GSTAT

State Bench Chandigarh

Division Bench Court No. Court I

APL/2/CHD/2026

SHRUTI BANSAL **.....Appellant**

Versus

GURUDEV SALES CORPORATION, PARTNER, 1564 SECTOR 38B CHANDIGARH CHCHA 160036 **.....Respondent**

Quorum

Hon'ble Jatinder Pal Singh, Member(Judicial)
Hon'ble Pradeep Kumar Goel, Member (Technical)

Counsel for Appellant
SH VEER SINGH MEENA, AR ALONG WITH SMT. VAISHALI CHANDHOK AND SMT. BALVINDER KAUR, SUPERINTENDENTS

Counsel for Respondent
SH. ANKIT AWAL, ADVOCATE

Form GST APL-04A

[See rules 113(1) & 115]

Summary of the order and demand after issue of order by the GST Appellate Tribunal

whether remand order : No

Order reference no. : ZN500281026000371H **Date of order :** 28/10/2026

1.	GSTIN/Temporary ID/UIN -	
2.	Appeal Case Reference no. - APL/2/CHD/2026	Date - 13/03/2026
3.	Name of the appellant - Shruti Bansal , shruti.bansal1998@gov.in , 9643371428	
4.	Name of the respondant - 1. GURUDEV SALES CORPORATION , gurudevsalescorp2019@gmail.com , 9780598765	
5.	Order appealed against -	
	(5.1) Order Type - Refund Order	
	(5.2) Ref Number - ZD041025000979J	Date - 15/10/2025
6.	Personal Hearing - 28/10/2026 08/10/2026 23/09/2026 02/09/2026 19/08/2026 05/08/2026 22/07/2026	

7.	Status of Order under Appeal - Confirmed – Order under Appeal is confirmed
8.	Order in brief - In the instant case, there is no dispute that the invoices covered by the three Shipping Bills in question were prepared during the relevant period for which refund claim has been filed. There is also no dispute that the goods covered by these Shipping Bills have indeed been exported. This being the case, we find no reason to deny refund to the exporter in respect of the goods for which the invoices were admittedly issued during the relevant period, even though the goods were exported subsequent to the relevant period. Accordingly, we reject the Appeal and uphold the Impugned Order dated 14.05.2024.

Summary of Order

9.	If demand order then whether demand quantified: No

10.	For Other orders and Demand orders which are not quantified:	
Issues as raised by proper officer	Issues as determined by Appellate/Revisional authority	Order by GST Appellate Tribunal
Erroneous refund	As per Annexure A attached.	Department's Appeal is dismissed

Place :CHANDIGARH

Date : 28.10.2026

Signature

CHANDIGARH Jatinder Pal Singh

Designation : Member

Jurisdiction :Chandigarh

ORDER

The present appeal has been filed by the Assistant Commissioner, CGST Division-III, Chandigarh on behalf of the CGST Department against Order-in-Appeal No. CHD-CGST-001-APPL-ADC-23-2024-25 dated 14.05.2024 (hereinafter referred to as "the Impugned Order") passed by the Additional Commissioner, CGST (Appeals) Commissionerate, Chandigarh ("the Appellate Authority"). M/s Gurudev Sales Corporation, Chandigarh, having GST registration No. 04AALFG2972Q1ZT, is the Respondent herein.

2. Before proceeding further, it is relevant to note that the name of the Appellant in the cause title appearing on the GSTAT Portal appears to have been reflected erroneously. It is seen that the name of the officer who has filed the appeal on behalf of the GGST Department is appearing as the Appellant in the cause title. However, as per Section 112(3) of the CGST Act, 2017 read with Rule 33(2) of the GST Appellate Tribunal (Procedure) Rules, 2025, in an appeal filed before this Tribunal by the CGST Department, it is the Commissioner who is the Appellant. Hence, the cause title of this appeal should be corrected and read as: "Commissioner of CGST, Chandigarh vs. Gurudev Sales Corporation".

3. The brief facts of the case are that the Respondent filed an application for refund amounting to Rs. 26,72,178/- vide ARN AA0412220006605 dated 10.12.2022 on account of Export of Goods & Services without payment of Tax (Accumulated ITC) for the period 01.04.2022 to 31.10.2022, out of which refund of Rs. 26,68,324/- was sanctioned by the sanctioning authority vide Order No. ZI0402230124250 dated 10.02.2023. The Department filed an appeal against the said refund sanction order, before the Appellate Authority on certain issues. Vide the Impugned Order, the Appellate Authority dismissed the Department's appeal on all counts. The CGST Department is in appeal before this Tribunal against the Impugned Order in respect of only one issue.

4. The grounds of appeal as stated in the Appeal in Form GST APL-07 are as under:

(i) The date of Shipping Bill is 01.11.2022 w.r.t. three Shipping Bill Nos. 11176, 11177 & 11219 all dated 01.11.2022 (mentioned at Sr. No. 288, 289 & 290 of Statement-3), whereas the refund has been filed for the tax period from 01.04.2022 to 31.10.2022. Therefore, the Shipping Bills mentioned above do not pertain to the relevant tax period i.e. 01.04.2022 to 31.10.2022, and accordingly FOB value of Rs. 24,878.97, Rs. 24,878.97 & Rs. 24,965.85 respectively for these Shipping Bills should not be considered for calculation of zero-rated

supply of goods and services.

