

# Exports, Imports & Refunds in GST

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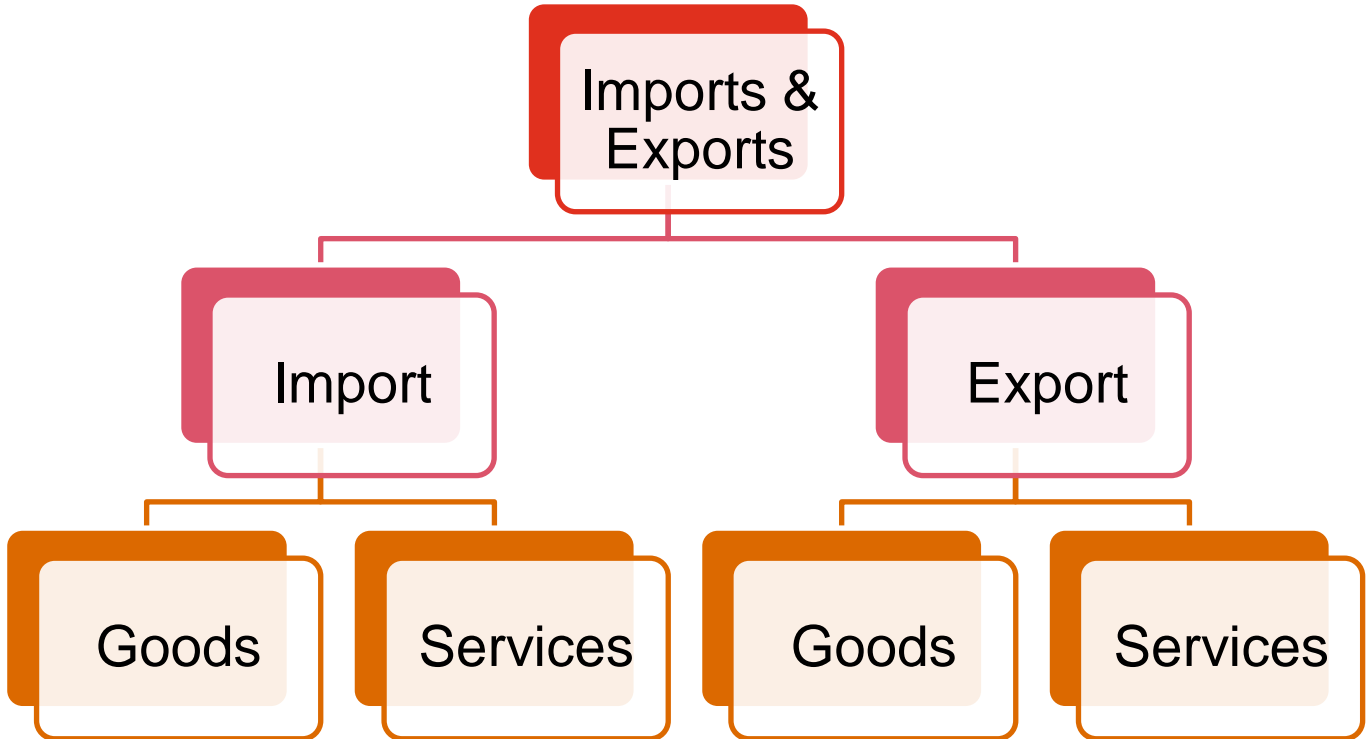
**ICMAI GST Course  
Online Session**

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## ***Key Definitions – Imports and Exports***



## ***Key Definitions – Imports (IGST Act, 2017)***

Sec 2(10) of the IGST Act, 2017 –

**“import of goods”** with its grammatical variations and cognate expressions, means bringing **goods into India** from a place **outside India**;

Sec 2(11) of the IGST Act, 2017 –

**“import of services”** means the supply of any service, where—

- (i) the **supplier** of service is located **outside India**;
- (ii) the **recipient** of service is located **in India**; and
- (iii) the **place of supply** of service is **in India**;

## ***Key Definitions – Exports (IGST Act, 2017)***

Sec 2(5) of the IGST Act, 2017 –

**“export of goods”** with its grammatical variations and cognate expressions, means **taking goods out of India to a place outside India;**

Case	Location of supplier	Location of goods	Goods supplied to	Location of recipient	Place of supply
1	Assam	Assam	Thailand	Assam	Thailand
2	Maharashtra	Dubai	Iran	Iran	Not an export

## ***Key Definitions – Exports (IGST Act, 2017)***

Sec 2(6) of the IGST Act, 2017 –

**“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**; and

(v) the **supplier** of service and the **recipient** of service are not **merely establishments** of a **distinct person** in accordance with Explanation 1 in section 8;

**Sec 8 - Explanation 1.**—For the purposes of this Act, where a person has,

(i) an establishment in India and any other establishment outside India;

then such establishments shall be treated as establishments of distinct persons.

## ***Place of Supply of Goods – Sec 11 IGST (Goods imported into / exported from India)***

**Export of goods:** Means taking goods out of India to a place outside India;

**Import of goods:** Means bringing goods into India from a place outside India;

<b>Section</b>	<b>Situation</b>	<b>Place of supply</b>
<b>11(a)</b>	Goods imported into India	Location of importer
<b>11(b)</b>	Goods exported from India	Location outside India

***Note:*** Section 5 provides that ***IGST shall be levied*** on goods imported into India as per Section 3 of Customs Tariff Act

- *Point of taxation* - When duties of customs are levied on the said goods
- *Value* - As determined as per Customs Act

# ***Place of Supply of Goods – Sec 11 IGST (Illustrations)***

## **Section 11(a): Import of goods**

Case	Location of supplier	Location of goods before supply	Goods supplied to*	Location of recipient	Place of supply
1	Thailand	Thailand	Assam	Assam	Assam
2	China	China	Kashmir	Haryana	Kashmir
3	Sri Lanka	Sri Lanka	Kerala	Kerala	Kerala
4	Karnataka	Iran	Dubai	Karnataka	Not an import

## **Section 11(b): Export of goods**

Case	Location of supplier	Location of goods	Goods supplied to	Location of recipient	Place of supply
1	Assam	Assam	Thailand	Assam	Thailand
2	Tamil Nadu	Kashmir	China	Texas	China
3	Sri Lanka	Kerala	Sri Lanka	Sri Lanka	Sri Lanka
4	Maharashtra	Dubai	Iran	Iran	Not an export

**\* address of delivery of goods as per bill of entry**

## ***Place of Supply of Services – Sec 13 IGST (where supplier or recipient is outside India)***

Services when goods required to be made **physically** available by recipient or requiring **physical presence** of receiver / person acting on his behalf

Location where services actually performed

Services supplied directly in relation to **immovable property**

Location of such immovable property (or where it is intended to be located)

Service by way of **admission** to / **organising** an event, etc. and ancillary services

Place where the event is actually held

Banking services to account holders, intermediary services, hiring of means of transport (other than aircraft and vessels) upto 1 month

Location of supplier

Transportation of goods (other than by way of mail / courier)

Destination of the goods

***1 to 3 → When supplied at >1 location (including India) → Deemed location in India. When supplied from >1 state / UT → In proportion to the value of services***



## ***Place of Supply of Services – Sec 13 IGST (where supplier or recipient is outside India)***

Passenger  
transportation  
service

Place where  
passenger  
embarks on  
the  
conveyance  
for a  
continuous  
journey

Service  
provided on  
board a  
conveyance

First  
scheduled  
point of  
departure of  
that  
conveyance  
for that  
journey

Online  
information and  
database access  
or retrieval  
services

Location of  
recipient

Residuary

**Location of  
the  
recipient;**

*If not  
available in  
the ordinary  
course of  
business,  
location of  
supplier*

