

Office of the
Commissioner of State Tax,
(GST), 8th floor, GST Bhavan,
Mazgaon, Mumbai-400010.

TRADE CIRCULAR

To,

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No. JC/HQ-I/GST/Refund/01/2017-18

Mumbai, Date 28/11/2017

Trade Cir. No. 49 T of 2017

- Subject** : Manual filing and processing of refund claims in respect of Zero-rated supplies.
- Ref.** : (1) Maharashtra Goods and Services Tax Act, 2017.
(2) The Maharashtra Goods and Services Tax Rules 2017.
(3) The Integrated Goods and Services Tax Act, 2017.
(4) Circular No. 17/17/2017 dated 15th November 2017 issued by the Central Board of Excise and Customs, New Delhi.
(5) Order of Distribution of cases No. 1/2017-GST/Maharashtra dated the 22nd November 2017.

Sir/Gentlemen/Madam

1. BACKGROUND:

- 1.1. The Maharashtra Goods and Services Tax Act, 2017, (hereinafter referred to as the "MGST Act"), the Central Goods and Services Tax Act, 2017, (hereinafter referred to as the "CGST Act") and Integrated Goods and Services Tax Act, 2017 (hereinafter referred to as the "IGST Act") have come into force with effect from the 1st July 2017.
- 1.2. As per the provisions of the MGST Act registered person (besides other returns) is required to file return for each month in FORM GSTR-3B on or before 20th day of succeeding month. The FORM GSTR-3B contains information of supply of goods and services, input tax credit available and availed under MGST Act, CGST Act and IGST Act. In

other words, the FORM-GSTR-3B is a self-assessment return form containing details of outward and inward supply of goods and services or both.

- 1.3. Due to the non-availability of the refund module on the common portal, it has been decided, on the recommendations of the Council, that the applications/documents/forms pertaining to refund claims on account of zero-rated supplies of goods or services or both without payment of integrated tax shall be filed and processed manually till further orders. Therefore, in exercise of the powers conferred by sub-section (1) of section 168 of the MGST Act and for the purpose of ensuring uniformity, the following conditions and procedure are laid down for the manual filing and processing of the refund claims:

2. ELIGIBILITY TO CLAIM REFUND:

- 2.1. As per the provisions of section 54 of the MGST Act, the supplier of goods and services or both is eligible to claim refund in following eventualities:
- 2.1.1. Zero-rated supplies made with or without payment of tax or inputs or input services used in making such zero rated supply;
 - 2.1.2. credit of input tax is accumulated on account of inverted rate structure i.e. rate of tax in respect input is higher than the rate of tax on output.
- 2.2. Sub-section (1) of section 16 of the IGST Act provides that following supplies shall be "Zero-rated"-
- 2.2.1. export of goods or services or both; or
 - 2.2.2. supply of goods or services or both to a Special Economic Zone developer or a Special Economic Zone unit.
- 2.3. Further sub-section (3) of section 16 provides that a registered person making zero rated supply shall be eligible to claim refund under either of the following options,-

(a) he may supply goods or services or both, subject to such conditions, safeguards and procedure as may be prescribed, on payment of integrated tax and claim refund of such tax paid on goods or services or both supplied, in accordance with the provisions of section 54 of the Central Goods and Services Tax Act or the rules made thereunder.

(b) he may supply goods or services or both under bond or Letter of Undertaking, subject to such conditions, safeguards and procedure as may be prescribed, without payment of integrated tax and claim refund of unutilised input tax credit.

2.4. The applications for **refund of integrated tax paid in respect of export out of India**, it's processing and grant of said refund in the contingency covered in clause (a) above is explained in Circular No. 17/17/2017 dated 15th November 2017 issued by the Central Board of Excise and Customs cited at Ref. (4) above. Please refer Para 2.2 of the said Circular.

2.5. Whereas, **the refund of integrated tax paid** on zero-rated supply of goods or services or both to a Special Economic Zone developer or a Special Economic Zone unit the refund may be sought as explained in Para-2.3 and 2.4 of the Circular issued by the CBEC cited at Ref. (4) above.

2.6. The refund arising due to the contingency given in Para 2.3(b) above i.e. export of goods and services or both without payment of integrated tax and applications seeking refund of unutilised input tax credit are only going to be processed by the State tax department.

