

Law and Provisions under CGST

Chapter 10 – PAYMENT OF TAX

10.0 PAYMENT OF TAX – The provisions related to Payment of Tax - Payment of tax, interest, penalty and other amounts, Utilisation of input tax credit subject to certain conditions, Order of utilisation of input tax credit., Interest on delayed payment of tax, Tax deduction at source, Collection of tax at source, Transfer of input tax credit and Transfer of certain amounts are covered under Chapter XI of the CGST Act 2017 from Section 49 to Section 53A.

The Central Government has appointed the 1st day of October, 2018, as the date on which the provisions of section 51 of the said Act shall come into force vide Notification No. [50/2018 – Central Tax Dated 13th September 2018](#).

The Central Government has appointed the 1st day of October, 2018, as the date on which the provisions of section 52 of the said Act shall come into force vide [Notification No. 51/2018 – Central Tax Dated 13th September,2018](#).

The Central Government has appointed the 1st day of July, 2017, as the date on which the provisions of other sections came in to force vide [Notification No. 9/2017- Central Tax dated 28.06.2017](#).

Chapter X of the CGST Act 2017 - Payment of Tax	
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Section 49	Payment of tax, interest, penalty and other amounts
Section 49A	Utilisation of input tax credit subject to certain conditions
Section 49B	Order of utilisation of input tax credit.
Section 50	Interest on delayed payment of tax
Section 51	Tax deduction at source.
Section 52	Collection of tax at source
Section 53	Transfer of input tax credit
Section 53A	Transfer of certain amounts

CGST Rules 2017 - Payment of Tax	
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Rule 85	Electronic Liability Register
Rule 86	Electronic Credit Ledger
Rule 86A	Conditions of use of amount available in electronic credit ledger
Rule 86B	Restrictions on use of amount available in electronic credit ledger

Rule 87	Electronic Cash Ledger
Rule 88	Identification number for each transaction
Rule 88A	Order of utilization of input tax credit
Rule 88B	Manner of calculating interest on delayed payment of tax
Rule 88C	Manner of dealing with difference in liability reported in statement of outward supplies and that reported in return

Forms - Payment of Tax	
Forms	Particulars
FORM GST PMT –01	Electronic Liability Register of Registered Person (To be maintained at the Common Portal)
FORM GST PMT - 02	Electronic Credit Ledger of Registered Person
FORM GST PMT - 03	Order for re-credit of the amount to cash or credit ledger on rejection of refund claim
FORM GST PMT – 03A	Order for re-credit of the amount to electronic credit ledger
FORM GST PMT - 04	Application for intimation of discrepancy in Electronic Credit Ledger/Cash Ledger/ Liability Register
FORM GST PMT - 05	Electronic Cash Ledger
FORM GST PMT - 06	Challan for deposit of goods and services tax
FORM GST PMT - 07	Application for intimating discrepancy relating to payment
FORM GST PMT - 09	Transfer of amount from one account head to another in electronic cash ledger

10.1 Payment of tax, interest, penalty and other amounts. [Section 49]

Section 49(1)	01.07.2017 to till date	<p>Every deposit made towards tax, interest, penalty, fee or any other amount shall be credited to the electronic cash ledger.</p> <p>Every deposit made towards tax, interest, penalty, fee or any other amount by a person by internet banking or by using credit or debit cards or National Electronic Fund Transfer or Real Time Gross Settlement or by such other mode and subject to such conditions and restrictions as may be prescribed, shall be credited to the electronic cash ledger of such person to be maintained in such manner as may be prescribed.</p>
Section 49(2)	01.07.2017 to till date	<p>The input tax credit as self-assessed in the return of a registered person shall be credited to his electronic credit ledger, in accordance with section 41.</p>

		<p>The input tax credit as self-assessed in the return of a registered person shall be credited to his electronic credit ledger, in accordance with section 41 to be maintained in such manner as may be prescribed.</p>
	<p>29.08.2018 to the date to be notified yet.</p>	<p>The input tax credit as self-assessed in the return of a registered person shall be credited to his electronic credit ledger, in accordance with section 41 or section 43A.</p> <p>The input tax credit as self-assessed in the return of a registered person shall be credited to his electronic credit ledger, in accordance with ¹[section 41 or section 43A] to be maintained in such manner as may be prescribed.</p> <div style="border: 1px solid black; padding: 5px;"> <p>1 In sub-section (2), for the word and figures “section 41”, the words, figures and letter “section 41 or section 43A” shall be substituted vide clause (a) of Section 20 of the Central Goods and Services Tax (Amendment) Act, 2018 which will come into force through Notification yet to be notified.</p> </div>
	<p>01.10.2022 to till date</p>	<p>The input tax credit as self-assessed in the return of a registered person shall be credited to his electronic credit ledger, in accordance with section 41.</p> <p>The input tax credit as self-assessed in the return of a registered person shall be credited to his electronic credit ledger, in accordance with ¹{section 41 ²[*****]} to be maintained in such manner as may be prescribed.</p> <div style="border: 1px solid black; padding: 5px;"> <p>1 In sub-section (2), for the word and figures “section 41”, the words, figures and letter “section 41 or section 43A” shall be substituted vide clause (a) of Section 20 of the Central Goods and Services Tax (Amendment) Act, 2018 which will come into force through Notification yet to be notified.</p> <p>2. Omitted the words, figures and letter “or section 43A” w.e.f. 01.10.2022 vide clause (a) section 110 of the Finance Act, 2022 which comes into force by Notification No. 18/2022 – Central Tax dated 28.09.2022.</p> <p>We are of the view that there was no need to notify omission of the words, figures and letter “or section 43A” as the amendment vide Central Goods and Services Tax (Amendment) Act, 2018 has not come into force through any Notification yet.</p> </div>

Section 49(3)	01.07.2017 to till date	<p>Usage of the amount available in the electronic cash ledger for making any payment towards tax, interest, penalty, fees or any other amount payable under the provisions of CGST Act or the rules.</p> <p>The amount available in the electronic cash ledger may be used for making any payment towards tax, interest, penalty, fees or any other amount payable under the provisions of this Act or the rules made thereunder in such manner and subject to such conditions and within such time as may be prescribed.</p>
Section 49(4)	01.07.2017 to 30.09.2022	<p>Usage of the amount available in the electronic credit ledger for making any payment towards output tax under CGST Act or under the Integrated Goods and Services Tax Act.</p> <p>The amount available in the electronic credit ledger may be used for making any payment towards output tax under this Act or under the Integrated Goods and Services Tax Act in such manner and subject to such conditions and within such time as may be prescribed.</p>
	01.10.2022 to till date	<p>Usage of the amount available in the electronic credit ledger for making any payment towards output tax under CGST Act or under the Integrated Goods and Services Tax Act.</p> <p>The amount available in the electronic credit ledger may be used for making any payment towards output tax under this Act or under the Integrated Goods and Services Tax Act in such manner and subject to such conditions ¹[and restrictions] and within such time as may be prescribed.</p> <div data-bbox="710 1361 1394 1496"> <p>1. Inserted w.e.f. 01.10.2022 vide clause (b) section 110 of the Finance Act, 2022 which comes into force by Notification No. 18/2022 – Central Tax dated 28.09.2022.</p> </div>
Section 49(5)	01.07.2017 to till date	<p>Manner of utilisation of the amount of input tax credit available in the electronic credit ledger</p> <p>The amount of input tax credit available in the electronic credit ledger of the registered person on account of—</p> <div data-bbox="630 1731 1380 2040"> <p>(a) Manner of utilisation of the amount of input tax credit of IGST available in the electronic credit ledger</p> <p>integrated tax shall first be utilised towards payment of integrated tax and the amount remaining, if any, may be utilised towards the payment of central tax and State tax, or as the case may be, Union territory tax, in that order;</p> </div>

		(b)	Manner of utilisation of the amount of input tax credit of CGST available in the electronic credit ledger the central tax shall first be utilised towards payment of central tax and the amount remaining, if any, may be utilised towards the payment of integrated tax;
		(c)	Manner of utilisation of the amount of input tax credit of SGST available in the electronic credit ledger the State tax shall first be utilised towards payment of State tax and the amount remaining, if any, may be utilised towards payment of integrated tax;
		(d)	Manner of utilisation of the amount of input tax credit of UTGST available in the electronic credit ledger the Union territory tax shall first be utilised towards payment of Union territory tax and the amount remaining, if any, may be utilised towards payment of integrated tax;
		(e)	The amount of input tax credit of CGST shall not be utilised towards payment of State tax or Union territory tax the central tax shall not be utilised towards payment of State tax or Union territory tax; and
		(f)	The amount of input tax credit of SGST or UTGST shall not be utilised towards payment of Central tax the State tax or Union territory tax shall not be utilised towards payment of central tax.
	01.02.2019 to till date	Manner of utilisation of the amount of input tax credit available in the electronic credit ledger The amount of input tax credit available in the electronic credit ledger of the registered person on account of—	
		(a)	Manner of utilisation of the amount of input tax credit of IGST available in the electronic credit ledger integrated tax shall first be utilised towards payment of integrated tax and the amount

			remaining, if any, may be utilised towards the payment of central tax and State tax, or as the case may be, Union territory tax, in that order;
		(b)	<p>Manner of utilisation of the amount of input tax credit of CGST available in the electronic credit ledger</p> <p>the central tax shall first be utilised towards payment of central tax and the amount remaining, if any, may be utilised towards the payment of integrated tax;</p>
		(c)	<p>Manner of utilisation of the amount of input tax credit of SGST available in the electronic credit ledger</p> <p>the State tax shall first be utilised towards payment of State tax and the amount remaining, if any, may be utilised towards payment of integrated tax;</p> <p>¹[Provided that the input tax credit on account of State tax shall be utilised towards payment of integrated tax only where the balance of the input tax credit on account of central tax is not available for payment of integrated tax;]</p> <div style="border: 1px solid black; padding: 5px; margin-top: 10px;"> <p>1 Inserted w.e.f 01.02.2019 vide clause (b) (i) of Section 20 of the Central Goods and Services Tax (Amendment) Act, 2018 which comes into force vide Notification No. 02/2019 – Central Tax dated 29th January, 2019.</p> </div>
		(d)	<p>Manner of utilisation of the amount of input tax credit of UTGST available in the electronic credit ledger</p> <p>the Union territory tax shall first be utilised towards payment of Union territory tax and the amount remaining, if any, may be utilised towards payment of integrated tax;</p> <p>¹[Provided that the input tax credit on account of Union territory tax shall be utilised towards payment of integrated tax only where the balance of the input tax credit on account of central tax is not available for payment of integrated tax;]</p> <div style="border: 1px solid black; padding: 5px; margin-top: 10px;"> <p>1 Inserted w.e.f 01.02.2019 vide clause (b) (ii) of Section 20 of the Central Goods and Services</p> </div>

		Tax (Amendment) Act, 2018 which comes into force vide Notification No. 02/2019 – Central Tax dated 29th January, 2019.						
		<table><tr><td>(e)</td><td>The amount of input tax credit of CGST shall not be utilised towards payment of State tax or Union territory tax the central tax shall not be utilised towards payment of State tax or Union territory tax; and</td></tr><tr><td>(f)</td><td>The amount of input tax credit of SGST or UTGST shall not be utilised towards payment of State tax or Union territory tax the State tax or Union territory tax shall not be utilised towards payment of central tax.</td></tr></table>	(e)	The amount of input tax credit of CGST shall not be utilised towards payment of State tax or Union territory tax the central tax shall not be utilised towards payment of State tax or Union territory tax; and	(f)	The amount of input tax credit of SGST or UTGST shall not be utilised towards payment of State tax or Union territory tax the State tax or Union territory tax shall not be utilised towards payment of central tax.		
(e)	The amount of input tax credit of CGST shall not be utilised towards payment of State tax or Union territory tax the central tax shall not be utilised towards payment of State tax or Union territory tax; and							
(f)	The amount of input tax credit of SGST or UTGST shall not be utilised towards payment of State tax or Union territory tax the State tax or Union territory tax shall not be utilised towards payment of central tax.							
Section 49(6)	01.07.2017 to till date	Refund of the balance in the electronic cash ledger or electronic credit ledger after payment of tax, interest, penalty, fee or any other amount payable under this Act or the rules made thereunder The balance in the electronic cash ledger or electronic credit ledger after payment of tax, interest, penalty, fee or any other amount payable under this Act or the rules made thereunder may be refunded in accordance with the provisions of section 54.						
Section 49(7)	01.07.2017 to till date	Recording and maintenance of all liabilities in an electronic liability register All liabilities of a taxable person under this Act shall be recorded and maintained in an electronic liability register in such manner as may be prescribed.						
Section 49(8)	01.07.2017 to till date	Order of discharge of tax and other dues under CGST Act or the rules. Every taxable person shall discharge his tax and other dues under this Act or the rules made thereunder in the following order, namely:— <table><tr><td>(a)</td><td>self-assessed tax, and other dues related to returns of previous tax periods;</td></tr><tr><td>(b)</td><td>self-assessed tax, and other dues related to the return of the current tax period;</td></tr><tr><td>(c)</td><td>any other amount payable under this Act or the rules made thereunder including the demand determined under section 73 or section 74.</td></tr></table>	(a)	self-assessed tax, and other dues related to returns of previous tax periods;	(b)	self-assessed tax, and other dues related to the return of the current tax period;	(c)	any other amount payable under this Act or the rules made thereunder including the demand determined under section 73 or section 74.
(a)	self-assessed tax, and other dues related to returns of previous tax periods;							
(b)	self-assessed tax, and other dues related to the return of the current tax period;							
(c)	any other amount payable under this Act or the rules made thereunder including the demand determined under section 73 or section 74.							
Section 49(9)	01.07.2017 to till date	Every person who has paid the tax on goods or services or both under this Act shall deemed to have						

		<p>passed on the full incidence of such tax to the recipient of such goods or services or both.</p> <p>Every person who has paid the tax on goods or services or both under this Act shall, unless the contrary is proved by him, be deemed to have passed on the full incidence of such tax to the recipient of such goods or services or both.</p>			
¹ [Section 49(10)]	01.01.2020 to 04.07.2022	<p>Transfer of any amount of tax, interest, penalty, fee or any other amount available in the electronic cash ledger under this Act, to the electronic cash ledger for integrated tax, central tax, State tax, Union territory tax or cess</p> <p>A registered person may, on the common portal, transfer any amount of tax, interest, penalty, fee or any other amount available in the electronic cash ledger under this Act, to the electronic cash ledger for integrated tax, central tax, State tax, Union territory tax or cess, in such form and manner and subject to such conditions and restrictions as may be prescribed and such transfer shall be deemed to be a refund from the electronic cash ledger under this Act.]</p> <div><p>1 Inserted w.e.f 01.01.2020 vide Section 99 of Finance Act 2019 which comes into force vide Notification No. 01/2020 – Central Tax dated 01st January 2020.</p></div>			
	05.07.2022 to till date	<p>Transfer of any amount of tax, interest, penalty, fee or any other amount available in the electronic cash ledger under this Act, to the electronic cash ledger for integrated tax, central tax, State tax, Union territory tax or cess; or integrated tax or central tax of a distinct person as specified in sub-section (4) or, as the case may be, sub-section (5) of section 25.</p> <p>¹[A registered person may, on the common portal, transfer any amount of tax, interest, penalty, fee or any other amount available in the electronic cash ledger under this Act, to the electronic cash ledger for,—</p> <table><tr><td>(a)</td><td>integrated tax, central tax, State tax, Union territory tax or cess; or</td></tr><tr><td>(b)</td><td>integrated tax or central tax of a distinct person as specified in sub-section (4) or, as the case may be, sub-section (5) of section 25,</td></tr></table> <p>in such form and manner and subject to such conditions and restrictions as may be prescribed and such transfer shall be deemed to be a refund from the electronic cash ledger under this Act:</p>	(a)	integrated tax, central tax, State tax, Union territory tax or cess; or	(b)
(a)	integrated tax, central tax, State tax, Union territory tax or cess; or				
(b)	integrated tax or central tax of a distinct person as specified in sub-section (4) or, as the case may be, sub-section (5) of section 25,				

		<p>Provided that no such transfer under clause (b) shall be allowed if the said registered person has any unpaid liability in his electronic liability register.]</p> <div> 1. Substituted w.e.f. 05.07.2022 for sub-section (10) vide clause (c) section 110 of the Finance Act, 2022 which comes in to force vide Notification No. 09/2022- Central Tax dated 05.07.2022 </div>
¹ [Section 49(11)]	01.01.2020 to till date	<p>Any amount transferred to the electronic cash ledger under CGST Act, shall be deemed to be deposited in the said ledger.</p> <p>Where any amount has been transferred to the electronic cash ledger under this Act, the same shall be deemed to be deposited in the said ledger as provided in sub-section (1).]</p> <div> 1 Inserted w.e.f 01.01.2020 vide Section 99 of Finance Act 2019 which comes into force vide Notification No. 01/2020 – Central Tax dated 01st January 2020 </div>
¹ [Section 49(12)]	01.10.2022 to till date	<p>The Government may specify such maximum proportion of output tax liability under this Act or under the Integrated Goods and Services Tax Act, 2017 (13 of 2017) which may be discharged through the electronic credit ledger by a registered person or a class of registered persons.</p> <p>Notwithstanding anything contained in this Act, the Government may, on the recommendations of the Council, subject to such conditions and restrictions, specify such maximum proportion of output tax liability under this Act or under the Integrated Goods and Services Tax Act, 2017 (13 of 2017) which may be discharged through the electronic credit ledger by a registered person or a class of registered persons, as may be prescribed.]</p> <div> 1. Inserted w.e.f. 01.10.2022 vide clause (d) section 110 of the Finance Act, 2022 which comes into force by Notification No. 18/2022 – Central Tax dated 28.09.2022. </div>
Explanation	01.07.2017 to till date	<p>The expression “the date of credit to the account of the Government in the authorised bank” “tax dues” “other dues”</p> <p>For the purposes of this section,—</p> <div> (a) the date of credit to the account of the Government in the authorised bank shall be deemed to be the date of deposit in the electronic cash ledger; </div>

		(b)	the expression,—
		(i)	“tax dues” means the tax payable under this Act and does not include interest, fee and penalty; and
		(ii)	“other dues” means interest, penalty, fee or any other amount payable under this Act or the rules made thereunder.

10.1.1.1 Departmental Notifications – Payment of taxes for discharge of tax liability as per FORM GSTR-3B

[Notification No. 23/2017 – Central Tax dated 17th August, 2017](#) - Every registered person furnishing the return in FORM GSTR-3B shall, subject to the provisions of section 49 of the said Act, discharge his liability towards tax, interest, penalty, fees or any other amount payable under the said Act by debiting the electronic cash ledger or electronic credit ledger, as the case may be, not later than the last date, as mentioned in column (3) of the said Table, on which he is required to furnish the said return.

[Notification No. 35/2017 – Central Tax dated 15th September, 2017](#) - Every registered person furnishing the return in FORM GSTR-3B shall, subject to the provisions of section 49 of the said Act, discharge his liability towards tax, interest, penalty, fees or any other amount payable under the said Act by debiting the electronic cash ledger or electronic credit ledger, as the case may be, not later than the last date, as detailed in column (3) of the said Table, on which he is required to furnish the said return.

[Notification No. 56/2017 – Central Tax dated 15th November, 2017](#) - Every registered person furnishing the return in FORM GSTR-3B shall, subject to the provisions of section 49 of the said Act, discharge his liability towards tax, interest, penalty, fees or any other amount payable under the said Act by debiting the electronic cash ledger or electronic credit ledger, as the case may be, not later than the last date, as mentioned in column (3) of the said Table, on which he is required to furnish the said return.

[Notification No. 34/2018 – Central Tax dated 10th August, 2018](#) - Every registered person furnishing the return in FORM GSTR-3B of the said rules shall, subject to the provisions of section 49 of the said Act, discharge his liability towards tax, interest, penalty, fees or any other amount payable under the said Act by debiting the electronic cash ledger or electronic

credit ledger, as the case may be, not later than the last date, as specified in the first paragraph, on which he is required to furnish the said return.

[Notification No. 13/2019 – Central Tax dated 7th March, 2019](#) - Every registered person furnishing the return in FORM GSTR-3B of the said rules shall, subject to the provisions of section 49 of the said Act, discharge his liability towards tax, interest, penalty, fees or any other amount payable under the said Act by debiting the electronic cash ledger or electronic credit ledger, as the case may be, not later than the last date, as specified in the first paragraph, on which he is required to furnish the said return.

[Notification No. 29/2019 – Central Tax dated 28th June, 2019](#) - Every registered person furnishing the return in FORM GSTR-3B of the said rules shall, subject to the provisions of section 49 of the said Act, discharge his liability towards tax, interest, penalty, fees or any other amount payable under the said Act by debiting the electronic cash ledger or electronic credit ledger, as the case may be, not later than the last date, as specified in the first paragraph, on which he is required to furnish the said return.

[Notification No. 44/2019 – Central Tax dated 9th October, 2019](#) - Every registered person furnishing the return in FORM GSTR-3B of the said rules shall, subject to the provisions of section 49 of the said Act, discharge his liability towards tax, interest, penalty, fees or any other amount payable under the said Act by debiting the electronic cash ledger or electronic credit ledger, as the case may be, not later than the last date, as specified in the first paragraph, on which he is required to furnish the said return.

10.1.2.1 Departmental Clarifications - Clarification regarding procedure for recovery of arrears under the existing law and reversal of inadmissible input tax credit-- [Circular No. 42/16/2018-GST dated 13th April, 2018](#)

Kind attention is invited to the provisions of the Central Goods and Services Tax Act, 2017 (hereinafter referred to as the CGST Act) relating to the recovery of arrears of central excise duty /service tax and CENVAT credit thereof, CENVAT credit carried forward erroneously and related interest, penalty or late fee payable arising as a result of the proceedings of assessment, adjudication, appeal etc. initiated before, on or after the appointed date under the provisions of the existing law. In this regard, representations have been received seeking clarification on the procedure for recovery of such arrears in the GST regime.

2. The issues have been examined and to ensure uniformity in the implementation of the provisions of the law across the field formations, the Board, in exercise of its powers conferred under section 168 (1) of the Central Goods and Services Tax Act, 2017, (hereinafter referred

to as the "CGST Act") hereby specifies the procedure to be followed for recovery of arrears arising out of proceedings under the existing law.