To prevent  
double taxation  
/ non-taxation,  
or for the  
uniform  
application of  
rules, CG has  
power to notify  
services/  
circumstances

Place of  
effective use  
and  
enjoyment of  
a service

# ***Aadhar Authentication/e-KYC for Existing Taxpayers***

## **Mandatory Aadhar Authentication in certain cases – Rule 10B of the CGST Rules, 2017 –**

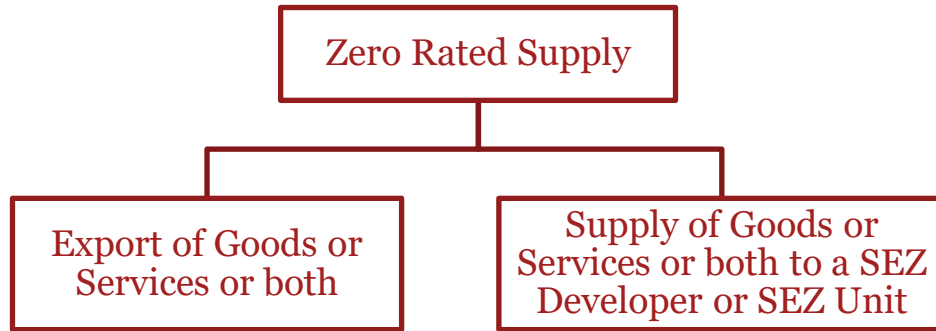
The Central Government has brought into effect the provisions of Finance Act, 2021 effective from **1<sup>st</sup> January, 2022** which includes mandatory Aadhaar Authentication through Finance Bill, 2021. Accordingly, CGST Act, CGST Rules and IGST Act, 2017 has been amended.

***Export invoices shall not be transmitted by GST System to ICEGATE for further processing if authentication of Aadhar/e-KYC documents not uploaded.***

***The eligible invoices, having complete SB/Port details, are transmitted by the GST System only if Aadhaar is successfully authenticated.***

- a. Filing of application for revocation of cancellation of registration in Form GST REG-21 under Rule 23;
- b. filing of refund application in Form RFD-01 under rule 89
- c. refund under Rule 96 of the integrated tax (IGST) paid on goods exported out of India

# ***Zero Rated Supply - Sec 16***



Zero rated supplies are allowed free of any taxes. Such supplies are made free of taxes both at the input and output side. This is achieved by **the following options**:

- Allowing credit on input supplies used for Zero rated supplies. Supply of goods of services or both under Bond/ LTU without payment of tax.; or
- Allowing credit on input supplies used for Zero rated supplies. Supply of good or services or both on payment of IGST and refund of full IGST paid.

# ***Zero Rated Supply – Definition – Sec 16***

“Zero rated supply” means any of the following supplies of goods or services or both, namely:

(a) export of goods or services or both; or

(b) supply of goods or services or both **for Authorized Operations** (inserted in Jan 2022) to a Special Economic Zone developer or a Special Economic Zone unit.

Continued ....

# ***Zero Rated Supply – Definition – Sec 16***

“(3) A registered person making zero rated supply shall be eligible to claim refund of unutilised input tax credit on supply of goods or services or both, without payment of integrated tax, under bond or Letter of Undertaking, in accordance with the provisions of section 54 of the Central Goods and Services Tax Act or the rules made thereunder, subject to such conditions, safeguards and procedure as may be prescribed:

Provided that the registered person making zero rated supply of goods shall, ***in case of non-realisation of sale proceeds, be liable to deposit the refund so received under this sub-section along with the applicable interest under section 50 of the Central Goods and Services Tax Act within thirty days after the expiry of the time limit prescribed under the Foreign Exchange Management Act, 1999 for receipt of foreign exchange remittances, in such manner as may be prescribed.***

**Amended wef 1<sup>st</sup> Jan 2022**

# ***Relevant Section/ Rules (CGST)***

## **Sections**

- 54. Refund of tax
- 55. Refund in certain cases
- 56. Interest on delayed refunds
- 57. Consumer Welfare Fund
- 58. Utilisation of Fund

## **Other Relevant Sections**

- 33. Tax to be indicated in tax invoice
- 57. Consumer Welfare Fund
- 49. Payment of tax, interest, penalty etc.
- 39. Furnishing of returns
- 77. Tax wrongfully collected and paid

## **Rules**

- 89. Application for refund of tax, interest, penalty, fees or any other amount
- 90. Acknowledgement
- 91. Grant of provisional refund
- 92. Order sanctioning refund
- 93. Credit of the amount of rejected refund claim
- 94. Order sanctioning interest on delayed refunds
- 95. Refund of tax to certain persons
- 96. Refund of integrated tax paid on goods or services exported out of India
- 96A. Refund of integrated tax paid on export of goods or services under bond or Letter of Undertaking
- 97. Consumer Welfare Fund
- 97A. Manual filing and processing

# ***Eligibility for Refund***

Refund can be filed for:

- Zero rated supplies made without payment of tax
- Where the credit has accumulated on account of rate of tax on inputs being higher than the rate of tax on output supplies

Refund can be filed by following:

1. A specialized agency of the United Nations Organization or
2. Any Multilateral Financial Institution and Organization notified under the United Nations (Privileges and Immunities) Act, 1947,
3. Consulate or Embassy of foreign countries or
4. Any other person or class of persons as notified under section 55.

In terms of Notification No. 55/2017 the refunds may be filed manually and the processing of refund with respect to any notice, reply or order, among others, can also be issued / filed manually. Prior to this, only online applications were allowed

# ***Refund that may be filed on GSTN Portal***

- a. Refund of unutilized ITC on account of **exports without payment of tax**;
- b. Refund of tax paid on **export of services with payment of tax**;
- c. Refund of unutilized ITC for **supplies made to SEZ (Unit/Developer) without payment** of tax;
- d. Refund of tax paid on supplies made to **SEZ Unit/SEZ Developer** with **payment** of tax;
- e. Refund of unutilized ITC on account of accumulation due to **inverted tax structure**;
- f. Refund to **supplier** of tax paid on **deemed export supplies**;
- g. Refund to **recipient** of tax paid on **deemed export supplies**;
- h. Refund of **excess balance in the electronic cash ledger**;
- i. Refund of **excess payment of tax**;
- j. Refund of tax paid on **intra-State supply which is subsequently held to be inter-State supply** and vice versa;
- k. Refund on account of **assessment/provisional assessment/appeal/any other order**;
- l. Refund on account of **“any other” ground or reason**



# Refund that may be filed on GSTN Portal

Select the Refund type:



• Indicates Mandatory Fields

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

CREATE REFUND APPLICATION

# Refund forms

SI No.	Form No	Particulars	Time limit
1	RFD 1	Refund Application	Within 2 years from relevant date.
2	RFD 2	Acknowledgement	Within 15 days from date of application. Immediate in case of refund from electronic ledger.
3	RFD 3	Notice of deficiency on Application for Refund	Within 15 days from the date of application.
4	RFD 4	Provisional Refund Sanction Order	Within seven days from the date of acknowledgement
5	RFD 5	Refund Sanction or part sanctioned	90 days from the date of refund application.
6	RFD 6	Order for Complete Adjustment of claimed refund against past demand	90 days from the date of refund application.
7	RFD 7	SCN rejecting refund application	
8	RFD 8	Payment Advice	Immediately after RFD 4.
9	RFD 9	Order for interest on delayed Payments	
10	RFD 10	Refund Application form Specified category	Quarterly

