



# HAND BOOK ON EXPORT UNDER GST



**THE INSTITUTE OF  
COST ACCOUNTANTS OF INDIA**

(Statutory Body under an Act of Parliament)

### **Vision Statement**

"The Institute of Cost Accountants of India would be the preferred source of resources and professionals for the financial leadership of enterprises globally."

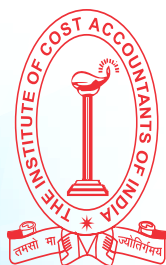
### **Mission Statement**

"The Cost and Management Accountant professionals would ethically drive enterprises globally by creating value to stakeholders in the socio-economic context through competencies drawn from the integration of strategy, management and accounting"

## **Objectives of Taxation Committee:**

1. Preparation of Suggestions and Analysis of various Tax matters for best Management Practices and for the professional development of the members of the Institute in the field of Taxation.
2. Conducting webinars, seminars and conferences etc. on various taxation related matters as per relevance to the profession and use by various stakeholders.
3. Submit representations to the Ministry from time to time for the betterment and financial inclusion of the Economy.
4. Evaluating opportunities for CMAs to make way for further development and sustenance of the opportunities.
5. Conducting and monitoring of Certificate Courses on Direct and Indirect Tax for members, practitioners and stake holders.

# HAND BOOK ON EXPORT UNDER GST



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## **The Institute of Cost Accountants of India**

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**CMA AMIT A. APTE**  
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### President's Message

I would like to acknowledge the extraordinary efforts by Tax Research Department in bringing out the various note-worthy publications – the Books, Handbooks and various Guidance Notes. I congratulate CMA Niranjn Mishra, Chairman, Taxation Committee for visualising this Handbook 'Export under GST' and bringing together a team of passionate enthusiasts who are working hard to promote knowledge and insights in the field of taxation.

Sub-Section 5 of section 2 of IGST Act, 2017 defines – "Export of Goods", with its grammatical variations and cognate expressions, means taking out of India to a place outside India. A duty drawback was provided under the previous laws for the tax paid on inputs for the export of exempted goods. Claiming the duty drawback was a cumbersome process. Under GST, the duty drawback would only be available for the customs duty paid on imported inputs or central excise paid on certain petroleum or tobacco products used as inputs or fuel for captive power generation. There was some confusion surrounding the refund of the tax paid by exporters on the inputs. Different guidance notes relating to the above issue were released to help clearing doubts regarding the claim of input tax credit on zero - rated exports. An exporter dealing in zero-rated goods under GST can now claim a refund for zero-rated supplies seamlessly.

Electronic as well as manual shipping bill formats are amended by the department to include GSTIN and IGST. The modified forms are available on the official department website. The Department is also in the process of relaxing the factory stuffing procedure and necessary permissions, to give a boost to the Indian export industry under GST.

I once again congratulate CMA Niranjn Mishra and his team, for their commitment and efforts. I look forward to the department for continuing this important work of bringing out the various note-worthy publications for members and other stakeholders.

With Warm Regards,

**CMA Amit A. Apte**  
21<sup>st</sup> December, 2018



## CHAIRMAN'S MESSAGE

Foreign trade is one of the indices of a country's economic growth. India is one of the fastest growing economies in the world.

With the government's decision to roll out Goods and Services tax (GST) in 2017, a wave of apprehension ran through the business sector. Arguably GST's implementation will change the way of doing business in India, and impact the trade (import-export of goods) as well. But will this impact be negative or positive? Prior to understanding GST's effect on trade, let's quickly delve into the basics of GST.

GST is a single tax levied on the supply of goods and services, right from the manufacturer to the consumer. It will replace a host of the current central taxes and duties, and state cesses. Under the GST regime, credits of input taxes paid at each stage will be available in the subsequent stage of value addition.

GST in India will have three components: Central Goods and Service Tax (CGST), State Goods and Service Tax (SGST) and Integrated Goods and Service Tax (IGST). Centre would levy and collect CGST, and States would levy and collect SGST on all transactions within a State. The IGST would be equivalent to CGST plus SGST. IGST will ensure flow of input tax credit from one State to another.

No tax will be payable on export of goods or services as per the GST law. Credit of input tax will be available and same will be available as refund to the exporters. To clear up the various doubts under export this publication would surely come handy.

I congratulate Team – Tax Research, commendable job by the entire Team. I am happy and would like to congratulate other members of the Taxation Committee and knowledge contributors of the Institute for their efforts to bring out the 'Export under GST'. CMA Tapas Kumar Majumder deserves a special mention here for his untiring efforts in bringing out this publication. My best wishes to all for its all future endeavours. Keep up the good job.

A handwritten signature in black ink, reading "Niranjan Mishra". The signature is fluid and cursive, with a period at the end.

**CMA Niranjan Mishra**  
Chairman – Taxation Committee  
21<sup>st</sup> December, 2018

## P R E F A C E

As per IGST Act Section 2(5) Export of goods with its grammatical variations and cognate expressions, means taking goods out of India to a place outside India. Export means trading or supplying of goods and services outside the domestic territory of a country. As per IGST Act Section 2(6) "Export of services" means the supply of any service when, –(i) the supplier of service is located in India; (ii) the recipient of service is located outside India; (iii) the place of supply of service is outside India; (iv) the payment for such service has been received by the supplier of service in convertible foreign exchange; (v) the supplier of service and the recipient of service are not merely establishments of a distinct person. Supply of services having place of supply in Nepal or Bhutan, against payment in Indian Rupees is exempted even if the payment is received in Indian Currency looking at the business practices and trends.

Under the GST Law, export of goods or services has been treated as:

- ❑ Inter-State supply (7(5) IGST act) and covered under the IGST Act. Export is treated as Inter-state supply under GST and IGST is charge on export.
- ❑ 'zero rated supply' (Sec.16 (1) IGST act) i.e. the goods or services exported shall be relieved of GST levied upon them either at the input stage or at the final product stage.

There are many minute details in these aspects of Export under GST which are needed to be handled carefully. Professionals dealing in this field would surely find this handbook an easy source of information to fall back up during their professional deliberations.

Here, we would also like to thank and acknowledge the immense contributions of **CMA Tapas Kumar Majumder** without whose hard work, toil and guidance the handbook could have never acquired its shape. The department is indebted to him for his contributions. CMA Niranjan Mishra, Chairman – Taxation Committee has been our guiding star. Thank you Sir.

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The Institute of Cost Accountants of India

21<sup>st</sup> December, 2018

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## **EXPORT UNDER GST**

"Export" means when goods or services are sent from one country to another country against monetary consideration and realization of foreign exchange earnings. As per section 2 (18) of Customs Act, 1962. "Export means taking goods out of India to a place outside India".

Exporting goods and services have been one of the most crucial industry that helps in developing and enormously increase the capital inflows, economic growth hereafter, giving rise to employments and stabilizing the economy, purchasing power of the nation in the global market.

### **GST on Exports**

From time to time the government has paid attention to boost the trading and exporting for the overall betterment. Under GST, certain tax saving reliefs and facilities has been provided to the exporters. The export of goods or services is considered as a zero-rated supply. GST will not be levied on export of any kind of goods or services.

Under GST regime, the exporter has either of the two options:

Export under bond without payment of tax

Export along with tax payment and claim refund later

Thus, there is no incidence of the tax (net effect) in a case where an exporter exports` goods/services from India.

**Note:** Export of goods to Nepal or Bhutan fulfils the condition of GST Law regarding taking goods out of India. Hence, export of goods to Nepal and Bhutan will be treated as zero rated and consequently will also qualify for all the benefits available to zero rated supplies under the GST regime

When we talk of exports under GST, we have to understand the laws and regulations applicable to the import and export of both services and goods. (GST)

Sub-Section 5 of section 2 of IGST Act, 2017 defines – "Export of Goods", with its grammatical variations and cognate expressions, means taking out of India to a place outside India.

Sub-Section 10 of section 2 of IGST Act, 2017 defines – "Import of the goods" with its grammatical variations and cognate expressions, means bringing goods into India from a place outside India.

## Export under Bond & LUT without Payment of Tax

### Difference between Bond & LUT

CRITERION	BOND	LETTER OF UNDERTAKING (LUT)
Concept	It is a financial instrument in which the issuer of bond owes the holders a debt and is obliged to pay them interest or to repay the principal at a later date.	In the international banking system, a letter of undertaking is a provision of bank guarantee, under which a bank allows its customer to raise money from another Indian bank's foreign branch in the form of short-term credit.
Eligibility	For all the other assesses (along with the ones who have been prosecuted for tax evasion of Rs. 2.5 Crores or above under the GST laws), bonds should be furnished if the export is being made without payment of IGST.	Any registered taxpayer exporting goods can utilize the benefit of the letter of undertaking.
Format	On a non – judicial stamp paper in hard copy IS to be submitted.	The LUT's are required to be submitted online on the GST common portal.
Use under GST	The bonds issued under GST is not separate for each consignment, but a running bond is issued so that terms and conditions are the same for each consignment.	In the international banking system, a letter of undertaking is a provision of bank guarantee, under which a bank allows its customer to raise money from another Indian bank's foreign branch in the form of short-term credit.
Validity	If the conditions mentioned in LUT are not satisfied within the time-limit, the privileges are revoked and the exporter will have to furnish bonds.	The validity of LUT is for one financial year. For every new financial year, a fresh LUT should be applied. If any discrepancies found in the application for LUT are not corrected within the prescribed time, then the LUT will be cancelled.



