

# GST Recent Amendments (March,2020 to October,2020)

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Can refund for 18 months  
be applied in one go?

Deemed Registration?



Aadhar Authentication?  
Of Authorized or all?  
Person not having Aadhar?

Is refund available for invoices  
not in 2A?

2A or 2B?

GST on cancelled contracts?

Negative  
Sales in 3B?

Can company use SMS  
filling?

E-way blocking, any limit?

# AMENDMENTS

**23.03.2020**

Notification No. 10/2020(CT) to  
Notification No. 29/2020(CT)  
+  
Circular 133  
Circular 134  
+  
Notification No. 2/2020- CT (Rate),  
Notification No. 3/2020-CT (Rate)

**31.03.2020**

**Circular  
135(Refund)**

**03.04.2020**

Notification No. 30/2020(CT) to  
Notification No. 36/2020(CT)  
+  
Circular-136

**COVID-19**

**13.04.2020**

**Circular 137  
(Clarification)**

**Press Release dated 14.03.2020. Resultant GST Council 39<sup>th</sup> Meeting**

## **CIRCULAR 135/05/2020 dated 31-03-2020**

### ➤ **Bunching of refund claims across Financial Years**

The said restriction on the clubbing of tax periods across financial years for claiming refund thus has been continued vide **Paragraph 8** of the **Circular No. 125/44/2019-GST dated 18.11.2019**, which is reproduced as under:

- **“8.** The applicant, at his option, may file a refund claim for a tax period or by clubbing successive tax **periods. The period for which refund claim has been filed, however, cannot spread across different financial years.** Registered persons having aggregate turnover of up to Rs. 1.5 crore in the preceding financial year or the current financial year opting to file FORM GSTR-1 on quarterly basis, can only apply for refund on a quarterly basis or clubbing successive quarter.....”
- **Hon’ble Delhi High Court** in Order dated 21.01.2020, in the case of **M/s Pitambra Books Pvt Ltd.**, vide para 13 of the said order has stayed the rigour of paragraph 8 of Circular No. 125/44/2019-GST dated 18.11.2019 and has also directed the Government to either open the online portal so as to enable the petitioner to file the tax refund electronically, or to accept the same manually within 4 weeks from the Order. Hon’ble Delhi High Court vide para 12 of the aforesaid Order has observed that **the Circulars can supplant but not supplement the law. Circulars might mitigate rigours of law by granting administrative relief beyond relevant provisions of the statute,** however, Central Government is not empowered to withdraw benefits or impose stricter conditions than postulated by the law. **No Restriction u/s 16(3) of IGST and 54(3) of CGST,2017**
- Further, same issue has been raised in various other **representations** also, especially those received **from the merchant exporters** wherein merchant exporters have received the supplies of goods in the last quarter of a Financial Year and have made exports in the next Financial Year i.e. from April onwards. The restriction imposed vide para 8 of the master refund circular prohibits the refund of ITC accrued in such cases as well.

### BEFORE AMENDMENT

Particulars	March	April
<b>Purchase Input</b>	<b>100000</b>	<b>0</b>
<b>Export</b>	<b>0</b>	<b>1200000</b>
Refund	0	0

### After Amendment

	March- April
Purchase Input	100000
Export	1200000
Refund	100000

➤ **Refund of accumulated input tax credit (ITC) on account of reduction in GST Rate**

It has been brought to the notice of the Board that some of the applicants are seeking **refund of unutilized ITC** on account of inverted duty structure where the inversion **is due to change in the GST rate on the same goods**.

This can be explained through an illustration.

**An applicant trading in goods has purchased, say goods “X” attracting 18% GST. However, subsequently, the rate of GST on “X” has been reduced to, say 12%. It is being claimed that accumulation of ITC in such a case is also covered as accumulation on account of inverted duty structure and such applicants have sought refund of accumulated ITC under clause (ii) of sub-section (3) of section 54 of the CGST Act.**

It may be noted that refund of accumulated ITC in terms clause (ii) of sub-section (3) of section 54 of the CGST Act is available where the credit has accumulated on account of rate of tax on inputs being higher than the rate of tax on output supplies. It is noteworthy that, **the input and output being the same in such cases, though attracting different tax rates at different points in time, do not get covered under the provisions of clause (ii) of sub-section (3) of section 54 of the CGST Act.** It is hereby clarified that refund of accumulated ITC under clause (ii) of sub-section (3) of section 54 of the CGST Act would **not be applicable in cases where the input and the output supplies are the same**.

Only Reduction of Rate of Goods

➤ **Change in manner of refund of tax paid on supplies other than zero rated supplies**

Circular No. 125/44/2019-GST dated 18.11.2019, in para 3, categorizes the refund applications to be filed in FORM GST RFD-01 as under:

- a) Refund of unutilized input tax credit (ITC) on account of exports without payment of tax;
- b) Refund of tax paid on export of services with payment of tax; .
- c) Refund of unutilized ITC on account of supplies made to SEZ Unit/SEZ Developer without payment of tax;
- d) Refund of tax paid on supplies made to SEZ Unit/SEZ Developer with payment of tax;
- e) Refund of unutilized ITC on account of accumulation due to inverted tax structure;
- f) Refund to supplier of tax paid on deemed export supplies;
- g) Refund to recipient of tax paid on deemed export supplies;
- h) Refund of excess balance in the electronic cash ledger;
- i) Refund of excess payment of tax;**
- j) Refund of tax paid on intra-State supply which is subsequently held to be inter State supply and vice versa;**
- k) Refund on account of assessment/provisional assessment/appeal/any other order;**
- l) Refund on account of “any other” ground or reason.**

For the refund of tax paid falling in categories **specified at S. No. (i) to (l) above** i.e. refund claims on supplies other than zero rated supplies, no separate debit of ITC from electronic credit ledger is required to be made by the applicant at the time of filing refund claim, being claim of tax already paid. However, the total tax would have been normally paid by the applicant by debiting tax amount from both electronic credit ledger and electronic cash ledger. **At present, in these cases, the amount of admissible refund, is paid in cash even when such payment of tax or any part thereof, has been made through ITC.**

**As this could lead to allowing unintended encashment of credit balances**, this issue has been engaging attention of the Government. Accordingly, vide **notification No.16/2020-Central Tax dated 23.03.2020, sub-rule (4A) has been inserted in rule 86 of the CGST Rules, 2017** which reads as under:

***“(4A) Where a registered person has claimed refund of any amount paid as tax wrongly paid or paid in excess for which debit has been made from the electronic credit ledger, the said amount, if found admissible, shall be re-credited to the electronic credit ledger by the proper officer by an order made in FORM GST PMT-03.”***

Further, vide the same notification, sub-rule **(1A) has also been inserted in rule 92** of the CGST Rules, 2017. The same is reproduced hereunder:

***“(1A)Where, upon examination of the application of refund of any amount paid as tax other than the refund of tax paid on zero-rated supplies or deemed export, the proper officer is satisfied that a refund under sub-section (5) of section 54 of the Act is due and payable to the applicant, he shall make an order in FORM RFD-06 sanctioning the amount of refund to be paid, in cash, proportionate to the amount debited in cash against the total amount paid for discharging tax liability for the relevant period, mentioning therein the amount adjusted against any outstanding demand under the Act or under any existing law and the balance amount refundable and for the remaining amount which has been debited from the electronic credit ledger for making payment of such tax, the proper officer shall issue FORM GST PMT-03 re-crediting the said amount as Input Tax Credit in electronic credit ledger.”***

**The combined effect the abovementioned changes is that any such refund of tax paid on supplies other than zero rated supplies will now be admissible proportionately in the respective original mode of payment i.e. in cases of refund, where the tax to be refunded has been paid by debiting both electronic cash and credit ledgers (other than the refund of tax paid on zero-rated supplies or deemed export), the refund to be paid in cash and credit shall be calculated in the same proportion in which the cash and credit ledger has been debited for discharging the total tax liability for the relevant period for which application for refund has been filed. Such amount, shall be accordingly paid by issuance of order in FORM GST RFD-06 for amount refundable in cash and FORM GST PMT-03 to re-credit the amount attributable to credit as ITC in the electronic credit ledger.**



	Amount	CGST	SGST
Actual Sales	100000	2500	2500
Sales entered in 3B	100000	5000	5000
Paid Through Balance in ledger		7000 (Credit ledger)	3000 (Cash Ledger)

Excess Paid		2500	2500
Refund Applied			

**Old Law**

RFD-06                      Rs. 5000 cash

(Encashment of credit ledger of Rs. 2000)

**New Law**

<p>Cash</p> <p>RFD-06 = Rs. <b>1500</b></p> <p>Credit</p> <p>(3000/10000*5000)</p>	<p>Credit</p> <p><b>Rs. 3500</b> in</p> <p>ledger through</p> <p>PMT-03</p> <p>(7000/10000*5000)</p>
--	--

	Amount	CGST	SGST
Actual Sales	100000	2500	2500
Sales entered in 3B	100000	5000	5000
Paid Through Balance in ledger		7000 (Credit ledger)	3000 (Cash Ledger)

Excess Paid		2500	2500
Refund Applied			Rs. 1000
<b>Outstanding dues</b>			

**Old Law**

RFD-06=Rs.4000( 5000-1000)cash  
(Encashment of credit ledger of Rs. 2000)

**New Law**

If liability =Rs. 1000  
Cash Rs. 1500-1000= Rs. 500(RFD-06)  
Credit = Rs. 3500 (PMT-03)  
**(Entire liability adjusted from Cash)**

➤ **Guidelines for refunds of Input Tax Credit under Section 54(3)( Refund of unutilized input tax credit)**

In terms of para 36 of circular No. 125/44/2019-GST dated 18.11.2019, the refund of ITC availed in respect of **invoices not reflected in FORM GSTR-2A** was also admissible and **copies of such invoices** were required to be uploaded. However, in wake of insertion of sub-rule (4) to rule 36 of the CGST Rules, 2017 vide notification No. 49/2019-GST dated 09.10.2019, various references have been received from the field formations regarding admissibility of refund of the ITC availed on the invoices which are not reflecting in the FORM GSTR-2A of the applicant.

