



# CONTENTS

PAGE

## 1

### **INTRODUCTION TO GST REFUNDS**

<b>1.1</b>	Introduction	<i>1</i>
<b>1.2</b>	Refund provision in GST Law	<i>1</i>
<b>1.3</b>	Scope of refund in GST Law	<i>3</i>
<b>1.4</b>	Refund of tax, interest, penalty, fee or any other amount paid	<i>4</i>
<b>1.5</b>	Exhaustive list of refunds in GST	<i>5</i>
<b>1.6</b>	Refund options available at the GST common portal	<i>7</i>
<b>1.7</b>	No multiple refund applications during a single tax period	<i>7</i>
<b>1.8</b>	Refund in case of person opting to file GSTR-1 on Quarterly basis	<i>8</i>
<b>1.9</b>	Refund of taxes paid under existing laws	<i>8</i>
<b>1.10</b>	Refund claims can be filed only after filing valid GST returns	<i>10</i>
<b>1.11</b>	Provisionally accepted ITC be allowed as refund temporarily	<i>10</i>
<b>1.12</b>	Significance of relevant date for the purpose of refund	<i>10</i>
<b>1.13</b>	Refund of compensation cess	<i>11</i>

## 2

### **REFUND PROCEDURES**

<b>2.1</b>	Application to be accompanied with documentary evidence	<i>12</i>
<b>2.2</b>	Declaration/certification, as the case may be, that the incidence of tax and interest has not been passed on to any other person	<i>13</i>
<b>2.3</b>	Processing of refund claim	<i>15</i>
<b>2.4</b>	Acknowledgement of the refund claim application	<i>15</i>

	PAGE
<b>2.4-1</b> Application relates to refund from Electronic Cash Ledger	15
<b>2.4-2</b> Application relates to refund other than from Electronic Cash Ledger	15
<b>2.5</b> Deficiencies in the refund application	16
<b>2.6</b> Processing of refund claim on account of zero-rated supply	18
<b>2.7</b> Order sanctioning refund	20
<b>2.8</b> Withholding of refund claim/deduction of dues from the refund claim	22
<b>2.9</b> Issuance of show cause notice, reply and order	25
<b>2.10</b> Issue of refund order	25
<b>2.11</b> No refund if refund claim amount is less than INR 1000	27
<b>2.12</b> Credit of the amount of rejected refund claim	27
<b>2.13</b> Order sanctioning interest on delayed refunds	28
<b>2.14</b> Consumer Welfare Fund	31
<b>2.15</b> Manual processing of refund claim	34
<b>2.16</b> Claim for refund filed by an Input Service Distributor, a person paying tax under section 10 or a non-resident taxable person	40
<b>2.17</b> Special Refund Fortnights	41

### **3**

#### **EXCESS PAYMENT OF TAX DUE TO MISTAKE OR INADVERTENCE**

<b>3.1</b> Excess payment of tax, if any	44
<b>3.2</b> Time limit for making application	45
<b>3.3</b> Relevant Date	45
<b>3.4</b> Documentary Evidence	46
<b>3.5</b> Procedure for filing an application for refund of excess payment of tax	46

### **4**

#### **EXCESS BALANCE IN ELECTRONIC CASH LEDGER**

<b>4.1</b> Excess balance in electronic cash ledger	50
<b>4.2</b> Time limit for making application	50

	PAGE
<b>4.3</b> Relevant date	50
<b>4.4</b> Documentary evidence	50
<b>4.5</b> Claim of refund in case of excess balance in electronic cash ledger - Manual process	51
<b>4.5-1</b> Manual filing due to unavailability of the function online	51
<b>4.5-2</b> Reference to earlier Circular in regard to process	51
<b>4.5-3</b> Manual Refund Application Form submission	51
<b>4.5-4</b> Ascertaining Jurisdictional Proper Officer for submission of manual application	51
<b>4.5-5</b> Payment of refund amount	51
<b>4.5-6</b> Adherence to the time limit of 60 days of refund sanction	52
<b>4.5-7</b> Processing of refund claim	52

## 5

### **EXPORT AND IMPORT PROCEDURES**

<b>5.1</b> Zero rated supply	60
<b>5.2</b> Export of goods and/or services	63
<b>5.3</b> Documents for export of taxable and/or exempted supplies	68
<b>5.4</b> GSTIN/PAN/UIN mandatory information in Shipping Bill	69
<b>5.5</b> Ways of export	69
<b>5.5-1</b> On payment of IGST which can be claimed as refund after the goods have been exported	69
<b>5.5-2</b> Under bond or Letter of Undertaking (LUT) without payment of IGST	70
<b>5.6</b> Possible scenarios of refund in case of exports	79
<b>5.7</b> Immediate measure for the merchant exporters	79
<b>5.8</b> Done away with ARE 1/ARE 2	82
<b>5.9</b> Sealing by officers	82
<b>5.10</b> Exemptions available for various authorizations/scrips which have been issued prior to 1-7-2017 and remain unutilized on 1-7-2017	82
<b>5.11</b> Rate of GST on duty credit scrips	82