# Relevant date for refund application

Situation	Relevant date	
Refund is in respect of goods exported (or on inputs/ input services used in such goods)		
i. By sea	Date on which the ship or the aircraft in which such goods are loaded, leaves India	
ii. By Air		
iii. By land	Date on which such goods pass the frontier	
iv. By post	Date of dispatch of goods by the concerned Post Office to a place outside India	
Refund in respect of deemed exports	Date on which the return relating to such deemed exports is filed.	
Refund is in respect of services exported (or on inputs/ input services used in such services)	Where supply of service completed prior to receipt of payment	Date of receipt of payment in convertible foreign exchange
	Where payment for service received in advance	Date of issue of Invoice
Tax becomes refundable as a consequence of: (i) Judgment (ii) Decree (iii) Order (iv) Direction of Appellate Authority, Appellate Tribunal or any Court	Date of communication of such judgment, decree, order or direction	
Refund of unutilized input tax credit	End of the financial year in which such claim for refund arises	
Tax is paid provisionally under this Act or the rules made there under	Date of adjustment of tax after the final assessment thereof.	
In case of a person other than the supplier	Date of receipt of goods or services by such person	
In any other case	Date of payment of GST	

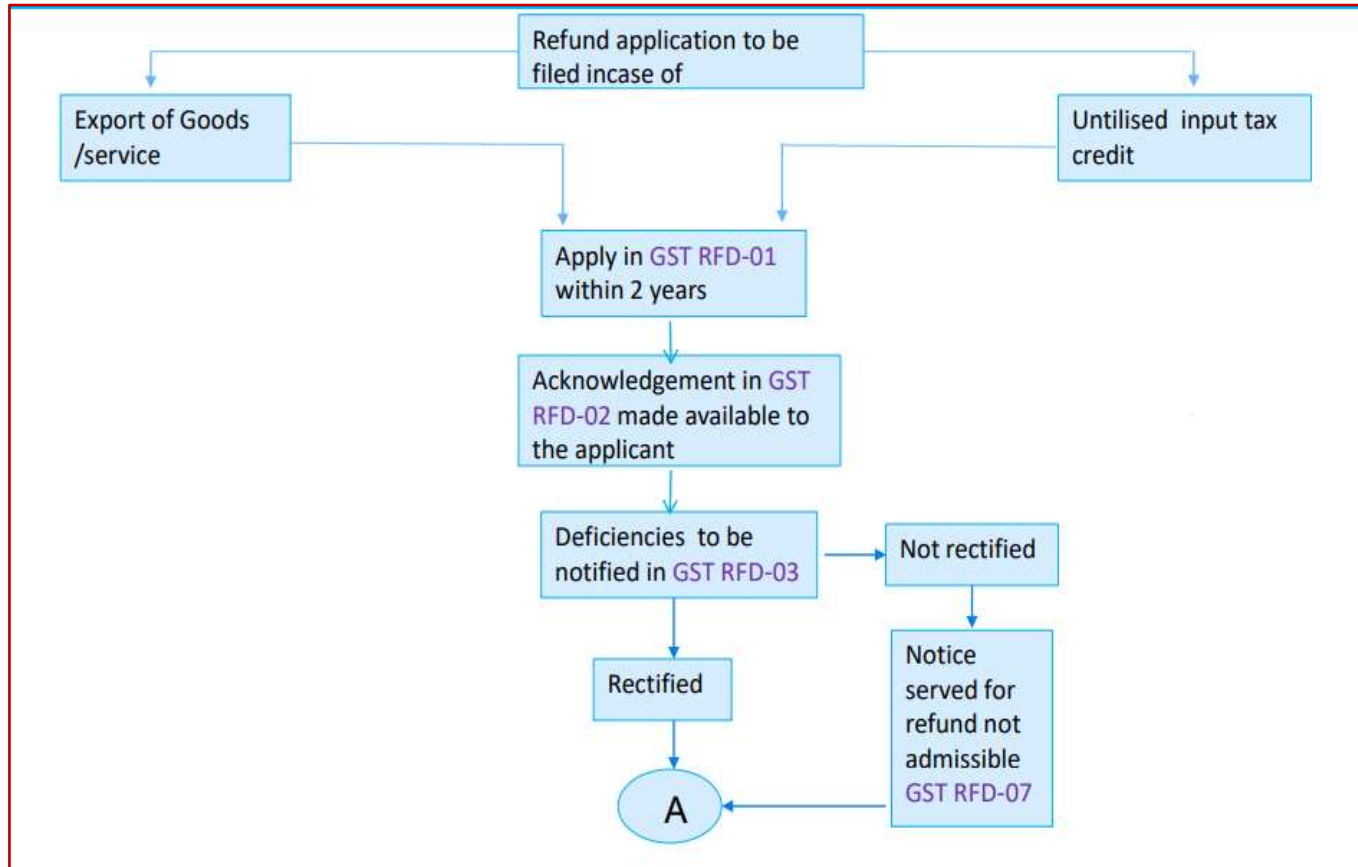
## ***Extension of period of 2 years for refund application***

Exclusion of time from the date of filing refund claim to the time of communication of deficiencies for period of two year – Insertion of new provision to Rule 90 (3) of the CGST Rules, 2017 - **CGST (Fourth Amendment) Rules, 2021 dated 18th May, 2021**

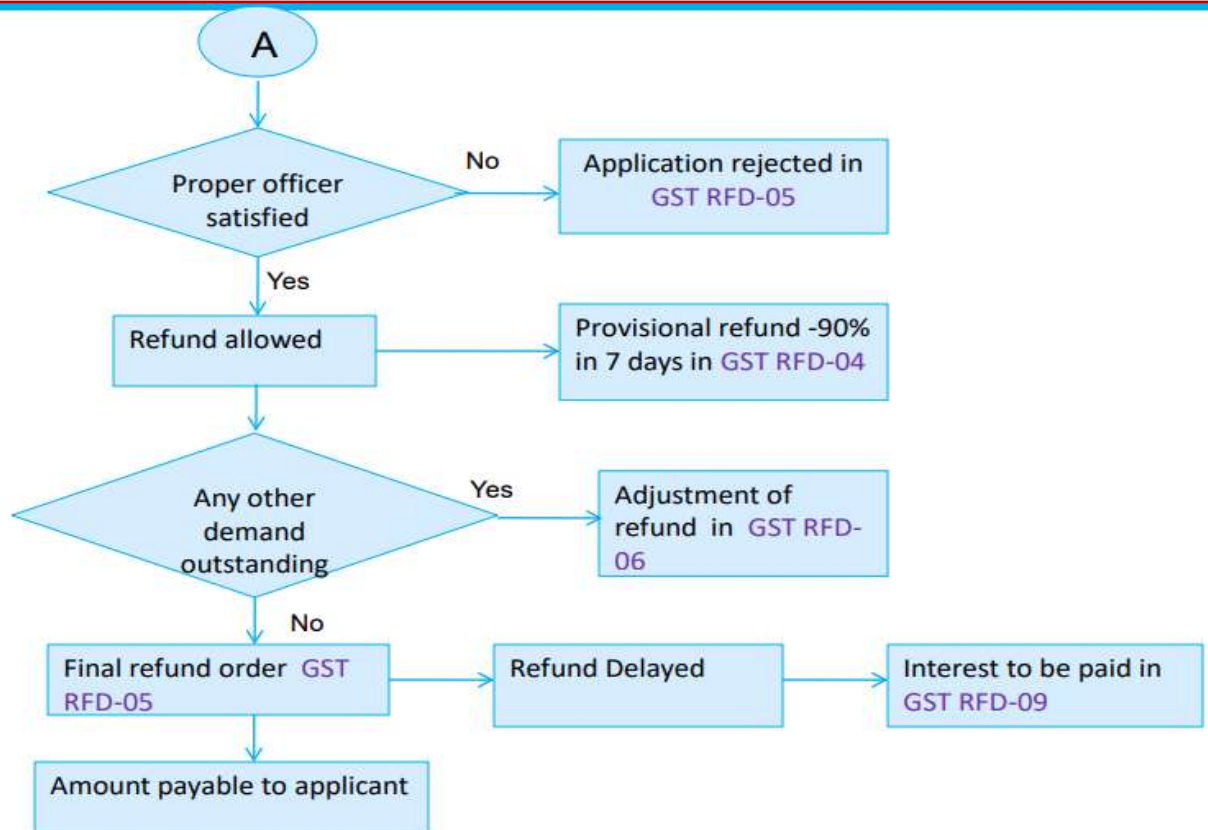
The time period, from the date of filing of the refund claim in **FORM GST RFD-01** till the date of communication of the deficiencies in **FORM GST RFD-03**, shall be excluded from the period of two years, for any fresh refund claim filed after rectification of the deficiencies.

