

# REFUNDS

## MULTIPLE CHOICE QUESTIONS

1. A registered person can claim refund of the credit accumulated on account of inverted tax rate structure:—
  - (a) Before the expiry of 2 years from the due date for furnishing of return u/s 39 for the period in which such claim for refund arises;
  - (b) before the expiry of the tax period.
  - (c) before the expiry of 3 years from the relevant date.
  - (d) before the expiry of 18 months from the relevant date.
2. In which of the following cases refund will be granted to the applicant instead of being credited to the Consumer Welfare Fund —
  - (a) refund of tax paid on export of goods or services or both or on inputs or input services used in making such exports
  - (b) refund of unutilised ITC in case of zero rated supplies or accumulated ITC on account of inverted duty structure
  - (c) refund of tax paid on a supply which is not provided, either wholly or partially, and for which invoice has not been issued, or where a refund voucher has been issued;
  - (d) All of the above
3. In which of these circumstances the refund amount will be credited to the consumer welfare fund?
  - (a) Refund of tax paid on exports of goods or services or both.
  - (b) Refund of unutilised ITC in case of zero-rated supplies.
  - (c) Refund of tax wrongly collected and paid to the Government.
  - (d) Refund of accumulated ITC on account of inverted duty structure.
4. In which of these circumstances refund is granted to the applicant?
  - (a) Refund of tax paid on a supply which is not provided, either wholly or partially, and for which invoice has not been issued, or where a refund voucher has been issued.
  - (b) Refund of tax in case it is wrongly collected and paid i.e. where CGST is paid treating it as intra-State supply in place of inter-state supply where IGST was payable.
  - (c) Refund of tax paid on export of goods or services or both or on inputs or input services used in making such export.
  - (d) All of the above

5. Can the proper officer withhold the refund claim of the assessee? If yes in what circumstances can the claim be withheld?
- Yes, the proper officer is authorized to withhold the refund claim of a registered person in case such person has defaulted in furnishing any return till the return has been furnished.
  - Yes, the proper officer is authorized to withhold the refund claim where he is required to pay any tax, interest or penalty which has not been stayed by any court, Tribunal or Appellate Authority by the specified date, till the tax, interest or penalty due so paid.
  - Yes, the proper officer can withhold the refund till disposal of appeal where such refund claim is subject matter of appeal on account of malfeasance and fraud committed and the Commissioner is of the opinion that the grant of such refund is likely to adversely affect the revenue in said appeal.
  - All of the above
6. Which of the following types of refunds can be withheld by the assessee?
- All the kinds of refund claim can be withheld by the proper officer
  - Only the refunds due to a registered person on account of unutilised ITC in case of zero rated supplies or accumulated ITC on account of inverted duty structure who has defaulted in furnishing any return can be withheld by the proper officer
  - Only those refunds that are to be credited to the Consumer welfare fund can be withheld by the proper officer
- (iv) Refunds that are a subject matter of an appeal or other proceedings on account of misfeasance or fraud committed.
- (i)
  - (ii) and (iii)
  - (ii), (iii) and (iv)
  - (ii) and (iv)
7. Is the refund claim to a casual taxable person admissible?
- No, the amount of tax deposited by a casual taxable person is not refundable. Any amount left after the adjustment of the tax due shall lapse.
  - Yes, the amount of advance tax deposited by a casual taxable person is refundable after adjusting all the tax due only when he has furnished all the returns as required under the Act in respect of the entire period for which the certificate of registration granted to him remained in force.
  - Yes, the refund is admissible to a casual taxable person only when the proper officer is satisfied that the refund shall not cause a substantial loss to the revenue.
  - Yes, the refund is admissible only if the amount exceeds 10% of the advance tax paid and the return for the period for which the claim is made is duly furnished.
8. When can the casual taxable person or a non-resident taxable person make a refund claim?
- Refund of any amount, after adjusting the tax payable by the applicant out of the advance tax deposited by Non resident taxable person at the time of registration, shall be claimed only after



the last return required to be furnished by him has been so furnished.

- (b) The refund can be claimed by the casual taxable person or the non-resident taxable person only on filing the return within 6 months from the expiry of the date when the refund was due to him.
- (c) The refund can be claimed by the casual taxable person or the non-resident taxable person only within a period of 3 months from the date when the refund became due to him.
- (d) The refund can be claimed by the casual taxable person or the non-resident taxable person only on filing the return within 2 years from the expiry of the date when the refund was due to him.

**9. In which of the following circumstances refund of ITC is admissible?**

- (a) Zero rated supplies are made without payment of tax.
- (b) Goods exported out of India are subjected to export duty.
- (c) If the supplier of goods or services or both avails of drawback in respect of central tax.
- (d) If supplier of goods or services or both claims refund of output tax under IGST Act.

