

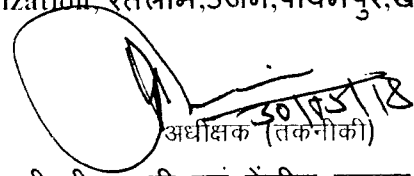
भारत सरकार  
वित्त मंत्रालय, राजस्व विभाग  
कार्यालय आयुक्त  
सी.जी.एस.टी एवं केंद्रीय उत्पाद शुल्क, उज्जैन  
२९, भरतपुरी प्रशासनिक क्षेत्र, उज्जैन (मप्र)-४५६०१०

फा0 संख्या I (Gen)19-04/GST/Trade Notice/2018-19/

उज्जैन, दिनांक 30.05.2018

इस पत्र के साथ मंत्रालय से प्राप्त अधिसूचना / परिपत्र / निर्देश व्यापार सूचना / जन सूचना मुख्यालय उज्जैन से जारी पत्र संख्या Public Notice No./ व्यापार सूचना संख्या 09 /2018-19 dated 30.05.2018 की प्रति आयुक्तालय, सी.जी.एस.टी एवं केंद्रीय उत्पाद शुल्क, उज्जैन के निम्नलिखित अधिकारियों एवं अन्य की सूचना / मार्ग दर्शन एवं आवश्यक कार्यवाही हेतु अग्रेषित की जा रही है :

- 1 मुख्य आयुक्त, सी.जी.एस.टी एवं केंद्रीय उत्पाद शुल्क, भोपाल ।
- 2 आयुक्त, सी.जी.एस.टी एवं केंद्रीय उत्पाद शुल्क, मुख्यालय उज्जैन ।
- 3 आयुक्त, (अपील) सी.जी.एस.टी एवं केंद्रीय उत्पाद शुल्क, भोपाल ।
- 4 अपर / संयुक्त आयुक्त, सी.जी.एस.टी एवं केंद्रीय उत्पाद शुल्क, उज्जैन ।
- 5 सभी उप आयुक्त / सहायक आयुक्त, सी.जी.एस.टी एवं केंद्रीय उत्पाद शुल्क, उज्जैन (Statistics/Preventive/Review/Legal/Confidential/Technical(ST)) ।
- 6 सभी प्रभागीय उप / सहायक आयुक्त, सी.जी.एस.टी एवं केंद्रीय उत्पाद शुल्क, उज्जैन-I/II, रतलाम, पीथमपुर-I/II/III, खंडवा, पीथमपुर (सीमाशुल्क) ।
- 7 उप / सहायक आयुक्त (सीमाशुल्क) आई0सी0डी0 रतलाम, पीथमपुर, खंडा ।
- 8 सभी मुख्यालय अधीक्षक (Statistics/Preventive/Review/Legal/Confidential/Technical(ST)) एवं प्रभागीय अधीक्षक (निवारक), केन्द्रीय उत्पाद शुल्क एवं सीमा शुल्क ।
- 9 सभी अधीक्षक सीमाशुल्क, आई0सी0डी0 रतलाम, पीथमपुर, खंडा ।
- 10 सभी राजपत्रित अधिकारी, सी.जी.एस.टी एवं केंद्रीय उत्पाद शुल्क, उज्जैन
- 11 समस्त व्यापार संघों / वाणिज्य संस्थानों / क्षेत्रीय सलाहकार समिति (Bhopal Zone) के सदस्यों एवं जन समस्या निवारण समिति के सदस्यों की सूचना हेतु ।
- 12 The Chairman, All India Manufacturers Organization, रतलाम, उज्जैन, पीथमपुर, खंडवा ।
- 13 गार्ड / मास्टर फाईल ।
- 14 नोटिस बोर्ड