This is a welcome move brought in by CBIC. Earlier the period of filing of GST refund and date of communication of deficiencies was included in the time limit of 2 years. Hence, in case at the time of communication of deficiency, the 2 year period gets over, the claim was rejected.

# Refund procedure



# Refund procedure



# Refund processing dashboard -

## Detailed Status : Show Detailed status of Refund ARN



### Basic Details

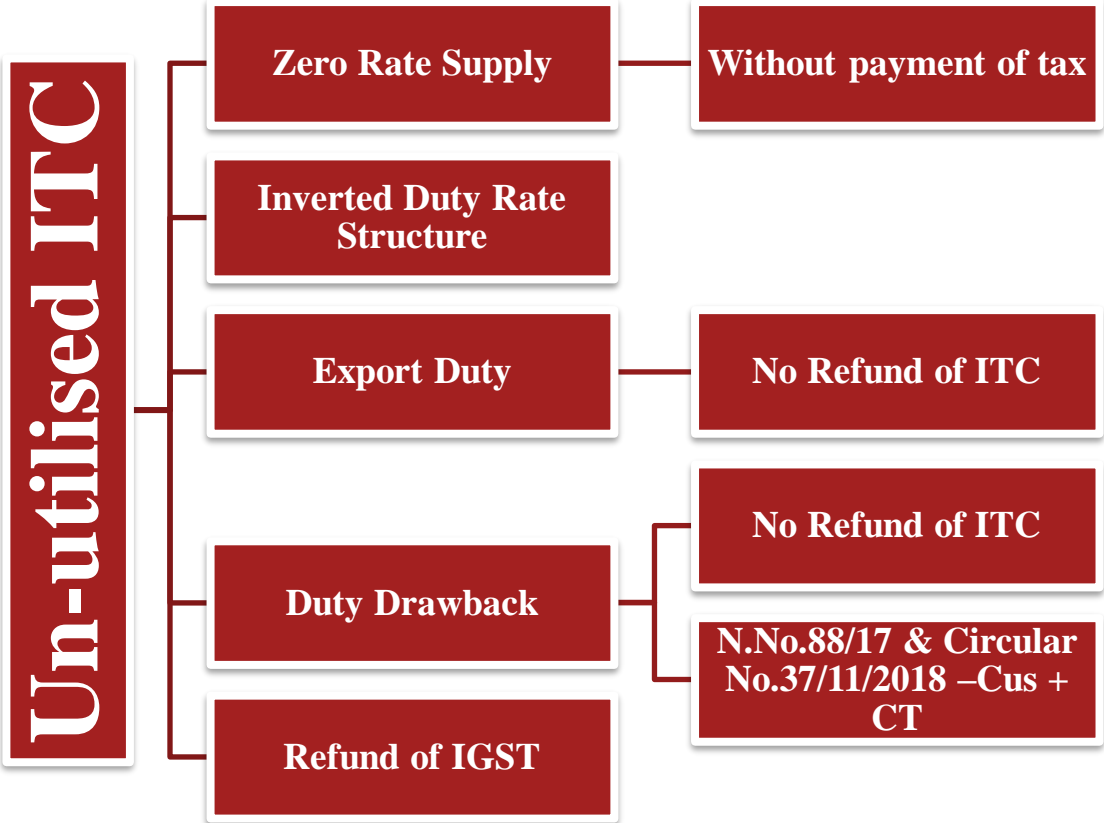
<b>GSTIN</b>	27AAACT1650J1ZE
<b>ARN</b>	AA270322003373S
<b>Type of ARN</b>	Refund
<b>Category</b>	Refund of ITC on Export of Goods & Services without Payment of Tax
<b>Tax Period</b>	OCT-2021 to DEC-2021
<b>ARN Date</b>	01/03/2022
<b>Jurisdiction Information</b>	STATE
<b>Refund Amount Claimed</b>	1591899.0

### Case History

Action	Date	Action By	Document Reference Number
Bank Account Details sent to PFMS for validation	17/07/2021	GST System	NA
Bank Account validated by PFMS	22/07/2021	PFMS	NA
Refund Application filed in RFD-01	01/03/2022	Taxpayer	NA
Acknowledgement issued in RFD-02	09/03/2022	TaxOfficer	ZD270322029531R
Show Cause Notice Issued in RFD-08	13/04/2022	TaxOfficer	ZD270422027673H
Reply to SCN given in RFD-09- Pending for Order	13/04/2022	Taxpayer	ZD270422027673H
Refund Partially Sanctioned in RFD-06	20/04/2022	TaxOfficer	ZD2704220426700
PMT-03 Undertaking has been submitted	02/05/2022	Taxpayer	ZD270522003047U

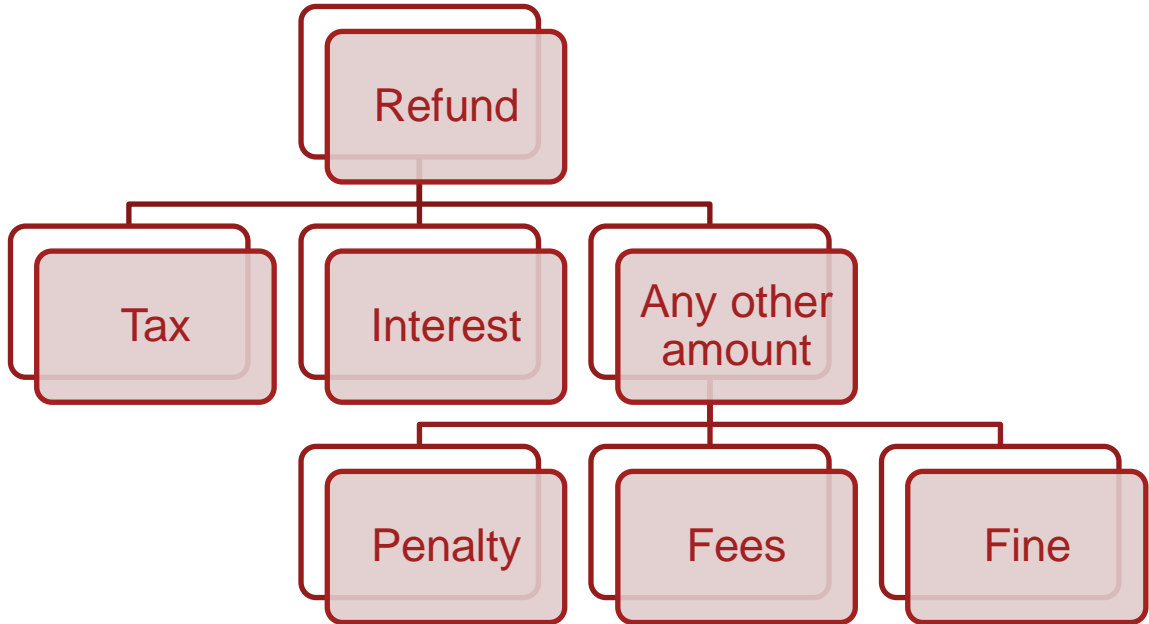
PMT03 Undertaking has been submitted. Kindly wait for the issuance of PMT-03 by Tax Officer for re-crediting the amount to Credit/Cash Ledger, if applicable.