**10. In which of the following circumstances, refund of ITC is not admissible?**

- (a) Where the credit has accumulated on account of rate of tax on inputs being higher than the rate of tax on output supplies (other than nil rated and fully exempt supplies).
- (b) If zero rated supplies of goods exported out of India are subjected to

export duty.

- (c) Where zero rated supplies are made without payment of tax.
- (d) All of the above

**11. In what circumstances provisional refund can be granted under the GST Law? To what extent the refund can be granted on provisional basis?**

- (a) The provisional refund can be granted in any case of refund due to the assessee for which the appeal is pending in the court of law. 100% of the total amount so claimed can be granted as provisional refund.
- (b) Where the assessee feels the proceedings for refund claim is bound to take some time, he can apply for provisional refund and the same will immediately be granted to him. 50% of the amount so claimed can be granted.
- (c) In case of any claim or refund on account of zero rates supply of goods or services or both made by registered persons, the provisional refund is admissible. 90% of the total amount so claimed can be granted as provisional refund.
- (d) There is no provision with respect to grant of provisional refund under then GST Laws.

**12. What are the conditions for grant of provisional refund?**

- (a) The person claiming refund has during any period of 5 years immediately preceding the tax period to which the claim for refund relates has not been prosecuted for any offence under the Act or under existing law where amount of tax exceeds ₹ 2.5 crores.
- (b) The person claiming refund has not incurred any tax liability for amount

exceeding ₹ 2.5 crores during any period of 5 years immediately preceding the tax period.

- (c) No refund has been claimed by the person during the 5 years immediately preceding the tax period.
- (d) All of the above

13. M/s. Sunlight Associates, is a management consultancy firm located in Delhi and has certain foreign clients to whom the firm provides business support services. In regard to one of the foreign client, certain services were rendered in the month of January, 2024 and the invoice was duly raised. The firm undertakes such export of services against Letter of Undertaking, i.e. without payment of integrated tax. However, it is likely that the payment against such invoice would not be received till March, 2025. Is M/s. Sunlight Associates, required to pay integrated tax on such transaction if the payment is not received till March, 2025?

In case integrated tax is payable, is M/s. Sunlight Associates, entitled to claim refund on this account? State which of the following option is correct —

- (a) Integrated tax is payable by M/s. Sunlight Associates, but refund of payment of such tax is not allowed.
- (b) Integrated tax is payable by the foreign client and M/s. Sunlight Associates can claim ITC of such payment made.
- (c) Integrated tax is payable by M/s. Sunlight Associates, and refund of payment of such tax is allowed.
- (d) Integrated tax is not payable and refund of accumulated ITC is allowed.

14. Refund claim is required to be accompanied by—

- (a) such documentary evidences as may be prescribed to establish that a refund is due to the applicant.
- (b) such documentary and other evidences to establish that the amount of tax and interest was collected and paid by him and incidence of such tax and interest had not been passed on to any other person.
- (c) Both (a) and (b)
- (d) Neither (a) nor (b)

15. Documentary evidence not required to be furnished along with application of refund, if amount of refund is less than \_\_\_\_\_.

- (a) ₹ 10,000
- (b) ₹ 2,00,000
- (c) ₹ 1,00,000
- (d) ₹ 1,50,000

16. What is the prescribed time limit for issue of refund order by Proper officer from the receipt of refund application complete in all aspects.

- (a) 15 days
- (b) 30 days
- (c) 60 days
- (d) 90 days

17. No refund is paid to the applicant, if the amount is less than \_\_\_\_\_.

- (a) ₹ 1,000
- (b) ₹ 2,000
- (c) ₹ 100
- (d) ₹ 500

18. "Refund" includes—

- (a) Refund of tax paid on zero-rated supplies of goods or services or both



or on inputs or input services used in making such supplies.

- (b) Refund of tax on the supply of goods regarded as deemed exports.
- (c) Refund of unutilised input tax credit as provided under Section 54(3).
- (d) All of the above.

19. What is the relevant date for making refund application, where the tax becomes refundable as a consequence of judgment, decree, order or direction of the Appellate Authority, Appellate Tribunal or any court.

- (a) The date of receipt of such judgment, decree, order or direction.
- (b) The date of issue of such judgment, decree, order or direction.
- (c) The date of payment of tax for which refund is claimed.
- (d) The date of filing of appeal.

20. What is the relevant date, where supply of goods regarded as deemed exports and a refund of tax paid is available in respect of such goods.

- (a) The date on which the Return relating to such deemed exports is furnished.
- (b) The date on which goods are delivered to exporter for export.
- (c) The date on which such exported goods are exported by recipient.
- (d) The date on which payment of tax is made in respect of such deemed exports.

