

GST

Refunds in GST



Timely Refunds Mechanism



7 years of GST

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GST

GOODS AND SERVICES TAX

Refunds under GST

(Updated as on November 2024)



Directorate General of Taxpayer Services
CENTRAL BOARD OF INDIRECT TAXES & CUSTOMS
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Introduction:

Timely refund mechanism is essential in tax administration, as it facilitates trade through release of blocked funds for working capital, expansion and modernization of existing business.

The provisions pertaining to refund contained in the GST law aim to streamline and standardise the refund procedures under GST regime. Thus, under the GST regime there is a standardised form for making any claim for refunds. The claim and sanctioning procedure are completely online and time bound which is a marked departure from the erstwhile time consuming and cumbersome procedure.

Situations leading to refund claims:

The relevant date provision embodied in Section 54 of the CGST Act, 2017, provision contained in Section 77 of the CGST Act, 2017 and the requirement of submission of relevant documents as listed in Rule 89(2) of CGST Rules, 2017 is an indicator of the various situations that may necessitate a refund claim. A claim for refund may arise on account of:

- (a) export of goods or services;
- (b) supplies to SEZs units and developers;
- (c) supply of goods regarded as Deemed Exports;
- (d) refund of taxes on purchase made by UN or embassies etc. under Section 55 of CGST Act, 2017;
- (e) refund arising on account of judgment, decree, order or direction of the Appellate Authority, Appellate Tribunal or any court;
- (f) refund of accumulated Input Tax Credit on account of inverted rate structure;
- (g) finalisation of provisional assessment;
- (h) refund of pre-deposit;
- (i) tax paid in excess/by mistake;
- (j) Refunds to International tourists of GST paid on goods in India and carried abroad at the time of their departure from India (not notified yet);
- (k) refund of tax paid in wrong head under Section 77 of CGST Act, 2017 & Section 19 of IGST Act, 2017 (treating the supply as intra-State supply which is subsequently held as inter-State supply and vice versa);
- (l) refund on account of any other reasons.

Thus, practically every situation is covered. The GST law requires that every claim for refund is to be filed within 2 years from the relevant date.

Treatment for Zero Rated Supplies:

One of the categories under which claim for refund may arise would be on account of exports. All exports (whether of goods or services) as well as supplies to SEZs have been categorised as Zero Rated Supplies in the IGST Act, 2017. “Zero Rated Supply” under Section 16 of the IGST Act, 2017 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 to a Special Economic Zone developer or a Special Economic Zone unit.

On account of zero rating of supplies, the supplier is entitled to claim Input Tax Credit in respect of goods or services or both used for such supplies even though they might be non-taxable or even exempt supplies. Every person making claim of refund on account of zero rated supplies has to export under

- CBIC vide Circular No. 159/15/2021 dated 20.09.2021 has been issued clarifying the doubts related to scope of intermediary. Further, Circular No. 161/17/2021 dated 20.09.2021 has been issued clarifying the issue related export of services with respect to condition no. (v) of Section 2(6) of IGST Act, 2017. Further vide entry at sl. No. 3 of the table under Circular No. 160/16/2021-GST dated 20.09.2021, the term subjected to export duty as mentioned in second proviso to Section 54(3) of the CGST Act, 2017 has been clarified to include only those goods which are actually subjected to export duty i.e. on which some export duty has to be paid at the time of export thereby excluding the goods on which the export duty is Nil or which are fully exempt from the export duty. Further, a Circular No. 173/05/2022-GST dated 06.07.2022 has been issued for clarifying the issue relating to refund under inverted duty structure where the supplier is supplying goods under some concessional notification.
- The time period from 01.03.2020 to 28.02.2022 would be excluded for computation of period of limitation for filing refund application under Section 54 or section 55 of the CGST Act, 2017.
- Also, a Circular No. 174/06/2022-GST dated 06.07.2022 has been issued prescribing the manner of re-credit in electronic credit ledger using **FORM GST PMT-03A** on account of deposit of erroneous refund of unutilised ITC and refund of IGST obtained in contravention of sub-Rule (10) of Rule 96 of the CGST Rules, 2017.
- Omitted (w.e.f. 1st October, 2023 vide Notification No. 28/2023-C.T., dated 31st July, 2023.) by s. 146 of The Finance Act 2023 (No. 8 of 2023). It has been omitted under section 54 (6) that “excluding the amount of input tax credit provisionally accepted” by w.e.f. 1st October, 2023 vide Notification No. 28/2023-C.T., dated 31st July, 2023. by s. 146 of The Finance Act 2023 (No. 8 of 2023).
- Inserted by section 128 of The Finance Act (No. 2) Act, 2024 No. 15 of 2024 dated 16.08.2024.