# *Situations when refund of unutilised ITC is given*





# *What may be refunded?*



## ***Refund computation formula (Accumulated ITC)***

- **In case of Accumulated ITC -**

Refund Amount = (Turnover of zero-rated supply of goods + Turnover of zero-rated supply of services) x Net ITC ÷ Adjusted Total Turnover

- Where, "Net ITC" means input tax credit availed on *inputs and input services* during the relevant period other than the input tax credit availed for which refund is claimed under sub-rules (4A) or (4B) or both

## ***Refund computation formula (Inverted Duty) -***

**Maximum Refund Amount** = {(Turnover of inverted rated supply of goods and services) x Net ITC ÷ Adjusted Total Turnover} - **tax payable on such inverted rated supply of goods and services**

**Adjusted Total Turnover** [Rule 89 (4) (E) of the CGST Rules, 2017] means the sum total of the value of-

***(a) the turnover in a State or a UT, as defined u/s 2 (112) , excluding the turnover of services; and*** (b) the turnover of zero-rated supply of services determined in terms of clause (D) above and non-zero-rated supply of services, excluding-

- (i) the value of exempt supplies other than zero-rated supplies; and
- (ii) the turnover of supplies in respect of which refund is claimed under sub-rule (4A) or sub-rule (4B) or both, if any

**Net ITC** shall mean ***input tax credit availed on inputs*** during the relevant period other than the input tax credit availed for which refund is claimed under sub-rules (4A) or (4B) or both [Explanation to Rule 89(5)]

## ***provisional Refund for zero rated supplies***

- **GST law also provides for grant of provisional refund of 90% of the total refund claim, in case the claim relates for refund arising on account of zero rated supplies.**
- **The provisional refund would be paid within 7 days after giving the acknowledgement.**
- **The acknowledgement of refund application is normally issued within a period of 14 days but in case of refund of integrated tax paid on zero rated supplies, the acknowledgement would be issued within a period of 3 days**

# ***Acknowledgement and Deficiency Memo***

- **Where application relates to a claim for refund from the electronic cash ledger - An acknowledgement in FORM GST RFD-02** shall be made available, clearly indicating the date of filing of the claim for refund. Time period of 60 days for passing an order by proper officer shall be counted from such date of filing.
- **The application for refund, other than claim for refund from electronic cash ledger** – To be forwarded to the proper officer who shall, who shall scrutinize it within a period of fifteen days for its completeness, and if found in order, an acknowledgement in FORM GST RFD-02 shall be made available
- Where any deficiencies are noticed, the proper officer shall **communicate the deficiencies** to the applicant in **FORM GST RFD-03** through the common portal electronically, requiring him to file a fresh refund application after rectification of such deficiencies.

## ***Withholding of Refund***

In case of claim of **refund of accumulated input tax credit**, the refund due will be either withheld or deducted in cases where –

- A person defaults in furnishing any return;
- A person is required to pay any tax, interest or penalty ordered, which is not stayed by Court or Appellate Authority within the last date for filing an appeal under this act.

# ***Withholding of Refund***

In case of claim of **refund against payment of IGST**, the refund shall be withheld where, -

- a request has been received from the jurisdictional Commissioner to withhold the payment of refund; or the proper officer of Customs determines that the goods were exported in violation of the provisions of the Customs Act, 1962.
- the proper officer of integrated tax at the Customs station shall intimate the applicant and the jurisdictional Commissioner, and a copy of such intimation shall be transmitted to the common portal
- the proper officer shall pass an order in Part B of FORM GST RFD-07
- Where the applicant becomes entitled to refund of the amount withheld, the concerned jurisdictional officer shall proceed to refund the amount after passing an order in FORM GST RFD-06.

**Order for Release of Refund Amount withheld - Insertion of new provision to Rule 92 (2) of the CGST Rules, 2017 – CGST (Fourth Amendment) Rules, 2021 dated 18th May, 2021**

If the proper officer or the Commissioner is satisfied that the refund is **no longer liable to be withheld**, he may pass an order for release of withheld refund in Part B of FORM GST RFD- 07

# ***Withdrawal of Refund Appl and recredit of amount***

## **Withdrawal of refund application – Insertion of sub rule 5 in Rule 90 of the CGST Rules, 2017 - CGST (Fourth Amendment) Rules, 2021 dated 18th May, 2021**

The refund applicant which is filed (in FORM GST RFD-01) be withdrawn at any time before -

- a. **issuance of provisional refund sanction order** (in FORM GST RFD-04); or
- b. **final refund sanction order** (in FORM GST RFD-06); or
- c. **payment order** (in FORM GST RFD-05); or
- d. **refund withhold order** (in FORM GST RFD-07); or
- e. **notice** (in FORM GST RFD-08)

by filing an application in **FORM GST RFD-01W**.

## **Recredit of the amount debited from Electronic Credit/Cash Ledger - Insertion of sub rule 6 in Rule 90 of the CGST Rules, 2017 - CGST (Fourth Amendment) Rules, 2021 dated 18th May, 2021**

Once the application for withdrawal of refund in FORM GST RFD-01W is submitted, any amount debited from electronic credit ledger or electronic cash ledger, shall be credited back to the Electronic Credit/Cash ledger



# *If refund is not credited to Bank post approval -*

Intimation on account of Refund not received

ARN\*  
AA270322003735

Refund Application Period  
From: OCTOBER-2021 To: DECEMBER-2021

Refund Amount Claimed  
1591899

Issue Category\*  
Select  
Deficiency Memo/Acknowledgement not received  
Acknowledgment received but provisional refund not sanctioned for more than 10 days  
Deficiency Memo replied, but no acknowledgement received within 15 days  
Provisional refund sanctioned but final refund not received  
Refund sanctioned but payment advice in RFD-05 not issued  
Provisional Refund sanctioned but amount not received  
Final Refund sanctioned but amount not received  
Refund rejected but ITC not credited  
Sanction order received but only SGST amount received  
Sanction order received but only CGST amount received  
Jurisdictional tax officer informed that ARN has not been received on his/her dashboard  
Any issue other than above

Comments  
Please provide comments (<500 characters allowed).

Declaration\*  
☐ I/We THREE M PAPER MFG CO PVT LTD hereby solemnly affirm and declare my/our knowledge and belief and nothing has been concealed therefrom. I/We

This intimation is to be submitted by the taxpayer, in case they have filed any refund application and haven't received the refund.

## Refund Pre-Application Form

### What is Refund Pre-Application Form?

Refund Pre-Application is a form, which need to be submitted by the taxpayers to provide certain information related to nature of business, Aadhaar Number, Income Tax details, export data, expenditure and investment etc.

### What details are captured in Refund Pre-Application Form?

Below details are captured in Refund Pre-Application Form:

1. Nature of Business
2. Date of Issue of IEC (Only for Exporters)
3. Aadhaar Number of Primary Authorized Signatory
4. Value of Exports made in the Financial Year 2019-2020 (till date) (Only for Exporter)
5. Income tax paid in Financial Year 2018-2019
6. Advance tax paid in Financial Year 2019-2020 (till date)
7. Capital Expenditure and investment made in Financial Year 2018-2019

### How can I submit Refund Pre-Application Form?

Navigate to **Services > Refunds > Refund pre-application Form** option to submit Refund Pre-Application Form.

### I have already submitted the Refund Pre-Application Form. I want to revise it now. Can I do so?

Once submitted, the Refund Pre-Application Form cannot be edited, revised or re-submitted again.