21. The application for refund is to be made in —

- (a) GST RFD-04
- (b) GST RFD-03
- (c) GST RFD-01

(d) GST RED-02

22. In case the refund claim is less than ₹ 2,00,000, then—

- (a) the applicant has to furnish documentary evidences to establish the collection and payment of the tax/ interest/ penalty etc. and that incidence of tax has not been passed on to any other person.
- (b) the refund claim shall not be entertained.
- (c) only a declaration can be filed by the applicant certifying that the incidence of such tax and interest has not been passed to any other person.
- (d) Certificate is to be obtained from jurisdictional officer for such refund.

23. Mr. A, engaged in construction services has unutilised Input tax credit to the tune of ₹ 1,00,000 in his electronic credit ledger. Can he claim refund of the same?

- (a) Yes, he can file an application for the refund claim within 2 years from the end of the financial year in which such claim of refund arises.
- (b) No refund of the unutilised ITC shall be allowed in case of construction services as per Notification No. 15/2017 by the Central Government.
- (c) Since the refund claim is less than ₹ 2,00,000, he will not be granted any refund.
- (d) He will be granted refund only when he submits documentary evidences establishing that the incidence of tax has not been passed by him to any other person.

24. If the refund claim exceeds ₹ 2,00,000, who is authorized to certify the refund claim.

- (a) a Chartered Accountant or a Cost Accountant
- (b) a Chartered Accountant or a Cost Accountant or a Company Secretary
- (c) an advocate
- (d) any gazetted officer
25. A specialised agency of the UNO can claim refund of tax paid on:
- (a) Intra-State supply of goods and/or services
- (b) Inter-state supply of goods and/or services
- (c) Inward supply of goods and/or services
- (d) All of the above
26. Application for refund other than from the electronic cash ledger, shall be forwarded to the proper officer for scrutiny. The proper officer shall within a period of \_\_\_\_ of filing of said application scrutinize the application for its correctness.
- (a) 7 days
- (b) 15 days
- (c) 30 days
- (d) 60 days
27. A registered person claiming refund of balance in electronic cash ledger may make such a claim in:-
- (a) Application for refund filed in prescribed form.
- (b) Annual Return
- (c) Returns filed at the end of tax periods
- (d) None of the above
28. Refunds would be allowed on a provisional basis in case of refund claims on account of zero-rated supplies of goods and/or services made by registered persons. At what percentage would such provisional refunds be granted?
- (a) 70%
- (b) 65%
- (c) 80%
- (d) 90%
29. The sanctioned refund amount can be adjusted against the payments which he is liable to pay but remains unpaid under this Act or under earlier law.
- (a) Tax
- (b) Penalty
- (c) Interest and other amounts
- (d) All of the above
30. Where the proper officer is satisfied that amount claim as refund is not admissible to the applicant, he shall issue a notice to the applicant requiring him to furnish a reply within a period of \_\_\_\_ of the receipt of such notice.
- (a) 7 days
- (b) 15 days
- (c) 30 days
- (d) 60 days
31. In which of the following cases the refund shall be granted to the applicant instead of being credited to Consumer Welfare Fund.
- (a) refund of tax paid on export of goods or services or both or on inputs or input services used in making such exports;
- (b) refund of unutilized ITC in case of zero rated supplies made without payment of tax or accumulated ITC on account of inverted duty structure;
- (c) refund of tax paid on a supply which is not provided, either wholly or partially,



and for which invoice has not been issued, or where a refund voucher has been issued;

(d) All of the above

32. Which are the cases, where amount of refund can be withheld?

(a) Where any refund is due to registered person and who has defaulted in furnishing any return or who is required to pay tax, interest or penalty, which has not been stayed by court, Tribunal or Appellate Authority.

(b) Where any order giving rise to a refund is the subject matter of an appeal or further proceeding or where any other proceeding under this act is pending.

(c) Where Commissioner is of the opinion that grant of refund adversely affects the revenue in the appeal or other proceeding on account of malfeasance or fraud committed.

(d) All of the above

33. In which of the following cases the refund shall be granted to the applicant instead of being credited to Consumer Welfare Fund.

(a) refund of tax in pursuance of section 77, i.e. tax paid tax on a transaction treated to be an intra-State supply, but which is subsequently held to be an inter-State supply or vice-versa.;

(b) the tax and interest, if any, or any other amount paid by the applicant, if he had not passed on the incidence of such tax and interest to any other person;

(c) the tax or interest borne by such other class of applicants as the Government may, on the recommendations of the Council, by notification, specify.

(d) All of the above

34. Where a refund is withheld u/s 54(11), the taxable person shall be entitled to interest @ \_\_\_\_\_, if as a result of the appeal or further proceedings he become entitled to refund.

(a) 12%

(b) 18%

(c) 6%

(d) 9%

35. Refund of input tax credit is not admissible if—

(a) The goods exported out of India are subjected to export duty.