3. Legal provisions relating to the recovery of arrears of central excise duty and service tax and CENVAT credit thereof arising out of proceedings under the existing law (Central Excise Act, 1944 and Chapter V of the Finance Act, 1994)

i) **Recovery of arrears of wrongly availed CENVAT Credit:** In case where any proceeding of appeal, review or reference relating to a claim for CENVAT credit had been initiated, whether before, on or after the appointed day, under the existing law, any amount of such credit becomes recoverable, the same shall, unless recovered under the existing law, be recovered as an arrear of tax under the CGST Act [Section 142(6)(b) of the CGST Act refers].

ii) **Recovery of CENVAT Credit carried forward wrongly:** CENVAT credit of central excise duty/service tax availed under the existing law may be carried forward in terms of transitional provisions as per section 140 of the CGST Act subject to the conditions prescribed therein. Any credit which is not admissible in terms of section 140 of the CGST Act shall not be allowed to be transitioned or carried forward and the same shall be recovered as an arrear of tax under section 79 of the CGST Act.

iii) **Recovery of arrears of central excise duty and service tax:** a. Where in pursuance of an assessment or adjudication proceedings instituted, whether before, on or after the appointed day, under the existing law, any amount of tax, interest, fine or penalty becomes recoverable, the same shall, unless recovered under the existing law, be recovered as an arrear of tax under the CGST Act [Section 142(8)(a) of the CGST Act refers]. b. If due to any proceedings of appeal, review or reference relating to output duty or tax liability initiated, whether before, on or after the appointed day, under the existing law, any amount of output duty or tax becomes recoverable, the same shall, unless recovered under the existing law, be recovered as an arrear of tax under the CGST Act [Section 142(7)(a) of the CGST Act refers].

iv) **Recovery of arrears due to revision of return under the existing law:** Where any return, furnished under the existing law, is revised after the appointed day and if, pursuant to such revision, any amount is found to be recoverable or any amount of CENVAT credit is found to be inadmissible, the same shall, unless recovered under the existing law, be recovered as an arrear of tax under the CGST Act [Section 142(9)(a) of the CGST Act refers].

4. In view of the above legal provisions, recovery of central excise duty/ service tax and CENVAT credit thereof arising out of the proceedings under the existing law, unless recovered under the existing law, and that of inadmissible transitional credit, is required to be made as an arrear of tax under the CGST Act. The following procedure is hereby prescribed for the recovery of arrears:

4.1 Recovery of central excise duty, service tax or wrongly availed CENVAT credit thereof under the existing law and inadmissible transitional credit:

(a) The CENVAT credit of central excise duty or service tax wrongly carried forward as transitional credit shall be recovered as central tax liability to be paid through the utilization of amounts available in the electronic credit ledger or electronic cash ledger of the registered person, and the same shall be recorded in Part II of the Electronic Liability Register (FORM GST PMT-01).

(b) The arrears of central excise duty, service tax or wrongly availed CENVAT credit thereof under the existing law arising out of any of the situations discussed in para 3 above, shall, unless recovered under the existing law, be recovered as central tax liability to be paid through

the utilization of amounts available in the electronic credit ledger or electronic cash ledger of the registered person, and the same shall be recorded in Part II of the Electronic Liability Register (FORM GST PMT-01).

4.2 Recovery of interest, penalty and late fee payable:

(a) The arrears of interest, penalty and late fee in relation to CENVAT credit wrongly carried forward, arising out of any of the situations discussed in para 3 above, shall be recovered as interest, penalty and late fee of central tax to be paid through the utilization of the amount available in electronic cash ledger of the registered person and the same shall be recorded in Part II of the Electronic Liability Register (FORM GST PMT-01).

(b) The arrears of interest, penalty and late fee in relation to arrears of central excise duty, service tax or wrongly availed CENVAT credit thereof under the existing law arising out of any of the situations discussed in para 3 above, shall, unless recovered under the existing law, be recovered as interest, penalty and late fee of central tax to be paid through the utilization of the amount available in the electronic cash ledger of the registered person and the same shall be recorded in Part II of the Electronic Liability Register (FORM GST PMT-01).

4.3 Payment of central excise duty & service tax on account of returns filed for the past period: The registered person may file Central Excise / Service Tax return for the period prior to 1st July, 2017 by logging onto www.aces.gov.in and make payment relating to the same through EASIEST portal (cbec-easiest.gov.in), as per the practice prevalent for the period prior to the introduction of GST. However, with effect from 1st of April, 2018, the return filing shall continue on www.aces.gov.in but the payment shall be made through the ICEGATE portal. As the registered person shall be automatically taken to the payment portal on filing of the return, the user interface remains the same for him.

4.4 Recovery of arrears from assessee under the existing law in cases where such assessee is not registered under the CGST Act, 2017: Such arrears shall be recovered in cash, under the provisions of the existing law and the payment of the same shall be made as per the procedure mentioned in para 4.3 supra.

10.1.2.2 Departmental Clarifications - Clarification in respect of utilization of input tax credit under GST- [Circular No. 98/17/2019-GST dated 23rd April 2019](#)

Section 49 was amended and Section 49A and Section 49B were inserted vide Central Goods and Services Tax (Amendment) Act, 2018 [hereinafter referred to as the CGST (Amendment) Act]. The amended provisions came into effect from 1 st February 2019.

2. Various representations have been received from the trade and industry regarding challenges being faced by taxpayers due to bringing into force of section 49A of the Central Goods and Services Tax Act, 2017 (hereinafter referred to as the CGST Act). The issue has arisen on account of order of utilization of input tax credit of integrated tax in a particular order, resulting in accumulation of input tax credit for one kind of tax (say State tax) in electronic credit ledger and discharge of liability for the other kind of tax (say Central tax) through electronic cash ledger in certain scenarios. Accordingly, rule 88A was inserted in the Central Goods and Services Tax Rules, 2017 (hereinafter referred to as the CGST Rules) in exercise of the powers under Section 49B of the CGST Act vide [notification No. 16/2019- Central Tax, dated 29th March, 2019](#). In order to ensure uniformity in the implementation of the provisions

of the law, the Board, in exercise of its powers conferred by section 168 (1) of the CGST Act, hereby clarifies the issues raised as below.

3. The newly inserted Section 49A of the CGST Act provides that the input tax credit of Integrated tax has to be utilized completely before input tax credit of Central tax / State tax can be utilized for discharge of any tax liability. Further, as per the provisions of section 49 of the CGST Act, credit of Integrated tax has to be utilized first for payment of Integrated tax, then Central tax and then State tax in that order mandatorily. This led to a situation, in certain cases, where a taxpayer has to discharge his tax liability on account of one type of tax (say State tax) through electronic cash ledger, while the input tax credit on account of other type of tax (say Central tax) remains un-utilized in electronic credit ledger.

4. The newly inserted rule 88A in the CGST Rules allows utilization of input tax credit of Integrated tax towards the payment of Central tax and State tax, or as the case may be, Union territory tax, in any order subject to the condition that the entire input tax credit on account of Integrated tax is completely exhausted first before the input tax credit on account of Central tax or State / Union territory tax can be utilized. It is clarified that after the insertion of the said rule, the order of utilization of input tax credit will be as per the order (of numerals) given below:

Input tax Credit on account of	Output liability on account of Integrated tax	Output liability on account of Central tax	Output liability on account of State tax / Union Territory tax
Integrated tax	(I)	(II) – In any order and in any proportion	
(III) Input tax Credit on account of Integrated tax to be completely exhausted mandatorily			
Central tax	(V)	(IV)	Not permitted
State tax / Union Territory tax	(VII)	Not permitted	(VI)

5. The following illustration would further amplify the impact of newly inserted rule 88A of the CGST Rules:

Illustration:

Amount of Input tax Credit available and output liability under different tax heads

Head	Output Liability	Input tax Credit
Integrated tax	1000	1300
Central tax	300	200
State tax / Union Territory tax	300	200
Total	1600	1700

Option 1

Input tax Credit on account of	Discharge of output liability on account of Integrated tax	Discharge of output liability on account of Central tax	Discharge of output liability on account of State tax / Union Territory tax	Balance of Input Tax Credit
Integrated tax	1000	200	100	0
<i>Input tax Credit on account of Integrated tax has been completely exhausted</i>				
Central tax	0	100	-	100
State tax / Union territory tax	0	-	200	0
Total	1000	300	300	100

Option 2:

Input tax Credit on account of	Discharge of output liability on account of Integrated tax	Discharge of output liability on account of Central tax	Discharge of output liability on account of State tax / Union Territory tax	Balance of Input Tax Credit
Integrated tax	1000	100	200	0
<i>Input tax Credit on account of Integrated tax has been completely exhausted</i>				
Central tax	0	200	-	0
State tax / Union territory tax	0	-	100	100
Total	1000	300	300	100

6. Presently, the common portal supports the order of utilization of input tax credit in accordance with the provisions before implementation of the provisions of the CGST (Amendment) Act i.e. pre-insertion of Section 49A and Section 49B of the CGST Act. Therefore, till the new order of utilization as per newly inserted Rule 88A of the CGST Rules is implemented on the common portal, taxpayers may continue to utilize their input tax credit as per the functionality available on the common portal.

10.1.2.3 Departmental Clarifications - Clarification on various issue pertaining to GST-
- [Circular No. 172/04/2022-GST dated 6th July, 2022](#) - Relevant extracts only

Various representations have been received from the field formations seeking clarification on certain issues with respect to –

- iv. utilisation of the amounts available in the electronic credit ledger and the electronic cash ledger for payment of tax and other liabilities.

2. In order to clarify the issue and to ensure uniformity in the implementation of the provisions of law 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 clarify the issues as under:

S. No.	Issue	Clarification
Refund claimed by the recipients of supplies regarded as deemed export		
Utilisation of the amounts available in the electronic credit ledger and the electronic cash ledger for payment of tax and other liabilities		
6.	Whether the amount available in the electronic credit ledger can be used for making payment of any tax under the GST Laws?	<ol style="list-style-type: none"> 1. In terms of sub – section (4) of section 49 of CGST Act, the amount available in the electronic credit ledger may be used for making any payment towards output tax under the CGST Act or the Integrated Goods and Services Tax Act, 2017 (hereinafter referred to as "IGST Act"), subject to the provisions relating to the order of utilisation of input tax credit as laid down in section 49B of the CGST Act read with rule 88A of the CGST Rules. 2. Sub-rule (2) of rule 86 of the CGST Rules provides for debiting of the electronic credit ledger to the extent of discharge of any liability in accordance with the provisions of section 49 or section 49A or section 49B of the CGST Act. 3. Further, output tax in relation to a taxable person (i.e. a person who is registered or liable to be registered under section 22 or section 24 of the CGST Act) is defined in clause (82) of section 2 of the CGST Act as the tax chargeable on taxable supply of goods or services or both but excludes tax payable on reverse charge mechanism. 4. Accordingly, it is clarified that any payment towards output tax, whether self-assessed in the return or payable as a consequence of any proceeding instituted under the provisions of GST Laws, can be made by utilization of the amount available in the electronic credit ledger of a registered person. 5. It is further reiterated that as output tax does not include tax payable under reverse charge mechanism, implying thereby that the electronic credit ledger cannot be used for making payment of

		any tax which is payable under reverse charge mechanism.
7.	Whether the amount available in the electronic credit ledger can be used for making payment of any liability other than tax under the GST Laws?	As per sub-section (4) of section 49, the electronic credit ledger can be used for making payment of output tax only under the CGST Act or the IGST Act. It cannot be used for making payment of any interest, penalty, fees or any other amount payable under the said acts. Similarly, electronic credit ledger cannot be used for payment of erroneous refund sanctioned to the taxpayer, where such refund was sanctioned in cash.
8.	Whether the amount available in the electronic cash ledger can be used for making payment of any liability under the GST Laws?	As per sub – section (3) of section 49 of the CGST Act, the amount available in the electronic cash ledger may be used for making any payment towards tax, interest, penalty, fees or any other amount payable under the provisions of the GST Laws.

10.1.3.1 – Guidelines for disallowing debit of electronic credit ledger under Rule 86A of the CGST Rules, 2017 - [CBEC-20/16/05/2021-GST/1552 dated 2nd November 2021](#)

Rule 86A of the Central Goods and Services Tax Rules, 2017 (hereinafter referred to as "the Rules") provides that in certain circumstances, Commissioner or an officer authorised by him, on the basis of reasonable belief that credit of input tax available in the electronic credit ledger has been fraudulently availed or is ineligible, may not allow debit of an amount equivalent to such credit in electronic credit ledger.

2. Doubts have been raised by the field formations on various issues pertaining to disallowing debit of input tax credit from electronic credit ledger, under rule 86A of the Rules. Further, Hon'ble High Courts in some cases have emphasized the need for laying down guidelines for the purpose of invoking rule 86A. In view of the above, the following guidelines are hereby issued with respect to exercise of power under rule 86A of the Rules:

3.1 Grounds for disallowing debit of an amount from electronic credit ledger:

3.1.1 Rule 86A of the Rules is reproduced hereunder for reference:

- 86A. Conditions of use of amount available in electronic credit ledger -** (1) The Commissioner or an officer authorised by him in this behalf, not below the rank of an Assistant Commissioner, having reasons to believe that credit of input tax available in the electronic credit ledger has been fraudulently availed or is ineligible in as much as-
- a) the credit of input tax has been availed on the strength of tax invoices or debit notes or any other document prescribed under rule 36-
 - i. issued by a registered person who has been found non-existent or not to be conducting any business from any place for which registration has been obtained; or

ii. without receipt of goods or services or both; or

- b) the credit of input tax has been availed on the strength of tax invoices or debit notes or any other document prescribed under rule 36 in respect of any supply, the tax charged in respect of which has not been paid to the Government; or
- c) the registered person availing the credit of input tax has been found non-existent or not to be conducting any business from any place for which registration has been obtained; or
- d) the registered person availing any credit of input tax is not in possession of a tax invoice or debit note or any other document prescribed under rule 36,

may, for reasons to be recorded in writing, not allow debit of an amount equivalent to such credit in electronic credit ledger for discharge of any liability under section 49 or for claim of any refund of any unutilised amount.

- (2) The Commissioner, or the officer authorised by him under sub-rule (1) may, upon being satisfied that conditions for disallowing debit of electronic credit ledger as above, no longer exist, allow such debit.
- (3) Such restriction shall cease to have effect after the expiry of a period of one year from the date of imposing such restriction.]

3.1.2 Perusal of the rule makes it clear that the Commissioner, or an officer authorised by him, not below the rank of Assistant Commissioner, must have "reasons to believe" that credit of input tax available in the electronic credit ledger is either ineligible or has been fraudulently availed by the registered person, before disallowing the debit of amount from electronic credit ledger of the said registered person under rule 86,4. The reasons for such belief must be based only on one or more of the following grounds:

- a) The credit is availed by the registered person on the invoices or debit notes issued by a supplier, who is found to be non-existent or is found not to be conducting any business from the place declared in registration.
- b) The credit is availed by the registered person on invoices or debit notes, without actually receiving any goods or services or both.
- c) The credit is availed by the registered person on invoices or debit notes, the tax in respect of which has not been paid to the government'
- d)The registered person claiming the credit is found to be non-existent or is found not to be conducting any business from the place declared in registration.
- e) The credit is availed by the registered person without having any invoice or debit note or any other valid document for it.

3.1.3 The Commissioner. or an officer authorised by him, not below the rank of Assistant commissioner, must form an opinion for disallowing debit of an amount from electronic credit ledger in respect of a registered person. Only after proper application of mind considering all the facts of the case, including the nature of prima facie fraudulently availed or ineligible input tax credit and whether the same is covered under the grounds mentioned in sub-rule (I) of rule 86A as discussed in para 3.1.2 above; the amount of input tax credit involved; and whether disallowing such debit of electronic credit ledger of a person is necessary for restricting him

from utilizing/ passing on fraudulently availed or ineligible input tax credit to protect the interests of revenue.

3.1.4 It is reiterated that the power of disallowing debit of amount from electronic credit ledger must not be exercised in a mechanical manner and careful examination of all the facts of the case is important to determine case(s) fit for exercising power under rule 86A. The remedy of disallowing debit of amount from electronic credit ledger being, by its very nature, extraordinary, has to be resorted to with utmost circumspection and with maximum care and caution. It contemplates an objective determination based on intelligent care and evaluation as distinguished from a purely subjective consideration of suspicion. The reasons are to be on the basis of material evidence available or gathered in relation to fraudulent availment of input tax credit or ineligible input tax credit availed as per the conditions/ grounds under sub-rule (1) of rule 86A.

3.2 Proper authority for the purpose of Rule 86A:

3.2.1 The Commissioner (including Principal Commissioner) is the proper officer for the purpose of exercising powers for disallowing the debit of amount from electronic credit ledger of a registered person under rule 86A. However, Commissioner/ Principal Commissioner can also authorize any officer subordinate to him, not below the rank of Assistant Commissioner, to be the proper officer for exercising such power under rule 86A. It is advised that Commissioner/Principal Commissioner may authorize exercise of powers under rule 86A based on the following monetary limits as mentioned below:

Total amount of ineligible or fraudulently availed input tax credit	Officer to disallow debit of amount from electronic credit ledger under rule 86A
Not exceeding ₹ 1 crore	Deputy Commissioner / Assistant Commissioner
Above ₹ 1 crore but not exceeding ₹ 5 crore	Additional Commissioner / Joint Commissioner
Above ₹ 5 Crore	Principal Commissioner/ Commissioner

3.2.2 The Additional Director General /Principal Additional Director General of DGCI can also exercise the powers assigned to the Commissioner under rule 86A. The monetary limits for authorization for exercise of powers under rule 86A to the officers of the rank of Assistant Director and above of DGCI by the Additional Director General /Principal Additional Director General may be same as mentioned for equivalent rank of officers in the table in para 3.2.1 above.

3.2.3 Where during the course of Audit under section 65 or 66 of CGST Act, 2017 it is noticed that any input tax credit has been fraudulently availed or is ineligible as per the grounds mentioned in sub-rule (1) of rule 86A, which may require disallowing debit of electronic credit ledger under rule 86A, the concerned Commissioner/ Principal Commissioner of CGST Audit Commissionerate may refer the same to the jurisdictional CGST Commissioner for examination of the matter for exercise of power under rule 86A.

3.3 Procedure for disallowing debit of electronic credit ledger/blocking credit under Rule 86(A):

3.3.1 The amount of fraudulently availed or ineligible input tax credit availed by the registered person, as per the grounds mentioned in sub-rule (1) of rule 86A, shall be prima facie

ascertained based on material evidence available or gathered on record. It is advised that the powers under rule 86A to disallow debit of the amount from electronic credit ledger of the registered person may be exercised by the Commissioner or the officer authorized by him, as per the monetary limits detailed in Para 3.2.1 above. The officer should apply his mind as to whether there are reasons to believe that the input tax credit availed by the registered person has either been fraudulently availed or is ineligible, as per conditions/ grounds mentioned in sub-rule (1) of rule 86A and whether disallowing such debit of electronic credit ledger of the said person is necessary for restricting him from utilizing/ passing on fraudulently availed or ineligible input tax credit to protect the interests of revenue. Such "Reasons to believe" shall be duly recorded by the concerned officer in writing on file, before he proceeds to disallow debit of amount from electronic credit ledger of the said person.

3.3.2 The amount disallowed for debit from electronic credit ledger should not be more than the amount of input tax credit which is believed to have been fraudulently availed or is ineligible, as per the conditions/ grounds mentioned in sub-rule (1) of rule 86A

3.3.3 The action by the Commissioner or the authorized officer, as the case may be, to disallow debit from electronic credit ledger of a registered person, is informed on the portal to the concerned registered person, along with the details of the officer who has disallowed such debit.

3.4 Allowing debit of disallowed/restricted credit under sub-rule (2) of Rule 86A:

3.4.1 The Commissioner or the authorized officer, as the case may be, either on his own or based on the submissions made by the taxpayer with material evidence thereof, may examine the matter afresh and on being satisfied that the input tax credit, initially considered to be fraudulently availed or ineligible as per conditions of sub-rule (1) of rule 86A, is no more ineligible or wrongly availed, either partially or fully, may allow the use of the credit, so disallowed/restricted, up to the extent of eligibility, as per powers granted under sub-rule (2) of rule 86A. Reasons for allowing the debit of electronic credit ledger, which had been earlier disallowed, shall be duly recorded on file in writing, before allowing such debit of electronic credit ledger.

3.4.2 The restriction imposed as per sub-rule (1) of rule 86A shall cease to have effect after the expiry of a period of one year from the date of imposing such restriction. In other words, upon expiry of one year from the date of restriction, the registered person would be able to debit input tax credit so disallowed, subject to any other action that may be taken against the registered person.

3.4.3 As the restriction on debit of electronic credit ledger under sub-rule (1) of rule 86A is resorted to protect the interests of the revenue and the said action also has bearing on the working capital of the registered person, it should be endeavored that in all such cases, the investigation and adjudication are completed at the earliest, well within the period of restriction, so that the due liability arising out of the same can be recovered from the said taxable person and the purpose of disallowing debit from electronic credit ledger is achieved.

10.2 Utilisation of input tax credit subject to certain conditions. [Section 49A]

Section 49A	01.02.2019 to till date	Utilisation of input tax credit subject to certain conditions Notwithstanding anything contained in section 49, the input tax credit on account of central tax, State tax or Union territory tax shall be utilised towards payment of integrated tax, central
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		tax, State tax or Union territory tax, as the case may be, only after the input tax credit available on account of integrated tax has first been utilised fully towards such payment.
		<p style="text-align: center;">Notes</p> <p>1 Inserted w.e.f 01.02.2019 vide Section 21 of the Central Goods and Services Tax (Amendment) Act, 2018 which comes into force vide Notification No. 02/2019 – Central Tax dated 29th January, 2019.</p>

10.2.1.1 Departmental Clarifications - Clarification in respect of utilization of input tax credit under GST- [Circular No. 98/17/2019-GST dated 23rd April 2019](#)

Section 49 was amended and Section 49A and Section 49B were inserted vide Central Goods and Services Tax (Amendment) Act, 2018 [hereinafter referred to as the CGST (Amendment) Act]. The amended provisions came into effect from 1 st February 2019.

2. Various representations have been received from the trade and industry regarding challenges being faced by taxpayers due to bringing into force of section 49A of the Central Goods and Services Tax Act, 2017 (hereinafter referred to as the CGST Act). The issue has arisen on account of order of utilization of input tax credit of integrated tax in a particular order, resulting in accumulation of input tax credit for one kind of tax (say State tax) in electronic credit ledger and discharge of liability for the other kind of tax (say Central tax) through electronic cash ledger in certain scenarios. Accordingly, rule 88A was inserted in the Central Goods and Services Tax Rules, 2017 (hereinafter referred to as the CGST Rules) in exercise of the powers under Section 49B of the CGST Act vide [notification No. 16/2019- Central Tax, dated 29th March, 2019](#). In order to ensure uniformity in the implementation of the provisions of the law, the Board, in exercise of its powers conferred by section 168 (1) of the CGST Act, hereby clarifies the issues raised as below.

