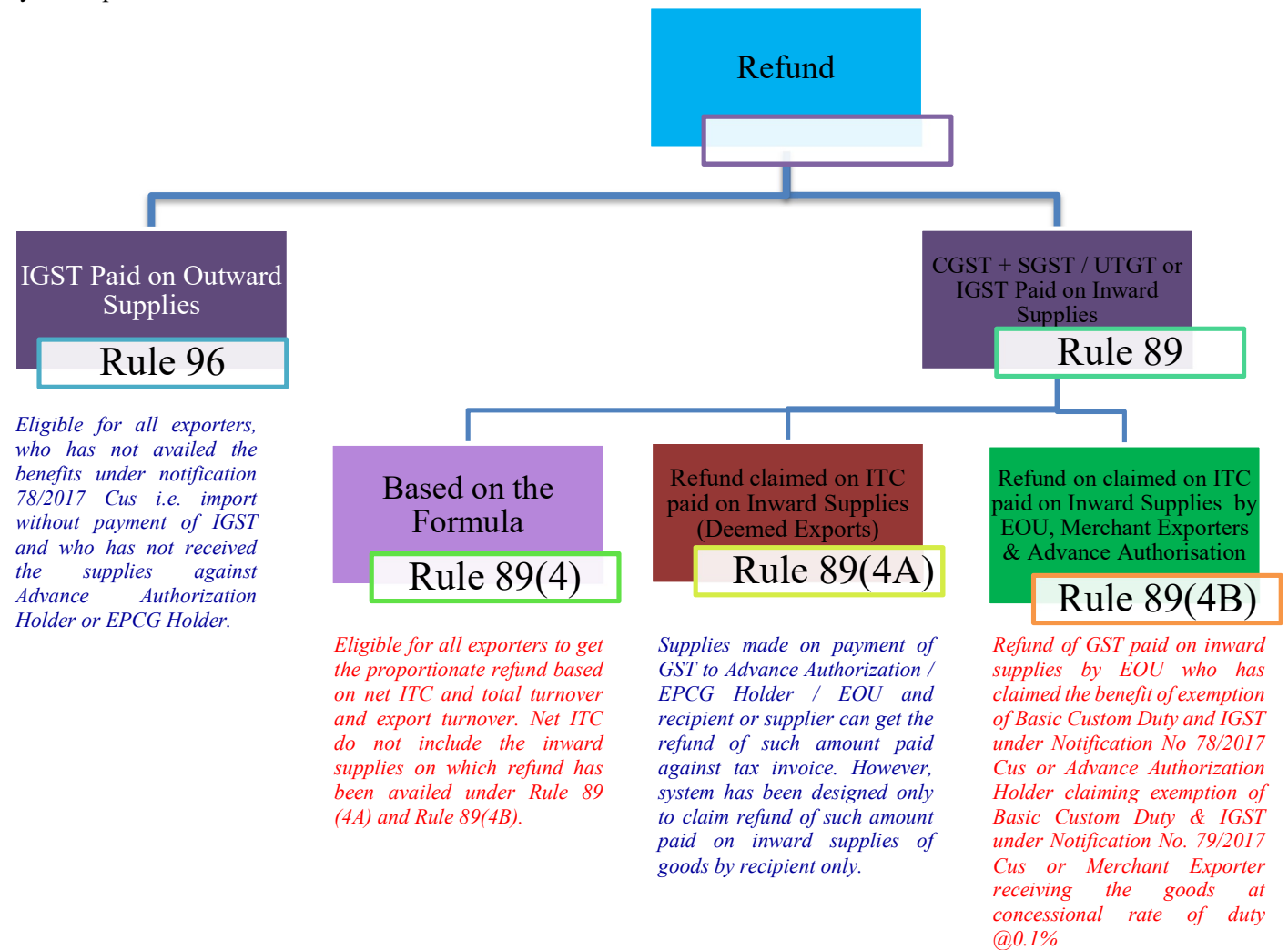


Exporters are entitled to obtain the refund of CGST + SGST / UTGST or IGST paid on inward supplies, when such inward supplies are used for the purpose of export of goods or services or both. Similarly, exporters are also entitled to obtain the refund on IGST paid on exports on outward supplies of goods or services or both. It is ensured incidence of tax is not borne by the exporters.



