



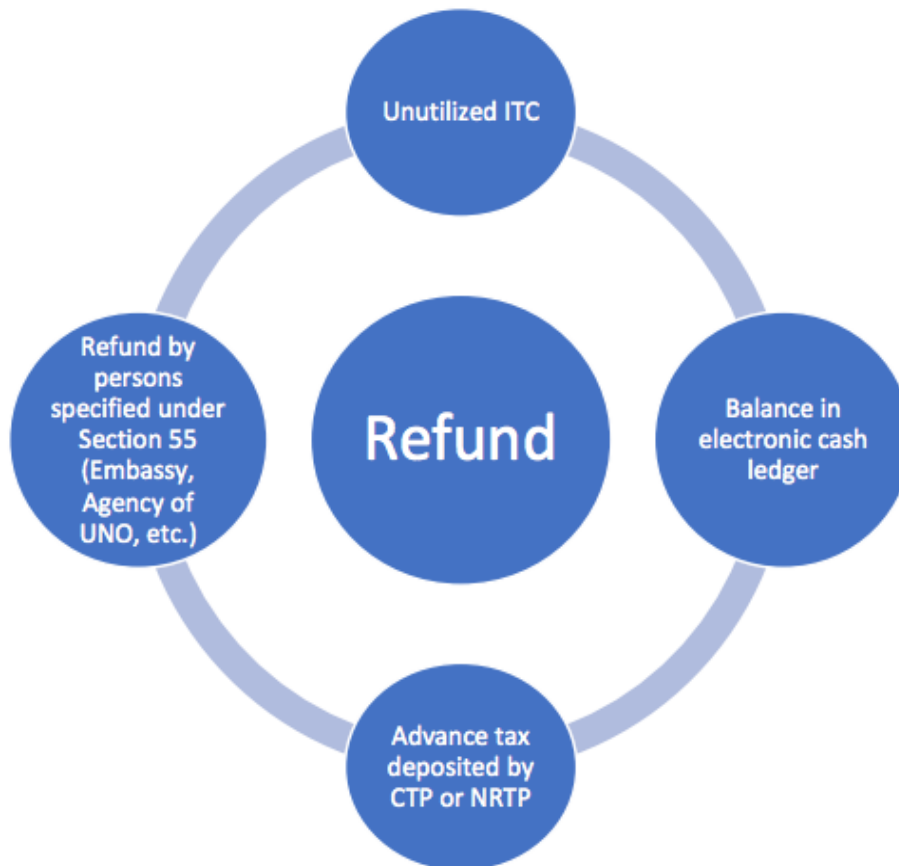
GST REFUNDS

CLAIM PROCESS

A *Timely refund mechanism is essential in tax administration, as it facilitates trade through the release of blocked funds for working capital, expansion and modernization of existing business. Refund provisions in GST are more transparent as compared to provisions contained in the earlier Indirect tax regime.*

The taxpayer needs to apply in the prescribed format on the GST portal within the stipulated period and the application must be supported by relevant documents, such as invoices, shipping bills, and bank statements

The GST authorities will process the refund claim and may undertake scrutiny to verify the eligibility of the taxpayer for the refund. Upon verification, the refund amount will be credited to the taxpayer's bank account electronically.



REFUND CAN BE CLAIMED UNDER THE FOLLOWING CIRCUMSTANCES :



🌀 *Any excess balance in Electronic Cash Ledger as per the provision of Section 49(6)*

🌀 *Unutilized Input Tax Credit at the end of any tax period*

- a) Under the Zero-rated Supplies made without payment of Tax.*
- b) Accumulated ITC on account of input being higher rate than the rate of tax on output supplies*
- ☪ Tax paid on export of goods under “with payment of tax” scheme*
- ☪ Refund on deemed export supplies*
- ☪ Refund of excess payment of tax*
- ☪ Refund on account of “any other” ground or reason*

DOCUMENTS REQUIRED FOR REFUND

APPLICATION :

The applicant needs to file the requisite form online in the GST portal or through a Facilitation Centre notified by the Commissioner for submitting an application for GST refund of the tax, interest, penalty, fees paid by them.

