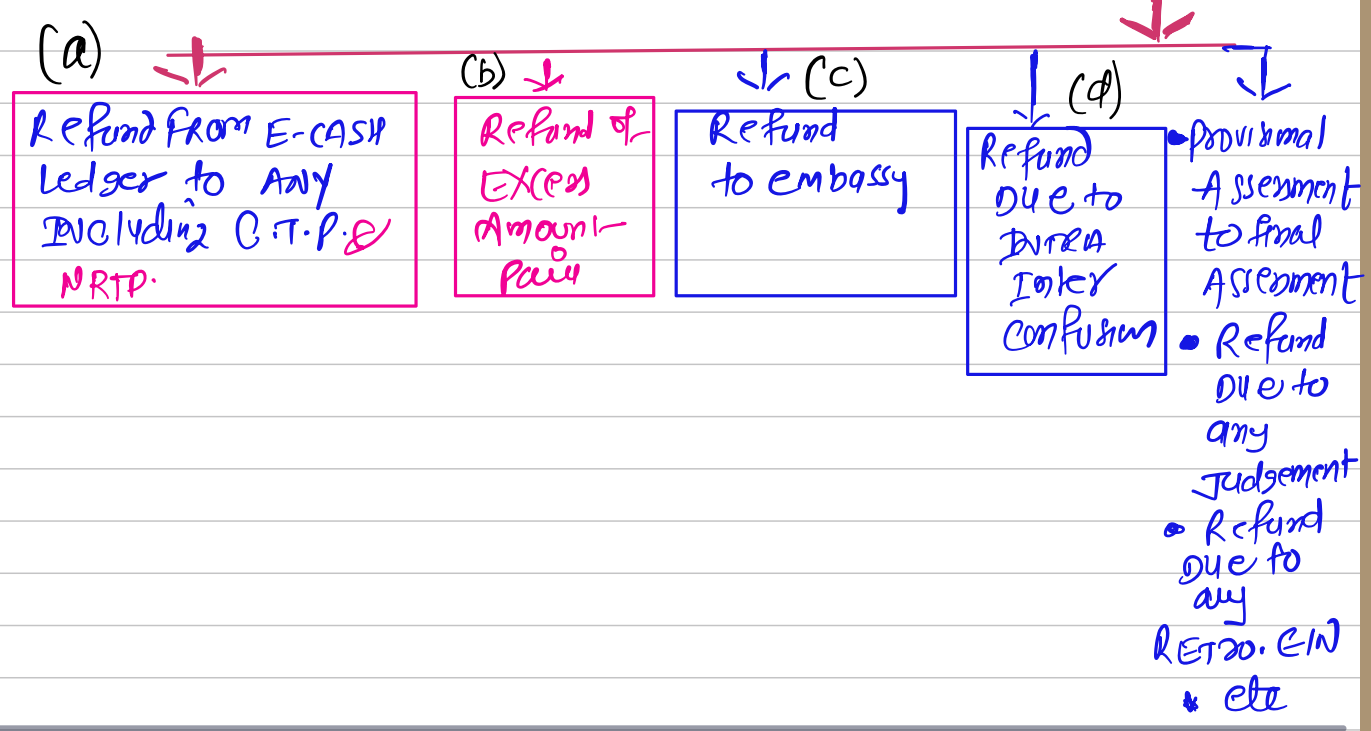
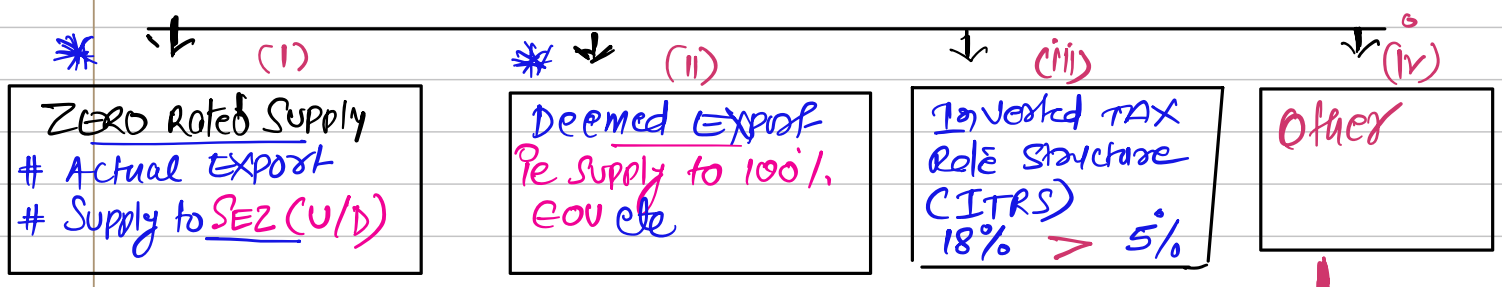


Chapter: 15 Refund

REASONS of Refund:

