



Refunds

Situations leading to refund claims:

- Refund of **IGST paid** on notified **Exports/Supplies** to **SEZ** developers/units, subject to conditions.
- Refund of **Unutilized ITC**
 - **Exports/Supplies** to **SEZ** developers/units without IGST payment.
 - Inverted duty structure (**IDS**) cases.
- Refund of tax paid on **deemed exports**.
- Refund of **surplus balance in ECL** after settling tax, interest, penalty, or fees
- Refund of **tax paid on advances** for supply not provided, & for which invoice has not been issued
- Refund of **tax wrongly collected** & paid to Govt. (i.e. **CGST & SGST** paid by treating supply as intra-State which is subsequently held as inter-State or vice versa)
- Refund of **IGST** paid on goods taken out of India by **tourists**
- Refund arising from **Judgment/Order** of Appellate Authority/Tribunal/Court.
- Refund arising on **finalization of provisional assessment** due to overpayment
- Refund of taxes on purchases made by **UN bodies/embassies etc.**
- Refund of **advance tax** deposited by **CTP/NRTP**
- **Refund of additional IGST paid due to upward price revisions post-export & on which refund of IGST paid on export of such goods has already been sanctioned**
- Refund of **excess payment of tax**.

Application for Refund Claim:

- **Form GST RFD-01:**
 - Used by **any regd person** (except **UN bodies/embassies etc.**)
 - Used to claim refunds **electronically** on **GST** portal.
 - Covers refunds of tax, int., penalty, fees, or any excess **ECL bal.** (incl. **TDS/TCS** credited therein).
 - Includes **refunds for additional IGST on price revisions**.
- **Aadhaar Authentication** is mandatory for filing refund applications.
- For **IGST** paid on exported goods, there is no need of separate refund application; **shipping bill itself acts as refund claim**.
- **Deemed Export Refunds:**
 - **Either supplier or recipient** can claim refund of tax paid on such supplies.
 - **Supplier** can claim refund only if recipient has not availed **ITC** & furnishes an undertaking for same.
 - **Recipient** claiming a refund must debit refund amt. from their **ECL** & provide an undertaking confirming that claim aligns with invoices reported in **Form GST RFD-01** & does not exceed **ITC** availed in valid return for said pd.
 - Entire tax paid on deemed export supplies is available as **ITC** to recipient, even if blocked u/s 17(5), & is excluded from "Net ITC" for computing refunds of unutilized **ITC** u/R 89(4) or 89(5).
- **Supplies to SEZ unit/developer:** Supplier must provide evidence of goods/services admitted/received **for authorized operations**, as endorsed by specified officer.
- **Supplies by CTP/NRTP:** Refund can be claimed **after filing last return** for regn. pd. after adjusting tax payable with advance tax paid by him.

Time limit within which refund claim can be filed

- A refund application must be filed **within 2 years from 'Relevant Date'**, except for refunds of excess **ECL** balances, where no such time limit applies.
- Pd. b/w filing a refund claim & receiving a **Deficiency Memo** is **excluded from the 2-year limit**.

• Meaning of 'Relevant Date':

S.No.	Cases	Relevant Date
1	Export of goods out of India (refund of tax paid on goods/inputs/input services)	
	(i) goods are exported by sea or air	date on which ship/aircraft carrying goods leaves India
	(ii) goods are exported by land	date on which such goods pass frontier
	(iii) goods are exported by post	date of dispatch of goods by Post Office concerned to a place outside India
2	Supply of goods regarded as deemed exports (refund of tax paid)	Date on which return relating to such deemed exports is furnished by supplier (whether refund claim is filed by supplier/recipient)
3	ZRS to a SEZ unit/developer	Due date for furnishing return u/s 39 for such supplies
4	Export of services (refund of tax paid on services or inputs/input services)	
	(i) Service completed before payment	Date of receipt of payment in convertible foreign exchange or in INR as permitted by RBI
	(ii) Payment received in advance	Date of issue of invoice
5	Refund due to judgment , decree, order or direction of Appellate Authority/ Tribunal/court	Date of communication of such judgment, decree, order or direction
6	Refund of unutilized ITC due to inverted duty structure (IDS)	Due date for furnishing of return u/s 39 for the period in which such claim for refund arises
7	Tax paid provisionally	Date of adjustment of tax after final assessment
8	Person other than supplier	Date of receipt of goods/services/both by such person
9	Any other case	Date of payment of tax

