

# Two Marks Questions & Answers (V Sem)

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## 1. Introduction to GST

### 1. What is tax?

Ans: A tax may be defined as a "pecuniary burden laid upon individuals or property owners to support the Government, a payment exacted by legislative authority. There are two types of taxes;

- i. Direct Tax
- ii. Indirect Tax

## 2. Why GST is introduced?

Ans: GST is needed in India to remove deficiencies in the existing system of taxation. And

- i. To merge the multiple taxes
- ii. To Remove cascading effect
- iii. To litigate over disputes
- iv. To Increase Tax Revenue

### 3. What do you mean by cascading effect?

Ans: Cascading effect of taxes means where a tax is paid on tax and the value of the product keeps on increasing at every transaction. The tax liability was passed on at every stage of transaction and finally consumer has to bear the tax liability.

## 4. What do you mean by Goods?

Ans: According to Section 2 (52) of the CGST Act, "Goods" means every kind of movable property other than money and securities but includes actionable claim, growing crops, grass and other things attached to or forming part of the land which are agreed to be severed before supply or under the contract of supply.

## 5. What do you mean by services?

Ans: According to Section 2(102) of the CGST Act "Services" means anything other than goods, money and securities but includes activity relating to the use of money or its conversion by cash or by any other mode, from one form, currency or denomination, to another form, currency or denomination for which a separate consideration is charged. Services include intangible property and actionable claim but do not include money.

## 6. Which of the taxes are subsumed by GST?

Ans: Present Central taxes like Central excise duty, Additional Excise duty, Special Excise Duty, Central Sales Tax, Service Tax, Value Added Tax, Entertainment Tax, Luxury Tax, Entry Tax etc. etc. will be subsumed under Central Goods And Service Tax.



7. Expand: a. GST b. SGST c. CGST d. IGST

- Ans: a. GST : Goods And Service Tax  
b. SGST : State Goods and Service Tax  
c. CGST : Central Goods and Service Tax  
d. IGST : Integrated Goods and Service Tax

8. Define GST?

Ans: New Article 366(12A) of the Indian Constitution, defines Goods and Service Tax (GST) as "a tax on supply of goods or services, or both, except taxes on supply of alcoholic liquor for human consumption".

9. What is CGST?

Ans: CGST is a part of goods and service tax. It is covered under Central Goods and Service Tax Act 2016. It is levied by Central government and it is applicable only within the state. The credit of CGST is available only against CGST and IGST.

10. What is SGST?

Ans: It is covered under State Goods and service Tax Act 2016. A collection of SGST will be the revenue for State Government. For goods are sold or services are provided within the State then SGST will be levied on such transaction. The credit of IGST is available against CGST, SGST and IGST.

11. What is IGST?

Ans: It is covered under Integrated Goods and service Tax Act 2016. It is levied on all supplies in the course of interstate sales as well as on import of goods and services from outside India. The credit of IGST is available against CGST, SGST and IGST.

12. What is the rate of IGST?

Ans: Rate of IGST = Rate of CGST + Rate of SGST

## 2. Extent and Definitions of GST

13. Define Actionable claim.

Ans: The word "Actionable" according to Black's Law Dictionary means "That for which an action will lie, furnishing legal ground for an action."

14. Write two things of actionable claim.

Ans: The term "actionable claim" has got two things;  
i. Claim To Unsecured Debt  
ii. Claim To Beneficial Interest

15. Write 2 examples of actionable and non-actionable claims.

Ans: The examples of actionable claims

- Arrears of rent were held to be a debt.
- Lottery ticket is an actionable claim



The examples of non-actionable claims.

- The right to recover damages for breach of contract.
- A copyright.

16. **What do you mean by Address of Delivery?**

Ans: "Address of delivery" means the address of the recipient of goods or services or both indicated on the tax invoice issued by a registered person for delivery of such goods or services or both".