(b) The supplier of goods or services or both avails of drawback in respect of central tax.

(c) The supplier of goods or services or both claims refund of output tax paid under IGST Act.

(d) All of the above.

36. In the case of refund on account of inverted duty structure, refund of input tax credit shall be granted as per the following formula—

(a) Maximum refund amount = Turnover of inverted supply of goods or services/ Adjusted Total Turnover × Net ITC

(b) Maximum refund amount = (Turnover of inverted supply of goods or services/ Adjusted Total Turnover × Net ITC) – (Tax payable on such inverted rated supply of goods or services × Net ITC/ITC on input and input services).

(c) Maximum refund amount = (Turnover of inverted supply of goods or services/ Total Turnover × Net ITC) –



Tax payable on such inverted rated supply of goods or services.

- (d) Maximum refund amount = (Turnover of inverted supply of goods/ Adjusted Total Turnover × Net ITC) – Tax payable on such inverted rated supply of goods or services.

37. From the following information you are required to determine the maximum amount of refund admissible on account of inverted duty structure.

- (i) Input tax credit availed on inputs ₹ 3,60,000
- (ii) Input tax credit availed on input services ₹ 36,000
- (iii) Turnover of inverted rated supply of goods (taxable @ 5%) ₹ 30,00,000
- (iv) Turnover of other supplies of goods ₹ 10,00,000
- (a) ₹ 2,97,000
- (b) ₹ 1,33,636
- (c) ₹ 1,36,364
- (d) ₹ 2,47,000

38. What is the time limit for making application of refund u/s 55 by notified agencies?

- (a) Once in every quarter, but before the expiry of 12 months from the last day of the quarter in which such supply was received.
- (b) Once in every quarter, but before the expiry of 2 years from the last day of the quarter in which such supply was received.
- (c) Once in every month, but before the expiry of 6 months from the last day of the month in which such supply was received.

- (d) Once in every quarter, but before the expiry of 24 months from the last day of the quarter in which such supply was received.

39. What are the conditions to be fulfilled by notified agencies for grant of refund?

- (a) Refund as per certificate based on principle of reciprocity.
- (b) Undertaking regarding use of goods/ services.
- (c) Certificate regarding use of goods.
- (d) All of the above

40. At what percentage refund of tax paid on inward supplies is allowed to Canteen Store Departments.

- (a) 80%
- (b) 50%
- (c) 100%
- (d) 90%

41. Where any claim of refund arises from an order passed by an adjudicating authority or Appellate Authority or Appellate Tribunal or court which has attained finality and the same is not refunded within prescribed time, interest at such rate not exceeding \_\_\_\_ shall be payable in respect of such refund.

- (a) 6%
- (b) 12%
- (c) 9%
- (d) 18%

42. M/s. RPP Ltd. filed an application for refund of tax amounting ₹ 5,00,000 on 01-10-2024. The refund was granted on 25-12-2024. Compute the amount of interest, if any payable to RLL Ltd. as per



provisions of Section 56 of the CGST Act, 2017.

- (a) ₹ 7,068
- (b) ₹ 2,049
- (c) ₹ 10,602
- (d) ₹ 2,055

43. Refund will be allowed in cases of—

- (a) Tax becomes refundable as a consequence of judgment, decree, order or direction of the Appellate Authority, Appellate Tribunal or any court.
- (b) Refund of IGST paid by tourist leaving India on any supply of goods taken out of India by him.
- (c) Refund of taxes on purchase made by UN bodies or embassies etc.
- (d) All of the above.

44. If any refund becomes due to the supplier then,—

- (a) Such refund shall be granted to the supplier always.
- (b) Refund shall be granted to supplier only when he proves that incidence of tax/duty has not been passed to any other person.
- (c) It shall be transferred to Consumer welfare fund if incidence of tax has been passed on to the customer.
- (d) Either (b) or (c)

45. Mr. X, engaged in export of goods has unutilised input tax credit in his electronic credit ledger to the tune of ₹ 50,000 at the end of September 2024. According to his consultant this amount shall lapse. Advise.

- (a) Refund shall be granted to the exporter and the same shall not lapse.

- (b) The amount shall be transferred to the Consumer welfare fund.
- (c) The amount shall lapse.
- (d) Refund claim is not admissible in case of exports being zero rated supplies.

46. Which amounts are to be credited in the Consumer Welfare Fund constituted by the Government?

- (a) The amount of refund determined by an order passed u/s 54(5).
- (b) Any income from investment of the amount credited to the Fund.
- (c) Such other monies received in the fund.
- (d) All of the above.

