



# GST TIMES

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Compiled by: GST Team, ASC Group

## Solving any tax puzzle

Tax saving advice across all the taxes.





## Compliance Calendar

S. No.	Due Date	Forms	Period	Description
1.	30 <sup>th</sup> June 2020	GSTR-7	April 2020	Return for Tax Deducted at source to be filed by Tax Deductor
2.	30 <sup>th</sup> June 2020	GSTR-8	April 2020	E-Commerce operator registered under GST liable to TCS
3.	30 <sup>th</sup> June 2020	GSTR-1	April 2020	Taxpayers having an aggregate turnover of more than INR 1.50 crores or opted to file monthly return
4.	30 <sup>th</sup> June 2020	GSTR-6	April 2020	Every Input Service Distributor (ISD)
5.	30 <sup>th</sup> June 2020	GSTR-5 & 5A	April 2020	Non-resident ODIAR services provider file Monthly GST Return
6.	6 <sup>th</sup> July 2020*	GSTR-3B	April 2020	Taxpayers having an aggregate turnover of upto INR 1.5 crore or more
7.	30 <sup>th</sup> June 2020*	GSTR-3B	April 2020	Taxpayers having an aggregate turnover of more than INR 1.5 crore but upto INR 5 crore or more
8.	24 <sup>th</sup> June 2020*	GSTR-3B	April 2020	Taxpayers having an aggregate turnover of more INR 5 crore or more (Interest @ 9% if return is not filed upto 4 <sup>th</sup> June 2020)

\*The due dates have not been extended, however, relaxation has been provided from levy of interest (wherever applicable) and late fee for the given period.



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# GOODS AND SERVICES TAX (GST)

## Refund of GST paid on advance received or goods supplied but services not rendered or goods returned due to COVID-19

The CBIC vide Circular No.137/07/2020 – GST, dated April 13, 2020, which clarified the challenges faced by the registered persons in adhering to the provisions of the Central Goods & Services Act, 2017 (“CGST Act”) on account of measures taken to prevent the spread of COVID-19. In this following clarification related to refund has been given by department:

**Ques 1:** An advance is received by a supplier for a Service contract which subsequently got cancelled. The supplier has issued the invoice before supply of service and paid the GST thereon. Whether he can claim refund of tax paid or is he required to adjust his tax liability in his returns?

**Ans:** In case GST is paid by the supplier on advances received for a future event which got cancelled subsequently and for which invoice is issued before supply of service, the supplier is required to issue a “credit note” in terms of section 34 of the CGST Act. He shall declare the details of such credit notes in the return for the month during which such credit note has been issued. The tax liability shall be adjusted in the return subject to conditions of section 34 of the CGST Act. There is no need to file a separate refund claim.



However, in cases where there is no output liability against which a credit note can be adjusted, registered persons may proceed to file a claim under “Excess payment of tax, if any” through FORM GST RFD-01.

**Ques 2:** An advance is received by a supplier for a Service contract which got cancelled subsequently. The supplier has issued receipt voucher and paid the GST on such advance received. Whether he can claim refund of tax paid on advance or he is required to adjust his tax liability in his returns?

**Ans:** In case GST is paid by the supplier on advances received for an event which got cancelled subsequently and for which no invoice has been issued in terms of section 31 (2) of the CGST Act, he is required to issue a “refund voucher” in terms of section 31 (3) (e) of the CGST Act read with rule 51 of the CGST Rules.

The taxpayer can apply for refund of GST paid on such advances by filing FORM GST RFD-01 under the category “Refund of excess payment of tax”.

**Ques 3:** Goods supplied by a supplier under cover of a tax invoice are returned by the recipient. Whether he can claim refund of tax paid or is he required to adjust his tax liability in his returns?

**Ans:** In such a case where the goods supplied by a supplier are returned by the recipient and where tax invoice had been issued, the supplier is required to issue a “credit note” in terms of section 34 of the CGST Act. He shall declare the details of such credit notes in the return for the month during which such credit note has been issued. The tax liability shall be adjusted in the return subject to conditions of section 34 of the CGST Act. There is no need to file a separate refund claim in such a case.

