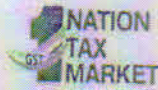




केन्द्रीय कर के प्रधान आयुक्त का कार्यालय
Office of the Principal Commissioner of Central Tax
विशाखापत्तनम केन्द्रीय वस्तु एवं सेवाकर आयुक्तालय
Visakhapatnam Central GST Commissionerate
वस्तु एवं सेवाकर भवन, पत्तन क्षेत्र, विशाखपट्टणम
GST Bhavan, Port Area,
Visakhapatnam-530035
Phone/Fax: 0891-2562604
Email id::supdt.gst-cexvskp1@gov.in



ISO 15700
CERTIFIED



Circular No.02/2017-GST
Dated 12-12-2017

Sub:- GST – Guidelines for process of Manual of refund payments in respect of Zero rated supplies of Goods or Services or both to be followed by the field formations including Pay & Accounts Offices – Reg.

In light of the CBEC Board's Circular No. 17/17/2017-GST dated 15th November 2017, the Principal Chief Controller of Accounts vide Office Memorandum No. Pr. CCA/CBEC/GST-IT/e-PAO (Refunds)/33/16-17/788 dated 5th December 2017 has issued detailed process / guidelines to be followed by field formations including Pay & Accounts Offices for processing of Manual Refund payments. The detailed process/guidelines are furnished as under:

2. The payment of refund of Indirect Taxes in the pre-GST regime was done by the Departmental Officers themselves without the involvement of the Pay & Account Offices. Only the accounting of the Refund of Indirect Taxes was done by the Pay & Accounts Offices. However, after the introduction of GST w.e.f. 1st July 2017, it has been decided by the Govt. to make payment of GST Refund by the Pay & Accounts Offices of CBEC using the PFMS Portal. The decision envisages that the entire process of Refund filing, processing and payment will be done electronically by integrating the IT Systems of GSTN, CBEC and the Office of Pr. CCA, CBEC. However, as mentioned in the Circular No. 17/17/2017-GST dated 15.11.2017, the GST Refund in respect of Zero rated supplies of Goods and Services is being done manually for the time being which has necessitated to formulate a process of payment of Refund in a decentralized manner by the Pay & Accounts Offices located at the locations of Commissionerates of CGST across the Country. The Business Process with respect to these Refund Payments has been approved/agreed upon by the Office of Controller General of Accounts vide U.O. No. 9(3)/2017/TA/1232 dated 1st December 2017.

3. The CGST Commissionerates and their divisions duly mapped with the Pay & Accounts offices shall follow the process as mentioned below for payment of such GST Refunds: -

- I. In each division of CGST Commissionerates, the Refund Sanctioning Authority (Asstt. Commissioners/Dy. Commissioners) will act as PD (Programme division) and get registered through the existing DDO and Pay & Accounts Office on PFMS Portal and obtain a login id. **(If not already registered).**
- II. The existing DDOs set up in the Division/Commissionerate which is already functioning for processing of various types of bills for payment against the Budgeted Heads of Expenditure will be used for the processing of Refund bills.
- III. Every PAO shall map the Functional Heads of Account for Refunds in respect of those DDOs who will be preferring the GST Refund bills to the PAO. Budget entry will not be required for the Refund Payments as these are to be accounted as deduct Refunds from Tax Receipt Heads. **(The List of Functional Heads of Account is enclosed as Annexure 'A ').**
- IV. The Refund Sanctioning Authority (ACs/DCs) will issue the Refund order as per the process prescribed by the Law and in the Circular dated 15.11.2017. The Refund Order may be issued separately for each Major Head of GST/CGST/IGST/Compensation Cess. **(Till the time a utility is developed in the PFMS Portal to accept the Refund Order and Bill under multiple Major Heads of Account).**
- V. The Refund Sanctioning Authority will enter the bank details of the tax payer on the PFMS Portal to create a "**Vendor ID**". Once the bank details are entered successfully, it will not be required to enter the details again against the same taxpayer as the "**Vendor ID**" created in the first instance will be used for the subsequent refund payment also.
- VI. The Refund Sanctioning Authority will enter the details of the Refund sanctioned by them after **Login** to the PFMS Portal. While doing so, no "**scheme name**" should be selected and only the "**Functional Head**", under which the tax is being refunded, should be selected from the Drop-down Menu. The Sanctioning Authority will also forward the duly Ink signed copy of the Refund order to the concerned DDO.
- VII. In the field "**Sanction Type**" he will have to select "**Expenditure**" and in the field "**Bill Type**" he will have to select "**Normal Bill**". The selection of functional Head **(which are separate for CGST/IGST/Compensation Cess and for each of the component like Tax, Interest, Penalty etc.)** should need to be selected carefully by the Refund Sanctioning Authority.
- VIII. The concerned DDO upon receiving the physical copy of the Refund Order as well as the details of Refunds entered by the Sanctioning Authority on the PFMS Portal will generate a bill on the PFMS Portal and forward it to the concerned PAO. At the same time, the DDO will also take a printout of the bill so generated by him from the PFMS Portal and after attaching the physical copy of the sanction with it will send it to the PAO. **(This process is already in vogue for various types of bills prepared by DDO for payment through the PAO).**
- IX. The payment of GST Refund is different from the payment of other Bills against the Budgeted Head of Expenditure. The bills pertaining to the Budgeted Head are to be checked/scrutinized by the Pay & Accounts Officers in terms of GFR, Receipt & Payment Rules, DFPR, Civil Accounts Manual, Govt. Accounting Rules, and other codal provisions, whereas the payment for GST Refund will not require such scrutiny as the sanction has been issued by the Refund Sanctioning authority in terms of the GST Law. PAO will only verify the details of the bills available on the PFMS Portal and compare it with the physical copy of the sanction/bill received