It has been inserted by section 128 of the Finance Act (No. 2) Act, 2024 No. 15 of 2024 dated 16.08.2024 under section 54 (15) that notwithstanding anything contained in this section, no refund of unutilised input tax credit on account of zero rated supply of goods or of integrated tax paid on account of zero rated supply of goods shall be allowed where such zero rated supply of goods is subjected to export duty.

Power with the Commissioner to withhold refund in certain cases:

GST law provides that where an order giving rise to a refund is the subject matter of an appeal or further proceedings or where any other proceedings under GST Act is pending and the Commissioner is of the opinion that grant of such refund is likely to adversely affect the revenue in the said appeal or other proceedings on account of malfeasance or fraud committed, he may, after giving the taxable person an opportunity of being heard, withhold the refund in **Part A of Form GST RFD-07** till such time as he may determine. Further, once the reasons for withholding refund no more exist, such withheld refunds may be released by passing an order in **Part-B of Form GST RFD-07**.

Circular No. 188/20/2022-GST dated 27.12.2022 has been issued prescribing manner of claiming refund by unregistered persons. Circular No. 197/09/2023-GST dated 17.07.2023 has been issued to clarify that Refund of accumulated input tax credit under Section 54(3) shall be given on the basis of that available as per FORM GSTR 2B. Circular No. 202/14/2023-GST dated 27.10.2023 has been issued to provide clarification regarding admissibility of export remittances received in Special INR Vostro account, as permitted by RBI, for the purpose of consideration of supply of services to qualify as export of services.

Conclusion:

In sum, the law envisages a simplified, time bound and technology driven refund procedure with minimal human interface between the taxpayer and tax authorities.

05.07.2022 by way of insertion of clause (ba) in sub-rule (2) of Rule 89 and Statement 3B in **FORM GST RFD-01** to provide for filing of an application of refund of unutilised ITC by an exporter of electricity. Further, Circular No. 175/07/2022-GST dated 06.07.2022 has been issued to prescribe procedure for filing and processing of refund of unutilised ITC on account of export of electricity.

Single disbursement authority:

Refund amount sanctioned whether under IGST, CGST, SGST and Cess shall be disbursed either by proper officer of central tax or proper officer of state tax to whom the tax payer is assigned. The taxpayer need not approach the central/state authority for disbursement of IGST, CGST & Cess or SGST post sanction of refund by the tax authority to whom taxpayer is assigned. Where any amount claimed as refund is rejected under Rule 92 of the CGST Rules, 2017, either fully or partly, the amount debited, to the extent of rejection, shall be re-credited to the electronic credit ledger by an order made in **FORM GST PMT-03**

Excess payment of tax to be refunded in cash and as re-credit of ITC:

Rule 92 of the CGST Rules, 2017 has been amended vide Notification No. 16/2020-Central Tax dated 23.03.2020 by inserting sub-Rule (1A) to provide for payment of refund under category excess payment of tax in cash and re-credit of ITC in electronic credit ledger in the same proportion in which the outward tax liability was discharged utilising the cash and ITC during the relevant period.

