



**MINISTRY OF FINANCE
DEPARTMENT OF REVENUE**
केंद्रीय जी.एस.टी आयुक्तालय, बेंगलूर दक्षिण, केंद्रीय राजस्व भवन, क्वींस रोड, बेंगलूर-560001
OFFICE OF THE PRINCIPAL CHIEF COMMISSIONER OF CENTRAL TAX
KARNATAKA ZONE, P.B.No. 5400, C.R. BUILDING,
QUEENS ROAD, BENGALURU-560001

C.No IV/16/395/2019 PCC.CT(BZ)

Dated:- 11.06.2020

TRADE NOTICE NO.03/2020 DATED 11.06.2020

Sub:-Clarification on refund related issues- Reg

Attention of the Trade is invited to the enclosed Circular No. 139/09/2020 GST dated 10.6.2020 issued from F.No.20/06/03-2020-GST. Detailed clarification on the issue relating to refund of accumulated ITC in respect of invoices whose details are not reflecting in the Form GSTR-2A of the applicant have been issued.

(2). Vide Circular No.135/05/2020-GST dated 31st March, 2020 the Board had issued guidelines for refunds of Input Tax Credit under Section 54(3) the Central Goods and Services Tax Act 2017. At para 5 of said Circular it was directed that refund of accumulated ITC shall be restricted to the ITC as per those invoices, the details of which are uploaded by the supplier in Form GSTR1 and are reflected in form GSTR 2A of the applicant. This was resulting in some applications of refund of ITC relating to imports, ISD invoices and the inward supplies liable to Reverse Charge (RCM supplies) being rejected.

(3). The Board has clarified that Circular No.135/05/2020-GST dated 31st March, 2020 does not in any way impact the refund of ITC availed on invoices/documents relating to imports, ISD invoices and the inward supplies liable to Reverse Charge (RCM supplies) etc. It further clarifies that the treatment of refund of such ITC relating to imports, ISD invoices and the inward supplies liable to Reverse Charge (RCM supplies) will continue to be the same as it was before the issuance of Circular No. 135/05/2020-GST dated 31st March, 2020.

(4). All Trade Associations are requested to circulate the contents of this Trade Notice to their members, Goods and Service providers in particular and trade in general.

(ARCHANA NAYAK)
JOINT COMMISSIONER(PCCO)

Encl.: Circular No. 139/09/2020 dated 10.6.2020

Copy to:

- 1)The Principal Commissioner/Commissioner of Central Taxes – Bangalore North/South/East/West/North-West/Mysuru/ Belagavi/ Mangaluru/– with a request to provide wide circulation to the aforesaid instructions under your jurisdiction.
- 2) All Trade Associations in the State of Karnataka.

Circular No. 139/09/2020-GST

CBEC-20/06/03-2020 -GST
Government of India
Ministry of Finance
Department of Revenue
Central Board of Indirect Taxes and Customs
GST Policy Wing

New Delhi, Dated the 10th June, 2020

To,

The Principal Chief Commissioners/Chief Commissioners/Principal Commissioners/
Commissioners of Central Tax (All)

The Principal Director Generals Director Generals (All)

Madam/Sir,

Subject: Clarification on refund related issues – reg.

Various representations have been received seeking clarification on the issue relating to refund of accumulated ITC in respect of invoices whose details are not reflected in the **FORM GSTR-2A** of the applicant. In order to clarify these issues and to ensure uniformity in the implementation of the provisions of law in this regard across the field formations, the Board, in exercise of its powers conferred by section 168 (1) of the Central Goods and Services Tax Act, 2017 (hereinafter referred to as “CGST Act”), hereby clarifies the issues detailed hereunder:

2. Circular No.135/05/2020 – GST dated the 31st March, 2020 states that:

“5. Guidelines for refunds of Input Tax Credit under Section 54(3)

5.1 In terms of para 36 of circular No. 125/44/2019-GST dated 18.11.2019, the refund of ITC availed in respect of invoices not reflected in FORM GSTR-2A was also admissible and copies of such invoices were required to be uploaded. However, in wake of insertion of sub rule (4) to rule 36 of the CGST Rules, 2017 vide notification No. 49/2019-GST dated 09.10.2019, various references have been received from the field formations regarding admissibility of refund of the ITC availed on the invoices which are not reflecting in the FORM GSTR-2A of the applicant.

Circular No. 139/09/2020-GST

5.2 *The matter has been examined and it has been decided that the refund of accumulated ITC shall be restricted to the ITC as per those invoices, the details of which are uploaded by the supplier in FORM GSTR-1 and are reflected in the FORM GSTR-2A of the applicant. Accordingly, para 36 of the circular No. 125/44/2019-GST, dated 18.11.2019 stands modified to that extent."*

3.1 Representations have been received that in some cases, refund sanctioning authorities have rejected the refund of accumulated ITC in respect of ITC availed on Imports, ISD invoices, RCM etc. citing the above-mentioned Circular on the basis that the details of the said invoices/documents are not reflected in **FORM GSTR-2A** of the applicant.

3.2 In this context it is noteworthy that before the issuance of Circular No. 135/05/2020-GST dated 31st March, 2020, refund was being granted even in respect of credit availed on the strength of missing invoices (not reflected in **FORM GSTR-2A**) which were uploaded by the applicant along with the refund application on the common portal. However, vide Circular No.135/05/2020 – GST dated the 31st March, 2020, the refund related to these missing invoices has been restricted. Now, the refund of accumulated ITC shall be restricted to the ITC available on those invoices, the details of which are uploaded by the supplier in **FORM GSTR-1** and are reflected in the **FORM GSTR-2A** of the applicant.

4. The aforesaid circular does not in any way impact the refund of ITC availed on the invoices – documents relating to imports, ISD invoices and the inward supplies liable to Reverse Charge (RCM supplies) etc.. It is hereby clarified that the treatment of refund of such ITC relating to imports, ISD invoices and the inward supplies liable to Reverse Charge (RCM supplies) will continue to be same as it was before the issuance of Circular No. 135/05/2020-GST dated 31st March, 2020.

5. It is requested that suitable trade notices may be issued to publicize the contents of this circular.

6. Difficulty, if any, in implementation of this Circular may please be brought to the notice of the Board. Hindi version would follow.

(Yogendra Garg)
Principal Commissioner
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