	PAGE
<b>5.12</b> Status of exemption from all duties available under Advance authorization scheme	83
<b>5.13</b> Duty free benefit on import of capital goods using EPCG authorization	84
<b>5.14</b> Usage of duty credit scrips such as Merchandise Exports from India Scheme (MEIS) and Service Exports from India Scheme (SEIS)	86
<b>5.15</b> Export of Goods to Nepal and Bhutan	86
<b>5.16</b> Exporter required to pay GST in case of goods procured from unregistered persons (including unregistered job workers)	87
<b>5.17</b> Rescinding of earlier circular on exports	87
<b>5.18</b> Details required to be furnished in GSTR 1 by the Exporters	87
<b>5.19</b> Status of Export Oriented Unit (EOU) Scheme	89
<b>5.20</b> Imports	93

## **6**

### **EXPORT OF GOODS AND/OR SERVICES ON PAYMENT OF IGST**

<b>6.1</b> Exports as Zero-rated supply	99
<b>6.2</b> Two options to Export of Goods and/or Services	99
<b>6.3</b> Possible scenarios of refund in case of exports	100
<b>6.4</b> Processing of IGST refund claim	100
<b>6.5</b> Refund in respect of export of goods and/or services	100
<b>6.6</b> Export on payment of IGST without any requirement of Bond or Letter of Undertaking	101
<b>6.6-1</b> In case of refund of IGST paid on exports of goods	101
<b>6.6-2</b> In case of refund of IGST paid on exports of services	156

## **7**

### **EXPORT UNDER BOND OR LETTER OF UNDERTAKING**

<b>7.1</b> Export of goods and/or services	178
<b>7.2</b> Two options to Export of Goods and/or Services	178
<b>7.3</b> Possible scenarios of refund in case of exports	179
<b>7.4</b> Processing of IGST refund claim	179

	PAGE
<b>7.5</b> Refund in respect of export of goods and/or services	179
<b>7.6</b> Export without payment of IGST under Bond or Letter of Undertaking	180
<b>7.6-1</b> In case of refund of tax paid on exports of goods under Bond or Letter of Undertaking	201
<b>7.6-2</b> In case of refund of tax paid on exports of services under Bond or Letter of Undertaking	219
<b>7.7</b> Procedure to file an application for refund of Input Tax Credit accumulated on account of exports of goods or services without payment of tax	225

## **8**

### **DEEMED EXPORTS**

<b>8.1</b> Deemed exports	234
<b>8.2</b> Deemed exports only in case of supply of goods	234
<b>8.3</b> Recommendation of GST Council to consider transactions as deemed exports	234
<b>8.4</b> Supplies notified as deemed exports	235
<b>8.5</b> Furnishing details of deemed exports in the GST return	236
<b>8.6</b> Claim of refund in case of deemed exports	236
<b>8.7</b> Claim of refund by the recipient	237
<b>8.8</b> Claim of refund by the supplier	237
<b>8.9</b> Time limit for making application	240
<b>8.10</b> Relevant date	241
<b>8.11</b> Documentary evidence	241
<b>8.12</b> Claim of refund in case of deemed exports - Manual process	241
<b>8.13</b> Procedure to file an application for refund as a recipient of deemed exports	245

## **9**

### **SEZ REFUND PROCEDURES**

<b>9.1</b> Outward supplies made to SEZ units/developers	258
<b>9.2</b> Outward supplies made by SEZ units/developers	261
<b>9.3</b> Supply to SEZ unit/developer as Zero-rated supply	263
<b>9.4</b> Two options to make supply to SEZ Unit/Developer	265

	PAGE
<b>9.5</b> Refund in respect of supply of goods and/or services to SEZ unit/developer	265
<b>9.6</b> Supply on payment of IGST without any requirement of Bond or Letter of Undertaking	266
<b>9.6-1</b> Procedure to file an application for refund on account of supply of goods or services to SEZ unit/developer with payment of tax	273
<b>9.7</b> Supply to SEZ unit/developer without payment of IGST under Bond or Letter of Undertaking	281
<b>9.7-1</b> Procedure to file an application for refund on account of supply of goods or services to SEZ unit/developer without payment of tax	290

