6.1 EXPORTS AS ZERO-RATED SUPPLY

Exports are termed as ‘zero rated supply’ as per Section 2(23) of the IGST Act, 2017 which places its reference to section 16 of the IGST Act, 2017. In fact, zero-rated supplies are:

(i) Export of goods or services or both

(ii) Supply of goods and/or services to a SEZ developer or a SEZ unit.

The aforesaid categories of supplies shall be treated as zero rated supplies which shall ensure that effectively there shall be zero tax on such type of supplies. These can be possible only if outright exemption is given from payment of any tax on such type of supplies or shall get refund of all the taxes paid after making such supplies. By zero rating, it is meant that the entire supply chain of a particular supply is tax free, i.e., there is no burden of tax either on the input side or output side.

6.2 TWO OPTIONS TO EXPORT OF GOODS AND/OR SERVICES

There are altogether two options available with such persons in order to export and thereafter claim refund namely:

OPTION 1: Export on payment of IGST without any requirement of Bond or Letter of Undertaking

The exporter may supply goods or services or both, subject to such conditions, safeguards and procedure as may be prescribed, on payment of integrated tax and claim refund of such tax paid on goods or services or both supplied.

OPTION 2: Export without payment of IGST under Bond or Letter of Undertaking

He may supply goods or services or both under Bond or Letter of Undertaking, subject to such conditions, safeguards and procedure as may be prescribed, without payment of integrated tax and claim refund of unutilized input tax credit. The person engaged in making zero-rated supplies
shall be allowed credit of *input tax*. It must be relevant to note that even if the supplies made under the zero rated supplies are *exempt i.e.* output goods and/or services are exempt, then also such person shall be allowed to *avail the credit of input tax*.

### 6.3 POSSIBLE SCENARIOS OF REFUND IN CASE OF EXPORTS

The entire scenario in case of exports is summed up by way of the table given below:

<table>
<thead>
<tr>
<th>Supply by Exhibit</th>
<th>Supply at</th>
<th>Intra-Inter Supply of</th>
<th>Taxability</th>
<th>Documents required</th>
<th>Option of Supply</th>
<th>Refund</th>
</tr>
</thead>
<tbody>
<tr>
<td>Registered Taxable Person (Exporter)</td>
<td>Outside India</td>
<td>Goods</td>
<td>Taxable</td>
<td>Shipping Bill + Export Invoice</td>
<td>On payment of IGST</td>
<td>Refund of IGST paid</td>
</tr>
<tr>
<td></td>
<td>Inter-State supply</td>
<td></td>
<td></td>
<td>Shipping Bill + Export Invoice</td>
<td>Under Bond/LUT</td>
<td>Refund of unutilized ITC</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Exempted</td>
<td>Shipping Bill + Bill of Supply</td>
<td>No Bond/LUT as per Circular No. 45/19/2018- GST dated 30th May, 2018</td>
<td>Refund of unutilized ITC even though exempt</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Shipping Bill + Bill of Supply</td>
<td>Refund of unutilized ITC even though exempt</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Services</td>
<td>Taxable</td>
<td>Export Invoice</td>
<td>On payment of IGST</td>
<td>Refund of IGST paid</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Export Invoice</td>
<td>Under Bond/LUT</td>
<td>Refund of unutilized ITC</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Exempted</td>
<td>Bill of Supply</td>
<td>Under Bond/LUT. If Circular No. 45/19/2018- GST dated 30th May, 2018 is strictly interpreted then it remains silent on this aspect.</td>
<td>Refund of unutilized ITC even though exempt</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Bill of Supply</td>
<td>Refund of unutilized ITC even though exempt</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### 6.4 PROCESSING OF IGST REFUND CLAIM

The IGST refund module have been designed to have an in-built mechanism to automatically process and grant relief after validating the shipping bill data available in Indian Customs EDI Systems (ICES) against the GST Return data transmitted by GSTN. Manual intervention would be limited to only exceptional cases where automatic validation becomes impossible due to some technical errors. Such exceptional cases would be only those which would be approved by the Board and the procedure in those cases would be separately laid out.

