

Clarifications on
Refunds on Cancellation of Supply,
Date Extension due to Corona for LUT, Refunds
and TDS Payments

Circular No. 137/07/2020 – GST Dated 13th April, 2020

Clarification on Cancellation of Service Contract and Return of Goods Sold

Advance is received by supplier and **Service contract cancelled**

Invoice has been issued before supply of services

Required to **issue Credit Note** subject to condition of section 34 of CGST Act

If there is **output liability** for another supply

Adjust Credit Note in GSTR-3B

Receipt Voucher has been issued (i.e. Invoice has **not been issued**)

Issue Refund Voucher and Make Refund Claim under "Excess Payment of GST"

If there is **no output liability**

File Refund claim under "Excess Payment of GST"

Goods are Returned by Recipient

Issue credit note under Section 34

If there is **output liability** during the month

Adjust Credit Note in GSTR-3B

If there is **no output liability** during the month of Credit Note

File Refund claim under "Excess Payment of GST"