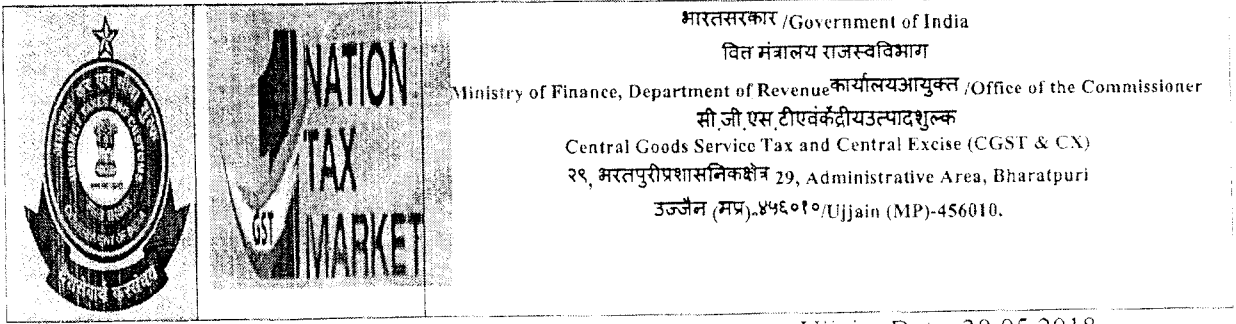
  
अधीक्षक (तकनीकी)

सी.जी.एस.टी एवं केंद्रीय उत्पाद शुल्क,

मुख्यालय उज्जैन  
महलदौर  
अधीक्षक (तक.)

संलग्न : उपरोक्तानुसार

(2)



F.No. I(Gen) 19-04/GST/Trade Notice /18-19

Ujjain, Date. 30.05.2018

व्यापार सूचना संख्या 09/2018-19

उज्जैन fnuakd 30.05.2018

Subject:- Clarification on refund related issues reg./-

Attention of the Trade and Industry is invited to the Circular No. 45/19/2018 GST dated 30.05.2018 issued under F.No.CBEC/20/16/4/2018-GST by the Commissioner (GST) Ministry of Finance Department of Revenue CBIC GST Policy Wing New Delhi in respect of “Clarification on refund related issues” (Copy enclosed)

2 The contents of the aforesaid Circular may please be brought to the notice of members of your association in particular and public in general.

Encl- As Above

(Neerav Kumar Mallick)  
आयुक्त

**F. No. CBEC/20/16/4/2018-GST**  
**Government of India**  
**Ministry of Finance**  
**Department of Revenue**  
**Central Board of Indirect Taxes and Customs**  
**GST Policy Wing**

New Delhi, Dated the 30<sup>th</sup> May, 2018

To,

The Principal Chief Commissioners/Chief Commissioners/Principal Commissioners/  
Commissioners of Central Tax (All)

The Principal Directors General/ Directors General (All)

Madam / Sir,

**Subject: Clarifications on refund related issues – reg.**

The Board *vide* Circular No. 17/17/2017 – GST dated 15<sup>th</sup> November 2017, No. 24/24/2017 – GST dated 21<sup>st</sup> December 2017 and No. 37/11/2018 – GST dated 15<sup>th</sup> March, 2018 has laid down the procedure for manual filing and processing of different types of refund claims under GST and clarified the exports related refund issues.

2. Representations have been received seeking clarification on certain refund related issues. In order to clarify these issues and with a view to ensure uniformity in the implementation of the provisions of the law across the field formations, the Board, in exercise of its powers conferred by section 168(1) of the Central Goods and Services Tax Act, 2017 (CGST Act for short) hereby clarifies the issues raised as below:

**3. Claim for refund filed by an Input Service Distributor, a person paying tax under section 10 or a non-resident taxable person:**

3.1 Doubts have been raised in case of claims for refund filed by an Input Service Distributor (ISD for short), a person paying tax under section 10 of the CGST Act (composition taxpayer for short) or a non-resident taxable person in light of para 2.0 of Circular No. 24/24/2017-GST dated 21.12.2017 which mandates that the refund claim for a tax period may be filed only after filing the details in **FORM GSTR-1** for the said tax period

and that 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.