## Refund Pre-Application Form

1. Login to the GST Portal. Navigate to Services > Refunds > Refund pre-application Form option.

Dashboard	Services ▾	GST Law	Downloads ▾	Search Taxpayer ▾	Help ▾	e-Way Bill System	New Return (Trial) ▾
Registration	Ledgers	Returns	Payments	User Services	Refunds		
Application for Refund				Refund pre-application form			
My Saved/Filed Applications				Track Application Status			
Track status of invoice data to be shared with ICEGATE				Intimation on account of Refund not received			

Note:

- Taxpayer is not required to sign the Refund Pre-Application form.
- Once the form is submitted, you cannot edit or re-submit the form.

## Refund Pre-Application Form

Dashboard

### Refund Pre-Application Form

GSTIN- 29DAACD1191F520

Legal Name - Adaequare  
New Info Pvt Ltd

Filing Date - 04/02/2020

Nature of Business : \*

1. Manufacturer ☐

2. Merchant Exporter ☐

3. Service Provider ☐

4. Trader ☐

Date of Issue of IEC (Only for Exporter)

dd/mm/yyyy

AADHAAR Number\* 

Value of Exports made in the Financial  
Year 2019-2020 (till date) (Only for  
Exporter):

Income tax paid in Financial Year 2018-  
2019\*

Advance tax paid in Financial Year 2019-  
2020 (till date)\*

Capital Expenditure and investment made  
in Financial Year 2018-2019\*

☒ I/We 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 hereby also agree that I/We won't be allowed to modify or resubmit this information once submitted.

SUBMIT

No signature required, on clicking this button form  
will be submitted, with no option to edit or re-submit

## Letter of Undertaking (LUT) for Export of Goods or Services (Form GST RFD 11)

### Who has to furnish a Letter of Undertaking?

Any registered person availing the option to supply goods or services for export /SEZs without payment of integrated tax has to furnish, prior to export/SEZs supply, a Letter of Undertaking (LUT), if he has not been prosecuted for tax evasion for an amount of Rs 2.5 Crore or above under the CGST Act/IGST Act/Existing law. Example of transactions for which LUT can be used are:

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.

### How can I file LUT?

All registered taxpayers who have zero-rated supply of goods or services have to furnish LUT in Form GST RFD-11 on the GST Portal before affecting such supply. Access the GST portal and login using valid credentials. Navigate to **Services > User Services > Furnish Letter of Undertaking (LUT)** command to file LUT.

### What is to be filled in LUT?

GSTIN and Name (Legal Name) of the Taxpayer would get prefilled based on login. Taxpayer needs to select the financial year for which LUT is being filed, enter the name, address and occupation details of two independent and reliable witnesses. Taxpayer also needs to select all the points of self-declaration before filing the LUT.

### How would I know that the process of furnishing LUT has been completed?

After successful filing, system will generate ARN and acknowledgement. You will be informed about successful filing via SMS and Email and you can also download the acknowledgement as PDF.

## Option to file refund application spread across multiple Financial Years

- ❑ Hon'ble Delhi High Court in Order dated 21.01.2020, in the case of ***M/s Pitambra Books Pvt Ltd.***, has stayed the rigor of paragraph 8 of Circular No. 125/44/2019-GST dated 18.11.2019. Hon'ble Delhi High Court further observed that the ***Circulars can supplant but not supplement the law.***
- ❑ CBIC decided to remove the restriction on clubbing of tax periods across Financial Years. Accordingly, circular No. 125/44/2019-GST dated 18.11.2019 was modified to that extent i.e. the restriction on bunching of refund claims across financial years shall not apply.
- ❑ ***Giving effect to this modification, GSTN portal has now enabled option to file GST Refund Application across multiple financial years.***

## Option to file refund application spread across multiple Financial Years

**Illustration** – Earlier taxpayer was only able to file Refund application for a single financial Year – either single application or multiple application for single FY

S. No	Refund Period	Financial Year for Refund	Filing of Refund prior to enhancement	Filing of Refund post enabling the enhancement
1	January 2020 to June 2020	2019 – 20 and 2020-21	More than 2 refund applications to be filed (minimum one each for period Jan 2020 to March 2020 and for April 2020 to June 2020)	Single refund application can be filed for Jan 2020 to June 2020

The screenshot displays the GST Refund application form (GST RFD-01) for 'Refund of ITC on Export of Goods & Services without Payment of Tax'. The form includes fields for 'GSTIN/UIN/Temporary ID' and 'Legal Name'. The 'From Period' is set to 'JANUARY 2020' and the 'To Period' is set to 'JUNE 2020', which are highlighted with a red box. Below the form, there is an 'Important Message' section and a field for 'Adjusted Total Turnover'.

# **Sample Refund Filing process – Accumulated ITC without payment of IGST**





# ***Refund on account of Zero Rated Supplies***

**“Zero rated supply” under Section 16 of the IGST Act, 2017 means any of the following supplies of goods or services or both, namely:**

- ✓ export of goods or services or both; or**
- ✓ supply of goods or services or both to a SEZ Unit or SEZ Developer.**

**Every person making claim of refund on account of zero rated supplies has two options:**

**Either he can export under Bond/LUT and claim refund of accumulated Input Tax Credit**

**He may export on payment of integrated tax and claim refund of thereof as per the provisions of Section 54 of CGST Act, 2017.**

## **Application Type: Input Tax Credit (ITC) on Export of Goods & Services without Payment of Integrated Tax**

### **Collation of documents/ details for filing refund -**

<b>S. No</b>	<b>Details</b>	<b>Source Document</b>
1	Monthly ITC availed	Inward Register and GSTR 3B
2	Zero rated supply Turnover	Export Register and GSTR 1/3B
3	Adjusted Turnover	Outward Register (Sales Register) and GSTR 1/3B
4	Monthly ITC utilised	GSTR 3B for particular month
5	Summary of Net ITC available after Utilisation	GSTR 3B and ITC register
6	Balance of ITC as on date of refund	Electronic Credit Ledger Extract (GSTN Portal)
7	Statement 3 (Rule 89(2) (b) and (c))	Export Invoice No and date, Shipping Bill No & date, EGM No and date, BRC/FIRC No and date.

**Application Type: Input Tax Credit (ITC) on Export of Goods & Services  
without Payment of Integrated Tax**

<b>PART-A: Summary of month wise Input Tax Credit (ITC) availed</b>				
<b>Month</b>	<b>IGST</b>	<b>CGST</b>	<b>SGST</b>	<b>Total ITC</b>
<b>Jul-21</b>	19,24,155	9,68,250	9,68,250	38,60,655
<b>Aug-21</b>	21,97,773	22,78,890	22,78,890	67,55,553
<b>Sep-21</b>	41,93,807	14,75,874	14,75,874	71,45,555
<b>Oct-21</b>	68,28,591	22,71,868	22,71,868	1,13,72,327
<b>Nov-21</b>	94,44,047	19,78,342	19,78,342	1,34,00,731
<b>Dec-21</b>	98,44,502	18,07,458	18,07,458	1,34,59,418
<b>Jan-22</b>	59,43,228	18,69,067	18,69,067	96,81,362
<b>Feb-22</b>	69,43,745	16,47,735	16,47,735	1,02,39,215
<b>Mar-22</b>	42,18,698	30,06,580	30,06,580	1,02,31,858
<b>Total</b>	<b>5,15,38,546</b>	<b>1,73,04,064</b>	<b>1,73,04,064</b>	<b>8,61,46,674</b>

**Application Type: Input Tax Credit (ITC) on Export of Goods & Services  
without Payment of Integrated Tax**

Month	Export Turnover as per GSTR-3B	Export Turnover as per Export Register	Difference
Oct-21	3,25,52,589	3,25,52,589	-
Nov-21	14,44,93,747	14,44,93,747	-
Dec-21	15,40,35,832	15,40,35,832	-
Jan-22	7,10,09,127	7,10,09,127	-
Feb-22	9,10,97,938	9,10,97,938	-
Mar-22	6,03,43,940	6,03,43,940	-
Total	55,35,33,173	55,35,33,173	-

