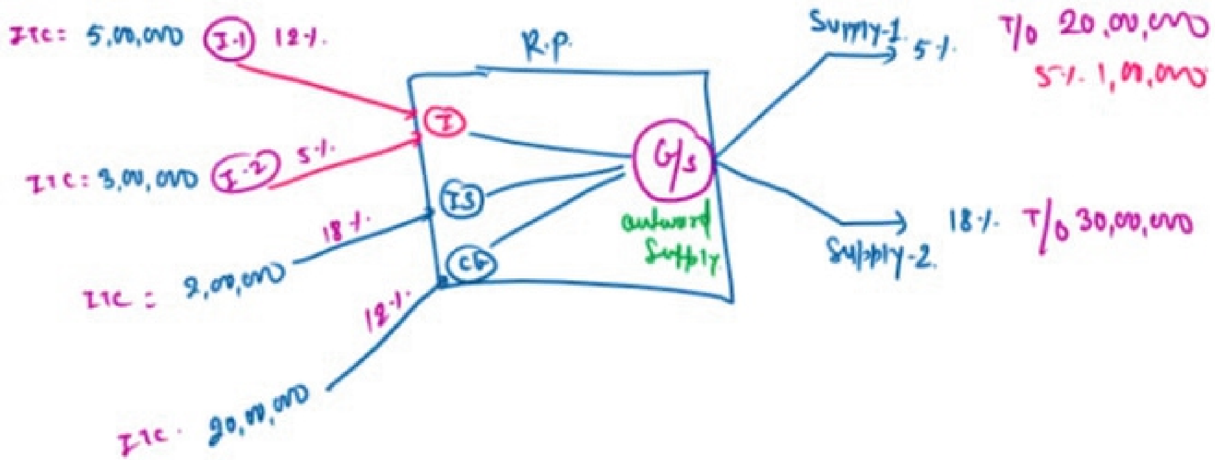
CHAPTER - 15

Refund

Refund for IDS



$$\text{Refund (IDS)} = \left[\frac{\text{T/O of Inverted rated Supply (outward) of goods \& Services}}{\text{Adjusted Total T/O}} \times \text{Net ITC}\right] - \left[\text{Tax payable on such inverted rated Supply (outward) of goods \& Services} \times \frac{\text{Net ITC}}{\text{ITC availed on Inputs \& Input Services}}\right]$$

$$= \left[\frac{20{,}00{,}000}{50{,}00{,}000} \times 8{,}00{,}000\right] - \left[20{,}00{,}000 \times 5\% = 1{,}00{,}000 \times \frac{8{,}00{,}000}{10{,}00{,}000}\right]$$

$$= 3{,}20{,}000 - 80{,}000$$

$$= 2{,}40{,}000$$

Refund = Goods Sent out India for exhibition

Outside India | **INDIA**

Rule 55 challan

XYZ Ltd

G — I + IS = ITC

Qty 1000

Exhibition

Qty 1000

⇓

① It is not treated as supply. (No consideration at the time of removal)

② Also, not treated as zero rated supply.

③ No need to execute bond/LUT. (& no refund of ITC at the time of removal)

④ Removal under Rule 55 challan [delivery challan]

⑤ It would be treated as goods sent for sale on approval or return basis

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- Entire goods are sold within 6 months.
  1) It would be treated as supply.
  2) Issue tax invoice as per sec 31
  3) TOS = as per sec 12

  ⇓

  ** Normally GST is payable on such supply. But, if all condn of Sec 16 are fulfilled then zero rate benefit is available & ITC refund under Rule 89(4) is also available eventhough No bond or LUT executed

- Goods are partly sold within 6 months.
  - Partly sold → (as for entire goods sold)
  - Partly unsold → (as for goods not sold)

- Goods are not sold within 6 months.

Following 2 situations will arise

- Goods partly/wholly are not brought back within 6 months

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  1) It would be treated as supply on the date when 6 months get over from the date of removal
  2) Issue tax invoice as per section 31
  3) TOS = as per sec 12.

  → GST is payable & no refund of ITC is allowed.

- Goods partly or wholly brought back within 6 months. → (⑤ above)

  ⇓

  No Tax

Entire goods are Sold within 6 months.

Goods are partly Sold within 6 months.

- partly sold
- partly unsold

Goods are not Sold within 6 months.

1) It would be treated as supply.
2) Issue tax invoice as per sec 31
3) TOS = as per Sec12

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NO Tax

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