U = UNIT
D = Developer



Section 54 : Refund In General

Section 55 : Refund to UIN HOLDER

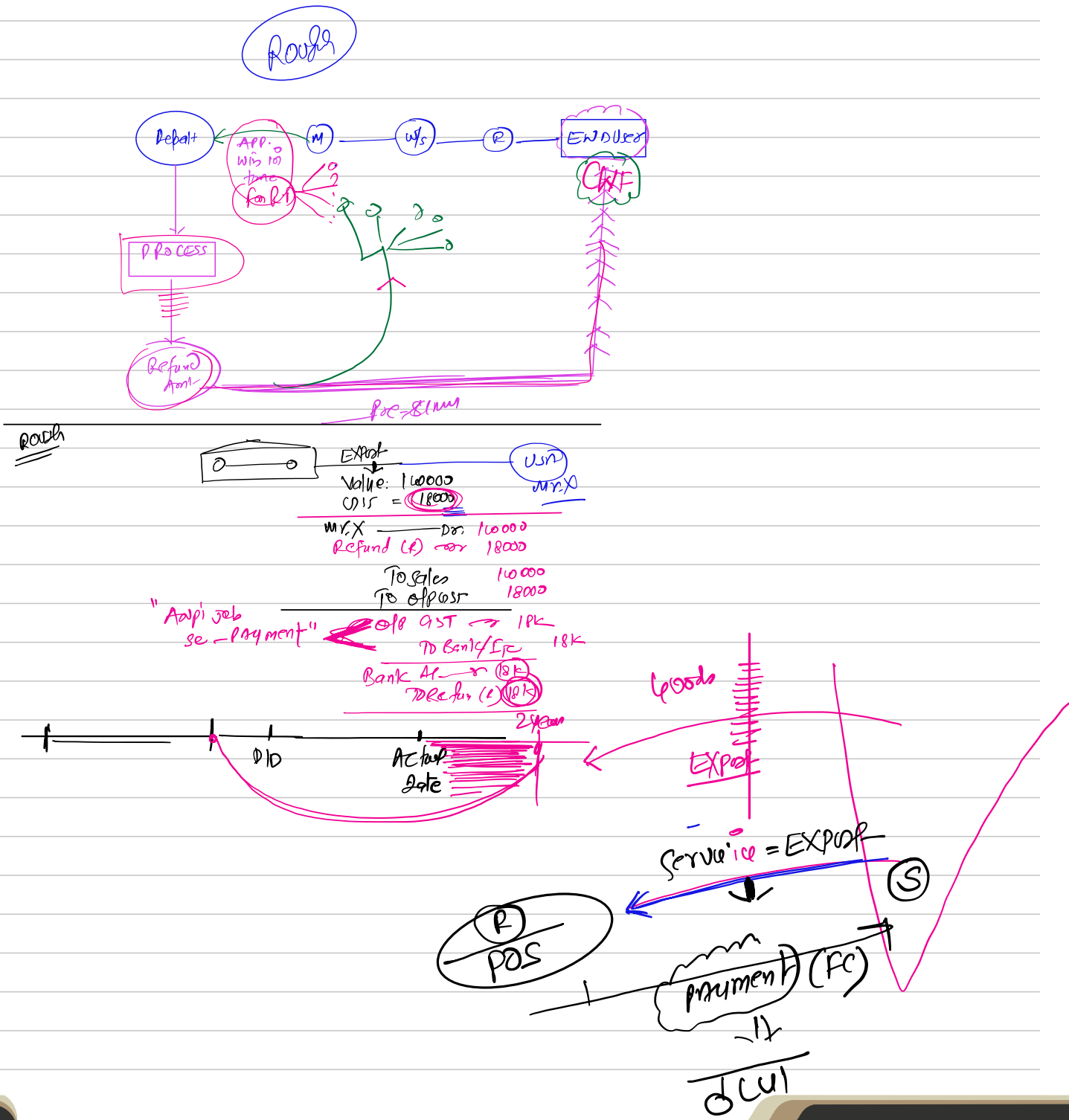
Section 56 : Interest on Refund @ 6% PA

Section 57 : Consumer welfare fund (Money - IN)