**Application Type: Input Tax Credit (ITC) on Export of Goods & Services without Payment of Integrated Tax**

<b>PART-B: Summary of month wise Zero Rated Supply</b>		<b>PART-C: Summary of month wise Adjusted Turnover</b>	
<b>Month</b>	<b>Zero Rated Turnover</b>	<b>Month</b>	<b>Adjusted Turnover</b>
Jul-21	5,36,22,833	Jul-21	18,08,48,246
Aug-21	3,03,10,115	Aug-21	24,78,65,688
Sep-21	6,36,58,792	Sep-21	21,43,25,050
Oct-21	3,25,52,589	Oct-21	6,02,81,815
Nov-21	14,44,93,747	Nov-21	16,45,87,545
Dec-21	15,40,35,832	Dec-21	36,39,83,521
Jan-22	7,10,09,127	Jan-22	15,70,52,214
Feb-22	9,10,97,938	Feb-22	24,74,90,807
Mar-22	6,03,43,940	Mar-22	19,82,30,119
<b>Total</b>	<b>70,11,24,913</b>	<b>Total</b>	<b>1,83,46,65,005</b>

## Application Type: Input Tax Credit (ITC) on Export of Goods & Services without Payment of Integrated Tax

<b>PART-D: Computation of Eligible ITC Refund that can be claimed (Computed based on ITC availed*Zero rated supplies/ Adjusted Turnover)</b>				
<b>Month</b>	<b>IGST</b>	<b>CGST</b>	<b>SGST</b>	<b>Total ITC</b>
<b>Jul-21</b>	5,70,526	2,87,093	2,87,093	11,44,713
<b>Aug-21</b>	2,68,753	2,78,673	2,78,673	8,26,099
<b>Sep-21</b>	12,45,644	4,38,364	4,38,364	21,22,372
<b>Oct-21</b>	36,87,485	12,26,824	12,26,824	61,41,134
<b>Nov-21</b>	82,91,063	17,36,815	17,36,815	1,17,64,692
<b>Dec-21</b>	41,66,139	7,64,906	7,64,906	56,95,952
<b>Jan-22</b>	26,87,154	8,45,074	8,45,074	43,77,303
<b>Feb-22</b>	25,55,896	6,06,508	6,06,508	37,68,913
<b>Mar-22</b>	12,84,229	9,15,244	9,15,244	31,14,717
<b>Total</b>	<b>2,47,56,890</b>	<b>70,99,502</b>	<b>70,99,502</b>	<b>3,89,55,893</b>

**(Formula = ITC availed\*Zero rated supplies/ Adjusted Turnover)**

**July 2021 – ITC availed – IGST** 19,24,155 . ZERO Rated - 5,36,22,833 and Adjusted Turnover - 18,08,48,246.

Hence Eligible ITC =  $19,24,155 * 5,36,22,833 / 18,08,48,246$

**So eligible ITC = 5,70,526 (IGST)**

## Application Type: Input Tax Credit (ITC) on Export of Goods & Services without Payment of Integrated Tax

**PART-D: Computation of Eligible ITC Refund that can be claimed (Computed based on ITC availed\*Zero rated supplies/ Adjusted Turnover)**

Month	IGST	CGST	SGST	Total ITC
Jul-21				
Aug-21				
Sep-21				
Oct-21	<b>Do It Yourself</b>			
Nov-21				
Dec-21				
Jan-22				
Feb-22				
Mar-22				
<b>Total</b>				

**(Formula = ITC availed\*Zero rated supplies/ Adjusted Turnover)**

**July 2021 – ITC availed – IGST** 19,24,155 . ZERO Rated - 5,36,22,833 and Adjusted Turnover - 18,08,48,246.

Hence Eligible ITC =  $19,24,155 * 5,36,22,833 / 18,08,48,246$

**So eligible ITC = 5,70,526 (IGST)**

**Application Type: Input Tax Credit (ITC) on Export of Goods & Services  
without Payment of Integrated Tax**

<b>PART-E: Summary of month wise Net ITC available after utilisation</b>				
<b>Month</b>	<b>IGST</b>	<b>CGST</b>	<b>SGST</b>	<b>Total Net ITC</b>
<b>Jul-21</b>	-	-	-	-
<b>Aug-21</b>	-	-	-	-
<b>Sep-21</b>	-	-	-	-
<b>Oct-21</b>	61,19,533	19,36,559	19,36,559	99,92,651
<b>Nov-21</b>	1,52,26,456	35,80,879	35,80,879	2,23,88,214
<b>Dec-21</b>	2,35,94,388	7,84,209	7,84,209	2,51,62,806
<b>Jan-22</b>	2,81,99,018	11,67,416	11,67,416	3,05,33,850
<b>Feb-22</b>	3,27,25,678	1,19,959	1,19,959	3,29,65,596
<b>Mar-22</b>	3,45,59,973	8,38,495	8,38,495	3,62,36,963



**Application Type: Input Tax Credit (ITC) on Export of Goods & Services without Payment of Integrated Tax**

PART-F: Summary of month wise ITC Utilised				
Month	IGST	CGST	SGST	Total Liability
Jul-21	19,24,155	9,68,250	9,68,250	38,60,655
Aug-21	21,97,773	22,78,890	22,78,890	67,55,553
Sep-21	41,93,807	14,75,874	14,75,874	71,45,555
Oct-21	7,09,058	3,35,309	3,35,309	13,79,676
Nov-21	3,37,124	3,34,022	3,34,022	10,05,168
Dec-21	14,76,570	46,04,128	46,04,128	1,06,84,826
Jan-22	13,38,598	14,85,860	14,85,860	43,10,318
Feb-22	24,17,085	26,95,192	26,95,192	78,07,469
Mar-22	23,84,403	22,88,044	22,88,044	69,60,491
Total	1,69,78,573	1,64,65,569	1,64,65,569	4,99,09,711

**Application Type: Input Tax Credit (ITC) on Export of Goods & Services  
without Payment of Integrated Tax**

<b>PART-G: Computation of eligible ITC for Refund (Lowest of net available ITC at the end of the month Vs. Eligible ITC that can be claimed for refund)</b>				
<b>Month</b>	<b>IGST</b>	<b>CGST</b>	<b>SGST</b>	<b>Total Net ITC</b>
<b>Jul-21</b>	-	-	-	-
<b>Aug-21</b>	-	-	-	-
<b>Sep-21</b>	-	-	-	-
<b>Oct-21</b>	36,87,485	12,26,824	12,26,824	61,41,134
<b>Nov-21</b>	82,91,063	17,36,815	17,36,815	1,17,64,692
<b>Dec-21</b>	41,66,139	7,64,906	7,64,906	56,95,952
<b>Jan-22</b>	26,87,154	8,45,074	8,45,074	43,77,303
<b>Feb-22</b>	25,55,896	1,19,959	1,19,959	27,95,814
<b>Mar-22</b>	12,84,229	8,38,495	8,38,495	29,61,219
<b>Total</b>	<b>2,26,71,967</b>	<b>55,32,074</b>	<b>55,32,074</b>	<b>3,37,36,114</b>

**Eligible ITC available – Lower of Net ITC available in ECL or Eligible ITC as per formula**

## Final Refund Figure -

PART-A: Summary of ITC Balance available as on the date of refund application				
Particulars	IGST	CGST	SGST	Total ITC Utilised
Current B	5,34,14,452	50,13,991	28,11,710	6,12,40,153
Closing B-Oct	4,97,26,967	37,87,167	15,84,886	5,50,99,019
Closing B-Nov	4,14,35,903	20,50,352	-	4,34,86,256
Closing B-Dec	3,72,69,764	12,85,446	-	3,85,55,210
Closing B-Jan	3,45,82,610	4,40,372	-	3,50,22,982
Closing B-Feb	3,20,26,714	3,20,413	-	3,23,47,127
Closing B-Mar	3,07,42,485	-	-	3,07,42,485

