

# TAX FLASH NEWS

20 May 2021

## GST Notification update | Amendment to the Central Goods and Services Tax Rules, 2017 (CGST Rules)

Central Board of Indirect Taxes and Customs (CBIC) has issued a notification<sup>1</sup> to amend rules pertaining to refund procedures and generation of e-way bill prescribed under the CGST Rules.

Gist of the key amendment is summarised as under –

### 1. Time limit for filing of fresh refund application pursuant to issuance of deficiency memo

Rule 90(3) of the CGST Rules prescribes that in case a deficiency memo has been issued, the applicant is required to file a fresh refund application after rectifying the deficiencies. CBIC had earlier clarified vide circular no. 125/44/2019-GST dated 18 November 2019 that the said rectified refund application were also required to be filed within 2 years from the relevant date<sup>2</sup> as prescribed under Section 54(1) of the CGST Act.

New proviso has now being inserted under Rule 90(3) to provide that for computing the time limit of 2 years from the relevant date, time period between the date of filing of refund claim and the date of communication of the deficiency memo shall not be included.

### 2. Withdrawal of Refund application

New sub-rule (4) has been inserted under Rule 90 of the CGST Rules, to enable refund applicants to withdraw refund application filled, subject to the condition that the application has been withdrawn prior to issuance of provisional refund sanction order or final refund sanction order or payment order or refund withhold order or issuance of show cause notice in respect of refund application.

The application for withdrawal of refund application will be required to filed in Form GST RFD-01W.

### 3. Amendment relaxing the rule restricting the generation of e-way bill by a registered person

Rule 138E of the CGST Rules, which restricted the generation of e-way bill by a registered person who has failed to furnish return for two consecutive months/quarter has been amended. The restriction was applicable for both inward and outward movement of goods.

The rule has now been amended to restrict generation of e-way bill only in case of outward movement of goods.

### Our comments

All the amendments made seem to be in line with Industry requirements and provides relief to Industry specifically the amendment pertaining to refund which will reduce the litigation.



<sup>1</sup> Notification no. 15/2021-Central Tax dated 18 May 2021

<sup>2</sup> Relevant date defined in the explanation after section 54(14) of the CGST Act

## KPMG in India addresses:

### Ahmedabad

Commerce House V, 9th Floor,  
902, Near Vodafone House, Corporate  
Road,  
Prahlad Nagar,  
Ahmedabad – 380 051.  
Tel: +91 79 4040 2200

### Bengaluru

Embassy Golf Links Business Park,  
Pebble Beach, 'B' Block,  
1st & 2nd Floor,  
Off Intermediate Ring Road, Bengaluru –  
560071  
Tel: +91 80 6833 5000

### Chandigarh

SCO 22-23 (1st Floor),  
Sector 8C, Madhya Marg,  
Chandigarh – 160 009.  
Tel: +91 172 664 4000

### Chennai

KRM Towers, Ground Floor,  
1, 2 & 3 Floor, Harrington Road,  
Chetpet, Chennai – 600 031.  
Tel: +91 44 3914 5000

### Gurugram

Building No.10, 8th Floor,  
DLF Cyber City, Phase II,  
Gurugram, Haryana – 122 002.  
Tel: +91 124 307 4000

### Hyderabad

Salarpuria Knowledge City,  
6th Floor, Unit 3, Phase III,  
Sy No. 83/1, Plot No 2, Serilingampally  
Mandal,  
Ranga Reddy District,  
Hyderabad – 500 081.  
Tel: +91 40 6111 6000

### Jaipur

Regus Radiant Centre Pvt Ltd.,  
Level 6, Jaipur Centre Mall,  
B2 By pass Tonk Road,  
Jaipur – 302 018.  
Tel: +91 141 - 7103224

### Kochi

Syama Business Centre,  
3rd Floor, NH By Pass Road,  
Vytilla, Kochi – 682 019.  
Tel: +91 484 302 5600

### Kolkata

Unit No. 604,  
6th Floor, Tower – 1,  
Godrej Waterside,  
Sector – V, Salt Lake,  
Kolkata – 700 091.  
Tel: +91 33 4403 4000

### Mumbai

1st Floor, Lodha Excelus,  
Apollo Mills,  
N. M. Joshi Marg,  
Mahalaxmi,  
Mumbai – 400 011.  
Tel: +91 22 3989 6000

### Noida

Unit No. 501, 5th Floor,  
Advant Navis Business Park,  
Tower-A, Plot# 7, Sector 142,  
Expressway Noida,  
Gautam Budh Nagar,  
Noida – 201 305.  
Tel: +91 0120 386 8000

### Pune

9th floor, Business Plaza,  
Westin Hotel Campus, 36/3-B,  
Koregaon Park Annex,  
Mundhwa Road, Ghorpadi,  
Pune – 411 001.  
Tel: +91 20 6747 7000

### Vadodara

Ocean Building, 303, 3rd Floor,  
Beside Center Square Mall,  
Opp. Vadodara Central Mall,  
Dr. Vikram Sarabhai Marg,  
Vadodara – 390 023.  
Tel: +91 265 619 4200

### Vijayawada

Door No. 54-15-18E,  
Sai Odyssey,  
Gurunanak Nagar Road, NH 5,  
Opp. Executive Club, Vijayawada,  
Krishna District,  
Andhra Pradesh – 520 008.  
Tel: +91 0866 669 1000

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KPMG Assurance and Consulting Services LLP, Lodha Excelus, Apollo Mills Compound, NM Joshi Marg, Mahalaxmi, Mumbai - 400 011  
Phone: +91 22 3989 6000, Fax: +91 22 3983 6000

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