The matter has been examined and it has been decided that the **refund of accumulated ITC shall be restricted to the ITC as per those invoices, the details of which are uploaded by the supplier in FORM GSTR-1 and are reflected in the FORM GSTR-2A of the applicant.** Accordingly, para 36 of the circular No. 125/44/2019-GST, dated 18.11.2019 stands modified to that extent.

## Circular No. 139/09/2020-GST Clarification on Refund Related Issues

Various representations have been received seeking clarification on the issue relating to refund of accumulated ITC in respect of invoices whose details are not reflected in the FORM GSTR-2A of the applicant. In order to clarify these issues and to ensure uniformity in the implementation of the provisions of law in this regard across the field formations, the Board, in exercise of its powers conferred by section 168 (1) of the Central Goods and Services Tax Act, 2017 (hereinafter referred to as “CGST Act”), hereby clarifies the issues detailed hereunder:

2. Circular No.135/05/2020 – GST dated the 31st March, 2020 states that:

“5. Guidelines for refunds of Input Tax Credit under Section 54(3)

5.1 In terms of para 36 of circular No. 125/44/2019-GST dated 18.11.2019, the refund of ITC availed in respect of invoices not reflected in FORM GSTR-2A was also admissible and copies of such invoices were required to be uploaded. However, in wake of insertion of sub-rule (4) to rule 36 of the CGST Rules, 2017 vide notification No. 49/2019-GST dated 09.10.2019, various references have been received from the field formations regarding admissibility of refund of the ITC availed on the invoices which are not reflecting in the FORM GSTR-2A of the applicant.

5.2 The matter has been examined and it has been decided that the refund of accumulated ITC shall be restricted to the ITC as per those invoices, the details of which are uploaded by the supplier in FORM GSTR-1 and are reflected in the FORM GSTR-2A of the applicant. Accordingly, para 36 of the circular No. 125/44/2019-GST, dated 18.11.2019 stands modified to that extent.”

**Circular No. 139/09/2020-GST**  
**Clarification on refund related issues**

3.1 Representations have been received that in some cases, refund sanctioning authorities have rejected the refund of accumulated ITC in respect of ITC availed on Imports, ISD invoices, RCM etc. citing the above-mentioned Circular on the basis that the details of the said invoices/ documents are not reflected in FORM GSTR-2A of the applicant.

3.2 In this context it is noteworthy that before the issuance of Circular No. 135/05/2020- GST dated 31st March, 2020, refund was being granted even in respect of credit availed on the strength of missing invoices (not reflected in FORM GSTR-2A) which were uploaded by the applicant along with the refund application on the common portal. However, vide Circular No.135/05/2020 – GST dated the 31st March, 2020, the refund related to these missing invoices has been restricted. Now, the refund of accumulated ITC shall be restricted to the ITC available on those invoices, the details of which are uploaded by the supplier in FORM GSTR-1 and are reflected in the FORM GSTR-2A of the applicant.

4. The aforesaid circular does not in any way impact the refund of ITC availed on the invoices / documents relating to imports, ISD invoices and the inward supplies liable to Reverse Charge (RCM supplies) etc.. It is hereby clarified that the treatment of refund of such ITC relating to imports, ISD invoices and the inward supplies liable to Reverse Charge (RCM supplies) will continue to be same as it was before the issuance of Circular No. 135/05/2020- GST dated 31st March, 2020.

➤ New Requirement to mention HSN/SAC in Annexure 'B'

References have also been received from **the field formations** that HSN wise details of goods and services are not available in FORM GSTR-2A and therefore it becomes very difficult to distinguish ITC on capital goods and/or input services out of total ITC for a relevant tax period. It has been recommended that a column relating to HSN/SAC Code should be added in the statement of invoices relating to inward supply as provided in Annexure–B of the circular No. 125/44/2019- GST dated 18.11.2019 so as **to easily identify between the supplies of goods and services.**

The issue has been examined and considering that such a distinction is important in view of the provisions relating to refund where refund of credit on Capital goods and/or services is not permissible in certain cases, it has been decided to amend the said statement. **Accordingly, Annexure-B of the circular No. 125/44/2019-GST, dated 18.11.2019 stands modified to that extent.**

A suitably modified statement format is attached for applicants to upload the details of invoices reflecting in their FORM GSTR-2A. The applicant is, in addition to details already prescribed, now required to mention HSN/SAC code which is mentioned on the inward invoices. In cases where supplier is not mandated to mention HSN/SAC code on invoice, the applicant need not mention HSN/SAC code in respect of such an inward supply.

## Annexure-B

Statement of invoices to be submitted with application for refund of unutilized ITC

Sr. No .	GSTIN of the Supplier	Name of the Supplier	Invoice Details			Category of input supplies		Central Tax	State Tax/ Union Territory Tax	Integrated Tax	Cess	Eligible for ITC	Amount of eligible ITC
			Invoice No.	Date	Value	Inputs/ Input Service s/cap ital goods	HSN/ SAC						
1	2	3	4	5	6	7	8	9	10	11	12	13	14

**Rule 89(4)(C) Substituted:- ( Refund on Zero Rated Supply Without Tax under Bond)**

“Turnover of zero-rated supply of **goods**” means

- the value of zero-rated supply of **goods made during the relevant period** without payment of tax under bond or letter of undertaking **or**
- **the value which is 1.5 times the value of like goods domestically supplied by the same or, similarly placed, supplier, as declared by the supplier,**

**whichever is less,**

other than the turnover of supplies in respect of which refund is claimed under sub-rules (4A) or (4B) or both;”.



Particulars	Before amendment	After amendment
Zero Rated (10000 Kg @8036/100kg)	803600	803600
Domestic (2000Kg @ 5250/100kg )	105000	105000
Total Sales	908600	908600
ITC	100000	100000
Refund= ITC* $\frac{\text{Turnover of Zero Rated Supply}}{\text{Adjusted total Turnover}}$	$100000 * 803600 / 908600$	$100000 * 787500 / 908600$
Turnover of Zero Rated Supply	803600	803600 or $10000 * 5250 / 100 * 1.5 = 787500$ Whichever is less i.e 787500
Refund	88443	86671

## Notification No. 16/2020 dated 23.03.2020

### **New Rule 96B Inserted:-**

“96B. **Recovery of refund of unutilised input tax credit or integrated tax paid on export of goods where export proceeds not realised.** –(1) Where any refund of unutilised input tax credit on account of export of goods or of integrated tax paid on export of goods has been paid to an applicant but the sale proceeds in respect of such export goods have not been realised, in full or in part, in India within the period allowed under the Foreign Exchange Management Act, 1999 (42 of 1999), including any extension of such period, the person to whom the refund has been made shall deposit the amount so refunded, to the extent of non realization of sale proceeds, along with applicable interest within thirty days of the expiry of the said period or, as the case may be, the extended period, failing which the amount refunded **shall be recovered in accordance with the provisions of section 73 or 74 of the Act, as the case may be, as is applicable for recovery of erroneous refund, along with interest under section 50:**

Provided that where sale proceeds, or any part thereof, in respect of such export goods are not realised by the applicant within the period allowed under the Foreign Exchange Management Act, 1999 (42 of 1999), but the Reserve Bank of India writes off the requirement of realization of sale proceeds on merits, the refund paid to the applicant shall not be recovered.

(2) Where the sale proceeds are **realised by the applicant, in full or part, after the amount of refund has been recovered** from him under sub-rule (1) and the applicant produces evidence about such realisation **within a period of three months** from the date of realisation of sale proceeds, the amount so recovered shall be refunded by the proper officer, to the applicant to the extent of realisation of sale proceeds, provided the sale proceeds have been realised within such extended period as permitted by the Reserve Bank of India.”.

**Step 1:- Export Of Goods.**

**Step 2:- Refund**

Unutilised ITC  
(Export under  
LUT/BOND)

Integrated Tax Paid  
(Export on payment of  
Tax)

**Step 3:- Export Proceeds not realized  
(Part or Full)  
Within period allowed by FEMA**

**Step 4:- Within expiry of 30 days from above said period**

Deposit the refunded amount + interest

**Step 5:- On Non payment= Recovery of amount u/s 73 or 74**

**Step 6:- Realisation of export proceeds after recovery of refund amount**

**AND**

**evidence produced by applicant within three month from realization of sale proceeds  
The Amount recovered be refunded**

For Export of  
Services Non  
Realisation Rule  
96A is applicable

Time Period as per  
FEMA -9 months  
ExNot Applicable  
tended to 15  
months due to Covid

Refund will be made  
again but no  
mention of interest

## SPECIMEN OF UNDERTAKING

1. I hereby declare that the goods exported are not subject to any export duty. No drawback has been availed / or availed at lower rate by us in respect of central tax and no refund is claimed by us in respect of the integrated tax paid on such supplies in terms of **Section 54(3)** of CGST/SGST Act.
2. I hereby declare that refund of input tax credit claimed does not include input tax credit availed on goods or services used for making Nil rated or fully exempted supplies.
3. I hereby declare that the incidence of tax, interest or any other amount claimed as refund has not been passed on to any other person in terms of **Rule 89(2)(I)** of [Central Goods and Services Tax \(CGST\) Rules, 2017](#).
4. I hereby declare that the GST refund application has been made to one authority only.
5. I hereby undertake that during any period of five years immediately preceding the tax period to which the claim for refund relates, I have not been prosecuted for any offence under the Act or under an existing law where the amount of tax evaded exceeds two hundred and fifty lakh rupees.
6. I hereby undertake to pay back to the government the amount of refund sanctioned along with interest in case it is found subsequently that the requirements of Section 16(2)(c) read with Section 42 of the CGST/SGST Act have not been complied with in respect of the amount refunded.