Bank Guarantee	An amount not exceeding 15% of the bond amount at the discretion of the jurisdictional Deputy/Assistant Commissioner	Bank Guarantee is not required
----------------	--	--------------------------------

**Example of transactions for which LUT/Bonds can be used:**

- Zero-rated supply to SEZ without payment of IGST
- Export of goods to a country outside India without payment of IGST
- Providing services to a client in a country outside India without payment of IGST

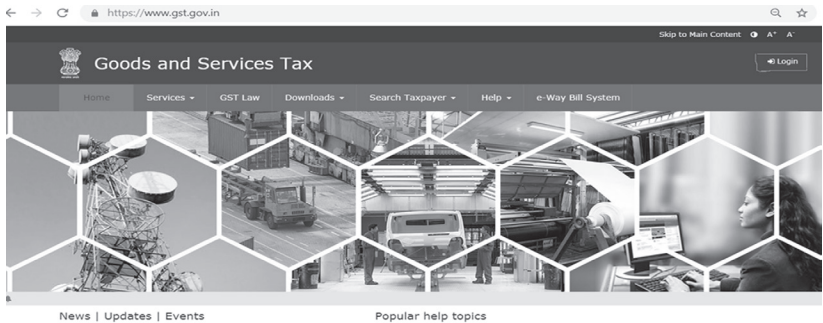
**Format of LUT and Bonds in RFD-11**

Form for LUT:

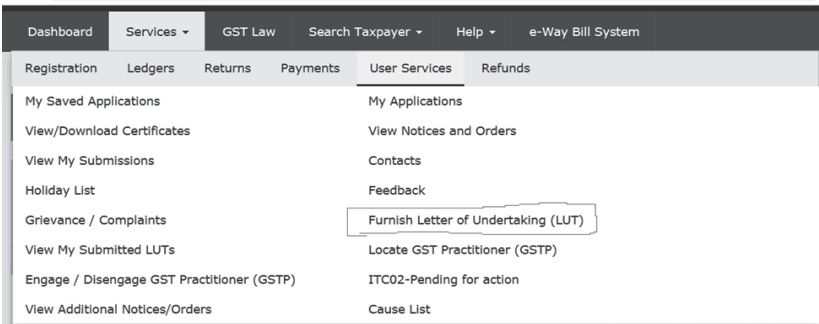
- Registered Name
- Address
- GST No.
- Date of furnishing
- Signature, date and place
- Details of witnesses (Name, address and occupation)

**How to apply for LUT**

Login to GST Portal



Then go to Service → Click on “Furnish Letter of Undertaking”





Then select the Financial Year for which "LUT Applied"

Dashboard Services GST Law Search Taxpayer Help e-Way Bill System

Dashboard Services User Services Furnish Letter of Undertaking (LUT) English

GST RFD - 11 : Furnishing of Letter of Undertaking for export of goods or services

GSTIN : 29AAECU322702Y Legal Name : ASC Steel Private Limited Trade Name : CSC126 Power Steel

Address : G Rd, Sector 23, Gandhinagar, Gujarat 382017

\* Indicates Mandatory Fields

LUT Applied for financial year\*

Select

Document Upload

Previous Letter of Undertaking (LUT)

Choose File No file chosen

Only PDF or JPEG file formats are allowed.

Maximum file size for upload is 2 MB.

Note: You can attach the Letter of undertaking already created for the PY, if any.

Instructions to file LUT

1. Select the Financial Year for which you want to furnish the LUT
2. If you have already furnished LUT Offline, for previous period, please attach the same here and continue to file your application

Note: If Letter of undertaking has been already furnished manually for any of the previous periods, then please upload the same by Clicking on 'Choose File' option on the same window.

Document Upload  
Previous Letter of Undertaking (LUT)

Choose File No file chosen

Fill up the necessary details on the Letter of Undertaking Form/ GST RFD-11 that appears on the screen

The following needs to be done on the form:

*Self-Declaration* Tick mark by clicking against each of the three boxes

By doing this, Exporter undertakes the following :

- a) Export of goods/services will be completed within a period of three months from the date of issue of Export invoice or further period allowed by the Commissioner if any.
- b) To abide by GST law in respect of exports
- c) To pay IGST along with Interest\* if failed to Export

\* Interest must be paid at the rate of 18% per annum for the period From date of issue of export invoice upto date of Payment of IGST



**Letter of Undertaking for export of goods or services without payment of integrated tax**  
(See rule 96A)

Goods and Services Tax Identification Number - 04AIPIS0052DLZS

To  
The President of India (hereinafter called the "President"), acting through the proper officer

I/We \_\_\_\_\_ of \_\_\_\_\_ having Goods & Services Tax Identification Number No. \_\_\_\_\_ hereinafter called "the undertaker(s) including my/our respective heirs, executors/ administrators, legal representatives/successors and assigns by these presents, hereby jointly and severally undertake on this **12th day of February, 2018** to the President

(a) to export the goods or services supplied without payment of integrated tax within time specified in sub-rule (1) of rule 96A; \*

(b) to observe all the provisions of the Goods and Services Tax Act and rules made thereunder, in respect of export of goods or services; \*

(c) pay the integrated tax, thereon in the event of failure to export the goods or services, along with an amount equal to eighteen percent interest per annum on the amount of tax not paid, from the date of invoice till the date of payment. \*

I/We declare that this undertaking is given under the orders of the proper officer for the performance of enacts in which the public are interested.

3. If you're filing LUT, please read and select all the three checkboxes for accepting the conditions prescribed in Letter of Undertaking

4. Enter the details of two independent witnesses

Give Independent Witnesses Information: Mention the Name, Occupation and Address of two independent witnesses in the boxes highlighted in red color mandatorily.

**IN THE WITNESS THEREOF** these presents have been signed the day hereinbefore written by the undertaker(s)

**Name, address and occupation of the independent Witnesses**

**1. Name of Witness\***  **Occupation**

**Address of Witness\***

**Building No./ Flat No.\***  **Floor No.**  **Name of the Premises / Building**

**Road / Street\***  **City / Town / Locality / Village\***

**State\***  **District\***  **PIN Code\***

**2. Name of Witness\***  **Occupation**

**Address of Witness\***

**Building No./ Flat No.\***  **Floor No.**  **Name of the Premises / Building**

**Road / Street\***  **City / Town / Locality / Village\***

**State\***  **District\***  **PIN Code\***



## Tax Research Department, The Institute of Cost Accountants of India

Witnesses declared in the Letter of Undertaking (LUT) are the ones declared on the running Bond/ Bank guarantee.

Enter the Place of filing > Click on 'SAVE' > click on 'PREVIEW' to verify the correctness of the form before submission

Note that currently, the revision of a signed/submitted form is not possible.

The screenshot shows a web form for filing a Letter of Undertaking (LUT). The form is divided into several sections:

- Place of Filing LUT\***: A text input field with the placeholder "Enter Place".
- Date of Filing LUT\***: A date input field showing "12/02/2018".
- Name of Primary/ other Authorized Signatory \***: A dropdown menu with "Select" as the current selection.
- Place\***: A text input field with the placeholder "Enter Place".
- Designation / Status\***: A text input field.
- Date\***: A date input field showing "12/02/2018".
- 5. Primary Authorized signatory or other Authorized signatory can sign the Application Form**: A note indicating that only the primary or authorized signatory can sign.
- 6. Once signed and filed, Form cannot be edited**: A note indicating that the form is final once submitted.

At the bottom of the form, there are four buttons: **SAVE**, **PREVIEW**, **SIGN AND FILE WITH DSC**, and **SIGN AND FILE WITH EVC**.

Footer information includes: © 2016-17 Goods and Services Tax Network, Site Last Updated on, Designed & Developed by GSTN, and Site best viewed at 1024 x 768 resolution in Internet Explorer 10+, Google Chrome 49+, Firefox 43+ and Safari 6+.

Sign and file the form using either of the below options:

*Who Should sign?*- The Primary authorized signatory/ any other authorized signatory can sign the Letter of Undertaking.

Authorized signatory can be the working partner, the Managing Director or the Company Secretary or the proprietor or by a person duly authorized by such working partner or Board of Directors of such company or proprietor to execute the form.

### **There are two modes of Submission -**

- Submit with DSC:** Sign the application using the registered Digital Signature Certificate of the selected authorized signatory.

To use this option, Click on 'SIGN AND FILE WITH DSC' > Warning message box appears > Click 'PROCEED'> System generates a unique ARN (Application reference number)\*\*

OR

- Submit with EVC:** To use this option, Click on 'SIGN AND FILE WITH EVC' > The system will trigger an OTP to the registered mobile phone number and e-mail address of the authorized signatory. Enter that OTP in the pop-up to sign the application > Warning message box for submission appears > Click 'PROCEED'> System generates a unique ARN (Application reference number)\*\*

Note : Companies and LLPs can file only using DSC

\*\* A confirmation message appears. GST Portal sends this ARN at registered email and mobile of the Taxpayer by e-mail and SMS.





Dashboard | Services | User Services | GST RFD-11 | Acknowledgement English

● Your form has been signed successfully through EVC

**Application submitted successfully. ARN AA2201180002340**

**Acknowledgment for LUT**

Application Reference Number (ARN)	AA2201180002340
------------------------------------	-----------------

You have filed the application successfully and the particulars of the application are given as under :

Date of filing	12/02/2018
Time of filing	14.30
Goods and Services Tax Identification Number (GSTIN)	29AAEC0082B12Y
Legal Name	ABC Steel Private Limited
Trade Name (if available)	ABC Steel Private Steel
Center Jurisdiction	(GANDHINAGAR), (DIVISION-1 GANDHINAGAR), (RANGE-III)
State Jurisdiction	GANDHINAGAR-II
Filed By	ABC Steel Private Limited

Acknowledgement for filing of LUT will be transmitted to the concerned tax authority online.

It is a system generated acknowledgement and does not require any signature.

[DOWNLOAD](#)

Now it is available to download the acknowledgement.

**Form for Bonds:**

- Registered Name
- Address
- Amount of bond furnished
- Date of furnishing
- Amount of bank guarantee furnished
- Signature, date and place
- Details of witnesses (Name, address and occupation)

**Export along with Tax Payment and claim Refund later**

- The exporter has option to pay IGST on exports and then claim refund of the same.
- The exporter charges IGST on the invoice for export at the applicable rate
- On payment of IGST the refund can be claimed for the following two elements:
  1. Input tax credits on goods and services which remained unutilized;
  2. IGST paid on export of goods or services.
- There is no need to file refund application (GST RFD-01) separately for export of goods or services.
- The shipping bill filed by the exporter is a refund claim in itself.
- The law specifies that shipping bill is to be considered as a refund claim on satisfying following two conditions.
  - I. The person carrying export goods should file an export manifest or export patent and
  - II. The applicant should have filed the return GSTR-3B appropriately. A refund is initiated on filing table 6A in Form GSTR-1

On filing the above documents appropriately, the refund is processed by the department.

## Process of Claiming Refund

Documents Required for Claiming Refund on Exports

Here is a list of documents required for claiming refund –

1. Copy of return evidencing payment of duty
2. Copy of invoice
3. Document proving that the burden of paying tax has not been passed on
4. Any other document required by the government.

The registered taxable person (or exporter) is required to file an application for the refund on the common portal either through the facilitation center notified by the GST commissioner or can do so directly. An export manifest is required to be filed under the existing Customs Act before filing an application for refund.

An exporter needs to file a shipping bill/other transport bills for the goods being exported to a place outside India. Under this case, the shipping bill/transport bill so filed is treated as a “deemed application” for the refund of the tax paid. The deemed application shall be deemed to have been filed only if the person in charge of the shipment files/other way bill the export manifest or report, mentioning the number and date of the shipping bills/other transport bills.