17. **What do you mean by Address of Records?**

Ans: "Address on record" means the address of the recipient as available in the records of the supplier. It is relevant to determine Place of Supply in case of supplies made by a registered person to an un-registered person in relation to services.

18. **What do you mean by Adjudicating Authority?**

Ans: "Adjudicating authority" means any authority, appointed or authorised to pass any order or decision under this Act, but does not include the Central Board of Excise and Customs, the Revisional Authority, the Authority for Advance Ruling, the Appellate Authority for Advance Ruling, the Appellate Authority and the Appellate Tribunal;

19. **Who is an Agent?**

Ans: "Agent" means a person, including a factor, broker, commission agent, arhatia, del credere agent, an auctioneer or any other mercantile agent, by whatever name called, who carries on the business of supply or receipt of goods or services or both on behalf of another; Agent can work purely on commission basis.

20. **What is Aggregate Turnover?**

Ans: "Aggregate turnover" means the aggregate value of all taxable supplies, exempt supplies, exports of goods or services or both and inter-State supplies of persons having the same Permanent Account Number, to be computed on all India basis but excludes central tax, State tax, Union territory tax, integrated tax and cess.

21. **Why the 'aggregate turnover' is relevant?**

Ans: The 'aggregate turnover' will be relevant for the purpose of -

- For registration of taxable person
- To know the Threshold exemption limits

22. **Define Agriculture.**

Ans: "Agriculture" includes floriculture, horticulture, sericulture, the raising of crops, grass or garden produce and also grazing, but does not include dairy farming, poultry farming, stock breeding, the mere cutting of wood or grass, gathering of fruit, raising of man-made forest or rearing of seedlings or plants.



23. Define Agriculturist.

Ans: Section 2(8) defined Agriculturist as "a person who cultivates land personally, for the purpose of agriculture"

24. What is Appointed day?

Ans: "Appointed day" means the date on which the provisions of this Act shall come into force;

25. What is Assessment?

Ans: "Assessment" means determination of tax liability under GST Act and includes self-assessment, re-assessment, provisional assessment, summary assessment and best judgment assessment;

### 3. Exemptions from GST

26. Define Exempt Supply.

Ans: Section 2(47) of the CGST Act, 2017 defines exempt supply as supply of any goods or services or both which attracts nil rate of tax or which may be wholly exempt from tax under section 11, or under section 6 of the IGST Act, and includes non-taxable supply.

27. Write any two people who are exempted from the GST Registration.

Ans: The two people who are exempted from the GST Registration are;

- Agriculturists
- Persons falling in Threshold Exemption Limit

28. What is Non-Taxable supply?

Ans: Non-taxable supply means the supply which is not chargeable to tax under GST. For example:

- Alcohol for Human Consumption
- Petroleum Products

29. Who is unregistered person?

Ans: A unregistered person is one who is not registered under GST and he is not liable to pay tax on supplies.

30. Who are the Persons falling in threshold exemptions limit.

Ans: A business organisation with an annual turnover less than Rs. 20 lakh is exempted from GST registration. But there are some special category states it is Rs.10 lakhs.

31. Name any four exemptions items of GST.

- Ans:
1. All unprocessed food like rice, wheat, bread, etc.
  2. Train travel by local and sleeper classes
  3. Education
  4. Healthcare (but not medicines)



#### 4. Registration process in GST

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32. What is GST registration?

Ans: Registration under tax system means a person carrying out supply of goods and services should obtain a unique identification number from the tax authorities for the purpose of collecting tax and to claim Input Tax Credit.

33. Write any two types of GST Registration?

Ans: The types of registrations are:

- i. Compulsory Registration
- ii. Voluntary Registration

34. Can a person without GST registration claim ITC and collect tax?

Ans: No. A person without GST registration cannot claim ITC and cannot collect tax.

35. If a person is operating in different states, with the same PAN number, whether he can operate with a single Registration?