47. Who is authorised to audit the accounts of the Consumer Welfare Fund maintained by the Central Government?

- (a) A Chartered Accountant
- (b) A Cost Accountant
- (c) The Comptroller and Auditor-General of India.
- (d) Either (a) or (b) or (c)

48. Persons may make an application for such refund under section 55, in such form and manner as may be prescribed, once in every quarter, but before the expiry of \_\_\_\_\_ from the last day of the quarter in which such supply was received.

- (a) 18 months
- (b) 12 months
- (c) 2 years
- (d) 6 months

## ANSWERS TO MCQ'S

Question No.	Answer
1.	<p><b>(a)</b> A person claiming refund is required to file an application before the expiry of 2 years from the relevant date. The term 'relevant date' as explained in the Explanation to Section 54 of the CGST Act, inter alia, stipulates that in case of refund of unutilized ITC on account of inverted duty structure, relevant date is the due date for furnishing of return u/s 39 for the period in which such claim for refund arises.</p>
2.	<p><b>(d)</b> The principle of unjust enrichment is applicable in all cases of refund except in the following cases where the refundable amount shall, instead of being credited to the Fund, be paid to the applicant, if such amount is relatable to—</p> <p><b>(a)</b> refund of tax paid on export of goods or services or both or on inputs or input services used in making such exports; Thus, the principle of unjust enrichment shall not apply only in case of export of goods or services. In other words the supply of goods or services to SEZ units or to a developer shall be covered by the said principle. Thus, the person applying the refund on account of zero-rated supplies to SEZ units or developer shall prove that he has borne the burden of tax and has not collected the same from such SEZ units or developer.</p> <p><b>(b)</b> refund of unutilised ITC in case of zero-rated supplies or accumulated ITC on account of inverted duty structure;</p> <p><b>(c)</b> refund of tax paid on a supply which is not provided, either wholly or partially, and for which in-voice has not been issued, or where a refund voucher has been issued;</p> <p><b>(d)</b> refund of tax in pursuance of Section 77 i.e. CGST paid instead of IGST or vice versa;</p> <p><b>(e)</b> the tax and interest, if any, or any other amount paid by the applicant, if he had not passed on the incidence of such tax and interest to any other person; or</p> <p><b>(f)</b> the tax or interest borne by such other class of applicants as the Government may, on the recommendations of the Council, by notification, specify.</p>
3.	<p><b>(c)</b> The principle of unjust enrichment is applicable in all cases of refund except in the following cases where the refundable amount shall, instead of being credited to the Fund, be paid to the applicant, if such amount is relatable to—</p> <p><b>(a)</b> refund of tax paid on export of goods or services or both or on inputs or input services used in making such exports; Thus, the principle of unjust enrichment shall not apply only in case of export of goods or services. In other words the supply of goods or services to SEZ units or to a developer shall be covered by the said principle. Thus, the person applying the refund on account of zero-rated supplies to SEZ units or</p>



		<p>developer shall prove that he has borne the burden of tax and has not collected the same from such SEZ units or developer.</p> <p>(b) refund of unutilised ITC in case of zero-rated supplies or accumulated ITC on account of inverted duty structure;</p> <p>(c) refund of tax paid on a supply which is not provided, either wholly or partially, and for which invoice has not been issued, or where a refund voucher has been issued;</p> <p>(d) refund of tax in pursuance of Section 77 i.e. CGST paid instead of IGST or vice versa ;</p> <p>(e) the tax and interest, if any, or any other amount paid by the applicant, if he had not passed on the incidence of such tax and interest to any other person; or</p> <p>(f) the tax or interest borne by such other class of applicants as the Government may, on the recommendations of the Council, by notification, specify.</p>
4.	(d)	<p>The principle of unjust enrichment is applicable in all cases of refund except in the following cases where the refundable amount shall, instead of being credited to the Fund, be paid to the applicant, if such amount is relatable to—</p> <p>(a) refund of tax paid on export of goods or services or both or on inputs or input services used in making such exports;</p> <p>Thus, the principle of unjust enrichment shall not apply only in case of export of goods or services. In other words the supply of goods or services to SEZ units or to a developer shall be covered by the said principle. Thus, the person applying the refund on account of zero-rated supplies to SEZ units or developer shall prove that he has borne the burden of tax and has not collected the same from such SEZ units or developer.</p> <p>(b) refund of unutilised ITC in case of zero-rated supplies or accumulated ITC on account of inverted duty structure;</p> <p>(c) refund of tax paid on a supply which is not provided, either wholly or partially, and for which in-voice has not been issued, or where a refund voucher has been issued;</p> <p>(d) refund of tax in pursuance of Section 77 i.e. CGST paid instead of IGST or vice versa;</p> <p>(e) the tax and interest, if any, or any other amount paid by the applicant, if he had not passed on the incidence of such tax and interest to any other person; or</p> <p>(f) the tax or interest borne by such other class of applicants as the Government may, on the recommendations of the Council, by notification, specify.</p>
5.	(d)	<p>The proper officer is authorized to withhold the refund claim of a registered person in case such person has defaulted in furnishing any return till the return has been furnished.</p> <p>The proper officer is authorized to withhold the refund claim where he is required to pay any tax, interest or penalty which has not been stayed by any court, Tribunal or Appellate Authority by the specified date, till the tax, interest or penalty due so paid.</p>