- Applicants can now bunch refund claims across FYs, allowing them to file by clubbing successive tax pds or qtrs., even if these fall in diff. FYs. E.g.: A regd. person files Form GSTR-1 qtrly. They can now claim refunds for say Jan-Mar'24, Apr-Jun'24 & July-Sept'24 together, even if any of these fall in diff. FYs.

Documentary evidences for filing refund claim:

- The refund application must include evidence to establish that:
 - refund is **due, and**
 - there is **no unjust enrichment** to show that incidence of tax/interest was not passed to others.
- However, if refund claim is **up to ₹2 lakhs**, detailed evidence is not required. Applicant can submit a declaration certifying that there is no unjust enrichment.
- For refund claims **> ₹2 Lakhs**, a **CA/CMA certificate** in Annexure 2 of Form GST RFD-01 is mandatory, certifying no unjust enrichment.
- **CA/CMA Certificate** is not req. if refund is claimed by an unregd. person who has borne tax incidence.
- Cases where Declaration/Certificate is not required:
 - Refund of **tax paid on exports** of goods/services or inputs/input services used in making exports.
 - Refund of **unutilized ITC** for ZRS without payment of tax or due to IDS.
 - Refund of tax paid for **supplies not provided**, partially or wholly, & for which an invoice has not been issued, or where a refund voucher has been issued.
 - Refund due to tax paid on a transaction **mistakenly** treated as intra-State but later identified as inter-State (or vice versa).
 - Refunds for applicants/categories specified by **Govt. notification** based on GST Council recommendations.
 - Refund of excess balance in **ECL**.

(Note: Exact documentary evidences as prescribed u/R 89(2) are not relevant for exams, so not detailed here)

Manner of filing an application for refund by Unregistered Persons

- Unregd. buyers (e.g., in construction contracts) can claim a refund if their agreement is cancelled due to non-completion or delay, even if credit note issuance period has expired.
- Similarly, in case of insurance policies, refunds are allowed for proportionate premiums net of GST if policy is terminated prematurely & credit note issuance period has expired.
- Unregd. persons can apply for a refund **by taking temporary regn.** on common portal under 'Refund for Unregistered Person' in Form GST RFD-01.
- Documents & statements req for filing a refund claim by unregd. persons are as prescribed u/R 89(2).
- **No CA/CMA certificate** is req. for refunds > ₹2 lakh if unregd. person has borne tax incidence.
- Relevant date for filing a refund claim is date of cancellation letter issued by supplier.
- Only proportionate tax involved in refunded amt. will be refunded.

Procedure on Receipt of Refund Claim:

A. Acknowledgment of Refund Claim [Rule 90]

Scenario	Action
Refund from ECL	Acknowledgment is issued in prescribed form, indicating date of filing of claim.
Other refund claims	- Application is forwarded to PO who scrutinizes it, for completeness, within 15 days of filing. - If complete, acknowledgment is issued electronically through common portal.

B. Deficiencies in Refund Claim - Issuance of Deficiency Memo

- If deficiencies found, a deficiency memo is issued, asking applicant to rectify & file a **fresh application**
- **Time b/w** initial filing & deficiency memo is **excluded from 2-year limit** for filing refund claims.
- Communication of deficiencies under SGST Rules is **deemed communicated under CGST** Rules as well.

