

Circular No. 174/06/2022-GST

New Delhi, Dated the 6th July, 2022

Prescribing manner of re-credit in electronic credit ledger using FORM GSTPMT-03A

1. Difficulties were being faced by the taxpayers in taking re-credit of the amount in the electronic credit ledger in cases where any excess or erroneous refund sanctioned to them had been paid back by them either on their own or on being pointed by the tax officer. In order to resolve this issue, GSTN has recently developed a new functionality of **FORM GST PMT- 03A** which allows proper officer to re-credit the amount in the electronic credit ledger of the taxpayer. Further, sub-rule (4B) in rule 86 of the Central Goods and Services Tax Rules, 2017 (hereinafter referred to as “CGST Rules”) has been inserted vide Notification No. 14/2022-CT dated 05.07.2022 to provide for re-credit in the electronic credit ledger where the taxpayer deposits the erroneous refund sanctioned to him.
2. In order to ensure uniformity in the implementation of the above provisions of the law across 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 following:
3. Categories of refunds where re-credit can be done using FORM GST PMT-03 A:

3.1 Reference is invited to sub-rule (4B) of rule 86 of the CGST Rules, which is reproduced as under:

(4B) Where a registered person deposits the amount of erroneous refund sanctioned to him –

- a. under sub-section (3) of section 54 of the Act, or
- b. under sub-rule (3) of rule 96, in contravention of sub-rule (10) of rule 96, along with interest and penalty, wherever applicable, through **FORM GST DRC-03**, in cash, on his own or on being pointed out, an amount equivalent to the amount of erroneous refund deposited by the registered person shall be re-credited to the electronic credit ledger by the proper officer by an order made in **FORM GST PMT- 03A**.

3.2 From the above, it can be stated that in respect of the following categories of refund sanctioned erroneously, re-credit of amount in the electronic credit ledger can be done through **FORM GST PMT-03A**, on deposit of such erroneous refund along with interest and penalty, wherever applicable, by the taxpayer:

- a. Refund of IGST obtained in contravention of sub-rule (10) of rule 96.

- b. Refund of unutilized ITC on account of export of goods/services without payment of tax.
- c. Refund of unutilized ITC on account of zero-rated supply of goods/services to SEZ developer/Unit without payment of tax.
- d. Refund of unutilized ITC due to inverted tax structure.

4. Procedure for re-credit of amount in electronic credit ledger:

4.1 The taxpayer shall deposit the amount of erroneous refund along with applicable interest and penalty, wherever applicable, through **FORM GST DRC-03** by debit of amount from electronic cash ledger. While making the payment through **FORM GST DRC-03**, the taxpayer shall clearly mention the reason for making payment in the text box as the deposit of erroneous refund of unutilized ITC, or the deposit of erroneous refund of IGST obtained in contravention of sub-rule (10) of rule 96 of the CGST Rules.

4.2 Till the time an automated functionality for handling such cases is developed on the portal, the taxpayer shall make a written request, in format enclosed as **Annexure-A**, to jurisdictional proper officer to re-credit the amount equivalent to the amount of refund thus paid back through **FORM GST DRC-03**, to electronic credit ledger.

4.3 The proper officer, on being satisfied that the full amount of erroneous refund along with applicable interest, as per the provisions of section 50 of the CGST Act, and penalty, wherever applicable, has been paid by the said registered person in **FORM GST DRC-03** by way of debit in electronic cash ledger, he shall re-credit an amount in electronic credit ledger, equivalent to the amount of erroneous refund so deposited by the registered person, by passing an order in **FORM GST PMT-03A**, preferably within a period of 30 days from the date of receipt of request for re-credit of erroneous refund amount so deposited or from the date of payment of full amount of erroneous refund along with applicable interest, and penalty, wherever applicable, whichever is later.

Annexure-A

From,

GSTIN - _____

Legal Name- _____

Trade Name- _____

To,

Jurisdictional Proper officer,

Address _____

Subject: Request for re-credit of amount in Electronic Credit Ledger

I/We have been granted refund under the following category (please tick the relevant category):

- a. Refund of IGST, obtained in contravention of sub-rule (10) of rule 96 of the CGST Rules, 2017.
- b. Refund of unutilized ITC on account of export of goods/services without payment of tax.
- c. Refund of unutilized ITC on account of zero-rated supply of goods/services to SEZ developer/Unit without payment of tax.
- d. Refund of unutilized ITC due to inverted tax structure.

2. The details of refund sanction order are as under:

(a) In case of refund of IGST, obtained in contravention of sub-rule (10) of rule 96 of the CGST Rules, 2017:

- 1. Shipping Bill/ Bill of Export No. & Date _____
- 2. Amount of IGST paid on export of goods _____
- 3. Details of Exemption/Concessional Rate Notification used for procuring inputs

- 4. Amount of refund sanctioned _____
- 5. Date of credit of refund in Bank Account _____

(b) In other cases of refund:

- 1. Category of refund & relevant period of refund _____
- 2. GST RFD-01/01A ARN & Date _____
- 3. GST RFD-06 Order No. & Date _____
- 4. Amount of refund claimed _____
- 5. Amount of refund sanctioned _____

6. Date of credit of refund in Bank Account _____

3. I/We have deposited the erroneous refund amount of Rs. _____ along with interest of Rs. _____ and penalty of Rs. _____ (Wherever applicable) vide FORM GST DRC 03 Ref/ARN _____ dated _____ voluntarily on my own ascertainment/ against a notice/order/letter No. _____ dated _____ issued by (details of the tax authority). It is now requested to re-credit an amount equivalent to the amount of erroneous refund, so deposited, in the Electronic Credit Ledger.

4. I hereby solemnly affirm and declare that the information given hereinabove is true and correct to the best of my knowledge and belief and nothing has been concealed therefrom.