

To,

All the Members of Plexconcil

Dear Sir / Madam,

Greetings from Plexconcil!

Subject : GST POLICY WING issues Clarification for Refund related issues

We wish to inform you that the CBIC GST Policy Wing has issued Circular No. 147 Dated 12.03.2021 clarifying various refund related issues.

1. Clarification in respect of refund claim by recipient of Deemed Export Supply

The Circular has clarified that there is no restriction on recipient of deemed export supplies in availing ITC of the tax paid on such supplies when the recipient files for refund claim.

The Para 41 of Circular No. 125 Dated 18.11.2019 to this aspect as been modified vide this circular.

However, it is to ensure that no dual benefit to the claimant, the portal allows refund of only Input Tax Credit (ITC) to the recipients which is required to be debited by the claimant while filing application for refund claim. Therefore, whenever the recipient of deemed export supplies files an application for refund, the portal requires debit of the equivalent amount from the electronic credit ledger of the claimant.

2. Extension of relaxation for filing refund claim in cases where zero-rated supplies has been wrongly declared in Table 3.1(a).

Where GST was recorded wrongly in table 3.1(a) instead of 3.1(b) of GSTR3B and were unable to claim refund of IGST refund as the period was only from 01.07.2017 to 30.06.2019.

Para 26 of the Circular No. 125 Dated 18.11.2019 has been modified to change the date from 01.07.2017 to 31.03.2021

3. The manner of calculation of Adjusted Total Turnover under sub-rule (4) of Rule 89 of CGST Rules, 2017

The Circular Notices that "Adjusted Total Turnover" includes "Turnover in a State or Union Territory", as defined in Section 2(112) of CGST Act. As per Section 2(112), "Turnover in a State or Union Territory" includes turnover/ value of export/ zero-rated supplies of goods. Clarification on Turnover of zero-rated supply of goods has also given in the said circular.

The circular also provides an illustration example for more clarification.

Exporters for complete said circular, please
refer https://www.cbic.gov.in/resources//htdocs-cbec/gst/Circular_Refund_147.pdf

Members are requested to take note of this circular.

Best regards

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Plexconcil