C. Withdrawal of Refund Claim

- Applicant may withdraw refund claim at any time before provisional refund sanction/final refund sanction/payment order/refund withhold order/SCN is issued. [Rule 90(5)]
- On withdrawal, amount debited from ECL/ECrL are **credited back to respective ledger.**

Grant of Provisional Refund

- Applicable to refunds arising from **ZRS.**
- Refund of **90% of total claim** is granted provisionally **within 7 days of acknowledgment.**
- **Not available** to suppliers **prosecuted** for tax evasion > ₹2.5 crores in **preceding 5 years.**
- PO scrutinizes the claim & issues a provisional refund order if satisfied.
- A payment order is issued, & amt. is credited to applicant's registered Bank A/c.
- If refunds are not disbursed within same FY, payment orders require revalidation.

Order of Refund:

- If on receipt of refund application, PO is satisfied, he issues an order specifying:
 - Amount refunded provisionally if any.
 - Adjustments against o/s demands.
 - Balance refundable amt.
- Refunds are granted both in cash & credit based on original payment mode. ITC-related refunds are recredited to ECrL & cash-related refunds are credited to applicant's Bank A/c except when liable for crediting to Consumer Welfare Fund.
- Refund orders are issued **within 60 days from date of receipt of application as mentioned on acknowledgement**, provided application is complete in all respects.
- If refund claim is inadmissible, SCN is issued to applicant, stating reasons for rejection; applicant has **15 days to respond.** PO after considering reply furnished & after giving applicant an **OOBH** make an order sanctioning refund or rejecting it electronically.

Withholding of Refund Claim:

- If refund is linked to an appeal/ongoing proceedings that might **adversely affect revenue** on account of **malfeasance or fraud by applicant**, Commissioner/PO may withhold refund & provide OOBH to applicant informing him reasons of withholding.
- If PO/Commissioner finds that refund is no longer liable to be withheld, a release order must be passed.
- Refund can be withheld if regd. person **defaults in furnishing returns or in paying tax, interest, or penalty** which has not been stayed by any Court/Tribunal/Appellate Authority by specified date (last date for appeal filing) until returns are furnished or dues are paid.
- Any **unpaid tax, interest, penalty, or other amounts can be deducted from refund due.**
- If an order giving rise to a refund is subject matter of appeal/further proceedings/pending proceedings & a refund withheld becomes payable after such appeal/proceedings, interest @6% p.a. is payable.

Credit of the amount of rejected refund claim:

- If deficiencies in refund claim are communicated, amt. debited earlier is re-credited to ECRL.
- If refund claim is rejected, either fully or partially, debited amt., to the extent of rejection, is re-credited to ECRL through an order in prescribed form.
- A refund is deemed to be rejected if appeal is finally rejected or if claimant submits an undertaking to PO that no appeal will be filed.

Principle of Unjust Enrichment:

- 'Unjust enrichment' means **retention of a benefit** by a person that is **unjust/inequitable**.
- This principle stipulates that **no person can be allowed to enrich inequitably** at the expense of another.
- Under GST, it means that only person who has **not** passed tax incidence will be eligible to claim refund.
- If **tax amt. is recovered from recipient**, it is deemed that tax incidence has been passed to ultimate consumer.
- GST being an indirect tax assumes that **incidence of tax is shifted to final consumer**. So, refund claims, if sanctioned, are first transferred to **Consumer Welfare Fund** due to principle of unjust enrichment.
- Refunds are paid to applicant if claim passes test of unjust enrichment, except for specific exceptions.
- Refund claims **up to ₹2 lakhs** require **self-declaration** to prove no incidence transfer; claims **> ₹2 lakhs** need a **CA/CMA certificate**.
- Test of unjust enrichment does not apply to following cases:
 - Refund of **tax paid on exports** of goods/services/both or inputs/input services used in making exports.
 - Refund of **unutilized ITC** for ZRS without payment of tax or due to IDS.
 - Refund of tax paid for **supplies not provided**, partially or wholly, & for which an invoice has not been issued, or where a refund voucher has been issued.
 - Refund due to tax paid on a transaction **mistakenly** treated as intra-State but subsequently held as inter-State (or vice versa).
 - Refund of tax/int./any other amount paid by applicant, if he had **not passed on incidence** of such tax/int. to any other person; or
 - Refunds for applicants/categories specified by **Govt. notification** based on Council recommendations.
- Refundable amounts are directly paid **to applicant in above cases & in other cases** are credited to **Consumer Welfare Fund** despite any contrary judgment or order.