### How to claim Refund of IGST paid on Exports

The details as entered in Table 6A should match the details of invoices and shipping bill uploaded on ICEGATE portal by exporters.

**Step-1:** Prepare documents in specified formats (PDF) for upload to the portal

**Step-2:** Login to the ICEGATE portal (DSC is required to upload documents)

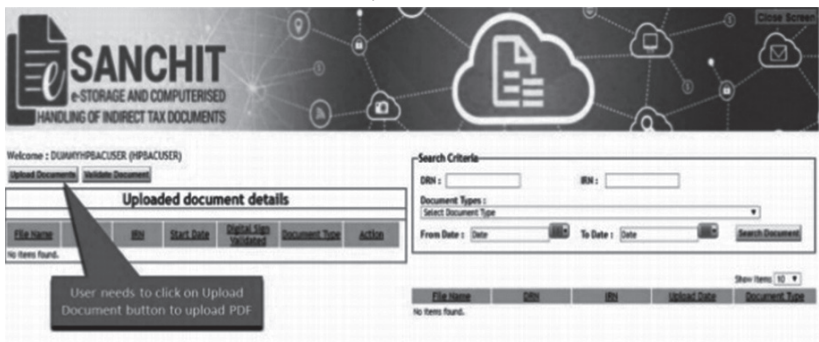




**Step-3:** Go to e-SANCHIT tab for uploading the documents.



**Step-4 :** Click on the upload documents button. At a time, a batch of maximum 5 documents can be uploaded.

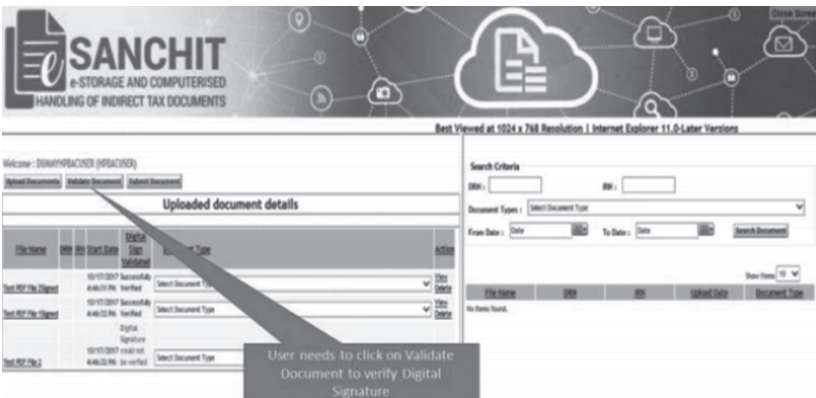
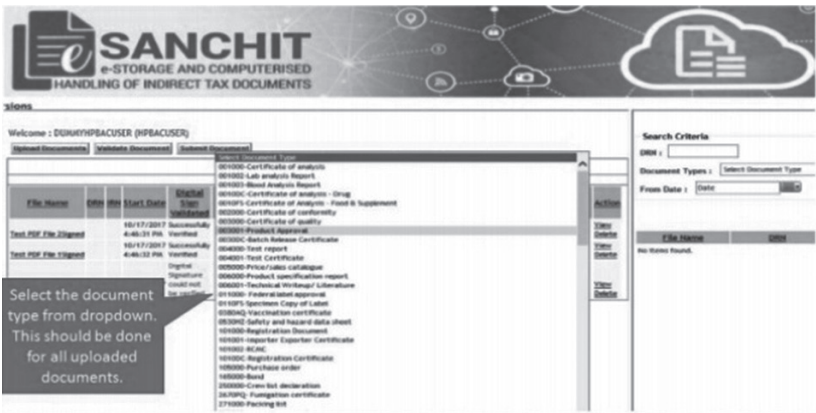




**Step-5:** Select documents to be uploaded from the drop-down list. All the documents should be digitally signed before uploading.



**Step-6:** Validate the DSC on the documents by clicking on Validate Document button for each document.

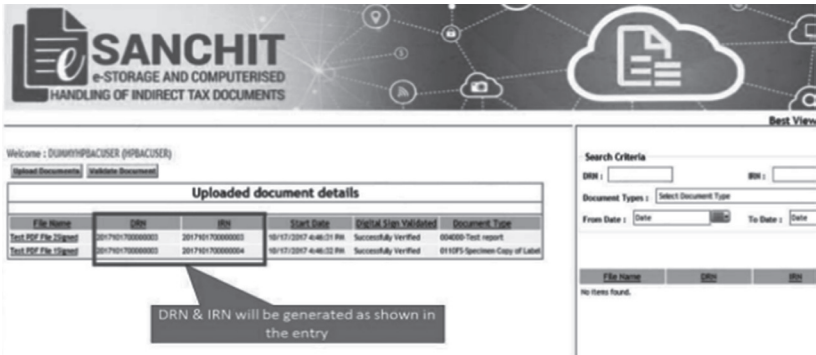




**Step-7:** Click on submit documents. Click the OK button on a disclaimer that will appear to accept the responsibility for the genuineness of the documents uploaded.



**Step-8:** On successful submission, a unique IRN number will be generated which can be used for future reference.



## Different Types of Export under GST

### Deemed Exports

Indian suppliers of services and manufacturers of goods have to quote in competition with foreign suppliers of goods and services. Such Bids evaluation is done without considering the customs duty. Since such supply of goods and services are financed for specific projects (projects financed) with the free foreign exchange, these supplies are considered as 'deemed exports'.

"Deemed exports" generally refer to those transactions under which supply of goods do not leave the country. The payment for such supplies is received either in Indian rupees or convertible foreign exchange.

All supplies notified as supply for deemed export will be subject to levy of taxes, i.e. such supplies can be made only by payment of tax, provided that goods are manufactured or produced in India.

*The supply of goods or services to the following would be treated as Deemed Exports under GST -*

1. Supply of goods by a registered person against Advance Authorization/ DFIA
2. Supply made to an Export oriented undertaking (EOU) or Hardware Technology Park unit, Software Technology Park unit, Biotechnology Park unit
3. Supply of capital goods by a registered person against Export Promotion Capital Goods Authorization
4. Supply of gold by a bank or Public Sector Undertaking against Advance Authorization as per Customs law
5. Supply of goods to mega power projects against International Competitive Bidding
6. Supplies to United Nation Agencies
7. Supply of marine freight containers
8. Supplies against EPCG authorization
9. Supply of gold by a bank or Public sector Undertaking specified in the notification No. 50/2017-Customs dated the 30th June 2017 (as amended) against Advance Authorization.

### Procedure for Refund of Deemed Exports

The refund of tax paid on the supply regarded as deemed export is admissible to either the supplier or the recipient. The deemed exporters can either:

- To levy of GST on supply and collect it from the recipient. In this case, the recipient shall apply for a refund.
- To levy of GST on supply and not to collect it from the recipient. In this



case, the supplier shall apply for a refund through GST RFD 01. In this case, a declaration is also required from the recipient to the effect that he does not avail any input tax credit of the same.

### Zero Rated Supply

The concept of zero rated supplies is very crucial specially to foster exports in India. To boost exports, the government provides certain reliefs and benefits to business houses. One such relief provided under the GST regime is called Zero rated supplies in GST.

Zero-Rated Supply means goods and services sold by the companies are free from Goods and Services Tax (GST). For company and business, GST paid on the assets, purchases or expenses for their businesses can be claimed as Input Tax Credit.

Any supplies made by a registered dealer as an export (both goods and services) or supply to an SEZ qualifies for Zero Rated Supplies in GST. The rate of tax on such supplies is 'Zero' or we can say the supplies are tax-free.

The supplies to a developer of an SEZ is also covered under Zero-Rated Supplies in GST as no tax is levied on these supplies as well.

### Features of Zero Rated Supply –

*Meaning* - Goods or services which are exported or supplied to SEZ. It is different from Nil Rated Supplies, Non-Taxable Supplies, and Exempt Supplies.

*GST applicability*- Falls within GST ambit

*Input credit availability*- Available

*Example*- Export of shoes to South Africa

*Procedure for Refund for Zero-rated Supplies*

The suppliers making Zero-rated supplies are entitled to claim refunds. The refunds are for the input tax paid on the goods and services which are used for such Zero-rated supplies (including non-taxable and exempt supplies).

*For example:-* An exporter supplies shoes to Dubai and uses soles in the production of such shoes. The exporter has an option of claiming Input tax credit of GST paid on the purchase of soles.

There are two options available with a dealer to claim refunds:

**Situation A:** If Bond / LUT has been furnished in form RFD 11:

- The taxpayer is not required to make payment of taxes at the time of exports in case the bond / LUT have been furnished before exporting the goods/services. Therefore, he will not be required to claim any refund in respect of outward supply (export) of goods or services.

**Situation B:** If a Bond / LUT has not been furnished:

- If the taxpayer has made the payment of GST on the export of goods, then the shipping bill filed by the exporter at the time of export would itself constitute the refund claim subject to two conditions:
  - a. The person in charge of the conveyance carrying the export goods (Example: shipping agency) has filed an export general manifest
  - b. The applicant has filed a valid return in form GSTR 3B and GSTR



1 accurately specifying all the details relating to the export of goods/ services

Therefore, the dealers are provided with a flexibility to choose between any two options as per their convenience.

Zero-rated supply has been specifically provided to include two categories of supplies of goods and services or both:

- Supplies of goods/service for export
- Supplies of goods/service to an SEZ Unit / Developer

### **1. Supplies of Goods/Service for Export**

These are such supplies on which the tax rate is fixed as zero whatever the tax rate in Tariff, and because of export it tends to zero. The supplier can avail and even claim the refund of the credit of inputs availed for making such supplies.

#### **Refund procedures in case of Supplies for Export of Goods & Services**

##### **Refund procedures in case of Supplies for Export of Goods**

There is no need to file refund application (GST RFD-01) separately. The shipping bill filed by the exporter is sufficient to claim refund.

The law specifies that shipping bill is to be considered as a refund claim on satisfying following two conditions:

- I. A person carrying the export goods should file an export manifest; and
- II. Applicant should have filed the returns GSTR-3 or GSTR-3B appropriately.

Once the above two documents are filed appropriately, the refund is processed by the department.

##### **Refund procedures in case of Supplies for Export of Services**

The option to pay IGST and claim a refund is always available. In this case, the refund claim has to be filed in Form GST RFD-01.

