Chapter 15
Refund

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01. General Questions

MCQ 15.01.01.00

Refund claim of an exporter of goods shall be processed by_____.

a. GSTN b. Customs Department
c. GST Department d. CBIC

[Hint:- General Questions- exports and imports are checked by custom dept]

02. Sec 54:- Refund of tax

MCQ 15.02.02.00

As per section 54 of the CGST Act, 2017, any person claiming refund of any tax, interest, if any, paid on such tax or any other amount paid by him, may make an application before the expiry of _____ from the 'relevant date'. [CA Final MTP April 19]

a. 2 years b. 3 years
c. 4 years d. 18 months

[Hint:- Refer sec 54(1)]

MCQ 15.02.03.00

A registered person can claim refund of any unutilized input tax credit on zero rated supplies without payment of tax or the credit accumulated on account of inverted tax rate structure: [CA Final MTP March 19] (Study Mat Sample Question)

a. at the end of the tax period, but before the expiry of 2 years from the relevant date.
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.

[Hint:- Refer sec 54(3) read with sec 54(1)]

MCQ 15.02.04.00

M/s Raman Plastics is a manufacturer of plastic toys. It is registered under GST in Shimla, Himachal Pradesh. It furnishes the return on monthly basis. It procures its raw materials from Punjab. During the month of April 2023, it purchased material of ₹ 35.00 lakh and paid IGST thereon amounting to ₹ 6.30 lakh. It supplied 30% of its production in the State of Jammu and Kashmir, whereas the 70% of its production was supplied taxable @ 0.1% to a merchant exporter during the month of April 2023. The returns for the month of April 2023 were duly filed in time, i.e. within the due date of 20th May, 2023. The last date upto which the taxpayer can claim refund of input tax credit on account of inverted duty structure is:

a) 20th April 2025 b) 20th May 2025
c) 31st March 2026 d) 20th April, 2024

[Hint:- Refer explanation 2 to sec 54- refund shall be claimed within 2 years from due date of furnishing the relevant return in which the claim arise]

MCQ 15.02.05.00

Mr. Chamcham, registered under GST in Delhi, is a domestic trader and also an exporter of whole-sale goods. His annual turnover and input tax details are as follows:

Particulars	Turnover ₹	Tax paid on inputs ₹
Taxable goods	90,00,000	9,00,000
Exempt goods	10,00,000	1,00,000
Exported goods	15,00,000	2,00,000

No GST is payable on exempt and exported goods. Mr. Chamcham seeks your expert help in calculating the amount of ITC which he is eligible to claim under GST law. ITC admissible, in given case, is: [Study Mat] [CA Final MTP Series I Nov 23]

a. ₹ 12,00,000 b. ₹ 11,00,000
c. ₹ 10,00,000 d. ₹ 9,00,000

[Hint:- Refer sec 17(2)- ITC is allowed against exports being zero rated supply i.e. ITC allowed = ₹900000 + ₹200000]

MCQ 15.02.06.00

Mr. Prabhu, registered under GST in Mumbai, is in the business of trading of marble handicraft items domestically and also exporting the same. His annual turnover and input tax details are as follows:

Particulars	Turnover ₹	Tax paid on inputs ₹
Taxable goods	1,25,00,000	12,50,000
Exported goods	75,00,000	5,50,000
Exempt goods	50,00,000	5,00,000

Mr. Prabhu exported the goods under LUT without payment of IGST. Value of like goods domestically supplied by him is ₹ 60,00,000.

Mr. Prabhu seeks your help in calculating the amount of refund of ITC which he is eligible to claim under GST law. The refund amount is: [Study

Mat]

a. ₹ 18,00,000 b. ₹ 6,75,000

c. ₹ 5,40,000 d. ₹ 6,90,000

[Hint:- Refer rule 89(4) for formula & refund = 75,00,000*(1,25,0000+5,50,000)/(12,50,0000 + 75,00,000)]

MCQ 15.02.07.00

Mr. A has claimed refund of GST of INR 10,000/-. He asks you the possibilities where refund can be withheld by the department? (Study Mat Sample Question)

a. If a person has failed to furnish any return, refund will be withheld till he files such return.

b. If the registered person is required to pay any tax, interest, or penalty which has not been stayed by the appellate authority / Tribunal / court, till he pays tax such interest or penalty, refund will be withheld. The proper officer can also deduct unpaid taxes, interest, penalty, late fee, if any, from the refundable amount.

c. The commissioner can withhold any refund if the order of refund is under appeal and he is of the opinion that grant of such refund will adversely affect revenue in the said appeal on account of malfeasance or fraud committed.

d. In all of the above circumstances, refund can be withheld

[Hint:- Refer sec 54(10) & (11)]

MCQ 15.02.08.00

Refund amount is credited to_____, if the amount is refundable and to_____, if the amount is not refundable.

a. Bank account of the registered applicant, Consumer application fund

b. Bank account of the unregistered applicant, Consumer application fund

c. Bank account of the registered applicant, Consumer Welfare Fund

d. Consumer Welfare Fund, Bank account of registered applicant

[Hint:- Refer sec 54(8)]

MCQ 15.02.09.00

Refund of IGST shall not be paid to the applicant, if the amount of refund is less than

a. ₹1,000 b. ₹ 5,000

c. ₹7,000 d. ₹ 10,000

[Hint:- Refer Sec 54(14):- such limit is ₹1,000 each under CGST & SGST/UTGST i.e. ₹1,000 for IGST]

03. Sec 54(6) read with Rule 91:- Grant of provisional refund

MCQ 15.03.10.00

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 & within what time the order for the same shall be made from the date of acknowledgment?

a. 70%, 45 Days b. 65%, 15 days

c. 80% , 7 days d. 90%, 7 days

[Hint:- Refer sec 54(6) read with rule 91(2)]

04. Sec 56:- Interest on delayed refund

MCQ 15.04.11.00

M/s XYZ ltd. filed & an application for refund of tax amounting 10 lakh on 01 Oct, 20XX. the refund was granted on 25 Dec, 20XX. Compute the amount of interest, if any payable to XYZ ltd. as per the provision of Sec 56 of CGST Act, 2017.

a. ₹4,110 b.₹13,973

c.₹9,863 d. Nil

[Hint:- Refer sec 56- int is payable beyond 60 days from application receipt date till date of refund @ 6% on amount refundable i.e. interest = ₹10 lakhs *6% p.a. *25/365 days]

Answers:-

15.01.01	b
15.02.02	a
15.02.03	a
15.02.04	b
15.02.05	b
15.02.06	b
15.02.07	d
15.02.08	c
15.02.09	a
15.03.10	d
15.04.11	a