from the DDO and point out discrepancy, if any in the functional head or in other parameters. PAO will not look into the appropriateness of the Refund Order which is the responsibility of the Refund Sanctioning Authority.

- X. PAO will authorize payment of such Refund on PFMS Portal to the accredited Bank in the same manner as other Payments are made against the bills received from the DDOs.
- XI. As the Refunds payments will be made by PAO along with other Payments, a combined/single Payment scroll will be received from the accredited Bank.
- XII. The standard Reports available at present on PFMS Portal will be used by the Pay & Accounts Offices to share the details of Refund Payments with the DDO and Refund Sanctioning Authority. **(However, in due course, customized reports will be available on the PFMS Portal which are being worked out in consultation with the Office of Controller General of Accounts).**
- XIII. PAO will do the reconciliation of the Refund Payment with each of the DDO in the same manner the reconciliation is done in respect of other Payments made under the Budgeted Heads of Expenditure.
- XIV. In case a refund transaction is reported as **"failed after success"** by the accredited Bank, the details of such transaction will be available in PFMS Portal to both the PAO & the DDO. Necessary corrections in the Bank account of the Assessee may be carried out upon written instructions of the Refund Sanctioning Authority.
- XV. The refund payments made by each of the PAO will be reported on daily basis to the Pr. Accounts Office (Accounts and Compilation) Office of Pr. CCA, CBEC.

4. The Zonal offices of Pr. CCA, CBEC will supervise the GST Refund Payment in their respective zones to ensure that there is no gap in the understanding of this process by the Refund Sanctioning authority, DDO and PAO. Therefore, there should not be any delays in the payment process consequent to issuance of this OM.

5. The Process of GST Refund Payment is applicable with immediate effect.

Recd 21
13/12/17
DDO/12/17

Car
12/12/17
Super (System)

B. Hareram
(बि हरेराम B.HARERAM) 12/12/2017

प्रधान आयुक्त Principal Commissioner

[Issued from file C.No.V/30/37/2017 - GST Cell.

To

All the JACs /JDCs / DDOs of Central Tax, Visakhapatnam CGST Commissionerate.

The Joint Commissioner of Central Tax, Visakhapatnam Central GST Commissionerate.

Copy to the Pay & Accounts Officer, Visakhapatnam CGST.

प्रति DESPATCHED

दिनांक: 12/12/17

Function heads to be used for GST Refunds

FUNCTION HEAD	FUNCTION DESCRIPTION
0005 00 101 02 11	CGST TAX DEDUCT REFUNDS OTHERS
0005 00 102 02 00	CGST INTEREST DEDUCT REFUNDS
0005 00 103 02 00	CGST PENALTY DEDUCT REFUNDS
0005 00 104 02 00	CGST FEES DEDUCT REFUNDS
0005 00 800 02 00	CGST OTHER RECEIPTS DEDUCT REFUNDS
FUNCTION HEAD	FUNCTION DESCRIPTION
0008 02 101 02 11	IGST ON DOMESTIC SUPPLY - OTHERS DEDUCT REFUNDS
0008 02 102 02 00	IGST ON DOMESTIC SUPPLY - INTEREST DEDUCT REFUNDS
0008 02 103 02 00	IGST ON DOMESTIC SUPPLY - PENALTY DEDUCT REFUNDS
0008 02 104 02 00	IGST ON DOMESTIC SUPPLY - FEES DEDUCT REFUNDS
0008 02 800 02 00	IGST ON DOMESTIC SUPPLY - OTHER RECEIPTS DEDUCT REFUNDS
FUNCTION HEAD	FUNCTION DESCRIPTION
0009 02 101 02 11	GST COMPENSATION CESS ON DOMESTIC SUPPLY - OTHERS DEDUCT REFUNDS
0009 02 102 02 00	GST COMPENSATION CESS ON DOMESTIC SUPPLY- INTEREST DEDUCT REFUNDS
0009 02 103 02 00	GST COMPENSATION CESS ON DOMESTIC SUPPLY - PENALTY DEDUCT REFUNDS
0009 02 104 02 00	GST COMPENSATION CESS ON DOMESTIC SUPPLY - FEES DEDUCT REFUNDS
0009 02 800 02 00	GST COMPENSATION CESS ON DOMESTIC SUPPLY - OTHER RECEIPTS DEDUCT REFUNDS