3. The newly inserted Section 49A of the CGST Act provides that the input tax credit of Integrated tax has to be utilized completely before input tax credit of Central tax / State tax can be utilized for discharge of any tax liability. Further, as per the provisions of section 49 of the CGST Act, credit of Integrated tax has to be utilized first for payment of Integrated tax, then Central tax and then State tax in that order mandatorily. This led to a situation, in certain cases, where a taxpayer has to discharge his tax liability on account of one type of tax (say State tax) through electronic cash ledger, while the input tax credit on account of other type of tax (say Central tax) remains un-utilized in electronic credit ledger.

4. The newly inserted rule 88A in the CGST Rules allows utilization of input tax credit of Integrated tax towards the payment of Central tax and State tax, or as the case may be, Union territory tax, in any order subject to the condition that the entire input tax credit on account of Integrated tax is completely exhausted first before the input tax credit on account of Central tax or State / Union territory tax can be utilized. It is clarified that after the insertion of the said rule, the order of utilization of input tax credit will be as per the order (of numerals) given below:

Input tax Credit on account of	Output liability on account of Integrated tax	Output liability on account of Central tax	Output liability on account of State tax / Union Territory tax
Integrated tax	(I)	(II) – In any order and in any proportion	
<i>(III) Input tax Credit on account of Integrated tax to be completely exhausted mandatorily</i>			
Central tax	(V)	(IV)	Not permitted
State tax / Union Territory tax	(VII)	Not permitted	(VI)

5. The following illustration would further amplify the impact of newly inserted rule 88A of the CGST Rules:

Illustration:

Amount of Input tax Credit available and output liability under different tax heads

Head	Output Liability	Input tax Credit
Integrated tax	1000	1300
Central tax	300	200
State tax / Union Territory tax	300	200
Total	1600	1700

Option 1

Input tax Credit on account of	Discharge of output liability on account of Integrated tax	Discharge of output liability on account of Central tax	Discharge of output liability on account of State tax / Union Territory tax	Balance of Input Tax Credit
Integrated tax	1000	200	100	0
<i>Input tax Credit on account of Integrated tax has been completely exhausted</i>				
Central tax	0	100	-	100
State tax / Union territory tax	0	-	200	0
Total	1000	300	300	100

Option 2:

Input tax Credit on account of	Discharge of output liability on account of Integrated tax	Discharge of output liability on account of Central tax	Discharge of output liability on account of State tax / Union Territory tax	Balance of Input Tax Credit
Integrated tax	1000	100	200	0
<i>Input tax Credit on account of Integrated tax has been completely exhausted</i>				
Central tax	0	200	-	0
State tax / Union territory tax	0	-	100	100
Total	1000	300	300	100

6. Presently, the common portal supports the order of utilization of input tax credit in accordance with the provisions before implementation of the provisions of the CGST (Amendment) Act i.e. pre-insertion of Section 49A and Section 49B of the CGST Act. Therefore, till the new order of utilization as per newly inserted Rule 88A of the CGST Rules is implemented on the common portal, taxpayers may continue to utilize their input tax credit as per the functionality available on the common portal.

10.3 Order of utilisation of input tax credit . [Section 49B]

Section 49B	01.02.2019 to till date	Order of utilisation of input tax credit Notwithstanding anything contained in this Chapter and subject to the provisions of clause (e) and clause (f) of sub-section (5) of section 49, the Government may, on the recommendations of the Council, prescribe the order and manner of utilisation of the input tax credit on account of integrated tax, central tax, State tax or Union territory tax, as the case may be, towards payment of any such tax.]
		<p style="text-align: center;">Notes</p> <p>1 Inserted w.e.f 01.02.2019 vide Section 21 of the Central Goods and Services Tax (Amendment) Act, 2018 which comes into force vide Notification No. 02/2019 – Central Tax dated 29th January, 2019</p>

10.3.1.1 Departmental Clarifications - Clarification in respect of utilization of input tax credit under GST- [Circular No. 98/17/2019-GST dated 23rd April 2019](#)

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2. Various representations have been received from the trade and industry regarding challenges being faced by taxpayers due to bringing into force of section 49A of the Central Goods and Services Tax Act, 2017 (hereinafter referred to as the CGST Act). The issue has arisen on account of order of utilization of input tax credit of integrated tax in a particular order, resulting in accumulation of input tax credit for one kind of tax (say State tax) in electronic credit ledger and discharge of liability for the other kind of tax (say Central tax) through electronic cash ledger in certain scenarios. Accordingly, rule 88A was inserted in the Central Goods and Services Tax Rules, 2017 (hereinafter referred to as the CGST Rules) in exercise of the powers under Section 49B of the CGST Act vide [notification No. 16/2019- Central Tax, dated 29th March, 2019](#). In order to ensure uniformity in the implementation of the provisions of the law, the Board, in exercise of its powers conferred by section 168 (1) of the CGST Act, hereby clarifies the issues raised as below.

3. The newly inserted Section 49A of the CGST Act provides that the input tax credit of Integrated tax has to be utilized completely before input tax credit of Central tax / State tax can be utilized for discharge of any tax liability. Further, as per the provisions of section 49 of the CGST Act, credit of Integrated tax has to be utilized first for payment of Integrated tax, then Central tax and then State tax in that order mandatorily. This led to a situation, in certain cases, where a taxpayer has to discharge his tax liability on account of one type of tax (say State tax) through electronic cash ledger, while the input tax credit on account of other type of tax (say Central tax) remains un-utilized in electronic credit ledger.

4. The newly inserted rule 88A in the CGST Rules allows utilization of input tax credit of Integrated tax towards the payment of Central tax and State tax, or as the case may be, Union territory tax, in any order subject to the condition that the entire input tax credit on account of Integrated tax is completely exhausted first before the input tax credit on account of Central tax or State / Union territory tax can be utilized. It is clarified that after the insertion of the said rule, the order of utilization of input tax credit will be as per the order (of numerals) given below:

Input tax Credit on account of	Output liability on account of Integrated tax	Output liability on account of Central tax	Output liability on account of State tax / Union Territory tax
Integrated tax	(I)	(II) – In any order and in any proportion	
<i>(III) Input tax Credit on account of Integrated tax to be completely exhausted mandatorily</i>			
Central tax	(V)	(IV)	Not permitted
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5. The following illustration would further amplify the impact of newly inserted rule 88A of the CGST Rules:

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Amount of Input tax Credit available and output liability under different tax heads

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Input tax Credit on account of	Discharge of output liability on account of Integrated tax	Discharge of output liability on account of Central tax	Discharge of output liability on account of State tax / Union Territory tax	Balance of Input Tax Credit
Integrated tax	1000	200	100	0
<i>Input tax Credit on account of Integrated tax has been completely exhausted</i>				
Central tax	0	100	-	100
State tax / Union territory tax	0	-	200	0
Total	1000	300	300	100

Option 2:

Input tax Credit on account of	Discharge of output liability on account of Integrated tax	Discharge of output liability on account of Central tax	Discharge of output liability on account of State tax / Union Territory tax	Balance of Input Tax Credit
Integrated tax	1000	100	200	0
<i>Input tax Credit on account of Integrated tax has been completely exhausted</i>				
Central tax	0	200	-	0
State tax / Union territory tax	0	-	100	100
Total	1000	300	300	100

6. Presently, the common portal supports the order of utilization of input tax credit in accordance with the provisions before implementation of the provisions of the CGST (Amendment) Act i.e. pre-insertion of Section 49A and Section 49B of the CGST Act. Therefore, till the new order of utilization as per newly inserted Rule 88A of the CGST Rules is implemented on the common portal, taxpayers may continue to utilize their input tax credit as per the functionality available on the common portal.

10.4 Interest on delayed payment of tax. [Section 50]

Section 50(1)	01.07.2017 to till date	<p>Interest on delayed payment of tax.</p> <p>Every person who is liable to pay tax in accordance with the provisions of this Act or the rules made thereunder, but fails to pay the tax or any part thereof to the Government within the period prescribed, shall for the period for which the tax or any part thereof remains unpaid, pay, on his own, interest at such rate, not exceeding eighteen per cent., as may be notified^{\$} by the Government on the recommendations of the Council.</p> <div style="border: 1px solid black; padding: 5px; margin-top: 10px;"> <p>\$ The Central Government, on the recommendations of the Council, has fixed the rate of interest per annum, vide Notification No. 13/2017 – Central Tax dated 28th June, 2017 which comes into force from the 1st day of July, 2017.</p> </div>
First Proviso	01.07.2017 to till date	<p>The interest on tax payable shall be payable on that portion of the tax which is paid by debiting the electronic cash ledger.</p> <p>¹[Provided that the interest on tax payable in respect of supplies made during a tax period and declared in the return for the said period furnished after the due date in accordance with the provisions of section 39, except where such return is furnished after commencement of any proceedings under section 73 or section 74 in respect of the said period, shall be payable on that portion of the tax which is paid by debiting the electronic cash ledger.]</p> <div style="border: 1px solid black; padding: 5px; margin-top: 10px;"> <p>1. The provision substituted and shall be deemed to have been substituted with effect from the 1st day of July, 2017 vide Section 112 of the Finance Act, 2021 (NO. 13 OF 2020) which comes into force w.e.f. 1st day of June, 2021 vide Notification No. 16/2021 – Central Tax dated 1st June, 2021, read as – “Provided that the interest on tax payable in respect of supplies made during a tax period and declared in the return for the said period furnished after the due date in accordance with the provisions of section 39, except where such return is furnished after</p> </div>

		<p>commencement of any proceedings under section 73 or section 74 in respect of the said period, shall be levied on that portion of the tax that is paid by debiting the electronic cash ledger." Which was earlier inserted w.e.f 01.09.2020 vide Section 100 of Finance Act 2019 which comes into force vide Notification No. 63/2020 – Central Tax dated 25th August 2020.</p>
Section 50(2)	01.07.2017 to till date	<p>The interest shall be calculated, from the day succeeding the day on which such tax was due to be paid.</p> <p>The interest under sub-section (1) shall be calculated, in such manner as may be prescribed, from the day succeeding the day on which such tax was due to be paid.</p>
Section 50(3)	01.07.2017 to till date	<p>Interest on the input tax credit wrongly availed and utilised.</p> <p>¹[Where the input tax credit has been wrongly availed and utilised, the registered person shall pay interest on such input tax credit wrongly availed and utilised, at such rate not exceeding twenty-four per cent. as may be notified^{\$} by the Government, on the recommendations of the Council, and the interest shall be calculated, in such manner as may be prescribed.]</p> <div style="border: 1px solid black; padding: 5px;"> <p>1. Substituted w.e.f. 01.07.2017 and shall be deemed to have been substituted with effect from the 1st day of July, 2017 vide section 111 of the Finance Act, 2022 which comes in to force vide Notification No. 09/2022- Central Tax dated 05.07.2022, read as - "(3) A taxable person who makes an undue or excess claim of input tax credit under sub-section (10) of section 42 or undue or excess reduction in output tax liability under sub-section (10) of section 43, shall pay interest on such undue or excess claim or on such undue or excess reduction, as the case may be, at such rate not exceeding twenty-four per cent., as may be notified by the Government on the recommendations of the Council."</p> <p>\$ The Central Government, on the recommendations of the Council, has fixed the rate of interest per annum, vide Notification No. 13/2017 – Central Tax dated 28th June, 2017 which comes into force from the 1st day of July, 2017.</p> </div>

10.4.1.1 Departmental Notifications – Rates of interest under CGST Act, 2017

[Notification No. 13/2017 – Central Tax dated 28th June, 2017](#) effective from 1st day of July, 2017 - —The Central Government, on the recommendations of the Council, has fixed the rate of interest per annum, for the purposes of the sections as specified in column (2) of the Table below, as mentioned in the corresponding entry in column (3) of the said Table.

Table

<i>Serial Number</i>	<i>Section</i>	<i>Rate of interest (in per cent)</i>
(1)	(2)	(3)
1.	Sub-section (1) of section 50	18
2.	sub-section (3) of section 50	24
3.	sub-section (12) of section 54	6
4.	section 56	6
5.	proviso to section 56	9

Further, Section 116(1) of the Finance Act 2022 - The notification of the Government of India in the Ministry of Finance (Department of Revenue) number G. S. R. 661(E), dated the 28th June, 2017, issued by the Central Government on the recommendations of the Council, under sub-sections (1) and (3) of section 50, sub-section (12) of section 54 and section 56 of the Central Goods and Services Tax Act, 2017 (12 of 2017), shall stand amended and shall be deemed to have been amended retrospectively, in the manner specified in column (2) of the Sixth Schedule, on and from the date specified in column (3) of that Schedule.

THE SIXTH SCHEDULE

[See section 116(1)]

Notification number and date	Amendment	Date of effect of amendment
(1)	(2)	(3)
G.S.R 661 (E), dated the 28th June, 2017 [No.349/72/2017-GST, dated 28th June, 2017]	In the said notification, in the Table, against serial number 2, in column (3), for the figures “24”, the figures “18” shall be substituted.	1st July, 2017.

10.4.1.2 Departmental Notifications – Conditional lowering of interest rate for different tax periods.

[Notification No. 31/2020 – Central Tax dated 3rd April, 2020](#) - The Central Government, on the recommendations of the Council, has amended [Notification No. 13/2017 – Central Tax dated 28th June, 2017](#), namely:–

In the said notification, in the first paragraph, the following provisos shall be inserted, namely:

–

“Provided that, the rate of interest per annum shall be as specified in column (3) of the Table given below, for the class of registered persons, mentioned in the corresponding entry in column (2) of the said Table, who are required to furnish the returns in FORM GSTR-3B, but fail to furnish the said return along with payment of tax for the months mentioned in the corresponding entry in column (4) of the said Table by the due date, but furnish the said return according to the condition mentioned in the corresponding entry in column (5) of the said Table, namely:--

Table

S.No.	Class of registered persons	Rate of interest	Tax period	Condition
(1)	(2)	(3)	(4)	(5)
1.	Taxpayers having an aggregate turnover of more than rupees 5 crores in the preceding financial year	Nil for first 15 days from the due date, and 9 per cent thereafter	February, 2020, March 2020, April, 2020	If return in FORM GSTR-3B is furnished on or before the 24th day of June, 2020
2	Taxpayers having an aggregate turnover of more than rupees 1.5 crores and up to rupees five crores in the preceding financial year	Nil	February, 2020, March, 2020	If return in FORM GSTR-3B is furnished on or before the 29th day of June, 2020
			April, 2020	If return in FORM GSTR-3B is furnished on or before the 30th day of June, 2020
3.	Taxpayers having an aggregate turnover of up to rupees 1.5 crores	Nil	February, 2020	If return in FORM GSTR-3B is

	in the preceding financial year			furnished on or before the 3rd day of July, 2020
			March, 2020	If return in FORM GSTR-3B is furnished on or before the 3rd day of July, 2020
			April, 2020	If return in FORM GSTR-3B is furnished on or before the 6th day of July, 2020."

[Notification No. 51/2020 – Central Tax dated 24th June, 2020](#) - The Central Government, on the recommendations of the Council, has amended [Notification No. 13/2017 – Central Tax dated 28th June, 2017](#), namely:–

In the said notification, in the first paragraph, for the first proviso, the following proviso shall be substituted, namely : –

“Provided that the rate of interest per annum shall be as specified in column (3) of the Table given below for the period mentioned therein, for the class of registered persons mentioned in the corresponding entry in column (2) of the said Table, who are required to furnish the returns in FORM GSTR-3B, but fail to furnish the said return along with payment of tax for the months mentioned in the corresponding entry in column (4) of the said Table by the due date, namely:-

-

Table

S. No.	Class of registered persons	Rate of interest	Tax period
(1)	(2)	(3)	(4)
1.	Taxpayers having an aggregate turnover of more than rupees 5 crores in the preceding financial year	Nil for first 15 days from the due date, and 9 per cent	February, 2020, March

		thereafter till 24th day of June, 2020	2020, April, 2020
2.	Taxpayers having an aggregate turnover of up to rupees 5 crores in the preceding financial year, whose principal place of business is in the States of Chhattisgarh, Madhya Pradesh, Gujarat, Maharashtra, Karnataka, Goa, Kerala, Tamil Nadu, Telangana or Andhra Pradesh or the Union territories of Daman and Diu and Dadra and Nagar Haveli, Puducherry, Andaman and Nicobar Islands and Lakshadweep	Nil till the 30th day of June, 2020, and 9 per cent thereafter till the 30th day of September, 2020	February, 2020
		Nil till the 3rd day of July, 2020, and 9 per cent thereafter till the 30th day of September, 2020	March, 2020
		Nil till the 6th day of July, 2020, and 9 per cent thereafter till the 30th day of September, 2020	April, 2020
		Nil till the 12th day of September, 2020, and 9 per cent thereafter till the 30th day of September, 2020	May, 2020
		Nil till the 23rd day of September, 2020, and 9 per cent thereafter till the 30th day of September, 2020	June, 2020
		Nil till the 27th day of September, 2020, and 9 per cent thereafter till the 30th day of September, 2020	July, 2020
3.	Taxpayers having an aggregate turnover of up to rupees 5 crores in the preceding financial year, whose principal place of business is in the States	Nil till the 30th day of June, 2020, and 9 per cent thereafter till the	February, 2020

of Himachal Pradesh, Punjab, Uttarakhand, Haryana, Rajasthan, Uttar Pradesh, Bihar, Sikkim, Arunachal Pradesh, Nagaland, Manipur, Mizoram, Tripura, Meghalaya, Assam, West Bengal, Jharkhand or Odisha or the Union territories of Jammu and Kashmir, Ladakh, Chandigarh and Delhi	30th day of September, 2020	
	Nil till the 5th day of July, 2020, and 9 per cent thereafter till the 30th day of September, 2020	March, 2020
	Nil till the 9th day of July, 2020, and 9 per cent thereafter till the 30th day of September, 2020	April, 2020
	Nil till the 15th day of September, 2020, and 9 per cent thereafter till the 30th day of September, 2020	May, 2020
	Nil till the 25th day of September, 2020, and 9 per cent thereafter till the 30th day of September, 2020	June, 2020
	Nil till the 29th day of September, 2020, and 9 per cent thereafter till the 30th day of September, 2020	July, 2020."

[Notification No. 08/2021 – Central Tax dated 1st May, 2021](#) effective from 18th day of April, 2021 - The Central Government, on the recommendations of the Council, has amended [Notification No. 13/2017 – Central Tax dated 28th June, 2017](#), namely:–

(i) In the said notification, in the first paragraph, in the first proviso, in the Table after S. No. 3, the following shall be inserted, namely: –

(1)	(2)	(3)	(4)
"4.	Taxpayers having an aggregate turnover of more than rupees 5 crores in the preceding financial year	9 per cent for the first 15 days from the due date and 18 per cent thereafter	March, 2021, April, 2021
5.	Taxpayers having an aggregate turnover of up to rupees 5 crores in the preceding financial year who are liable to furnish the return as specified under sub-section (1) of section 39	Nil for the first 15 days from the due date, 9 per cent for the next 15 days, and 18 per cent thereafter	March, 2021, April, 2021
6.	Taxpayers having an aggregate turnover of up to rupees 5 crores in the preceding financial year who are liable to furnish the return as specified under proviso to sub-section (1) of section 39	Nil for the first 15 days from the due date, 9 per cent for the next 15 days, and 18 per cent thereafter	March, 2021, April, 2021
7.	Taxpayers who are liable to furnish the return as specified under sub-section (2) of section 39	Nil for the first 15 days from the due date, 9 per cent for the next 15 days, and 18 per cent thereafter	Quarter ending March, 2021."

[Notification No. 18/2021 – Central Tax dated 1st June, 2021](#) effective from 18th day of May, 2021 - The Central Government, on the recommendations of the Council, has amended [Notification No. 13/2017 – Central Tax dated 28th June, 2017](#), namely:–

In the said notification, in the first paragraph, in the first proviso,-

(i) for the words, letters and figure “required to furnish the returns in FORM GSTR-3B, but fail to furnish the said return along with payment of tax”, the words “liable to pay tax but fail to do so” shall be substituted;

(ii) in the Table, in column 4, in the heading, for the words “Tax period”, the words “Month/Quarter” shall be substituted;

(iii) in the Table, for serial number 4, 5, 6 and 7, the following shall be substituted, namely: —

(1)	(2)	(3)	(4)
"4.	Taxpayers having an aggregate turnover of more than rupees 5 crores in the preceding financial year	9 per cent for the first 15 days from the due date and 18 per cent thereafter	March, 2021, April, 2021

			and May, 2021
5.	Taxpayers having an aggregate turnover of up to rupees 5 crores in the preceding financial year who are liable to furnish the return as specified under sub-section (1) of section 39	Nil for the first 15 days from the due date, 9 per cent for the next 45 days, and 18 per cent thereafter	March, 2021
		Nil for the first 15 days from the due date, 9 per cent for the next 30 days, and 18 per cent thereafter	April, 2021
		Nil for the first 15 days from the due date, 9 per cent for the next 15 days, and 18 per cent thereafter	May, 2021
6.	Taxpayers having an aggregate turnover of up to rupees 5 crores in the preceding financial year who are liable to furnish the return as specified under proviso to sub-section (1) of section 39	Nil for the first 15 days from the due date, 9 per cent for the next 45 days, and 18 per cent thereafter	March, 2021
		Nil for the first 15 days from the due date, 9 per cent for the next 30 days, and 18 per cent thereafter	April, 2021
		Nil for the first 15 days from the due date, 9 per cent for the next 15 days, and 18 per cent thereafter	May, 2021
7.	Taxpayers who are liable to furnish the return as specified under sub-section (2) of section 39	Nil for the first 15 days from the due date, 9 per cent for the next 45 days, and 18 per cent thereafter	Quarter ending March, 2021".