2.7. **In view of this, it is informed that the supplier to SEZ Developer or SEZ Unit or exporter who has exported the goods and services without payment of integrated tax and in distribution order, such cases are assigned [vide Order No. 1/2017-GST/Maharashtra dated**

22nd November 2017] to the State Government shall only file the application for refund as explained in Para-4 below.

2.8. The order of distribution of cases cited supra issued may not cover certain tax payers i.e. certain tax payers are not yet distributed. In other words, certain tax payers are neither assigned to the State Tax Authority or the Central Tax Authority, in such eventuality, the tax payer is at liberty to apply for refund before the Central Tax Authority or State Tax Authority till the administrative mechanism for assigning of remaining taxpayers to respective authority is implemented. However, in the latter case, an undertaking is required to be submitted stating that the claim for sanction of refund has been made to only one of the authorities.

3. PREPARATION OF APPLICATION FOR REFUND:

3.1. The registered taxable person i.e. supplier of goods or services or both to a Special Economic Zone developer or a Special Economic Zone (Zero-rated supply) without payment of integrated tax i.e. supply is made on the strength of Bond or with submission of Letter of Undertaking (LUT) is required to file application in **FORM GST RFD-01A** (as notified in the MGST Rules vide notification No. 55/2017 – State tax, dated the 15th November, 2017 and enclose requisite documents for export of the goods and/or services as explained in Para-5 below.

3.2. The **FORM-GST RFD-01A** i.e. Refund ARN Receipt generated at the Common portal (as given in the notification No. 55/2017 State tax dated the 15th November 2017) is to be filed manually. All the details in the said form is to be filled appropriately.

3.3. In order to fill the Statement-3A of the said form (i.e. Table (3A)) is made available on the common portal i.e. www.gst.gov.in. The applicant who is covered under aforesaid categories and who desires to seek refund

shall access the common portal with the appropriate Log-in Id and password. The process flow diagram is given below:

Login Id>password>Services>Refund> Refund applications> Select month from drop down>Create application>fill the application>Save>Submit with DSC>take print>submit the printout of Refund ARN Receipt to the designated Authorities given in ANNEXURE-A attached to this Trade Circular.

3.4. As explained above, the applicant after creating the application should fill the appropriate information in Table (3A) under the heading> Computation of Refund to be claimed (3A).

3.5. For better understanding the Table-3A is given below:

	Turnover of zero rated supply of goods and services in Rs (1).	Net input tax credit (2)	Adjusted total turnover (3)	Refund amount $((1 \times 2) \div 3)$ (4)
Integrated tax				
Central tax				
State tax				
Cess				

3.6. As it appears from the above table the details of Turn-over of Zero-rated supply of goods and services is to be filed in column (1) above. The said Turn-over of Zero-rated supply may be taken from the column 3.1 (b) of the FORM-GSTR-3B. The figures of Net Input Tax credit (ITC) in column (2) of Table above may be taken from the column 4(C) of the FORM-GSTR-3B.

3.7. Once the information as stated above is filled then the figures in column (3) above is required to be determined by using the formula given in rule 89(4) of the MGST Rules which is as under:

Refund Amount= (Turn-over of Zero-rated supply of Goods+ Turn-over of Zero-rated supply of services) X Net ITC/**Adjusted Total Turn-over**.

Where,-

(A) "**Refund amount**" means the maximum refund that is admissible;

(B) "**Net ITC**" means input tax credit availed on inputs and input services during the relevant period;

(C) "**Turnover of zero-rated supply of goods**" means the value of zero-rated supply of goods made during the relevant period without payment of tax under bond or letter of undertaking;

(D) "**Turnover of zero-rated supply of services**" means the value of zero-rated supply of services made without payment of tax under bond or letter of undertaking, calculated in the following manner, namely:- Zero-rated supply of services is the aggregate of the payments received during the relevant period for zero-rated supply of services and zero-rated supply of services where supply has been completed for which payment had been received in advance in any period prior to the relevant period reduced by advances received for zero-rated supply of services for which the supply of services has not been completed during the relevant period;

(E) "**Adjusted Total turnover**" means the turnover in a State or a Union territory, as defined under clause (112) of section 2, excluding the value of exempt supplies other than zero-rated supplies, during the relevant period;

(F) "**Relevant period**" means the period for which the claim has been filed.