For exporters of services, the following are also required to be filed along with the refund claim:

- I. A Statement containing Number and Date of Invoices; and
- II. Bank Realization Certificates / Foreign Inward Remittance Certificates

### **2. Supplies to Special Economic Zones:**

These are the areas having different economic laws than the rest of the country regarding duties and taxes. These benefits have been provided as the SEZ units manufacture and supplies goods/services to foreign entities and help reduce current account deficit by earning foreign exchange for the country. Supplies to SEZ unit or SEZ developer have been accorded the status of inter-State supplies under the IGST Act. Thus, anyone making a supply to an SEZ unit or SEZ developer has to necessarily obtain GST Registration and charge IGST irrespective of whether the supply is made in the same state.

The benefit available for exporters is also applicable for the exports to





Special Economic Zones (SEZs). This benefit is extended up to processing zones of the SEZs, but the supplies from this SEZ Areas from Domestic Tariff Area (DTA) is liable to describe as a taxable trade under the scope of GST rules and regulations.

As per section 7(5), (b) of IGST Act, the supplies of Goods or Services or both to or by a developer or Unit Holder of SEZ will be termed as the supplies within the state and IGST would be chargeable with further refund mechanism.

*Example* -A taxpayer living in Bhuj supplies to Kandla SEZ in Gujarat. Bhuj & Kandla both are situated in Gujarat

As per section 7(5), (b) of IGST Act this supply must be termed as interstate supply despite of supply from one place to another place within same state and IGST will be charged.

Supplies made in reference to a bond or a letter of undertaking to SEZ areas will be tax-free and other supplies to this area will attract the IGST, which will be claimed further for refunds.

### **Refund procedures for Export of Services and Supplies to SEZ**

According to CGST laws, the supplies made with the payment of IGST to an SEZ Developer or SEZ Unit holder, he is liable for the payment of IGST at applicable rates. The export invoice will be generated in Indian currency with a proclamation that 'Supply is meant for SEZ developer / unit with payment of integrated tax'. The declaration made with the mentioned option will make the refund procedure fast. The IGST mentioned in the invoice is not charged from the customer, it is just for the acknowledgement purposes.

The supplier of goods or services to an SEZ are required to file the following along with the refund claim:

- I. A Statement containing Number and Date of Invoices; and
- II. Proof of Receipt of goods or services which is authorized by the specified officer of SEZ
- III. Details of payment made
- IV. The declaration that the SEZ or developer of SEZ has not claimed the input tax credit of the taxes paid by the supplier

*Example*- ABC Pvt. Ltd. supplies the Goods (whose purchase price is Rs 2 lakh) for Rs 2.5 lakh to XYZ Pvt. Ltd located in Kandla SEZ.

The applicable IGST will be charged at 18%.

The invoice will look like:

Sale Price – Rs. 2.50 lakh

Add – IGST @ 18% Rs. 0.45 Lakh

.....

Invoice Value Rs. 2.95 Lakh

<b>Particulars</b>	<b>IGST</b>
Output Tax(18% on Rs. 2,50,000)	45,000
Less - Input Tax (18% on Rs. 2,00,000)	36,000
Payment to be made in cash	9,000



ABC Pvt. Ltd. will release the tax liability of Rs 45,000 by using Input Credit of Rs 36,000 which is available on an account and cash payment of remaining Rs 9,000. So, ABC Pvt Ltd. will get a refund which is the real net worth of input tax credit.

### **Provisional Refund in case of Supply to SEZ**

The exporters and suppliers of SEZ are entitled to a 90% refund on a provisional basis. Provisional refund is granted within seven (7) days of the refund claim. The amount of provisional refund is credited directly to the claimant's bank account.

There is a condition attached to provisional refunds. The provisional refund is not granted if the applicant has been prosecuted for any offense under the GST law or earlier law within past five (5) years. The amount of tax evaded in such prosecution shall be more than Rupees Two Hundred and Fifty Lakhs (Rs. 2.5 Crores).

### **Supplies which do not form part of Export of Goods or Services**

- Where the place of supply of service is within India but to a person located outside India. For an instance – a property located in Delhi rented out to a person residing in New York; agent residing in India and providing service to a person in Dubai exporting goods to China.
- Where the consideration for the supply of services is received in Indian currency or in such a currency other than convertible currency. For an instance, supply of service (consultancy service) by a consulting firm in India to an entity outside India, where the payment made by Indian branch of overseas entity is in Indian rupees excluding the supply to Nepal & Bhutan..
- Supply of services to the foreign branch would not be covered as export of services due to specific exclusion as "export of service". This could involve reversing the input credits as such supply of service would be considered as non-taxable and not as zero-rated.

**Forms for Refund**

The Goods and Services Tax Network (GSTN) has introduced a utility Table 6A in the Form GSTR-1 used to claim refunds by exporters.

This Table 6A of Form GSTR1 lets assesses file export related data for the relevant period that permits processing of the GST refund on the basis of the declaration made under Form GSTR 3B and Table 6A of GSTR-1.

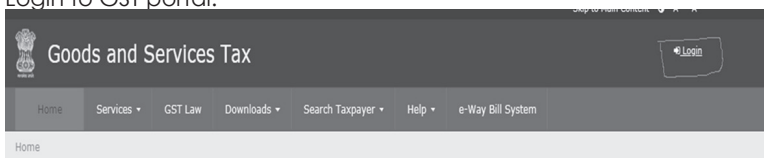
An exporter of goods or services or both can claim the refund of Integrated GST paid at the time of export by filling the details of the tax paid GST invoice and shipping bill in his Form GSTR1 in the relevant month.

<b>Form no.</b>	<b>Rule</b>	<b>NARATION OF THE SUBJECT</b>
RFD-01	89(1)	Refund Application Form Annexure – 1 in respect of details of Goods Annexure – 2 Certificate of CMA/ CA(presently not required)
RFD-01A	89(1)	Manual Filing of Refund Application Annexure – 1 in respect of details of Goods Annexure – 2 Certificate of CMA/ CA(presently not required)
RFD-01B	91(2),92(1),92(3), 92(4),92(5)&97A	Details of Refund Order
RFD-02	90(1),90(2)&95(2)	Acknowledgement
RFD-03	90(3)	Notice of deficiency on application for Refund
RFD-04	91(2)	Provisional Refund Sanctioned Order
RFD-05	91(3),92(4),92(5)&94	Payment Advice
RFD-06	92(1),92(3),92(4), 92(5)& 96(7)	Refund Sanctioned/Rejection Order
RFD-07	92(1),92(2)&96(6)	Order for adjustment of Refund claimed
RFD-08	92(3)	Show cause notice for rejection of Refund application
RFD-09	92(3)	Reply to Show cause notice for rejection of Refund application
RFD-11	96A	Furnishing of LUT for export of Goods

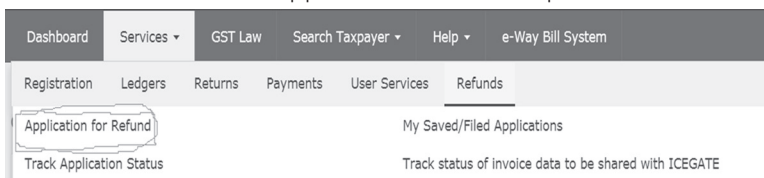


### Steps to apply for RFD-01 and RFD-01A for GST refund

- Login to GST portal.



- Select the Refund tab-> Application for Refund Option.



- Select the type of refund and Fill the necessary details and submit.



\* Indicates Mandatory Fields

<input type="radio"/> Refund of Excess Balance in Electronic Cash Ledger	CREATE
<input type="radio"/> Refund of ITC on Export of Goods & Services without Payment of Tax	CREATE
<input type="radio"/> On account of supplies made to SEZ unit/ SEZ developer (without payment of tax)	CREATE
<input type="radio"/> Refund on account of ITC accumulated due to Inverted Tax Structure	CREATE
<input type="radio"/> On account of Refund by Recipient of deemed export	CREATE
<input type="radio"/> Refund on account of Supplies to SEZ unit/ SEZ Developer (with payment of tax)	CREATE
<input type="radio"/> Export of services with payment of tax	CREATE
<input type="radio"/> Tax paid on an intra-State supply which is subsequently held to be inter-State supply and vice versa	CREATE
<input type="radio"/> On account of Refund by Supplier of deemed export	CREATE
<input type="radio"/> Any other (specify)	CREATE
<input type="radio"/> Excess payment of tax	CREATE
<input type="radio"/> On Account of Assessment/Provisional Assessment/Appeal/Any other order	CREATE

- ARN number gets generated.
- Later take a print out along with the ARN number mentioned thereon.
- Submit this along with the applicable annexure to the respective Jurisdictional GST officer.
- The Officer can be Central tax authority or State/UT tax Authority as may be notified for processing of refund shall be intimated through the Acknowledgement in RFD-02.

### The following types of refunds under GST are currently being manually processed:

1. IGST paid on zero-rated supplies
2. ITC on exports under letter of undertaking or bond



3. Claims in case of deemed exports
4. Refund claims on account of inverted duty structure
5. Excess balance in Electronic cash ledger

In the above cases, RFD-01A is to be filed instead of RFD-01.

**Format of Refund forms RFD-01 and RFD-01A**

*Format of RFD-01*

Basic Form (Sl. No. 1-10 of the form)

- (1) The GSTIN/ Temporary ID allotted
- (2) Legal name
- (3) Trade name if any
- (4) Address of principal place of business
- (5) Tax period for which the claim of refund is made if applicable,
- (6) Mention the amount of IGST, CGST and SGST, Interest or cess if any
- (7) Select the Grounds for the claim of refund as per the list given.
- (8) Details of Bank account into which you want the refund to be credited

**Wherever applicable-** This field is auto-populated from Registration Data. So, if you want to alter the Bank account, then make necessary changes in Registration Data and then apply for the refund.

- (9) Select 'Yes' if the Documentary evidence required to be submitted in Annexure 1 for the reason selected at (7). Else select 'No'  
The Points at 1, 2, 3, 4 are auto-populated on the GST portal.
- (10) Verification: the Authorized person has to sign this in all cases confirming the correctness of information and declarations given.