(ii) Kind attention is invited to the relevant Rule i.e. Rule 89(4) of the CGST Rules under which refund claim has been filed by the party. It is clearly evident that w.r.t. three Shipping Bills No. 11176, 11177 & 11219 all dated 01.11.2022 export has not been made by the party during the relevant period i.e. from 01.04.2022 to 31.10.2022, and as such the FOB value amounting to Rs. 74,724/- in respect of said three shipping bills should not be considered for calculation of zero-rated supply of goods and services.

5. We have heard Sh. Veer Singh Meena, Ld. AR for the CGST Department and Sh. Ankit Awal, Advocate for the Respondent. We have also gone through the grounds of appeal and the case records, and have carefully considered the arguments advanced by both sides.

6. We find that the issue involved in the present case has been decided by this bench in Appeal No. APL/1/CHD/2026 in the case of *Shruti Bansal Vs. Solitaire Pharmacia Pvt. Ltd.* reported at *2026 (9) TMI 2054*.

7. The relevant portion of our findings in the order dated 24.09.2026 passed in that case is extracted as under:

"5. ……The issues for determination before us are as under:

(i) Whether in view of the fact that the goods covered by four invoices were actually exported in the period subsequent to the "relevant period" for which the refund claim has been filed, refund would be inadmissible in respect of these four invoices, and

(ii) ……..…

6. As regards the first issue, it is not disputed that an exporter is allowed refund of ITC when goods or services are exported without payment of IGST under bond/ Letter of Undertaking under Section 54 of the CGST Act, 2017 read with Rule 89 of the CGST Rules, 2017……

7. From a perusal of sub-rule (4) of Rule 89 as above, it is evident that for refund of ITC to an exporter for export of goods or services, three amounts are relevant for calculating the amount of refund: (i) Net ITC, (ii) Turnover of zero-rated supply of goods and services, and (iii) Adjusted Total Turnover. These terms have been defined in the sub-rule 89(4) itself. The dispute in the present case is regarding the "turnover of zero-rated supply of goods" and the issue involved is as to whether this will include the value of invoices which were admittedly issued during the relevant period for the goods exported, even though the goods were actually exported subsequent to the relevant period as per the corresponding shipping bills.

As the present case involves export of goods alone and not of services, we will examine the legal provisions relating to goods alone.

8. As per the relevant portion of clause (C) of sub rule (4) of Rule 89 extracted above, "turnover of zero-rated supply of goods" has been defined to mean the value of zero-rated supply of goods made during the relevant period without payment of tax under bond or letter of undertaking…….

9. The term "zero-rated supply" has been defined under clause (23) of section 2 of the IGST Act, 2017 as follows:

"zero-rated supply" shall have the meaning assigned to it in section 16".

As per sub-section 16(1) of the IGST Act, 2017: "(1) "Zero-rated supply" means any of the following supplies of goods or services or both, namely:-

(a) export of goods or services or both; or

(b) supply of goods or services or both for authorised operations to a Special Economic Zone developer or a Special Economic Zone unit."

The term "export of goods" has been defined under Section 2(5) of the IGST Act, 2017 as:

"(5) "export of goods", with its grammatical variations and cognate expressions, means taking goods out of India to a place outside India".

10. From a perusal of the formula for calculation of refund amount as given in sub-rule (4) of Rule 89, it is evident that the amount of refund of ITC allowed to an exporter who exports goods without payment of tax under bond/Letter of Undertaking is that portion of "Net ITC" which is in the ratio of "turnover of zero-rated supply of goods" to the "Adjusted Total Turnover", during the relevant period. It is important to note that all three figures have to be for the same "relevant period".

11. With respect to the term "turnover", reference has to be made to clause (112) of Section 2 of the CGST Act, 2017, which has been quoted hereinabove. In the said clause (112), the terms "turnover in State" or "turnover in Union territory" have been defined to mean the aggregate value of all taxable supplies and exempt supplies made within a State or Union territory by a taxable person, exports of goods or services or both and inter-State supplies of goods or services or both made from the State or Union territory by the said taxable person. Under GST law, a taxpayer has to prepare invoices and declare the value declared in these

invoices in the periodical returns as its turnover. The turnover of a taxpayer for a particular period will, therefore, be the sum total of invoices issued for supply during that period. In this context the provisions relating to the time when an invoice is required to be issued and when the tax becomes payable become relevant.

12. Section 12 of the CGST Act, 2017 provides for the time when tax becomes payable on supply of goods. The relevant provisions of Section 12 are as follows:

"Section 12. Time of Supply of Goods.-

(1) The liability to pay tax on goods shall arise at the time of supply, as determined in accordance with the provisions of this section.