### New Clause in undertaking

#### “UNDERTAKING

Drafting Error

I hereby undertake to deposit to the Government the amount of refund sanctioned along with interest in case of non-receipt of foreign exchange remittances as per the **proviso to section 16** of the IGST Act, 2017 read with rule 96B of the CGST Rules 2017.

Signature

Name –

Designation / Status”

**Circular No. 137 dated 13.04.2020**

**Issue No. 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 ?**

**Clarification:-**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.**

**Issue No. 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?

**Clarification:-**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”.

**INTERPRETATION:**

If a supplier of service receives advance then :

**Step 1:** He has to issue Receipt Voucher as per **Sec. 31(3)(d)** read with Rule 50(Particulars of Receipt Voucher)

**Step 2: Issue of Tax Invoice.** As per Sec. 31(2) tax invoice is to be issued either Before or After the Provision of Service

**Case 1**

Receipt Voucher Issued u/s 31(3)(d) + Tax Invoice Issued u/s 31(2) before Service

Contract got Cancelled, Amount Refunded

The supplier is required to issue a "credit note" u/s 34

Details of such credit notes in the return for the month during which such credit note has been issued

No Need of Refund Application

if No output liability against which a credit note can be adjusted Refund can be applied under the category "Refund of excess payment of tax".

**Case 2**

Receipt Voucher Issued u/s 31(3)(d) but Tax Invoice not yet Issued

Contract got Cancelled, Amount Refunded

Required to issue a REFUND VOUCHER u/s 31(3)( e) read with Rule 51(Particulars of Refund Voucher)

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".

Refund

Tax Liability Adjusted

No adjustment in Return 3B in case of Refunds

Refund

No criteria of Adjustment mentioned for Refund Voucher. Directly Refund? Whereas Table 9 of GSTR-1 allows adjustment

**Circular No. 137 dated 13.04.2020**

**Issue No. 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 ?

↓  
**Clarification:-** 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.**

Same as Issue No. 1

1<sup>st</sup> adjustment then Refund

## Notification No. 16/2020 dated 23.03.2020

UPTO 20.08.2020

**Rule 8(4A) inserted after Rule 8(4):-**

**Rule 8:- Application for Registration**

**(4A)** The applicant shall, while submitting an application under sub-rule (4), with effect from 01.04.2020, undergo **authentication of Aadhaar number** for grant of registration.”

Not. 17/2020  
(CT)

**Proviso to Rule 9(1) inserted ( Rule 9 :- Verification of application and approval)**

“Provided that where a person, other than those notified under **sub-section (6D) of section 25**, **fails** to undergo authentication of Aadhaar number as specified in sub-rule (4A) of rule 8, then the registration shall be granted only after **physical verification** of the principle place of business in the presence of the said person, **not later than sixty days** from the **date of application**, in the manner provided under rule 25 and the provisions of sub-rule (5) shall not be applicable in such cases.”.

**Rule 25 substituted with following:-**

“**Physical verification** of business premises in certain cases.-Where the proper officer is satisfied that the physical verification of the place of business of a person is required due to failure of Aadhaar authentication before the grant of registration, or due to any other reason after the grant of registration, he may get such verification of the place of business, in the presence of the said person, done and the verification report along with the other documents, including photographs, shall be uploaded in **FORM GST REG-30** on the common portal within a period of **fifteen working days** following the date of such verification.”.



## Notification No. 62/2020 dated 20.08.2020

**Rule 8(4A)**, the following sub-rule shall be substituted with effect from 01st April, 2020:-

Where an applicant, other than a person notified under sub-section (6D) of section 25, **opts for authentication of Aadhaar number**, he shall, **while submitting the application under sub-rule (4), with effect from 21st August, 2020,**

- undergo authentication of Aadhaar number and
- the **date of submission of the application** in such cases
  - shall be the date of authentication of the Aadhaar number, or
  - fifteen days from the submission of the application in Part B of FORM GST REG-01 under subrule (4), **whichever is earlier.**

### **Provisos to Rule 9(1) substituted ( Rule 9 :- Verification of application and approval)**

“Provided that where a person, other than a person notified under sub-section (6D) of section 25, **fails to undergo authentication of Aadhaar number as specified in sub-rule (4A) of rule 8 or does not opt for authentication of Aadhaar number**, the registration shall be granted only after **physical verification** of the place of business in the presence of the said person, in the manner provided under rule 25:

Provided further that the proper officer may, for reasons to be recorded in writing and with the approval of an officer not below the rank of Joint Commissioner, in lieu of the physical verification of the place of business, carry out the verification of such documents as he may deem fit.”;

### **Proviso to Rule 9(2) inserted**

“Provided that where a person, other than a person notified under sub-section (6D) of section 25, fails to undergo authentication of Aadhaar number as specified in sub-rule (4A) of rule 8 or does not opt for authentication of Aadhaar number, the **notice in FORM GST REG-03 may be issued not later than twenty one days** from the date of submission of the application.”;

Business Details ✓	Promoter / Partners ✓	Authorized Signatory	Authorized Representative	Principal Place of Business ✓	Additional Places of Business	Goods and Services ✓	State Specific Information	Aadhaar Authentication ✓	Verification
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### Aadhaar Authentication

Would you like to opt for Aadhaar authentication of Promoters/ Partners, Authorized Signatories?

Yes

1. If you select 'Yes' the authentication link shall be shared on mobile number and e-mail IDs of the Promoters/ Partners, Authorized Signatories.
2. ARN of your application shall be generated once Aadhaar authentication of Promoters/ Partners, Authorized Signatories are completed.

Sl No	Name	Citizen/ Resident of India	Promoter/ Partner	Authorized Signatory	Designation	Email Address	Mobile Number	Status
1	[Redacted]	Yes	Yes	Yes	[Redacted]	[Redacted]	[Redacted]	Authentication Required

Note: Please make sure that email and mobile numbers of Promoters/ Partners, Authorized Signatories provided by you are correct. The Aadhaar validation links shall be forwarded on the emails/ mobile No.s provided by you.

**Rule 25 substituted with following:-**

“**Physical verification** of business premises in certain cases.-Where the proper officer is satisfied that the physical verification of the place of business of a person is required due to failure of Aadhaar authentication or due to not opting for Aadhaar authentication before the grant of registration, or due to any other reason after the grant of registration, he may get such verification of the place of business, in the presence of the said person, done and the verification report along with the other documents, including photographs, shall be uploaded in **FORM GST REG-30** on the common portal within a period of **fifteen working days** following the date of such verification.”.

**Rule 9:- (Verification of the application and approval)****Cases of Deemed Registration:-**

Rule 9(5) Proper officer fails to take any action within a period of :-

person successfully undergoes authentication of Aadhaar number

three working days from the date of submission of the application

fails to undergo authentication of Aadhaar number as specified in sub-rule (4A) of rule 8

twenty one days from the date of submission of the application

person does not opt for authentication of Aadhaar number

twenty one days from the date of submission of the application

within a period of seven working days from the date of the receipt of the clarification, information or documents furnished by the applicant under sub-rule (2),

**Notification No. 17/2020 dated 23.03.2020**

**The class of persons who shall be exempted from Aadhaar authentication has been notified**

Any person who is not a citizen of India or belong to a class of persons, except the persons mentioned below, are not required to get an aadhaar authentication done, from 1st April 2020:

1. Individual
2. Authorised signatory of all types
3. Managing and Authorised partner, and
4. Karta of an Hindu undivided family.

**Notification No. 18/2020 dated 23.03.2020**

**The effective date for Aadhaar authentication before obtaining GST registration is notified.**

The effective date for Aadhaar authentication before obtaining GST registration is notified----- 01-04-2020.