3.8. After filling the appropriate figures in the Table (3A), the amount of refund will get auto populated in the column (4) of the said Table (3A). Further, there is another TABLE below where the amount of eligible refund will get auto calculated as also the amount of refund claim.

3.9. For better understanding the TABLE which auto calculates the eligible refund is given below:

	Value As per Statement (3A) in Rs.	Balance in Electronic Credit Ledger in Rs.	Tax Credit availed during the period in Rs.	Eligible Refund amount (Lowest of all)
Integrated tax				
Central tax				
State tax				
Cess				

3.10. The figures in the aforesaid TABLE gets populated automatically. The final amount eligible for refund is given in the column (4) above. Further, it also gives amount of refund claimed under MGST, CGST, IGST and Cess Act.

3.11. After duly filing the appropriate information, the applicant is also required to select from drop-down the Bank Account Number given at the time of filling registration details or the Bank Account number added after the amendment and available on the Common portal .

3.12. In case, an applicant desires the refund amount in another preferred bank account which is not appearing in the drop down list then applicant is requested to add that bank account by filing amendment to registration record (i.e. non-core field amendment). For this the applicant may go the >Registration>Non-core amendment> Bank Details, and add details including Bank Name, Branch Name, IFS Code. The facility given for choosing the Bank IFSC may be used so that no error is made while filling information about bank details. Once the Bank details are updated at the common portal then the refund amount determined as per the provisions of the law will be disbursed and credited to the said preferred Bank account.

3.13. It may please be noted that,-

- 3.13.1. Once the applicant has filled all the details in Table (3A), please save the form before you proceed to submit.
- 3.13.2. Please **correct any errors** occurred during preparation and do not forget to save the said FORM before proceeding to submit.
- 3.13.3. It may please be kept in mind that once "**Proceed**" button is pressed and form is submitted, **no modification will be allowed**. Therefore due care may please be taken before pressing the "Proceed" button.
- 3.13.4. The Electronic Credit ledger balance visible here is the current balance in the Electronic Credit ledger.
- 3.13.5. Application can be saved at any stage of completion for a maximum time period of 15 days. If the same is not submitted within 15 days from the date of creation of form, the saved draft will be purged from the GST database. The applicant after 15 days may follow the same procedure for creation and submission of refund Application in FORM-RFD-01A.

4. SUBMISSION OF TABLE-3A OF APPLICATION (RFD-01A) AT GSTN PROTAL.

- 4.1. Once the aforesaid steps are followed and application is saved then the message as "Saved successfully" will appear at the top left hand side of the Table (3A). Thereafter, the applicant should check the Box for declaration to the effect that the information submitted is true and correct. After doing so the "PROCEED" button will get activated. Press the said button. You will be taken to the next window, where, after checking the Box for declaration, the applicant is required to submit the aforesaid application with the Digital Signature Certificate (DSC).
- 4.2. After successful submission of Table-3A of form RFD01A, Refund ARN Receipt will be generated. Take the printout of the same and submit to the appropriate authority as explained below.
- 4.3. The application complete in all respect (alongwith the requisite documents as explained in Para-5 below i.e. ARN receipt printout taken from the GSTN portal shall be submitted to the appropriate Official in the office of the concerned Joint Commissioner of State tax and in case,

the office of the Joint Commissioner of State tax, does not exist then to the head of the location. The location wise list where the application is to be submitted is given in the **ANNEXURE-A** attached to this Trade Circular.

5. DOCUMENTS TO BE ATTACHED TO THE REFUND APPLICATION:

- 5.1. The applicant shall in addition to the Refund ARN Receipt enclose with the refund application the Statement of export of goods and services or both as given in the rule 89(2) of the MGST Rules i.e. the **statement No. 3** be enclosed by the exporter of goods and services or both who has exported the goods or services or both without payment of integrated tax.
- 5.2. Similarly, in addition to the Refund ARN Receipt, the supplier of goods or services or both to a Special Economic Zone Developer or the unit in SEZ shall submit the **statement No. 5** given in rule 89(2) with the Refund application.
- 5.3. Applicant shall alongwith the application submit the declaration to the effect that the taxable person claiming refund has, during the period of five years immediately preceding the tax period to which the claim of refund relates, not been prosecuted for any offence under the existing law where the amount of tax evasion exceeds Rs. 2.5 Cr.
- 5.4. The Formats of the Statements 3 and 5 is attached herewith as an **ANNEXURE-B.**

6. RECEIPT OF REFUND APPLICATION:

- 6.1. As explained above, the application will be received in the Office of the Joint Commissioner of State tax and in case the office of the Joint Commissioner does not exist at a particular location then to the head of the Location. Please refer **ANNEXURE-A** attached to this Trade Circular.
- 6.2. It is informed that the applicant shall submit the application in FORM-RFD-01A i.e. Refund ARN Receipt generated at GSTN portal in duplicate so that the suitable receipt of the application be given.