### 6.5 REFUND IN RESPECT OF EXPORT OF GOODS AND/OR SERVICES:

<table>
<thead>
<tr>
<th>Export of</th>
<th>Export under</th>
<th>Refund form</th>
</tr>
</thead>
<tbody>
<tr>
<td>Export of Goods</td>
<td>On Payment of IGST</td>
<td>Shipping Bill</td>
</tr>
<tr>
<td></td>
<td>Under Bond or LUT</td>
<td>GST RFD-01</td>
</tr>
<tr>
<td>Export of Services</td>
<td>On Payment of IGST</td>
<td>GST RFD-01</td>
</tr>
<tr>
<td></td>
<td>Under Bond or LUT</td>
<td>GST RFD-01</td>
</tr>
</tbody>
</table>
6.6 EXPERT ON PAYMENT OF IGST WITHOUT ANY REQUIREMENT OF BOND OR LETTER OF UNDERTAKING

6.6-1 In case of refund of IGST paid on exports of GOODS

Rule 96 of the GST Rules, 2017 deals with the refund in case of export of goods and/or services on payment of IGST.

**Form for claiming refund:** The most important point is that there is no specific form for claiming refund of IGST paid on export of goods. So, the question arises that how the exporter will claim his IGST paid? For this purpose, in order to reduce the formalities of separate form for claiming refund, as per Rule 96(1) of the GST Rules, 2017 shipping bill filed by an exporter of goods shall be deemed to be an application for refund of IGST paid on the goods exported out of India.

**Situation in which such application shall be deemed to be filed:** Such application shall be deemed to have been filed only when:

(a) The *person in charge* of the *conveyance* carrying the export goods *duly files* an *export manifest* or an *export report* covering the *number* and the *date* of *shipping bills* or *bills of export*; and

<table>
<thead>
<tr>
<th>Conveyance</th>
<th>Person-in-charge</th>
<th>EGM or Export Report</th>
<th>Shipping Bill or Bill of Export</th>
</tr>
</thead>
<tbody>
<tr>
<td>Vessel</td>
<td>Master of the Vessel</td>
<td>Export General Manifest [In case of export by sea]</td>
<td>Shipping Bill [In case of Sea Port]</td>
</tr>
<tr>
<td>Aircraft</td>
<td>Commander or Pilot-in-charge of the aircraft</td>
<td>Export Report [In case of export by land]</td>
<td>Shipping Bill [In case of Air Port]</td>
</tr>
<tr>
<td>Railway Train</td>
<td>Conductor, guard or other person having the chief direction of the train</td>
<td>Export Report [In case of export by land]</td>
<td>Bill of Export [In case export through Land Customs]</td>
</tr>
<tr>
<td>Other Conveyance</td>
<td>Driver or other person-in-charge of the conveyance</td>
<td>Export Report [In case of export by land]</td>
<td>Bill of Export [In case export through Land Customs]</td>
</tr>
</tbody>
</table>

(b) The *applicant* has *furnished* a *valid return* in *FORM GSTR-3* or *FORM GSTR-3B*, as the case may be. The term valid return means a return furnished under section 39(1) of the GST Act, 2017 on which self-assessed tax has been paid in full.
Applicant has furnished a valid return in FORM GSTR-3 or FORM GSTR-3B, as the case may be
This is another most essential condition that the taxpayer has to comply with. Since the taxpayer who has made export has to file regular return i.e. GSTR 3. Such exporters cannot opt for Composition Scheme as they are barred from Inter-State supply, hence, cannot file GSTR 4. Therefore, the only option to them is to file GSTR 1, 2 and 3. In case there is an extension in filing of GSTR 2 and 3 then the taxpayer has to file GSTR 3B. Since for the refund can be granted only when the tax is paid and since tax is paid on filing of GSTR 3 but presently as the same is postponed currently, therefore GSTR 3B becomes mandatory to file as this is the return in which payment is made. That is why, the provision has used the words “as the case may be”.

In case GSTR 2 and GSTR 3 is postponed
GSTR 1 captures the export related transactions invoice-wise, however, GSTR 3B captures the exports details at gross level and tax is paid on filing GSTR 3B. Ideally tax should have been paid while filing GSTR 3 but as GSTR 2 and GSTR 3 is postponed therefore as an alternative GSTR 3B is filed at the summarized level and tax is paid. Where only GSTR 1 and GSTR 3B is allowed to be filled, then in such a scenario, the following conditions needs to be ensured:

- **Filed GSTR-1**, providing Export details in Table 6A of GSTR-1 along with Shipping bill details having Integrated Tax levied AND
- **Filed GSTR-3B** of the relevant tax period for which refund is to be paid.

If the tax payer has filed GSTR-1 and GSTR-3B, then GSTR-2 and GSTR-3 are not required to be filed for claiming refund.

