**FAQs on Goods & Services Tax**

 **14. Refunds**

**Q 1. What is refund?**

Ans.Refund has been discussed in section 38 of the MGL. “Refund” includes refund of tax on goods and/or services exported out of India or on inputs or input services used in the goods and/or services which are exported out of India, or refund of tax on the supply of goods regarded as deemed exports, or refund of unutilized input tax credit as provided under section 38(2).

**Q 2. Can unutilized Input tax credit be allowed as refund?**

Ans. Yes, but only in following cases as given in sub-section (2) of section 38:-

(i) Exports of goods on which export duty is not payable;

(ii) Exports of services;

(iii) Where credit has accumulated on account of rate of tax on inputs being higher than the rate of taxes on Outputs.

Source:http://cbec.gov.in/resources//htdocscbec/deptt\_offcr/faqongst.pdf;jsessionid=825C7C194F0FC0652FFE5A809FE81F69

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