Ans: No. As per GST law, when a company is operating in different states with the same PAN number, it is liable to take registration separately for each of the states where it has a business operation and from where supplies are being made.

36. Whether a person having multiple business verticals in a state can obtain for different registrations?

Ans: No. An entity having different branches within a state should take single registration. In such case, it can declare one place as principal place of business (PPOB) and other branches as additional place(s) of business (APOB).

37. Who is a Casual Taxable Person?

Ans: A person who has a registered business in one State in India, but wants to supply from some other state in which he is not having any fixed place of business. Such a person will be treated as a casual taxable person.

38. Who is a Non-resident Taxable Person?

Ans: A taxable person who is Non-Resident of India and also do not have a fixed place of business in India then he is known as Non-Resident taxable persons. For example, Consultants with specialized skills comes to India for some project design.

39. What is the validity period of the registration certificate issued to a casual taxable person and Non-resident Taxable person?

Ans: The Certificate of registration issued to a casual taxable person or a non-resident taxable person is valid for a period of 90 days from the date



of registration. The period of 90 days can be further extended to 180 days with the approval of proper officer.

**40. Who is Black Listed Dealer?**

**Ans:** Every GST registered person is assigned a GST Compliance Rating Score irrespective of its nature of business or size of business or turnover. The dealers having low compliance rating is called Black Listed Dealers.

**41. What is GSTIN?**

**Ans:** A persons after registering under GST are he is assigned a unique Goods and Services Tax Identification Number also known as GSTIN. GST Registration Number or GSTIN is 15 Digit identification number which is allotted to each applicant who applied for GST Registration.

## 5. Supply of goods and services under GST

**42. Define "Supply".**

**Ans:** In Goods and Services Tax Act, the various activities like manufacture, sale, rendering of service, sales, purchase etc. are replaced with the single term i.e., "supply". Therefore the taxable event under GST is supply of goods or services or both.

**43. Write any two conditions for taxability of supply of goods and services under GST.**

**Ans:** The conditions for taxability of supply of goods and services under GST are;

- i. There should be supply of goods or services.
- ii. Supply of goods or services should be made for consideration.

**44. What is consideration?**

**Ans:** Consideration in relation to the supply of goods or services or both includes

- i. any payment made or to be made, whether in money or otherwise
- ii. the monetary value of any act or forbearance.

**45. What is Composite Supply?**

**Ans:** Composite supply means supply of two or more supplies of Goods and / or services which are naturally bundled together. This supply does not change the essential character of goods and / or services being provided.

**46. What is Mixed Supply?**

**Ans:** Mixed supply is a supply of two or more individual supplies of goods or services, made in conjunction with each other by a taxable person for a single price where such supply does not constitute a composite supply.



## 6. Time of Supply

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47. What is Time of supply?

Ans: Time of supply means the point in time when goods or services are supplied / rendered. It helps to determine the rate of tax, value, and due dates for payment of taxes. i.e. the point of taxation under GST is at the time of supply.

48. What is the date on which the supplier receives the payment?

Ans: The date on which the supplier receives the payment" is the date on which the payment is entered in his books of accounts or credited to his bank account, whichever is earlier.

49. If it is not possible to determine the time of supply under forward charge, reverse charge and under voucher, then what will be the time of supply?

Ans: If it is not possible to determine the time of supply under forward charge, reverse charge and under voucher, then the time of supply is -

- (a) in a case where a periodical return has to be filed, the date of return is to be filed, or
- (b) in any other case, the date on which the CGST/SGST is paid.

50. What is the time of issue of invoice for services?

Ans: The time of issue of invoice for services before or after the provision of service but

- before 30 days in all cases from the date of supply of services.
- before 45 days in case of banking and financial institutions from the date of supply of services.