**Notification No. 19/2020 dated 23.03.2020**

**The class of persons, other than individuals who shall undergo authentication of Aadhaar number to be eligible for registration, has been notified.**

The following persons shall undergo the aadhaar authentication from 1st April 2020:

1. Authorised signatory of all types,
2. Managing and Authorised partners of a partnership firm, and
3. Karta of an Hindu undivided family

**Notification No. 30/2020-CT dated 3<sup>rd</sup> April 2020**

**Proviso inserted in Rule 36(4)- capping 10% of ITC as per eligible credit of Form GSTR-2A**

*“Provided that the said condition shall apply cumulatively for the period February, March, April, May, June, July and August, 2020 and the return in FORM GSTR-3B for the tax period September, 2020 shall be furnished with the cumulative adjustment of input tax credit for the said months in accordance with the condition above.”.*

Feb- Aug, 2020



Month- wise 36(4)-----Relaxed  
Cumulative **in the return of September month** from Feb – Aug, 2020-----Mandatory

**Notification No. 30/2020-CT dated 3<sup>rd</sup> April 2020**

**Proviso inserted in Rule 36(4)- capping 10% of ITC as per eligible credit of Form GSTR-2A**

*“Provided that the said condition shall apply cumulatively for the period February, March, April, May, June, July and August, 2020 and the return in FORM GSTR-3B for the tax period September, 2020 shall be furnished with the cumulative adjustment of input tax credit for the said months in accordance with the condition above.”.*

Feb- Aug, 2020



Month- wise 36(4)-----Relaxed

Cumulative **in the return of September month** from Feb – Aug, 2020-----Mandatory

**Circular 142 /12/2020 dated 9<sup>th</sup> October, 2020**

<b>Tax period</b>	<b>Eligible ITC as per the provisions of Chapter V of the CGST Act and the rules made thereunder, except rule 36(4)(Books)</b>	<b>ITC availed by the taxpayer (recipient) in GSTR3B of the respective months</b>	<b>Invoices on which ITC is eligible and uploaded by the suppliers till due date of FORM GSTR-1 for the tax period of September, 2020</b>	<b>Effect of cumulative application of rule 36(4) on availability of ITC</b>
Feb, 2020	300	300	270	Maximum eligible ITC in terms of rule 36 (4) is 2450 + [10% of 2450] =2695. Taxpayer had availed ITC of 2750. <b>Therefore, ITC of 55 [2750-2695] would be required to be reversed</b> as mentioned in para 3.4. above.
March, 2020	400	400	380	
April, 2020	500	500	450	
May, 2020	350	350	320	
June, 2020	450	450	400	
July, 2020	550	550	480	
August, 2020	200	200	150	
<b>TOTAL</b>	<b>2750</b>	<b>2750</b>	<b>2450</b>	
<b>ITC Reversal required to the extent of 55</b>				
September, 2020	500	385	350	10% Rule shall apply independently for September, 2020
<b>In the FORM GSTR-3B for the month of September, 2020, the tax payer shall avail ITC of 385 under Table 4(A) and would reverse ITC of 55 under Table 4(B)(2)</b>				

# GSTR-2B

Auto Drafted **ITC** Statement

Basis

- GSTR 1
- GSTR 5( NRTP)
- GSTR 6 (ISD)



ICEGATE

**Static Statement**—Freeze---12<sup>th</sup> day of succeeding month  
Eg. August 2020-12<sup>th</sup> Sept 2020

GSTR 1/5/6—August timely filed by supplier

2B generated on 12<sup>th</sup> Sept

3B on 20<sup>th</sup> Sept

12<sup>th</sup> Aug — 11<sup>th</sup> September  
00:00 hours 23:59 hours

GSTR 5/6

Due dates after 11<sup>th</sup>

After 11<sup>th</sup> of next month

Avail ITC on self assessment basis



## Examples

### Return Filing

GSTR1/5/6 filing period	Return Filing Date	Period of GSTR 2A	Period of GSTR 2B
July 2020	10 August 2020	July 2020	July 2020 generated on 12-08-2020
July 2020	15 Aug 2020(late filed)	July 2020	August 2020 generated on 12-09-2020
May 2020	9 August 2020	May 2020	July 2020 generated on 12-08-2020

### Invoice

Invoice dated 10-08-2020 entered in GSTR 1 of September → GSTR 2B generated on 12<sup>th</sup> October for September,2020.

## GSTR-2B

Imports



Not yet Available

RCM on Import of services



Other RCM



Unregistered



ISD



Any other ITC



## Which credits are Ineligible

Whether shown in 2B

State of recipient and place of supply are different



Credit not allowed as per sec. 16(4)



Credit not allowed as per sec. 17(5)



Credit reversals as per Rule 42/43



SUMMARY

ALL TABLES

[View Advisory](#)

ITC available

ITC not available

HELP ?

S.NO.	Heading [Expand All ▼]	GSTR-3B table	Integrated Tax (₹)	Central Tax (₹)	State/UT Tax (₹)	Cess (₹)
Part A	ITC Available - Credit may be claimed in relevant headings in GSTR-3B					
I	All other ITC - Supplies from registered persons ▼	4(A)(5) ⓘ	304.92	1,21,813.11	1,21,813.11	0.00
II	Inward Supplies from ISD ▼	4(A)(4) ⓘ	0.00	0.00	0.00	0.00
III	Inward Supplies liable for reverse charge ▼	3.1(d) 4(A)(3) ⓘ	0.00	0.00	0.00	0.00
IV	Import of Goods ▼	4(A)(1) ⓘ	0.00	0.00	0.00	0.00
Part B	ITC Reversal - Credit may be reversed in relevant headings in GSTR-3B					
I	Others ▼	4(B)(2) ⓘ	0.00	2,858.21	2,858.21	0.00

BACK TO DASHBOARD

DOWNLOAD GSTR-2B SUMMARY (PDF)

DOWNLOAD GSTR-2B DETAILS (EXCEL)

SUMMARY

ALL TABLES

[View Advisory](#)

ITC available

ITC not available

HELP ?

S.NO.	Heading [Expand All ▼]	GSTR-3B table	Integrated Tax (₹)	Central Tax (₹)	State/UT Tax (₹)	Cess (₹)
Part A	ITC Available - Credit may be claimed in relevant headings in GSTR-3B					
I	All other ITC - Supplies from registered persons ▲	4(A)(5) ⓘ	304.92	1,21,813.11	1,21,813.11	0.00
	B2B - Invoices		304.92	1,21,813.11	1,21,813.11	0.00
	B2B - Debit notes		0.00	0.00	0.00	0.00
	B2B - Invoices (Amendment)		0.00	0.00	0.00	0.00
	B2B - Debit notes (Amendment)		0.00	0.00	0.00	0.00
II	Inward Supplies from ISD ▼	4(A)(4) ⓘ	0.00	0.00	0.00	0.00
III	Inward Supplies liable for reverse charge ▼	3.1(d) 4(A)(3) ⓘ	0.00	0.00	0.00	0.00
IV	Import of Goods ▼	4(A)(1) ⓘ	0.00	0.00	0.00	0.00
Part B	ITC Reversal - Credit may be reversed in relevant headings in GSTR-3B					

**Notification No. 35/2020 dated 03.04.2020**

**General/ Blanket Extension**

**As per power conferred by sec 168A**

**Due to COVID-19**

**On recommendation of council**

**Extend Time Period to 30.06.2020/31.08.2020**

**Departmental Action**

Completion of any proceedings 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.

**Assessee Action**

Filing of any appeal, reply or application or furnishing of nay report, document, return, statement or such other record, by whatever name called, under the provisions of the Acts stated above.

**Falling due from 20.03.2020 to 29.06.2020/30.08.2020**

Act amended through ordinance (valid till 6 months of next Parliament Sitting)  
Done due to Power given to CG to give blanket exemption in case of natural calamities etc.

Notification 37/2020-CT dated 28.04.2020

**PMT – 09 (Rule 87(13)) added in June, 2019 via N.N. 31/2020 made effective w.e.f. 21.04.2020**

CASH LEDGER BALANCE ^

**PMT-09**

Used to transfer cash ledger balance from one head to another

Cash ledger balance-available for transfer

Description	Cash ledger balance				
	Integrated tax (₹)	Central tax (₹)	State/UT tax (₹)	Cess (₹)	Total (₹)
Tax	₹0.00	₹0.00	₹0.00	₹0.00	₹0.00
Interest	₹0.00	₹0.00	₹0.00	₹0.00	₹0.00
Fee	₹0.00	₹0.00	₹0.00	₹0.00	₹0.00

Add record

Transfer amount from			Transfer amount to		
Major head	Minor head	Amount available	Major head	Minor head	Amount
Select ▾	Select ▾		Select ▾	Tax	0
				Interest	0
				Penalty	0
				Fee	0
				Others	0

BACK SAVE

**EVC Allowed to company + OTP Filing Nil Return**

**Company**

Filing

**GSTR-3B**

Return Filing Period 21<sup>st</sup> Apr – 30<sup>th</sup> June 2020

Notification 38/2020

**Company**

Filing

**GSTR-3B & GSTR -1**

Return Filing 3B Period: 21<sup>st</sup> Apr – 30<sup>th</sup> Sep 2020  
Gstr 1 Period: 27<sup>th</sup> May – 30<sup>th</sup> Sep 2020

Notification 48/2020

Filing can also be allowed through EVC

**Withdrawn w.e.f 01.11.2020**

Rule 67A

Registered Person

Filing

Nil Return under section 39 in FORM GSTR-3B

Filing can also be allowed through SMS

Inserted by N.N. 38/2020

Registered Person

Filing

Nil Return under section 39 in FORM GSTR-3B & GSTR -1

Filing can also be allowed through SMS

Inserted by N.N. 58/2020

Registered Person

Filing

Nil Return under section 39 in FORM GSTR-3B & GSTR -1 & CMP-08

Filing can also be allowed through SMS

Inserted by N.N.79/2020

A Nil return shall mean a return under section 39 for a tax period that **has nil or no entry in all the Tables in FORM GSTR-3B/1/CMP-08."**



**FINANCE ACT, 2020 PROVISIONS brought to effect**

<u>Section of Finance Act</u>	<u>Corresponding Section of GST Act</u>	<u>Particulars</u>	<u>Source Notification and Date of Enforcement</u>
<b>128</b>	Section 140	Related to Transitional Credit. Words "within such time and" added	<b><u>Not. No. 43/2020-CT dated 16.05.2020</u></b>  Bring into force from 18.05.2020 and Provision to come into effect from 01.07.2017
<b>118</b>	Section 2(114)	Definition of Union territory	-
<b>125</b>	Section 109(6)	To Bring in Constitution of Appellate Tribunal "State Bench" in J&K under CGST Act	<b><u>Not. No. 49/2020-CT dated 24.06.2020</u></b>
<b>129</b>	Section 168(2)	Power to Issue Instructions or Directions By Board	<b><u>Provision to come into effect from</u></b>
<b>130</b>	Section 172(1)	Removal of Difficulty Order Time Period Extension	<b><u>30.06.2020</u></b>