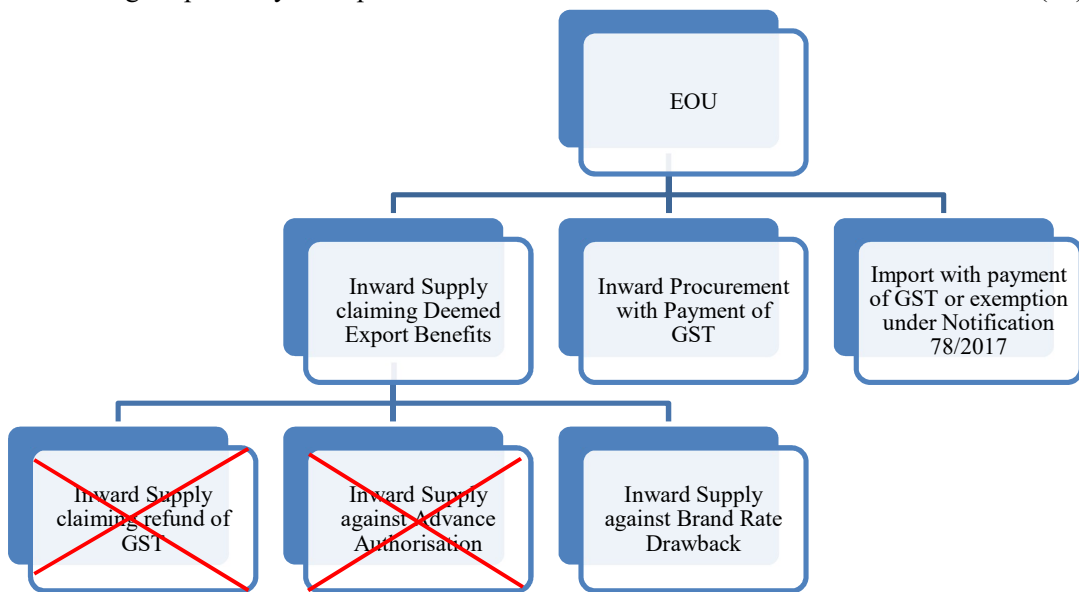
CBIC has issued the most awaited clarification vide circular number 45/19/2018 GST dtd. 30.05.2018. It is further clarified that LUT should not be insisted for zero rated supply of exempted on non-GST goods i.e. non-taxable goods

| Taxpayer being Merchant Exporter also | Taxpayer having DTA Unit | Taxpayer having EOU Unit |
|--|---|---|
| No refund of IGST paid on outward supplies under Rule 96 can be made, if inward supplies are received at concessional rate i.e. 0.1% | Taxpayer having DTA unit is entitled for refund of IGST paid on outward supplies provided the inward supplies has not been received under Advance Authorisation otherwise such refund under Rule 96 is available. | Taxpayer having EOU Unit can claim the refund of IGST paid on exports provided inward supplies has not been received under Advance Authorisation, otherwise refund under Rule 89 only can be claimed. |