**FORM-GST-RFD-01**

[See rule 89(1)]

**Application for Refund**

(Applicable for casual or non-resident taxable person, tax deductor, tax collector, un-registered person and other registered taxable person)

1. GSTIN / Temporary ID							
2. Legal Name							
3. Trade Name, if any							
4. Address							
5. Tax period (if applicable)	From <Year><Month>			To <Year><Month>			
6. Amount of Refund Claimed (Rs.)	Act	Tax	Interest	Penalty	Fees	Others	Total
	Central tax						
	State / UT tax						
	Integrated tax						
	Cess						
	Total						
7. Grounds of refund claim (select from drop down)	(a) Excess balance in Electronic Cash Ledger						
	(b) Exports of services- with payment of tax						
	(c) Exports of goods / services- without payment of tax (accumulated ITC)						
	(d) On account of order						
	Sr. No.	Type of order	Order no.	Order date	Order Issuing Authority	Payment reference no., if any	
	(i)	Assessment					
	(ii)	Provisional assessment					
	(iii)	Appeal					
	(iv)	Any other order (specify)					
	(e) ITC accumulated due to inverted tax structure [clause (ii) of first proviso to section 54(3)]						
	(f) On account of supplies made to SEZ unit/ SEZ developer (with payment of tax)						
	(g) On account of supplies made to SEZ unit/ SEZ developer (without payment of tax)						
	(h) Recipient of deemed export supplies/ Supplier of deemed export supplies						
(i) Tax paid on a supply which is not provided, either wholly or partially, and for which invoice has not been issued (tax paid on advance payment)							
(j) Tax paid on an intra-State supply which is subsequently held to be inter-State supply and vice versa(change of POS)							
(k) Excess payment of tax, if any							
(l) Any other (specify)							
8. Details of Bank account	Name of bank	Address of branch	IFSC	Type of account	Account No.		
9. Whether Self-Declaration filed by Applicant u/s 54(4), if applicable				<input type="checkbox"/> Yes	<input type="checkbox"/> No		

**10. Verification**

I/We <Taxpayer Name> hereby solemnly affirm and declare that the information given herein above is true and correct to the best of my/our knowledge and belief and nothing has been concealed therefrom.

I/We declare that no refund on this account has been received by me/us earlier.

Place	Signature of Authorised Signatory
Date	(Name)
	Designation/ Status



**Declarations and Verification:**

The declarations are required to assert the fact that the tax burden is upon the claimant of refund and no other person can claim.

**Annexure-1 :**

Different Declarations in Statements as documentary evidences have to be made or submitted under different types of refund claims.

There are total 11 statements prescribed for different types of refund application in RFD-01.

The Statements in 1, 1A, 3, 5A and 5B only are applicable in case of filing **RFD-01A**, depending on type of refund claim

**Note** Documentary evidences are not required to be submitted -if the amount of refund claimed is falling below Rs. 2 lakhs. Rather, a self-declaration that the ITC benefit is not claimed by the recipient of goods or services is sufficient.

**Annexure-2 :**

A Certificate issued by Chartered Accountant/ Cost Accountant needs to be annexed along with the Refund application in RFD-01/RFD-01A.( presently not required)

Format for RFD-01A

Format of RFD-01A remains same except that the grounds of refund covered are limited here and the Bank details and self-declaration at points (8) and (9) are not present in the form.

The following Grounds of refund that are not covered while filing through RFD-01A:

- a) On account of an Assessment order
- b) Tax paid on supply not provided and for which the invoice is not issued
- c) Tax paid on Intra State supply which is subsequently held to be Inter-State supply and vice-versa
- d) Refund of Excess tax paid

**Procedure of furnishing of LUT for export of Goods**

It has been discussed earlier.

**Refund of Accumulated ITC on Exports**

It may be noted that the refund of accumulated unutilized input tax credit (ITC) would be required to be applied irrespective of the fact that whether bond or LUT has been furnished or not while making the exports.

In respect of the refund of accumulated unutilized input tax credit on account of exports, an online application in form RFD – 01 A is required to be filed on the common portal providing the details about:

- Turnover of zero-rated supply of goods and services
- Adjusted total turnover
- Net Input tax credit

The portal automatically calculates the maximum refund amount to be claimed on entering the details mentioned above, and after entering the



details of bank accounts, application for a refund may be made.

**Note:** A registered taxpayer is making an online application in form RFD – 01A will also be required to submit a physical copy of the application filed to the concerned jurisdictional officer for further proceedings and refund.

### **Credit of Refund to the Taxpayer**

After the processing of the application of refund claim, 90% of the amount claimed as refund shall be credited to your bank account within 7 days of the date of claim. The remaining 10% refund will be credited on due verification of documents furnished by the applicant.

The refund process will halt if:

A request has been received from the jurisdictional Commissioner of central tax, State tax or Union territory tax due to the person claiming a refund by the provisions of sub-section (10) or sub-section (11) of section 54; or

The proper officer of Customs determines that the goods were exported in violation of the provisions of the Customs Act, 1962.

If the applicant is not found guilty for the above-mentioned reasons, the concerned jurisdictional officer of central tax, State tax or Union territory tax, as the case may be, shall proceed to refund the amount after passing an order in FORM GST RFD-06.

### **BASIC FORMS RELEVANT FOR EXPORTS IN GST**

- GSTR1** – Details of Outwards supplies of goods or services (This needs to be filled by 11<sup>th</sup> of next month)
- GSTR 2A** – Auto drafted Details of supplies auto drafted GSTR1 or GSTR5 to recipient
- GSTR 3B** - Filing GSTR 3B form is mandatory for all those who have registered with GST. (To be filled every month before 20<sup>th</sup>)
- GSTR 9** – Annual GST Returns (To be filled once in a year before 31<sup>st</sup> December)



## OVERALL RISK FOR NON COMPLIANCE OF CHECKLIST FACED BY COST ACCOUNTANTS (CMA)

The basic risks which the cost accountants would face are elucidated below

**Reputational Risk** - The CMA would face risk of damage of reputation. This might affect his client base and loss of faith in market. In severe cases a may lose his membership

**Financial Loss** - The CMA might have to suffer for financial lose due to non compliance at the time of issue of export credit certificate to the exporter as well as to the tax authorities

**Tax Liability** - Due to providing wrong tax credit or no credit a CMA might be subject to penalty or imprisonment for wrong tax credits

**Compliance Risk** - Non compliance may lead to penalty or fines under different provisions of GST Act, Customs Act or any other Act prevalent in force.

## INVOICING FOR EXPORTS

The invoice rules clearly stipulates that in case of exports, the invoice shall carry an endorsement **supply meant for export on payment of IGST or supply meant for export under bond without payment of IGST** and among other details shall also contain:-

- (i) Name and address of the recipient,
- (ii) Address of Delivery,
- (iii) Name of the Country of Destination, and
- (iv) Number and date of application for removal of goods for export [ARE-1]

### Computation of Refund on Zero rated Supply

*Example:* X Ltd. has exported taxable goods amounting Rs.100 crore besides sales of exempted goods in domestic market amounting Rs.25 crore and Nil rated goods amounting Rs.50 crore. The ITC availed for the taxable and exempted goods amounting Rs.40 crore. Out of which ITC on capital goods Rs.4 crore.

*Calculate the quantum of maximum amount eligible for Refund.*

Maximum quantum of Refund = Zero rated turnover/Adjusted Total Turnover  
x ITC Eligible excluding ITC on capital goods =  $100/175*(40-4)$

## Merchant Exporter & Intermediary Services

**Merchant Exporter:** When the trader is exporting the entire goods received as such from the supplier, such supplier is called as Merchant Exporter and eligible to charge only 0.05% GST irrespective of the rate of tax under the Tariff. The conditions are narrated below.

Condition to be satisfied by supplier and Merchant Exporter

As per the notification, following condition has been prescribed.

- (i) The registered supplier shall supply the goods to the registered recipient on a tax invoice.
- (ii) The registered recipient shall export the said goods within a period of ninety days from the date of issue of a tax invoice by the registered supplier;
- (iii) The registered recipient shall indicate the Goods and Services Tax Identification Number of the registered supplier and the tax invoice number issued by the registered supplier in respect of the said goods in the shipping bill to bill of export, as the case may be;
- (iv) The registered recipient shall be registered with an Export Promotion Council or a Commodity Board recognized by the Department of Commerce;
- (v) The registered recipient shall place an order on registered supplier for procuring goods at concessional rate and a copy of the same shall also be provided to the jurisdictional tax officer of the registered supplier;
- (vi) The registered recipient shall move the said goods from place of registered supplier-
  - (a) Directly to the port, Inland Container Depot, Airport or Land Customs station from where the said goods are to be exported; or
  - (b) Directly to a registered warehouse from the said goods shall be move to the Port, Inland Container Depot, Airport or Land Customs station from where the said goods are to be exported;
- (vii) If the registered recipient intends to aggregate suppliers from multiple registered suppliers and then export, the goods from each registered suppliers and then export, the goods from each registered supplier shall move to a registered warehouse and after aggregation, the registered recipient shall move goods to the Port, Inland Container Depot, Airport or Land Customs Station from where they shall be exported;
- (viii) In the case of situation referred to the condition (vii), the registered recipient shall endorse receipt of goods on the tax invoice and also obtain acknowledgement of receipt of goods in the registered warehouse from the warehouse operator and the endorsed tax invoice



and the acknowledgement of the warehouse operator and the endorsed tax invoice and the acknowledgement of the warehouse operator shall be provided to the registered suppliers as well as to the jurisdictional tax officer of such supplier; and

- (ix) When goods have been exported, the registered recipient shall provide copy of shipping bill or bill of export containing details of Goods and Services Tax Identification Number (GSTIN) and tax invoice of the registered supplier along with proof of the export general manifest or export report having been filed to the registered supplier as well as jurisdictional tax officer of such supplier.

## **Whether Intermediary Services are Export of Services**

### **What is intermediary service?**

Under section 2(13) of IGST Act, 2017, intermediary has been defined to mean a broker, an agent or any other person, by whatever name called, who arranges to facilitate the supply of goods or services or both, between two or more persons, but does not include a person who supplies such goods or services or both on his own account.

Certain ingredients that have been observed in the definition are:

- a. An intermediary is only a facilitator of the goods and services; it can be a broker or agent or any other person.
- b. The act of facilitation gives rise to two supplies:
  - i. Supply between the principal and the third party.
  - ii. Supply of the intermediaries' services for a commission/fee (this transaction is under debate)
- c. If the intermediary is supplying the goods/services in his own name/ title, then the status of 'intermediary' cannot be accrued to the agent.

Though the term 'broker' and 'agent' are fundamentally different; broker being a middleman whose job is only to facilitate whereas agent acts on behalf of the principal; yet under the Act these terms have been put together under one umbrella of 'intermediary'.

## CASE LAW

A recent ruling of the Maharashtra Advance Ruling Authority has held that back office support services do not qualify as “export of services” as they are in the nature of “intermediary services”.