Returns which captures the Export details
The ‘invoice wise’ details of Export Invoices are furnished in Table 6A of GSTR 1.
However, in GSTR 3B the export details are furnished in Table 3.1(b) as the same is classified as the zero-rated supplies. It is important to note that the GSTR 3B is a summarized return, hence, only the consolidated figure is furnished. IGST amount is reported in Table 3.1(b) of GSTR-3B [and not table 3.1(a) or 3.1(c)]. Further, the supplies to SEZ unit/developer is also treated as zero rated supplies, so the same has to be reported in this Table itself.
Exchange of data and information between two authorities (GSTN & Customs Authority) for authenticity of export

Since one of the condition for claiming refund of IGST paid on export of goods is that the applicant shall file the valid return. Now, most of the things becomes dependent upon the return as each and every details of the exports are primarily furnished in the GST returns. It is very natural that due to any circumstances the returns can be extended and therefore, let us understand how the entire process of refund works out. The most significant thing that needs to be kept in mind is that unless and until both the authorities validates the export data the refund is not possible. Hence, let us also understand the process flow between the two authorities and the validations that export data has to pass through.

Flow of relevant export invoices from GST Common Portal to Customs ICEGATE: The details of the relevant export invoices in respect of export of goods contained in FORM GSTR-1 shall be transmitted electronically by the common portal i.e. www.gst.gov.in, to the system designated by the Customs i.e. ICEGATE and the said system shall electronically transmit to the common portal, a confirmation that the goods covered by the said invoices have been exported out of India as per Rule 96(2) of the GST Rules, 2017. The term ‘relevant export invoices’ has been substituted vide Notification No. 3/2018-CT dated 23rd January, 2018 but the important point to note is that it shall be with effect from 23rd October, 2017. The term relevant export invoices means that only the validated data shall be transmitted to the ICEGATE.

Validations in flow of relevant export invoices from GST Common Portal to Customs ICEGATE: The following validation are done by the GST System before transmitting the return data to ICEGATE, for refund on account of IGST paid on export of goods with payment of tax:

- GSTR-1 and GSTR-3B of the corresponding return period is filed
- Export invoices are filed under Table 6A of GSTR-1
- Correct and complete Shipping Bill Number, Shipping Bill Date and Port Code details have been provided in the invoices data, provided under Table 6A of GSTR-1
- IGST amount is reported in Table 3.1(b) of GSTR-3B [and not table 3.1(a) or 3.1(c)]
- IGST amount paid through Table 3.1(b) of GSTR 3B must be either equal to or greater than, the total IGST amount shown to have been paid under table 6A and table 6B of GSTR-1 of corresponding return period.
If the above conditions are not met, the data will not be sent to ICEGATE due to validation failure and the refund of IGST amount paid on exports will be impacted.

Details of export invoices to be furnished in Form GSTR 1

- Invoice data for export of goods is provided in Table 6A of FORM GSTR-1 for that particular tax period.
- **Invoice numbers** provided in Table-6A of FORM GSTR-1 are same as that given in Shipping Bill.
- WPAY/WOPAY (with payment or without payment of tax) is correctly selected for an invoice. In the instant case WPAY should be selected.
- Shipping Bill number, shipping bill date and port code is correctly provided for each invoice. Port code is alphanumeric six-character code as prescribed by ICEGATE.
- Invoice Value is the total value of supplies to be exported covered by the invoice including tax and other charges, if any.
- Taxable Value is the value of goods, on which tax is to be paid (Value net of tax).
- Tax Paid is IGST, only, in case where the export is done on payment of tax.

Process flow in case of extension in the date of filing of GSTR 1 [Please note that here we are not talking about the extension of GSTR 3]:

The initial condition in respect of furnishing of return which was placed for claiming refund was to furnish GSTR 3 in case the process of GSTR 1-2-3 is in active. Just in case, GSTR 3 is postponed then GSTR 3B is required to be furnished as per Rule 96(1). GSTR 3B is the summarized return whereas GSTR 1-2-3 is a detailed and invoice wise return. *It is significant to note that although Rule 96(1) stipulates that GSTR 3 or GSTR 3B can be furnished as the case may be, but it is essential to put emphasis here that GSTR 1 being the part of GSTR 3 process is also mandatory to be filed even though GSTR 3B is also required to be filed as the Export Invoice details furnished in Table 6A of GSTR 1 is required to be transmitted from GST Common Portal to the Customs ICEGATE as per Rule 96(2) of the GST Rules, 2017.*

Special Procedure in regard to furnishing details in Table 6A of GSTR 1 in case of extension in due date of filing GSTR 1 and when the GSTR 1 filing option for subsequent period is also not opened.