		The proper officer can withhold the refund till disposal of appeal where such refund claim is subject matter of appeal on account of malfeasance and fraud committed and the Commissioner is of the opinion that the grant of such refund is likely to adversely affect the revenue in said appeal.
6.	(d)	Refunds due to a registered person on account of unutilised ITC in case of zero rated supplies or accumulated ITC on account of inverted duty structure who has defaulted in furnishing any return can be withheld by the proper officer. Besides that refunds that are a subject matter of an appeal or other proceedings on account of misfeasance or fraud committed can be withheld.
7.	(b)	The amount of advance tax deposited by a casual taxable person is refundable after adjusting all the tax due only when he has furnished all the returns as required under the Act in respect of the entire period for which the certificate of registration granted to him remained in force.
8.	(a)	Refund of any amount, after adjusting the tax payable by the applicant out of the advance tax deposited by Non resident taxable person at the time of registration, shall be claimed only after the last return required to be furnished by him has been so furnished.
9.	(a)	Refund of ITC is admissible in case of Zero-rated supplies made without payment of tax.
10.	(b)	Refund of ITC is not admissible if zero rated supplies of goods exported out of India are subjected to export duty.
11.	(c)	In case of any claim or refund on account of zero rates supply of goods or services or both made by registered persons, the provisional refund is admissible. 90% of the total amount so claimed can be granted as provisional refund.
12.	(a)	The person claiming refund has during any period of 5 years immediately preceding the tax period to which the claim for refund relates has not been prosecuted for any offence under the Act or under existing law where amount of tax exceeds ₹ 2.5 crores.
13.	(c)	Any registered person availing the option to supply services for export without payment of integrated tax shall furnish, prior to export, a bond or a Letter of Undertaking in FORM GST RFD-11 to the jurisdictional Commissioner, binding himself to pay the tax due along with the interest specified under Section 50(1) within a period of 15 days after the expiry of 1 year, or such further period as may be allowed by the Commissioner, from the date of issue of the invoice for export, if the payment of such services is not received by the exporter in convertible foreign exchange or in Indian rupees, wherever permitted by the Reserve Bank of India. Thus, in this case since payment in respect of services exported is not received in convertible foreign exchange within time limit the integrated tax is to be paid along with interest and the integrated tax so paid is admissible as input tax credit.



14.	(c)	According to Section 54(4), the application shall be accompanied by such documentary evidence as may be prescribed to establish that a refund is due to the applicant and such documentary or other evidence (including the documents referred to in section 33) as the applicant may furnish to establish that the amount of tax and interest, if any, paid on such tax or any other amount paid in relation to which such refund is claimed was collected from, or paid by, him and the incidence of such tax and interest had not been passed on to any other person.
15.	(b)	Documentary evidence not required to be furnished along with application of refund, if amount of refund is less than ₹ 2,00,000.
16.	(c)	The proper officer shall issue the order within 60 days from the date of receipt of application complete in all respects.
17.	(a)	No refund under shall be paid to an applicant, if the amount is less than ₹ 1,000.
18.	(d)	"Refund" includes refund of tax paid on zero-rated supplies of goods or services or both or on inputs or input services used in making such zero-rated supplies, or refund of tax on the supply of goods regarded as deemed exports, or refund of unutilised input tax credit on account of zero rated supply or inverted duty structure.
19.	(a)	The relevant date for making refund application, where the tax becomes refundable as a consequence of judgment, decree, order or direction of the Appellate Authority, Appellate Tribunal or any court is the date of receipt of such judgment, decree, order or direction.
20.	(a)	The relevant date, where supply of goods regarded as deemed exports and a refund of tax paid is available in respect of such goods is the date on which the Return relating to such deemed exports is furnished.
21.	(c)	Any person, except the persons covered under notification issued under Section 55, claiming refund of any tax, interest, penalty, fees or any other amount paid by him, other than refund of integrated tax paid on goods exported out of India, may file an application electronically in FORM GST RFD-01 through the common portal.
22.	(c)	A declaration to the effect that the incidence of tax, interest or any other amount claimed as refund has not been passed on to any other person, is to be furnished in a case where the amount of refund claimed does not exceed ₹ 2,00,000.
23.	(b)	No refund of the unutilised ITC shall be allowed in case of construction services as per Notification No. 15/2017 by the Central Government.
24.	(a)	Where the amount of refund claimed exceeds ₹ 2 lakh, a Certificate in Annexure 2 of Form GST RFD-01 by a Chartered Accountant or a Cost Accountant to the effect that there is no unjust enrichment in the case of the applicant [i.e. incidence of tax, interest or any other amount claimed as refund has not been passed on to any other person.