Refund of Unutilized ITC [Sec. 54(3)]:

- Accumulation of ITC occurs when **input tax** paid on inward supplies **exceeds output tax liability**.
- Refund of accumulated ITC is restricted to ITC reflected in GSTR-2B of applicant for relevant tax pd or previous pds, based on invoices uploaded by supplier in GSTR-1 & for which ITC is available to applicant.
- Refund of ITC u/s 54(3) is restricted to invoices reflected in GSTR-2B, except for ITC on imports, ISD invoices, & RCM supplies, which remain eligible for refund.
- Accumulated ITC can be utilized for paying output tax. However, in certain cases, unutilized ITC can be refunded at end of a tax pd. Refunds are possible in following scenarios:

- **Zero-rated supplies** (supplies to SEZ/ exports without paying IGST).
- **Inverted duty structure** (where tax on inputs > tax on outputs excl. nil-rated or fully exempt supplies).

- In these cases, ECrL must be debited by an amt. equal to claimed refund.
- Govt. may notify goods/services where refunds due to IDS are not permitted. E.g: construction services & certain oils and coals are excluded.
- Application for a refund of unutilized ITC must be filed in **Form RFD-01**.
- Refund claims for IDS/accumulated ITC in case of exports (made against LUT/bond without payment of IGST) can be filed **within 2 years from relevant date**.
- Principle of unjust enrichment does not apply in these cases. Instead of refund being credited to the Consumer Welfare Fund, it will be paid directly to applicant.
- **Formula for Claiming Refund**

(i) **Zero-rated Supply Refund (Rule 89(4))**: For ZRS without payment of tax under bond/LUT, refund amt. is calculated as:

$$\text{Refund Amt.} = \frac{(\text{T/O of ZRS of goods} + \text{T/O of ZRS of services})}{\text{Adjusted Total T/O}} \times \text{Net ITC}$$

Where:

- Net ITC = ITC on inputs & input services availed **during relevant pd.** except blocked credit & ITC w.r.t. exempt supplies
- T/O of ZRS of goods = LOWER of
 - Value of ZRS of goods under Bond/LUT (FOB value of goods declared in shipping bill/bill of export or Value decalred in Tax Invoice/BoS) **or**
 - 1.5 times value of like goods domestically supplied
- T/O of ZRS of services = (Payment **received** for ZRS of services + ZRS for service **completed** - Advances for which ZRS of services **not completed**) during relevant period
- Adjusted Total T/O = T/O in a State/UT (excl. T/O of services) + T/O of ZRS of services (as cal. above) & T/O of non-zero-rated services, excl. exempt supplies (except ZRS) for relevant pd.

(ii) **Refund in Inverted Duty Structure (Rule 89(5))**: For cases involving IDS, the formula is:

$$\text{Max. Refund Amt.} = \frac{\text{T/O of IDS supply of goods \& services} \times \text{Net ITC}}{\text{Adjusted Total T/O}} - \frac{\text{Tax payable on such IDS supply of goods \& services} \times \text{Net ITC}}{\text{ITC availed on inputs \& inputs services}}$$

Here:

- Net ITC only includes ITC availed on inputs (not services or capital goods).
- Adjusted Total Turnover is same as in Rule 89(4)

- If multiple inputs are used with diff. tax rates (e.g., 5% and 18%), refund of accumulated ITC will take into account ITC availed on all such inputs, regardless of their individual rates.
- Refund of unutilized ITC under IDS is not allowed if rate reduction occurs on same goods at diff. points of time. Thus, refund is admissible if output tax < input tax at same point of time.
- Suppliers providing goods to merchant exporters at a concessional rate of 0.1% are eligible for a refund of accumulated ITC due to IDS, subject to specified conditions.