It may happen that the Government extends the due date of filing of GSTR 1 in respect of any tax period. But due to such extension, the exporters can becomes the sufferers as their refund amount may get blocked.
as because the details of Table 6A flows from GST Network to Customs for its verification. Hence, in view of such circumstances, a provision has been inserted where the date for furnishing the details of outward supplies in FORM GSTR-1 for a tax period has been extended in exercise of the powers conferred under section 37 of the Act, the supplier shall furnish the information relating to exports as specified in Table 6A of FORM GSTR-1. It must be noted that the taxpayer shall be allowed to furnish details in Table 6A ‘after’ the return in FORM GSTR-3B has been furnished and the same shall be transmitted electronically by the common portal to the system designated by the Customs. This provision under first proviso to Rule 96(2) of CGST Rules, 2017 has been inserted vide Notification No. 51/2017-Central Tax dated 28.10.2017.

Filing of Table 6A of FORM GSTR 1: Table 6A of FORM GSTR1 can be filed from the returns section of the GST Portal. In the post login mode, you can access it by going to Services > Returns > Returns Dashboard. After selecting the financial year and tax period, Table 6A of FORM GSTR1 in the given period will be displayed. Please click prepare online button to fill in the details.

Table 6A of FORM GSTR1 can be submitted and filed before GSTR1 is Submitted/Filed for current return period.

Revision in Table 6A

The taxpayer cannot revise it in the same tax period post filing. However, one may make amendments using Table 9 of Form GSTR 1 of subsequent tax periods in case the tax payer wants to make changes.

Table 6A cannot be filed: The taxpayer cannot file Table 6A of Form GSTR 1 for September 2017 if the same is not filed for August 2017, and so on.

Mismatch of details between GSTR 1/Table 6A of GSTR 1 and Commercial Invoice data of Shipping Bill with Customs

The taxpayer will have to modify the invoice details declared under Table 6A of GSTR 1 in Table 9A of GSTR-1 of the subsequent tax period. GST System will revalidate and sent it to Customs for further processing.

Advisory to the Exporters for filing Table 6A of GSTR 1 - From Official Twitter Account of GSTN - GST Tech @ask GST Tech

The GSTN has officially over the Twitter handle account on 9th February, 2018 advised the exporters to provide the following details complete and correctly while filing the return in order to ensure that GST System transmits the export invoice data in case of export of goods with payment of IGST to ICEGATE for refund:
- Invoice Number, Shipping Bill Number, Shipping Bill date and Port Code
- Select from drop down list (WPAY- with payment of tax)/(WOPAY- without payment of tax)
- Please note, if one is using offline tool for GSTR 1, the data format is dd-mm-yyyy e.g. 15th July 2017 will be written as 15-July-2017 and not as 15-7-2017.
- Six digit port code should be mentioned correctly
- Invoice Value: It is the total value of the export goods covered by the invoice including tax and other charges, if any.
- Taxable Value: It is the value of goods, on which tax is paid. (Value net of tax)
- Tax paid on IGST, only in case, where the export is done on payment of IGST.
- Please note that the invoice value data should match with that shown in the Shipping Bill.

**Invoice left to be reported in Table 6A of Form GSTR 1 of previous tax periods**

If any invoice is left to be reported in Table 6A of Form GSTR 1 in a particular month, then same can be reported in the Table 6A of Form GSTR 1 of subsequent period.

**Auto-drafting of details in Table 6A of GSTR 1 in case Table 6A of GSTR 1 is furnished separately in case of extension in due date of filing GSTR 1**

If a taxpayer has furnished data in Table 6A, separately, he is not required to again furnish this data while filing GSTR 1 of the tax period. The information in Table 6A furnished under the first proviso shall be auto-drafted in FORM GSTR-1 for the said tax period. The data furnished in Table 6A will be auto-populated in the Table 6A of GSTR 1 and will be visible to him in non-edit mode when he files his GSTR 1 for the tax period. This provision under second proviso to Rule 96(2) of CGST Rules, 2017 has been inserted vide Notification No. 51/2017-Central Tax dated 28-10-2017.

Further, it is interesting to note that no-where in the Rules, the name of this separate Table 6A of GSTR 1 has been mentioned as GSTR ‘1E’. However, it can be seen at the GST Common Portal highlighted in red colour in the below image.
Closure of Table 6A of GSTR 1 filing option at GST Common Portal

The option of filing Table 6A of GSTR 1 has been disabled at the GST Common Portal with effect from 29th December, 2017 as because the Form GSTR-1 is now open for all months of FY 2017-18. Now, the exporters can enter the details of exports in Table 6A of GSTR 1 while filing GSTR 1 of the respective tax periods.

In order to search the previously filed Table 6A of Form GSTR 1, taxpayers can search through ARN search facility.