



10 GST Changes from April 1, 2026

E-Invoicing, IMS, HSNS Cess, and Your FY 2026-27 Compliance Checklist

GST

FY 2026-27

COMPLIANCE ALERT

What Changed on April 1?

FY 2026-27 has begun with a wave of GST compliance changes. Here is a quick-reference summary of all 10 key updates every taxpayer and professional must know:

#	Change	Key Threshold / Detail
1	E-Invoicing Mandatory	Rs 5 Crore+ AATO
2	30-Day Reporting Deadline	Rs 10 Crore+ AATO
3	Invoice Management System (IMS)	All taxpayers
4	HSNS Cess Replaces Compensation Cess	Tobacco, pan masala, aerated beverages
5	Export Refund Minimum Removed	Section 54, CGST Act
6	LUT Filing Before First Export	Form RFD-11
7	New Document Series	All taxpayers
8	GSTR-3B Hard Validations	Portal blocks on mismatch
9	Simplified Registration Withdrawal	Form REG-32
10	Track and Trace Penalties	Section 122B, Rs 1 lakh or 10%

E-Invoicing Expansion — Changes 1 & 2

Change 1: E-Invoicing for Rs 5 Crore+ Turnover

- Mandatory for all B2B supplies from April 1, 2026
- Applies to businesses with AATO exceeding Rs 5 crore (any FY from 2017-18 onwards)
- Every invoice requires valid IRN (Invoice Reference Number) via IRP portal
- Must integrate billing software with e-invoice API before dispatch

₹5Cr

New E-Invoicing Threshold

AATO above Rs 5 Crore triggers mandatory e-invoicing from April 1, 2026

Change 2: 30-Day Reporting Deadline (Rs 10 Crore+ AATO)

- Each invoice must be reported within 30 days of invoice date
- Late invoices REJECTED by the portal automatically
- ITC claims by recipient on delayed invoices may be denied
- Late reporting is no longer just a compliance gap — it is a financial risk for your buyers

30

Days to Report Invoice

Applicable for Rs 10 Crore+ AATO businesses — portal auto-rejects late submissions

IMS and HSNS Cess — Changes 3 & 4

Change 3: Invoice Management System (IMS) Now Active

The IMS is now live for all taxpayers on the GST portal. Here is what you must do:

- Recipients must actively accept, reject, or keep invoices pending
- IMS data feeds directly into GSTR-2B auto-population
- Rejected credit notes create additional GSTR-3B liability for the supplier
- Action: Review invoices at least weekly on the GST portal

Change 4: HSNS Cess Replaces GST Compensation Cess

- GST Compensation Cess expired March 31, 2026
- Health Security National Security (HSNS) Cess Act, 2025 now applies
- Affected sectors: Tobacco, pan masala, aerated beverages
- Machine-wise registration declarations mandatory (from Feb 1, 2026)
- Monthly cess payment due by 7th of following month
- Return filing due by 20th of following month
- Track and trace mechanism under Section 148A, CGST Act

📌 **Key Action:** Businesses dealing in tobacco, pan masala, or aerated beverages must immediately verify HSNS Cess registration and machine-wise declarations to avoid penalties under Section 122B.

Export and LUT Changes — Changes 5 & 6

CHANGE 5

Export Refund Threshold Removed

A long-standing barrier for small exporters has been eliminated:

- **Previous rule:** Section 54, CGST Act blocked refund claims below Rs 1,000
- **New rule:** ALL valid refund claims processed regardless of amount
- Effective April 1, 2026
- Opportunity: Consolidated claims for FY 2025-26 now viable

₹0


New Minimum Refund Threshold

No floor limit — every valid export refund claim will now be processed

CHANGE 6

LUT Filing — Form RFD-11

- Fresh LUT for FY 2026-27 must be filed before generating ANY export invoice
- Previous year LUT expired March 31, 2026
- **PENALTY RISK:** Export invoices without valid LUT attract IGST
- Creates cash flow complications for exporters if delayed

 **Warning:** File Form RFD-11 before your first FY 2026-27 export invoice — failure to do so will attract IGST on zero-rated supplies.