• **Key Point:**

- Here, refundable amt. is calculated as **LEAST** of following amts.:
 - a) Max. refund amt. as per above **formula** specified in Rule 89(4)/89(5) [formula is applied on consolidated amount of ITC, i.e. CGST + SGST/UTGST + IGST];
 - b) Balance in **ECrL** of applicant **at end of tax pd.** for which refund claim is being filed after return in Form GSTR-3B for said pd. has been filed; and
 - c) Balance in **ECrL** the applicant at time of **filing refund application**.

After calculating **least** of above 3 amts., amt. is to be debited from applicant's ECrL in following order:

a) IGST, to the extent of balance available;

b) CGST & SGST/UTGST, equally to extent of bal. available & in event of a shortfall in bal. available in particular ECrL (say, CGST), differential amt. is to be debited from other ECrL (i.e., SGST/UTGST, in this case).

- ITC on stores & spares, packing materials, & similar items is sometimes excluded from 'Net ITC' considering that they are not directly consumed in manufacturing or as they are mistakenly treated as capital goods. However, ITC on these inputs is allowed if they are used for business purposes &/or for taxable supplies incl. ZRS, provided no restriction exists u/s 17(5). Thus, **stores & spares** recorded as **revenue expenses** in BOA **cannot be held to be capital goods** and is eligible to be **part of "Net ITC"**.
- **Refund of ITC for supply to SEZ units/ developer without tax payment (Rule 89(4A)) & Deemed Exports (Rule 89(4B)) have been OMITTED. Accordingly, references in Rule 89(4) & 89(5) of above rules also stand inapplicable.**

• Cases where refund of ITC is NOT allowed

- Refund of unutilized ITC is not allowed if exported goods are **subjected to export duty**. Goods with NIL export duty, full exemption under customs notification, or not listed in Second Sch. of Customs Tariff Act, 1975, do not fall under this restriction.
- Refund of ITC is also not allowed if supplier **claims a drawback of CGST or a refund of IGST** paid on such supplies. But, if drawback is only for duties rebated under Customs & Central Excise Duties Drawback Rules, 2017, ITC refund is allowed. Refund of State tax credit is permitted if supplier avails a drawback in respect of Central tax.

Min. Refund Claim: No refund is granted if amt. < **₹1,000 per tax head**, except refunds of excess ECL bal.

Refund in case of goods or services exported out of India:

Refund for Export of Goods

- Exports are treated as ZRS under GST, allowing regd. persons to either export goods/services without paying IGST under a Bond/LUT & claim a refund of unutilized ITC or export with IGST payment & claim a refund of tax paid. Specific classes of persons or notified goods/services may only be exported on payment of IGST, with a refund subsequently claimed.
- For exports with IGST payment, shipping bill/bill of export filed with Customs serves as refund application. This application is considered filed only when:
 1. Person in charge of conveyance **submits departure manifest**/export manifest/export report.
 2. Applicant has filed **valid return in GSTR-3B**.
(If there is any mismatch b/w details in Shipping Bill & GSTR-1 (as amended in GSTR-1A), then application is deemed filed when such mismatch is rectified)
 3. **Aadhaar authentication** is completed.
- If additional IGST is paid due to **upward price revision** subsequent to export, exporter has to file **Form GST RFD-01** electronically to claim difference.
- GST portal transmits export invoice details to **ICEGATE** (Customs system), which verifies export completion & sends confirmation back. Upon successful validation & submission of GSTR-3B, ICEGATE/proper Customs officer processes the refund & credits IGST amt. directly to exporter's regd Bank A/c.
- Refund claims may be **withheld** in specific cases:
 - a. If **Commissioner** of Central/State/UT Tax **requests** withholding u/s 54(10)/(11).
 - b. If **PO of Customs** determines that goods were **exported in violation** of Customs Act, 1962.
 - c. If Commissioner/ autho. officer, **based on risk analysis**, require verification of exporter's credentials & ITC claims before grant of refund to safeguard interest of revenue.
 - If a refund is withheld due to (a)/(c) above, claim is transmitted electronically via GST RFD-01 to PO (C/S/UT tax) & intimation sent to exporter also & refund is considered filed on transmission date.