Notification No. 74/2020 – Central Tax

Registered persons having aggregate turnover of up to **1.5 crore rupees** in the preceding financial year or the current financial year

Sl. No.	Quarter for which details in FORM GSTR-1 are furnished	Time period for furnishing details in FORM GSTR-1
1	October, 2020 to December, 2020	13 <sup>th</sup> January, 2021
2	January, 2021 to March, 2021	13 <sup>th</sup> April, 2021

Notification No. 75/2020 – Central Tax

Registered persons having aggregate turnover of more than 1.5 crore rupees in the preceding financial year or the current financial year

Sl. No.	Quarter for which details in FORM GSTR-1 are furnished	Time period for furnishing details in FORM GSTR-1
1	October, 2020 to March 2021	11 <sup>th</sup> day of the month succeeding such month

**Notification No. 78/2020 – Central Tax**

Following HSN Codes are mandatory from **01.04.2021**

Serial Number (1)	Aggregate Turnover in the <b><u>preceding Financial Year</u></b> (2)	Number of Digits of Harmonised System of Nomenclature Code (HSN Code) (3)
1.	Up to rupees five crores	4
2.	more than rupees five crores	6

Provided that a registered person having aggregate turnover **up to five crores rupees** in the previous financial year **may not mention** the number of digits of HSN Code, as specified in the corresponding entry in column (3) of the said Table in a **tax invoice issued by him under the said rules in respect of supplies made to unregistered persons.**

**Notification No. 80/2020 – Central Tax**

Due Date of Annual Return:- 31.12.2020

## Points relating GSTR-9/9C for 2019-20

Notification  
77/2020-CT

- ❑ Filing of annual return under section 44 (1) of CGST Act for **F.Y. 2019-20 optional for small taxpayers whose aggregate turnover is less than Rs 2 crores and who have not filed the said return before the due date.**

Notification  
79/2020-CT

“Provided that for the financial year 2018-2019 and 2019-2020, every registered person whose aggregate turnover exceeds five crore rupees shall get his accounts audited as specified under sub-section (5) of section 35 and he shall furnish a copy of audited annual accounts and a reconciliation statement, duly certified, in FORM GSTR-9C for the said financial year, electronically through the common portal either directly or through a Facilitation Centre notified by the Commissioner.”

Notification  
79/2020-CT

“For FY 2019-20, the registered person shall report the breakup of input tax credit as capital goods and have an option to either report the breakup of the remaining amount as inputs and input services or report the entire remaining amount under the “inputs” row only.”;

**Notification No. 79 /2020 – Central Tax**

Restriction on furnishing E-way Bill (Blocking)

**In the said rules, with effect from the 20th day of March, 2020, in rule 138E, after the third proviso, the following proviso shall be inserted, namely: -**

“Provided also that the said restriction shall not apply during the period from the **20th day of March, 2020 till the 15th day of October, 2020** in case where the return in FORM GSTR-3B or the statement of outward supplies in FORM GSTR-1 or the statement in FORM GST CMP08, as the case may be, has not been furnished for the period February, 2020 to August, 2020.”.

FORM GST DRC-01A

In the said rules, in rule 142, in sub-rule (1A),-

- (i) for the words “proper officer shall”, the words “proper officer may” shall be substituted;
- (ii) for the words “shall communicate”, the word “communicate” shall be substituted.

Tax Invoice

**Notification No. 79 /2020 – Central Tax**

In rule 46, for the first proviso, the following proviso shall be substituted, namely: -

“Provided that the Board may, on the recommendations of the Council, by notification, specify-

- (i) the number of digits of Harmonised System of Nomenclature code for goods or services that a class of registered persons shall be required to mention; or
- (ii) a **class of supply of goods or services** for which specified number of digits of Harmonised System of Nomenclature code shall be required to be mentioned by all registered taxpayers; and
- (iii) the class of registered persons that would not be required to mention the Harmonised System of Nomenclature code for goods or services:

**Notification No. 79 /2020 – Central Tax (Changes in various forms)**

GSTR-1

In column 6 of Table No.12 where HSN summary of outward supplies are reported, for the words “Total Value”, the words “Rate of tax” shall be substituted

GSTR-5

GST DRC – 01 &  
GST DRC – 02

The table after entry (c ) of Form GST DRC – 01 and of Form GST DRC -02, has been substituted with a new table. In the new table column 11 relating to “Fee” has been inserted.

GSTR 5A

GST RFD-01

In Annexure – 1 of statement – 2, in the heading the “(accumulated ITC)” shall be omitted.

GSTR 9

GST DRC-07

The table after serial number 5 of the said form has been substituted with a new table. In the new table column 11 relating to “Fee” has been inserted.

In the Table, against serial numbers 4, 5, 6 and 7, the taxpayers shall report the values pertaining to the financial year only. The value pertaining to the preceding financial year shall not be reported here.”

GSTR 9C

GST ASMT-16

The table in Form GST ASMT -16 has been substituted with a new table. In the new table column 11 relating to “Fee” has been inserted.

GST DRC -08, 09,  
24, 25

The table in the said form has been substituted with a new table. In the new table column 5 relating to “Fee” has been inserted.

**Notification No. 79 /2020 – Central Tax (Old GSTR-2A vs New GSTR 2A)**

Tables	Old GSTR 2A	New GSTR 2A
Table 3:	Details of inward supplies received from a registered person other than the supplies attracting reverse charge	Inward supplies received from a registered person <b>including supplies attracting reverse charge</b>
Table 4	Inward supplies received from registered person on which tax is to be paid on reverse charge	No Corresponding table as information of RCM supplies already captured in new Table 3.
	No corresponding table in existing GSTR-2A	Table 4: Amendment to inward supplies received from a registered person including supplies reverse charge (Amendment to 3).
Table 5	Debit / credit notes (including amendments thereof) received during current period	Table 5: Debit / credit notes received during current period Table 6: Amendments to Debit / credit notes (Amendment to 5).
Table 6	Table 6:-ISD Credits (including amendments thereof) received	Table 7: ISD Credits received. Table 8: Amendment to ISD Credits details.
Table 7 & 9	Table 7: TDS and TCS Credits (including amendments thereof) received	Table 9: TDS and TCS Credits (including amendments thereof) received
Table 10	No table for this information in existing GSTR-2A.	Table 10: Import of goods from overseas on bill of entry (including amendments thereof)
Table 11	No table for this information in existing GSTR-2A.	Table 11: Inward supplies of goods received from SEZ units / developers on bill of entry (including amendments thereof)

The new Form GSTR – 2A shall also report ITC details arising from import of goods as well as from inward supplies of goods received from SEZ units/ developers.

The new Form GSTR – 2A shall also report Amendments to Invoices. Debit Credit notes, ISD credits separately.

## Notification No. 11/2020 dated 23.03.2020

### Special procedure for corporate debtors undergoing the **corporate insolvency resolution process** under the Insolvency and Bankruptcy Code, 2016 notified.

The procedure notified can be summarised as follows:

1. The procedure is applicable to the corporate debtors who are undergoing the corporate insolvency resolution process and the management of whose affairs are being undertaken by interim resolution professionals (IRP) or resolution professionals (RP) under the Insolvency and Bankruptcy Code, 2016 (IBC).
2. **New GST registration** is required to be taken.
3. First return under section 40 of the CGST Act must be filed by the IRP/RP.
4. IRP/RP can avail the **ITC belonging to the account of the old registration under the new GSTIN in the first return.**
5. Amount in the cash ledger of the old account can be transferred to the new account.



Notification No.  
39/2020

Seeks to make amendments to special procedure for corporate debtors undergoing the corporate insolvency resolution process under the Insolvency and Bankruptcy Code, 2016.

- No new registration required, if all Returns GSTR-1 &GSTR-3B furnished prior to appointments of IRP.
- Change in IRP-Amendment in Authorized Signatory
- Registration within 30 days of appointment of IRP/RP or 30<sup>th</sup> June whichever is later.



