



## REFUND OF ITC ACCUMULATED DUE TO INVERTED TAX STRUCTURE (RFD-01A)

**Q. What is Inverted Tax Structure in the GST regime?**

**A.** The term 'Inverted Tax Structure' refers to a situation where the rate of tax on input received (i.e. Input tax credit received) is more than the rate of tax (i.e. the tax paid) on output supplies. As a result, the higher tax paid on input supplies get accumulated in the Electronic Credit Ledger of the receiver Taxpayer. The Taxpayer can claim the refund of ITC accumulated on account of Inverted Tax structure by filing the refund application form RFD-01A.



## REFUND OF ITC ACCUMULATED DUE TO INVERTED TAX STRUCTURE (RFD-01A)

**Q. What is needed to file for refund of accumulated ITC of IGST/CGST/SGST, export of goods?**

**A.** You can file for refund of IGST/CGST/SGST on account of ITC accumulated due to Inverted Tax Structure, if you have filed GSTR1 and GSTR-3B of the relevant tax period, for which refund is to be claimed.

However, in case registered persons having aggregate turnover of up to Rs 1.5 crores in the preceding financial year or the current financial year are opting to file FORM GSTR-1 quarterly (notification No. 57/2017-Central Tax dated 15.11.2017 refers), such persons shall apply for refund on a quarterly basis. Please note that such refund on account of inverted tax structure is not available in case of exempted or nil rated supplies bill.





## REFUND OF ITC ACCUMULATED DUE TO INVERTED TAX STRUCTURE (RFD-01A)

**Q. How can I file for refund on account of ITC accumulated due to Inverted Tax structure, and how will the disbursement be made?**

1. Ensure that you have filed GSTR 1 and GSTR-3B of the relevant tax period for which you want to file for refund of the accumulated ITC on the basis of balance available in the Electronic Credit Ledger.
2. Once the eligibility to file for refund is established, fill-out the form RFD-01A and file it in GST Portal.
3. Upon filing the form RFD-01A, GST Portal will generate an ARN.
4. After ARN generation, Taxpayer needs to take prints of the filed application and the Refund ARN Receipt generated on the portal, and submit the same along with supporting documents to the jurisdictional authority.
5. After Refund Application is processed by tax official, refund will be disbursed manually.
6. In case of the taxpayer where the jurisdictional authority of state/ center yet not allotted then the taxpayer has to contact to the Nodal officer of the corresponding state/ center.



## REFUND OF ITC ACCUMULATED DUE TO INVERTED TAX STRUCTURE (RFD-01A)

**Q. Is it mandatory to file GSTR-1, GSTR-2 and GSTR-3 in order to file for refund?**

**A.** If the Taxpayer has filed GSTR1 and GSTR-3B, then he / she need not file GSTR-2 and GSTR-3 for filing refund form RFD-01A. Presently GSTR-2 and GSTR- 3 are deferred, hence for the reason taxpayer has to give manual undertaking to the jurisdictional authority (Refer circular no 24/24/2017-GST dated 21/12/2017 for details)





## REFUND OF ITC ACCUMULATED DUE TO INVERTED TAX STRUCTURE (RFD-01A)

**Q. Is there any time limit to file for refund of ITC accumulated due to Inverted Tax Structure?**

**A.** Yes, as per Explanation 2 (e) of subsection 14 of Section-54, the refund application in form RFD-01A needs to be filed within 2 years from the end of financial year in which such claim for refund arises



## **Advisory to Exporters for Refund of IGST Paid on Export of Goods:**

1. Fill complete and correct data of export of goods in Table 6A of Form GSTR 1 of the relevant tax period.
2. File Table 6A /Form GSTR 1 for the corresponding tax period.
3. Pay your tax and File GSTR 3B return for the subject tax period.
4. While filing GSTR 3B Return for the said tax period, make sure that table 3.1 (b) of Form GSTR 3B is filled correctly.



## **Advisory to Exporters for filing Table 6A of GSTR -1:**

To ensure that the GST System transmits the export invoice data, in case of export of goods with payment of IGST, to ICEGATE for refund, Exporters need to maintain consistencies between data provided at GST Portal and ICEGATE Portal while filing Table 6A of GSTR-1:

Invoice details specified under **Table 6A of GSTR-1** should be the same what is mentioned in the **Shipping bills at ICEGATE**.







## Advisory to Exporters for filing Table 6A of GSTR -1:

To ensure that the GST System transmits the export invoice data, in case of export of goods with payment of IGST, to ICEGATE for refund, Exporters should compulsorily make payment of Tax and File Return:

- File Form GSTR-3B of corresponding period.
- In case of export of goods, the IGST amount paid through **Table 3.1(b)** of GSTR-3B must be equal or greater than the total IGST amount shown to have been claimed under Table 6A, and Table 6B, of GSTR-1 for the corresponding tax period.





### **Advisory for exporters on correctly filing Table 3.1(b) of GSTR 3B:**

While filing GSTR 3B Return for the said tax period, please make sure that that table 3.1 (b) of Form GSTR 3B is filled correctly.

1. GSTR-3B of corresponding return period must be filed.
2. The IGST amount should be paid through Table 3.1(b) of GSTR-3B, and must be equal (or greater than) the total IGST amount shown to have been claimed under Table 6A, and Table 6B, of GSTR-1 for the corresponding tax period.
3. NONE of the export invoices filed in Table 6A of GSTR-1, of the corresponding return period, shall get transmitted to ICEGATE if correct IGST amount is not filed in Table 3.1(b) of GSTR-3B. Hence the refund of IGST amount paid on exports will be impacted.



## REFUND OF ITC ACCUMULATED DUE TO INVERTED TAX STRUCTURE (RFD-01A)

**Q. In which bank account will the refund amount be credited? Is it one of the accounts that I registered in GST Portal?**

**A.** Yes, the refund amount will be credited to one of the bank accounts that you registered in the GST Portal and linked it with your GST profile. At the time of filling-out form RFD-01A, you will be required to select a bank account from the list of your linked / registered accounts in the GST Portal. In case the applicant requires receipt of refund in a different bank account, he may add that bank account in GST registration details by way of non-core amendment.





### **Advisory to Exporters for filing Table 6A of GSTR-1:**

To ensure that the GST System transmits the export invoice data, in case of export of goods with payment of IGST, to ICEGATE for refund, Exporters need to provide Complete and CorrectData while filing Table 6A of GSTR-1:

- Invoice Number, Shipping Date, Shipping Bill Number and Port Code
- Select from drop down list (WPAY- with payment of tax)/WOPAY-without payment of tax
- Please note, if you are using offline tool for GSTR 1, the date format is dd-mm-yyyy e.g. 15 th July 2017 will be written as 15-July-2017 and not as 15/07/2017.
- Six Digit Port Code should be mentioned correctly
- Invoice Value: It is the total value of export goods covered by the invoice including of tax and other charges, if any.
- Taxable Value: It is the value of goods, on which tax is paid. (Value net of tax)
- Tax Paid on IGST, only in case, where the export is done on payment of IGST.

Please note that the invoice value data should match with that shown in shipping Bill.