10.4.1.3 Departmental Notifications – Waiver of interest for specified electronic commerce operators for specified tax periods

Notification No. 08/2022 – Central Tax dated 07th June, 2022 - - The Government, on the recommendations of the Council, has notified the rate of interest per annum to be 'Nil', for the class of registered persons mentioned in column (2) of the Table given below, who were required to furnish the statement in FORM GSTR-8, but failed to furnish the said statement for the months mentioned in the corresponding entry in column (3) of the said Table by the due date, for the period mentioned in the corresponding entry in column (4) of the said Table, namely:–

TABLE

Sl. No.	Class of registered persons	Months	Period for which interest is to be Nil
(1)	(2)	(3)	(4)
1.	Electronic commerce operators having the following Goods and Services Tax Identification Numbers who could not file the statement under sub-section (4) of section 52 of the said Act, for the month of December, 2020, by the due date, due to technical glitch on the portal but had deposited the tax collected under sub-section (1) of section 52 for the said month in the electronic cash ledger, namely :— 1. 02AACCF0683K1C4 2. 03AAECC3074B1CN 3. 04AACCF0683K1C0 4. 06AAKCA6148C1C6 5. 07AABCB3428P1CS 6. 07AACCO1714E1C8 7. 07AADCI2004E1CK 8. 08AAACZ8318D1CL 9. 08AABCB3428P1CQ 10. 08AACCO1714E1C6 11. 08AAHCM4763C1CS 12. 09AABCB3428P1CO 13. 09AABCT1559M1C8 14. 19AABCR4726Q1C2 15. 19AABCT1559M1C7 16. 21AACCF0683K1C4 17. 23AABCB3428P1CY 18. 27AAACZ8318D1CL 19. 32AAECC3074B1CM 20. 33AACCO1714E1CD 21. 03AACCF0683K1C2 22. 06AAHCM7396M1C0 23. 07AAACZ8318D1CN 24. 07AADCD4946L1CN 25. 07AAECC3074B1CF	December, 2020	From the date of depositing the tax collected under sub-section (1) of section 52 of the said Act in the electronic cash ledger till the date of filing of statement under sub-section (4) of section 52.

	26. 07AAKCA6148C1C4 27. 08AAECM9636P1CY 28. 08AAKCA6148C1C2 29. 09AAECC3074B1CB 30. 10AACCF0683K1C7 31. 10AAICA3918J1C8 32. 19AADCD4946L1CI 33. 23AADCD4946L1CT 34. 24AAHCM4763C1CY 35. 27AABCB3428P1CQ 36. 32AACCF0683K1C1 37. 36AAACZ8318D1CM 38. 29AAFCD0915M1CS 39. 03AAICA3918J1C3 40. 06AACCF0683K1CW 41. 08AACCF0683K1CS 42. 09AADCD4946L1CJ 43. 19AACCF0683K1CP 44. 19AAICA3918J1CQ 45. 24AACCO1714E1CC 46. 27AADCD4946L1CL 47. 29AACCF0683K1CO 48. 29AADCD4946L1CH 49. 33AACCF0683K1CZ 50. 33AAICA3918J1C0 51. 36AADCD4946L1CM 52. 36AAICA3918J1CU 53. 09AACCF0683K1CQ 54. 09AAICA3918J1CR 55. 08AAICA3918J1CT 56. 24AAICA3918J1CZ 57. 27AAICA3918J1CT 58. 24AACCF0683K1CY 59. 07AACCF0683K1CU 60. 07AAICA3918J1CV		
2.	Electronic commerce operators having the following Goods and Services Tax Identification Numbers who could not file the statement under sub-section (4) of section 52 of the said Act for the months mentioned in column (3), by the due-date, due to technical glitch on the portal but had deposited the tax collected under sub-section (1) of section 52 for the said months in the electronic cash ledger:—	September, 2020, October, 2020, November, 2020, December, 2020 and January, 2021.	From the date of depositing the tax collected under sub-section (1) of section 52 of the said Act in the electronic cash ledger till the date of filing of statement under sub-section (4) of section 52.

1. 06AAHCP1178L1CF		
2. 07AAHCP1178L1CD		
3. 19AAHCP1178L1C8		
4. 24AAHCP1178L1CH		
5. 27AAHCP1178L1CB		
6. 29AAHCP1178L1C7		
7. 32AAHCP1178L1CK		
8. 33AAHCP1178L1CI		
9. 36AAHCP1178L1CC		
10. 07AADCM5146R1C8		
11. 27AADCM5146R1C6		
12. 29AADCM5146R1C2		

10.4.2.1 Departmental Clarifications - Clarifications on refund related issues under GST-
[Circular No. 94/13/2019-GST dated 28th March, 2019](#)

Various representations have been received seeking clarifications on certain issues relating to refund. In order to clarify these issues and to ensure uniformity in the implementation of the provisions of law 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 as detailed hereunder:

Sl. No.	Issue	Clarification
1.	Certain registered persons have reversed, through return in FORM GSTR-3B filed for the month of August, 2018 or for a subsequent month, the accumulated input tax credit (ITC) required to be lapsed in terms of notification No. 20/2018-Central Tax (Rate) dated 26.07.2018 read with circular No. 56/30/2018-GST dated 24.08.2018 (hereinafter referred to as the "said notification"). Some of these registered persons, who have attempted to claim refund of accumulated ITC on account of inverted tax structure for the same period in which the ITC required to be lapsed in terms of the said notification has been reversed, are not able to claim refund of accumulated	(a) As a one-time measure to resolve this issue, refund of accumulated ITC on account of inverted tax structure, for the period(s) in which there is reversal of the ITC required to be lapsed in terms of the said notification, is to be claimed under the category "any other" instead of under the category "refund of unutilized ITC on account of accumulation due to inverted tax structure" in FORM GST RFD-01A . It is emphasized that this application for refund should relate to the same tax period in which such reversal has been made.

	<p>ITC to the extent to which they are so eligible. This is because of a validation check on the common portal which prevents the value of input tax credit in Statement 1A of FORM GST RFD-01A from being higher than the amount of ITC availed in FORM GSTR-3B of the relevant period minus the value of ITC reversed in the same period. This results in registered persons being unable to claim the full amount of refund of accumulated ITC on account of inverted tax structure to which they might be otherwise eligible. What is the solution to this problem?</p>	<p>(b) The application shall be accompanied by all statements, declarations, undertakings and other documents which are statutorily required to be submitted with a "refund claim of unutilized ITC on account of accumulation due to inverted tax structure". On receiving the said application, the proper officer shall himself calculate the refund amount admissible as per rule 89(5) of Central Goods and Services Tax Rules, 2017 (hereinafter referred to as "CGST Rules"), in the manner detailed in para 3 of Circular No. 59/33/2018-GST dated 04.09.2018. After calculating the admissible refund amount, as described above, and scrutinizing the application for completeness and eligibility, if the proper officer is satisfied that the whole or any part of the amount claimed is payable as refund, he shall request the taxpayer, in writing, to debit the said amount from his electronic credit ledger through FORM GST DRC-03. Once the proof of such debit is received by the proper officer, he shall proceed to issue the refund order in FORM GST RFD-06 and the payment advice in FORM GST RFD-05.</p> <p>(c) All refund applications for unutilized ITC on account of accumulation due to inverted tax structure for subsequent tax period(s) shall be filed in FORM GST RFD-01A under the category "refund of unutilized ITC on account of accumulation due to inverted tax structure".</p>
<p>2.</p>	<p>The clarification at Sl. No. 1 above applies to registered persons who have already reversed the ITC required to be lapsed in terms of the said notification through return in FORM GSTR-3B. What about those registered persons who are yet to perform this reversal?</p>	<p>It is hereby clarified that all those registered persons required to make the reversal in terms of the said notification and who have not yet done so, may reverse the said amount through FORM GST DRC-03 instead of through FORM GSTR-3B.</p>
<p>3.</p>	<p>What shall be the consequence if any registered person reverses the amount of credit to be lapsed, in terms the said notification, through the return in FORM GSTR-3B for any month subsequent to August, 2018 or through FORM GST DRC-03 subsequent to the due date of filing of the return</p>	<p>(a) As the registered person has reversed the amount of credit to be lapsed in the return in FORM GSTR-3B for a month subsequent to the month of August, 2018 or through FORM GST DRC-03 subsequent to the due date of filing of the return in FORM GSTR-3B for the month of August, 2018, he shall be liable to pay interest under sub-section (1) of section 50 of the CGST Act on the amount which has been reversed belatedly. Such interest shall be</p>

	<p>in FORM GSTR-3B for the month of August, 2018?</p>	<p>calculated starting from the due date of filing of return in FORM GSTR- 3B for the month of August, 2018 till the date of reversal of said amount through FORM GSTR-3B or through FORM GST DRC-03, as the case may be.</p> <p>(b) The registered person who has reversed the amount of credit to be lapsed in the return in FORM GSTR-3B for any month subsequent to August, 2018 or through FORM GST DRC-03 subsequent to the due date of filing of the return in FORM GSTR-3B for the month of August, 2018 would remain eligible to claim refund of unutilized ITC on account of accumulation due to inverted tax structure w.e.f. 01.08.2018. However, such refund shall be granted only after the reversal of the amount of credit to be lapsed, either through FORM GSTR-3B or FORM GST DRC-03, along with payment of interest, as applicable.</p>
<p>4.</p>	<p>How should a merchant exporter claim refund of input tax credit availed on supplies received on which the supplier has availed the benefit of the Government of India, Ministry of Finance, notification No. 40/2017-Central Tax (Rate), dated the 23rd October, 2017, published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i), vide number G.S.R 1320 (E), dated the 23rd October, 2017 or notification No. 41/2017-Integrated Tax (Rate), dated the 23rd October, 2017, published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (i), vide number G.S.R 1321(E), dated the 23rd October, 2017 (hereinafter referred to as the "said notifications")?</p>	<p>(a) Rule 89(4B) of the CGST Rules provides that where the person claiming refund of unutilized input tax credit on account of zero-rated supplies without payment of tax has received supplies on which the supplier has availed the benefit of the said notifications, the refund of input tax credit, availed in respect of such inputs received under the said notifications for export of goods, shall be granted.</p> <p>(b) This refund of accumulated ITC under rule 89(4B) of the CGST Rules shall be applied under the category "any other" instead of under the category "refund of unutilized ITC on account of exports without payment of tax" in FORM GST RFD-01A and shall be accompanied by all supporting documents required for substantiating the refund claim under the category "refund of unutilized ITC on account of exports without payment of tax". After scrutinizing the application for completeness and eligibility, if the proper officer is satisfied that the whole or any part of the amount claimed is payable as refund, he shall request the taxpayer, in writing, to debit the said amount from his electronic credit ledger through FORM GST DRC-03. Once the proof of such debit is received by the proper officer, he shall proceed to issue the refund order in FORM GST RFD-06 and the payment advice in FORM GST RFD-05.</p>

5.	<p>Vide Circular No. 59/33/2018-GST dated 04.09.2018, it was clarified that after issuance of a deficiency memo, the input tax credit is required to be re-credited through FORM GST RFD-01B and the taxpayer is expected to file a fresh application for refund. Accordingly, in several cases, the ITC amounts were re-credited after issuance of deficiency memo. However, it was later represented that the common portal does not allow a taxpayer to file a fresh application for the same period after issuance of a deficiency memo. Therefore, the matter was re-examined and it was subsequently clarified, vide Circular No. 70/44/2018-GST dated 26.10.2018 that no re-credit should be carried out in such cases and taxpayers should file the rectified application, after issuance of the deficiency memo, under the earlier ARN only. It was also further clarified that a suitable clarification would be issued separately for cases in which such re-credit has already been carried out. However, no such clarification has yet been issued and several refund claims are pending on this account.</p>	<p>In such cases, the claimant may re-submit the refund application manually in FORM GST RFD-01A after correction of deficiencies pointed out in the deficiency memo, using the same ARN. The proper officer shall then proceed to process the refund application as per the existing guidelines. After scrutinizing the application for completeness and eligibility, if the proper officer is satisfied that the whole or any part of the amount claimed is payable as refund, he shall request the taxpayer, in writing, to debit the said amount from his electronic credit ledger through FORM GST DRC-03. Once the proof of such debit is received by the officer, he shall proceed to issue the refund order in FORM GST RFD-06 and the payment advice in FORM GST RFD-05.</p>
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10.4.2.2 Departmental Clarifications - Clarification in respect of certain challenges faced by the registered persons in implementation of provisions of GST Laws- [Circular No. 137/07/2020-GST dated 13th April, 2020](#)

[Circular No.136/06/2020-GST, dated 03.04.2020](#) had been issued to clarify doubts regarding relief measures taken by the Government for facilitating taxpayers in meeting the compliance requirements under various provisions of the Central Goods and Services Tax Act, 2017 (hereinafter referred to as the "CGST Act") on account of the measures taken to prevent the spread of Novel Corona Virus (COVID-19). It has been brought to the notice of the Board that

certain challenges are being faced by taxpayers in adhering to the compliance requirements under various other provisions of the CGST Act which also need to be clarified.

2. The issues raised have been examined and in order to ensure uniformity in the implementation of the provisions of the law across the field formations, the Board, in exercise of its powers conferred under section 168(1) of the CGST Act hereby clarifies as under:

S. No.	Issue	Clarification
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 ?	<p>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.</p> <p>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.</p>
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?	<p>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.</p> <p>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".</p>

3.	<p>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 ?</p>	<p>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.</p> <p>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.</p>
4.	<p>Letter of Undertaking (LUT) furnished for the purposes of zerorated supplies as per provisions of section 16 of the Integrated Goods and Services Tax Act, 2017 read with rule 96A of the CGST Rules has expired on 31.03.2020. Whether a registered person can still make a zero-rated supply on such LUT and claim refund accordingly or does he have to make such supplies on payment of IGST and claim refund of such IGST ?</p>	<p>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 between the period from 20.03.2020 to 29.06.2020, has been extended till 30.06.2020.</p> <p>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.</p>
5.	<p>While making the payment to recipient, amount equivalent to one per cent 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 N. 35/2020-Central Tax dated 03.04.2020?</p>	<p>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 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.</p>

6.	As per section 54 (1), a person is required to make an application before expiry of two years from the relevant date. If in a particular case, date for making an application for refund expires on 31.03.2020, can such person make an application for refund before 29.07.2020?	As per notification No. 35/2020-Central Tax dated 03.04.2020 , where the timeline for any compliance required as per sub-section (1) of section 54 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 filing an application for refund falling during the said period has also been extended till 30.06.2020.
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10.4.3.1 – Instructions – Administrative instructions for recovery of interest on net cash tax liability w.e.f. 01.07.2017 - [F.No. CBEC-20/01/08/2019-GST dated 18th September 2020](#).

Based on the recommendations of the 35th meeting of the GST Council held on 21st June, 2019, the provision of section 50 was amended vide section 100 of the Finance (No. 2) Act, 2019 to provide for charging interest on the net cash tax liability. The said amendment was to be made effective from a date to be notified by the Government. Accordingly, the said provision was made effective vide [notification No. 63/2020 - Central Tax dated the 25th August, 2020](#), w.e.f. 01.09.2020.

2. The GST Council, in its 39th meeting, held on 14th March, 2020 recommended interest to be charged on the net cash tax liability w.e.f. 01.07.2017 and accordingly, recommended the amendment of section 50 of the CGST Act retrospectively w.e.f. 01.07.2017. The retrospective amendment in the GST laws would be carried out in due course through suitable legislation.

3. Post issuance of [notification 63/2020 - Central Tax dated the 25th August, 2020](#), there were apprehensions raised by taxpayers that the said notification is issued contrary to the Council's recommendation to charge interest on net cash liability w.e.f. 01.07.2017. Consequently, a press release, dated 26.08.2020 was issued to clarify the position. Further, in order to implement the decision of the Council in its true spirit, and at the same time working within the present legal framework, it has been decided to address the issue through administrative arrangements, as under:

a.	For the period 01.07.2017 to 31.08.2020, field formations in your jurisdiction may be instructed to recover interest only on the net cash tax liability (i.e. that portion of the tax that has been paid by debiting the electronic cash ledger or is payable through cash ledger); and
b.	wherever SCNs have been issued on gross tax payable, the same may be kept in Call Book till the retrospective amendment in section 50 of the CGST Act is carried out.

10.5 Tax deduction at source. [Section 51]

Section 51(1)	01.07.2017 to till date	Tax deduction at source by specified persons. Notwithstanding anything to the contrary contained in this Act, the Government may mandate,— <table><tr><td>(a)</td><td>a department or establishment of the Central Government or State Government; or</td></tr><tr><td>(b)</td><td>local authority; or</td></tr><tr><td>(c)</td><td>Governmental agencies; or</td></tr><tr><td>(d)</td><td>such persons or category of persons as may be notified¹ by the Government on the recommendations of the Council,</td></tr></table> (hereafter in this section referred to as “the deductor”), to deduct tax at the rate of one per cent. from the payment made or credited to the supplier (hereafter in this section referred to as “the deductee”) of taxable goods or services or both, where the total value of such supply, under a contract, exceeds two lakh and fifty thousand rupees: <div><div>1</div><div>The Central Government has specified persons under clause (d) of sub-section (1) of section 51 of the said Act vide Notification No. 50/2018 – Central Tax Dated 13th September 2018 as amended from time to time.</div></div>	(a)	a department or establishment of the Central Government or State Government; or	(b)	local authority; or	(c)	Governmental agencies; or	(d)	such persons or category of persons as may be notified ¹ by the Government on the recommendations of the Council,
(a)	a department or establishment of the Central Government or State Government; or									
(b)	local authority; or									
(c)	Governmental agencies; or									
(d)	such persons or category of persons as may be notified ¹ by the Government on the recommendations of the Council,									
First Proviso	01.07.2017 to till date	Non applicability of Tax deduction at source Provided that no deduction shall be made if the location of the supplier and the place of supply is in a State or Union territory which is different from the State or as the case may be, Union territory of registration of the recipient.								
Explanation	01.07.2017 to till date	For the purpose of Tax deduction at source, the value of supply shall be taken as the amount excluding the central tax, State tax, Union territory tax, integrated tax and cess indicated in the invoice. For the purpose of deduction of tax specified above, the value of supply shall be taken as the amount excluding the central tax, State tax, Union territory tax, integrated tax and cess indicated in the invoice.								
Section 51(2)	01.07.2017 to till date	Payment of TDS to the Government within ten days after the end of the month in which such deduction is made The amount deducted as tax under this section shall be paid to the Government by the deductor within ten days after the								

		end of the month in which such deduction is made, in such manner as may be prescribed.
Section 51(3)	01.07.2017 to 31.12.2020	Particulars to be mentioned in TDS certificate The deductor shall furnish to the deductee a certificate mentioning therein the contract value, rate of deduction, amount deducted, amount paid to the Government and such other particulars in such manner as may be prescribed.
	01.01.2021 to till date	Form and manner to issue a certificate of tax deduction at source ¹ [A certificate of tax deduction at source shall be issued in such form and in such manner as may be prescribed .] <div> 1. Substituted w.e.f. 01.01.2021 sub-section (3) vide Section 124 of the Finance Act, 2020 NO. 12 of 2020 dated 27th March, 2020 which comes into force vide Notification No. 92/2020 – Central Tax dated 22nd December 2020. </div>
Section 51(4)	01.07.2017 to 31.12.2020	Late fees for delay in furnishing TDS Certificate to the deductee If any deductor fails to furnish to the deductee the certificate, after deducting the tax at source, within five days of crediting the amount so deducted to the Government, the deductor shall pay, by way of a late fee, a sum of one hundred rupees per day from the day after the expiry of such five days period until the failure is rectified, subject to a maximum amount of five thousand rupees.
¹ [Section 51(4)]	01.01.2021 to till date	Late fees for delay in furnishing TDS Certificate to the deductee *****] <div> 1. Omitted w.e.f. 01.01.2021 sub-section (4) vide Section 124 of the Finance Act, 2020 NO. 12 of 2020 dated 27th March, 2020 which comes into force vide Notification No. 92/2020 – Central Tax dated 22nd December 2020. </div>
Section 51(5)	01.07.2017 to till date	Claim of the credit of the tax deducted at source The deductee shall claim credit, in his electronic cash ledger, of the tax deducted and reflected in the return of the deductor furnished under sub-section (3) of section 39, in such manner as may be prescribed.
Section 51(6)	01.07.2017 to till date	Interest to be paid by deductor when failed to pay to the Government the amount deducted as tax

		If any deductor fails to pay to the Government the amount deducted as tax under sub-section (1), he shall pay interest in accordance with the provisions of sub-section (1) of section 50, in addition to the amount of tax deducted.
Section 51(7)	01.07.2017 to till date	The determination of the amount in default The determination of the amount in default under this section shall be made in the manner specified in section 73 or section 74.
Section 51(8)	01.07.2017 to till date	The refund to the deductor or the deductee arising on account of excess or erroneous deduction The refund to the deductor or the deductee arising on account of excess or erroneous deduction shall be dealt with in accordance with the provisions of section 54:
First Proviso	01.07.2017 to till date	No refund to the deductor, if the amount deducted has been credited to the electronic cash ledger of the deductee Provided that no refund to the deductor shall be granted, if the amount deducted has been credited to the electronic cash ledger of the deductee.

10.5.1.1 Departmental Notifications – Such persons or category of persons to deduct tax from the payment made or credited to the supplier of taxable goods or services or both, where the total value of such supply, under a contract, exceeds two lakh and fifty thousand rupees:

[Notification No. 33/2017 – Central Tax dated 15th September, 2017](#) - The Central Government hereby appoints the 18th day of September, 2017 as the date on which the provisions of sub-section (1) of section 51 of the said Act shall come into force with respect to persons specified under clauses (a) and (b) of sub-section (1) of section 51 of the said Act and the persons specified below under clause (d) of sub-section (1) of section 51 of the said Act, namely:-

- (a) an authority or a board or any other body, -
 - (i) set up by an Act of Parliament or a State Legislature; or
 - (ii) established by any Government, with fifty-one percent or more participation by way of equity or control, to carry out any function;
- (b) society established by the Central Government or the State Government or a Local Authority under the Societies Registration Act, 1860 (21 of 1860);
- (c) public sector undertakings:

Provided that the said persons shall be liable to deduct tax from the payment made or credited to the supplier of taxable goods or services or both with effect from a date to be notified subsequently, on the recommendations of the Council, by the Central Government.

[Notification No. 50/2018 – Central Tax dated 13th September, 2018](#) has superseded [Notification No. 33/2017 – Central Tax dated 15th September, 2017](#) except as respects things done or omitted to be done before such supersession, the Central Government has appointed the 1st day of October, 2018, as the date on which the provisions of section 51 of the said Act shall come into force with respect to persons specified under clauses (a), (b) and (c) of sub-section (1) of section 51 of the said Act and the persons specified below under clause (d) of sub-section (1) of section 51 of the said Act, namely:-

- (a) an authority or a board or any other body, -
 - (i) set up by an Act of Parliament or a State Legislature; or
 - (ii) established by any Government, with fifty-one per cent. or more participation by way of equity or control, to carry out any function;
- (b) Society established by the Central Government or the State Government or a Local Authority under the Societies Registration Act, 1860 (21 of 1860);
- (c) public sector undertakings.

