Frequently Asked Questions

Compilation of Tweets

On

Application for Refund of Excess Amount from the Electronic Cash Ledger and Refund of ITC Accumulated Due to Inverted Tax Structure (RFD - 01A)

<< As on March 2018>>

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1. Application for Refund of Excess Amount From the Electronic Cash Ledger
   i. How can I claim refund of excess amount available in cash ledger?

   ![Application for Refund of Excess Amount From the Electronic Cash Ledger]

   Q. How can I claim refund of excess amount available in cash ledger?
   A. 1. Balance in the cash ledger should be sufficient
       2. File RFD-01A and select the reason of Refund as ‘Refund on account of excess balance in cash ledger’.
       3. Mention the amount of refund to be claimed in RFD-01A and submit the form.
       4. Once Application Reference Number (ARN) is generated, take a print of ARN and submit to the Jurisdictional Authority manually.

   ![Application for Refund of Excess Amount From the Electronic Cash Ledger]

   Q. What is the amount limit for claim of refund in case of “Refund of excess amount from the cash ledger”?
   A. In case of FORM GST RFD-01A, there is no restriction on claiming refund amount from Cash Ledger. However, law specifies that the refund of excess amount in Cash Ledger can be permitted only if amount is greater than Rs. 1000/.
2. Refund of ITC Accumulated Due to Inverted Tax Structure (RFD -01A)
   
i. What is Inverted Tax Structure in the GST regime?

   
   REFUND OF ITC ACCUMULATED DUE TO INVERTED TAX STRUCTURE (RFD-01A)

   Q. What is Inverted Tax Structure in the GST regime?
   A. The term ‘Inverted Tax Structure’ refers to a situation where the rate of tax on input received (i.e. Input tax credit received) is more than the rate of tax (i.e. the tax paid) on output supplies. As a result, the higher tax paid on input supplies get accumulated in the Electronic Credit Ledger of the receiver Taxpayer. The Taxpayer can claim the refund of ITC accumulated on account of Inverted Tax structure by filing the refund application form RFD-01A.

ii. What is needed to file for refund of accumulated ITC of IGST/CGST/SGST, export of goods?

   
   REFUND OF ITC ACCUMULATED DUE TO INVERTED TAX STRUCTURE (RFD-01A)

   Q. What is needed to file for refund of accumulated ITC of IGST/CGST/SGST, export of goods?
   A. You can file for refund of IGST/CGST/SGST on account of ITC accumulated due to Inverted Tax Structure, if you have filed GSTR1 and GSTR-3B of the relevant tax period, for which refund is to be claimed. However, in case registered persons having aggregate turnover of up to Rs 1.5 crores in the preceding financial year or the current financial year are opting to file FORM GSTR-1 quarterly (notification No. 57/2017-Central Tax dated 15.11.2017 refers), such persons shall apply for refund on a quarterly basis. Please note that such refund on account of inverted tax structure is not available in case of exempted or nil rated supplies bill.
iii. How can I file for refund on account of ITC accumulated due to Inverted Tax structure, and how will the disbursement be made?

iv. Is it mandatory to file GSTR-1, GSTR-2 and GSTR-3 in order to file for refund?
v. Is there any time limit to file for refund of ITC accumulated due to Inverted Tax Structure?

vi. In which bank account will the refund amount be credited? Is it one of the accounts that I registered in GST Portal?
vii. What is Net ITC?

A. Net ITC is the input tax credit availed on inputs and input services during the relevant period.

viii. What is Turnover of inverted rated supply of goods?

A. The value of inverted supply of goods made during the relevant period without payment of tax under bond or letter of undertaking.
ix. What is Tax payable on such inverted rated supply of goods?

A. The tax amount payable on such inverted rated supply of goods under the same head i.e. IGST, CGST, SGST.

x. What is Adjusted Total Turnover?

A. Adjusted total turnover is the turnover in a State or a Union territory, as defined under clause (112) of section 2 of CGST Act, excluding the value of exempt supplies other than inverted-rated supplies, during the relevant period.
xi. What is the ‘SAVE’ feature in refund application?

REFUND OF ITC ACCUMULATED DUE TO INVERTED TAX STRUCTURE (RFD-01A)

Q. What is the ‘SAVE’ feature in refund application?
A. The refund application must be saved before filing.
   • The system will flash a confirmation message when saving the application for the first time.
   • The system displays a confirmation message upon saving the application.
   • Application can be saved at any stage and can be retrieved using the My Saved / Submitted Applications option under Refunds.
   • Saved applications are stored in the system for 15 days, after which they get automatically deleted.
   • Saving the application activates the Declaration checkbox.

16 Feb '18
https://tutorial.gst.gov.in/userguide/refund/index.htm

www.gstn.org /gstsystemsindia /@askGSTech /Goods&ServicesTaxNetwork

xii. Where can I track my filed refund application?

REFUND OF ITC ACCUMULATED DUE TO INVERTED TAX STRUCTURE (RFD-01A)

Q. Where can I track my filed refund application?
   • Filed applications (ARNs) can be downloaded as PDF documents using the My Saved / Submitted Applications option under Refunds.
   • Filed applications can be tracked using the Track Application Status option under Refunds.

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https://tutorial.gst.gov.in/userguide/refund/index.htm
xiii. I am not able to make any changes in the refund application? What could be the issue?

xiv. When is debit entry of refund amount claimed is made in ledger, while filing refund due to inverted duty structure?