6.3. After receipt of the application, it will be verified that the application is in order and requisite Annexures as given in this Trade Circular are attached. After it is found that the application is in order and all the requisite details given above are enclosed then a receipt will be given by putting appropriate stamp and date of receipt of the application i.e. on Refund ARN Receipt.

7. ACKNOWLEDGEMENT FOR REFUND APPLICATION:

7.1. The application received in the office of the concerned Joint Commissioner of State tax or, as the case may be, head of the location shall be forwarded to the concerned Nodal officer on the same day or in any case not later than the next day.

7.2. After receipt of the application, the concerned Nodal officer shall verify the correctness and completeness of the application as well as the requisite documents that are attached.

7.3. Once the completeness of application in all respect is ascertained then an acknowledgment in **FORM-RFD-02** as given in Rule 90(1) of the MGST Rules, shall be issued within 15 days from the date of submission of application.

7.4. In case the application so submitted is found deficient in certain aspects then the concerned officer shall issue deficiency memo in **FORM-RFD-03** as given in Rule 90(3) within 15 days from the date of receipt of the application.

7.5. In other words, the concerned officer after due verification is required to issue either **FORM-RFD-02** or **FORM-RFD-03** not later than 15 days from the date of receipt of the refund application. **All the supervisory authorities are hereby directed to monitor that these timelines are strictly followed.**

8. ISSUANCE OF DEFECT MEMO IN CASE OF REFUND APPLICATION IS DEFICIENT:

8.1. As explained above, in case the application for refund is deficient then the Deficiency Memo should be issued. It should be complete in all respects and only one Deficiency Memo shall be given. Submission of application after Deficiency Memo shall be treated as a fresh application. Resubmission of the application, after rectifying the

deficiencies pointed out in the Deficiency memo, shall be made by using the ARN and debit entry number generated originally.

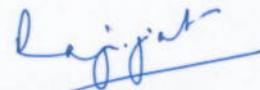
8.2. If the application is not filed afresh within thirty days of the date of receipt of communication of the deficiency memo, the concerned Nodal officer shall pass an order in FORM GST PMT-03 and re-credit the amount claimed as refund through FORM GST RFD-01B.

9. In case the refund application is found in order then the applicant shall receive the refund in the Bank account available in the registration record with common portal or other desired Bank Account for which the amendment i.e. non-core amendment is done for inclusion of such account.

10. Needless to state that any refund amount which the applicant is not entitled or has claimed the input tax credit wrongly or inappropriately then it shall be recovered along with the interest or may face prosecution for the serious breach of the provisions of the MGST Act.

11. This circular is clarificatory in nature and cannot be made use of for interpretation of provisions of law. If any member of trade has any doubt, he may refer the matter to this office for further clarification.

Yours faithfully,



(Rajiv Jalota)