## Final Refund Figure -

<b>PART-B: Computation of eligible ITC for Refund (Lowest of net available ITC at the end of the month Vs. Eligible ITC that can be claimed for refund)</b>				
<b>Month</b>	<b>IGST</b>	<b>CGST</b>	<b>SGST</b>	<b>Total Net ITC</b>
<b>Jul-21</b>	-	-	-	-
<b>Aug-21</b>	-	-	-	-
<b>Sep-21</b>	-	-	-	-
<b>Oct-21</b>	36,87,485	12,26,824	12,26,824	61,41,134
<b>Nov-21</b>	82,91,063	17,36,815	17,36,815	1,17,64,692
<b>Dec-21</b>	41,66,139	7,64,906	7,64,906	56,95,952
<b>Jan-22</b>	26,87,154	8,45,074	8,45,074	43,77,303
<b>Feb-22</b>	25,55,896	1,19,959	1,19,959	27,95,814
<b>Mar-22</b>	12,84,229	8,38,495	8,38,495	29,61,219
<b>Total</b>	<b>2,26,71,967</b>	<b>55,32,074</b>	<b>55,32,074</b>	<b>3,37,36,114</b>

## Final Refund Figure -

PART-C: Final ITC that can be claimed for refund (Lowest of ITC computed in Part-B with ITC balance in ECL)				
Month	IGST	CGST	SGST	Total Net ITC
Jul-21	-	-	-	-
Aug-21	-	-	-	-
Sep-21	-	-	-	-
Oct-21	36,87,485	12,26,824	12,26,824	61,41,134
Nov-21	82,91,063	17,36,815	15,84,886	1,16,12,764
Dec-21	41,66,139	7,64,906	-	49,31,046
Jan-22	26,87,154	8,45,074	-	35,32,228
Feb-22	25,55,896	1,19,959	-	26,75,855
Mar-22	12,84,229	3,20,413	-	16,04,641
<b>Total</b>	<b>2,26,71,967</b>	<b>50,13,991</b>	<b>28,11,710</b>	<b>3,04,97,668</b>
<b>% of Refund to be claimed from the ITC Balance</b>				<b>49.80%</b>

# Refund of ITC on Export of Goods / Services without Payment of IGST

Computation of Refund to be claimed (Statement 3A)


	Turnover of zero rated supply of goods and services (1) (₹) *	Net input tax credit (2) (₹) *	Adjusted total turnover (3) (₹) *	Refund amount ((1×2)÷3) (₹)
Integrated Tax	₹0.00	₹0.00	₹0.00	0.00
Central Tax		₹0.00		0.00
State/UT Tax		₹0.00		0.00
CESS		₹0.00		0.00

## Important Message

- \* Please enter the same Turnover of zero rated supply of goods and services (Column 1) under all heads (Integrated, Central, State and Cess).
- \* Please enter the same Adjusted total turnover (Column 3) under all heads (Integrated, Central, State and Cess). **NOTE - "Adjusted Total turnover"** means the turnover in a State or a Union territory, as defined under clause (112) of section 2, excluding the value of exempt supplies other than zero-rated supplies, during the relevant period.

# Refund application – ECL Debit

Viewing Electronic Credit ledger details from 01/03/2022 to 31/03/2022

Sr. No.	Date	Reference No.	Tax Period,if any	Description	Transaction Type (Debit/ Credit)	Credit / Debit (₹)			
						Integrated tax (₹)	Central tax	State Tax	Cess
1	-	-	-	Opening Balance		-	-	-	-
2	01/03/2022	DI2703220003790	Dec-21	Refund claimed from ITC Ledger	Debit	0.00	0.00	0.00	15,91,899.00
3	19/03/2022	AB270222422543K	Feb-22	ITC accrued through - Inputs	Credit	2,11,87,132.00	59,53,717.00	59,53,717.00	1,76,857.00
4	19/03/2022	DI2703220336167	Feb-22	Other than reverse charge	Debit	1,73,49,625.00	0.00	0.00	0.00
5	-	-	-	Closing Balance	-	-	-	-	-

# ***Refund of ITC on Export of Goods / Services without Payment of IGST***

Amount eligible for Refund (in ₹)

	Values as per Statement 3A (₹)	Balance in Electronic Credit Ledger (₹)	Tax Credit Availed during the period (₹)	Eligible amount (Lowest of all) (₹)
Integrated Tax	0.00	0.00	0.00	0.00
Central Tax	0.00	0.00	0.00	0.00
State/UT Tax	0.00	0.00	0.00	0.00
CESS	0.00	0.00	0.00	0.00

**Note:** The balance in the Electronic Credit Ledger is only for 'Matched ITC'.

Refund Claimed (in ₹)

Head	Integrated Tax (₹) *	Central Tax (₹) *	State/UT Tax (₹) *	CESS (₹) *	Total (₹) *
TAX(ITC)	0.00	0.00	0.00	0.00	0.00



## ***Refund on account of wrong payment of tax***

**In case a taxable person has paid integrated tax instead of central tax plus state tax and vice versa because of incorrect application of the place of supply provisions:**

**➤Taxable person is required to make appropriate payment of tax, however interest will not be charged for such wrong payment and refund claim for wrong tax paid will be allowed without subjecting it to the provision of unjust enrichment.**

# **Refund of ITC - Inverted Duty Structure**

## **Conditions for filing Claim –**

- 1. Filing of GSTR 1 and GSTR 3B for the relevant tax period is complete**
- 2. Fill out form RFD – 01A on GSTN Portal**
- 3. Generate ARN on Portal**
- 4. Online submission of Complete application and documents supporting the claim to jurisdictional authority**
- 5. Refund to processed and disbursed electronically**
- 6. Jurisdiction can be checked from GSTN Portal**

# ***Refund of ITC - Inverted Duty Structure***

**Refund of unutilised Input Tax Credit (ITC) is available to the taxpayers if the rate of tax on inputs is higher than the rate of tax on outputs:**

Computation of Refund to be claimed (Statement 1)

	Turnover of inverted rated supply of goods (1) (₹) *	Tax payable on such inverted rated supply of goods (2) (₹) *	Adjusted total turnover (3) (₹) *	Net input tax credit (4) (₹) *	Maximum Refund amount to be claimed (5) $[(1 \times 4 \div 3) - 2]$ (₹)
Integrated Tax	₹0.00	₹0.00	₹0.00	₹0.00	0.00
Central Tax		₹0.00		₹0.00	0.00
State/UT Tax		₹0.00		₹0.00	0.00
CESS		₹0.00		₹0.00	0.00

# Refund of ITC - Inverted Duty Structure

## Amount eligible for Refund (in ₹)

	Values as per Statement 1 (₹)	Balance in Electronic Credit Ledger (₹)	Tax Credit Availed during the period (₹)	Eligible amount (Lowest of all) (₹)
Integrated Tax	0.00	0.00	0.00	0.00
Central Tax	0.00	0.00	0.00	0.00
State/UT Tax	0.00	0.00	0.00	0.00
CESS	0.00	0.00	0.00	0.00

**Note:** The balance in the Electronic Credit Ledger is only for 'Matched ITC'.

## Refund Claimed (in ₹)

Head	Integrated Tax (₹) *	Central Tax (₹) *	State/UT Tax (₹) *	CESS (₹) *	Total (₹) *
TAX(ITC)	0.00	0.00	0.00	0.00	0.00

# Questions Please

Thank you

Thanks for your Patience and Time