25.	(c)	The Government may, on the recommendations of the Council, by notification, specify any specialised agency of the United Nations Organisation or any Multilateral Financial Institution and Organisation notified under the United Nations (Privileges and Immunities) Act, 1947, Consulate or Embassy of foreign countries and any other person or class of persons as may be specified in this behalf, who shall, subject to such conditions and restrictions as may be prescribed, be entitled to claim a refund of taxes paid on the notified supplies of goods or services or both received by them.
26.	(b)	Application for refund other than from the electronic cash ledger, shall be forwarded to the proper officer for scrutiny. The proper officer shall within a period of 15 days of filing of said application scrutinize the application for its correctness.
27.	(a)	A registered person, claiming refund of any balance in the electronic cash ledger in accordance with the provisions of Section 49(6), may claim such refund in Form RFD-01 electronically through GST common portal.
28.	(d)	The proper officer may, in the case of any claim for refund on account of zero-rated supply of goods or services or both made by registered persons, other than such category of registered persons as may be notified by the Government on the recommendations of the Council, refund on a provisional basis, 90% of the total amount so claimed in such manner and subject to such conditions, limitations and safeguards as may be prescribed and thereafter make an order for final settlement of the refund claim after due verification of documents furnished by the applicant.
29.	(d)	The sanctioned refund amount can be adjusted against tax, interest and penalty which he is liable to pay but remains unpaid under this act or under the earlier law.
30.	(b)	Where the proper officer is satisfied, for reasons to be recorded in writing, that the whole or any part of the amount claimed as refund is not admissible or is not payable to the applicant, he shall issue a notice to the applicant, requiring him to furnish a reply within a period of 15 days of the receipt of such notice and after considering the reply, make an order in sanctioning the amount of refund in whole or part, or rejecting the said refund claim and the said order shall be made available to the applicant electronically and the provisions of Rule 92(1) shall, mutatis mutandis, apply to the extent refund is allowed.
31.	(d)	In all the above cases refund shall be granted to the applicant instead of being credited to the fund.
32.	(d)	The amount of refund can be withheld in all of the under mentioned cases— <ul style="list-style-type: none"> <li>➤ Where any refund is due to registered person and who has defaulted in furnishing any return or who is required to pay tax, interest or penalty, which has not been stayed by court, Tribunal or Appellate Authority.</li> <li>➤ Where any order giving rise to a refund is the subject matter of an appeal or further proceeding or where any other proceeding under this act is pending.</li> </ul>

		➤ Where Commissioner is of the opinion that grant of refund adversely affects the revenue in the appeal or other proceeding on account of malfeasance or fraud committed.																
33.	(d)	In all of the cases mentioned above refund will be granted to the applicant instead of being credited to consumer welfare fund.																
34.	(c)	Where a refund is withheld, the taxable shall be entitled to interest @ 6% p.a., if as a result of the appeal or further proceedings he becomes entitled to refund.																
35.	(d)	Refund of input tax credit is not admissible if the goods exported out of India are subjected to export duty or the supplier of goods or services or both avails of drawback in respect of central tax or the supplier of goods or services or both claims refund of output tax paid under IGST Act.																
36.	(b)	The maximum refund admissible in case of inverted duty structure is arrived as under — Maximum refund amount = (Turnover of inverted supply of goods or services/ Adjusted Total Turnover × Net ITC) – (Tax payable on such inverted rated supply of goods or services × Net ITC /ITC on input and input services).																
37.	(b)	The maximum amount of refund admissible on account of inverted duty structure is computed as under— <table border="1" data-bbox="379 1064 1444 1608"> <thead> <tr> <th>Particulars</th> <th>₹</th> </tr> </thead> <tbody> <tr> <td>Net ITC i.e. input tax credit availed on inputs during the relevant period [₹ 3,60,000]</td> <td>3,60,000</td> </tr> <tr> <td>ITC availed on input and Input services</td> <td>3,96,000</td> </tr> <tr> <td>Turnover of inverted rated supply of goods</td> <td>30,00,000</td> </tr> <tr> <td>Adjusted Total Turnover [Turnover of inverted rated supply of goods + Turnover of other supplies of goods] [₹ 30,00,000 + ₹ 10,00,000]</td> <td>40,00,000</td> </tr> <tr> <td>Tax payable on such inverted rated supply of goods [₹ 30,00,000 × 5%]</td> <td>1,50,000</td> </tr> <tr> <td>Tax payable on such inverted rated supply of goods × Net ITC ÷ (ITC availed on inputs and input services) i.e. [(₹ 1,50,000 × ₹ 3,60,000) ÷ ₹ 3,96,000]</td> <td>1,36,364</td> </tr> <tr> <td><b>Maximum refund = [(Item (iii) ÷ Item (iv)] × Item (i) - [Item (vi)]</b></td> <td><b>1,33,636</b></td> </tr> </tbody> </table>	Particulars	₹	Net ITC i.e. input tax credit availed on inputs during the relevant period [₹ 3,60,000]	3,60,000	ITC availed on input and Input services	3,96,000	Turnover of inverted rated supply of goods	30,00,000	Adjusted Total Turnover [Turnover of inverted rated supply of goods + Turnover of other supplies of goods] [₹ 30,00,000 + ₹ 10,00,000]	40,00,000	Tax payable on such inverted rated supply of goods [₹ 30,00,000 × 5%]	1,50,000	Tax payable on such inverted rated supply of goods × Net ITC ÷ (ITC availed on inputs and input services) i.e. [(₹ 1,50,000 × ₹ 3,60,000) ÷ ₹ 3,96,000]	1,36,364	<b>Maximum refund = [(Item (iii) ÷ Item (iv)] × Item (i) - [Item (vi)]</b>	<b>1,33,636</b>
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38.	(b)	The above mentioned persons may make an application for such refund, in such form and manner as may be prescribed, once in every quarter, but before the expiry of 2 years from the last day of the quarter in which such supply was received.																
39.	(d)	All the above conditions are to be satisfied for grant of refund to notified agencies.																
40.	(b)	Canteen Stores Department (CSD), under the Ministry of Defence, has been notified as a person who shall be entitled to claim a refund of 50% of the applicable																