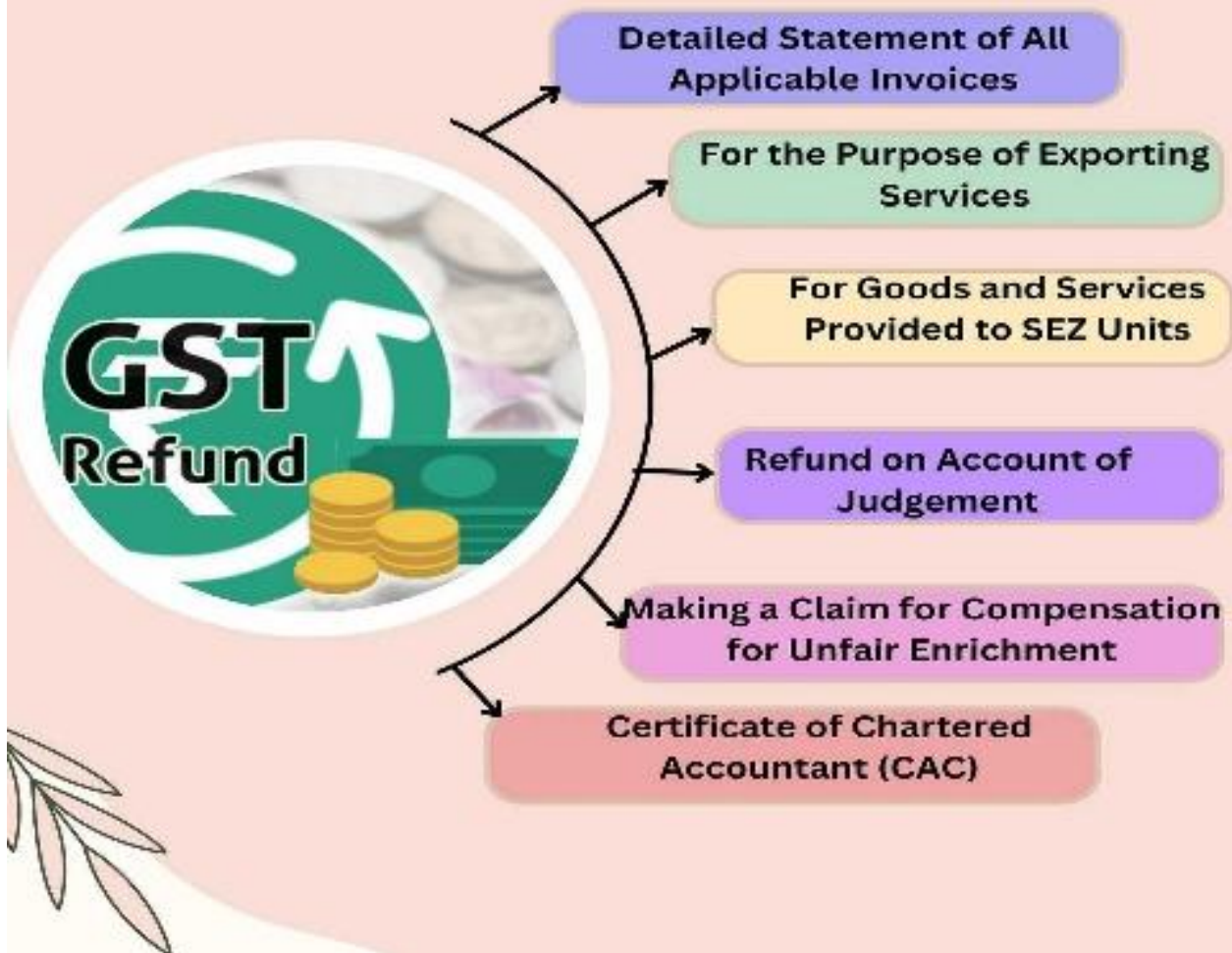
A. Refund of tax paid on export of goods or services (with payment of tax)

