L&S UPDATE

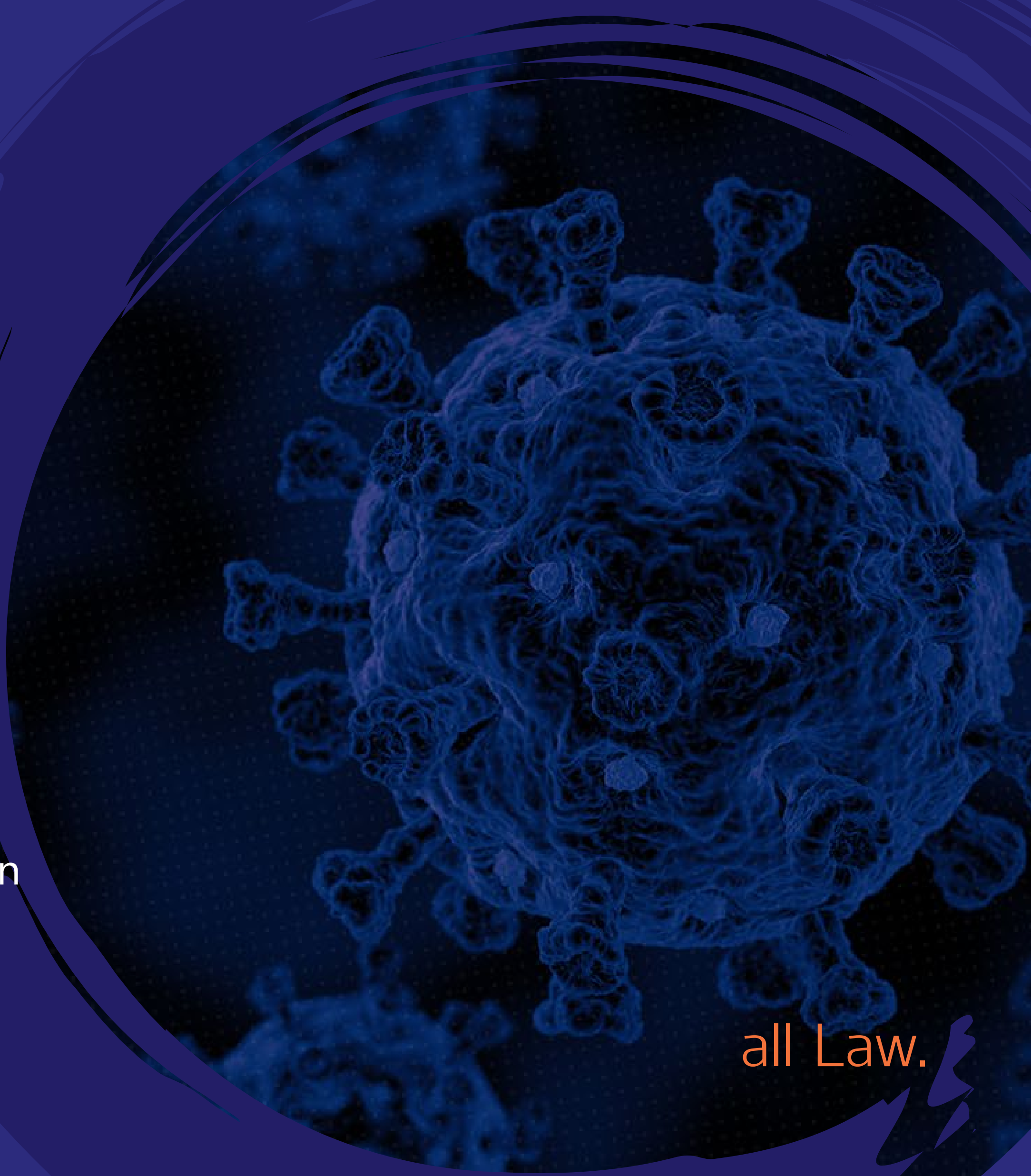
An e-update to clients from Lakshmikumaran & Sridharan

APRIL 14, 2020

GST UPDATE NO. 13

COVID-19: Recent Circular on Challenges

(Circular No. 137/07/2020-GST dated April 13, 2020)



