



PHD House, 4th Floor, Ramakrishna Dalmia Wing
4/2, Siri Institutional Area, August Kranti Marg, New Delhi – 110016, India
Tel#: (+91-11) 2685 5487 • Fax#: (+91-11) 2685 1321
E-mail: ceo@mait.com • Website: <http://www.mait.com>

Ref.No.MAIT/PY/2275

March 09, 2021

Shri Sanjay Mangal
Commissioner-- GST Policy Wing
Department of Revenue Central Board of Indirect Taxes and Customs
Ministry of Finance

Subject: Challenges faced by DTA Suppliers in application of refund with respect to IGST paid on exports and supplies made to SEZ Units/Developers

Requested Support: - Period of relaxation be extended to March 31, 2021 by way of a Circular or Corrigendum to Circular 45/19/2018 – GST

Respected Sir,

Greetings from MAIT!

Congratulations on your taking over the position of Commissioner -GST Policy Wing. We are confident that under your guidance the operational issues during the implementation of GST Law with respect to the procedural matters shall be addressed then and there which will go a long way in ease of doing the business.

We would like to bring to your attention one such issue which is stated briefly below:

DTA suppliers are facing difficulties in application of refund with respect to IGST paid on exports and supplies made to SEZ Units/Developers and refund amount for the purpose of filing refund applications in GST RFD 01A is restricted to the amount of GST mentioned under column 3.1(b) of GSTR 3B due to in-built validation checks.

In this regard, we have listed down the concerns and challenges faced in the industry for your kind consideration, which are enumerated as below: -

- The DTA suppliers have erroneously filed the IGST paid with respect to exports and supplies made to SEZ Units/Developers under column 3.1 (a) i.e. “Outward Taxable supplies (other than zero rated, nil rated and exempted)”, instead of showing them under column 3.1 (b) i.e. “Outward Taxable supplies (zero rated)” of the Form GSTR-3B.
- However, the said transactions have to be appropriately disclosed under Table 6A and/or 6B of Form GSTR 1 i.e. “Exports” and “Supplies made to SEZ Unit or SEZ Developer”.

- Further, while filing the refund application in Form GST RFD – 01A for refund of integrated tax paid on the export of services or on supplies made to an SEZ developer or an SEZ unit, in light of the in-built validation check in the system, the refund amount is restricted to the amount of integrated tax/cess mentioned under column 3.1(b) of FORM GSTR-3B (zero rated supplies).
- Given that there is no facility to revise Form GSTR 3B, the DTA supplier is left with no option but to forego the refund of such tax paid which is rightfully granted to him under the GST Law, due to technical/procedural aspect discussed above.
- In this regard, the Government had issued Circular No. 45/19/2018 – GST read with Corrigendum to Circular No.45/19/2018-GST, granting a relaxation by allowing the refund amount in Form GST RFD 01A to include integrated tax/cess appearing column 3.1(a) and 3.1(c) of GSTR 3B as well. The relevant extract of the Circular and the Corrigendum is produced in Annexure attached.
- However, the said Circular and corrigendum provided such relaxation only for the period July 01, 2017 to June 30, 2019 whereas the inability to revise GSTR 3B and the built-in validation checks for GST RFD 01A still persists.

In this regard, **it is requested that the period of relaxation be extended to March 31, 2021 by way of a Circular or Corrigendum to Circular 45/19/2018 – GST.** This would go a long way in aiding the industries in GST refund claims.

We look forward to your positive consideration of our request.

With regards,

A handwritten signature in black ink, appearing to read "George Paul". The signature is fluid and cursive, with a long horizontal stroke at the end.

George Paul
Chief Executive Officer