

GST Alert 05/2020-21

Date 31.07.2020

**Impact of merger of Union Territories of Daman and Diu with Dadra Nagar & Haveli**

The Commissioner of Dadra and Nagar Haveli and Daman and Diu vide Trade Notice No. 28/2020 - 21 dated July 13, 2020 (attached), has stated that upon Merger of Union Territories of Dadra and Nagar Haveli and Daman and Diu w.e.f. 26-01-2020, there arises a need to declare a single GST State Code for Persons Registered under GST in these Union Territories. Therefore, it is decided by the GST Council to give 26 as State Code to the merged Union Territory of Dadra and Nagar Haveli and Daman and Diu **w.e.f. 01-08-2020**.

Therefore, all the Registered Persons in the erstwhile Union Territory of Daman and Diu having GSTIN (Goods and Service Tax Identification Number) starting with State Code 25 will be switched over to New State Code of 26 w.e.f. 01-08-2020.

Due to the change in State Code, all existing active taxpayers having GSTIN with UT code 25 will be given new GSTIN with UT Code 26 along with log in Credentials (Login ID & password) at their email of primary Authorized Signatory. However, what will happen to taxpayers who hold GSTINs in UT code 25 and 26 both is not yet made clear.

**Gist of Changes made are as under:**

1. All taxpayers having their GSTIN starting with State/UT code 25 shall be given a new GSTIN with State/UT code 26. Old GSTIN starting with code 25 will cease to exist from 1.08.2020. All compliances for the period prior to 1.08.2020 will have to be completed in old number only.
2. Supply from Daman & Diu to Dadra Nagar & Haveli and vice versa shall with effect from 1<sup>st</sup> Aug'20 be treated as Intra-State Supply and CSGT and SGST shall be required to be charged on such supplies.
3. Most Importantly, all those taxpayers whose vendor / customer are located in Daman & Diu need to update their tax and accounting records. Taxpayers experiencing this change will be required to provide new numbers to their vendors so that w.e.f. 1.08.2020 all purchase invoices bear the new number.

4. In case a taxpayer has ITC lying in balance as on 31.07.2020 then he will follow undermentioned process to transfer the same to new GSTIN
  - a. Taxpayer having GSTIN starting with 25 (transferor) shall debit the said ITC from its electronic credit ledger in Table 4(B)(2) of FORM GSTR-3B
  - b. Taxpayer having GSTIN starting with 26 (transferee) shall credit the said ITC in its electronic credit ledger in Table 4(A)(5) of FORM GSTR-3B
5. There is no clarity as to how to report the Credit Notes against Invoices issued by/to the registered taxpayers from Daman & Dui (of code 25) prior 1<sup>st</sup> Aug'20 and Credit notes issued on or after 1<sup>st</sup> Aug'20

We hope this transition within GST itself is managed properly, much of it will happen within the confines of GSTN which we all have to come to know is a law unto itself, taxpayers must not be made to run from pillar to post. Much wanted clarifications must be issued well intime and we wish people don't loose money or sleep over this innocuous exercise.

***Formulated by:******N J Jain & Associates******Chartered Accountants*****CA Nitesh Jain  
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**UT Administration of Dadra & Nagar Haveli and Daman & Diu,  
Finance Department/Commissioner (UTGST), Secretariat,  
Daman.**

No.DMN/VAT/GST/Trade Notice./2020-21/1053 Date:-13/07/2020

**TRADE NOTICE NO.28/2020-21 DATED 13/07/2020**

Upon Merger of Union Territories of Dadra and Nagar Haveli and Daman and Diu w.e.f. 26-01-2020, there arises a need to declare single State Code for Persons Registered under Goods and Service Tax Laws in the Union Territories.

It is decided by the GST Council to give 26 as State Code 26 to the merged Union Territory of Dadra and Nagar Haveli and Daman and Diu w.e.f. 01-08-2020.

Therefore, all the Registered Persons in the erstwhile Union Territory of Daman and Diu having GSTIN(Goods and Service Tax Identification Number) starting with State Code 25 will be switched over to New State Code of 26 w.e.f. 01-08-2020.

Due to the change in State Code all existing active taxpayers having GSTIN with UT code 25 will be given new GSTIN with UT Code 26 along with **log in Credentials (Login ID & Password) at their email of primary Authorized Signatory.**

All Trade Associations / representatives of various industries are requested to publish the contents of this Trade Notice among their Members / Constituents.

  
( **Devinder Singh** )

Commissioner (UTGST)

Dadra & Nagar Haveli and Daman & Diu.

To

1. The Commissioner, Central GST Commissionarate, Daman.
2. The President, Industries Association, Daman and Diu.
3. The President, Hotel Association, Daman and Diu.
4. The President, Merchant Association, Daman and Diu.
5. The President, Liquor Association, Daman and Diu.

Copy to:

1. The Joint Commissioner (VAT & UTGST), DNH for kind information.
2. The Joint Commissioner (VAT & UTGST), Daman & Diu for kind information and necessary action please.