

Tax Alerts

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Manual filing and processing of refund claims in respect of zero-rated supplies

Background

- Refund mode is not available in common portal hence refund application forms, documents etc. pertaining to zero rated supplies shall be filed and processed manually subject to fulfillment of procedures as prescribed by CBEC.
- Tax payer who makes a zero rated supply of goods or services pay IGST and claim refund or make a zero rated supply of goods or services under a Bond or an LTU without payment of IGST and claim refund of unutilized ITC.
- Procedure for filing manual filing:
 1. For export of goods Shipping Bill is treated as application for refund. Application is also deemed to have been filed only when export manifest or export report is filed.
 2. Application deemed to be filed only when the applicant furnished returns in GSTR-3 or GSTR-3B and the system designated by Customs processes the refund and credit it to bank account of Applicant. Department has powers to further sanction refund in Form GST RFD-07 or GST RFD-06 manually till the opening of common portal.
 3. Application for refund of IGST paid on Zero Rated Supplies of goods to a SEZ Developer or a unit is filed in Form GST RFD-01A by the supplier who takes a print of the same for submission before the jurisdictional tax officer.
 4. Even Application for refund of unutilized ITC used in making such zero rated supplies shall be filed in Form GST RFD-01A on the common portal and the refund amount claimed shall be get debited from the amount in the electronic credit ledger to the extent of the claim. Post filing in Form GST RFD-01A entry is made in refund register by the jurisdictional proper officer.
 5. The refund procedure and relevant forms are mentioned in detail in the form of a detailed table.

SL No.	Form	Details	CGST Provision
1	GST RFD-02	Acknowledgment	Rule 90(1) and 90(2)
2	GST RFD-03	Deficiency Memo	Rule 90(3)
3	GST RFD-04	Provisional refund order	Rule 91(2)
4	GST RFD-05	Payment Advice	Rule 91(3), 92(4), 92(5) & 94
5	GST RFD-06	Refund Sanction/Order	Rule 92(1), 92(3), 92(4) , 92(5) & 96(7)
6	GST RFD-07	Order for complete adjustment/withholding of sanctioned refund	Rule 92(1), 92(2) & 96(6)
7	GST RFD-08	Notice for rejection of application for refund	Rule 92(3)
8	GST RFD-09	Reply to Show Cause Notice	Rule 92(3)

6. Date of submission of application for which acknowledgment is given will be considered the date for ensuring whether refund claim is sanctioned within the stipulated period. Within 7 days of acknowledgment provisional refund order is granted.
7. Post processing of refund claims they are rejected either in full or partly and the amount debited to the extent of rejection is re credited to the electronic credit ledger by an Order in Form GST PMT-03 using Form GST RFD-01B.
8. When the refund claim filed is rejected, amount debited to the extent of rejection shall be re credited to the electronic cash ledger in Form GST PMT-03 using Form GST RFD-01B.

About us

D Arvind & Associates LLP (DAA) is a Chartered Accountant Firm founded in 2009 by D Arvind, an Ex-partner of KPMG with a vision top provides to create innovative and insightful solutions to resolve Complex Business & Tax Challenges.

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