		CGST/IGST paid by it on all inward supplies of goods received by it for the purposes of subsequent supply of such goods to the Unit Run Canteens of the CSD or to the authorized customers of the CSD.														
41.	(c)	Where any claim of refund arises from an order passed by an adjudicating authority or Appellate Authority or Appellate Tribunal or court which has attained finality and the same is not refunded within prescribed time, interest at such rate not exceeding 9% p.a. shall be payable in respect of such refund.														
42.	(b)	<p>If any tax ordered to be refunded u/s 54(5) to any applicant, and such tax is not refunded within 60 days from the date of receipt of application u/s 54(1), interest @ 6% p.a. shall be payable in respect of such refund from the date immediately after the expiry of 60 days from the date of receipt of application till the date of refund of such tax.</p> <p><b>The relevant computation is as follows –</b></p> <table border="1"> <thead> <tr> <th>Particulars</th> <th>₹</th> </tr> </thead> <tbody> <tr> <td>Amount of refund [A]</td> <td>5,00,000</td> </tr> <tr> <td>Date of making application [B]</td> <td>01-10-2024</td> </tr> <tr> <td>60 days period from the date of application expires on – [C] = [B] + 60 days</td> <td>30-11-2024</td> </tr> <tr> <td>Date of making refund [D]</td> <td>25-12-2024</td> </tr> <tr> <td>No. of days for which interest to be granted [E] = [D] – [C]</td> <td>25</td> </tr> <tr> <td>Interest on refund @ 6% [A] × [E] × 6% ÷ 365</td> <td>2,055</td> </tr> </tbody> </table>	Particulars	₹	Amount of refund [A]	5,00,000	Date of making application [B]	01-10-2024	60 days period from the date of application expires on – [C] = [B] + 60 days	30-11-2024	Date of making refund [D]	25-12-2024	No. of days for which interest to be granted [E] = [D] – [C]	25	Interest on refund @ 6% [A] × [E] × 6% ÷ 365	2,055
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43.	(d)	Refund is allowed as per provisions of Section 54 in all the cases specified above.														
44.	(d)	If any refund becomes due to the supplier then, such refund shall be granted to supplier only when he proves that incidence of tax/duty has not been passed to any other person. In other cases it shall be transferred to Consumer welfare fund if incidence of tax has been passed on to the customer.														
45.	(a)	In case of utilized ITC on account of export of goods the refund shall be granted to the exporter in accordance with the provisions of Section 54.														
46.	(d)	<p>There shall be credited to the Consumer Welfare Fund,—</p> <p>(a) the amount of refund determined by an order passed u/s 54(5);</p> <p>(b) any income from investment of the amount credited to the Fund; and</p> <p>(c) such other monies received by it,</p> <p>in such manner as may be prescribed under rule 97 of the CGST Rules, 2017.</p>														
47.	(c)	Accounts of the Consumer Welfare Fund maintained by the Central Government shall be subject to audit by the Comptroller and Auditor General of India.														



48.	(c)	The person may make an application for such refund under section 55, in such form and manner as may be prescribed, once in every quarter, but before the expiry of 2 years from the last day of the quarter in which such supply was received.
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