Withdrawal of refund:

Rule 90 of the CGST Rules, 2017 has been amended by insertion of sub-rule (5) & (6) vide Notification No. 15/2021-Central Tax dated 18.05.2021 to provide for withdrawal of an application for refund even after issuance of acknowledgement provided that no further action such as issuance of provisional/ final refund sanction order or notice for rejection of refund has been taken on the subject refund claim by the proper officer. On submission of application for withdrawal of refund claim, the amount debited by the applicant would be re-credited to the ledger from which the amount was debited while filing the refund claim.

Disbursement of refund amount after sanction:

Section 56 of the CGST Act, 2017 clearly states that if any tax ordered to be refunded is not refunded within 60 days of the date of receipt of application, interest at the rate of 6% (notified vide Notification No. 13/2017-Central Tax dated 28.06.2017) on the refund amount starting shall have to be paid to the claimant. It may be noted that any tax shall be considered to have been refunded only when the amount has been credited to the bank account of the claimant. Therefore, interest will be calculated starting from the date immediately after the expiry of sixty days from the date of receipt of the application till the date on which the amount is credited to the bank account of the claimant. Accordingly, all tax authorities excluding the period of delay as mentioned above have been advised to issue the final sanction order in **FORM GST RFD-06** within 45 days of the date of generation of (ARN).

Latest Clarification on Refunds issued by Board:

Bond/LUT and claim refund of accumulated Input Tax Credit. Further, he may export on payment of integrated tax and claim refund thereof as per the provisions of Section 54 of CGST Act, 2017. Thus, the GST law allows the exporter (which will include the supplier making supplies to SEZ) to claim refund subject to provisions of Section 16(4) of IGST Act, 2017 on export without payment of tax by executing a Bond/LUT.

Grant of provisional refund in case of 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 15 days. The provisional refund would not be granted to such supplier who was, during any period of five years immediately preceding the refund period, was prosecuted where the amount of tax evaded exceeds ₹ 250 Lakh.

Payment of wrong tax:

Under GST it might happen that the taxable person may pay integrated tax instead of central tax plus state tax and vice versa because of incorrect application of the place of supply provisions. In such cases, while making the appropriate payment of tax, interest will not be charged and the refund claim of the wrong tax paid is provided. Accordingly, Rule 89(1A) has been inserted in CGST Rules, 2017 vide Notification No. 35/2021-Central Tax dated 24.09.2021 to prescribe the manner and time period for filing such claim. Further, a Circular No. 162/18/2021-GST dated 25.09.2021 has been issued clarifying the issues pertaining to refund of tax paid in wrong head under Section 77 of CGST Act, 2017 and Section 19 of IGST Act, 2017.

Claim by a person who has borne the incidence of tax:

Any tax collected by the taxable person more than the tax due on such supplies must be credited to the Government account. The law makes explicit provision for the person who has borne the incidence of tax to file refund claim in accordance with the provisions of Section 54 of CGST Act, 2017.

Refunds to casual/non-resident Taxable Persons:

A casual/Non-resident Taxable Person has to pay tax in advance at the time of registration. Refund may become due to such persons at the end of the registration period because the tax paid in advance may be more than the actual tax liability on the supplies made by them during the period of validity of registration period. The law envisages refund to such categories of taxable persons also. But the amount of excess advance tax shall not be refunded unless such person has filed all the returns due during the time their registration was effective. It is only after such compliance that refund will be granted.

Refunds to unregistered persons:

Procedure has been prescribed for claim of refund of tax borne by the unregistered buyers in cases where the contract/agreement for supply of services, like construction of flat/house and long-term insurance policy, is

cancelled and the time period of issuance of credit note by the concerned supplier is over.

Refund to United Nations (UN) bodies and other notified agencies:

Section 55 of the CGST Act, 2017 provides for refund of tax paid on notified supplies received by UN bodies and embassies and other international organisations, notified by the Government, on recommendation of GST Council. Refund under Section 55 of the IGST Act, 2017 has been provided on the basis of reciprocity. A taxable person making supplies to such bodies, notified under Section 55, of the IGST Act, 2017 would charge the tax due and remit the same to government account. However, the UN bodies and other entities notified under Section 55 of the CGST Act, 2017 can claim refund of the taxes paid by them on their purchases. The claim has to be made before the expiry of two years from the last day of the quarter in which such supply was received. It may be noted that refund would be granted by central government as facility of a single UIN has been made available to such agencies. CBIC has issued instructions vide Circular No. F. No. 349/48/2017-GST dated 13.03.2018, F. No. 349/48/2017-GST dated 13.04.2008 and F. No. 349/48/2017-GST dated 14.09.2018.