[Notification No. 57/2018 – Central Tax dated 23rd October, 2018](#) -The Central Government, on the recommendations of the Council, has amended [Notification No. 50/2018 – Central Tax dated 13th September, 2018](#), namely:-

In the paragraph of the notification, the following proviso shall be inserted, namely:-

“Provided that with respect to persons specified under clause (a) of sub-section (1) of section 51 of the Act, nothing in this notification shall apply to the authorities under the Ministry of Defence, other than the authorities specified in the Annexure-A and their offices, with effect from the 1st day of October, 2018.”

[Notification No. 61/2018 – Central Tax dated 5th November, 2018](#) - The Central Government, on the recommendations of the Council, has amended [Notification No. 50/2018 – Central Tax dated 13th September, 2018](#), namely:-

In the said notification, after the proviso, the following proviso shall be inserted, namely:-

“Provided further that nothing in this notification shall apply to the supply of goods or services or both from a public sector undertaking to another public sector undertaking, whether or not a distinct person, with effect from the 1st day of October, 2018.”

[Notification No.73/2018 – Central Tax dated 31st December, 2018](#) - The Central Government, on the recommendations of the Council, has amended [Notification No. 50/2018 – Central Tax dated 13th September, 2018](#), namely:-

In the said notification, after the second proviso, the following proviso shall be inserted, namely:-

“Provided also that nothing in this notification shall apply to the supply of goods or services or both which takes place between one person to another person specified under clauses (a), (b), (c) and (d) of sub-section (1) of section 51 of the said Act.”.

10.5.1.2 - Departmental Notifications - Exemption from central tax leviable under section 9 (4) of CGST Act, 2017 on intra-State supplies to a TDS deductor under section 51 of the CGST Act by a supplier, who is not registered, subject to the condition that the deductor is not liable to be registered otherwise than under sub-clause (vi) of section 24 of the said Act.

[Notification No.9/2017-Central Tax \(Rate\) dated 28th June, 2017](#) effective from 1st day of July, 2017.- The Central Government, on being satisfied that it is necessary in the public interest so to do, on the recommendations of the Council, hereby exempts intra-State supplies of goods or services or both received by a deductor under section 51 of the said Act, from any supplier, who is not registered, from the whole of the central tax leviable thereon under sub-section (4) of section 9 of the said Act, subject to the condition that the deductor is not liable to be registered otherwise than under sub-clause (vi) of section 24 of the said Act.

10.5.1.3 Departmental Notifications – Extention of due date of compliance which falls during the period from 20.03.2020 to 29.06.2020

[Notification No. 35/2020 – Central Tax dated 3rd April, 2020](#) - Where, any time limit for completion or compliance of any action required as per sub-section (3) of section 39 and section 51 of the Central Goods and Services Tax Act, 2017, which falls during the period from the 20th day of March, 2020 to the 29th 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 upto the 30th day of June, 2020.

10.5.2.1 Departmental Clarifications - Guidelines for Deductions and Deposits of TDS by the DDO under GST- [Circular No. 65/39/2018-DOR dated 14th September, 2018](#)

Section 51 of the CGST Act 2017 provides for deduction of tax by the Government Agencies (Deductor) or any other person to be notified in this regard, from the payment made or credited to the supplier (Deductee) of taxable goods or services or both, where the total value of such supply, under a contract, exceeds two lakh and fifty thousand rupees. The amount deducted as tax under this section shall be paid to the Government by deductor within ten days after the end of the month in which such deduction is made alongwith a return in FORM GSTR-7 giving the details of deductions and deductees. Further, the deductor has to issue a certificate to the deductee mentioning therein the contract value, rate of deduction, amount deducted etc.

2. As per the Act, every deductor shall deduct the tax amount from the payment made to the supplier of goods or services or both and deposit the tax amount so deducted with the Government account through NEFT to RBI or a cheque to be deposited in one of the authorized banks, using challan on the common portal. In addition, the deductors are entrusted the responsibility of filing return in FORM GSTR-7 on the common portal for every month in which deduction has been made based on which the benefit of deduction shall be made available to the deductee. All the DDOs in the Government, who are performing the role as

deductor have to register with the common portal and get the GST Identification Number (GSTIN).

3. The subject section which provides for tax deduction at source was not notified to come into force with effect from 1st July, 2017, the date from which GST was introduced. Government has recently notified that these provisions shall come into force with effect from 1st October, 2018, vide [Notification No. 50/2018 – Central Tax dated 13th September, 2018](#).

4. For payment process of Tax Deduction at Source under GST two options can be followed, which are as under:

Option I: Generation of challan for every payment made during the month

Option II: Bunching of TDS deducted from the bills on weekly, monthly or any periodic manner

5. In order to give effect to the above options from 01.10.2018, a process flow of deduction and deposit of TDS by the DDOs has been finalised in consultation with CGA for guidance and implementation by Central and State Government Authorities. The process flow for Option I and Option II are described as under:

Option I - Individual Bill-wise Deduction and its Deposit by the DDO

6. In this option, the DDO will have to deduct as well as deposit the GST TDS for each bill individually by generating a CPIN (Challan) and mentioning it in the Bill itself.

7. Following process shall be followed by the DDO in this regard:

(i) The DDO shall prepare the Bill based on the Expenditure Sanction. The Expenditure Sanction shall contain the (a) Total amount, (b) net amount payable to the Contractor/Supplier/Vendor and (c) the 2% TDS amount of GST.

(ii) The DDO shall login into the GSTN Portal (using his GSTIN) and generate the CPIN (Challan). In the CPIN he shall have to fill in the desired amount of payment against one/many Major Head(s) (CGST/SGST/UTGST/IGST) and the relevant component (e.g. Tax) under each of the Major Head.

(iii) While generating the CPIN, the DDO will have to select mode of payment as either (a) NEFT/RTGS or (b) OTC. In the OTC mode, the DDO will have to select the Bank where the payment will be deposited through OTC mode.

(iv) The DDO shall prepare the bill on PFMS (in case of Central Civil Ministries of GoI), similar payment portals of other Ministries/Departments of GoI or of State Governments for submission to the respective payment authorities.

(v) In the Bill,

(a) the net amount payable to the Contractor; and

(b) 2% as TDS will be specified

(vi) In case of NEFT/RTGS mode, the DDO will have to mention the CPIN Number (as beneficiary's account number), RBI (as beneficiary) and the IFSC Code of RBI with the request to payment authority to make payment in favour of RBI with these credentials.

(vii) In case of the OTC mode, the DDO will have to request the payment authority to issue 'A' Category Government Cheque in favour of one of the 25 authorized Banks. The Cheque may

then be deposited along with the CPIN with any of branch of the authorized Bank so selected by the DDO.

(viii) Upon successful payment, a CIN will be generated by the RBI/Authorized Bank and will be shared electronically with the GSTN Portal. This will get credited in the electronic Cash Ledger of the concerned DDO in the GSTN Portal. This can be viewed and the details of CIN can be noted by the DDO anytime on GSTN portal using his Login credentials.

(ix) The DDO should maintain a Register as per proforma given in Annexure 'A' to keep record of all TDS deductions made by him during the month. This Record will be helpful at the time of filing Monthly Return (FORM GSTR-7) by the DDO. The DDO may also make use of the offline utility available on the GSTN Portal for this purpose.

(x) The DDO shall generate TDS Certificate through the GST Portal in FORM GSTR-7A after filing of Monthly Return.

Option II - Bunching of deductions and its deposit by the DDO

8. Option-I may not be suitable for DDOs who make large number of payments in a month as it would require them to make large number of challans during the month. Such DDOs may exercise this option wherein the DDO will have to deduct the TDS from each bill, for keeping it under the Suspense Head. However, deposit of this bunched amount from the Suspense Head can be made on a weekly, monthly or any other periodic basis.

9. Following process shall be followed by the DDO in this regard:

(i) The DDO shall prepare the Bill based on the Expenditure Sanction. The Expenditure Sanction shall contain the (a) Total amount, (b) net amount payable to the Contractor/Supplier/Vendor and (c) the 2% TDS amount of GST.

(ii) The DDO shall prepare the bill on PFMS (in case of Central Civil Ministries of GoI), similar payment portals of other Ministries/Departments of GoI or of State Governments for submission to the respective payment authorities.

(iii) In the Bill, it will be specified (a) the net amount payable to the Contractor; and (b) 2% as TDS

(iv) The TDS amount shall be mentioned in the Bill for booking in the Suspense Head (8658 - Suspense; 00.101 - PAO Suspense; xx – GST TDS)

(v) The DDO will require to maintain the Record of the TDS so being booked under the Suspense Head so that at the time of preparing the CPIN for making payment on weekly/monthly or any other periodic basis, the total amount could be easily worked out.

(vi) At any periodic interval, when DDO needs to deposit the TDS amount, he will prepare the CPIN on the GSTN Portal for the amount (already booked under the Suspense Head).

(vii) While generating the CPIN, the DDO will have to select mode of payment as either (a) NEFT/RTGS or (b) OTC. In the OTC mode, the DDO will have to select the Bank where the payment will be deposited through OTC mode.

(viii) The DDO shall prepare the bill for the bunched TDS amount for payment through the concerned payment authority. In the Bill, the DDO will give reference of all the earlier paid bills from which 2% TDS was deducted and kept in the suspense head. The DDO may also attach a certified copy of the record maintained by him in this regard.

(ix) The payment authority will pass the bill by clearing the Suspense Head operated against that particular DDO after exercising necessary checks.

(x) In case of NEFT/RTGS mode, the DDO will have to mention the CPIN Number (as beneficiary's account number), RBI (as beneficiary) and the IFSC Code of RBI with the request to payment authority to make payment in favour of RBI with these credentials.

(xi) In case of the OTC mode, the DDO will have to request the payment authority to issue 'A' Category Government Cheque in favour of one of the 25 authorized Banks. The Cheque may then be deposited along with the CPIN with any of branch of the authorized Bank so selected by the DDO.

(xii) Upon successful payment, a CIN will be generated by the RBI/Authorized Bank and will be shared electronically with the GSTN Portal. This will get credited in the electronic Cash Ledger of the concerned DDO in the GSTN Portal. This can be viewed and the details of CIN can be noted by the DDO anytime on GSTN portal using his Login credentials.

(xiii) The DDO should maintain a Register as per proforma given in Annexure 'A' to keep record of all TDS deductions made by him during the month. This Record will be helpful at the time of filing Monthly Return (FORM GSTR-7) by the DDO. The DDO may also make use of the offline utility available on the GSTN Portal for this purpose.

(xiv) The DDO shall file the Return in FORM GSTR-7 by 10th of the following month (xv) The DDO shall generate TDS Certificate through the GSTN Portal in FORM GSTR-7A

10. Departments in Central Government should instruct all its DDOs under them to follow the above procedure for payment of GST TDS amount deducted from payments to be made to suppliers.

ANNEXURE A

Record to be maintained by the DDO for filing of GSTR7

Sl. No.	GSTIN of the Deductee	Trade Name	Amount paid to the Deductee on which tax is deducted	Integrated Tax	Central Tax	State/UT Tax	Total

10.5.2.1A Departmental Clarifications - Modification to the Guidelines for Deductions and Deposits of TDS by the DDO under GST as clarified in Circular No. 65/39/2018-DOR dated 14.09.2018- [Circular No. 67/41/2018-DOR dated 28th September, 2018](#)

[Circular No. 65/39/2018-DOR dated 14/09/2018](#), vide which Guidelines for Deductions and Deposits of TDS by the DDO under GST had been issued by the Department of Revenue.

2. On the recommendation of the Controller General of Accounts, the Department of Revenue, hereby issues the following modifications to the said Circular:-

Para 9 (iv) should read as: To enable the DDOs to account for the TDS bunched together (in terms of Option II), following sub-head related to the GST-TDS below the Head 8658.00.101- PAO Suspense has been opened.

S. No.	Major Head	Sub-Head Description	Major Head Serial Code (8-digit reduced accounting code)	SCCD Code
1.	8658-00-101	08-GST TDS	86580344	367

10.5.2.2 Departmental Clarifications - Processing of Applications for Cancellation of Registration submitted in FORM GST REG-16- [Circular No. 69/43/2018-GST dated 26th October, 2018](#)

The Board is in receipt of representations seeking clarifications on various issues in relation to processing of the applications for cancellation of registration filed by taxpayers in FORM GST REG-16. In order to clarify these issues and to ensure uniformity in the implementation of the provisions of law 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 the "CGST Act"), hereby clarifies the issues as detailed hereunder:

2. Section 29 of the CGST Act, read with rule 20 of the Central Goods and Services Tax Act, 2017 (hereinafter referred to as the "CGST Rules") provides that a taxpayer can apply for cancellation of registration in FORM GST REG-16 in the following circumstances:

- a. Discontinuance of business or closure of business;
- b. Transfer of business on account of amalgamation, merger, de-merger, sale, lease or otherwise;
- c. Change in constitution of business leading to change in PAN;
- d. Taxable person (including those who have taken voluntary registration) is no longer liable to be registered under GST;
- e. Death of sole proprietor;
- f. Any other reason (to be specified in the application).

3. Rule 20 of the CGST Rules provides that the taxpayer applying for cancellation of registration shall submit the application in FORM GST REG-16 on the common portal within a period of 30 days of the „occurrence of the event warranting the cancellation“. It might be difficult in some cases to exactly identify or pinpoint the day on which such an event occurs. For instance, a business may be transferred/disposed over a period of time in a piece meal fashion. In such cases, the 30-day deadline may be liberally interpreted and the taxpayers' application for cancellation of registration may not be rejected because of the possible violation of the deadline.

4. While initiating the application for cancellation of registration in FORM GST REG16, the Common portal captures the following information which has to be mandatorily filled in by the applicant:

- a) Address for future correspondence with mobile number and email address;
- b) Reason for cancellation;

- c) Date from which cancellation is sought;
- d) Details of the value and the input tax/tax payable on the stock of inputs, inputs contained in semi-finished goods, inputs contained in finished goods, stock of capital goods/plant and machinery;
- e) In case of transfer, merger of business, etc., particulars of registration of the entity in which the existing unit has been merged, amalgamated, or transferred (including the copy of the order of the High Court / transfer deed);
- f) Details of the last return filed by the taxpayer along with the ARN of such return filed.

On successful submission of the cancellation application, the same appears on the dashboard of the jurisdictional officer.

5. Since the cancellation of registration has no effect on the liability of the taxpayer for any acts of commission/omission committed before or after the date of cancellation, the proper officer should accept all such applications within a period of 30 days from the date of filing the application, except in the following circumstances:

- a) The application in FORM GST REG-16 is incomplete, i.e. where all the relevant particulars, as detailed in para 4 above, have not been entered;
- b) In case of transfer, merger or amalgamation of business, the new entity in which the applicant proposes to amalgamate or merge has not got registered with the tax authority before submission of the application for cancellation.

In all cases other than those listed at (a) and (b) above, the application for cancellation of registration should be immediately accepted by the proper officer and the order for cancellation should be issued in FORM GST REG-19 with the effective date of cancellation being the same as the date from which the applicant has sought cancellation in FORM GST REG-16. In any case the effective date cannot be a date earlier to the date of application for the same.

6. In situations referred to in (a) or (b) in para 5 above, the proper officer shall inform the applicant in writing about the nature of the discrepancy and give a time period of seven working days to the taxpayer, from the date of receipt of the said letter, to reply. If no reply is received within the specified period of seven working days, the proper officer may reject the application on the system, after giving the applicant an opportunity to be heard, recording reasons for rejection in the dialog box that opens once the „Reject“ button is chosen. If reply to the query is received and the same on examination is found satisfactory, the Proper Officer may approve the application for cancellation and proceed to cancel the registration by issuing an order in FORM GST REG-19. If reply to the query is found to be not satisfactory, the Proper Officer may reject the application for cancellation on the system, after giving the applicant an opportunity to be heard. The Proper Officer must also record his reasons for rejection of the application in the dialog box that opens when the „Reject“ button is chosen.

7. Section 45 of the CGST Act requires every registered person (other than an Input Service Distributor or a non-resident taxable person or a person paying tax under the provisions of section 10 or section 51 or section 52) whose registration has been cancelled, to file a final return in FORM GSTR-10, within three months of the effective date of cancellation or the date of order of cancellation, whichever is later. The purpose of the final return is to ensure that the taxpayer discharges any liability that he/she may have incurred under sub-section (5) of the section 29 of the CGST Act. It may be noted that the last date for furnishing of FORM GSTR-10 by those taxpayers whose registration has been cancelled on or before 30.09.2018 has

been extended till 31.12.2018 vide [notification No. 58/2018 – Central Tax dated the 26th October, 2018](#).

8. Further, sub-section (5) of section 29 of the CGST Act, read with rule 20 of the CGST Rules states that the taxpayer seeking cancellation of registration shall have to pay, by way of debiting either the electronic credit or cash ledger, the input tax contained in the stock of inputs, semi-finished goods, finished goods and capital goods or the output tax payable on such goods, whichever is higher. For the purpose of this calculation, the stock of inputs, semi-finished goods, finished goods and capital goods shall be taken as on the day immediately preceding the date with effect from which the cancellation has been ordered by the proper officer i.e. the date of cancellation of registration. However, it is clarified that this requirement to debit the electronic credit and/or cash ledger by suitable amounts should not be a prerequisite for applying for cancellation of registration. This can also be done at the time of submission of final return in FORM GSTR-10. In any case, once the taxpayer submits the application for cancellation of his/her registration from a specified date, he/she will not be able to utilize any remaining balances in his/her electronic credit/cash ledgers from the said date except for discharging liabilities under GST Act upto the date of filing of final return in FORM GSTR-10. Therefore, the requirement to reverse the balance in the electronic credit ledger is automatically met. In case it is later determined that the output tax liability of the taxpayer, as determined under sub-section (5) of section 29 of the CGST Act, was greater than the amount of input tax credit available, then the difference shall be paid by him/her in cash. It is reiterated that, as stated in sub-section (3) of section 29 of the CGST Act, the cancellation of registration does not, in any way, affect the liability of the taxpayer to pay any dues under the GST law, irrespective of whether such dues have been determined before or after the date of cancellation.

9. In case the final return in FORM GSTR-10 is not filed within the stipulated date, then notice in FORM GSTR-3A has to be issued to the taxpayer. If the taxpayer still fails to file the final return within 15 days of the receipt of notice in FORM GSTR-3A, then an assessment order in FORM GST ASMT-13 under section 62 of the CGST Act read with rule 100 of the CGST Rules shall have to be issued to determine the liability of the taxpayer under sub-section (5) of section 29 on the basis of information available with the proper officer. If the taxpayer files the final return within 30 days of the date of service of the order in FORM GST ASMT-13, then the said order shall be deemed to have been withdrawn. However, the liability for payment of interest and late fee shall continue.

10. Rule 68 of the CGST Rules requires issuance of notices to registered persons who fail to furnish returns under section 39 (FORM GSTR-1, FORM GSTR-3B and FORM GSTR-4), section 44 (Annual Return – FORM GSTR-9 / FORM GSTR-9A / FORM GSTR-9C), section 45 (Final Return – FORM GSTR-10) or section 52 (TCS Return – FORM GSTR-6). It is clarified that issuance of notice would not be required for registered persons who have not made any taxable supplies during the intervening period (i.e. from the date of registration to the date of application for cancellation of registration) and has furnished an undertaking to this effect.

11. It is pertinent to mention here that section 29 of the CGST Act has been amended by the CGST (Amendment) Act, 2018 to provide for “Suspension” of registration. The intent of the said amendment is to ensure that a taxpayer is freed from the routine compliances, including filing returns, under GST Act during the pendency of the proceedings related to cancellation. Although the provisions of CGST (Amendment) Act, 2018 have not yet been brought into force, it will be prudent for the field formations not to issue notices for nonfiling of return for taxpayers who have already filed an application for cancellation of registration under section 29 of the

CGST Act. However, the requirement of filing a final return, as under section 45 of the CGST Act, remains unchanged.

12. It may be noted that the information in table in FORM GST REG-19 shall be taken from the liability ledger and the difference between the amounts in Table 10 and Table 11 of FORM GST REG-16.

10.5.2.3 Departmental Clarifications - Clarification on certain issues (sale by government departments to unregistered person; levability of penalty under section 73(11) of the CGST Act; rate of tax in case of debit notes / credit notes issued under section 142(2) of the CGST Act; applicability of [notification No. 50/2018-Central Tax](#); valuation methodology in case of TCS under Income Tax Act and definition of owner of goods) related to GST- [Circular No. 76/50/2018-GST dated 31st December, 2018](#)

Various representations have been received seeking clarification on certain issues under the GST laws. In order to clarify these issues and to ensure uniformity of implementation across field formations, the Board, in exercise of its powers conferred under section 168 (1) of the Central Goods and Services Tax Act, 2017 (hereinafter referred to as the "CGST Act") hereby clarifies the issues as below:

Sl. No.	Issue	Clarification
4.	Applicability of the provisions of section 51 of the CGST Act (TDS) in the context of notification No. 50/2018-Central Tax dated 13.09.2018 .	<ol style="list-style-type: none"> 1. A doubt has arisen about the applicability of long line mentioned in clause (a) of notification No. 50/2018- Central Tax dated 13.09.2018. 2. It is clarified that the long line written in clause (a) in notification No. 50/2018- Central Tax dated 13.09.2018 is applicable to both the items (i) and (ii) of clause (a) of the said notification. Thus, an authority or a board or any other body whether set up by an Act of Parliament or a State Legislature or established by any Government with fifty-one per cent. or more participation by way of equity or control, to carry out any function would only be liable to deduct tax at source. 3. In other words, the provisions of section 51 of the CGST Act are applicable only to such authority or a board or any other body set up by an Act of parliament or a State legislature or established by any Government in which fifty one per cent. or more participation by way of equity or control is with the Government.

10.5.2.4 Departmental Clarifications - Clarification in respect of various measures announced by the Government for providing relief to the taxpayers in view of spread of Novel Corona Virus (COVID-19) - [Circular No. 136/06/2020-GST dated 3rd April, 2020](#)

The spread of Novel Corona Virus (COVID-19) across many countries of the world, including India, has caused immense loss to the lives of people and resultantly impacted the trade and industry. In view of the emergent situation and challenges faced by taxpayers in meeting the compliance requirements under various provisions of the Central Goods and Services Tax Act, 2017 (hereinafter referred to as the "CGST Act"), Government has announced various relief measures relating to statutory and regulatory compliance matters across sectors.