3.2 In this regard, attention is invited to sub-section (1) of section 37 of the CGST Act read with rule 59 of the Central Goods and Services Tax Rules, 2017 (CGST Rules for short) which mandates that every registered person, other than an Input Service Distributor or a non-resident taxable person or a person paying tax under the provisions of section 10 or section 51 or section 52, shall furnish the details of outward supplies of goods or services or both effected during a tax period in **FORM GSTR-1**. Further, as per sub-section (2) of section 39 of the CGST Act read with rule 62 of the CGST Rules, a composition taxpayer is required to furnish the return in **FORM GSTR-4**; as per sub-section (4) of section 39 of the CGST Act read with rule 65 of the CGST Rules, an ISD is required to furnish the return in **FORM GSTR-6** and as per sub-section (5) of section 39 of the CGST Act read with rule 63 of the CGST Rules, a non-resident taxable person is required to furnish the return in **FORM GSTR-5**.

3.3 Thus, it is clarified that in case of a claim for refund of balance in the electronic cash ledger filed by an ISD or a composition taxpayer; and the claim for refund of balance in the electronic cash and/or credit ledger by a non-resident taxable person, the filing of the details in **FORM GSTR-1** and the return in **FORM GSTR-3B** is not mandatory. Instead, the return in **FORM GSTR-4** filed by a composition taxpayer, the details in **FORM GSTR-6** filed by an ISD and the return in **FORM GSTR-5** filed by a non-resident taxable person shall be sufficient for claiming the said refund.

#### 4. Application for refund of integrated tax paid on export of services and supplies made to a Special Economic Zone developer or a Special Economic Zone unit:

4.1 It has been represented that while filing the return in **FORM GSTR-3B** for a given tax period, certain registered persons committed errors in declaring the export of services on payment of integrated tax or zero rated supplies made to a Special Economic Zone developer or a Special Economic Zone unit on payment of integrated tax. They have shown such supplies in the Table under column 3.1(a) instead of showing them in column 3.1(b) of **FORM GSTR-3B** whilst they have shown the correct details in Table 6A or 6B of **FORM GSTR-1** for the relevant tax period and duly discharged their tax liabilities. Such registered persons are unable to file the refund application in **FORM GST RFD-01A** for refund of integrated tax paid on the export of services or on supplies made to a SEZ developer or a SEZ unit on the GST common portal because of an in-built validation check in the system which restricts the refund amount claimed (integrated tax cess) to the amount of integrated tax/cess



mentioned under column 3.1(b) of **FORM GSTR-3B** (zero rated supplies) filed for the corresponding tax period.

4.2 In this regard, it is clarified that for the tax periods commencing from 01.07.2017 to 31.03.2018, such registered persons shall be allowed to file the refund application in **FORM GST RFD-01A** on the common portal subject to the condition that the amount of refund of integrated tax/cess claimed shall not be more than the aggregate amount of integrated tax/cess mentioned in the Table under columns 3.1(a), 3.1(b) and 3.1(c) of **FORM GSTR-3B** filed for the corresponding tax period.

**5. Refund of unutilized input tax credit of compensation cess availed on inputs in cases where the final product is not subject to the levy of compensation cess:**

5.1 Doubts have been raised whether an exporter is eligible to claim refund of unutilized input tax credit of compensation cess paid on inputs, where the final product is not leviable to compensation cess. For instance, cess is levied on coal, which is an input for the manufacture of aluminum products, whereas cess is not levied on aluminum products.

5.2 In this regard, section 16(2) of the Integrated Goods and Services Tax Act, 2017 (IGST Act for short) states that, subject to the provisions of section 17(5) of the CGST Act, credit of input tax may be availed for making zero rated supplies. Further, as per section 8 of the Goods and Services Tax (Compensation to States) Act, 2017, (hereafter referred to as the Cess Act), all goods and services specified in the Schedule to the Cess Act are leviable to cess under the Cess Act; and vide section 11 (2) of the Cess Act, section 16 of the IGST Act is *mutatis mutandis* made applicable to inter-State supplies of all such goods and services. Thus, it implies that all supplies of such goods and services are zero rated under the Cess Act. Moreover, as section 17(5) of the CGST Act does not restrict the availment of input tax credit of compensation cess on coal, it is clarified that a registered person making zero rated supply of aluminum products under bond or LUT may claim refund of unutilized credit including that of compensation cess paid on coal.