In addition, Canteen Store Departments (CSDs) have been notified under Section 55 of the CGST Act, 2017 vide Notification No. 6/2017- Central Tax (Rate) dated 28.06.2017 for refund of 50% of applicable central tax paid by it on all inward supplies of goods received by it for the purposes of subsequent supply of such goods to the Unit Run Canteens of the CSD or to the authorized customers of the CSD. Accordingly, a Circular No. 60/34/2018-GST dated 04.09.2018 has been issued regarding processing of refund applications filed by CSDs.

Refund to international tourist:

An enabling mechanism has been introduced in Section 15 of the IGST Act, 2017 whereby an international tourist procuring goods in India, may while leaving the country seek refund of integrated tax paid by them. The term, “tourist” has been defined and refers to any person who is not normally resident in India and who enters India for a stay of not more than 6 months for legitimate non-immigrant purposes. However, the said provision has not been notified yet.

Unjust enrichment:

Talking about unjust enrichment, a presumption is always drawn that the businessman will shift the incidence of tax to the final consumer. This is because GST is an indirect tax whose incidence is to be borne by the consumer. It is for this reason that every claim of refund (barring specified exceptions) need to pass the test of unjust enrichment. And every such claim, if sanctioned, is first transferred to the Consumer Welfare Fund. The GST law makes this test inapplicable in case of refund of accumulated ITC, refund on account of exports, refund of payment of wrong tax (integrated tax instead of central tax plus state tax and vice versa), refund of tax paid on a supply which is not provided or which refund voucher is issued or if the applicant shows that he has not passed on the incidence of tax to any other person. In all other cases the test of unjust enrichment needs to be satisfied for the claim to be paid to the applicant. For crossing the bar of unjust enrichment, if

been notified as deemed export. Further, the third proviso to Rule 89(1) of the CGST Rules, 2017 allows the recipient or the supplier to apply for refund of tax paid on such deemed export supplies. In case such refund is sought by the supplier of deemed export supplies, the documentary evidences as specified in Notification No. 49/2017-Central Tax dated 18.10.2017 are also required to be furnished which includes an acknowledgment by the jurisdictional Tax officer of the AA holder or Export Promotion Capital Goods (EPCG) Authorisation holder, as the case may be, that the said deemed export supplies have been received or a copy of the tax invoice under which such supplies have been made by the supplier, duly signed by the recipient Export Oriented Unit (EOU) that said deemed export supplies have been received by it, an undertaking by the recipient of deemed export supplies that he shall not claim the refund in respect of such supplies and that no input tax credit on such supplies has been availed of by him. The undertaking from the recipient should be submitted by the supplier along with his application for refund claim. Similarly, in case the refund is filed by the recipient of deemed export supplies, an undertaking by the supplier of deemed export supplies that he shall not claim the refund in respect of such supplies is also required to be furnished. The procedure regarding procurement of supplies of goods from DTA by Export Oriented Unit (EOU) / Electronic Hardware Technology Park (EHTP) Unit / Software Technology Park (STP) Unit / Bio-Technology Parks (BTP) Unit under deemed export as laid down in Circular no. 14/14/2017-GST dated 06.11.2017 needs to be complied with.

Further, as per the provisions of Rule 89(2)(g) of the CGST Rules, 2017, the statement 5B of **FORM GST RFD-01** is required to be furnished for claiming refund on supplies declared as deemed exports.

