

<b>From</b>	<b>Karvy Data Management Services Ltd.</b>
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<b>Subject</b>	<b>GST Refund</b>
<b>Category</b>	<b>Press Release</b>
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<b>Series</b>	<b>Karvy/GST/25</b>

Since roll out of GST on 01<sup>st</sup> July 2017, GST Council has been evaluating the issues being faced by the taxpayers as well as the exporter's community. The concerns of the exporters are primary on delay in granting refund and absence of any mechanism to claim refund through GSTN Portal.

### **BACKGROUND OF CIRCULAR**

Exporters have been complaining about delay in grant of refunds pertaining to Integrated Goods and Services Tax (IGST) paid on goods exported out of India as well as accumulation of Input Tax Credit (ITC) on without payment of duty on exports.

### **Refund of IGST:**

Position of refund claim for IGST paid on goods exported out of India:

<b>Month</b>	<b>Position of refund claimed</b>
July 2017	Majority of refund claims which were due have been sanctioned
August, September and October 2017	Refund claims are being sanctioned, wherever returns have been accurately filed

### **Prerequisites for sanction of refund for IGST:**

1. GSTR 3B for the respective month, for which refund is claimed, must be filed
2. No discrepancy in the information furnished in Table 6A of GSTR 1 and the Shipping Bill on Customs EDI system by the exporter.

### **Common Errors which may result in delay in grant of refunds or rejection thereof:**

1. Incorrect Shipping Bill number in GSTR1
2. Mis-match of invoice number and IGST amount paid
3. Wrong bank account etc.

### **How to check if there are any errors?**

1. Information has been made available to Exporters on the ICEGATE portal, if they are registered.
2. Exporter may also contact jurisdictional Customs authorities to check the errors they have committed in furnishing information in GST returns and Shipping Bill.

Note:

1. Customs system is designed to automatically grant refunds without involvement of any officer by matching information that is furnished on GSTN portal and Customs system, it is important to furnish information for refunds correctly to avoid delay/rejection of pending refunds.
2. The facility for filing GSTR 1 for August 2017 would also be ready by 4th December 2017.
3. In case of wrong entries made in July, Table 9 of GSTR 1 of August month would allow amendments to GSTR 1 of July 2017.

#### Refund of Input Tax Credit:

1. Refund of the unutilized input tax credit on inputs or input services used in making exports
2. Exporters shall file an application in **FORM GST RFD- 01A** on the common portal
3. The amount claimed as refund shall get debited from the electronic credit ledger of the exporter to the extent of the claim made.

#### Condition for claiming ITC Refund:


1. A proof of debit (ARN- Acknowledgement Receipt Number) shall be generated on the GSTN portal, which is to be mentioned on the print out of the **FORM GST RFD-01A** and to be submitted manually to the jurisdictional officer
2. All the necessary documentary evidences are submitted along with the **FORM GST RFD 01A** for timely sanction of refund.

Note:

#### Exporters are advised to immediately take below action:

1. Table 6A and GSTR 3B, if not already done, for processing of IGST refund.
2. RFD 01A on GSTN portal for refund of the unutilized input tax credit on inputs or input services used in making exports and
3. GSTR 1 for August 2017 for amending details provided in July GSTR1 wherever required

**NAVIGATION:** LOGIN→SERVICES→REFUNDS→REFUND OF ITC ON EXPORT OF GOODS & SERVICES WITHOUT PAYMENT OF INTEGRATED TAX

Select the Refund type: 

• Indicates Mandatory Field

<input type="radio"/>	Refund of Excess Balance in Electronic Cash Ledger	<input type="button" value="CREATE"/>
<input checked="" type="radio"/>	Refund of ITC on Export of Goods & Services without Payment of Integrated Tax	<input type="button" value="CREATE"/>

Please select Tax period for which the application is to be filed:

Tax Period

Financial Year \*  Month \*

**About KARVY DATA MANAGEMENT SERVICES LTD.**

Karvy Data Management Services Limited (KDMSL), a GST Suvidha Provider which has developed ASP Solution for easing GST compliance for tax payers. Easy to use interfaces are made available at the disposal of the tax payers to simplify their compliances in terms of dashboards, MIS, returns, payments, refunds and other compliance process. So, 'HELP US HELP YOU' we offer following services for GST - GSP & ASP Services (on cloud or on premises) with ERP Integration and Vendor Management Solution. We also offer managed services for Outsourced GST Compliance which will take care of end to end compliances.

In India, GST Team of KDMSL are located in following cities: Hyderabad, Mumbai, Bangalore, New Delhi and Kolkata. For more information about KDMSL service offerings, visit [www.karvygst.com](http://www.karvygst.com)

**Below are the co-ordinates of our representatives from GST Team across India:**

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