As per Gst Circular No 137 dated 13th April 2020, clarifications were issued for some situations envisaged and challenges faced by the registered persons in implementations of Gst laws.

Nature of Supply	***Original Event***	***Document Issued***	***Trigger Event***	***Treatment under GST***
Services	Advance Received	Tax Invoice issued before supply of service	Contract cancelled before supply of service	a) Credit note to be issued under section 34 of **CGST Act, 2017** for reduction of tax liability. b) Details of such credit notes shall be declared in the return for the month during which such credit note has been issued. There is no need to file a separate refund claim. c) Where there is no output liability against which a credit note can be adjusted, refund claim allowable under 'Excess payment of tax, if any' through FORM GST RFD-01.
Services	Advance Received	Receipt voucher	Contract cancelled before supply of service	Issue refund voucher under GST. Refund claim to be filed by filing FORM GST RFD-01 under the category 'Refund of excess payment of tax'
Goods	Goods supplied	Tax invoice	Goods returned	a) Credit note to be issued under section 34 of CGST Act, 2017 for reduction of tax liability. b) Details of such credit notes shall be declared in the return for the month during which such credit note has been issued. There is no need to file a separate refund claim. c) Where there is no output liability against which a credit note can be adjusted, refund claim allowable under 'Excess payment of tax, if any' through FORM GST RFD-01.

Deferment of filing of refund claim if expires on 31.03.2020

- As per **notification No. 35/2020-Central Tax dated 03.04.2020**, where the timeline for refund compliances falls during the period from 20.03.2020 to 29.06.2020, the same has been extended till 30.06.2020.

Deferment of filing of LUT

- As per 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.

Due Date extension of deposit of TDS

- The due date for furnishing of return in FORM GSTR-7 along with deposit of tax deducted for the period 20.03.2020 to 29.06.2020 has also been extended till 30.06.2020
- No interest under section 50 shall be leviable if tax deducted is deposited by 30.06.2020.

CONCLUSION :

The government will give refunds to businesses for goods and services tax paid on orders that were cancelled by customers due to the national lockdown imposed to control the novel coronavirus outbreak, according to this circular. This will help businesses that will have to return entire payments made to them, including tax. For instance, if a customer made a hotel booking of Rs 10,000 + 18 percent tax, and cancels it due to the lockdown, the hotel will have to return the entire Rs 11,800 (Rs 10,000+1,800), even if the business has deposited GST with the government.

Currently, businesses used to adjust the excess GST paid with other new bookings, but now they will be eligible for a refund, which will be a big relief.

Some of the industries that were the most impacted due to Covid-19 and stand to benefit are hospitality and tourism, sports, entertainment, media, advertising and aviation.

Getting full refund for businesses on cancellation of services contract or return of goods would improve their liquidity position.