

# TAX INFO

*Dated:01/10/2021*

Latest update on GST Law: Information regarding **Clarification on GST related issues** based on the **Circular No. 160 dated 20.09.2021**.

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## Clarification on GST related issues

### 1. ITC in respect of Debit Notes:

- a. Section 16(4) is amended to delink the date of issuance of debit note from the date of issuance of the underlying invoice for the purposes of availing input tax credit.
- b. In case of debit notes, the date of issuance of debit note (not the date of underlying invoice) shall determine the relevant financial year in which the ITC has to be claimed.
- c. In respect of debit notes issued prior to the 01.01.2021:

Particulars	To be Governed
ITC availed prior to 01.01.2021	By earlier provision
ITC availed after 01.01.2021	By amended provision

### 2. Carrying of physical copy of invoice during movement of goods:

There is no need to carry the physical copy of tax invoice in cases where invoice has been generated by the supplier on obtaining an Invoice Reference Number and by uploading information contained therein on the Common Portal and production of the QuickResponse (QR) code having an embedded Invoice Reference Number (IRN) electronically, for verification during movement of Goods, by the proper officer, would be enough.

### 3. Refunds of accumulated ITC where Goods are subject to Exports Duty:

Refund on zero rated supplies (Exports sales under LUT) is also not eligible if the goods exported out of India are **subject to export duty** and the term 'subjected to export duty' means where the goods are actually liable to export duty and suffering export duty at the time of export. Therefore, goods in respect of which either NIL rate is specified in Second Schedule to the Customs Tariff Act, 1975 or which are fully exempted from payment of export duty by virtue of any customs notification cannot be considered to be subjected to any export duty meaning thereby No Exports Duty and hence will be eligible for refund of accumulated ITC.

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