

## **GOODS & SERVICES TAX / IDT UPDATE – 84**

### **Finance Ministry issues Taxation and other Laws (Relaxation of Certain Provisions) Ordinance, 2020**

In order to give effect to the announcements made by the Union Finance Minister *vide* Press Release dated 24.03.2020, regarding several relief measures relating to statutory and regulatory compliance matters across sectors in view of COVID-19 outbreak, the govt has brought in an Ordinance on 31.03.2020 which provides for extension of various time limits under the Taxation and Benami Acts. It also provides for extension of time limits contained in the Rules or Notification which are prescribed/ issued under these Acts.

#### **Indirect Taxes:**

- i. Last date of furnishing of the Central Excise returns due in March, April and May 2020 has been extended to 30<sup>th</sup> June,2020.
  - ii. Wherever the last date for filing of appeal, refund applications etc., under the Central Excise Act, 1944 and rules made thereunder is from 20<sup>th</sup> March 2020 to 29<sup>th</sup> June 2020, the same has been extended to 30<sup>th</sup> June 2020.
  - iii. Wherever the last date for filing of appeal, refund applications etc., under the Customs Act, 1962 and rules made thereunder is from 20<sup>th</sup> March 2020 to 29<sup>th</sup> June 2020, the same has been extended to 30<sup>th</sup> June 2020.
  - iv. Wherever the last date for filing of appeal etc., relating to Service Tax is from 20<sup>th</sup> March 2020 to 29<sup>th</sup> June 2020, the same has been extended to 30<sup>th</sup> June 2020
  - v. The date for making payment to avail of the benefit under Sabka Vishwas Legal Dispute Resolution Scheme 2019 has been extended to 30<sup>th</sup> June 2020 thus giving more time to taxpayers to get their disputes resolved.
- **Insertion of new section 168A** :- An enabling section has got inserted in the CGST Act, 2017 empowering the Government to extend due dates on recommendations of the GST Council, for various compliances inter-alia including statement of outward supplies, filing refund claims, filing appeals, etc. specified, prescribed or notified under the Act, which cannot be completed or complied with due to force majeure .

[\(Release ID: 1609734 dated 31<sup>st</sup> March,2020\)](#)

#### **Clarification on Refund related issues**

The Central Board of Indirect Taxes & Customs *vide* [Circular No.135/05/2020-GST ,dated 31st March, 2020](#) has issued clarification in respect of some of the issues relating to GST refunds. A summary of the same is reproduced below:-

- **Removal of restriction of Bunching of refund claims across Financial Years:-**

It has been decided to remove the restriction on clubbing of tax periods across Financial Years. Accordingly, circular No. 125/44/2019-GST dated 18.11.2019 stands modified to that extent i.e. the restriction on bunching of refund claims across financial years shall not apply. Therefore, bunching of financial year would be allowed.

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

It has been 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.

That is, **refund of unutilized ITC is not admissible** on account of inverted duty structure **where the inversion is due to change in the GST rate on the same goods.**

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

Any 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.

- **Guidelines for refunds of Input Tax Credit under Section 54(3):-**

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.

- **New Requirement to mention HSN/SAC in Annexure 'B':-**

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 has been prescribed 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.

*[Circular No.135/05/2020-GST ,dated 31st March, 2020]*

### **GST Knowledge Sharing**

*For Previous updates, GST articles, GST webcasts, publications, GST Legal Updates & E-Newsletter, Upcoming GST Events etc. please visit*

<i><b>GST articles</b></i>	<a href="http://idtc.icai.org/knowledgesharing.php">http://idtc.icai.org/knowledgesharing.php</a>
<i><b>GST Legal Updates &amp; E-Newsletter on GST</b></i>	<a href="http://idtc.icai.org/gst.html">http://idtc.icai.org/gst.html</a>
<i><b>GST webcasts</b></i>	<a href="http://idtc.icai.org/live-webcasts-series.html">http://idtc.icai.org/live-webcasts-series.html</a>
<i><b>Publications</b></i>	<a href="http://idtc.icai.org/publications.php">http://idtc.icai.org/publications.php</a>
<i><b>Upcoming GST events</b></i>	<a href="http://idtc.icai.org/upcoming-events.php">http://idtc.icai.org/upcoming-events.php</a>

### **Disclaimer**

*Information published in the update are taken from publicly available sources and believed to be accurate. The GST & Indirect Taxes Committee of ICAI takes no responsibility of accuracy and reliability of information published in the newsletter. No part of this update may be reproduced, stored in a retrieval system, or transmitted in any form or by any means – electronic, mechanical, photocopying, recording, or otherwise without the permission of GST & Indirect Taxes Committee of ICAI.*

### **ICAI Feedback**

*The GST Update is an endeavour of the GST & Indirect Taxes Committee to apprise the readers about the amendments made in various central indirect tax laws vide significant*

*notifications, circulars etc. We welcome your feedback on the Update and its contents. Please email at [gst@icai.in](mailto:gst@icai.in) for feedback.*

*Chairman  
GST & Indirect Taxes Committee*

*Vice- Chairman  
GST & Indirect Taxes Committee*