issued to amend Notification 01/2025- Compensation Cess Tax (Rate), to prescribe GST rates on tobacco products**

The Central Government, vide this Notification, has further amended Notification No. 1/2017–Compensation Cess (Rate) dated 28th June, 2017. By way of this amendment, the compensation cess payable under the Schedule to the said notification has been substituted as “Nil” against all specified serial numbers, covering a wide range of pan masala and tobacco-related products falling under Chapters 21 and 24 of the Customs Tariff. The amendment replaces the existing cess rates across all the relevant entries in column (4) of the Schedule with a Nil rate, thereby fully withdrawing the levy of compensation cess on these goods. The notification shall come into force with effect from 1st February, 2026.

GST PORTAL UPDATES

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

To ensure correct and accurate reporting of reversed and reclaimed ITC and to avoid clerical mistakes, the 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). As of now, a warning message is displayed if a taxpayer attempts to reclaim excess ITC in Table 4(D)(1) than the available ITC reversal balance; however, the taxpayer is still allowed to file Form GSTR-3B. Multiple opportunities have been provided to taxpayers to report their opening balance of ITC which was reversed earlier but not reclaimed till that time in the newly introduced Reclaim Ledger. The statement can be

viewed by navigating to Dashboard > Services > Ledger > Electronic Credit Reversal and Re-claimed.

To assist taxpayers in correctly reporting Reverse Charge Mechanism (RCM) transactions, another statement titled “RCM Liability/ITC Statement” (RCM Ledger) was introduced on the GST portal from August 2024 onwards for monthly filers and from the July–September 2024 quarter for quarterly filers. This statement captures and tracks the RCM liability reported in Table 3.1(d) of GSTR-3B and the corresponding ITC claimed in Tables 4(A)(2) and 4(A)(3) for each return period. A warning message is generated if the ITC claimed in Tables 4(A)(2) and 4(A)(3) exceeds the closing balance of the RCM Ledger along with the liabilities being reported in Table 3.1(d). Taxpayers have been given multiple opportunities to report and amend the opening balance for both statements, where any transaction relating to excess ITC reversal or excess RCM liability/ITC prior to implementation of these statements could be declared as opening balance. The RCM Liability/ITC Statement can be accessed through Services > Ledger > RCM Liability/ITC Statement.

Taxpayers are hereby informed that shortly, negative values or availment 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.

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.

For more information on Electronic Credit Reversal and Re-claimed Statement please refer the advisory dated 17th September, 2024 issued by GSTN by clicking 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 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 has also been issued by GSTN on the said link: <https://services.gst.gov.in/services/advisoryandreleases/read/643>

Portal update on 29.12.2025

- **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. For convenience, the taxpayer may access Consolidated FAQs by [clicking here](#).

Portal update on 17.12.2025

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

As per Rule 10A, taxpayers (other than those registered under TCS, TDS or Suo-moto registrations) are required to 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. In this regard, the GST Portal has implemented certain updates to ensure compliance with Rule 10A.

If a taxpayer fails to furnish bank account details within the prescribed 30 days from the date of registration, the system will automatically suspend the GST registration. The suspension order issued by the system can be viewed by navigating to Services > User Services > View Notices and Orders on the GST Portal.

Taxpayers can add bank account details through a non-core amendment. This can be done by navigating to Services > Registration > Amendment of Registration (Non-Core Fields). Once bank account details are furnished, cancellation proceedings will be automatically dropped by the system. 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.

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.

Portal update on 05.12.2025

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

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.

GSTN has issued an advisory to inform the taxpayers 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, are made non-editable. The GSTR-3B shall be filed henceforth with the system generated auto-populated values only in table 3.2.

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.

To ensure that GSTR-3B is filed accurately with the correct values with no hassle of frequent amendments, GSTN has 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.

Additionally, a FAQ regarding the same has been issued in the same advisory: <https://services.gst.gov.in/services/advisoryandreleases/read/640>

Portal update on 05.12.2025

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

GSTN has informed that additional list of Frequently Asked Question along with the

response has been compiled in response to comment received from various channel. The additional FAQ dated 04.12.2025 is intended to further assist the taxpayers in better understanding of various Tables of GSTR-9/9C and their key aspects - such as reporting of various values in Tables. FAQ can be accessed by [clicking here](#).