## Circular 138/08/2020-GST----INSOLVENCY

Clarification in respect of certain challenges faced by the registered persons in implementation of provisions of GST Laws-reg

Sl. No.	Issue	Clarification
Issues related to Insolvency and Bankruptcy Code, 2016		
1	Notification No. 11/2020 – Central Tax dated 21.03.2020, issued under section 148 of the CGST Act provided that an IRP / CIRP is required to take a separate registration within 30 days of the issuance of the notification. It has been represented that the IRP/RP are facing difficulty in obtaining registrations during the period of the lockdown and have requested to increase the time for obtaining registration from the present 30 days limit	Vide notification No. 39/2020- Central Tax, dated 05.05.2020, the time limit required for obtaining registration by the IRP/RP in terms of special procedure prescribed vide notification No. 11/2020 – Central Tax dated 21.03.2020 has been extended. Accordingly, IRP/RP shall now be required to obtain registration within thirty days of the appointment of the IRP/RP or by 30th June, 2020, whichever is later
2	The notification No. 11/2020– Central Tax dated 21.03.2020 specifies that the IRP/RP, in respect of a corporate debtor, has to take a new registration with effect from the date of appointment. Clarification has been sought whether IRP would be required to take a fresh registration even when they are complying with all the provisions of the GST Law under the registration of Corporate Debtor (earlier GSTIN) i.e. all the GSTR-3Bs have been filed by the Corporate debtor / IRP prior to the period of appointment of IRPs and they have not been defaulted in return filing.	<p>I. The notification No. 11/2020– Central Tax dated 21.03.2020 was issued to devise a special procedure to overcome the requirement of sequential filing of FORM GSTR-3B under GST and to align it with the provisions of the IBC Act, 2016. The said notification has been amended vide notification No. 39/2020 - Central Tax, dated 05.05.2020 so as to specifically provide that corporate debtors who have not defaulted in furnishing the return under GST would not be required to obtain a separate registration with effect from the date of appointment of IRP/RP.</p> <p>II. Accordingly, it is clarified that IRP/RP would not be required to take a fresh registration in those cases where statements in FORM GSTR-1 under section 37 and returns in FORM GSTR-3B under section 39 of the CGST Act, for all the tax periods prior to the appointment of IRP/RP, have been furnished under the registration of Corporate Debtor (earlier GSTIN).</p>

## Circular 138/08/2020-GST

Clarification in respect of certain challenges faced by the registered persons in implementation of provisions of GST Laws-reg

Sl. No.	Issue	Clarification
<b>Issues related to Insolvency and Bankruptcy Code, 2016</b>		
3	Another doubt has been raised that the present notification has used the terms IRP and RP interchangeably, and in cases where an appointed IRP is not ratified and a separate RP is appointed, whether the same new GSTIN shall be transferred from the IRP to RP, or both will need to take fresh registration.	<p>i. In cases where the RP is not the same as IRP, or in cases where a different IRP/RP is appointed midway during the insolvency process, the change in the GST system may be carried out by an amendment in the registration form. Changing the authorized signatory is a non-core amendment and does not require approval of tax officer. However, if the previous authorized signatory does not share the credentials with his successor, then the newly appointed person can get his details added through the Jurisdictional authority as Primary authorized signatory. ii. The new registration by IRP/RP shall be required only once, and in case of any change in IRP/RP after initial appointment under IBC, it would be deemed to be change of authorized signatory and it would not be considered as a distinct person on every such change after initial appointment. Accordingly, it is clarified that such a change would need only change of authorized signatory which can be done by the authorized signatory of the Company who can add IRP /RP as new authorized signatory or failing that it can be added by the concerned jurisdictional officer on request by IRP/RP.</p>

## Circular 138/08/2020-GST

Clarification in respect of certain challenges faced by the registered persons in implementation of provisions of GST Laws-reg

Sl. No.	Issue	Clarification
<b><u>Other COVID-19 related representations.</u></b>		
4	As per notification no. 40/2017-Central Tax (Rate) dated 23.10.2017, a registered supplier is allowed to supply the goods to a registered recipient (merchant exporter) at 0.1% provided, inter-alia, that the merchant exporter exports the goods within a period of ninety days from the date of issue of a tax invoice by the registered supplier. Request has been made to clarify the provision vis-à-vis the exemption provided vide notification no. 35/2020-Central Tax dated 03.04.2020.	i. Vide notification No. 35/2020-Central Tax dated 03.04.2020, time limit for compliance of any action by any person which falls during the period from 20.03.2020 to 29.06.2020 has been extended up to 30.06.2020, where completion or compliance of such action has not been made within such time. ii. Notification no. 40/2017-Central Tax (Rate) dated 23.10.2017 was issued under powers conferred by section 11 of the CGST Act, 2017. The exemption provided in notification No. 35/2020-Central Tax dated 03.04.2020 is applicable for section 11 as well. iii. Accordingly, it is clarified that the said requirement of exporting the goods by <u>the merchant exporter</u> within 90 days from the date of issue of tax invoice by the registered supplier gets extended to 30th June, 2020, provided the completion of such 90 days period falls within 20.03.2020 to 29.06.2020.

## Circular 138/08/2020-GST

Clarification in respect of certain challenges faced by the registered persons in implementation of provisions of GST Laws-reg

Sl. No.	Issue	Clarification
<b><u>Other COVID-19 related representations.</u></b>		
5	Sub-rule (3) of that rule 45 of CGST Rules requires furnishing of FORM GST ITC-04 in respect of goods dispatched to a job worker or received from a job worker during a quarter on or before the 25th day of the month succeeding that quarter. Accordingly, the due date of filing of FORM GST ITC-04 for the quarter ending March, 2020 falls on 25.04.2020. Clarification has been sought as to whether the extension of time limit as provided in terms of notification No. 35/2020-Central Tax dated 03.04.2020 also covers furnishing of FORM GST ITC-04 for quarter ending March, 2020	Time limit for compliance of any action by any person which falls during the period from 20.03.2020 to 29.06.2020 has been extended up to 30.06.2020 where completion or compliance of such action has not been made within such time. Accordingly, it is clarified that the due date of furnishing of <b><u>FORM GST ITC-04 for the quarter ending March, 2020 stands extended up to 30.06.2020.</u></b>

## Director Remuneration (Contradictory Advance Rulings)

### **□ Clay Craft India (P.) Ltd., In re/[2020] 116 taxmann.com 114 ]**

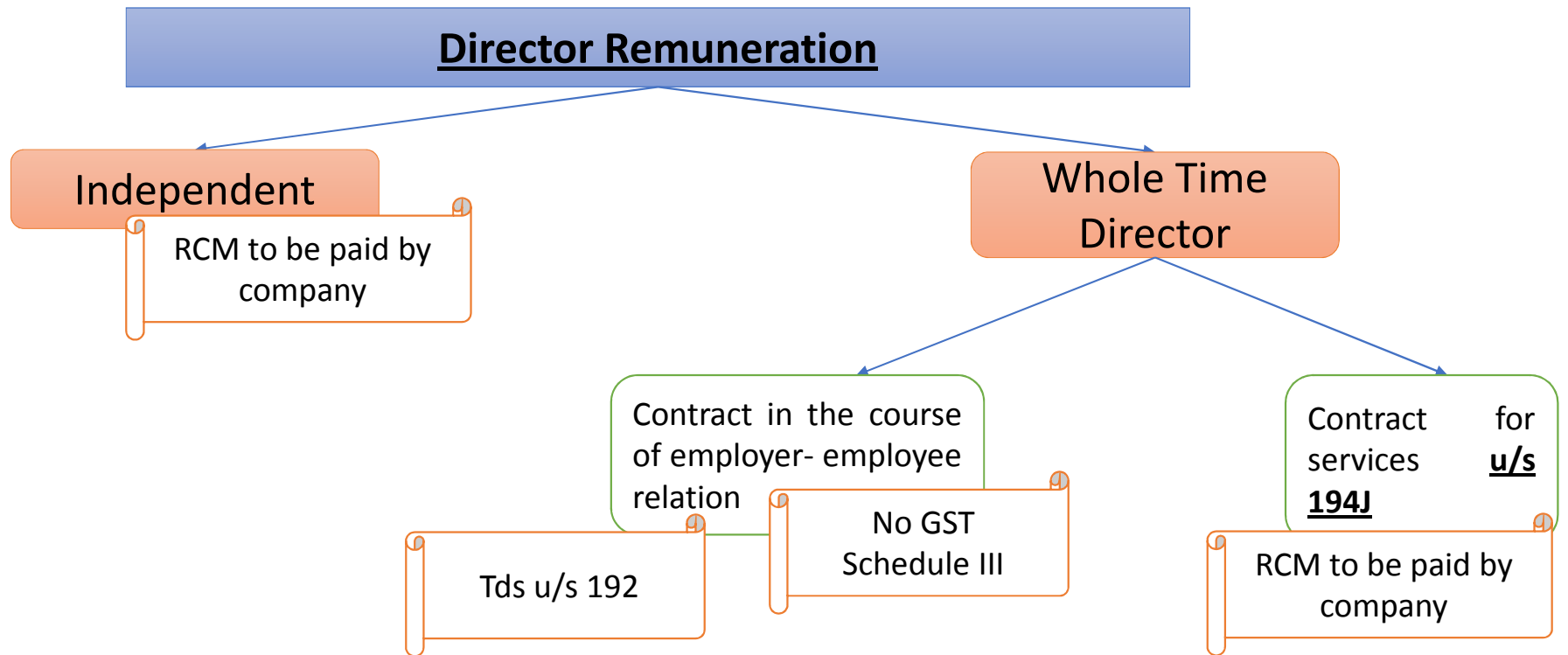
- Applicant is a private limited company consisting of six directors and all of them working at different level of management and each one of them is holding charge of procurement of raw material, production, quality checks, dispatch, accounting etc. - It seeks Advance Ruling on whether consideration paid to directors for providing services **to company is liable for GST under reverse charge mechanism** vide [Notification No. 13/2017- Central Tax \(Rate\) dated 28-6-2017](#) - It is observed that applicant company is located in taxable territory and consideration paid to directors is against supply of services provided by them to applicant company and are not covered under clause (1) of Schedule III, as directors are not employee of company - Whether therefore, consideration paid to directors by applicant company will attract GST under reverse charge mechanism as it is covered under entry No. 6 of [Notification No. 13/2017 Central Tax \(Rate\) dated 28-6-2017](#) - **Held, yes**

### **□ Anil Kumar Aggarwal**

- The incomes received towards (i) salary/ remuneration as a Non-executive Director of a private limited company, (ii) renting of commercial property and (iii) renting of residential property and (iv) the values of amounts extended as deposits/ loans/ advances out of which interest is being received are to be included in the aggregate turnover, for registration.
- The income received from the renting of residential property is to be included in the aggregate turnover, though it is an exempted supply.
- No GST on director's salary

Circular No: 140/10/2020 – GST

Clarification in respect of levy of GST on Director's remuneration - Reg



## **Notification No. 05/2020-CT(R)**

<b>HSN</b>	<b>Particulars</b>	<b>Rate</b>
9965	Satellite launch services supplied by Indian Space Research Organisation, Antrix Corporation Limited or New Space India Limited.	Nil

### **ROD**

(Seeks to extend the time limit for filing an application for revocation of cancellation of registration for specified taxpayers.)