## **10**

### **INVERTED DUTY STRUCTURE**

<b>10.1</b> Credit accumulation due to inverted duty structure <i>i.e.</i> due to tax rate differential between output and inputs	299
<b>10.2</b> Formula for calculation of refund amount in case of inverted duty structure	308
<b>10.3</b> Pre-requisite for claiming refund of accumulated ITC	313
<b>10.4</b> Supplies to Merchant Exporters	313
<b>10.5</b> Time limit for making application	318
<b>10.6</b> Relevant Date	318
<b>10.7</b> Documentary Evidence	318
<b>10.8</b> Claim of refund in case of inverted duty structure - Manual process	318
<b>10.9</b> Procedure to file an application for refund of Input Tax Credit accumulated on account of Inverted duty structure	323

## **11**

### **ASSESSMENT, PROVISIONAL ASSESSMENT - FINALIZATION OF PROVISIONAL ASSESSMENT, APPEAL AND ANY OTHER ORDER**

<b>11.1</b> On type of Order Assessment, Provisional Assessment - Finalization of provisional assessment, Appeal and any other Order	335
<b>11.2</b> Time limit for making application	336
<b>11.3</b> Relevant Date	336

	PAGE
<b>11.4</b> Documentary Evidence	336
<b>11.5</b> Procedure to file an application for refund on account of Assessment/Provisional Assessment/Appeal/Any other order	338

## **12**

### **PURCHASES MADE BY EMBASSIES OR UN BODIES OR PERSONS NOTIFIED UNDER SECTION 55**

<b>12.1</b> Introduction for persons holding Unique Identification Number (UIN)	341
<b>12.2</b> Status of registration for UIN's	341
<b>12.3</b> Filing of return by UIN Agencies	342
<b>12.4</b> Refund of tax payment on inward supplies made by specialized agency, etc.	342
<b>12.5</b> Application for claim of refund	345
<b>12.6</b> Manual submission of GST RFD-10 Form	349
<b>12.7</b> Procedure to claim refund under section 54(2) <i>i.e.</i> by Embassies, International Organisations, etc.	350
<b>12.8</b> Refund in case of canteen stores department under Ministry of Defence	353

## **13**

### **MISCELLANEOUS REFUNDS**

<b>13.1</b> Refund in case of international tourists	358
<b>13.2</b> Refund in other cases where there is balance in electronic cash ledger	359
<b>13.3</b> Refund in case of casual taxable person or non-resident taxable person	364
<b>13.4</b> Refund in case of duty free shops	365

## **14**

### **SCHEME OF BUDGETARY SUPPORT (REFUND)**

<b>14.1</b> Background	368
<b>14.2</b> Budgetary support scheme by Central Government	369
<b>14.3</b> Determination of the amount of budgetary support	371
<b>14.4</b> Inspection of the eligible unit	374

	PAGE
<b>14.5</b> Manner of budgetary support	374
<b>14.6</b> Procedure for manual disbursal of budgetary support	375
<b>14.7</b> Procedure for online registration and online filing of claims for disbursal of budgetary support	380
<b>14.8</b> Budgetary scheme provisions	383
<b>14.9</b> Affidavit- <i>cum</i> -indemnity bond	383
<b>14.10</b> Budgetary support scheme by State of Jammu and Kashmir	384

## 15

### **FINANCIAL ASSISTANCE (REFUND) UNDER 'SEVA BHOJ YOJANA' SCHEME**

<b>15.1</b> Norms and Conditions of the Financial Assistance	386
<b>15.2</b> Application for obtaining Seva Bhoj Yojana - Unique Identity Number (SBY-UIN)	388
<b>15.3</b> Application for claiming reimbursement of the said taxes in Form SBY-03	390
<b>15.4</b> Processing of the application filed in Form SBY-03	392
<b>15.5</b> Release of funds under the scheme	393
<b>15.6</b> Reporting of the reimbursement claims filed and processed	393
<b>15.7</b> Maintenance of accounts by the charitable/religious institutions	394
<b>15.8</b> Inspection and Monitoring	394
<b>15.9</b> Penalties in case of misuse of assistance/grant	394

### **APPENDICES**

<b>Appendix 1:</b> Relevant sections of Central Goods and Services Tax Act, 2017	397
<b>Appendix 2:</b> Relevant rules and forms of Central Goods and Services Tax Rules, 2017	405
<b>Appendix 3:</b> Notifications	455
<b>Appendix 4:</b> Circulars and Clarifications	465