## 7. Place of Supply

51. Write the two categories are provided to determine place of supply of Goods.

Ans: The two categories which are provided to determine place of supply of goods are as follows:

- i. Place of supply of goods other than import or export
- ii. Place of supply of goods for import or export

52. What will be place of supply for supply with movement of goods?

Ans: In case the supply involves movement of goods, whether by the supplier or the recipient or by any other person, the place of supply of such goods is the location of the goods at the time at which the movement of goods terminates for delivery to the recipient.

53. What will be place of supply for supply on direction of third party?

Ans: In case goods are delivered by the supplier to a recipient or any other



person on the direction of a third person, the place of supply of such goods will be the principal place of business of such third party.

**54. What will be place of supply for supply without movement of goods?**

**Ans:** In case, the supply does not involve any movement of goods, then the place of supply will be the location of such goods at the time of the delivery to the recipient.

**55. What will be place of supply for supply of assembled goods?**

**Ans:** In case goods are assembled or installed at site, the place of supply will be the place of such installation or assembly.

**56. What will be place of supply for supply of goods on board a conveyance?**

**Ans:** In case the goods are supplied on board a conveyance, during journey, it is difficult to determine the place of supply. In such cases, including a vessel, an aircraft, a train or a motor vehicle, the place of supply will be the location at which such goods are taken on board.

**57. What will be place of supply for supply of goods in case of import and export?**

**Ans:** i. The place of supply of goods imported into India will be the location of the importer.

ii. The place of supply of goods exported from India will be the location outside India i.e. the place where the goods have been exported.

**58. What do you mean by Fixed Establishment?**

**Ans:** Fixed establishment means a place (other than a registered place of business) which is characterized by a sufficient degree of permanence and suitable structure in terms of human and technical resources to supply services or to receive and use services for its own needs".

**59. Write two categories are provided to determine place of supply of services.**

**Ans:** The two categories are provided to determine place of supply of services are as follows:

1. Place of supply of services where location of supplier of service and location of recipient of service is in India (section 12)
2. Place of supply of services where either of the service recipient or the provider is outside India. (section 13)

**60. Write the general rules to determine the place of supply of services.**

**Ans:** The general rules to determine the place of supply of services

In case of recipient is	The place of supply for services
Registered Person	<ul style="list-style-type: none"> <li>The location of the service recipient</li> </ul>
Unregistered Person	<ul style="list-style-type: none"> <li>Location of the service recipient (if the address of unregistered person is available on record);</li> <li>Otherwise, location of service provider.</li> </ul>



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## GST Rates

### What is Taxable supply?

- s: Taxable supply means a supply of goods or services which is chargeable to tax under the GST Act. In simple, supply on which tax shall be paid under GST.

### What is Non-taxable supply?

- s: (Non-taxable supply is goods on which no tax is leviable) The Schedule III & some transaction notified by Government under section 7(2)(b) of the CGST Act defines the transactions which are neither considered as supply of goods nor supply of service. The activities described therein are not chargeable to GST. Hence, they will be considered as a non-taxable supply.

### What is Zero rated supply?

- s: According to Section 16 of the IGST Act, zero rated supply means any of the following supplies of goods or services:
- Export of goods or services or both;
  - Supply of goods or services or both to a Special Economic Zone developer
  - Supply of goods or services or both to a Special Economic Zone unit.

### Define Exempted Supply?

- s: According to section 2(47) of GST Act Exempt supply is defined as "Exempt supply" means supply of any goods or services or both which attracts nil rate of tax or which may be wholly exempt from tax under section 11, or under section 6 of the Integrated Goods and Services Tax Act, and includes non-taxable supply"

### What is nil rated supply? Give example.

- s: Nil rated supply is the supply which is chargeable to nil rate of tax or 0% of tax.

**Example:** Grains, salt, jaggery etc.

### What is Non-GST Supplies? Give example.

- s: It is the supply of goods and services that does not come under the purview of GST while other taxes maybe applicable.