2. Government has issued following notifications in order to provide relief to the taxpayers:

S. No.	Notification	Remarks
1.	Notification No. 30/2020- Central Tax, dated 03.04.2020	Amendment in the CGST Rules so as to allow taxpayers opting for the Composition Scheme for the financial year 2020-21 to file their option in FORM CMP-02 till 30th June, 2020 and to allow cumulative application of the condition in rule 36(4) for the months of February, 2020 to August, 2020 in the return for tax period of September, 2020.
2.	Notification No. 31/2020- Central Tax, dated 03.04.2020	A lower rate of interest of NIL for first 15 days after the due date of filing return in FORM GSTR-3B and @ 9% thereafter is notified for those registered persons having aggregate turnover above Rs. 5 Crore and NIL rate of interest is notified for those registered persons having aggregate turnover below Rs. 5 Crore in the preceding financial year, for the tax periods of February, 2020 to April, 2020. This lower rate of interest shall be subject to condition that due tax is paid by filing return in FORM GSTR-3B by the date(s) as specified in the Notification.
3.	Notification No. 32/2020- Central Tax, dated 03.04.2020	Notification under section 128 of CGST Act for waiver of late fee for delay in furnishing returns in FORM GSTR-3B for the tax periods of February, 2020 to April, 2020 provided the return in FORM GSTR-3B by the date as specified in the Notification.
4.	Notification No. 33/2020- Central Tax, dated 03.04.2020	Notification under section 128 of CGST Act for waiver of late fee for delay in furnishing the statement of outward supplies in FORM GSTR-1 for taxpayers for the tax periods March, 2020 to May, 2020 and for quarter ending 31st March 2020 if the same are furnished on or before 30th day of June, 2020.

5.	Notification No. 34/2020- Central Tax, dated 03.04.2020	Extension of due date of furnishing statement, containing the details of payment of self-assessed tax in FORM GST CMP- 08 for the quarter ending 31st March, 2020 till the 7th day of July, 2020 and filing FORM GSTR-4 for the financial year ending 31st March, 2020 till the 15th day of July, 2020.
6.	Notification No. 35/2020- Central Tax, dated 03.04.2020	Notification under section 168A of CGST Act for extending due date of compliance which falls during the period from the 20th day of March, 2020 to the 29th day of June, to 30th day of June, 2020.

3. Various issues relating to above mentioned notifications have been examined. In order to ensure uniformity in the implementation of the provisions of the law across the field formations, the Board, in exercise of its powers conferred under section 168(1) of the CGST Act hereby clarifies each of these issues as under:-

S. No.	Issue	Clarification								
1.	What are the measures that have been specifically taken for taxpayers who have opted to pay tax under section 10 the CGST Act or those availing the option to pay tax under the notification No. 02/2019- Central Tax (Rate) , dated the 7th March, 2019?	<p>1. The said class of taxpayers, as per the notification No. 34/2020- Central Tax, dated 03.04.2020, have been allowed, to, —</p> <table><tr><td>(i)</td><td>furnish the statement of details of payment of self- assessed tax in FORM GST CMP-08 for the quarter January to March, 2020 by 07.07.2020; and</td></tr><tr><td>(ii)</td><td>furnish the return in FORM GSTR-4 for the financial year 2019-20 by 15.07.2020.</td></tr></table> <p>2. In addition to the above, taxpayers opting for the composition scheme for the financial year 2020-21, have been allowed, as per the notification No. 30/2020- Central Tax, dated 03.04.2020, to, —</p> <table><tr><td>(i)</td><td>file an intimation in FORM GST CMP-02 by 30.06.2020; and</td></tr><tr><td>(ii)</td><td>furnish the statement in FORM GST ITC-03 till 31.07.2020.</td></tr></table>	(i)	furnish the statement of details of payment of self- assessed tax in FORM GST CMP-08 for the quarter January to March, 2020 by 07.07.2020; and	(ii)	furnish the return in FORM GSTR-4 for the financial year 2019-20 by 15.07.2020.	(i)	file an intimation in FORM GST CMP-02 by 30.06.2020; and	(ii)	furnish the statement in FORM GST ITC-03 till 31.07.2020.
(i)	furnish the statement of details of payment of self- assessed tax in FORM GST CMP-08 for the quarter January to March, 2020 by 07.07.2020; and									
(ii)	furnish the return in FORM GSTR-4 for the financial year 2019-20 by 15.07.2020.									
(i)	file an intimation in FORM GST CMP-02 by 30.06.2020; and									
(ii)	furnish the statement in FORM GST ITC-03 till 31.07.2020.									
2.	Whether due date of furnishing FORM GSTR-3B for the months of February, March and April, 2020 has been extended ?	<p>1. The due dates for furnishing FORM GSTR-3B for the months of February, March and April, 2020 has not been extended through any of the notifications referred in para 2 above.</p> <p>2. However, as per notification No. 31/2020- Central Tax, dated 03.04.2020, NIL rate of interest for first 15 days after the due date of filing return in FORM GSTR-3B and reduced rate of interest @ 9% thereafter has been notified for those registered persons whose aggregate turnover in the preceding financial year is above Rs. 5 Crore. For those registered persons having turnover up to Rs. 5 Crore in the preceding financial year, NIL rate of interest has also been notified.</p> <p>3. Further, vide notification as per the notification No. 32/2020- Central Tax, dated 03.04.2020, Government has waived the late fees for delay in furnishing the return in FORM GSTR-3B for the months of February, March and April, 2020.</p>								

		4. The lower rate of interest and waiver of late fee would be available only if due tax is paid by filing return in FORM GSTR-3B by the date(s) as specified in the Notification.																														
3.	What are the conditions attached for availing the reduced rate of interest for the months of February, March and April, 2020, for a registered person whose aggregate turnover in the preceding financial year is above Rs. 5 Crore?	<p>1. As clarified at sl. no. (2) above, the due date for furnishing the return remains unchanged; i.e. 20th day of the month succeeding such month. The rate of interest has been notified as Nil for first 15 days from the due date, and 9 per cent per annum thereafter, for the said months.</p> <p>2. The reduced rate of interest is subject to the condition that the registered person must furnish the returns in FORM GSTR-3B on or before 24th day of June, 2020.</p> <p>3. In case the returns in FORM GSTR-3B for the said months are not furnished on or before 24th day of June, 2020 then interest at 18% per annum shall be payable from the due date of return, till the date on which the return is filed. In addition, regular late fee shall also be leviable for such delay along with liability for penalty.</p>																														
4.	How to calculate the interest for late payment of tax for the months of February, March and April, 2020 for a registered person whose aggregate turnover in preceding financial year is above Rs. 5 Crore?	<p>1. As explained above, the rate of interest has been notified as Nil for first 15 days from the due date, and 9 per cent per annum thereafter, for the said months. The same can be explained through an illustration.</p> <p><i>Illustration:-</i> Calculation of interest for delayed filing of return for the month of March, 2020 (due date of filing being 20.04.2020) may be illustrated as per the below Table:</p> <table><tr><th>S. No.</th><th>Date of filing GSTR-3B</th><th>No. of days of delay</th><th>Whether condition for reduced interest is fulfilled?</th><th>Interest</th></tr><tr><td>1</td><td>02.05.2020</td><td>11</td><td>Yes</td><td>Zero interest</td></tr><tr><td>2</td><td>20.05.2020</td><td>30</td><td>Yes</td><td>Zero interest for 15 days + interest rate @9% p.a. for 15 days</td></tr><tr><td>3</td><td>20.06.2020</td><td>61</td><td>Yes</td><td>Zero interest for 15 days + interest rate @9% p.a. for 46 days</td></tr><tr><td>4</td><td>24.06.2020</td><td>65</td><td>Yes</td><td>Zero interest for 15 days + interest rate @9% p.a. for 50 days</td></tr><tr><td>5</td><td>30.06.2020</td><td>71</td><td>NO</td><td>Interest rate @18% p.a. for 71 days (i.e. no benefit of reduced interest)</td></tr></table>	S. No.	Date of filing GSTR-3B	No. of days of delay	Whether condition for reduced interest is fulfilled?	Interest	1	02.05.2020	11	Yes	Zero interest	2	20.05.2020	30	Yes	Zero interest for 15 days + interest rate @9% p.a. for 15 days	3	20.06.2020	61	Yes	Zero interest for 15 days + interest rate @9% p.a. for 46 days	4	24.06.2020	65	Yes	Zero interest for 15 days + interest rate @9% p.a. for 50 days	5	30.06.2020	71	NO	Interest rate @18% p.a. for 71 days (i.e. no benefit of reduced interest)
S. No.	Date of filing GSTR-3B	No. of days of delay	Whether condition for reduced interest is fulfilled?	Interest																												
1	02.05.2020	11	Yes	Zero interest																												
2	20.05.2020	30	Yes	Zero interest for 15 days + interest rate @9% p.a. for 15 days																												
3	20.06.2020	61	Yes	Zero interest for 15 days + interest rate @9% p.a. for 46 days																												
4	24.06.2020	65	Yes	Zero interest for 15 days + interest rate @9% p.a. for 50 days																												
5	30.06.2020	71	NO	Interest rate @18% p.a. for 71 days (i.e. no benefit of reduced interest)																												

5.	What are the conditions attached for availing the NIL rate of interest for the months of February, March and April, 2020, for a registered person whose aggregate turnover in preceding financial year is up to Rs. 5 Crore?	<p>1. As clarified at sl.no. (2) above, the due date for furnishing the return remains unchanged. The rate of interest has been notified as Nil for the said months.</p> <p>2. The conditions for availing the NIL rate of interest is that the registered person must furnish the returns in FORM GSTR-3B on or before the date as mentioned in the notification No. 31/2020- Central Tax, dated 03.04.2020.</p> <p>3. In case the return for the said months are not furnished on or before the date mentioned in the notification then interest at 18% per annum shall be charged from the due date of return, till the date on which the return is filed as explained in the illustration at sl.no (4) above, against entry 5. In addition, regular late fee shall also be leviable for such delay along with liability for penalty.</p>
6.	Whether the due date of furnishing the statement of outward supplies in FORM GSTR-1 under section 37 has been extended for the months of February, March and April 2020?	Under the provisions of section 128 of the CGST Act, in terms of notification No. 33/2020- Central Tax, dated 03.04.2020 , late fee leviable under section 47 has been waived for delay in furnishing the statement of outward supplies in FORM GSTR-1 under Section 37, for the tax periods March, 2020, April 2020, May, 2020 and quarter ending 31st March 2020 if the same are furnished on or before the 30th day of June, 2020.
7.	Whether restriction under rule 36(4) of the CGST Rules would apply during the lockdown period?	Vide notification No. 30/2020- Central Tax, dated 03.04.2020 , a proviso has been inserted in CGST Rules 2017 to provide that the said condition shall not apply to input tax credit availed by the registered persons in the returns in FORM GSTR-3B for the months of February, March, April, May, June, July and August, 2020, but that the said condition shall apply cumulatively for the said period and that the return in FORM GSTR-3B for the tax period of September, 2020 shall be furnished with cumulative adjustment of input tax credit for the said months in accordance with the condition under rule 36(4).
8.	What will be the status of e-way bills which have expired during the lockdown period?	In terms of notification No. 35/2020- Central Tax, dated 03.04.2020 , Issued under the provisions of 168A of the CGST Act, where the validity of an e-way bill generated under rule 138 of the CGST Rules expires during the period 20th day of March, 2020 to 15th day of April, 2020, the validity period of such e-way bill has been extended till the 30th day of April, 2020.
9.	What are the measures that have been specifically taken for taxpayers who are required to deduct tax at source under section 51, Input Service	Under the provisions of section 168A of the CGST Act, in terms of notification No. 35/2020- Central Tax, dated 03.04.2020 , the said class of taxpayers have been allowed to furnish the respective returns specified in sub-sections (3), (4) and (5) of section 39 of the said Act, for the months of March, 2020 to May, 2020 on or before the 30th day of June, 2020.

	Distributors and Non-resident Taxable persons?	
10.	What are the measures that have been specifically taken for taxpayers who are required to collect tax at source under section 52?	Under the provisions of section 168A of the CGST Act, in terms of notification No. 35/2020- Central Tax, dated 03.04.2020 , the said class of taxpayers have been allowed to furnish the statement specified in section 52, for the months of March, 2020 to May, 2020 on or before the 30th day of June, 2020.
11.	The time limit for compliance of some of the provisions of the CGST Act is falling during the lock-down period announced by the Government. What should the taxpayer do?	Vide notification No. 35/2020- Central Tax, dated 03.04.2020 , issued under the provisions of 168A of the CGST Act, except for few provisions covered in exclusion clause, any time limit for completion or compliance of any action which falls during the period from the 20th day of March, 2020 to the 29th day of June, 2020, and where completion or compliance of such action has not been made within such time, has been extended to 30th day of June, 2020.

10.5.2.5 Departmental Clarifications - Clarification in respect of certain challenges faced by the registered persons in implementation of provisions of GST Laws- [Circular No. 137/07/2020-GST dated 13th April, 2020](#)

[Circular No.136/06/2020-GST, dated 03.04.2020](#) had been issued to clarify doubts regarding relief measures taken by the Government for facilitating taxpayers in meeting the compliance requirements under various provisions of the Central Goods and Services Tax Act, 2017 (hereinafter referred to as the "CGST Act") on account of the measures taken to prevent the spread of Novel Corona Virus (COVID-19). It has been brought to the notice of the Board that certain challenges are being faced by taxpayers in adhering to the compliance requirements under various other provisions of the CGST Act which also need to be clarified.

2. The issues raised have been examined and in order to ensure uniformity in the implementation of the provisions of the law across the field formations, the Board, in exercise of its powers conferred under section 168(1) of the CGST Act hereby clarifies as under:

S. No.	Issue	Clarification
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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 ?	<p>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.</p> <p>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.</p>
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?	<p>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.</p> <p>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".</p>
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 ?	<p>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.</p> <p>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.</p>

4.	Letter of Undertaking (LUT) furnished for the purposes of zerorated supplies as per provisions of section 16 of the Integrated Goods and Services Tax Act, 2017 read with rule 96A of the CGST Rules has expired on 31.03.2020. Whether a registered person can still make a zero-rated supply on such LUT and claim refund accordingly or does he have to make such supplies on payment of IGST and claim refund of such IGST ?	<p>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 between the period from 20.03.2020 to 29.06.2020, has been extended till 30.06.2020.</p> <p>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.</p>
5.	While making the payment to recipient, amount equivalent to one per cent 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 N. 35/2020-Central Tax dated 03.04.2020?	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 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.
6.	As per section 54 (1), a person is required to make an application before expiry of two years from the relevant date. If in a particular case, date for making an application for refund expires on 31.03.2020, can such person make an application for refund before 29.07.2020?	As per notification No. 35/2020-Central Tax dated 03.04.2020 , where the timeline for any compliance required as per sub-section (1) of section 54 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 filing an application for refund falling during the said period has also been extended till 30.06.2020.

10.5.2.6 Departmental Clarifications - Clarification on certain refund related issues -
[Circular No. 166/22/2021-GST dated 17th Nov, 2021](#)

Various representations have been received from taxpayers and other stakeholders seeking clarification in respect of certain issues relating to refund. The issues have been examined. In order to ensure uniformity in the implementation of the provisions of the law across 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 each of these issues as under:

S. No.	Issue	Clarification
1.	Whether the provisions of sub-section (1) of section 54 of the CGST Act regarding time period, within which an application for refund can be filed, would be applicable in cases of refund of excess balance in electronic cash ledger?	No, the provisions of sub-section (1) of section 54 of the CGST Act regarding time period, within which an application for refund can be filed, would not be applicable in cases of refund of excess balance in electronic cash ledger.
2.	Whether certification/ declaration under Rule 89(2)(1) or 89(2)(m) of CGST Rules, 2017 is required to be furnished along with the application for refund of excess balance in electronic cash ledger?	No, furnishing of certification/declaration under Rule 89(2)(1) or 89(2)(m) of the CGST Rules, 2017 for not passing the incidence of tax to any other person is not required in cases of refund of excess balance in electronic cash ledger as unjust enrichment clause is not applicable in such cases.
3.	Whether refund of TDS/TCS deposited in electronic cash ledger under the provisions of section 51/52 of the CGST Act can be refunded as excess balance in cash ledger?	The amount deducted/collected as TDS/TCS by TDS/TCS deductors under the provisions of section 51 /52 of the CGST Act, as the case may be, and credited to electronic cash ledger of the registered person, is equivalent to cash deposited in electronic cash ledger. It is not mandatory for the registered person to utilise the TDS/TCS amount credited to his electronic cash ledger only for the purpose for discharging tax liability. The registered person is at full liberty to discharge his tax liability in respect of the supplies made by him during a tax period, either through debit in electronic credit ledger or through debit in electronic cash ledger, as per his choice and availability of balance in the said ledgers. Any amount, which remains unutilized in electronic cash ledger, after discharge of tax dues and other dues payable under CGST Act and rules made thereunder, can be refunded to the registered person as excess balance in electronic cash ledger in accordance with the proviso to sub-section (1) of section 54, read with sub-section (6) of section 49 of CGST Act.
4.	Whether relevant date for the refund of tax paid on supplies regarded as deemed export by recipient is to be determined as per clause (b)	Clause (b) of <i>Explanation</i> (2) under section 54 of CGST Act reads as under: "(b) in the case of supply of goods regarded as deemed exports where a refund of tax paid is

of <i>Explanation</i> (2) under section 54 of CGST Act and if so, whether the date of return filed by the supplier or date of return filed by the recipient will be relevant for the purpose of determining relevant date for such refunds?	<p>available in respect of the goods, the date on which the return relating to such deemed exports is furnished;"</p> <p>On perusal of the above, it is clear that clause (b) of <i>Explanation</i> (2) under section 54 of the CGST Act is applicable for determining relevant date in respect of refund of amount of tax paid on the supply of goods regarded as deemed exports, irrespective of the fact whether the refund claim is filed by the supplier or by the recipient.</p> <p>Further, as the tax on the supply of goods, regarded as deemed export, would be paid by the supplier in his return, therefore, the relevant date for purpose of filing of refund claim for refund of tax paid on such supplies would be the date of filing of return, related to such supplies, by the supplier.</p>
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10.6 Collection of tax at source. [Section 52]

Section 52(1)	01.07.2017 to till date	<p>Collection of tax at source by electronic commerce operator</p> <p>Notwithstanding anything to the contrary contained in this Act, every electronic commerce operator (hereafter in this section referred to as the "operator"), not being an agent, shall collect an amount calculated at such rate not exceeding one per cent., as may be notified by the Government on the recommendations of the Council, of the net value of taxable supplies made through it by other suppliers where the consideration with respect to such supplies is to be collected by the operator.</p>
Explanation	01.07.2017 to till date	<p>The expression "net value of taxable supplies"</p> <p>For the purposes of this sub-section, the expression "net value of taxable supplies" shall mean the aggregate value of taxable supplies of goods or services or both, other than services notified under sub-section (5) of section 9, made during any month by all registered persons through the operator reduced by the aggregate value of taxable supplies returned to the suppliers during the said month.</p>
Section 52(2)	01.07.2017 to till date	<p>The power to collect the amount specified in sub-section (1) shall be without prejudice to any other mode of recovery from the operator.</p> <p>The power to collect the amount specified in sub-section (1) shall be without prejudice to any other mode of recovery from the operator.</p>

Section 52(3)	01.07.2017 to till date	<p>Payment of TCS to the Government within ten days after the end of the month in which such collection is made</p> <p>The amount collected under sub-section (1) shall be paid to the Government by the operator within ten days after the end of the month in which such collection is made, in such manner as may be prescribed.</p>
Section 52(4)	01.07.2017 to till date	<p>Furnishing of a statement, electronically, containing the details of outward supplies of goods or services or both effected through it, including the supplies of goods or services or both returned through it, and the amount collected under sub-section (1) during a month, within ten days after the end of such month.</p> <p>Every operator who collects the amount specified in sub-section (1) shall furnish a statement, electronically, containing the details of outward supplies of goods or services or both effected through it, including the supplies of goods or services or both returned through it, and the amount collected under sub-section (1) during a month, in such form and manner as may be prescribed, within ten days after the end of such month.</p>
First Proviso	01.01.2020 to till date	<p>The Commissioner may, by notification, extend the time limit for furnishing the statement for such class of registered persons as may be specified therein</p> <p>¹[Provided that the Commissioner may, for reasons to be recorded in writing, by notification, extend the time limit for furnishing the statement for such class of registered persons as may be specified therein:]</p> <div style="border: 1px solid black; padding: 5px; margin-top: 10px;"> <p>1 Inserted w.e.f 01.01.2020 vide clause (a) of Section 101 of Finance Act 2019 which comes into force vide Notification No. 01/2020 – Central Tax dated 01st January 2020.</p> </div>
Second Proviso	01.01.2020 to till date	<p>Any extension of time limit notified by the Commissioner of State tax or the Commissioner of Union territory tax shall be deemed to be notified by the Commissioner.</p> <p>¹[Provided further that any extension of time limit notified by the Commissioner of State tax or the Commissioner of Union territory tax shall be deemed to be notified by the Commissioner.]</p> <div style="border: 1px solid black; padding: 5px; margin-top: 10px;"> <p>1 Inserted w.e.f 01.01.2020 vide clause (a) of Section 101 of Finance Act 2019 which comes into force vide Notification No. 01/2020 – Central Tax dated 01st January 2020.</p> </div>

Explanation	31.12.2018 to 31.01.2019	<p>Due date for furnishing the said statement for the months of October, November and December, 2018</p> <p>Explanation: - For the purposes of this sub-section, it is hereby declared that the due date for furnishing the said statement for the months of October, November and December, 2018 shall be the 31st January, 2019.</p> <div style="border: 1px solid black; padding: 5px; margin-top: 10px;"> <p>1 Inserted vide Central Goods and Services Tax (Fourth Removal of Difficulties) Order, 2018 dated 31st December 2018.</p> </div>
	01.02.2019 to till date	<p>Due date for furnishing the said statement for the months of October, November and December, 2018</p> <p>Explanation: - For the purposes of this sub-section, it is hereby declared that the due date for furnishing the said statement for the months of October, November and December, 2018 shall be the ¹[7th February, 2019].</p> <div style="border: 1px solid black; padding: 5px; margin-top: 10px;"> <p>1. Substituted for the figures, letters and word "31st January, 2019" vide Central Goods and Services Tax (Second Removal of Difficulties) Order, 2019 dated 1st February 2019.</p> </div>
Section 52(5)	01.07.2017 to till date	<p>Furnishing of annual statement, electronically, containing the details of outward supplies of goods or services or both effected through it, including the supplies of goods or services or both returned through it, and the amount collected under the said sub-section during the financial year, before the thirty first day of December following the end of such financial year.</p> <p>Every operator who collects the amount specified in sub-section (1) shall furnish an annual statement, electronically, containing the details of outward supplies of goods or services or both effected through it, including the supplies of goods or services or both returned through it, and the amount collected under the said sub-section during the financial year, in such form and manner as may be prescribed, before the thirty first day of December following the end of such financial year.</p>
First Proviso	01.01.2020 to till date	<p>The Commissioner may, by notification, extend the time limit for furnishing the annual statement for such class of registered persons as may be specified therein.</p> <p>¹Provided that the Commissioner may, on the recommendations of the Council and for reasons to be recorded in writing, by notification, extend the time limit for furnishing the annual statement for such class of registered persons as may be specified therein:</p>