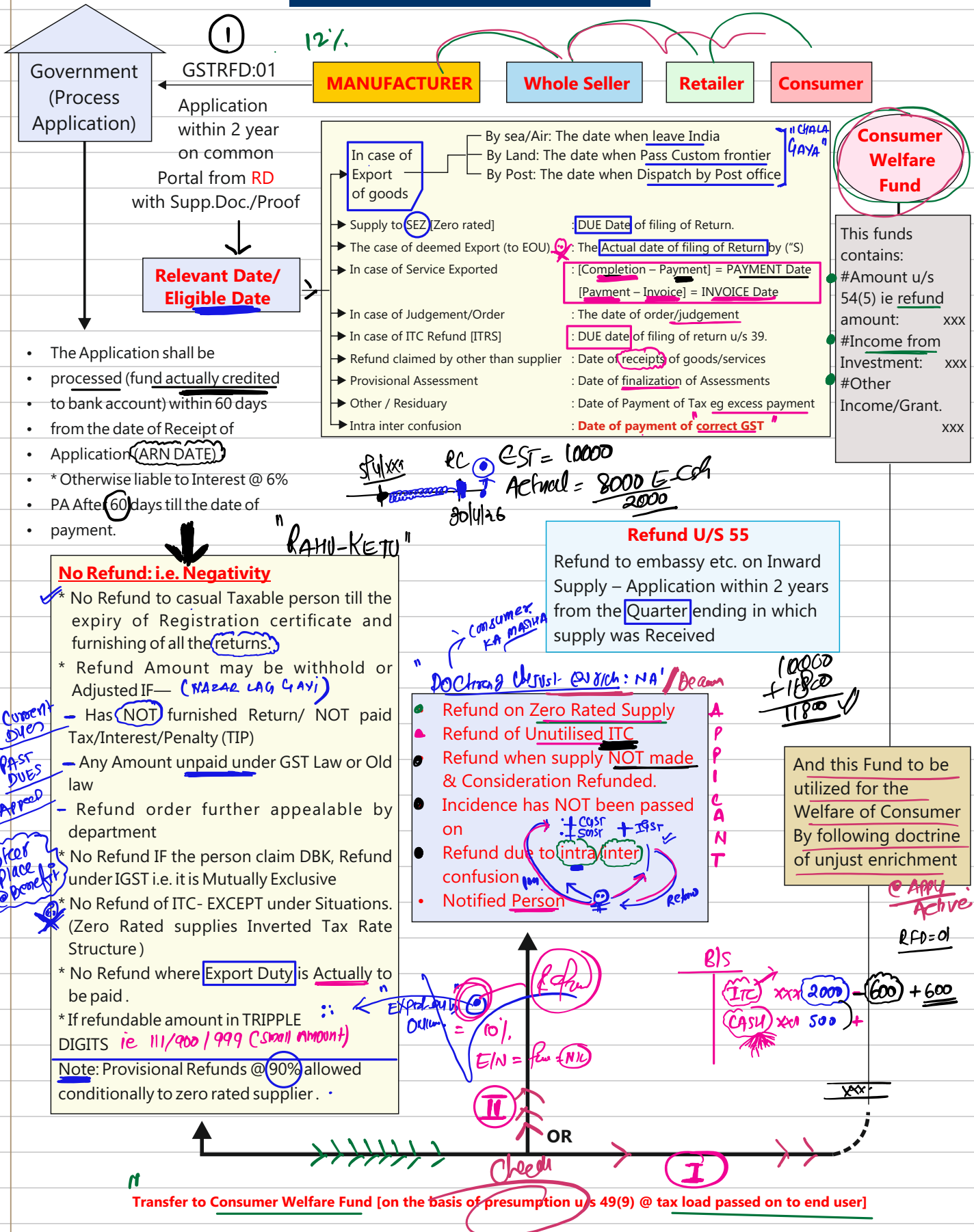
Section 58 : Consumer welfare fund (Money - OUT)

Rule - 89(4) : zero Rated Supply

Rule - 89(5) : Inverted tax Rate Structure.



Refund Procedure



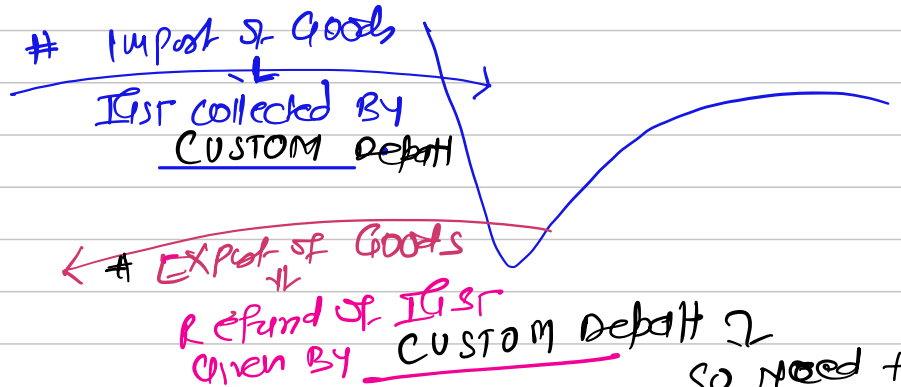
Note (1) Refund Form @ RFD=01:

- Any REGISTERED person Required to file RFD=01
- But following person need not to file RFD=01

When EXPORT of Goods is made - under mode "first PAY GST - Later on claim Refund" - then BUN Refund is given By Custom Deptt - then NO need to file RFD=01 wth GST Deptt.

Exmples

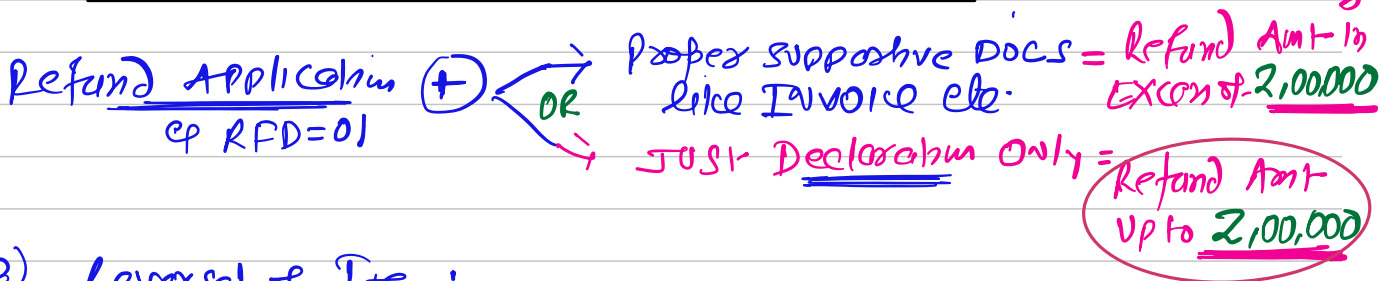
Custom



Embassy

In case of Embassy: when Refund of GST paid on Imported supply By Uia Holder (of Embassy) - & they are NOT Required to file RFD=01 Rather they need to file RFD # **10**

Note (2) Supportive Documents with Refund Application :



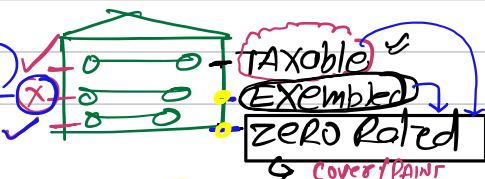
Note (3) Reversal of ITC :

Where ITC is Required to be Refunded - then while filing RFD=01 - Equil. Amount of ITC Need to be Reduced - However - where - Application is Rejected then - Amt of ITC shall be Re-credited to E-credit Ledger.