Portal update on 04.12.2025

- **Gross and Net GST revenue collections for the month of Nov, 2025**

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

https://tutorial.gst.gov.in/downloads/news/approved_monthly_gst_revenue_data_for_publishing_nov_2025_final.pdf

Portal update on 01.12.2025

BEST PRACTICES/OUTREACH PROGRAMMES ACROSS INDIA

GST ‘Seminar-cum-Webinar’ for Taxpayers, Trade Associations & CA/Tax Practitioners’ Association at CGST Commissionerate, Chhatrapati Sambhaji Nagar

CGST Commissionerate, Chhatrapati Sambhaji Nagar in collaboration with DGTS Mumbai Zonal Unit successfully conducted Seminar-cum-Webinar on “Provisional Refund & Registration – Low Risk Category” on 02.12.2025.



The programme witnessed an impressive participation of more than 250 attendees, joining both physically and virtually from various segments of trade, industry, and professional circles. The session featured insightful deliberations led by subject-matter experts, who elaborated on critical aspects of the provisional refund mechanism and the streamlined registration process under the low-risk category. The presentation was followed by an interactive Q&A session, during which participants actively raised queries and shared

practical concerns. The clarifications provided by the officials were well-received and appreciated by attendees.

The hybrid event was aimed at enhancing taxpayer awareness, promoting procedural clarity, and strengthening compliance. Participants acknowledged the programme as highly productive, informative, and knowledge-enhancing, please underscoring the importance of such outreach initiatives by department.

CONGRATULATIONS



In the Picture: Sh. Pankaj Kumar Singh, Additional Secretary, congratulating Dr. Shaifali G. Singh, Director, GSTCS, on her promotion as Commissioner.

We extend our heartfelt congratulations to Dr. Shaifali G. Singh, IRS (C&IT: 2008), on her promotion as Commissioner. Her elevation is a recognition of her exemplary professionalism, leadership and sustained contribution to the tax administration. We wish her continued success and greater accomplishments in her new role.

IN-HOUSE ACTIVITY



In the Picture: Officers of GSTCS extending New Year greetings and addressing the staff.



In the Picture: Sh. Pankaj Kumar Singh, Additional Secretary, welcoming the New Year with a cake-cutting ceremony.

GSTCS welcomed the New Year with great zeal and enthusiasm, celebrating the occasion with a cake-cutting ceremony and extra-curricular activities among staff members. The celebrations were further enriched by inspiring addresses from the Additional Secretary, Joint Secretary and the Director, who extended warm New Year greetings and underscored the importance of dedication, discipline and maintaining a healthy work-life balance as the organisation steps into the year ahead.

LEGAL CORNER

- **Precautionary Principle**

The Precautionary Principle is a foundational concept of modern environmental law that emphasises preventive action in the face of environmental risk, even where scientific certainty is not absolute. The principle requires that where an activity poses a threat of serious or irreversible environmental harm, the absence of complete scientific evidence should not be used as a reason to defer protective measures. It also places the burden of proof on the proponent of the activity to demonstrate that the proposed action is environmentally safe, rather than on affected persons to establish harm. At the international level, the principle is expressly recognised in Principle 15 of the Rio Declaration on Environment and Development (1992), which calls upon States to apply precaution according to their capabilities. In India, the Supreme Court has firmly embedded the Precautionary Principle into domestic law, most notably in *Vellore Citizens' Welfare Forum v. Union of India*, holding it to be an essential component of sustainable development and part of the law of the land.

- **Polluter Pays Principle**

The Polluter Pays Principle is a key tenet of environmental law that requires those responsible for causing pollution to bear the cost of preventing, controlling and remedying the resulting environmental harm, rather than the burden falling on society at large. Originating in international discourse, including recognition in Principle 16 of the Rio Declaration (1992), the principle is widely accepted as a mechanism to internalise environmental costs and promote sustainable development. In India, the Supreme Court has repeatedly upheld the Polluter Pays Principle, notably in *Vellore Citizens' Welfare Forum v. Union of India*, where it was held that industries causing environmental damage must not only compensate affected individuals but also bear the cost of ecological restoration. This doctrine underlines that environmental responsibility and economic activity must go hand in hand.

5th NATIONAL COORDINATION MEETING GALLERY









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