**Example:** Petrol, alcohol etc.



## 10. Valuations under GST

7. What do you mean by Value of Supply?

**Ans:** Value of supply means the amount paid by the recipient of supply to the supplier as consideration for supply. In simple, valuation of supply means the amount paid by buyer to seller as consideration of goods.

8. Define Consideration. ✓

**Ans:** Section 2(28) defines Consideration as "Consideration in relation to the supply of goods or services includes:

- a) any payment made or to be made, whether in money or otherwise, in respect of, in response to, or for the inducement of, the supply of goods or services, whether by the recipient or by any other person but shall not include any subsidy given by the Central Government or a State Government;
- b) the monetary value of any act or forbearance, whether or not voluntary, in respect of, in response to, or for the inducement of, the supply of goods or services, whether by the recipient or by any other person but shall not include any subsidy given by the Central Government or a State Government.

9. What do you mean by Transaction value? ✓

**Ans:** Transaction value means the price actually paid or payable for the said supply where the supplier and the recipient of the supply are not related and the price is the sole consideration for the supply. Generally, the invoice value will be considered as taxable value.

10. What are the types of Consideration?

**Ans:** Consideration can be in monetary or non-monetary form

- (a) Monetary consideration means payment made by way of cash, cheque or credit card, bank transfer and deduction from bank account.
- (b) Non-monetary consideration means goods or services provided as payment. For example in barter exchange.

11. What do you mean by Open Market Value? ✓

**Ans:** Open Market Value means the value of supply excluding taxes, payable by a recipient at the time when supply being valued is made, provided such supply is between unrelated persons and price is the sole consideration for such supply.

12. Write any two inclusion of value of supply.

**Ans:** Inclusions in value of supply

(a)	Any taxes, duties, cesses, fees and charges levied under any law other than GST law.
(b)	Any expenses incurred by the recipient of the supply on behalf of the supplier.



13. Write any two exclusion of value of supply.

Ans: Exclusions in value of supply [Sec 15(3)]

(a)	Discounts provided before or at the time of supply.
(b)	Discounts provided after the supply can also be excluded, if - input tax credit attributable to the discounts has been reversed by the recipient.

14. Who is Distinct Persons in GST?

Ans: When a person obtained more than one registration whether in one state or more than one state will be treated as distinct person.

15. Who is "Pure agent" in GST?

Ans: "Pure agent" means a person who -

1. enters into a contractual agreement with the recipient of supply.
2. does not hold any title on the goods or services
3. does not use for his own interest such goods or services so procured; and
4. receives only the actual amount incurred to procure such goods or services.

## 11. Input tax credit

16. What is Input Tax Credit?

Ans: Input tax credit means tax paid on purchases of goods and services and claiming it at the time of payment of tax on sales. In simple words, Input tax credit means the tax paid on purchasing goods or services and deducting the same from tax on sales.

17. Define Capital goods.

Ans: According to Section 2(19) Capital goods means goods, the value of which is capitalized in the books of account of the person claiming the ITC and which are used or intended to be used in the course or furtherance of business.

18. Define inputs.

Ans: According to Section 2(59) Input means any goods other than capital goods used or intended to be used by a supplier in the course or furtherance of business.

19. Write two conditions for taking Input Tax Credit.

Ans: Two Conditions for Taking Input Tax Credit are:

- i. **Registration under GST:** A registered person only can claim Input Tax Credit on inward supply of goods and / or services.
- ii. **Goods & services should to be used for business purposes**



**20. Mention any two documents required for claiming ITC.**

**Ans:** Documents are required for claiming ITC:

1. Invoice issued by the supplier of goods or services.
2. The debit note issued by the supplier.

**21. What is common Input Tax Credit?**

**Ans:** Common Input Tax Credit balance of ITC remained after deducting ITC on input used for personal purposes, used for exempt supplies and used exclusively for taxable supplies.