### Fact of the Case

- ❑ The Applicant (Vservglobal Private Limited) (“Vserv”) is primarily engaged in providing back office support services to overseas clients and had applied to the advance ruling authority seeking a confirmation on whether the activities performed by it qualify as exports and are therefore zero-rated supplies.
- ❑ In the application, Vserv had submitted that it fulfilled all the conditions required for services to qualify as “export of services”.
- ❑ Importantly, it was also submitted that where supply of goods are facilitated in the course of provision of such service, the same was only incidental to the principal supply and that it therefore did not qualify as an intermediary. Since Vserv was providing such services on a principal-to-principal basis it was clearly excluded from the definition of “intermediary”.
- ❑ However, the AAR has ruled that all activities performed by applicant for its client indicate that the applicant is engaged in ‘arranging / facilitating’ supply of goods or services between client and its customers and therefore, qualifying as an intermediary.

### Observation

The applicant is registered person under GST ACT who is supplier of Services, which is a corporate entity incorporated in India and having its registered office in Mumbai. The orders for supply of said services are received in its Mumbai office and also services are executed from its office situated in Mumbai.

The applicant has submitted sample copy of service agreement entered into between the parties, Tax invoices issued, bank statements etc. to represent the transactions effected between the parties.

The relevant clauses of the agreement for the present purpose are as below:

1. This service agreement is made between the party M/s. Vikhuda Overseas Corporation Ltd. Hong Kong (Herein referred party A) and M/s. Vservglobal Pvt. Ltd. Andheri, (Herein referred party B). This agreement is executed on 30.12.2017 of the office of party A situated in Hong Kong. Party A is global firm specializing in trading and distribution of chemical and Agricultural/Consumer products in different geographies. Party B is an India based corporate entity and has started its operation in the year 2017.
2. Party A is desirous of obtaining back office administrative and



accounting service and party B is having necessary competence to provide the said services. As such the party A has agreed to hire the party B to provide the said services and the Party B agreed to render the same in accordance with the provision of this contract.

**Article-1 :-Object of contract:** This service agreement aims to establish terms and conditions under which the party B commits to provide for party A for the services of back office administrative and accounting support. The nature and details of services to be provided to the party A by the party B throughout this are specified in Article 2 of this contract.

**Article 2: Nature and scope of work:** The Party B will coordinate with buyer, seller and other necessary parties for execution of purchase and sale contracts entered into by the party A. The party B will also maintain accounting of all these transactions. Party A will provide access to its software "VOSS" to the Party B for rendering the agreed services. The major service activities to be undertaken by the Party B for and on behalf of party A

**Article 3: Obligation of parties:**

- The party B commits itself carrying out hereby services in accordance with the instruction of party A.
- Party B commits not to disclose business dealing of party A to any third party/ parties. .
- The party B commits no to allow access "VOSS" to anybody except its employees entrusted with the job of working on it. .
- Both the parties commit not to represent each other before a third party/ parties as an agent/principal of the other parties and entered in to any kind of binding agreements.

**Article 4: The Service Fee and Invoicing:** In return for the performance of services entrusted on the basis of the terms of this contract, the party B shall receive a remuneration of US\$ 380 per purchase/sale transaction handled, subject to minimum of US\$ 10,000/- per month. Rates may be 10% or less depending upon man hours involved in each transaction. The services performer will be invoiced by 7th day of the following month. This invoice thus issued shall be payable by the end of the month in which the invoice is issued.

On the basis of this service agreement applicant submits that the services proposed to be rendered such as back office administrative and accounting support services, a Pay roll processing and maintenance of records of employees of the client satisfy all the elements of "export of services as defined under the GST Act and therefore qualify as zero rated supply as per section 16 of the IGST Act.

This proposition of law is strongly opposed by the jurisdictional officer. The jurisdictional officer has collected information about M/s Vikudha Overseas Corporation Limited Hong Kong China (the client), sister concern, etc. M/s Vikudha India Trading Limited., having registered office at DHANTAK PLAZA, 201, OPP. WAMAN CENTLR MAKWANA ROAD, MAROL, ANDHERI EAST Mumbai City MH 400059 IN (AS per Website of ministry of Commerce), and The Applicant of this ARA M/s Vserv Global Pvt Ltd, is private Limited



company situated at 201, Dhantak Plaza, Opp. Waman Center, Makwana Road Andheri (E), Mumbai-400059. The officer has collected this information from the website of the client. He has also collected information pertaining to the promoters of the client and the sister concern. Based on this information the officer submits that all the above firms are related companies. He further has drawn a conclusion that the applicant is providing services to M/s. Vikudha India Trading Limited, a sister concern located in India and thus the provision of services is in India and not as export of services contended by the applicant.

**ORDER:**

(Under section 98 of the Central Goods and Services Tax Act, 2017 and the Maharashtra Goods and Services Tax Act, 2017)

ORDER NO.GST-ARA-03/2018-19/B-59

**Mumbai, dt. 07.07.2018**

For reasons as discussed in the body of the order, the questions are answered thus –

**Question:** The Applicant Vserv request this Hon'ble Authority to decide as to whether the aforesaid services proposed to be rendered qualify as 'Zero Rated Supply in terms of Section 16 of the Integrated Goods & Service Tax Act, 2017 or not.

**Answer:** Answered in the negative.

## FAQS

**Q 1. Can unutilized Input Tax Credit be allowed as refund?**

**Ans.** Unutilized input tax credit can be allowed as refund in accordance with provisions of sub-section (3) of section 54 in the following situations:-

- (i) Zero rated supplies made without payment of tax;
- (ii) Where credit has accumulated on account of rate of tax on inputs being higher than the rate of taxes on output supplies (other than nil rated or fully exempt supplies)

However, no refund of unutilized input tax credit shall be allowed in cases where the goods exported out of India are subjected to export duty, and also in the case where the suppliers of goods or services or both avails of drawback in respect of central tax or claims refund of the integrated tax paid on such supplies.

**Q 2. Can unutilized ITC be given refund, in case goods Exported outside India are subjected to export duty?**

**Ans.** Refund of unutilized input tax credit is not allowed in case where the goods exported out of India are subjected to export duty – as per the second proviso to Section 54(3) of CGST/SGST Act.

**Q 3. What is the time limit for taking refund?**

**Ans.** A person claiming refund is required to file an application before the expiry of two years from the "relevant date "as given in the Explanation to Section 54 of the CGST/SGST Act.

**Q 4. In case the tax has been passed on the consumer, where refund will be sanction?**

**Ans.** Yes, the amount so refunded shall be credited to the consumer Welfare Fund Section 57 of the CGST/SGST Act.

**Q 5. Is there any time limit for sanctioning of refund?**

**Ans.** Yes, refund has to be sanctioned within 60 days from the date of receipt of application complete in all respects. If refund is not sanctioned within the said period of 60 days, interest at the rate notified not exceeding 6% will have to be paid in accordance with section 56 of the CGST/SGST Act.

However, in case where provisional refund to the extent of 90% of the amounting claimed is refundable in respect of zero rated supplies made by certain categories of registered person in term of sub-section (6) of section 54 of the CGST/SGST Act, the provisional refund has to be given within 7 days from the date of acknowledgement of the claim of refund.

**Q 6. Can refund be withheld by the department?**

**Ans.** Yes refund can be withheld in the following circumstances:

If the person have failed to furnish any return till he files such returns;





If the registered person is required to pay any tax, interest and penalty which has not been stayed by the appellate authority/ tribunal/ court , till he pays such tax interest or penalty:

The proper officer can also deduct unpaid taxes, interest, penalty, late fee, if any from the refundable amount –Section 54(10) (b) of the CGST/SGST Act.

The commissioner can withhold any refund, if, the order of refund is under appeal and he is of the opinion that grant of such refund will adversely affect revenue in the said appeal of account of malfeasance or fraud committed- Sec.54 (11) of the CGST/SGST Act.

**Q 7. Where the refund is withheld under section 54(11) of the CGST/SGST Act, will the taxable person be given interest?**

**Ans.** When as a result of appeal or further any proceeding the registered person becomes entitled to refund, then he shall also be entitled to avail interest at the rate notified not exceeding 6% [ Section 54 (12) of the CGST/SGST Act].

**Q 8. Is there any minimum threshold for refund?**

**Ans.** No refund shall be granted even if the refundable amount is less than Rs. 100/- [Sec. 54(14) of the CGST/SGST Act.

**Q 9. How will the refunds arising out of existing law be paid?**

**Ans.** The refund arising out of existing law will be paid as per the provisions of the existing law and will be made in cash and will not be available as ITC.

**Q 10. Where refund can be made before verification of documents?**

**Ans.** In Case of any claim of refund to a registered person on account of zero rated supplies of goods or services of both other than registered person as may be notified), 90% refund may be granted on provisional basis before verification subject to such conditions and restrictions as may be prescribed in accordance with sub- section 6 of section 54 of the CGST/SGST ACT.

**Q 11. In case of refund under export, whether BRC is necessary for granting refund?**

**Ans.** In case of refund on account of export of goods, the refund rules do not prescribe BRC as a necessary document for filling of refund claim. However, for export of services details of RBC is required to be submitted along with the application for refund.

**Q12. Will the principle of unjust enrichment apply to export and supplies to SEZ Units?**

**Ans.** The principle of unjust enrichment would not be applicable to Zero-rated supplies (i.e. export and supplies to SEZ units.)

**Q 13. How will the applicant prove that the principle of unjust enrichment does not apply in his case?**

**Ans.** Where the claim of refund is less than Rs. 2 Lakh, a self- declaration by the application based on the documentary or other evidences available with him, certifying that the incidence of tax has not been passed on to any other person would make him eligible to get refund. However, if the



claim of refund is more than Rs. 2 Lakh, the applicant is required to submit a certificate from a Chartered Accountant or a Cost Accountant to the effect that the incidence of tax has not been passed on to any other person.

**Q 14. Today under VAT/ CST merchant exporter can purchase goods without payment of tax on furnishing of a declaration form. Will this system be there in GST?**

**Ans.** There is no such provision in the GST law. They will have to procure goods upon payment of tax and claim refund of the unutilized input tax credit in accordance with section 54(3)/564(3) of the CGST/SGST Act.

**Q 15. Presently under central law, exporters are allowed to obtain duty paid inputs, avail ITC on it and export goods upon payment of duty (after utilizing the ITC) and thereafter claim refund of the duty paid on exports. Will this system continue in GST?**

**Ans.** Yes. In terms of section of the IGST Act, a registered person shall have the option either to export goods/services without payment of IGST under bond or letter of undertaking and claim refund of IRC or he can export goods/ services on payment of IGST and claim refund of IGST paid.