Lakshmikumaran & Sridharan attorneys

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ISSUES	CLARIFICATION
1. Advance under service contract which subsequently got cancelled	
Supplier issued Invoice	• Supplier to issue a credit note under Section 34 and adjust tax liability where invoice was issued before supply of service. • If there is no output liability, apply for refund as excess payment of tax. **L&S COMMENTS** • This is a benevolent circular since neither does Section 34 explicitly provide for adjustment nor does Section 54(8) provides for refund in such cases. • This is similar to an earlier clarification for credit note vide F. No. 354/32/2019-TRU.
Supplier issued Receipt Voucher	• Supplier to issue refund voucher and apply for refund as excess payment of tax.
2. Sales Return after issuance of invoice	
	• Supplier to issue credit note under Section 34 and adjust tax liability where goods supplied are returned by recipient. • If there is no output liability, apply for refund as excess payment of tax.
3. Clarification on Notification No. 35/2020-CT issued under Section 168A extending the compliance of various provisions under GST Laws till June 30, 2020	
LUT for FY 2020-21	• Time-limit for filing LUT extended till June 30, 2020. • Supplies can be made without payment of tax under LUT, provided that GST RFD-11 of FY 2020-21 is filed by June 30, 2020 • Taxpayers may quote the reference number of LUT for the FY 2019-20

ISSUES	CLARIFICATION
Deposit of TDS	• GSTR-7 along with deposit of TDS falling during the period March 20, 2020 to June 29, 2020 has been extended till June 30, 2020. • No interest under Section 50 shall be leviable if tax deducted is deposited by June 30, 2020. . **L&S COMMENTS** • A similar position may be taken for deposit of TCS under Section 52. • Will the interest be applicable from the initial due date or from July 1, 2020 remains to be clarified.
Refund Timelines	• Due date for filing an application for refund falling during the period March 20, 2020 to June 29, 2020 has been extended till June 30, 2020.

LOCATIONS

NEW DELHI

5 Link Road, Jangpura Extension,
New Delhi 110 014
PHONE: 011-4129 9800

B-6/10, Safdarjung Enclave,
New Delhi 110 029
PHONE: 011-4129 9900
E-MAIL: lsdel@lakshmisri.com

MUMBAI

2nd Floor, CNERGY IT Park,
Old Standard Mill,
Appa Saheb Marathe Marg,
Prabhadevi,
Mumbai 400 025
PHONE: 022-2439 2500
E-MAIL: lsbom@lakshmisri.com

CHENNAI

2, Wallace Garden, 2nd Street,
Chennai 600 006
PHONE: 044-2833 4700
E-MAIL: lsmds@lakshmisri.com

BENGALURU

World Trade Center,
No. 404-406, 4th Floor, South Wing,
Brigade Gateway Campus,
No. 26/1 Dr. Rajkumar Road,
Malleswaram West,
Bengaluru 560 055
PHONE: 080-4933 1800
E-MAIL: lsblr@lakshmisri.com

HYDERABAD

'Hastigiri', 5-9-163, Chapel Road,
Opp. Methodist Church, Nampally,
Hyderabad 500 001
PHONE: 040-2323 4924
E-MAIL: lshyd@lakshmisri.com

AHMEDABAD

B-334, SAKAR-VII,
Nehru Bridge Corner, Ashram Road,
Ahmedabad 380 009
PHONE: 079-4001 4500
E-MAIL: lsahd@lakshmisri.com

PUNE

607-609, Nucleus,
1 Church Road, Camp
Pune 411 001
PHONE: 020-6680 1900
E-MAIL: lspune@lakshmisri.com

KOLKATA

2nd Floor, Kanak Building,
41, Chowringhee Road,
Kolkata 700 071
PHONE: 033-4005 5570
E-MAIL: lskolkata@lakshmisri.com

CHANDIGARH

SCO No. 59, 1st Floor,
Sector 26, Madhya Marg,
Chandigarh 160 026.
PHONE: 0172-492 1700
E-MAIL: lschd@lakshmisri.com

GURUGRAM

OS2 & OS3, 5th Floor,
Corporate Office Tower,
AMBIENCE Island, Sector 25-A,
Gurugram 122 001
PHONE: 0124-477 1300
E-MAIL: lsgurgaon@lakshmisri.com

PRAYAGRAJ (ALLAHABAD)

3/1A/3, (Opp. Auto Sales)
Colvin Road, Lohia Marg,
Prayagraj 211 001
PHONE: 0532-242 1037/242 0359
E-MAIL: lsallahabad@lakshmisri.com

KOCHI

1st Floor, PDR Bhavan,
Palliyil Lane, Foreshore Road,
Ernakulam,
Kochi 682016
PHONE: 0484-486 9018/486 7852
E-MAIL: lskochi@lakshmisri.com

www.lakshmisri.com

Lakshmikumaran & Sridharan attorneys

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