Note (4) Refund to whom :

- (I) If to CWF ✓
- (II) Applicant - where TAX Load NOT shifted to END User =

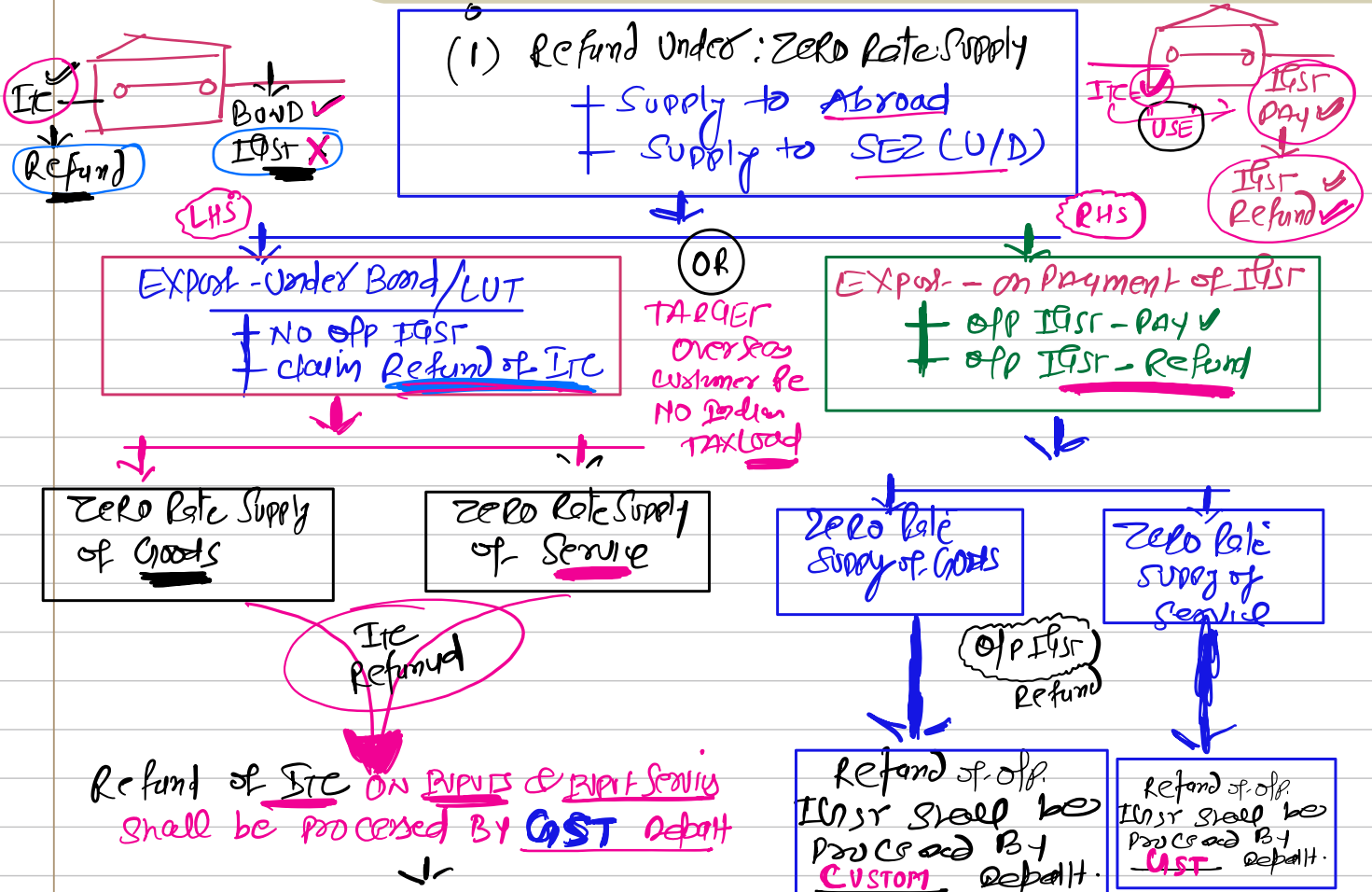
Note (5)



TAXABLE SUPPLY KO EXPORT KIYA = ZERO RATED
EXEMPTED SUPPLY KO EXPORT KIYA = ZERO RATED
OF INDIAN PEAS

Tax = Zero

Chapter 15 : Refund



WHAT will be the MAXIMUM AMT of Refund of ITC?

(A) FORMULA BASED AMT as given in Rule: 89(4) ✓ XXX

(B) RFD file KARTE TIME E credit Ledger FA Balance. XXX

(C) E-credit Ledger Balance after filing 3B of Relevant period (because we should first try to use ITC as maximum as possible) ✓ XXX

WHICHEVER is LOWEST i.e. 16000/=

PROCESS: (RFD = 0; FILE = NO BABY)

- # Export Manifest filed By person INCHARGE.
- # EXPORT documents like SHIPPI Bill etc shall be treated as REFUND APPLICATION
- # file GSTR = 1 & GSTR = 3B
- i.e. first of all make payment of IGST to GST deptt.
- (AHA: pay to GST deptt & claim Refund FROM custom deptt)
- & NOW NOW custom deptt process the Refund.