It may be noted that Rule 89(4A) has been inserted, w.e.f. 23.10.2017 in CGST Rules, 2017, vide Notification No. 3/2018-Central Tax dated 23.01.2018 which provides for refund of ITC availed in respect of other inputs or input services used in making zero-rated supply of goods or services or both, where the supplier has availed benefit of Notification No. 48/2017-Central Tax dated 18.10.2017. Further, Rule 89(4B) has been inserted, w.e.f. 23.10.2017, vide Notification No. 3/2018-Central Tax dated 23.01.2018 and amended vide 54/2018-Central Tax dated 09.10.2018 so as to provide that refund of input tax credit, availed in respect of inputs received under the said notifications for export of goods and the input tax credit availed in respect of other inputs or input services to the extent used in making such export of goods, when the exporter has received supplies on which supplier has availed benefit of under Notification No. 40/2017-Central Tax (Rate) dated 23.10.2017 or Notification No. 41/2017-Integrated Tax (Rate) dated 23.10.2017, or when the exporter has himself availed the benefit of duty/tax free procurement under the Notification No. 78/2017-Customs dated 13.10.2017 or Notification No. 79/2017-Customs dated 13.10.2017.

Refund of unutilised ITC on account of Export of electricity:

CGST Rules, 2017 has been amended vide Notification No. 14/2022-CT dated

submitted stating that the claim for sanction of refund has been made to only one of the authorities. A taxpayer who remains unallocated to the Central or State Tax Authority will necessarily have to submit the refund application physically. It is reiterated that the Central Tax officers shall facilitate the processing of the refund claims of all registered persons whether or not such person was registered with the Central Government in the earlier regime.

Electronic filing and processing of refund claims on account of inverted duty structure, deemed exports and excess balance in electronic cash ledger:

The applications / documents / forms pertaining to refund claims on account of inverted duty structure (including supplies in terms of Notification Nos. 40/2017-Central Tax (Rate) and 41/2017-Integrated Tax (Rate) both dated 23.10.2017), deemed exports and excess balance in electronic cash ledger shall be filed and processed online:

- (a) refund of unutilized input tax credit where the credit has accumulated on account of rate of tax on inputs being higher than the rate of tax on output supplies (other than nil rated or fully exempt supplies) of goods or services or both except those supplies which are notified by the Government on the recommendations of the Council (section 54(3) of the CGST Act, 2017 refers);
- (b) refund of tax on the supply of goods regarded as deemed exports; and
- (c) refund of balance in the electronic cash ledger.

Refund claims in respect of inverted duty structure:

Refund claims on account of inverted duty structure shall be filed for a tax period or by clubbing tax periods in **FORM GST RFD-01**. However, the registered persons having Aggregate Annual Turnover of up to ₹ 1.5 Cr in the preceding financial year or the current financial year and opting to file **FORM GSTR-1** on quarterly basis shall apply for refund on a quarterly basis or by clubbing quarters. Further, the refund claim for a tax period may be filed only after filing the details in **FORM GSTR-1** for the said tax period. It is also to be ensured that a valid return in **FORM GSTR-3B** has been filed for the last tax period before the one in which the refund application is being filed.

Circular No.79/53/2018 (rescinded vide Circular No. 125/44/2019-GST dated 18.11.2019) has issued further clarifications in respect of refund claim of inverted rate structure as under:

- (a) Refund of unutilized ITC in case of inverted tax structure, as provided in Section 54(3) of the CGST Act, 2017 is available where ITC remains unutilized even after setting off of available ITC for the payment of output tax liability. Where there are multiple inputs attracting different rates of tax, in the formula provided in Rule 89(5) of the CGST Rules, 2017 the term “Net ITC” covers the ITC availed on all inputs in the relevant period, irrespective of their rate of tax.

Refund claims in respect of Deemed Exports:

Notification No. 48/2017-Central Tax dated 18.10.2017 has been issued under Section 147 of the CGST Act, 2017 wherein certain supplies of goods have

the refund claim is less than ₹ 2 Lakhs, then a self-declaration of the applicant to the effect that the incidence of tax has not been passed to any other person will suffice to process the refund claim. For refund claims exceeding ₹ 2 Lakh, a certificate from a Chartered Accountant/Cost Accountant has to be given.