5.3 Such registered persons may also make zero-rated supply of aluminum products on payment of integrated tax but they cannot utilize the credit of the compensation cess paid on coal for payment of integrated tax in view of the proviso to section 11(2) of the Cess Act, which allows the utilization of the input tax credit of cess, only for the payment of cess on the outward supplies. Accordingly, they cannot claim refund of compensation cess in case of zero-rated supply on payment of integrated tax.

**6. Whether bond or Letter of Undertaking (LUT) is required in the case of zero rated supply of exempted or non-GST goods and whether refund can be claimed by the exporter of exempted or non-GST goods?**

6.1 As per section 16(2) of the IGST Act, credit of input tax may be availed for making zero rated supplies, notwithstanding that such supply is an exempt supply. Whereas, as per section 2 (47) of the CGST Act, exempt supply includes non-taxable supply. Further, as per section 16(3) of the IGST Act, a registered person making zero rated supply shall be eligible to claim refund when he either makes supply of goods or services or both under bond or letter of undertaking (LUT) or makes such supply on payment of integrated tax.

6.2 However, in case of zero rated supply of exempted or non-GST goods, the requirement for furnishing a bond or LUT cannot be insisted upon. It is thus, clarified that in respect of refund claims on account of export of non-GST and exempted goods without payment of integrated tax; LUT/bond is not required. Such registered persons exporting non-GST goods shall comply with the requirements prescribed under the existing law (i.e. Central Excise Act, 1944 or the VAT law of the respective State) or under the Customs Act, 1962, if any.

6.3 Further, the exporter would be eligible for refund of unutilized input tax credit of central tax, state tax, union territory tax, integrated tax and compensation cess in such cases.

**7. What is the scope of the restriction imposed by rule 96(10) of the CGST Rules, regarding non-availment of the benefit of notification Nos. 48/2017-Central Tax dated the 18.10.2017, 40/2017-Central Tax (Rate) dated 23.10.2017, 41/2017-Integrated Tax (Rate) dated 23.10.2017, 78/2017-Customs dated 13.10.2017 or 79/2017-Customs dated 13.10.2017?**

7.1 Sub-rule (10) of rule 96 of the CGST Rules seeks to prevent an exporter, who is receiving goods from suppliers availing the benefit of certain specified notifications under which they supply goods without payment of tax or at reduced rate of tax, from exporting goods under payment of integrated tax. This is to ensure that the exporter does not utilise the input tax credit availed on other domestic supplies received for making the payment of integrated tax on export of goods.

7.2 However, the said restriction is not applicable to an exporter who has procured goods from suppliers who have not availed the benefits of the specified notifications for making their outward supplies. Further, the said restriction is also not applicable to an exporter who has procured goods from suppliers who have, in turn, received goods from registered persons availing the benefits of these notifications since the exporter did not directly procure these goods without payment of tax or at reduced rate of tax.

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7.3 Thus, the restriction under sub-rule (10) of rule 96 of the CGST Rules is only applicable to those exporters who are directly receiving goods from those suppliers who are availing the benefit under notification No. 48/2017-Central Tax dated the 18<sup>th</sup> October, 2017, notification No. 40/2017-Central Tax (Rate) dated the 23<sup>rd</sup> October, 2017, or notification No. 41/2017-Integrated Tax (Rate) dated the 23<sup>rd</sup> October, 2017 or notification No. 78/2017-Customs dated the 13<sup>th</sup> October, 2017 or notification No. 79/2017-Customs dated the 13<sup>th</sup> October, 2017.

7.4 Further, there might be a scenario where a manufacturer might have imported capital goods by availing the benefit of Notification No. 78/2017-Customs dated 13.10.2017 or 79/2017-Customs dated 13.10.2017. Thereafter, goods manufactured from such capital goods may be supplied to an exporter. It is hereby clarified that this restriction does not apply to such inward supplies of an exporter.

8. It is requested that suitable trade notices may be issued to publicize the contents of this Circular.

9. Difficulty, if any, in implementation of the above instructions may please be brought to the notice of the Board. Hindi version would follow.

**(Upender Gupta)**  
**Commissioner (GST)**