PROCESS:

- # File GSTR = 1 & 3B i.e. pay output GST BY using ITC and cash
- # Now file RFD = 0 For claim Refund

OR In case of upward revision in PRICES i.e. Starting of 12000 + 18000 } Dr. Note Type
 The person pay 18000 to GST deptt & Refund of 18000 from custom deptt - Later on Price Revision & now Price is 120,000 i.e. 20000 ADDITION
 Additional GST 20000 * 18% = 3600 }
 PAY - to: GST deptt
 & claim Refund - FROM: GST deptt

Q: Downward revision: Debit Back claim Prop. Refund (all with GST deptt)

How to calculate Formula Based Refund U/R = 89(4)

	External Comparison	External/Compl
# <u>ET of Goods :</u> ET of Goods under Bond/LUT in Relevant period	<div style="border: 1px solid black; padding: 5px; display: inline-block;"> FOB value XXX OR Invoice value XXX </div> <p style="margin-left: 20px;">= Lower 15 XXX OR 13</p> <p style="margin-left: 20px;">to Control Overprices</p>	<div style="border: 1px solid black; padding: 5px; display: inline-block;"> 1.5 times of Domestic Supply of Identical Goods </div> <p style="margin-left: 20px;">10K 15K B.</p>
# <u>Exp. T/O of Service:</u> ET of Service under Bond in Relevant period	Payment Recd in Relevant Period XXX (+) Payment for Past Supplies : XXI (-) Payment for Future Supply (ADV)	Supply (of) service + payment

Final Value : XXX
Lower : 13

ie make Prop. ITC in Return D T/O

- NET ITC of**
- # INPUT
 - # INPUT SERVICE
 - ~~# Capital Goods~~

Fresh ITC of Relevant Period:

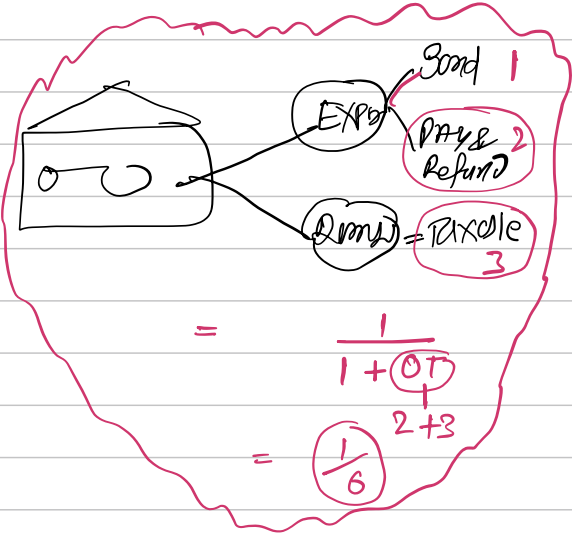
Relevant period = 1M/2M/6M/1Y
1 year is the period for which you are claiming Refund.

Any opening before of ITC : IGNORE

ET of Goods + ET of Services @ BOND/LUT

ET of Goods + ET of Serv @ under Bond (+) OTHER TURNOVER

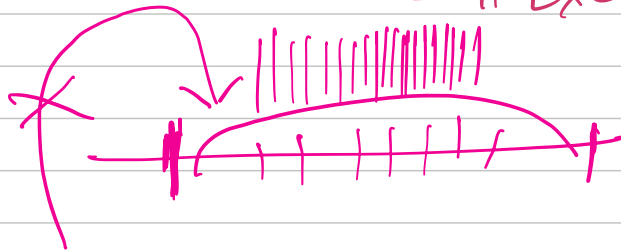
The T/O is respect of which ITC has taken



- # EXP on Payment of ITC (METHOD)
- # Domestic supply of goods/service @ taxable
- # Supply to credit to 100% C&D.