- If refund is withheld due to (b) & PO of Customs finds an export violation, refund claim is transmitted to PO(C/S/UT tax) & intimation sent to exporter & refund is considered filed on transmission date.
- In both cases, refunds are processed as per Rule 89.
- For exports to **Bhutan**, Indian Govt. may issue IGST refunds directly to Bhutan Govt. for specific notified goods, in which case exporter will not receive any IGST refund separately.
- Refund Claims for **Specified Goods** sent/taken out of India but not brought back: Sending or taking **specified goods** out of India is not ZRS, and so, no refund claim can be made at that stage. Supply is deemed to occur either after 6 months if goods are neither sold nor brought back or on date of sale for qty. sold within 6 months. Refund can be claimed u/s 54(3) & Rule 89(4) (without IGST pay.) after issuing a tax invoice but not u/R 96 (with IGST pay.), as supply occurs after goods have already been sent.

Refund for Export of Services:

- For **exported services**, a refund of IGST paid must be claimed through **Form GST RFD-01** u/R 89.

Admissibility of Refund where exporter applies for refund subsequent to compliance of Rule 96A(1):

- As per rule 96A(1), a regd person opting to export without payment of IGST must furnish a bond/LUT prior to export, committing to pay tax due with int.:

Case	Arise of Liability to Pay Tax / Int.
Supply of Goods: If goods are not exported out of India	Within 15 days after expiry of 3 months (or such further pd. as may be allowed by Commissioner).
Supply of Services: If payment of services is not received in convertible forex or INR as permitted by RBI	- within 15 days after 1 year or - period allowed under FEMA , whichever is later, from date of issuance of export invoice

- Exporters may voluntarily pay IGST & interest if goods are not exported or payment for services is not received within prescribed time frame. If goods are subsequently exported or payment is received (even after time limits), exporters are entitled to refund:
 - Unutilized ITC u/s 54(3) (if admissible).
 - Refund of IGST paid earlier (but no refund of interest paid u/R 96A(1)).

Refund of Tax Wrongly Collected and Paid:

- If a regd. person mistakenly pays **CGST & SGST** considering a supply as intra-State but it is later determined to be inter-State **or vice-versa**, they are eligible for a refund of wrongly paid tax.
- As per Rule 89(1A), **refund application** must be filed **within 2 yrs** from date of tax payment under correct head. Refund is not available if taxpayer has already adjusted tax liability through a credit note u/s 34.

Refund to UN Bodies, Embassies, etc. [Sec. 55]:

- Supplies to UN bodies, etc. may be exempt from **GST**, but exemption is given through refund mechanism.
- Supplier charges & remits **GST**, while UN bodies & notified entities can claim a refund.
- Refund claims must be filed **within 2 yrs** from **last day of quarter** in which supply was received.
- Entities entitled to a refund u/s 55 include:
 - Specialized agencies of the **UNO**
 - **Multilateral Financial Institution** & Organization under UN (Privileges and Immunities) Act, 1947
 - **Consulate or embassies** of foreign countries
 - **Other** specified persons as notified by Govt. (UN, specified international organization, Foreign diplomatic missions, consular posts, diplomatic agents, and career consular officers)
- Refund applications require submission of:
 - A prescribed **form**, once in every qtr., and
 - A statement of inward supplies in **Form GSTR-11**.
- An acknowledgment is issued upon receipt of refund claim.
- Conditions for sanctioning refund:
 - Supplies must be received **from a regd. person** against a tax invoice.
 - **Name & GSTIN/UIN of applicant** must be mentioned in invoice.

- Other prescribed restrictions & conditions must be met.
- If UIN is **not mentioned**, an attested copy of invoice must be submitted with refund application.
- Other refund provisions of Rule 92 apply *mutatis mutandis* to refund sanction & payment here.
- If there is any inconsistency b/w refund provisions & an international treaty, the **treaty prevails**.
- Specialized agencies notified u/s 55 are also entitled to a **refund of IGST paid on imported goods**.