		<div> 1 Inserted w.e.f 01.01.2020 vide clause (b) of Section 101 of Finance Act 2019 which comes into force vide Notification No. 01/2020 – Central Tax dated 01st January 2020. </div>
Second Proviso	01.01.2020 to till date	<p>Any extension of time limit notified by the Commissioner of State tax or the Commissioner of Union territory tax shall be deemed to be notified by the Commissioner.</p> <p>¹[Provided further that any extension of time limit notified by the Commissioner of State tax or the Commissioner of Union territory tax shall be deemed to be notified by the Commissioner.]</p> <div> 1 Inserted w.e.f 01.01.2020 vide clause (b) of Section 101 of Finance Act 2019 which comes into force vide Notification No. 01/2020 – Central Tax dated 01st January 2020. </div>
Section 52(6)	01.07.2017 to till date	<p>Rectification of omission or incorrect particulars in the statement furnished for the month during which such omission or incorrect particulars are noticed, subject to payment of interest, as specified in sub-section (1) of section 50:</p> <p>If any operator after furnishing a statement under sub-section (4) discovers any omission or incorrect particulars therein, other than as a result of scrutiny, audit, inspection or enforcement activity by the tax authorities, he shall rectify such omission or incorrect particulars in the statement to be furnished for the month during which such omission or incorrect particulars are noticed, subject to payment of interest, as specified in sub-section (1) of section 50:</p>
First Proviso	01.07.2017 to till date	<p>No rectification of omission or incorrect particulars be allowed after the due date for furnishing of statement for the month of September following the end of the financial year or the actual date of furnishing of the relevant annual statement, whichever is earlier.</p> <p>Provided that no such rectification of any omission or incorrect particulars shall be allowed after the due date for furnishing of statement for the month of September following the end of the financial year or the actual date of furnishing of the relevant annual statement, whichever is earlier.</p>
	01.10.2022 to till date	<p>No rectification of omission or incorrect particulars be allowed after the ¹[thirtieth day of November] following the end of the financial year or the actual date of furnishing of the relevant annual statement, whichever is earlier.</p>

		<p>Provided that no such rectification of any omission or incorrect particulars shall be allowed after the ¹[thirtieth day of November] following the end of the financial year or the actual date of furnishing of the relevant annual statement, whichever is earlier.</p> <div style="border: 1px solid black; padding: 5px; margin-top: 10px;"> <p>1. Substituted w.e.f. 01.10.2022 for the words "due date for furnishing of statement for the month of September", vide section 112 of the Finance Act, 2022 which comes into force by Notification No. 18/2022 – Central Tax dated 28.09.2022.</p> </div>
Section 52(7)	01.07.2017 to till date	<p>Claim of credit in the electronic cash ledger, of the amount collected and reflected in the statement</p> <p>The supplier who has supplied the goods or services or both through the operator shall claim credit, in his electronic cash ledger, of the amount collected and reflected in the statement of the operator furnished under sub-section (4), in such manner as may be prescribed.</p>
Section 52(8)	01.07.2017 to till date	<p>Matching of the details of supplies furnished with the corresponding details of outward supplies furnished by the concerned supplier</p> <p>The details of supplies furnished by every operator under sub-section (4) shall be matched with the corresponding details of outward supplies furnished by the concerned supplier registered under this Act in such manner and within such time as may be prescribed.</p>
Section 52(9)	01.07.2017 to 31.01.2019	<p>Mismatch of the details of outward supplies furnished by the operator with the corresponding details furnished by the supplier under section 37 – Communication of discrepancy</p> <p>Where the details of outward supplies furnished by the operator under sub-section (4) do not match with the corresponding details furnished by the supplier under section 37 the discrepancy shall be communicated to both persons in such manner and within such time as may be prescribed.</p>
	01.02.2019 to till date	<p>Mismatch of the details of outward supplies furnished by the operator with the corresponding details furnished by the supplier under section 37 or section 39 – Communication of discrepancy</p> <p>Where the details of outward supplies furnished by the operator under sub-section (4) do not match with the corresponding details furnished by the supplier under ¹[section 37 or section 39], the discrepancy shall be</p>

		<p>communicated to both persons in such manner and within such time as may be prescribed.</p> <div style="border: 1px solid black; padding: 5px; margin-top: 10px;"> <p>1 Substituted w.e.f 01.02.2019 for the words "section 37" vide Section 22 of the Central Goods and Services Tax (Amendment) Act, 2018 which comes into force vide Notification No. 02/2019 – Central Tax dated 29th January, 2019.</p> </div>
Section 52(10)	01.07.2017 to till date	<p>The amount in respect of any discrepancy which is not rectified by the supplier in his valid return or the operator in his statement for the month in which discrepancy is communicated, shall be added to the output tax liability of the said supplier, where the value of outward supplies furnished by the operator is more than the value of outward supplies furnished by the supplier.</p> <p>The amount in respect of which any discrepancy is communicated under sub-section (9) and which is not rectified by the supplier in his valid return or the operator in his statement for the month in which discrepancy is communicated, shall be added to the output tax liability of the said supplier, where the value of outward supplies furnished by the operator is more than the value of outward supplies furnished by the supplier, in his return for the month succeeding the month in which the discrepancy is communicated in such manner as may be prescribed.</p>
Section 52(11)	01.07.2017 to till date	<p>Payment of the tax payable along with interest, at the rate specified under sub-section (1) of section 50 on the amount so added from the date such tax was due till the date of its payment.</p> <p>The concerned supplier, in whose output tax liability any amount has been added under sub-section (10), shall pay the tax payable in respect of such supply along with interest, at the rate specified under sub-section (1) of section 50 on the amount so added from the date such tax was due till the date of its payment.</p>

Section 52(12)	01.07.2017 to till date	<p>Furnishing of the details of supplies of goods or services or both effected through the operator during any period; or stock of goods held by the suppliers making supplies through such operator in the godowns or warehouses, by whatever name called, managed by such operator and declared as additional places of business by such suppliers.</p> <p>Any authority not below the rank of Deputy Commissioner may serve a notice, either before or during the course of any proceedings under this Act, requiring the operator to furnish such details relating to—</p> <table><tr><td>(a)</td><td>supplies of goods or services or both effected through such operator during any period; or</td></tr><tr><td>(b)</td><td>stock of goods held by the suppliers making supplies through such operator in the godowns or warehouses, by whatever name called, managed by such operator and declared as additional places of business by such suppliers,</td></tr></table> <p>as may be specified in the notice.</p>	(a)	supplies of goods or services or both effected through such operator during any period; or	(b)	stock of goods held by the suppliers making supplies through such operator in the godowns or warehouses, by whatever name called, managed by such operator and declared as additional places of business by such suppliers,
(a)	supplies of goods or services or both effected through such operator during any period; or					
(b)	stock of goods held by the suppliers making supplies through such operator in the godowns or warehouses, by whatever name called, managed by such operator and declared as additional places of business by such suppliers,					
Section 52(13)	01.07.2017 to till date	<p>Furnishing of the details required under sub-section (12) within fifteen working days of the date of service of such notice.</p> <p>Every operator on whom a notice has been served under sub-section (12) shall furnish the required information within fifteen working days of the date of service of such notice.</p>				
Section 52(14)	01.07.2017 to till date	<p>Liability to a penalty when any person fails to furnish the information required by the notice served under sub-section (12)</p> <p>Any person who fails to furnish the information required by the notice served under sub-section (12) shall, without prejudice to any action that may be taken under section 122, be liable to a penalty which may extend to twenty-five thousand rupees.</p>				
Explanation	01.07.2017 to till date	<p>The expression “concerned supplier”</p> <p>For the purposes of this section, the expression “concerned supplier” shall mean the supplier of goods or services or both making supplies through the operator.</p>				
¹ [Section 52(15)	01.10.2023 to till date	<p>Time limit of three years from the due date to furnish a statement under sub-section (4)</p>				

		<p>The operator shall not be allowed to furnish a statement under sub-section (4) after the expiry of a period of three years from the due date of furnishing the said statement:]</p> <div> 1. Inserted sub-section (15) vide Section 145 of the Finance Act 2023 and has come into force w.e.f. 01.10.2023 as the Central Government has appointed the 1st day of October, 2023, as the date on which the provisions have come into force vide Notification No. 28/2023–Central Tax dated 31.07.2023. </div>
¹ [First Proviso	01.10.2023 to till date .	<p>The Government may allow an operator or a class of operators to furnish a statement under sub-section (4), even after the expiry of the said period of three years from the due date of furnishing the said statement.</p> <p>Provided that the Government may, on the recommendations of the Council, by notification, subject to such conditions and restrictions as may be specified therein, allow an operator or a class of operators to furnish a statement under sub-section (4), even after the expiry of the said period of three years from the due date of furnishing the said statement.]</p> <div> 1. Inserted sub-section (15) vide Section 145 of the Finance Act 2023 and has come into force w.e.f. 01.10.2023 as the Central Government has appointed the 1st day of October, 2023, as the date on which the provisions have come into force vide Notification No. 28/2023–Central Tax dated 31.07.2023. </div>

10.6.1.1 Departmental Notifications – Exemption to suppliers of services through an e-commerce platform from obtaining compulsory registration

[Notification No. 65/2017 – Central Tax dated 15th November, 2017](#) - The Central Government, on the recommendations of the Council, has specified the persons making supplies of services, other than supplies specified under subsection (5) of section 9 of the said Act through an electronic commerce operator who is required to collect tax at source under section 52 of the said Act, and having an aggregate turnover, to be computed on all India basis, not exceeding an amount of twenty lakh rupees in a financial year, as the category of persons exempted from obtaining registration under the said Act:

Provided that the aggregate value of such supplies, to be computed on all India basis, should not exceed an amount of ten lakh rupees in case of "special category States" as specified in sub-clause (g) of clause (4) of article 279A of the Constitution, other than the State of Jammu and Kashmir.

10.6.1.2 Departmental Notifications – The rate of tax collection at source (TCS) to be collected by every electronic commerce operator for intra-State taxable supplies

[Notification No. 52/2018 – Central Tax dated 20th September, 2018](#) - The Central Government, on the recommendations of the Council, has notified that every electronic commerce operator, not being an agent, shall collect an amount calculated at a rate of half per cent. of the net value of intra-State taxable supplies made through it by other suppliers where the consideration with respect to such supplies is to be collected by the said operator.

10.6.2.1 Departmental Clarifications - Processing of Applications for Cancellation of Registration submitted in FORM GST REG-16- [Circular No. 69/43/2018-GST dated 26th October, 2018](#)

The Board is in receipt of representations seeking clarifications on various issues in relation to processing of the applications for cancellation of registration filed by taxpayers in FORM GST REG-16. In order to clarify these issues and to ensure uniformity in the implementation of the provisions of law 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 the "CGST Act"), hereby clarifies the issues as detailed hereunder:

2. Section 29 of the CGST Act, read with rule 20 of the Central Goods and Services Tax Act, 2017 (hereinafter referred to as the "CGST Rules") provides that a taxpayer can apply for cancellation of registration in FORM GST REG-16 in the following circumstances:

- a. Discontinuance of business or closure of business;
- b. Transfer of business on account of amalgamation, merger, de-merger, sale, lease or otherwise;
- c. Change in constitution of business leading to change in PAN;
- d. Taxable person (including those who have taken voluntary registration) is no longer liable to be registered under GST;
- e. Death of sole proprietor;
- f. Any other reason (to be specified in the application).

3. Rule 20 of the CGST Rules provides that the taxpayer applying for cancellation of registration shall submit the application in FORM GST REG-16 on the common portal within a period of 30 days of the „occurrence of the event warranting the cancellation“. It might be difficult in some cases to exactly identify or pinpoint the day on which such an event occurs.

For instance, a business may be transferred/disposed over a period of time in a piece meal fashion. In such cases, the 30-day deadline may be liberally interpreted and the taxpayers' application for cancellation of registration may not be rejected because of the possible violation of the deadline.

4. While initiating the application for cancellation of registration in FORM GST REG16, the Common portal captures the following information which has to be mandatorily filled in by the applicant:

- a) Address for future correspondence with mobile number and email address;
- b) Reason for cancellation;
- c) Date from which cancellation is sought;
- d) Details of the value and the input tax/tax payable on the stock of inputs, inputs contained in semi-finished goods, inputs contained in finished goods, stock of capital goods/plant and machinery;
- e) In case of transfer, merger of business, etc., particulars of registration of the entity in which the existing unit has been merged, amalgamated, or transferred (including the copy of the order of the High Court / transfer deed);
- f) Details of the last return filed by the taxpayer along with the ARN of such return filed.

On successful submission of the cancellation application, the same appears on the dashboard of the jurisdictional officer.

5. Since the cancellation of registration has no effect on the liability of the taxpayer for any acts of commission/omission committed before or after the date of cancellation, the proper officer should accept all such applications within a period of 30 days from the date of filing the application, except in the following circumstances:

- a) The application in FORM GST REG-16 is incomplete, i.e. where all the relevant particulars, as detailed in para 4 above, have not been entered;
- b) In case of transfer, merger or amalgamation of business, the new entity in which the applicant proposes to amalgamate or merge has not got registered with the tax authority before submission of the application for cancellation.

In all cases other than those listed at (a) and (b) above, the application for cancellation of registration should be immediately accepted by the proper officer and the order for cancellation should be issued in FORM GST REG-19 with the effective date of cancellation being the same as the date from which the applicant has sought cancellation in FORM GST REG-16. In any case the effective date cannot be a date earlier to the date of application for the same.

6. In situations referred to in (a) or (b) in para 5 above, the proper officer shall inform the applicant in writing about the nature of the discrepancy and give a time period of seven working days to the taxpayer, from the date of receipt of the said letter, to reply. If no reply is received within the specified period of seven working days, the proper officer may reject the application on the system, after giving the applicant an opportunity to be heard, recording reasons for rejection in the dialog box that opens once the „Reject“ button is chosen. If reply to the query is received and the same on examination is found satisfactory, the Proper Officer may approve the application for cancellation and proceed to cancel the registration by issuing an order in FORM GST REG-19. If reply to the query is found to be not satisfactory, the Proper Officer

may reject the application for cancellation on the system, after giving the applicant an opportunity to be heard. The Proper Officer must also record his reasons for rejection of the application in the dialog box that opens when the „Reject“ button is chosen.

7. Section 45 of the CGST Act requires every registered person (other than an Input Service Distributor or a non-resident taxable person or a person paying tax under the provisions of section 10 or section 51 or section 52) whose registration has been cancelled, to file a final return in FORM GSTR-10, within three months of the effective date of cancellation or the date of order of cancellation, whichever is later. The purpose of the final return is to ensure that the taxpayer discharges any liability that he/she may have incurred under sub-section (5) of the section 29 of the CGST Act. It may be noted that the last date for furnishing of FORM GSTR-10 by those taxpayers whose registration has been cancelled on or before 30.09.2018 has been extended till 31.12.2018 vide [notification No. 58/2018 – Central Tax dated the 26th October, 2018](#).

8. Further, sub-section (5) of section 29 of the CGST Act, read with rule 20 of the CGST Rules states that the taxpayer seeking cancellation of registration shall have to pay, by way of debiting either the electronic credit or cash ledger, the input tax contained in the stock of inputs, semi-finished goods, finished goods and capital goods or the output tax payable on such goods, whichever is higher. For the purpose of this calculation, the stock of inputs, semi-finished goods, finished goods and capital goods shall be taken as on the day immediately preceding the date with effect from which the cancellation has been ordered by the proper officer i.e. the date of cancellation of registration. However, it is clarified that this requirement to debit the electronic credit and/or cash ledger by suitable amounts should not be a prerequisite for applying for cancellation of registration. This can also be done at the time of submission of final return in FORM GSTR-10. In any case, once the taxpayer submits the application for cancellation of his/her registration from a specified date, he/she will not be able to utilize any remaining balances in his/her electronic credit/cash ledgers from the said date except for discharging liabilities under GST Act upto the date of filing of final return in FORM GSTR-10. Therefore, the requirement to reverse the balance in the electronic credit ledger is automatically met. In case it is later determined that the output tax liability of the taxpayer, as determined under sub-section (5) of section 29 of the CGST Act, was greater than the amount of input tax credit available, then the difference shall be paid by him/her in cash. It is reiterated that, as stated in sub-section (3) of section 29 of the CGST Act, the cancellation of registration does not, in any way, affect the liability of the taxpayer to pay any dues under the GST law, irrespective of whether such dues have been determined before or after the date of cancellation.

9. In case the final return in FORM GSTR-10 is not filed within the stipulated date, then notice in FORM GSTR-3A has to be issued to the taxpayer. If the taxpayer still fails to file the final return within 15 days of the receipt of notice in FORM GSTR-3A, then an assessment order in FORM GST ASMT-13 under section 62 of the CGST Act read with rule 100 of the CGST Rules shall have to be issued to determine the liability of the taxpayer under sub-section (5) of section 29 on the basis of information available with the proper officer. If the taxpayer files the final return within 30 days of the date of service of the order in FORM GST ASMT-13, then the said order shall be deemed to have been withdrawn. However, the liability for payment of interest and late fee shall continue.

10. Rule 68 of the CGST Rules requires issuance of notices to registered persons who fail to furnish returns under section 39 (FORM GSTR-1, FORM GSTR-3B and FORM GSTR-4), section 44 (Annual Return – FORM GSTR-9 / FORM GSTR-9A / FORM GSTR-9C), section 45 (Final Return – FORM GSTR-10) or section 52 (TCS Return – FORM GSTR-6). It is clarified

that issuance of notice would not be required for registered persons who have not made any taxable supplies during the intervening period (i.e. from the date of registration to the date of application for cancellation of registration) and has furnished an undertaking to this effect.

11. It is pertinent to mention here that section 29 of the CGST Act has been amended by the CGST (Amendment) Act, 2018 to provide for "Suspension" of registration. The intent of the said amendment is to ensure that a taxpayer is freed from the routine compliances, including filing returns, under GST Act during the pendency of the proceedings related to cancellation. Although the provisions of CGST (Amendment) Act, 2018 have not yet been brought into force, it will be prudent for the field formations not to issue notices for nonfiling of return for taxpayers who have already filed an application for cancellation of registration under section 29 of the CGST Act. However, the requirement of filing a final return, as under section 45 of the CGST Act, remains unchanged.

12. It may be noted that the information in table in FORM GST REG-19 shall be taken from the liability ledger and the difference between the amounts in Table 10 and Table 11 of FORM GST REG-16.

10.6.2.2 Departmental Clarifications - Collection of tax at source by Tea Board of India-
[Circular No. 74/48/2018-GST dated 5th November, 2018](#)

Tea Board of India (hereinafter referred to as the, "Tea Board"), being the operator of the electronic auction system for trading of tea across the country including for collection and settlement of payments, admittedly falls under the category of electronic commerce operator liable to collect Tax at Source (hereinafter referred to as, "TCS") in accordance with the provisions of section 52 of the Central Goods and Service Tax Act, 2017 (hereinafter referred to as, "the CGST Act").

2. The participants in the said auction are the sellers i.e. the tea producers and auctioneers who carry out the auction on behalf of such sellers and buyers.

3. It has been represented that the buyers in the said auction make payment of a consolidated amount to an escrow Account maintained by the Tea Board. The said consolidated amount is towards the value of the tea, the selling and buying brokerages charged by the auctioneers and also the amount charged by the Tea Board from sellers, auctioneers and buyers. Thereafter, Tea Board pays to the sellers (i.e. tea producers), from the said escrow account, for the supply of goods made by them (i.e. tea) and to the auctioneers for the supply of services made by them (i.e. brokerage). Under no circumstances, the payment is made by the Tea Board to the auctioneers on account of supply of goods i.e., tea sold at auction.

4. A representation has been received from Tea Board, seeking clarification whether they should collect TCS under section 52 of the CGST Act from the sellers of tea (i.e. the tea producers), or from the auctioneers of tea or from both.

5. The matter has been examined. In exercise of the powers conferred under sub-section (1) of section 168 of the CGST Act, for the purpose of uniformity in the implementation of the Act, it is hereby clarified, that TCS at the notified rate, in terms of section 52 of the CGST Act, shall be collected by Tea Board respectively from the –

- (i) sellers (i.e. tea producers) on the net value of supply of goods i.e. tea; and
- (ii) auctioneers on the net value of supply of services (i.e. brokerage).

10.6.2.3 Departmental Clarifications - Clarification in respect of various measures announced by the Government for providing relief to the taxpayers in view of spread of Novel Corona Virus (COVID-19) - [Circular No. 136/06/2020-GST dated 3rd April, 2020](#)

The spread of Novel Corona Virus (COVID-19) across many countries of the world, including India, has caused immense loss to the lives of people and resultantly impacted the trade and industry. In view of the emergent situation and challenges faced by taxpayers in meeting the compliance requirements under various provisions of the Central Goods and Services Tax Act, 2017 (hereinafter referred to as the "CGST Act"), Government has announced various relief measures relating to statutory and regulatory compliance matters across sectors.