~~# Exempted Turnover~~

Note
Exempted KA EXP on KARU TO WO = Zero ITC



part by GST dealer

Provisional Refund : By GST Dealer

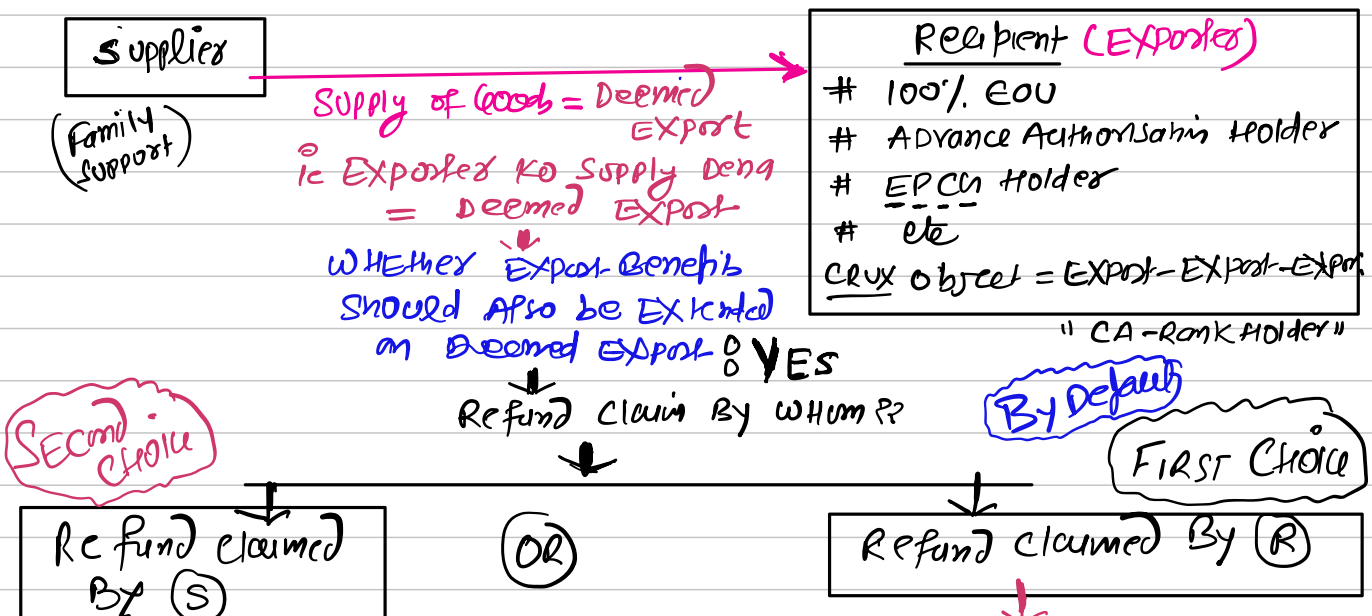
- # In case of zero rated supply
- # WHERE REFUND is given by GST Dealer ~~Customs Dealer~~
- # THEN govt. of Refund claimed can be processed on Provisional Basis
- But condition is - The person HAS NOT been proceeded in LAST 5 years for an amount of more than 2.5 cr.

"ie Need a clean person"

ie $\frac{2.5 \text{ cr}}{5Y}$

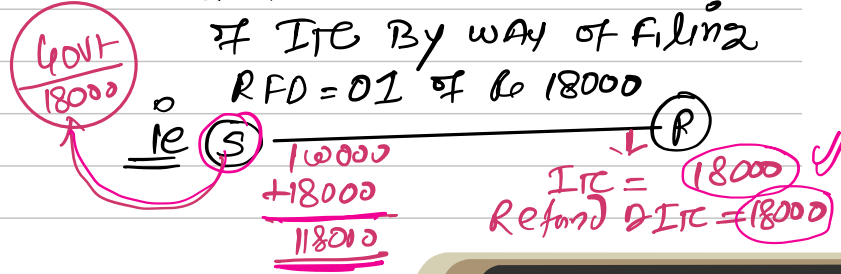
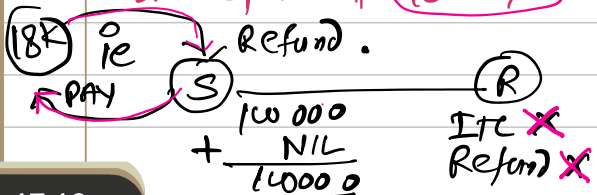
(Hello Boys)

(11): Deemed Export (FOR Goods ONLY)



- # Where (S) is authorised by (R) for claiming benefit of GST.
- # THEN (S) will not charge GST from (R) ie (10000 + NIL)
- # NOW (S) PAY GST of ₹ 18000 from his own pocket. (18000/-)
- # AND claim Refund from GST dealer of (18000/-)

- # Where Recipient claim benefit of GST -
- # In such case (S) will charge GST in Bill ie 10000 + 18000
- # After that (R) claim ITC & After that claim Refund of ITC by way of filing RFD = 01 of ₹ 18000



NET COST TO (R) = 10000

CA Rajkumar
NET COST (R) = 10000/-

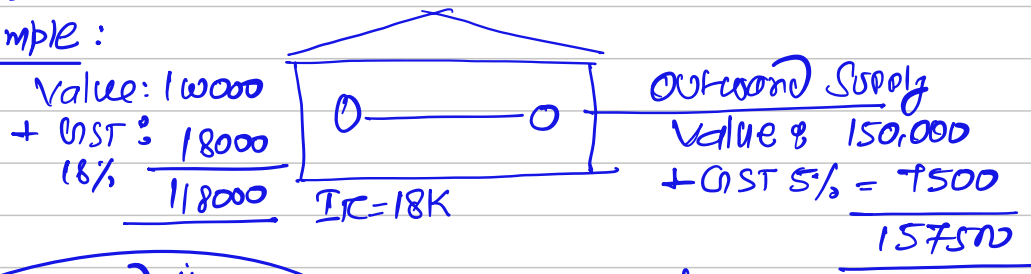
ONLY INPUT
on ITC KA Benefit

(iii) INVERTED TAX Rate structure : ( )

CONCEPT OF ITRS :

- # WHERE OP GST Rate is less than GST Rate of INPUT - this situation is called ITRS.
- # In such cases - After payment of OPST - there may be some unutilised ITC Balance - possible.
- # & ISME REGISTERED PERSON ki koi mistake NAHI hai -
- # Hence the Balance of ITC shall be Refunded and
- # Maximum Amount of Refund will be calculated as per following formula -

FOR EXAMPLE :