Standardisation of procedure:

The GST laws contains standardised provisions for making a refund claim. Every claim, except for claim on account of integrated tax paid on export of goods and refund under section 55 of the CGST Act, 2017, has to be filed online in **FORM GST RFD-01**. The application will be assigned by the system to the proper officer who shall, within a period of fifteen days of filing of the said application, scrutinize the application for its completeness and where the application is found to be complete in all terms, an acknowledgement in **FORM GST RFD-02** is made available to the applicant through the common portal electronically. The proper officer has to convey deficiencies, if any, in the refund claimed within 15 days and in such cases the claim will be sent back to the applicant along with the notified deficiencies. The refund claim filed post rectification of deficiencies shall be treated as fresh refund claim. The time period from the date of filing of refund claim to the date of issuance of deficiency memo in Form **GST RFD-03** would be excluded for computation of time period of 2 years for filing of refund claim under sub-section (1) of section 54 of the CGST Act, 2017. The claim, if in order, is sanctioned in **FORM GST RFD-06** within a period of 60 days from the date of receipt of the application if claim is complete in all respects. If this mandatory period is exceeded, interest at the rate of 6% (9% in case of refund made on order passed by an adjudicating authority or Appellate Tribunal or court which has attained finality) then subject to Rule 94 (2) of CGST Rules, 2017, becomes payable along with refund from the expiry of 60 days till the date of payment of refund. However, if the refund claim is on account of pre-deposit made before any appellate authority, the interest becomes payable from the date of making such payment.

Documentation:

The applicant need not file elaborate documents along with the refund claim. Standardised and easy to understand documents have been prescribed. Thus, for every claim the main document prescribed is a statement of relevant invoices (NOT THE INVOICES ITSELF) pertaining to the claim. In case refund is on account of export of services, apart from the statement of invoices, the relevant bank realisation certificates or Foreign Inward Remittance Certificate (FIRC) evidencing receipt of payment in foreign currency is also required to be submitted. If it is a claim made by the supplier to the SEZ unit, an endorsement from the proper officer evidencing receipt of such goods/ services in the SEZ also needs to be submitted. Further, a declaration to the effect that tax has not been collected from the Special Economic Zone unit or the Special Economic Zone developer is required to be submitted. If the claim is for refund of accumulated ITC on account of inverted rate structure, only a statement containing the number and the date of the invoices received and issued during a tax period needs to be given. In case of claim of refund on account of any order or judgment of appellate authority or court, the reference number of the order giving rise to refund should also be given. For crossing the bar of unjust enrichment, if the refund claim is less than ₹ 2 Lakh, then a self-declaration by the applicant to the effect that the incidence of tax

has not been passed to any other person will suffice to process the refund claim. For refund claims exceeding ₹ 2 Lakh, a certificate from a Chartered Accountant/Cost Accountant will have to be given.

Compliance with natural justice:

In case the claim is sought to be rejected by the proper officer, a notice in **FORM GST RFD-08** is given online to the applicant stating the ground on which the refund is sought to be rejected. The applicant needs to respond online within 15 days from the receipt of such notice in **FORM GST RFD-09**. Thus no claim can be rejected without giving applicant an opportunity.

Payment to be credited online:

The refund claim, wherever due, will be directly credited to the bank account of the applicant. The applicant need not come to the authorities to collect the cheques or for any other issues relating to the refund claim.

Procedure for claiming refund of IGST paid on export of goods:

The shipping bill filed by an exporter is deemed to be an application for refund of integrated tax paid on the goods exported out of India and such application is deemed to have been filed only when:

- (a) the person in charge of the conveyance carrying the export goods duly files an export manifest or an export report covering the number and the date of shipping bills or bills of export; and
- (b) the applicant has furnished a valid return in **FORM GSTR-3B**, as the case may be.