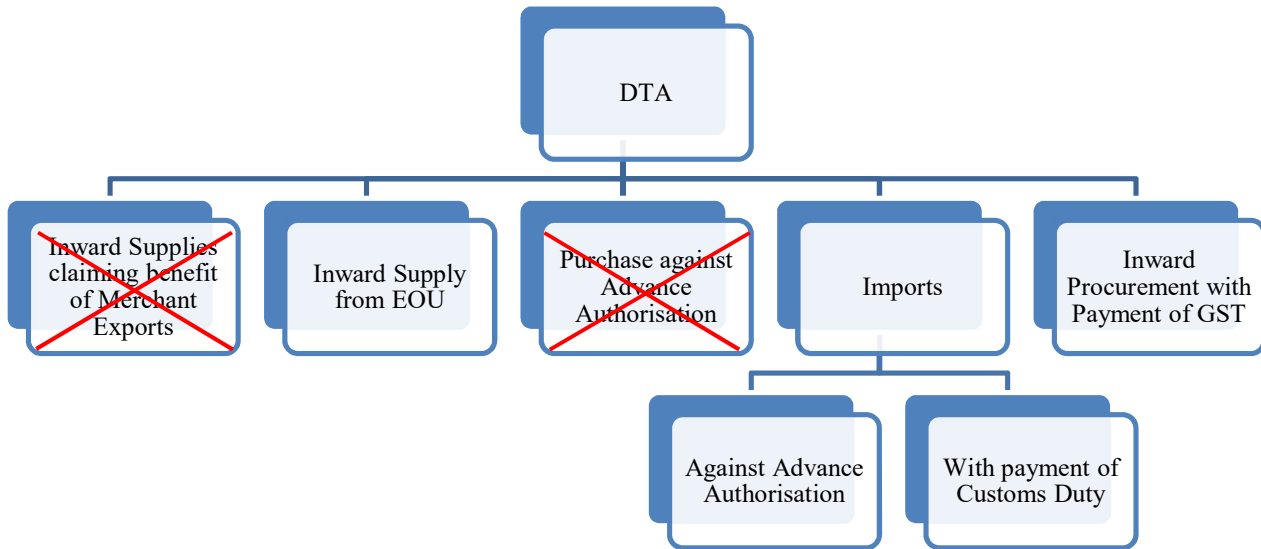
| | | |
|--|---|---|
| | Alternatively refund under Rule 89 can be claimed | Similarly, when supplies are received from EOU, Advance Authorisation |
| In all other cases, refund under Rule 96 will be entitled | | |

In this connection CBIC has issued the notification No. 52/2018, 53/2018 and 54/2018 Central Tax dtd. 09.10.2018.

If EOU wish to claim the refund of IGST paid on exports, then EOU will have to ensure that there is no inward supply claiming refund of GST or inward supply against advance authorization otherwise EOU will have to apply refund under Rule 89 only. Below chart provides more clarity or EOU should have not availed the benefit of notification No. 78/2017 Cus. Any EOU availing import duty exemption will not be entitled to claim the refund under Rule 96 (10).



Similarly, domestic unit wish to claim the refund of IGST paid on exports, then DTA will have to ensure that there is no inward supply claiming benefit of merchant exports and Inward supplies against Advance Authorization otherwise DTA will have to apply refund under Rule 89 only. Below chart provides more clarity:



Clarification is needed whether it is for individual supplies or exporters have been put to the exporters without any time limit for claiming refund under Rule 96 of CGST Rules 2017.

Refund Under Inverted Duty Structure :

When tax rate on outward supplies is lower than that of inward supplies, in such condition refund of inputs can be obtained under inverted duty structure.

Maximum Refund Amount = {(Turnover of inverted rated supply of goods and services) x Net ITC ÷ Adjusted Total Turnover} - tax payable on such inverted rated supply of goods and services.

Net ITC - mean input tax credit availed on inputs during the relevant period other than the input tax credit availed for which refund is claimed under sub-rules (4A) or (4B) or both;

Adjusted Total turnover - means the turnover in a State or a Union territory, as defined under clause (112) of section 2, excluding –

- (a) the value of exempt supplies other than zero-rated supplies and 69
- (b) the turnover of supplies in respect of which refund is claimed under sub-rules (4A) or (4B) or both, if any

Refund for wrong payment of duty:

Application should be filed for claiming excess payment of duty or payment wrongly made of different tax in Form RFD-01.

Refund for Deemed Exports:

Refund of Deemed Exports also can be made either by supplier or recipient in RFD-01 but technology has been designed in such manner that only recipient can file the refund only after payment of invoice including GST to the supplier.