GSTR-3B and Document Series — Changes 7 & 8

Change 7: New Document Series — All Taxpayers

- Fresh numbering for invoices, debit notes, and credit notes from April 1, 2026
- Sequential numbering is mandatory for FY 2026-27
- Duplicate or out-of-sequence numbering triggers scrutiny from the department
- **Action:** Verify software rollover on the very first invoice of FY 2026-27

Change 8: GSTR-3B Hard Validations

- **Previous:** Mismatches between GSTR-1 and GSTR-3B were advisory warnings only
- **Now:** Hard validations BLOCK GSTR-3B filing on significant mismatches
- 3-year time bar: CGST Act prevents late filing beyond 3 years from due date
- **CRITICAL:** GSTR-3B returns from FY 2022-23 and earlier become permanently blocked

  **Urgent Action Required:** File all pending GSTR-3B returns from FY 2022-23 immediately. Once the 3-year time bar applies, the right to file is permanently lost — along with any ITC or refund entitlements.

Registration Withdrawal and Track & Trace — Changes 9 & 10

CHANGE 9

Simplified Registration Withdrawal — Form REG-32

Previous Rule

Required 3 months of filed returns before withdrawal was permitted

New Rule (April 1, 2026)

Just 1 complete tax period is sufficient for registration withdrawal

This change enables a significantly faster GST registration revival process for businesses that had previously surrendered their registration.

CHANGE 10

Track and Trace — Section 122B Penalties

- **Statutory basis:** Section 148A, CGST Act; Section 122B penalties (Finance Act 2025)
- **Applicable to:** Tobacco, pan masala (framework designed for expansion)
- **Penalty:** Rs 1,00,000 OR 10% of tax payable — whichever is HIGHER
- Unique identification markings on specified goods are mandatory
- Digital traceability records must be maintained at all times

10%

Minimum Penalty

Or Rs 1 lakh — whichever is higher under Section 122B

Stakeholder Impact — Who Needs to Act?

These 10 changes affect different stakeholders in different ways. Here is a targeted action guide:



CA Professionals

- Immediate LUT filing for all export clients (Form RFD-11)
- Reconcile GSTR-1 vs GSTR-3B before every monthly filing
- Advise clients on IMS weekly review protocol
- Flag FY 2022-23 pending GSTR-3B for urgent filing
- HSNS Cess registration audit for applicable clients



Startup Founders

- Verify e-invoicing setup if Rs 5 Crore+ turnover
- Update billing software for new document series
- File Form RFD-11 before any FY 2026-27 export invoice
- Budget for IGST liability if LUT filing is delayed



MSMEs and Business Owners

- Small export refund claims now viable — no Rs 1,000 minimum
- Ensure 30-day invoice reporting compliance
- GST registration revival now faster via Form REG-32
- Tobacco/pan masala businesses: check HSNS Cess obligations immediately

Your FY 2026-27 Action Plan and Key Deadlines

Follow this prioritised checklist to stay fully compliant from Day 1 of FY 2026-27:

1

 Immediate

File Form RFD-11 (LUT) before generating your first FY 2026-27 export invoice to avoid IGST on zero-rated supplies

2

 Immediate

File pending GSTR-3B from FY 2022-23 – the 3-year time bar permanently blocks filing after the deadline

3

 April 2026

Verify new document series and sequential numbering rollover in your billing software for FY 2026-27


4

 April 2026


Set up e-invoicing via IRP portal if your AATO exceeds Rs 5 Crore – integrate API before first invoice dispatch

 Weekly


Review and act on IMS invoices on the GST portal before each GSTR-3B filing cycle

 Monthly

Reconcile GSTR-1 vs GSTR-3B – hard validations now block filing on significant mismatches

 Ongoing

HSNS Cess: monthly payment by 7th, return filing by 20th of the following month

 **Need help navigating these GST changes?** Talk to an expert at **A S Banka Advisors Private Limited** – your trusted partner for FY 2026-27 GST compliance, e-invoicing setup, IMS management, and HSNS Cess advisory.