Canteen Stores Dept. (CSD) Refund Process

- CSD applies for refund every quarter electronically via common portal.
- CSD is entitled to a refund of 50% of CGST/IGST paid on inward supplies
- Application dealt similarly to Form GST RFD-01 as per Rule 89.
- Refund conditions for CSD:
 1. Inward supplies must be from a regd person who furnishes details in GSTR-1.
 2. Supplier must have filed GSTR-3B for relevant tax period.
 3. Name & GSTIN of applicant is mentioned in tax invoice.
 4. CSD must receive goods for supplying to authorized customers/ Unit Run Canteens.

Interest on Delayed Refunds [Sec. 56]:

Criteria	Interest on Refund Due to Order Under Section 54(5)	Interest on Refund Due to Appeal or Further Proceedings
Applicability	When a tax refund u/s 54(5) is not processed within 60 days from date of receipt of refund application.	If refund arises due to order of Adjudicating Authority, Appellate Authority, Appellate Tribunal, or Court , & it is not refunded within 60 days from date of refund application.
Rate of Int.	6% p.a.	9% p.a.
Int. Start Date	61st day from date of receipt of refund application.	61st day from date of application filed consequent to such order.
Int. End Date	Till the actual date of refund.	Till the actual date of refund.

- Explanation: An order of refund passed by an Appellate Authority, Appellate Tribunal, or Court against a PO's order u/s 54(5) will also be deemed as an order u/s 54(5) only.
- PO shall issue an order along with a payment order if int. is due u/s 56.
- Order must specify amt. of refund delayed, pd. of delay and total int. amt.
- Interest amt. shall be electronically credited to applicant's regd. Bank A/c.

Consumer Welfare Fund (CWF):

- CWF is created to promote & protect consumer welfare, particularly in rural areas.
- Refund amts. not payable to applicant due to principle of unjust enrichment are credited to CWF.
- CWF consists of:
 - Refund amounts determined u/s 54(5).
 - Income generated from investments of the fund.
 - such other monies received by it.
- Rule 97(1) mandates that:
 - All amts of duty/CGST/SGST/IGST/UTGST/cess & income from investment & other monies specified in erstwhile Central Excise Act, 1944, or present GST Acts shall be credited to CWF.
 - 50% of IGST refund determined u/s 54(5) must be deposited in CWF.
 - 50% of compensation cess refund determined u/s 54(5) must be deposited in CWF.
- Any amt. credited to CWF can be refunded to claimant if ordered by PO, AA, Tribunal, or Court.
- Standing Committee is constituted to recommend proper utilization of CWF for benefit of consumers.

Refund of Integrated Tax Paid on Supply of Goods to Tourist Leaving India:

- IGST paid by a tourist on goods taken out of India is refundable, subject to pres. conditions & safeguards.
- "Tourist" = A person, who is not normally resident in India & enters India for stay of ≤ 6 months for legitimate non-immigrant purposes.
- Manner, procedure, & form for claiming this refund have not yet been prescribed.

Rule 97A allows for manual filing and processing of applications, intimations, replies, declarations, statements, notices, orders, or certificates when electronic filing is referenced in the rules in this chp.

Some Important Clarifications:

1. Can a supplier claim a refund of tax paid on an advance for a service contract that got cancelled after issuing an invoice?
No, he must issue a credit note and adjust tax liability in returns. If no output liability exists, he can file **Form GST RFD-01**.
2. Can a supplier claim a refund of tax paid on an advance for a service contract that got cancelled without issuing an invoice?
Yes, he must issue a **refund voucher** & apply for a refund using **Form GST RFD-01**.
3. Can supplier claim a refund of tax paid when goods supplied under a tax invoice are returned by recipient?
No, he must issue a **credit note** & adjust tax liab. in returns. If no output liab. exists, he can file **Form GST RFD-01**.