(2) The time of supply of goods shall be the earlier of the following dates, namely:-

(a) the date of issue of invoice by the supplier or the last date on which he is required, under section 31, to issue the invoice with respect to the supply; or

(b) the date on which the supplier receives the payment with respect to the supply: Provided that where the supplier of taxable goods receives an amount up to one thousand rupees in excess of the amount indicated in the tax invoice, the time of supply to the extent of such excess amount shall, at the option of the said supplier, be the date of issue of invoice in respect of such excess amount. Explanation 1.- For the purposes of clauses (a) and (b), "supply" shall be deemed to have been made to the extent it is covered by the invoice or, as the case may be, the payment.

Explanation 2.- For the purposes of clause (b), "the date on which the supplier receives the payment" shall be the date on which the payment is entered in his books of account or the date on which the payment is credited to his bank account, whichever is earlier."

13. The provisions relating to tax invoice are given in Section 31 of the CGST Act, 2017. The relevant provisions relating to issue of tax invoice for supply of goods are given in subsection (1), which is extracted as under:

"Section 31. Tax invoice.- (1) A registered person supplying taxable goods shall, before or at the time of,-

(a) removal of goods for supply to the recipient, where the supply involves movement of goods; or

(b) delivery of goods or making available thereof to the recipient, in any other case, issue a tax invoice showing the description, quantity and value of goods, the tax charged thereon and such other particulars as may be prescribed:

Provided that the Government may, on the recommendations of the Council, by notification, specify the categories of goods or supplies in respect of which a tax invoice shall be issued, within such time and in such manner as may be prescribed."

14. It is thus evident that as per the provisions of Section 12 read with Section 31 of the CGST Act, 2017, where the supply of goods involves movement of the goods, the person supplying taxable goods has to issue a tax invoice before or at the time of supply i.e. removal of goods. It is pertinent to note sub-section 31(1) employs the word "shall", which indicates the mandatory nature of this requirement. When goods are supplied for export, which is a zero-rated supply, the tax invoice has to be prepared before or at the time of removal of the export goods and the tax becomes payable as soon as the goods are supplied from any place in India. In case of export of goods under bond or letter of undertaking, the tax becomes payable but is not paid at the time of supply as the exporter undertakes to export these goods subsequent to removal. The supply of export goods, which is treated as zero-rated supply under GST laws, thus takes place at the time of the removal of such goods for export and preparation of the tax invoice, even though the goods are treated as duly exported only when they leave India as per the endorsement on the Shipping Bill.

15. In view of the legal position as discussed hereinbefore, it is clear that the turnover of zero-rated supply of goods has to be calculated from the tax invoices issued for goods intended to be exported. It may also be relevant to mention in this regard that the proforma for filing refund claim (i.e. RFD-01) prescribed under sub-rule 89 (1) of the CGST Rules, 2017 provides for declaring the details of relevant invoices as well as shipping bills for the purpose of claiming refund of ITC under sub-rule 89(4). Accordingly, if the invoices for the goods cleared for export under bond or letter of undertaking are issued during the relevant period, they would be included in the turnover of zero-rated supply, regardless of whether the goods covered by the invoices were actually exported during the relevant period or not. Needless to say, the refund of ITC can be given only after the exporter is able to establish that the goods have actually been exported.

16. In the instant case, there is no dispute that the invoices covered by the four Shipping Bills were prepared during the relevant period for which refund claim has been filed (namely, the tax period 01.10.2021 to 31.12.2021). There is also no dispute that the goods covered by these four Shipping Bills have indeed been exported. This being the case, we find no reason

to deny refund of ITC to the exporter in respect of the goods for which the invoices were admittedly issued during the relevant period, even though the goods were exported subsequent to the relevant period."

8. We find that the same issue is involved in the present case, as the Respondent herein had claimed refund in respect of three invoices which were prepared during the 'relevant period' for which the refund claim was filed, though the goods were exported after the 'relevant period'. The Appellant CGST Department has contended that refund cannot be allowed in respect of these invoices as the goods were not exported during the 'relevant period'. We find that the contention of the Appellant is not tenable, and refund is admissible in these cases.

9. As already held in the case of *Shruti Bansal Vs. Solitaire Pharmacia Pvt. Ltd. (supra)*, if the invoices for the goods cleared for export under bond or letter of undertaking are issued during the relevant period, they would be included in the turnover of zero-rated supply, regardless of whether the goods covered by the invoices were actually exported during the relevant period or not. Needless to add, the refund can be given only after the exporter is able to establish that the goods have actually been exported.

10. In the instant case, there is no dispute that the invoices covered by the three Shipping Bills in question were prepared during the relevant period for which refund claim has been filed. There is also no dispute that the goods covered by these Shipping Bills have indeed been exported. This being the case, we find no reason to deny refund to the exporter in respect of the goods for which the invoices were admittedly issued during the relevant period, even though the goods were exported subsequent to the relevant period.

11. Accordingly, we reject the Appeal and uphold the Impugned Order passed by the Appellate Authority.

(Jatinder Pal Singh)

(Pradeep Kumar Goel)

Dated: 28.10.2026