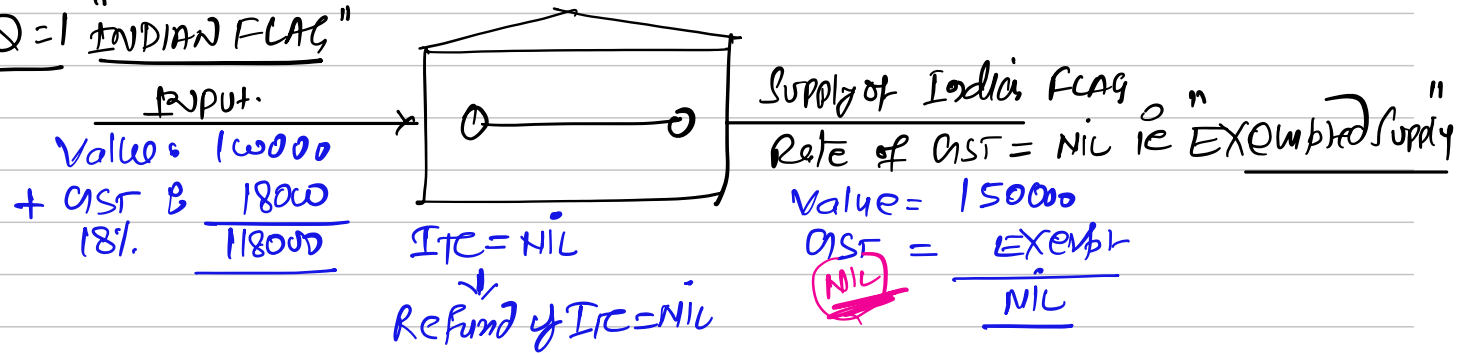
CRUX
Go for Refund if
unable to utilize
ITC.

OP GST = 7500
 - ITC Use = 7500
NIL

Unutilized ITC Balance = 10500
 # Max. Refundable Amt = 10500/-

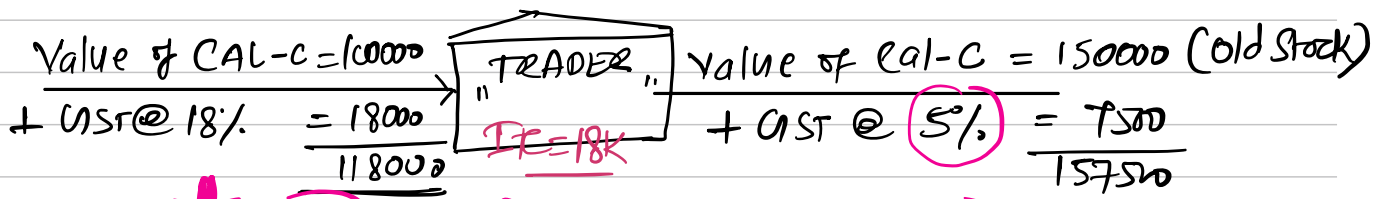
Decide WHICH CASE is ITRS CASE :

Q = 1 "INDIAN FLAG"



ANS : Is it ITRS = **No**

Q=2 Rate Change over the Period : @ TRADER

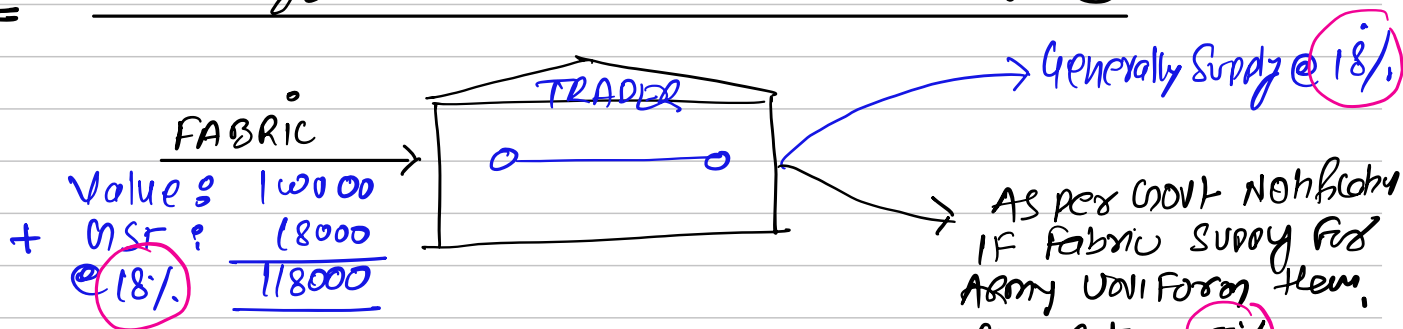


"ye PURCHASE 2024 ki thi"

"now 2026" Rate = 5%

Ans: IS it a case of ITRS = **NO**

Q=3 Rate Change @ Due to concessional rate to Specific (R)



AS per GOVT NOTIFICATION IF FABRIC SUPPLY FOR ARMY UNIFORM THEM, GST Rate = 5% "END USE BASED EIN"

$$\begin{aligned} \text{Value} &= 150000 \\ + \text{GST @ 5\%} &= 7500 \\ \hline &157500 \end{aligned}$$

Ans: IS it ITRS case: **YES**

ie ITC MAX Refund = $(\text{ITC of INPUT} - \text{OPP NST}) = 10500$

$$18000 - 7500 = 10500$$

FORMULA FOR MAXIMUM Refund of ITC UNDER ITRS STRUCTURE U/R=89(5)