The details of the relevant export invoices contained in **FORM GSTR-1** (or Table 6A thereof) are transmitted electronically by the common portal to the system designated by the Customs and the said system shall electronically transmit to the common portal, a confirmation that the goods covered by the said invoices have been exported out of India.

Upon receipt of the information regarding the furnishing of a valid return in **FORM GSTR-3B** and **FORM GSTR-1** from the common portal, the system designated by the Customs (or the proper officer) process the claim for refund and an amount equal to the integrated tax paid in respect of each shipping bill or bill of export is electronically credited to the bank account of the applicant mentioned in his registration particulars and as intimated to the Customs authorities.

As per Rule 96, of the IGST Rules the refund of IGST paid on export of goods is processed and disbursed by Customs. For processing such refund, GST system transmits invoice level data of Table 6A in **FORM GSTR 1** subject to the following validations:

- (a) **FORM GSTR-3B** is filed for the corresponding period, with admitted tax liability under Table 3.1(b);
- (b) export invoices are submitted in **FORM GSTR-1/Table 6A** thereof and have correct shipping bill number, shipping bill date and port code;
- (c) the admitted tax liability of IGST under table 3.1(b) of **FORM GSTR-3B**, is equal to, or greater than, the IGST amount claimed to have been paid under Table 6A of **FORM GSTR-1** of the corresponding period.

It may be noted that Rule 96(10) of the CGST Rules has been inserted, w.e.f 23rd October, 2017, in CGST Rules, 2017 so as to provide that the refund of integrated tax paid on export of goods or services is not permitted to such persons who have received supplies on which the supplier has availed the benefit of Notification no. 48/2017-Central Tax dated 18.10.2017 or Notification no. 40/2017- Central Tax (Rate) dated 23.10.2017 or Notification No. 41/2017-Integrated Tax (Rate) dated 23.10.2017 and where the exporter has himself availed the benefit of Notification No. 78/2017-Customs dated 13.10.2017 and Notification No. 79/2017-Customs dated 13.10.2017.

Rule 96 of the CGST Rules, 2017 has been amended retrospectively w.e.f. 01st July, 2017 to provide for transmission of withheld IGST refunds, where the goods have been exported in violation of Customs Act or where the verification of exporter is considered essential before grant of refund, to the jurisdictional GST authorities electronically through common portal in a system generated **FORM GST RFD-01** of the CGST Rules for expeditious disposal of such withheld refunds.

Procedure for filing refund claims (other than refund under Rule 96 on account of export of goods and refund of unutilised ITC on account of zero rated supply):

The application for refund of integrated tax paid on zero-rated supply of goods to a Special Economic Zone developer or a Special Economic Zone unit or in case of zero-rated supply of services is required to be filed in **FORM GST RFD-01** by the supplier on the common portal. All necessary documentary evidences as applicable (as per the details in statement 2 or 4 of Annexure to **FORM GST RFD – 01**), shall also be uploaded on the common portal at the time of filing of the refund application.

Procedure for filing refund claims of unutilised ITC on account of zero rated supply:

The application for refund of unutilized input tax credit on inputs or input services used in making such zero-rated supplies shall be filed in **FORM GST RFD-01** on the common portal and the amount claimed as refund shall be debited in accordance with sub-Rule (3) of Rule 89 of the CGST Rules, 2017 from the amount in the electronic credit ledger to the extent of the claim. All necessary documentary evidences as applicable (as per details in statement 3 or 5 of Annexure to **FORM GST RFD-01**), shall also be uploaded on the common portal at the time of filing of refund application.

Where to file the refund claims?

The registered person needs to file the refund claim along with documents on the common portal and after generation of Application Reference Number (ARN), the refund claim is transferred to the proper officer of the jurisdictional tax authority to which the taxpayer has been assigned as per the administrative order issued in this regard by the Chief Commissioner of Central Tax and the Commissioner of State Tax. In case such an order has not been issued in the State, the registered person is at liberty to apply for refund before the Central Tax Authority or State Tax Authority till the administrative mechanism for assigning of taxpayers to respective authority is implemented. However, in the latter case, an undertaking is required to be