However, in cases where there is no output liability against which a credit note can be adjusted, registered persons may proceed to file a claim under “Excess payment of tax, if any” through FORM GST RFD-01.



Source: [https://www.cbic.gov.in/resources//htdocs-cbec/gst/Circular\\_Refund\\_137\\_7\\_2020.pdf](https://www.cbic.gov.in/resources//htdocs-cbec/gst/Circular_Refund_137_7_2020.pdf)

## Last date to apply LUT for FY 20-21 extended

Notification No. 37/2017-Central Tax, dated 04.10.2017, requires LUT to be furnished for a financial year. However, in terms of notification No. 35/2020 Central Tax dated 03.04.2020, where the requirement under the GST Law for furnishing of any report, document, return, statement or such other record falls during the period from 20.03.2020 to 29.06.2020, has been extended till 30.06.2020.



Therefore, in terms of Notification No. 35/2020-Central Tax, time limit for filing of LUT for the year 2020-21 shall stand extended to 30.06.2020 and the taxpayer can continue to make the supply without payment of tax under LUT provided that the FORM GST RFD-11 for 2020-21 is furnished on or before 30.06.2020. Taxpayers may quote the reference no of the LUT for the year 2019-20 in the relevant documents.

Source: [https://www.cbic.gov.in/resources//htdocs-cbec/gst/Circular\\_Refund\\_137\\_7\\_2020.pdf](https://www.cbic.gov.in/resources//htdocs-cbec/gst/Circular_Refund_137_7_2020.pdf)

## Relaxation in restriction of Rule 36 (4) of CGST Rules, 2017



Rule 36 (4) of CGST Rules, 2017 states that Input tax credit to be availed by a registered person in respect of invoices or debit notes, the details of which have not been uploaded by the suppliers under sub-section (1) of

section 37, shall not exceed 10 per cent of the eligible credit available in respect of invoices or debit notes the details of which have been uploaded by the suppliers under sub-section (1) of section 37.

Therefore, for the GST Returns of the period February 2020 to August 2020, the Input Tax Credit as per books can be claimed without considering the ITC as per GSTR – 2A. However, the ITC claimed has to be matched as per rule 36(4) in a consolidated manner with GSTR – 2A before filing the GSTR – 3B of the month of September 2020.

Source: <https://www.cbic.gov.in/resources//htdocs-cbec/gst/notfctn-30-central-tax-english-2020.pdf>



## Lowering of interest rate on payment of tax in GSTR-3B return

The Government vide Notification No. 31/2020–Central Tax dated 3rd April, 2020 has lowered the rate of interest for the class of registered persons who are required to file GSTR-3B which are as below:

S.No.	Class of registered persons	Rate of interest	Tax Period	Conditions
1.	Taxpayers having an aggregate turnover of <b>more than Rs. 5 crores</b> in the preceding financial year	Nil for first 15 days from the due date and 9% thereafter	February 2020, March 2020, April 2020	If return in FORM GSTR-3B is furnished on or before the 24-06-2020
2.	Taxpayers having an aggregate turnover of <b>more than Rs. 1.5 crores and up to Rs. five crores</b> in the preceding financial year	Nil	February 2020, March 2020	If return in FORM GSTR-3B is furnished on or before the 29-06-2020
			April 2020	If return in FORM GSTR-3B is furnished on or before the 30-06-2020
3.	Taxpayers having an aggregate turnover of <b>up to Rs. 1.5 crores</b> in the preceding financial year	Nil	February 2020	If return in FORM GSTR-3B is furnished on or before the 30-06-2020
			March 2020	If return in FORM GSTR-3B is furnished on or before the 03-07-2020
			April 2020	If return in FORM GSTR-3B is furnished on or before the 06-07-2020



Source: <https://www.cbic.gov.in/resources//htdocs-cbec/gst/notfctn-31-central-tax-english-2020.pdf>

### Waiver of late fees on delayed filing of GSTR-3B return

The Government vide Notification No. 32/2020–Central Tax dated 3rd April, 2020 has waived late fees for all class of registered persons who are required to file GSTR-3B for the month of February 2020 to April 2020 if return is filed not later than:

S.No.	Class of registered persons	Tax Period	Conditions
1.	Taxpayers having an aggregate turnover of <b>more than Rs. 5 crores</b> in the preceding financial year	February 2020, March 2020, April 2020	If return in FORM GSTR-3B is furnished on or before the 24-06-2020



2.	Taxpayers having an aggregate turnover of <b>more than Rs. 1.5 crores and up to Rs. five crores</b> in the preceding financial year	February 2020, March 2020	If return in FORM GSTR-3B is furnished on or before the 29-06-2020
		April 2020	If return in FORM GSTR-3B is furnished on or before the 30-06-2020
3.	Taxpayers having an aggregate turnover of <b>up to Rs. 1.5 crores</b> in the preceding financial year	February 2020	If return in FORM GSTR-3B is furnished on or before the 30-06-2020
		March 2020	If return in FORM GSTR-3B is furnished on or before the 03-07-2020
		April 2020	If return in FORM GSTR-3B is furnished on or before the 06-07-2020

Source: <https://www.cbic.gov.in/resources//htdocs-cbec/gst/notfctn-32-central-tax-english-2020.pdf>

### Waiver of late fees on delayed filing of GSTR-1 return

The Government vide Notification No. 33/2020–Central Tax dated 3rd April, 2020 has waived late fees for the registered persons who are required to file GSTR-1 by

due dates for the month of March 2020 to May 2020 and for the quarter ending 31st March 2020 . The return can be filed on or before 30th June 2020.

Source: <https://www.cbic.gov.in/resources//htdocs-cbec/gst/notfctn-33-central-tax-english-2020.pdf>

### Filing of Form to transfer/shift the money available in Electronic Cash ledger

Taxpayers deposit money using challan and the paid amount gets credited in the particular head in the Electronic Cash ledger and the same can be utilized in settling liabilities of that head only. In case a taxpayer deposited any amount under a major head i.e. IGST, CGST, SGST/UTGST and Cess or minor head i.e. Tax, Interest, Penalty, Fee and Others, they can then utilize this amount for discharging their liabilities only under that major head and minor head. Sometimes, inadvertently, the taxpayer pays the amount under the wrong head and it cannot be used to discharge the liabilities which may be due in another head. In such cases taxpayers can claim the refund of the amount

which may have been deposited under wrong head in GST by filing a refund application in FORM RFD-01 under the category “Excess balance in electronic cash ledger”. The process of filing refund claim and its disbursement can sometimes lead to blockage of funds for the taxpayer.

Form GST PMT-09 is now available on GST portal and it enables a taxpayer to make intra-head or inter-head transfer of amount available in Electronic Cash Ledger. A taxpayer can file GST PMT 09 for transfer of any amount of tax, interest, penalty, fee or others available under one (major or minor) head to another (major or minor)





head in the Electronic Cash Ledger. Form GST PMT 09 provides flexibility to taxpayers to make multiple transfers from more than one Major/Minor head to

Source: <https://www.cbic.gov.in/resources//htdocs-cbec/gst/notfctn-37-central-tax-english-2020.pdf>

another Major/Minor head if the amount is available in the Electronic Cash Ledger.

## Extension of various due dates of compliance falling under 20 March to 29 June 2020 to 30 June 2020

The CBIC vide Notification No. 35/2020 – Central Tax dated April 3, 2020 has sought to extend due date of compliance which falls during the period from 20<sup>th</sup> day of March 2020 to 29<sup>th</sup> day of June 2020 till 30<sup>th</sup> June 2020. This notification shall be effective from 20<sup>th</sup> March 2020.