2. Government has issued following notifications in order to provide relief to the taxpayers:

S. No.	Notification	Remarks
1.	Notification No. 30/2020- Central Tax, dated 03.04.2020	Amendment in the CGST Rules so as to allow taxpayers opting for the Composition Scheme for the financial year 2020-21 to file their option in FORM CMP-02 till 30th June, 2020 and to allow cumulative application of the condition in rule 36(4) for the months of February, 2020 to August, 2020 in the return for tax period of September, 2020.
2.	Notification No. 31/2020- Central Tax, dated 03.04.2020	A lower rate of interest of NIL for first 15 days after the due date of filing return in FORM GSTR-3B and @ 9% thereafter is notified for those registered persons having aggregate turnover above Rs. 5 Crore and NIL rate of interest is notified for those registered persons having aggregate turnover below Rs. 5 Crore in the preceding financial year, for the tax periods of February, 2020 to April, 2020. This lower rate of interest shall be subject to condition that due tax is paid by filing return in FORM GSTR-3B by the date(s) as specified in the Notification.
3.	Notification No. 32/2020- Central Tax, dated 03.04.2020	Notification under section 128 of CGST Act for waiver of late fee for delay in furnishing returns in FORM GSTR-3B for the tax periods of February, 2020 to April, 2020 provided the return in FORM GSTR-3B by the date as specified in the Notification.
4.	Notification No. 33/2020- Central Tax, dated 03.04.2020	Notification under section 128 of CGST Act for waiver of late fee for delay in furnishing the statement of outward supplies in FORM GSTR-1 for taxpayers for the tax periods March, 2020 to May, 2020 and for quarter ending 31st March 2020 if the same are furnished on or before 30th day of June, 2020.

5.	Notification No. 34/2020- Central Tax, dated 03.04.2020	Extension of due date of furnishing statement, containing the details of payment of self-assessed tax in FORM GST CMP- 08 for the quarter ending 31st March, 2020 till the 7th day of July, 2020 and filing FORM GSTR-4 for the financial year ending 31st March, 2020 till the 15th day of July, 2020.
6.	Notification No. 35/2020- Central Tax, dated 03.04.2020	Notification under section 168A of CGST Act for extending due date of compliance which falls during the period from the 20th day of March, 2020 to the 29th day of June, to 30th day of June, 2020.

3. Various issues relating to above mentioned notifications have been examined. In order to ensure uniformity in the implementation of the provisions of the law across the field formations, the Board, in exercise of its powers conferred under section 168(1) of the CGST Act hereby clarifies each of these issues as under:-

S. No.	Issue	Clarification								
1.	What are the measures that have been specifically taken for taxpayers who have opted to pay tax under section 10 the CGST Act or those availing the option to pay tax under the notification No. 02/2019- Central Tax (Rate) , dated the 7th March, 2019?	<p>1. The said class of taxpayers, as per the notification No. 34/2020- Central Tax, dated 03.04.2020, have been allowed, to, —</p> <table><tr><td>(i)</td><td>furnish the statement of details of payment of self- assessed tax in FORM GST CMP-08 for the quarter January to March, 2020 by 07.07.2020; and</td></tr><tr><td>(ii)</td><td>furnish the return in FORM GSTR-4 for the financial year 2019-20 by 15.07.2020.</td></tr></table> <p>2. In addition to the above, taxpayers opting for the composition scheme for the financial year 2020-21, have been allowed, as per the notification No. 30/2020- Central Tax, dated 03.04.2020, to, —</p> <table><tr><td>(i)</td><td>file an intimation in FORM GST CMP-02 by 30.06.2020; and</td></tr><tr><td>(ii)</td><td>furnish the statement in FORM GST ITC-03 till 31.07.2020.</td></tr></table>	(i)	furnish the statement of details of payment of self- assessed tax in FORM GST CMP-08 for the quarter January to March, 2020 by 07.07.2020; and	(ii)	furnish the return in FORM GSTR-4 for the financial year 2019-20 by 15.07.2020.	(i)	file an intimation in FORM GST CMP-02 by 30.06.2020; and	(ii)	furnish the statement in FORM GST ITC-03 till 31.07.2020.
(i)	furnish the statement of details of payment of self- assessed tax in FORM GST CMP-08 for the quarter January to March, 2020 by 07.07.2020; and									
(ii)	furnish the return in FORM GSTR-4 for the financial year 2019-20 by 15.07.2020.									
(i)	file an intimation in FORM GST CMP-02 by 30.06.2020; and									
(ii)	furnish the statement in FORM GST ITC-03 till 31.07.2020.									
2.	Whether due date of furnishing FORM GSTR-3B for the months of February, March and April, 2020 has been extended ?	<p>1. The due dates for furnishing FORM GSTR-3B for the months of February, March and April, 2020 has not been extended through any of the notifications referred in para 2 above.</p> <p>2. However, as per notification No. 31/2020- Central Tax, dated 03.04.2020, NIL rate of interest for first 15 days after the due date of filing return in FORM GSTR-3B and reduced rate of interest @ 9% thereafter has been notified for those registered persons whose aggregate turnover in the preceding financial year is above Rs. 5 Crore. For those registered persons having turnover up to Rs. 5 Crore in the preceding financial year, NIL rate of interest has also been notified.</p> <p>3. Further, vide notification as per the notification No. 32/2020- Central Tax, dated 03.04.2020, Government has waived the late fees for delay in furnishing the return in FORM GSTR-3B for the months of February, March and April, 2020.</p>								

		4. The lower rate of interest and waiver of late fee would be available only if due tax is paid by filing return in FORM GSTR-3B by the date(s) as specified in the Notification.																														
3.	What are the conditions attached for availing the reduced rate of interest for the months of February, March and April, 2020, for a registered person whose aggregate turnover in the preceding financial year is above Rs. 5 Crore?	<p>1. As clarified at sl. no. (2) above, the due date for furnishing the return remains unchanged; i.e. 20th day of the month succeeding such month. The rate of interest has been notified as Nil for first 15 days from the due date, and 9 per cent per annum thereafter, for the said months.</p> <p>2. The reduced rate of interest is subject to the condition that the registered person must furnish the returns in FORM GSTR-3B on or before 24th day of June, 2020.</p> <p>3. In case the returns in FORM GSTR-3B for the said months are not furnished on or before 24th day of June, 2020 then interest at 18% per annum shall be payable from the due date of return, till the date on which the return is filed. In addition, regular late fee shall also be leviable for such delay along with liability for penalty.</p>																														
4.	How to calculate the interest for late payment of tax for the months of February, March and April, 2020 for a registered person whose aggregate turnover in preceding financial year is above Rs. 5 Crore?	<p>1. As explained above, the rate of interest has been notified as Nil for first 15 days from the due date, and 9 per cent per annum thereafter, for the said months. The same can be explained through an illustration.</p> <p><i>Illustration:-</i> Calculation of interest for delayed filing of return for the month of March, 2020 (due date of filing being 20.04.2020) may be illustrated as per the below Table:</p> <table><tr><th>S. No.</th><th>Date of filing GSTR-3B</th><th>No. of days of delay</th><th>Whether condition for reduced interest is fulfilled?</th><th>Interest</th></tr><tr><td>1</td><td>02.05.2020</td><td>11</td><td>Yes</td><td>Zero interest</td></tr><tr><td>2</td><td>20.05.2020</td><td>30</td><td>Yes</td><td>Zero interest for 15 days + interest rate @9% p.a. for 15 days</td></tr><tr><td>3</td><td>20.06.2020</td><td>61</td><td>Yes</td><td>Zero interest for 15 days + interest rate @9% p.a. for 46 days</td></tr><tr><td>4</td><td>24.06.2020</td><td>65</td><td>Yes</td><td>Zero interest for 15 days + interest rate @9% p.a. for 50 days</td></tr><tr><td>5</td><td>30.06.2020</td><td>71</td><td>NO</td><td>Interest rate @18% p.a. for 71 days (i.e. no benefit of reduced interest)</td></tr></table>	S. No.	Date of filing GSTR-3B	No. of days of delay	Whether condition for reduced interest is fulfilled?	Interest	1	02.05.2020	11	Yes	Zero interest	2	20.05.2020	30	Yes	Zero interest for 15 days + interest rate @9% p.a. for 15 days	3	20.06.2020	61	Yes	Zero interest for 15 days + interest rate @9% p.a. for 46 days	4	24.06.2020	65	Yes	Zero interest for 15 days + interest rate @9% p.a. for 50 days	5	30.06.2020	71	NO	Interest rate @18% p.a. for 71 days (i.e. no benefit of reduced interest)
S. No.	Date of filing GSTR-3B	No. of days of delay	Whether condition for reduced interest is fulfilled?	Interest																												
1	02.05.2020	11	Yes	Zero interest																												
2	20.05.2020	30	Yes	Zero interest for 15 days + interest rate @9% p.a. for 15 days																												
3	20.06.2020	61	Yes	Zero interest for 15 days + interest rate @9% p.a. for 46 days																												
4	24.06.2020	65	Yes	Zero interest for 15 days + interest rate @9% p.a. for 50 days																												
5	30.06.2020	71	NO	Interest rate @18% p.a. for 71 days (i.e. no benefit of reduced interest)																												

5.	What are the conditions attached for availing the NIL rate of interest for the months of February, March and April, 2020, for a registered person whose aggregate turnover in preceding financial year is up to Rs. 5 Crore?	<p>1. As clarified at sl.no. (2) above, the due date for furnishing the return remains unchanged. The rate of interest has been notified as Nil for the said months.</p> <p>2. The conditions for availing the NIL rate of interest is that the registered person must furnish the returns in FORM GSTR-3B on or before the date as mentioned in the notification No. 31/2020- Central Tax, dated 03.04.2020.</p> <p>3. In case the return for the said months are not furnished on or before the date mentioned in the notification then interest at 18% per annum shall be charged from the due date of return, till the date on which the return is filed as explained in the illustration at sl.no (4) above, against entry 5. In addition, regular late fee shall also be leviable for such delay along with liability for penalty.</p>
6.	Whether the due date of furnishing the statement of outward supplies in FORM GSTR-1 under section 37 has been extended for the months of February, March and April 2020?	Under the provisions of section 128 of the CGST Act, in terms of notification No. 33/2020- Central Tax, dated 03.04.2020 , late fee leviable under section 47 has been waived for delay in furnishing the statement of outward supplies in FORM GSTR-1 under Section 37, for the tax periods March, 2020, April 2020, May, 2020 and quarter ending 31st March 2020 if the same are furnished on or before the 30th day of June, 2020.
7.	Whether restriction under rule 36(4) of the CGST Rules would apply during the lockdown period?	Vide notification No. 30/2020- Central Tax, dated 03.04.2020 , a proviso has been inserted in CGST Rules 2017 to provide that the said condition shall not apply to input tax credit availed by the registered persons in the returns in FORM GSTR-3B for the months of February, March, April, May, June, July and August, 2020, but that the said condition shall apply cumulatively for the said period and that the return in FORM GSTR-3B for the tax period of September, 2020 shall be furnished with cumulative adjustment of input tax credit for the said months in accordance with the condition under rule 36(4).
8.	What will be the status of e-way bills which have expired during the lockdown period?	In terms of notification No. 35/2020- Central Tax, dated 03.04.2020 , Issued under the provisions of 168A of the CGST Act, where the validity of an e-way bill generated under rule 138 of the CGST Rules expires during the period 20th day of March, 2020 to 15th day of April, 2020, the validity period of such e-way bill has been extended till the 30th day of April, 2020.
9.	What are the measures that have been specifically taken for taxpayers who are required to deduct tax at source under section 51, Input Service	Under the provisions of section 168A of the CGST Act, in terms of notification No. 35/2020- Central Tax, dated 03.04.2020 , the said class of taxpayers have been allowed to furnish the respective returns specified in sub-sections (3), (4) and (5) of section 39 of the said Act, for the months of March, 2020 to May, 2020 on or before the 30th day of June, 2020.

	Distributors and Non-resident Taxable persons?	
10.	What are the measures that have been specifically taken for taxpayers who are required to collect tax at source under section 52?	Under the provisions of section 168A of the CGST Act, in terms of notification No. 35/2020- Central Tax, dated 03.04.2020 , the said class of taxpayers have been allowed to furnish the statement specified in section 52, for the months of March, 2020 to May, 2020 on or before the 30th day of June, 2020.
11.	The time limit for compliance of some of the provisions of the CGST Act is falling during the lock-down period announced by the Government. What should the taxpayer do?	Vide notification No. 35/2020- Central Tax, dated 03.04.2020 , issued under the provisions of 168A of the CGST Act, except for few provisions covered in exclusion clause, any time limit for completion or compliance of any action which falls during the period from the 20th day of March, 2020 to the 29th day of June, 2020, and where completion or compliance of such action has not been made within such time, has been extended to 30th day of June, 2020.

10.6.2.4 Departmental Clarifications - Clarification on certain refund related issues -
[Circular No. 166/22/2021-GST dated 17th Nov, 2021](#)

Various representations have been received from taxpayers and other stakeholders seeking clarification in respect of certain issues relating to refund. The issues have been examined. In order to ensure uniformity in the implementation of the provisions of the law across 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 each of these issues as under:

S. No.	Issue	Clarification
1.	Whether the provisions of sub-section (1) of section 54 of the CGST Act regarding time period, within which an application for refund can be filed, would be applicable in cases of refund of excess balance in electronic cash ledger?	No, the provisions of sub-section (1) of section 54 of the CGST Act regarding time period, within which an application for refund can be filed, would not be applicable in cases of refund of excess balance in electronic cash ledger.
2.	Whether certification/ declaration under Rule 89(2)(1) or 89(2)(m) of CGST Rules, 2017 is required to be	No, furnishing of certification/declaration under Rule 89(2)(1) or 89(2)(m) of the CGST Rules, 2017 for not passing the incidence of tax to any other

	furnished along with the application for refund of excess balance in electronic cash ledger?	person is not required in cases of refund of excess balance in electronic cash ledger as unjust enrichment clause is not applicable in such cases.
3.	Whether refund of TDS/TCS deposited in electronic cash ledger under the provisions of section 51/52 of the CGST Act can be refunded as excess balance in cash ledger?	<p>The amount deducted/collected as TDS/TCS by TDS/TCS deductors under the provisions of section 51 /52 of the CGST Act, as the case may be, and credited to electronic cash ledger of the registered person, is equivalent to cash deposited in electronic cash ledger. It is not mandatory for the registered person to utilise the TDS/TCS amount credited to his electronic cash ledger only for the purpose for discharging tax liability. The registered person is at full liberty to discharge his tax liability in respect of the supplies made by him during a tax period, either through debit in electronic credit ledger or through debit in electronic cash ledger, as per his choice and availability of balance in the said ledgers.</p> <p>Any amount, which remains unutilized in electronic cash ledger, after discharge of tax dues and other dues payable under CGST Act and rules made thereunder, can be refunded to the registered person as excess balance in electronic cash ledger in accordance with the proviso to sub-section (1) of section 54, read with sub-section (6) of section 49 of CGST Act.</p>
4.	Whether relevant date for the refund of tax paid on supplies regarded as deemed export by recipient is to be determined as per clause (b) of <i>Explanation</i> (2) under section 54 of CGST Act and if so, whether the date of return filed by the supplier or date of return filed by the recipient will be relevant for the purpose of determining relevant date for such refunds?	<p>Clause (b) of <i>Explanation</i> (2) under section 54 of CGST Act reads as under:</p> <p>"(b) in the case of supply of goods regarded as deemed exports where a refund of tax paid is available in respect of the goods, the date on which the return relating to such deemed exports is furnished;"</p> <p>On perusal of the above, it is clear that clause (b) of <i>Explanation</i> (2) under section 54 of the CGST Act is applicable for determining relevant date in respect of refund of amount of tax paid on the supply of goods regarded as deemed exports, irrespective of the fact whether the refund claim is filed by the supplier or by the recipient.</p> <p>Further, as the tax on the supply of goods, regarded as deemed export, would be paid by the supplier in his return, therefore, the relevant date for purpose of filing of refund claim for refund of tax paid on such supplies would be the date of filing of return, related to such supplies, by the supplier.</p>

10.6.2.5 Departmental Clarifications - GST on service supplied by restaurants through e-commerce operators - [Circular No. 167 / 23 /2021 – GST dated 17th December, 2021](#)

The GST Council in its 45th meeting held on 17th September, 2021 recommended to notify 'Restaurant Service' under section 9(5) of the CGST Act, 2017. Accordingly, the tax on supplies of restaurant service supplied through ecommerce operators shall be paid by the e-commerce operator. In this regard [notification No. 17/2021 dated 18.11.2021](#) has been issued.

2. Certain representations have been received requesting for clarification regarding modalities of compliance to the GST laws in respect of supply of restaurant service through e-commerce operators (ECO). Clarifications are as follows:

Sl No	Issue	Clarification
1.	Would ECOs have to still collect TCS in compliance with section 52 of the CGST Act, 2017?	As 'restaurant service' has been notified under section 9(5) of the CGST Act, 2017, the ECO shall be liable to pay GST on restaurant services provided, with effect from the 1st January, 2022, through ECO. Accordingly, the ECOs will no longer be required to collect TCS and file GSTR 8 in respect of restaurant services on which it pays tax in terms of section 9(5). On other goods or services supplied through ECO, which are not notified u/s 9(5), ECOs will continue to pay TCS in terms of section 52 of CGST Act, 2017 in the same manner at present.
2.	Would ECOs have to mandatorily take a separate registration w.r.t supply of restaurant service [notified under 9(5)] through them even though they are registered to pay GST on services on their own account?	As ECOs are already registered in accordance with rule 8(in Form GST-REG 01) of the CGST Rules, 2017 (as a supplier of their own goods or services), there would be no mandatory requirement of taking separate registration by ECOs for payment of tax on restaurant service under section 9(5) of the CGST Act, 2017.
3.	Would the ECOs be liable to pay tax on supply of restaurant service made by unregistered business entities?	Yes. ECOs will be liable to pay GST on any restaurant service supplied through them including by an unregistered person.
4.	What would be the aggregate turnover of person supplying 'restaurant service' through ECOs?	It is clarified that the aggregate turnover of person supplying restaurant service through ECOs shall be computed as defined in section 2(6) of the CGST Act, 2017 and shall include the aggregate value of supplies made by the restaurant through ECOs. Accordingly, for threshold consideration or any other purpose in the Act, the person providing restaurant service through ECO shall account such services in his aggregate turnover.
5.	Can the supplies of restaurant service made through ECOs be recorded as inward supply?	No. ECOs are not the recipient of restaurant service supplied through them. Since these are not input services to ECO, these are not to be reported as inward supply (liable to reverse charge).

	of ECOs (liable to reverse charge) in GSTR 3B?	
6.	Would ECOs be liable to reverse proportional input tax credit on his input goods and services for the reason that input tax credit is not admissible on 'restaurant service'?	<p>ECOs provide their own services as an electronic platform and an intermediary for which it would acquire inputs/input service on which ECOs avail input tax credit (ITC). The ECO charges commission/fee etc. for the services it provides. The ITC is utilised by ECO for payment of GST on services provided by ECO on its own account (say, to a restaurant). The situation in this regard remains unchanged even after ECO is made liable to pay tax on restaurant service. ECO would be eligible to ITC as before. Accordingly, it is clarified that ECO shall not be required to reverse ITC on account of restaurant services on which it pays GST in terms of section 9(5) of the Act.</p> <p>It may also be noted that on restaurant service, ECO shall pay the entire GST liability in cash (No ITC could be utilised for payment of GST on restaurant service supplied through ECO)</p>
7.	Can ECO utilize its Input Tax Credit to pay tax w.r.t 'restaurant service' supplied through the ECO?	No. As stated above, the liability of payment of tax by ECO as per section 9(5) shall be discharged in cash.
8.	Would supply of goods or services other than 'restaurant service' through ECOs be taxed at 5% without ITC?	<p>ECO is required to pay GST on services notified under section 9(5), besides the services/other supplies made on his own account.</p> <p>On any supply that is not notified under section 9(5), that is supplied by a person through ECO, the liability to pay GST continues on such supplier and ECO shall continue to pay TCS on such supplies. Thus, present dispensation continues for ECO, on supplies other than restaurant services. On such supplies (other than restaurant services made through ECO) GST will continue to be billed, collected and deposited in the same manner as is being done at present. ECO will deposit TCS on such supplies.</p>
9.	Would 'restaurant service' and goods or services other than restaurant service sold by a restaurant to a customer under the same order be billed differently? Who shall be liable for raising invoices in such cases?	Considering that liability to pay GST on supplies other than 'restaurant service' through the ECO, and other compliances under the Act, including issuance of invoice to customer, continues to lie with the respective suppliers (and ECOs being liable only to collect tax at source (TCS) on such supplies), it is advisable that ECO raises separate bill on restaurant service in such cases where ECO provides other supplies to a customer under the same order.
10.	Who will issue invoice in respect of restaurant service supplied through ECO - whether by the restaurant or by the ECO?	The invoice in respect of restaurant service supplied through ECO under section 9(5) will be issued by ECO.

11.	Clarification may be issued as regard reporting of restaurant services, value and tax liability etc in the GST return.	<p>A number of other services are already notified under section 9(5). In respect of such services, ECO operators are presently paying GST by furnishing details in GSTR 3B. The ECO may, on services notified under section 9 (5) of the CGST Act,2017, including on restaurant service provided through ECO, may continue to pay GST by furnishing the details in GSTR 3B, reporting them as outward taxable supplies for the time being.</p> <p>Besides, ECO may also, for the time being, furnish the details of such supplies of restaurant services under section 9(5) in Table 7A(1) or Table 4A of GSTR-1, as the case maybe, for accounting purpose.</p> <p>Registered persons supplying restaurant services through ECOs under section 9(5) will report such supplies of restaurant services made through ECOs in Table of GSTR-1 and Table 3.1 (c) of GSTR-3B, for the time being.</p>
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10.7 Transfer of input tax credit. [Section 53]

Section 53	01.07.2017 to till date	<p>Transfer of input tax credit when input tax credit availed under CGST Act has been utilised for payment of tax dues under the Integrated Goods and Services Tax Act.</p> <p>On utilisation of input tax credit availed under this Act for payment of tax dues under the Integrated Goods and Services Tax Act in accordance with the provisions of sub-section (5) of section 49, as reflected in the valid return furnished under sub-section (1) of section 39, the amount collected as central tax shall stand reduced by an amount equal to such credit so utilised and the Central Government shall transfer an amount equal to the amount so reduced from the central tax account to the integrated tax account in such manner and within such time as may be prescribed.</p>
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10.8 Transfer of certain amounts. [Section 53A]

¹ [Section 53A]	01.01.2020 to till date	<p>Transfer of amounts where any amount has been transferred from the electronic cash ledger under CGST Act to the electronic cash ledger under the SGST Act or the UTGST Act.</p> <p>Where any amount has been transferred from the electronic cash ledger under this Act to the electronic cash ledger under the State Goods and Services Tax Act or the Union territory Goods and Services Tax Act, the Government shall, transfer to the State tax account or the Union territory tax account, an amount equal to the amount transferred from the electronic cash ledger, in such manner and within such time as may be prescribed.]</p>
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