## 12. Tax Invoice

**22. What is tax invoice in GST?**

**Ans:** Under the GST, an "invoice" or "tax invoice" means the tax invoice referred to in section 31 of the CGST Act, 2017. It indicates both the trading parties, the products, quantity and agreed price for the goods or services.

**23. What is bill of supply?**

**Ans:** A registered person is dealing only in exempted supplies or is availing the composition scheme (composition dealer), then such a registered person needs to issue a bill of supply in lieu of invoice.

**24. What is Consolidated Tax Invoice?**

**Ans:** If a registered person making supplies -

- (i) Value of supply less than Rs. 200,
- (ii) the recipient is unregistered; and
- (iii) the recipient does not require such invoice.

Instead of issuing invoice the registered person can issue a Consolidated Tax Invoice for such supplies at the end of each day for all supplies done during the day.

**25. How many copies of tax invoice will be required for supply of goods?**

**Ans:** As per CGST rules, tax invoice is required to be prepared in TRIPLICATE for Goods-

- The original copy being marked as ORIGINAL FOR RECIPIENT
- The duplicate copy being marked as DUPLICATE FOR TRANSPORTER
- The triplicate copy being marked as TRIPLICATE FOR SUPPLIER

**26. How many copies of tax invoice will be required for supply of services?**

**Ans:** As per CGST rules, tax invoice is required to be prepared in DUPLICATE for Services-

- The original copy being marked as ORIGINAL FOR RECIPIENT
- The duplicate copy being marked as DUPLICATE FOR SUPPLIER



### What is Revised Invoice?

Ans: There would be a time lag between the date of grant of certificate of registration and the effective date of registration. Therefore, the dealers will have to issue a revised invoice against the invoice already issued between the period -

- The effective date of registration.
- Date of issue of Registration certificate

### What is Supplementary Tax Invoice?

Ans: Supplementary tax invoice is a type of invoice which is issued by a taxable person in case where any deficiency is found in a tax invoice already issued by a taxable person. It can be in the form of a debit note or a credit note.

### When credit notes are required to be issued?

Ans: Registered Supplier is required to issue credit note in following cases:

- i. when taxable value in tax invoice is more than the taxable value in respect of such supply.
- ii. Goods supplied are returned by the recipient.

### When debit notes are required to be issued?

Ans: Registered Supplier issues debit note in following cases:

- i. when taxable value in tax invoice is less than the taxable value in respect of such supply.
- ii. when tax charged in tax invoice is less than the tax payable in respect of such supply.

### What is time limit for issuance of credit note?

Ans: Time limit for issuance of credit note is-

- i. Not later than September following the end of financial year in which supply was made.
  - ii. Date of filing of annual return
- Whichever is earlier.

### What is time limit for issuance of debit note?

Ans: There is no time limit for issuance of debit note by supplier.

## 3. Payment process in GST and returns of GST

### What is Cash Liability?

Ans: A registered dealer is required to be paid any balance Outward Tax Liability to the government after setting off the Input Tax Credit (ITC). This balance payment is known as Cash Liability.



**34. What are the ledgers to be maintained by the taxpayer in GST?**

**Ans:** Every tax payer required to be maintained 3 types of ledgers prescribed by the government. They are as follows:

1. Electronic Cash Ledger
2. Electronic credit ledger
3. Electronic Tax Liability Ledger

**35. What is Electronic Tax Liability Ledger?**

**Ans:** Electronic Liability Ledger shows the total tax liability of a registered dealer for the particular month. The total tax liability includes amount of tax payable, Interest, penalty and late fees and any other amount payable as determined by an assessing authority.

**36. What is Electronic Cash Ledger?**

**Ans:** An Electronic Cash Ledger is a summary of all the deposits/payments made by a taxpayer and it can be maintained on the GST portal. It shows the total amount deposited by the registered dealer in the electronic cash ledger may be used for making any payments towards discharge of his tax liability or interest or late fee or penalty any other amounts.