In view of the spread of pandemic COVID-19 across many countries of the world including India, the Government, on the recommendations of the Council, hereby notifies, as under:

(i) where, any time limit for completion or compliance of any action, by any authority or by any person, has been specified in, or prescribed or notified under the Central Goods and Services Tax Act, 2017 (“CGST Act”), which falls during the period from the 20<sup>th</sup> day of March, 2020 to the 29<sup>th</sup> day of June, 2020, and where completion or compliance of such action has not been made within such time, then, the time limit for completion or compliance of such action, shall be extended up to the 30<sup>th</sup> day of June, 2020, including for the purposes of –

(a) completion of any proceeding or passing of any order or issuance of any notice, intimation, notification, sanction or approval or such other action, by whatever name called, by any authority, commission or tribunal,

by whatever name called, under the provisions of the Acts stated above; or

(b) filing of any appeal, reply or application or furnishing of any report, document, return, statement or such other record, by whatever name called, under the provisions of the Acts stated above;

but, such extension of time shall not be applicable for the compliances of the provisions of the CGST Act, as mentioned below –

(a) Chapter IV;

(b) sub-section (3) of section 10, sections 25, 27, 31, 37, 47, 50, 69, 90, 122, 129;

(c) section 39, except sub-section (3), (4) and (5);

(d) section 68, in so far as e-way bill is concerned; and

(e) rules made under the provisions specified at clause (a) to (d) above.

Source: <https://www.cbic.gov.in/resources//htdocs-cbec/gst/notfctn-35-central-tax-english-2020.pdf>

## Advisory on Opting-in for Composition Scheme for 2020-21

A. Due to COVID-19 pandemic and challenges faced by taxpayers, Government has extended dates for opting for composition scheme by normal taxpayers, for the financial year 2020-21. These are notified in Notifications 30/2020 Central Tax, dated

03.04.2020. Circular No. 136/06/2020-GST dated 3rd April, 2020 has also been issued.

B. Existing Normal taxpayers who want to opt for Composition Scheme in Financial Year 2020-21 may



note following changes:

1. **Revised date to file Form GST CMP 02:** Normal and registered taxpayers who want to opt in for Composition in FY 2020-21 can apply in Form GST CMP-02 by 30th June 2020.

2. **No GSTR 1 or 3B must be filed in 2020-21 financial year for associated PAN:** The taxpayers SHOULD NOT file any GSTR-1/GSTR-3B, for any tax period of FY 2020-21, from any of the GSTIN on the associated PAN, or else

Source: <https://www.gst.gov.in/newsandupdates/read/373>

they will not be able to opt for composition scheme for FY 2020-21.

3. **No need for re-opting for the composition scheme:** The taxpayers who are already in composition scheme, in previous financial year are not required to opt in for composition again for FY 2020-2021.

4. **Revised date to file Form GST ITC 03:** Form GST ITC-03 to reverse ITC for the stock in hand at the time of transition can be filed till 31st July, 2020.

## Due date of filing GSTR-7 along with deposit of tax is extended

The CBIC vide Circular No.137/07/2020 – GST, dated April 13, 2020, which clarified the challenges faced by the registered persons in adhering to the provisions of the Central Goods & Services Act, 2017 (“CGST Act”) on account of measures taken to prevent the spread of COVID-19. The following is the clarification made by the department:

**Query:** While making the payment to the recipient, the amount equivalent to one percent was deducted as per the provisions of section 51 of Central Goods and Services Tax Act, 2017 i.e. Tax Deducted at Source (TDS). Whether the date of deposit of such payment has also

been extended vide Notification No. 35/2020-Central Tax dated 03.04.2020?

**Solution:** As per notification No. 35/2020-Central Tax dated 03.04.2020, where the timeline for any compliance required as per sub-section (3) of section 39 and section 51 of the Central Goods and Services Tax Act, 2017 falls during the period from 20.03.2020 to 29.06.2020, the same has been extended till 30.06.2020. Accordingly, the due date for furnishing of return in FORM GSTR-7 along with the deposit of tax deducted for the said period has also been extended till 30.06.2020 and no interest under section 50 shall be leviable if tax deducted is deposited by 30.06.2020.

Source: [https://www.cbic.gov.in/resources//htdocs-cbec/gst/Circular\\_Refund\\_137\\_7\\_2020.pdf](https://www.cbic.gov.in/resources//htdocs-cbec/gst/Circular_Refund_137_7_2020.pdf)

## Now GSTR-3B can be filed through EVC without using DSC

GST portal has enabled the option to file GSTR-3B by EVC (Electronic Verification Code) instead of using DSC

(Digital Signature Certificate). Now, taxpayer can file GSTR-3B by using EVC i.e. without the help of DSC.



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