For the removal of difficulties, it is hereby clarified that for the purpose of calculating the period of thirty days for filing application for revocation of cancellation of registration under sub-section (1) of section 30 of the Act for those registered persons who were served notice under clause (b) or clause (c) of sub-section (2) of section 29 in the manner as provided in clause (c) or clause (d) of sub-section (1) of section 169 and where cancellation order was passed up to 12th June, 2020, the later of the following dates shall be considered:-

- a) Date of service of the said cancellation order; or
- b) 31<sup>st</sup> day of August, 2020

This means time limit is later of the following dates:-

- 30 days from the date of service of the said cancellation order if it was passed upto 12<sup>th</sup> June 2020.
- 30 days from extended time limit 31<sup>st</sup> Aug. 2020, which is 30<sup>th</sup> Sep. 2020.

**Notification No. 16/2020 ( Rule 43)**

<b>Rule 43 Sub Rule (1)</b>	<b>ITC ON <u>CAPITAL GOODS</u></b>
Clause (a)	Exclusively for <b><u>Exempt</u></b> and Non Business Supply
Clause (b)	Exclusively for <b><u>Taxable</u></b> including Zero RAted
Clause (c)	Not covered above (a) and (b) i.e. used for <b><u>Commonly</u></b> <b>AND</b> First covered under Clause (a) Subsequently under Clause (c) (From Exempt to Common)
Clause(d)	Commonly And First covered under Clause (b) Subsequently under Clause (c) (From Taxable to Common)



**Rule 43 (Manner of determination of input tax credit in respect of capital goods and reversal thereof in certain cases.-)**

Earlier

-(1) Subject to the provisions of sub-section (3) of section 16, the input tax credit in respect of capital goods, which attract the provisions of sub-sections (1) and (2) of section 17, being partly used for the purposes of business and partly for other purposes, or partly used for effecting taxable supplies including zero rated supplies and partly for effecting exempt supplies, shall be attributed to the purposes of business or for effecting taxable supplies in the following manner, namely,-

- (a) the amount of input tax in respect of capital goods used or intended to be used exclusively for non-business purposes or used or intended to be used exclusively for effecting exempt supplies shall be indicated in FORM GSTR-2 [and FORM GSTR-3B] 56 and shall not be credited to his electronic credit ledger;
- (b) the amount of input tax in respect of capital goods used or intended to be used exclusively for effecting supplies other than exempted supplies but including zero rated supplies shall be indicated in FORM GSTR-2 [and FORM GSTR-3B] 57 and shall be credited to the electronic credit ledger;

[Explanation: For the purpose of this clause, it is hereby clarified that in case of supply of services covered by clause (b) of paragraph 5 of the Schedule II of the said Act, the amount of input tax in respect of capital goods used or intended to be used exclusively for effecting supplies other than exempted supplies but including zero rated supplies, shall be zero during the construction phase because capital goods will be commonly used for construction of apartments booked on or before the date of issuance of completion certificate or first occupation of the project, whichever is earlier, and those which are not booked by the said date.]58

Now

Same

**Rule 43 (Manner of determination of input tax credit in respect of capital goods and reversal thereof in certain cases.-)**

Earlier

(c) the amount of input tax in respect of capital goods not covered under clauses (a) and (b), denoted as A', shall be credited to the electronic credit ledger and the useful life of such goods shall be taken as five years from the date of the invoice for such goods:

**Provided** that where any capital goods earlier covered under clause (a) is subsequently covered under this clause, the value of A' shall be arrived at by reducing the input tax at the rate of five percentage points for every quarter or part thereof and the amount A' shall be credited to the electronic credit ledger;

**Explanation.-** An item of capital goods declared under clause (a) on its receipt shall not attract the provisions of sub-section (4) of section 18, if it is subsequently covered under this clause.

Now

***“c) the amount of input tax in respect of capital goods not covered under clauses (a) and (b), denoted as ‘A’, being the amount of tax as reflected on the invoice, shall credit directly to the electronic credit ledger and the validity of the useful life of such goods shall extend upto five years from the date of the invoice for such goods:***

***Provided that where any capital goods earlier covered under clause (a) is subsequently covered under this clause, input tax in respect of such capital goods denoted as “A” shall be credited to the electronic credit ledger subject to the condition that the ineligible credit attributable to the period during which such capital goods were covered by clause (a), denoted as “Tie”, shall be calculated at the rate of five percentage points for every quarter or part thereof and added to the output tax liability of the tax period in which such credit is claimed:***

***Provided further that the amount „Tie“ shall be computed separately for input tax credit of central tax, State tax, Union territory tax and integrated tax and declared in FORM GSTR-3B.***

***Explanation.- An item of capital goods declared under clause (a) on its receipt shall not attract the provisions of sub-section (4) of section 18, if it is subsequently covered under this clause.”***

**Rule 43 (Manner of determination of input tax credit in respect of capital goods and reversal thereof in certain cases.-)**

Earlier

**(d)** the aggregate of the amounts of 'A' credited to the electronic credit ledger under clause (c), to be denoted as 'Tc', shall be the common credit in respect of capital goods for a tax period:

Provided that where any capital goods earlier covered under clause (b) is subsequently covered under clause (c), the value of A arrived at by reducing the input tax at the rate of five percentage points for every quarter or part thereof shall be added to the aggregate value Tc;

**(e)** the amount of input tax credit attributable to a tax period on common capital goods during their useful life, be denoted as Tm' and calculated as

$$Tm = Tc \div 60$$

Now

***(d)*** "the aggregate of the amounts of "A" credited to the electronic credit ledger under clause (c) in respect of common capital goods whose useful life remains during the tax period, to be denoted as "Tc", shall be the common credit in respect of such capital goods:

***Provided that where any capital goods earlier covered under clause (b) are subsequently covered under clause (c), the input tax credit claimed in respect of such capital good(s) shall be added to arrive at the aggregate value "Tc";***

**(e)** the amount of input tax credit attributable to a tax period on common capital goods during their useful life, be denoted as Tm' and calculated as

$$Tm = Tc \div 60$$

***"Explanation.- For the removal of doubt, it is clarified that useful life of any capital goods shall be considered as five years from the date of invoice and the said formula shall be applicable during the useful life of the said capital goods."***

**Rule 43 (Manner of determination of input tax credit in respect of capital goods and reversal thereof in certain cases.-)**

**Earlier**

(f) the amount of input tax credit, at the beginning of a tax period, on all common capital goods whose useful life remains during the tax period, be denoted as  $\underline{\underline{Tr}}$  and shall be the aggregate of  $\underline{\underline{Tm}}$  for all such capital goods;

(g) the amount of common credit attributable towards exempted supplies, be denoted as  $\underline{\underline{Te}}$ , and calculated as

$$Te = (E \div F) \times Tr$$

where,  
 'E' is the aggregate value of exempt supplies, made, during the tax period, and  
 'F' is the total turnover [in the State] 59 of the registered person during the tax period:

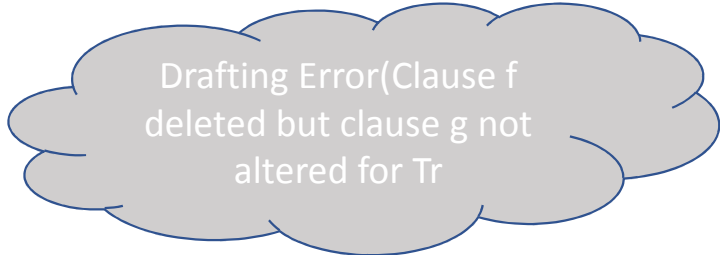
[Provided that in case of supply of services covered by clause (b) of paragraph 5 of the Schedule II of the Act, the value of  $\underline{\underline{E/F}}$  for a tax period shall be calculated for each project separately, taking value of E and F as under:

**Now**

~~(f) the amount of input tax credit, at the beginning of a tax period, on all common capital goods whose useful life remains during the tax period, be denoted as  $\underline{\underline{Tr}}$  and shall be the aggregate of  $\underline{\underline{Tm}}$  for all such capital goods;~~

**Omitted**

**Same**



### Notification No. 16/2020 ( Rule 43)

**Eg.** Capital good-Machinery was purchased and received on 10.07.2017 along with invoice on which IGST charged on invoice was Rs. 6,00,000. Till December 2017, it was being used for effecting exempt supplies. But from January 2018 onwards, it was used commonly for effecting taxable supplies and exempt supplies.

Turnover type	January 2018
Exempt	4 crores
Total	10 crores

Since upto December 2017, it was being used for effecting exempt supplies, ITC would have not been taken upto December 2017.

ITC finalized upto December 2017 = ITC less 5% for every Quarter

Amount for 2 Quarters=  $5\% \times 2$  of 600000=60000

So, out of Rs. 6,00,000, self-assessment of ITC of Rs. 60,000 has become final. In other words, since it was being used from July 2017 to December 2017 (i.e. for 2 quarters) for effecting exempt supplies, proportionate amount of ITC i.e. Rs. 60,000 shall not be allowed.