**37. What is Electronic credit ledger?**

**Ans:** The taxes paid by the dealer on the inputs will be recorded in the electronic credit ledger. And also the input tax credit received will be transferred to the electronic credit ledger:

**38. What are the major and minor heads in tax payment?**

**Ans:** Major heads are IGST, CGST & SGST  
Minor heads are tax, interest, fees, penalty.

**39. Mention modes of payment in GST.**

**Ans:** The GST payment can be made -

- a. Internet banking or by using credit/debit cards or
- b. National Electronic Fund Transfer (NEFT) or Real Time Gross Settlement (RTGS) or
- c. Over the counter

**40. What is CPIN?**

**Ans:** CPIN stands for Common Portal Identification Number. The CPIN is issued at the time generating GST tax challan by online. After finalizing the tax challan, the tax payer can submit such challan draft and then generates challan bearing a 14-digit unique number to identify the challan.



41. What is CIN?

Ans: CIN stands for Challan Identification Number. CIN carries 17 digits out of which first 14 digits of CPIN and next three digits stands for GST authorized bank code who transmits GST to government. After creating a CPIN challan electronically by a tax payer online, he can pay tax by online. The CPIN is for identifying the Challan for GST.

42. Expands CPIN and CIN. ✓

Ans: CPIN stands for Common Portal Identification Number.  
CIN stands for Challan Identification Number

43. What do you mean by GST returns?

Ans: "GST return" means statement of information furnished by the taxpayer, to tax administrators, at regular intervals. The information comprises of the details related to business operations, turnover, Purchases made, deductions and exemptions and determination of tax liability for a particular period.

44. Who is required to file GST returns?

Ans: Every registered taxable person, interstate supplier, TDS deductor, Input Service Distributor, non-resident taxable person is liable to file their returns under GST.

45. Mention any 4 types of returns. ✓

Ans: Types of returns are -

1. GSTR -1 - Return for outward suppliers
2. GSTR -2 - Return for inward suppliers
3. GSTR -3 - Monthly return
4. GSTR -4 - Quarterly return for Composition dealer

46. What is B2B Supply?

Ans: B2B Supply means business to business transaction. Here, the supplier as well as the recipient, both are registered dealers. The recipient is required to take ITC on supply.

47. What is B2C Supply?

Ans: B2C Supply means business to consumer transaction. Here, the supplier is registered dealer and the recipient is consumer or unregistered person and hence, he cannot take ITC on supply.



## 14. Refund

**48. What is Refund under GST?**

**Ans:** If any excess tax has been paid or if there is any unutilized input tax credit, a person can claim such tax is called as refund of tax.

**49. Mention any two situations in which the refunds would arise.**

**Ans:** A claim for refund may arise in following situations:

1. Excess payment of tax due to mistake.
2. Export of goods or services under claim of rebate or refund.
3. Refund in case of finalization of Provisional Assessment.

**50. What is the situation when the excess payment may be made?**

**Ans:** The excess payment may be made in following situations:

- a) Wrong mention of nature of tax i.e., payment of IGST instead of CGST & SGST and vice versa.
- b) Wrong mention of GSTIN, or
- c) Wrong mention of tax amount.

**51. What is the time limit for filing GST refund request?**

**Ans:** Any person claiming the refund of the GST tax; or the interest paid should make an application within a period of 2 years from the relevant date.

**52. What is principle of "Unjust Enrichment"?**

**Ans:** The principle of "Unjust Enrichment" means to satisfy the officer that incidence of tax/duty has not been passed on to another person. In case the refund application does not satisfy the test of unjust enrichment, the refund amount will be credited to the Consumer Welfare Fund.

**53. What is the relevant date for excess payment of GST due to mistake?**

**Ans:** The relevant date for excess payment of GST due to mistake Date of payment.

**54. What is the relevant date for finalisation of provisional assessment?**

**Ans:** The relevant date for finalisation of provisional assessment Date of finalization order.