LHS ^{10K}
ITC OF INPUT

All INPUT ITC ko proportionate karnege in the ratio of TURNOVER

ITC of ALL INPUTS * $\frac{\text{T/O of ITRS}}{\text{C/T/O of ITRS + other T/O}}$
 (in respect of which ITC has been availed i.e. EXCEPTED T/O NAHI AAYEGA)

RHS ^{4K}
Op/Out of ITRSwala = xxx

Op/Out @ ITRSwala ko proportionate karnege in the ratio of ITC of input & I/S

Op/Out of ITRS * $\frac{\text{ITC of INPUTS}}{\text{ITC of INPUT + I/S}}$

Example

PRIVA-JU (ITRS = CASE = YES)

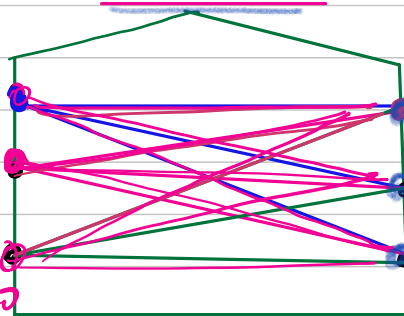
- 18% ITC = 54000 = Milk @
- 18% ITC = 54000 = JAR (Inner)
- 18% ITC = 10000 = Outer Pack.

ITC ON INPUT SERVICES = 2000
 LHS

All INPUT of ITC ko T/O ke ratio ME prop. KARO.

$118000 * \frac{5,00,000}{9,50,000}$

= 62,105



- GHEE @ 5% = 5,00,000
- MAWA @ 18% = 3,50,000
- Curd @ 18% = 1,00,000
- 25000 Op/Out
- 9,50,000

RHS
 Op/Out ko prop. karnege ITC ke ratio ME.

$25000 * \frac{118000}{120000}$

= 24,583

MAX Refund ITC of INPUT =

25000

(iv) Other Refunds

Refund from E-cash ledger: (ये चोर्फ का पसा होई = NO
(wallet) Registered person का होई = YES)

- * RFD 01: ✓
- * Time limit of 2 year applicable: NO
- * Any reason to be asked for refund: NO
- * Any supporting doc is required: NO.

Refund of Excess amt // Interest on interest

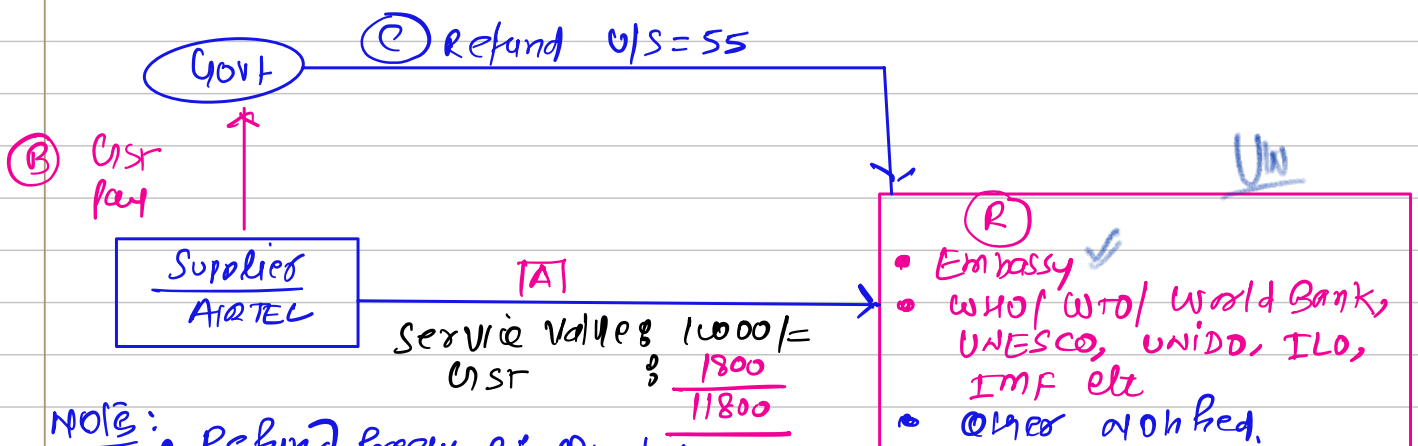
Example: Legal rate 2018 = 12%, But Actually Paid 18%
with interest

	CUSR	SUSR	Int. on CUSR	Int. on SUSR	Total
* Actually Paid :	9000	9000	900	900	= 19800
* To be Paid :	6000	6000	600	600	= 13200
Excess Paid	3000	3000	300	300	= 6600

- Refundable amt?
- If not paid within 60 days, then Int @ 6% PA @ N which amt.

Answer B
 Refundable = (6000 + 600) = 6600
 Int on = (6000 + 600) = 6600 =

EMBASSY: US = 55



- NOTE:
- Refund frequency: Quarterly
 - Refund for M = RFD 10
 - Reval-date: within 2 year of ending of relevant QT
 - REST of the provision will remain same.

RAISE. Provisions: F.C BASED

Where Sale Proceeds NOT Realized within time, then Refund Amt deposit BACK with INT up to: 50 (187.1A) within 30 days + EXT



NEPAL SE INT = CHARGE

However, IF RBI permits i.e. Allow waived of F.C. then NO need to deposit BACK.

WHAT IF - After deposit BACK - Amount released in FC - get Refund in 3 months of Release.

Rule 95B

MECHANISM for Refund of TAX paid on INWARD Supply of Goods Recd By C.S.D.

OK