**Q 16. What is the time period within which an acknowledgement of the refund claim has to be given?**

**Ans.** Where an application relates to a claim for refund from the electronic cash ledger as per sub section (6) of section 49 of the CGST/SGST Act made through the return furnished for the relevant tax period the acknowledgement will be communicated as soon as the return is furnished and in all other cases of claim of refund the acknowledgement will be communicated to the applicant within 15 days from the date of receipts of application complete in all respect.

**Q 17. What is the time period within which provisional refund has to be given?**

**Ans.** Provisional refund to the extent of 90% of the amount claimed on account of zero rated supplies in term of sub section (6) of section 54 of the CGST/SGST Act has to be given within 7 days of acknowledgement of complete application for refund claim.

**Q 18. Is there any specified format for filling refund claim?**

**Ans.** Every claim of refund has to be filed in form GST RFD 1. However, claim of refund of balance in electronic cash ledger can be claimed through furnishing of monthly/quarterly returns in form GSTR 3, GSTR4, or GSTR 7 as the case may be of the relevant period.

**Q 19. Is there any specified format for filling sanction of refund claim?**

**Ans.** The claim of refund will be sanctioned by the proper officer in form GST RFD 06 if the claim is found to be in order any payment advice will be issued in from GST RFD 05. The refund amount will then be electronically credited to the applicants given bank account.

**20. What happens if there are deficiencies in the refund claim?**

**Ans.** Deficiencies, if any in the refund claim has to be pointed out within 15 days. A form GST RFD 03 will be issued by the proper officer to the applicant



pointing out the deficiencies through the common portal electronically requiring him to file a refund application after rectification of such deficiencies.

**21. Can the refund claim be rejected without assigning any reasons?**

**Ans.** No. when the proper officer is satisfied that the claim is not admissible he shall issue a notice in Form GST RFD 08 to the applicant requiring him to furnish a reply in GST RFD 09 within fifteen days and after consideration of the applicant's reply, he can accept or reject the refund claim and pass an order in Form GST RFD 06 only.

**22. In respect of export of goods on payment of IGST, will the exporter need to file a separate refund claim?**

**Ans.** No. The shipping bill filed by an exporter shall be deemed to be an application for refund of integrated tax paid on the goods exported out of India and such application shall be deemed to have been filed only when :

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

The applicant has furnished a valid return in FORM GSTR-3 or FORM GSTR-3B and GSTR -1 or Table 6A of the said GSTR-1.

**23. Is it necessary to execute a bond for effecting zero rated supply?**

**Ans.** No. The facility to export under Letter of Undertaking (LUT) has been extended to all zero rated suppliers (barring a few exceptions such as those who have been prosecuted for an offence involving tax of Rs. 2.5 crore) vide Notification No. 37/2017- Central Tax dated 04/10/2017 Circular No. 8/82017 – GST dated 04/10/2017 may also be referred to.

**24. Is there any provision for filing manual refund claims under GST?**

**Ans. Yes.** Circular No. 17/17/2017- GST dated 15/11/2017 has been issued clarifying the procedure for filing of manual refund claims. The circular mandates that due to the non-availability of the refund module on the common portal, it has been decided by the competent authority, on the recommendations of the council, that the applications / documents/forms pertaining to refund claims on account of zero-rated suppliers shall be filed and processed manually till further orders.

**25. Whether the exporter besides export is selling goods in domestic market at a inverted tax structure and can the exporter separately eligible to apply refund once for export and other for inverted tax structure ?**

**Ans. Yes.** Even if the applicant is applying for refund for balance ITC due to export but has to apply separately for refund arises due to inverted tax structure for the same period.

## Body of Checklist to be followed

The checklist should be used by the cost accountant/firm of cost accountants at the time of issuing the certificate to the exporter so as to allow him to claim tax credit in absence of proper filling of GSTR returns.

SI No	Documents Needs	Select whichever is applicable	Risk for Non Compliances to exporter and CMA
<b>COMMON FOR ALL EXPORTS</b>			
1	Name, address of exporter and registration number of exporter	Yes/No/NA	Incorrect credit of input tax to wrong assess/exporter. The CMA may face reputational or financial penalties or liabilities.
2	Checking of IEC (Importer Exporter Code). In case the IEC is pending to check if any application is made to DGFT or not	Yes/No/NA	Wrong IEC Code or not making any application to DGFT might make the input of tax credit to wrong assessee. The CMA may face reputational or financial penalties or liabilities.
3	Checking of Export order/ Contract, shipping bills, Bill of Lading (and/ or Airways Bills/ Receipts). Customs/Bank attested Invoices dangerous goods certification, insurance certification, shipper's letter of instruction, export packing list, generic certificate of origin, Forward Inward Remittance Certificates (FIRCs). The list is just illustrative in nature	Yes/No/NA	Wrong bill or invoice will lead to extra credit or wrong credit. The CMA may face reputational or financial penalties or liabilities.
4	Has any Letter of Credit (L/C) been provided? If so is the L/C amount and currency (and if applicable the tolerance) in conformity with the contract. To check the details of Letter of Credit and all the clauses of the same.	Yes/No/NA	Non compliance of LC might lead to wrong credit or difficulties to the exporter in international trade



Sl No	Documents Needs	Select whichever is applicable	Risk for Non Compliances to exporter and CMA
5	To check the nature of business the assessee ( exporter ) is entered into. Whether the exporter manufactures the same or the same has been manufactured by a third party.	Yes/No/NA	Wrong GST rates or incorrect refund would affect the exporter. The assessee might be subject to wrong rates of tax. The CMA may face reputational or financial penalties or liabilities.
6	Exports are not being made to sanction countries or any countries on which restrictions are being imposed by the Government of India	Yes/No/NA	This might cause reputational risk or financial penalties in case the exporter exports goods to sanctioned countries. The CMA may face reputational or financial penalties or liabilities.
7	To check GSTN number of the exporter and details regards GSTN1, GSTR 9 and GSTN 3B returns submitted. In case the same are incomplete to look into the reasons behind the same.	Yes/No/NA	Non compliance might lead to incomplete or incorrect returns file and this might cause issues in input credit
8	All relevant provisions of GST Rules , laws and sections regards Exports have been covered under GST	Yes/No/NA	Non compliance might lead to cancellation of input tax credit to exporter.
9	To check whether the input tax to be claimed is in lines with export. There is no over credit to be claimed.	Yes/No/NA	Non compliance may lead to fine to CMA.
<b>FOR DEEMED EXPORTS</b>			
1	Supply of goods against Advance Authorization Acknowledgment by the jurisdictional Tax officer which states that the said Advance Authorization holder has received the deemed export supplies.	Yes/No/NA	Non compliance may lead to wrong GST rates and wrong input credit. This may lead to fines to CMA for incorrect treatments.



SI No	Documents Needs	Select whichever is applicable	Risk for Non Compliances to exporter and CMA
2	Supply of capital goods against Export Promotion Capital Goods Authorization Acknowledgment by the jurisdictional Tax officer which states that the deemed export supplies have been received by the said Export Promotion Capital Goods Authorization holder	Yes/No/NA	Non compliance may lead to wrong GST rates and wrong input credit. This may lead to fines to CMA for incorrect treatments
3	Supply to Export Oriented Unit A copy of the tax invoice which is duly signed by the Export Oriented Unit stating that the deemed export supplies have been received	Yes/No/NA	Non compliance may lead to wrong GST rates and wrong input credit. This may lead to fines to CMA for incorrect treatments.
<b>ZERO RATED SUPPLIES</b>			
1.	To see the list applicable for zero rated supplies and see the exported goods fall under that category	Yes/No/NA	Non compliance may lead to wrong GST rates and wrong input credit. This may lead to fines to CMA for incorrect treatments
2.	Filing of GSTR9 and other GSTR as applicable	Yes/No/NA	Non compliance may lead to wrong GST rates and wrong input credit. This may lead to fines to CMA for incorrect treatments
<b>FOR SEZ EXPORTS</b>			
1.	Request Letter on Letter Head for adopting for LUT ( letter of undertaking)	Yes/No/NA	Non compliance may lead to wrong GST rates and wrong input credit. This may lead to fines to CMA for incorrect treatments
2.	GST RFD-11	Yes/No/NA	Non compliance may lead to wrong GST rates and wrong input credit. This may lead to fines to CMA for incorrect treatments



Sl No	Documents Needs	Select whichever is applicable	Risk for Non Compliances to exporter and CMA
3.	Bond on Rs. 100/- Stamp Paper	Yes/No/NA	Non compliance may lead to wrong GST rates and wrong input credit. This may lead to fines to CMA for incorrect treatments
4.	GST Registration Certificate , IEC Code, Copy of return filed under DVAT or Service tax for the preceding financial year	Yes/No/NA	Non compliance may lead to wrong GST rates and wrong input credit. This may lead to fines to CMA for incorrect treatments
5.	Bank Guarantee of 15% of tax involved	Yes/No/NA	Non compliance may lead to wrong GST rates and wrong input credit. This may lead to fines to CMA for incorrect treatments
6.	Export Bills and Invoice	Yes/No/NA	Non compliance may lead to wrong GST rates and wrong input credit. This may lead to fines to CMA for incorrect treatments

Signature/Seal Details -

Name:

Membership Number:

Place:

Date:

Signature/Seal of the Cost Accountant/Firm of Cost Accountants:

## RELEVANT SECTIONS, RULES, NOTIFICATIONS, CIRCULARS

### SECTION 2,33,37,49,54,55,56,57,77

Section 2 – Definitions of Customs

Section 33 – Unloading and loading of goods at approved places only

Section 37 - Power to board conveyances

Section 49 - Storage of imported goods in warehouse pending clearance

Section 54 - Transshipment of certain goods without payment of duty

Section 55- Liability of duty on goods transited under section 53 or transhipped under section 54

Section 56- Transportation of certain classes of goods subject to prescribed conditions

Section 57- Appointing of public warehouses

Section 77- Declaration by owner of baggage

### RULES 89- 97 OF CGST RULES

Rule 89 -Application for Refund of Tax, Interest, Penalty, Fees or any Other Amount

Rule 90 - Acknowledgement for Refund Application

Rule 91 - Grant of Provisional Refund

Rule 92 - Order Sanctioning Refund

Rule 93- Credit of the Amount of Rejected Refund Claim

Rule 94- Order Sanctioning Interest on Delayed Refunds

Rule 95- Refund of Tax to certain Persons

Rule 96- Refund of IGST on Exported Goods

Rule 96A - Refund of integrated tax paid on export of goods or services under bond or Letter of Undertaking

