

# GST GUIDE WITH READY RECKONER – ED. OCTOBER 2019

## ADDENDUM

**DATED 31 OCTOBER 2019**

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Clause (e) of the Explanation 2 of section 54 of the GST Act was amended by the CGST (Amendment) Act, 2018 vide Ministry of Law and Justice Notification dt. 29-08-2018 w.e.f. 01-02-2019 (vide N.No.2 /2019-CT dt. 29-01-2019). The said Explanation 2 defines the term “relevant date” used in section 54 of the Act.

The said clause (e), before and after amendment, reads as under: -

**- Before the Amendment:**

(2) “relevant date” means—

(e) *in the case of refund of unutilised input tax credit under sub-section (3), the end of the financial year in which such claim for refund arises;*

**- After the Amendment:**

(2) “relevant date” means—

(e) *in the case of refund of unutilised input tax credit under clause (ii) of the first proviso to sub-section (3), the due date for furnishing of return under section 39 for the period in which such claim for refund arises;*

However, *inadvertently*, the said amendment could not be carried in our Commentary. Hence, the correct commentary is as under (*New matter is in green colour*):

**1. Refund – Chapter B-19 – Para 19.2.4 – Time limit**

An application for refund of tax and/or interest shall be made to the proper officer within **2 years** from the **relevant date** in a prescribed form. [Sec 54]

**Relevant date** means, ~~“end of the financial year in which such claim for refund arises”~~  
“the due date for furnishing of return under section 39 for the period in which such claim for refund arises”. [Explanation 2(e) to sec 54 as *subs.* w.e.f. 01-02-2019 (vide N.No.2 /2019-CT dt. 29-01-2019)]

**2. Refund - Chapter B-19 - Para 19.4.5 - Time limit**

As per sec 54 of the GST Act, an application for refund of tax and/or interest shall be made to the proper officer of IGST/CGST/SGST within **2 years** from the **relevant date** in a prescribed form.

As Explanation 2 to sec 54, **relevant date means:**

Clause No.	Circumstances	Relevant date
(e)	Refund of unutilized input tax credit due to zero-rated supplies under sec 54(3)	<del>End of the financial year in which such claim for refund arises</del> After the substitution of clause (e) w.e.f. 01-02-2019 (vide N.No.2 /2019-CT dt. 29-01-2019), no Clause of the Explanation 2 defines the "Relevant date" in respect of supplies made to the SEZ. Hence, to read the provisions harmoniously, Clauses (a) and (c), applicable to export of goods/services outside India, might also be applicable to the supply of goods/ services made to SEZ.

**Inconvenience caused is highly regretted.**

***Rakesh Garg and Sandeep Garg***