Commissioner of State Tax (GST)
Maharashtra State, Mazgaon,
Mumbai

ANNEXURE-A
DESIGNATED AUTHORITIES FOR RECEIPT OF REFUND
APPLICATION

Sr. No.	Location	Authorities
1	Mumbai	Joint Commissioner of State tax, Nodal Division-1
		Joint Commissioner of State tax, Nodal Division-2
		Joint Commissioner of State tax, Nodal Division-3
		Joint Commissioner of State tax, Nodal Division-4
		Joint Commissioner of State tax, Nodal Division-5
		Joint Commissioner of State tax, Nodal Division-6
		Joint Commissioner of State tax, Nodal Division-7
		Joint Commissioner of State tax, Nodal Division-8
		Joint Commissioner of State tax, Nodal Division-9
		Joint Commissioner of State tax, Nodal Division-11
		Joint Commissioner of State tax, Nodal Division-12
		Joint Commissioner of State tax, Large Tax Payers Unit-1
		Joint Commissioner of State tax, Large Tax Payers Unit-2
		Joint Commissioner of State tax, Large Tax Payers Unit-3
		Joint Commissioner of State tax, Large Tax Payers Unit-4
		2
Joint Commissioner of State tax, Nodal division-13		
3	Pune	Joint Commissioner of State tax-1
		Joint Commissioner of State tax-2
		Joint Commissioner of State tax-3
		Joint Commissioner of State tax-4
		Joint Commissioner of State tax, Large Tax Payers Unit-1
		Joint Commissioner of State tax, Large Tax Payers Unit-2

Sr. No.	Location	Authorities
4	Thane	Joint Commissioner of State tax.
5	Kalyan	Deputy Commissioner of State tax
6	Raigad	Joint Commissioner of State tax.
7	Alibag	Deputy Commissioner of State tax
8	Bhayander	Joint Commissioner of State tax
9	Palghar	Deputy Commissioner of State tax
10	Solapur	Joint Commissioner of State tax
11	Kolhapur	Joint Commissioner of State tax
12	Satara	Deputy Commissioner of State tax
13	Sangali	Deputy Commissioner of State tax
14	Ratnagiri	Deputy Commissioner of State tax
15	Oros	Deputy Commissioner of State tax
16	Osmanabad	Assistant commissioner of State tax
17	Barshi	Assistant commissioner of State tax
18	Nashik	Joint commissioner of State tax
19	Jalgaon	Joint commissioner of State tax
20	Malegaon	Deputy Commissioner of State tax
21	Ahmednagar	Deputy Commissioner of State tax
22	Dhule	Deputy Commissioner of State tax
23	Nandurbar	Assistant commissioner of State tax
24	Aurangabad	Joint commissioner of State tax
25	Beed	Assistant commissioner of State tax
26	Jalana	Deputy Commissioner of State tax
27	Nanded	Joint commissioner of State tax
28	Parbhani	Assistant commissioner of State tax
29	Latur	Deputy Commissioner of State tax
30	Hingoli	Assistant commissioner of State tax
31	Nagpur	Joint commissioner of State tax
32	Chandrapur	Deputy Commissioner of State tax
33	Gondia	Deputy Commissioner of State tax
34	Gadchiroli	Assistant commissioner of State tax
35	Wardha	Assistant commissioner of State tax
36	Bhandara	Assistant commissioner of State tax
37	Amaravati	Joint commissioner of State tax
38	Yeotmal	Deputy Commissioner of State tax
39	Khamgaon	Deputy Commissioner of State tax
40	Akola	Deputy Commissioner of State tax
41	Washim	Assistant commissioner of State tax

ANNEXURE-B

Statement- 3 [rule 89(2)(b) and 89(2)(c)]

**Refund Type: Export without payment
of tax (accumulated ITC)**

(Amount in Rs.)

Sr. No.	Invoice details			Goods/ Services (G/S)	Shipping bill/ Bill of export			EGM Details		BRC/ FIRC	
	No.	Date	Value		Port code	No.	Date	Ref No.	Date	No.	Date
1	2	3	4	5	6	7	8	9	10	11	12

Statement-5 [rule 89(2)(d) and 89(2)(e)]

**Refund Type: On account of supplies made to SEZ unit or
SEZ Developer (without payment of tax)**

(Amount in Rs.)

Sr. No.	Invoice details			Goods/ Services (G/S)	Shipping bill/ Bill of export/ Endorsed invoice no.	
	No.	Date	Value		No.	Date
1	2	3	4	5	6	7

No. JC/HQ-I/GST/Refund/01/2017-18

Mumbai, Date 28/11/2017

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Copy forwarded for information to,

- (1) The Joint Commissioner of State Tax, (MAHAVIKAS) with a request to upload this Trade circular on MSTD web-site.
- (2) Officer on Special Duty, Finance Department, Mantralaya, Mumbai.
- (3) Under Secretary, Finance Department, Mantralaya, Mumbai.
- (4) Accounts Officer, Sales Tax Revenue Audit, Mumbai and Nagpur.


(Vilas Indalkar)

Additional Commissioner of State Tax
(GST)-02, Maharashtra State
Mazgaon, Mumbai

(4)