Rule 97- Consumer Welfare Fund

Rule 97A - Manual filing and processing

### Notifications and Relevance There of

NOTIFICATION NO.	DATE	MATTER
13/2017 CENTRAL	28/06/2017	Seeks to prescribe rate of interest under CGST Act 2017
39/2017 CENTRAL	13/10/2017	Seeks for cross empowerment for processing refund to State Tax Officer





NOTIFICATION NO.	DATE	MATTER
49/2017 CENTRAL	18/10/2017	Seeks to notify the evidences required to be produced by the vendors of the Deemed Exporter for claiming Refund under Rule89(2)(g) of the CGST Rules 2017
10/2018 CENTRAL	23/01/2018	Amendment of Notification No. 39/2017 dt.13/10/2017
06/2017 INTEGRATED	28/06/2017	Seeks to prescribe the rate of interest under the CGST Act,2017
11/2017 INTEGRATED	13/10/2017	Seeks to Cross empowerment of State Tax Officer for processing and grant of refund
01/2018 INTEGRATED	23/10/2017	Amendment of Notification No.11/2017 dt.13/10/2017
10/2017 UNION TERRITORY	30/06/2018	Notifies fixing rate of interest P.A.
05/2017 CENTRAL (Rate)	28/06/2017	Supplies of goods where no refund is allowed on ITC U/s 54(3) of the CGST Act,2017
06/2017 CENTRAL (Rate)	28/06/2017	Refund of 50% of CGST on supplies to CSD U/s 55 of the CGST Act,2017
15/2017 CENTRAL (RATE)	28/06/2017	To notify the supplies of goods where no refund is allowed on ITC U/s 54(3) of the CGST Act,2017
16/2017 CENTRAL (Rate)	28/06/2017	To notify the specialized agencies entitled to claim a refund of taxes paid on goods or services received by themselves under the CGST Act, 2017
29/2017 CENTRAL (Rate)	22/09/2017	Seeks to amend the notification no.05/2017 dt.28/06/2017on restrict of refund on Corduroy Fabrics.
44/2017 CENTRAL (Rate)	14/11/2017	Seeks to amend the Notification no. 05/2017 dt.28/06/2017 2017on restriction of refund on Certain Fabrics.
05/2017 INTEGRATED (Rate)	28/06/2017	Supplies of goods where no refund on unutilized ITC is allowed
06/2017	28/06/2017	Notification in respect of prescribed refund @ 50% of IGST on supplies to CSD U/s 20 of IGST Act,2017
12/2017 INTEGRATED (Rate)	28/06/2017	To notify the supplies of goods where no refund is allowed on unutilized ITC under IGST



NOTIFICATION NO.	DATE	MATTER
13/2017 INTEGRATED (Rate)	28/06/2017	To notify the specialized agencies entitled to claim a refund of taxes paid on goods or services received by themselves under IGST Act
29/2017 INTEGRATED (Rate)	22/09/2017	Seeks to amend the Notification No. 05/2017 Integrated dt.28/06/2017 on restriction of ITC on Corduroy fabric
46/2017 INTEGRATED (Rate)	14/11/2017	Seeks to amend the Notification no. 05/2017 dt.28/06/2017 2017on restriction of refund on Certain Fabrics.
05/2017 UNION TERRITORY (Rate)	28/06/2017	Supplies of goods where no refund on unutilized ITC is allowed U/s54(3) of the CGST Act,2017
06/2017 UNION TERRITORY (Rate)	28/06/2017	Notification in respect of prescribed refund @ 50% of UTGST on supplies to CSD U/s 55 of the CGST Act,2017
15/2017 UNION TERRITORY (Rate)	28/06/2017	To notify the supplies not eligible for refund of unutilized ITC under UTGST Act
16/2017 UNION TERRITORY (Rate)	28/06/2017	To notify the specialized agencies entitled to claim a refund of taxes paid on goods or services received by themselves under the UTGST Act
29/2017 UNION TERRITORY (Rate)	22/09/2017	Seeks to amend the Notification no. 05/2017 dt.28/06/2017 2017on restriction of refund on Corduroy Fabrics.
44/2017 UNION TERRITORY (Rate)	14/11/2017	Seeks to amend the Notification no. 05/2017 dt.28/06/2017 2017on restriction of refund on certain Fabrics
20/2018 CENTRAL	28/03/2018	Extension of due date of filing of application of refund U/s 55 by Notified Agencies

### CIRCULARS

CIRCULAR NO.	DATE	MATTER
08/2017	04/10/2017	Clarification on issuance for furnishing Bond/LUT
17/2017	15/11/2017	Manual filing and processing of Refund claims in respect of Zero-rated supplies
18/2017	16/11/2017	Refund on unutilized ITC on GST paid on inputs for fabric exporter



<b>CIRCULAR NO.</b>	<b>DATE</b>	<b>MATTER</b>
36/2017	13/03/2018	Processing of Refund applications for UIN entities
37/2018	15/03/2018	Issus in respect of Export
05/2018 CUSTOMS	23/02/2018	Refund of IGST on export invoice mismatch – Alternative mechanism with Officers interface
42/2017 CUSTOMS	07/11/2017	Refund of IGST paid on Export of goods under Rule 96 of CGST Rules 2017
43/2018		Clarification for refund to UIN
45/2018		Clarification for exporter related to refund
06/2018 CUSTOMS	16/03/2018	Refund of IGST on Exports-EGM error related cases
08/2018 CUSTOMS	23/03/2018	Refund of IGST paid on Export-Extension of date in SB005- Alternate mechanism and clarification thereof

## Relevant Forms and Statements under Customs

Sl. No.	Forms/ Appendix	Subject of Forms/Appendix
1	Appendix – 2L	Certificate for Offsetting of Export Proceeds <a href="https://www.ibef.org/download/Appendices-and-ANF-of-FTP-(2015-2020).pdf">https://www.ibef.org/download/Appendices-and-ANF-of-FTP-(2015-2020).pdf</a>
2	Appendix – 4H	Register for accounting the consumption and stocks of duty free imported or Domestically procured raw materials, components etc. Allowed under advance Authorisation / DFIA <a href="http://files.indiantradeportal.in/download.aspx?file=uploads/General%20Documents/Alert/18-01-2018/DGFT_PN_52_Dtd_12-01-2018.pdf">http://files.indiantradeportal.in/download.aspx?file=uploads/General%20Documents/Alert/18-01-2018/DGFT_PN_52_Dtd_12-01-2018.pdf</a>
3	Appendix – 5B	For Issue of EPCG Authorisation <a href="http://dgft.gov.in/sites/default/files/P.N.%2008%20dated%2006.05.16%20English.pdf">http://dgft.gov.in/sites/default/files/P.N.%2008%20dated%2006.05.16%20English.pdf</a>
4	Appendix – 5C	For redemption of EPCG authorization / issuance of post export EPCG duty Credit Scrip <a href="http://dgft.gov.in/sites/default/files/P.N.%2008%20dated%2006.05.16%20English.pdf">http://dgft.gov.in/sites/default/files/P.N.%2008%20dated%2006.05.16%20English.pdf</a>
5	Appendix – 6E	Form of Legal Agreement for EOU/EHTP/STP/BTP <a href="https://dgft.gov.in/sites/default/files/pn36_0.pdf">https://dgft.gov.in/sites/default/files/pn36_0.pdf</a>
8	Appendix – 6H	Procedure to be followed for reimbursement of Central Sales Tax (CST) on supplies made to Export Oriented Units (EOUs) and units in Electronic Hardware Technology Park (EHTP) and Software Technology Park (STP)
9	Appendix – 7E	Format for Fixation of Drawback Rate
10	Appendix – 8A	Application for certification of export performance of units in the Pharmaceutical and Biotechnology sectors by the regional offices of the DGFT as per customs notification no 12/2012 dated 17.03.2012 (erstwhile notification No. 21/2002 dated 01.03.2002)



11	Appendix – 8B	Application Performa for certification of export performance of units in Agro Chemicals sectors by the Regional Offices of the DGFT as per customs Notification no 12/2012 dated 17.3.2012
12	ANF – 2M	Application Form for Import of Restricted Items (Para 2.50 of HBP)
13	ANF – 4A	Application for issue of Advance Authorization/ Advance Authorization for Annual Requirement / Invalidation Letter / Advance Release Order (ARO)
14	ANF – 4B	Application for Fixation/ Modification/Revision of Standard Input Output Norms (SION)
15	ANF – 4F	Application for Redemption / No Bond Certificate against Advance Authorization
16	ANF – 4H	Application for GEM REP Authorization
17	ANF – 4I	Application for Issue of Nominated Agency Certificate (NAC)/ Renewal of Nominated Agency Certificate

### CONCLUSION

The above checklist is illustrative and not exhaustive. The checklist just acts as a guideline which will be helpful to the cost accountants to give a true and fair

View while providing the export exemption certificate to the exporter. There are no restrictions anywhere to prevent the issuer of the certificate (cost Accountants/Firms) from performing further checks as may be applicable depending on the situation encountered.

The checklist should be used as a guidance tools to facilitate the certificate issuance as per Circular 12/2018 Customs dated 29.05.2018 to help the exporter

Claim input tax credit after paying the taxes or in absence of complete GSTR1 and 3.

The aim to prepare the checklist is to have uniformity in the checks to be followed by all cost accountants/firm of cost accountants and to avoid basic

Misses while issuing the same.

The suggestion of different members would be highly appreciated for the successful implementation of the guidance checklist across

Members /firms can provide there feedbacks and suggestion by writing to [Trd@icmai.in](mailto:Trd@icmai.in)

## Note

## Action Plan:

1. Successful conduct of Certificate Course on GST.
2. Publication and Circulation of Tax bulletin (both in electronic and printed formats) for the awareness and knowledge updation of stakeholders, members, traders, Chambers of Commerce, Universities.
3. Publication of Handbooks on Taxation related topics helping stakeholders in their job deliberations.
4. Carry out webinars for the Capacity building of Members - Trainers in the locality to facilitate the traders/ registered dealers.
5. Conducting Seminars and workshops on industry specific issues, in association with the Trade associations/ Traders/ Chamber of commerce in different location on practical issues/aspects associated with GST.
6. Tendering representation to the Government on practical difficulties faced by the stakeholders in Taxation related matters.
7. Updating Government about the steps taken by the Institute in removing the practical difficulties in implementing various Tax Laws including GST.
8. Facilitating general public other than members through GST Help-Desk opened at Head quarter of the Institute and other places of country.
9. Introducing advance level courses for the professionals on GST and Income Tax.
10. Extending Crash Courses on Taxation to Corporates, Universities, Trade Associations etc.

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