NITYA tax associates

NITYA'S Outlook

Issue 5 |Interest on delayed grant of output stage refund of IGST on exports

December 12, 2018

Dear Reader,

Please find below '*NITYA's Outlook - Issue 5*' on the eligibility of interest on delayed grant of output stage refund of IGST on export of goods and services.

Legal provisions

Section 54 of the Central Goods and Services Tax Act, 2017 ('CGST Act') provides that refund shall be granted **within sixty days** from the date of receipt of application.

Where the refund is granted beyond sixty days, Section 56 of the CGST Act provides for grant of interest starting from the expiry of sixty days from the date of receipt of application.

Rule 96 of the Central Goods and Services Tax Rules, 2017 ('CGST Rules') provides that the shipping bill filed by the exporter will be deemed to be an application for refund of IGST. The Rule further states that such application shall be deemed to have been filed when:

- The person in charge of conveyance files EGM; and
- The applicant files GSTR-3 or GSTR-3B.

In light of the above, the taxpayers are entitled to get refund within 60 days of filing of EGM and GSTR-3B.

NITYA's comments

In the GST regime, there have been inordinate delays at the end of the government in granting refund to exporters. In such cases, the taxpayers are legally entitled to obtain interest. Hence, the taxpayers can file a letter with the department seeking interest for delayed grant of refund.

Hope you find this an interesting read! Please feel free to share your comments / feedback on the same.

Regards,

Team NITYA

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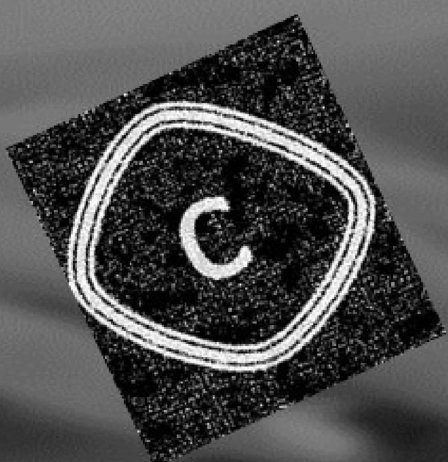
Contact Us



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