भारत सरकार Government of India
रेल मंत्रालय Ministry of Railways
रेलवे बोर्ड (Railway Board)

International Year of Cooperatives 2025
Cooperatives Build a Better World

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GST Circular No. 01/2026

No2017/AC-II/1/6/GST Main vol-iv/3413181 New Delhi, dated:06.03.2026

General Managers

All Zonal Railways / Production Units

Sub: GSTN Advisory on Interest Collection and Related Enhancements in GSTR-3B

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GSTN has issued an advisory on interest collection and Related enhancements in GSTR-3B. The revised mechanism has been made applicable from the tax period starting from January 2026 onwards. The GSTN Advisory is attached herewith for ready reference.

In light of the above, all Zonal Railways and Production Units are advised to put in place a suitable monitoring mechanism to ensure that the reporting in GSTR-1 and GSTR-3B is complete, correct, consistent and submitted well on time so that the delayed reporting or incorrect declarations do not result in erroneous tax liability or interest computation. Furthermore, field units should be immediately sensitized to ensure correct and timely capturing and reporting of all Outward supplies made by Indian Railways to avoid any interest liability.

DA: As above.

Digitally signed by
Megha Agrawal
Date: 06-03-2026
19:31:26

(Megha Agrawal)
Director/Accounts
Railway Board

Copy to:

1. PFAs of all Zonal Railways/Production Units
2.MD/CRIS, DF/CRIS, GM/AIMS,GM/GSTM for information and necessary action

GOODS AND SERVICES TAX NETWORK
(A Government Enterprise)

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

It is hereby informed that from **January-2026 period** onwards, the following enhancement have been made in filing of GSTR-3B:

Update in Interest Computation for GSTR-3B

From **January-2026 tax period** onwards, the interest calculation in table 5.1 of GSTR-3B on portal has been enhanced, providing the benefit of the minimum cash balance available in the Electronic Cash Ledger of the taxpayer from the due date of return filing until the date of tax payment (offset) in line with the proviso to Rule 88B(1) of the CGST Rules, 2017. The said change shall be applicable on the delayed returns filed for January 26' tax period for which interest shall be auto-populated in February 26' tax period's GSTR-3B. The revised interest computation formula is mentioned below for better understanding of the taxpayers.

Revised Interest Computation Formula

Interest = (Net Tax Liability – Minimum Cash Balance in ECL from due date to date of debit) × (No. of days delayed / 365) × Applicable Interest Rate

1. System-Computed Interest in Table 5.1:

The interest auto-populated on the basis of the revised computational formula mentioned above, in table 5.1 of GSTR-3B shall be non-editable and taxpayers would not be allowed to amend the auto-populated values downward. It may be noted that the interest auto-populated in GSTR-3B is only the minimum interest that is required to be paid by the taxpayer. However, the taxpayers needed to self-assess their correct interest liability, and amend the auto populated values upward, if required.

2. Auto-Population of Tax Liability Breakup Table in GSTR-3B

The 'tax liability breakup table' in GSTR-3B capture the supplies of previous tax periods, reported in current period. The tax is being paid for such supplies in current tax period. Hence, for the filing of GSTR-3B from January-2026 tax period onwards, the GST Portal shall auto-populate 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. Where the corresponding tax liability has been discharged in the current period's GSTR-3B.

This enhancement is intended to assist taxpayers in accurate reporting of tax liability and align the computation of interest as per proviso of Section 50 of CGST Act, 2017.

Key Features

- Auto-populated values are **suggestive** in nature.
- Taxpayers may **modify upwards** these values based on their own records and computations, if required.

The auto-populated breakup can be viewed at:
Login → GSTR-3B Dashboard → Table 6.1 (Payment of Tax) → Tax Liability Breakup

3. Update in Table 6.1 – Suggestive Cross-Utilization of ITC

From January-2026 period onwards**,** once the available IGST ITC has been fully exhausted, the GST Portal will allow to pay IGST liability in Table 6.1 of GSTR-3B using available CGST and SGST ITC in any sequence,

4. Collection of Interest in GSTR-10 for Delayed Filing of Last Applicable GSTR-3B

In case of cancelled taxpayers, if the last applicable GSTR-3B return has been filed after the due date, then the interest applicable on such delayed filing shall be levied and collected through the Final Return i.e., GSTR-10.

Disclaimer – This advisory has been prepared solely for educational purposes. It is not a legal advice hence, taxpayer must rely on statutory provisions for compliance requirements. For any official or legal purpose, please refer to the applicable GST laws, rules, and notifications.