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GOVERNMENT OF INDIA

MINISTRY OF FINANCE : DEPARTMENT OF REVENUE

OFFICE OF THE PRINCIPAL CHIEF COMMISSIONER OF GST & CENTRAL EXCISE

TAMILNADU & PUDUCHERRY

No.26/1, MAHATHMA GANDHI ROAD, CHENNAI - 600 034

C.No. IV/16/268/2017- Pr.CCO (GST-3)/Vol.III

Date: 28-12-2017

**GST TRADE NOTICE NO.052/2017**

Sub: GST – Manual filing and processing of refund claims on account of inverted duty structure, deemed exports and excess balance in electronic cash ledger - CGST Circular No.24/24/2017-GST dated 21.12.2017 - Communication thereof - Reg.

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Please refer to the following GST Trade Notices issued by this office:

Sl. No.	GST Trade Notice No. & date	Board's Circular communicated	Subject
1	041/2017 dated 09.11.2017	CGST Circular No.14/14/2017-GST dated 06.11.2017	Procedures, safeguards and forms for procurement of supplies of goods from DTA by EOU / EHTP Units / STP Units / BTP Units under deemed export benefits
2	045/2017 dated 17.11.2017	CGST Circular No.17/17/2017-GST dated 15.11.2017	Procedures and guidelines for the manual filing and processing of the refund claims

2. In furtherance to the above, the Central Board of Excise & Customs [CBEC] has issued CGST Circular No.24/24/2017-GST dated 21.12.2017, on the above subject. The gist of the aforesaid Circular is detailed as hereunder:

- Due to the non-availability of the refund module on the common portal, it has been decided by the competent authority, on the recommendations of the Council, that the applications/documents/forms pertaining to refund claims on account of 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 manually till further orders. In this regard, it has been clarified that the specified provisions of Circular No. 17/17/2017-GST dated 15.11.2017 shall also be applicable to the following types of refund:-

(i) 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 refers);

(ii) refund of tax on the supply of goods regarded as deemed exports; and

(iii) refund of balance in the electronic cash ledger.

➤ It has been further clarified that

- **refund claims** in respect of zero-rated supplies and on account of inverted duty structure, deemed exports and excess balance in electronic cash ledger **shall be filed for a tax period on a monthly basis in FORM GST RFD-01A**. However, in case registered persons having aggregate turnover of upto Rs1.5 crores in the preceding financial year or the current financial year are opting to file FORM GSTR-1 quarterly, such persons shall apply for refund on a quarterly basis.
- Further, it is stated 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. 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.
- Since the date of furnishing of FORM GSTR 1 from July, 2017 onwards has been extended while the dates of furnishing of FORM GSTR 2 and FORM GSTR 3 for such period are yet to be notified, it has been decided by the competent authority to sanction refund of provisionally accepted input tax credit at this juncture. However, the registered persons applying for refund must give an undertaking to the effect that the amount of refund sanctioned would be paid back to the Government with interest in case it is found subsequently that the specified requirements have not been complied with in respect of the amount refunded. This undertaking should be submitted manually along with the refund claim till the same is available in FORM RFD-01A on the common portal.
- In case of refund claim arising due to inverted duty structure, the **Statement 1** and **Statement 1A** of **FORM GST RFD-01A** have to be filled.
- Further, as per the provisions of rule 89(2)(g) of the CGST Rules, the **Statement 5B** of **FORM GST RFD-01A** is required to be furnished for claiming refund on supplies declared as deemed exports.
- The refund order issued either by the Central tax authority or the State tax/UT tax authority shall be communicated to the concerned counterpart tax authority **within seven working days** for the purpose of payment of the relevant sanctioned refund amount of tax or cess, as the case may be. This time limit of seven working days is also applicable to refund claims in respect of zero-rated supplies being processed as per **Circular No. 17/17/2017-GST dated 15.11.2017** as against the time limit of three days prescribed in para 4 of the said Circular.
- It is also clarified that the drawback of all taxes under GST (Central Tax, Integrated Tax, State/Union Territory Tax) should not have been availed while claiming refund of accumulated ITC under section 54(3)(ii) of the CGST Act. A **declaration** to this effect forms part of **FORM GST RFD-01A**.

3. This Trade Notice is being issued so as to sensitize the trade and field formations about the contents of the aforesaid references and for complete details, the respective references may please be referred in the CBEC's website [www.cbec.gov.in](http://www.cbec.gov.in).

4. All the Commissioners are requested to bring the contents of the Trade Notice to the notice of all the officers working under their charge and the assesseees falling under their respective jurisdiction.

5. The Trade & Industry Associations/Chambers of Commerce are requested to bring the contents of the Trade Notice to the notice of all their members.



**[C.P. RAO]**  
**PRINCIPAL CHIEF COMMISSIONER**

- To
- i. The Principal Commissioner / Commissioner of GST and Central Excise,  
Chennai North / Chennai South / Chennai Outer / Coimbatore / Salem /  
Tiruchirappalli / Madurai / Puducherry / Chennai Audit I / Chennai Audit II /  
Coimbatore Audit / Chennai Appeals I / Chennai Appeals II / Coimbatore Appeals  
Commissionerates
  - ii. The Commissioner of Commercial Taxes, State CT Head Office, Ezhilagam,  
No.3, Kamarajar Salai, Chepauk, Chennai-600005      **[ By e-mail ]**
  - iii. Zonal RAC Members      **[ By e-mail ]**

✓ Copy to The Computer Section, Chennai North Commissionerate [For uploading in website]