Balance Amount=600000-60000=Rs. 540000/-

## OLD LAW vs. NEW LAW

Calculation of ITC in respect of said capital goods for January 2018

Particulars	Remark / calculation	Amount (OLD)	Amount (New)
Amount to be credited in <b>electronic credit ledger "A"</b>	A	5,40,000	6,00,000
**Amount to be added in <b>output tax</b> liability (ii)	Tie <b><u>(To be calculated separately for I/C/S)</u></b>	- (Net ITC added)	60,000
**Amendment to Rule 43(1)(c)	Proviso Inserted specifies that it shall be added to output tax liability.		
Input Credit Attributable to Month (When divided for Monthly Credit)(5 years Life)	Tm	540000/60=9000 (where as the amount should have been written of in balance life)	600000/60=10000 (Anomaly Cleared)
Per month	Te=Tm*E/F	9000*4/10=3600	10000*4/10=4000

	<b>Integrated Tax</b>				
<b>Capital Goods</b>	<b>Input Tax Credit (As per Invoice)</b>	<b>Usage</b>	<b>Date of Purchase</b>	<b>Date of Shifting</b>	
<b>No.1</b>	700000	Used Exclusively for Taxable supply	January, 2020	-	
<b>No.2</b>	200000	Used Exclusively for Exempt Supply	January, 2020	-	
<b>No. 3</b>	400000	Commonly used	January, 2020	-	
<b>No. 4</b>	480000	1stly used for taxable supply then common	May, 2018	January, 2020	Full Credit of Rs. 480000 would have already availed in May,2018
<b>No. 5</b>	600000	1stly used for Exempt supply then common	July,2019	January, 2020	No credit wud have been availed in July, 2019
<b>Exempt Sales for Jan, 2020</b>	4 crores				
<b>Total Sales for Jan, 2020</b>	10 crores				
<b>For the Month of January,2020</b>					
<b>No. 1</b>	Full Credit	700000	Rule 43(1)(b)		
<b>No. 2</b>	Credit	0	Rule 43(1)(a)		
<b>No. 3</b>	Credit	400000	Rule 43(1)©	Common Use	
<b>No. 4</b>	Credit	0	Already Availed	Now Common Use	Shift from (b) to ©
<b>No. 5</b>	Credit	600000		Now Common Use	Shift from (a) to ©
<b>Amount to be added in ECL in Jan, 2020</b>		<b>1700000</b>			

## Reversal Calculation

<b>Tie on CG No. 5 @5% per Quarter</b>	<b>Rule 43(1)© Proviso</b>	<b>60000</b>	<b>600000*.05*2</b>	<b>(Amendment)</b>	
<b>Rule 43(1)© Common Credit</b>					
<b>No. 3</b>	A	400000			
No. 4	A	480000			
No. 5	A	600000		<b>(Amendment)</b>	
<b>Rule 43(1)(d)</b>	<b>Tc</b>	<b>1480000</b>	<b>Only those Assets to be taken whose life remains during Tax Period</b>		
<b>Rule 43(1)€</b>	<b>Tm=Tc/60</b>	24666.67			
<b>Rule 43(1)(g)</b>	<b>Te=Tm*E/F</b>	<b>9866.667</b>	<b>Reversal of Credit on Capital Goods owing to Common Usage</b>		
<b>Amount to be Reversed in January, 2020</b>		<b>69866.67</b>			
<b>In the Month of Feb, 2020</b>					
<b>No. 6</b>	200000	Commonly used	February, 2020		
<b>Amount to be added in ECL in Feb, 2020</b>	<b>200000</b>				

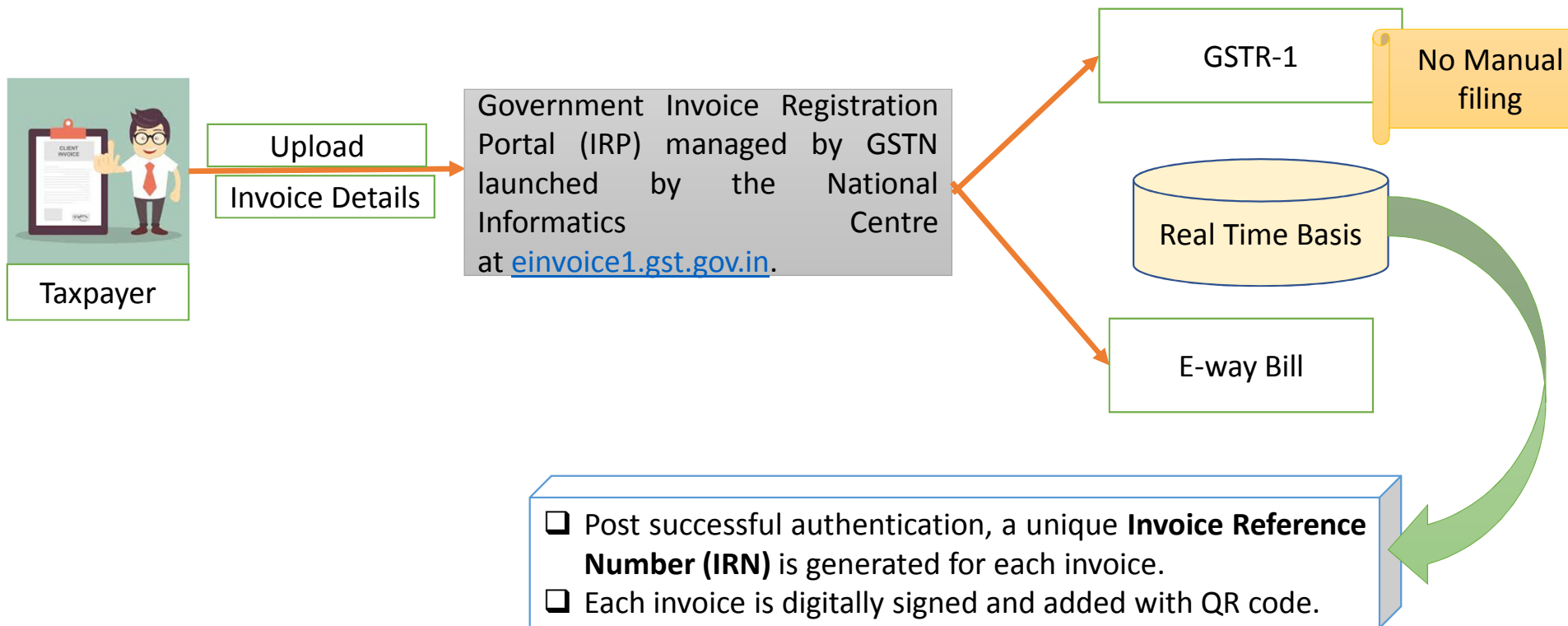


<b>Reversal Calculation</b>			
<b>Tie on CG No. 5 @5% per Quarter</b>			<b>0</b>
<b>Rule 43(1)© Common Credit</b>			
<b>No. 3</b>	A	400000	
<b>No. 4</b>	A	480000	
<b>No. 5</b>	A	600000	
<b>No. 6</b>	A	200000	
		<b>1680000</b>	
Rule 43(1)€	$T_m = T_c / 60$	28000	
Rule 43(1)(g)	$T_e = T_m * E / F$	<b>11200</b>	<b>Reversal of Credit on Capital Goods owing to Common Usage</b>
			(Assuming Same Sales this month)
<b>Amount to be Reversed in Feb, 2020</b>		<b>11200</b>	

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# E- Invoicing

## E- Invoice Process



## E-invoicing under GST

### Legal Provisions

N. N. 68/2019-CT

Rule 48(4)

The invoice shall be prepared by such class of registered persons as may be notified by the Government, on the recommendations of the Council, by including such particulars contained in FORM GST INV-01 after obtaining an Invoice Reference Number by uploading information contained therein on the Common Goods and Services Tax Electronic Portal in such manner and subject to such conditions and restrictions as may be specified in the notification.

(5) Every invoice issued by a person to whom sub-rule (4) applies in any manner other than the manner specified in the said sub-rule shall not be treated as an invoice.

N. N. 70/2019-CT

Registered person, whose aggregate turnover in a financial year exceeds ~~100 Crore~~

N. N. 61/2020-CT

Registered person, whose aggregate turnover in a financial year exceeds **500 Crore**

# Exemption from E- Invoicing

An Insurer, Banking Company, or Financial Institution including NBFC.

Goods Transport Agency (GTA).

Passenger Transport Service.

Admission to the exhibition of Cinematograph Films in Multiplex Screens ie. PVR.

SEZ UNIT (SEZ DEVELOPER is not exempted)

N.N.  
61/2020-CT

N.N. 13/2020-CT

An **invoice issued by a registered person, whose aggregate turnover in a financial year exceeds five hundred crore rupees, to an unregistered person** (hereinafter referred to as B2C invoice),

- **shall have Quick Response (QR)code:**

Provided that where such registered person makes a Dynamic Quick Response (QR) code available to the recipient through a digital display, **such B2C invoice issued by such registered person containing cross-reference of the payment using a Dynamic Quick Response (QR) code, shall be deemed to be having Quick Response (QR) code.**

Vide N.N. 14/2020-CT N.N. 72/2019 will come into force from 01.10.2020

Vide N.N. 71/2020-CT N.N. 72/2019 will come into force from 01.12.2020

# THANK YOU

## **Disclaimer**

The views expressed are solely of the author and the content of this document is solely for information purpose and not to be construed as a professional advice. In cases where the reader has any legal issues, he/she must in all cases seek independent legal advice.



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