- ☪ Copy of Shipping bill*
- ☪ Copy of “Let Export order”*

B. Refund of tax paid or unutilized ITC on export of goods or services and supply to SEZ unit (with/without payment of tax)

- ☪ Copy of GSTR-2A of the relevant period*
- ☪ Copy of the Invoices*
- ☪ Self-certified copies of the invoices which are not found in GSTR-2A but included in GST refund application*

Documents Required for GST Refund



C. Refund of unutilized ITC under inverted tax structure

- ☞ *Copy of GSTR-2A of the relevant period*
- ☞ *Copy of the Invoices*
- ☞ *Self-certified copies of invoices which are not found in GSTR-2A but included in GST refund application*

D. No separate documents required for the refund application under the following circumstances

☞ Refund of excess balance in the Electronic cash ledger

☞ Refund of excess payment of tax

☞ Refund of tax paid on an intra-state supply which is subsequently held to be an inter- state supply and vice versa

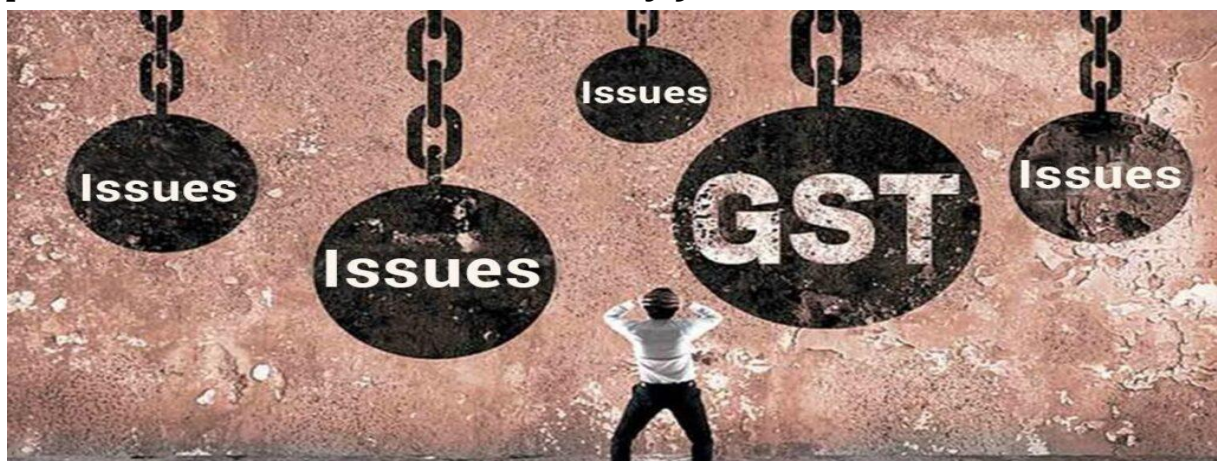
E. Refund on account of assessment/provisional assessment/appeal/any other order

☞ Copy of the order can be submitted along with the refund application

TIME LIMIT FOR GST REFUND

APPLICATION :

As per the provisions of CGST act, 2017, GST refund application shall be filed within 2 years from the relevant date. The relevant date shall vary for each situation. Hence, the applicant has to plan their refund claim within specified time limit. There is no time limit for claiming excess balance in electronic cash ledger as refund, provided that GST returns are duly filed.



POTENTIAL CHALLENGES IN GETTING A REFUND :

☞ *Refund applications may be rejected if they are not filed correctly or if the supporting documents are not in order.*

☞ *The applicant should have duly filed GSTR 1 and GSTR 3B for the relevant period. Mismatch Between Refund Claims and GSTR 2B*

☞ *Any error or mistake in the returns may lead to rejection of application*



CERTIFICATE FROM CHARTERED ACCOUNTANT OR COST ACCOUNTANT :

Where the amount of refund claimed is more than Rs 2 lakh a certificate shall be obtained from a Chartered Accountant or a Cost Accountant stating that the incidence of tax, interest or any other amount claimed as refund has not been passed on to any other person .