

Interest on delayed refunds

56. ^[1] **Interest on delayed refunds** ^[2].

^[3] If any tax ordered to be refunded under sub-section (5) of section 54 to any applicant is not refunded within sixty days from the date of receipt of application under sub-section (1) of that section, interest at such rate not exceeding six per cent. as may be specified in the notification issued by the Government on the recommendations of the Council shall be payable in respect of such refund from the date immediately after the expiry of sixty days from the date of receipt of application under the said sub-section till the date of refund of such tax ^[4]:

Provided that 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 sixty days from the date of receipt of application filed consequent to such order, interest at such rate not exceeding nine percent as may be notified ^[5] by the Government on the recommendations of the Council shall be payable in respect of such refund from the date immediately after the expiry of sixty days from the date of receipt of application till the date of refund.

Explanation.—For the purposes of this section, where any order of refund is made by an Appellate Authority, Appellate Tribunal or any court against an order of the proper officer under sub-section (5) of section 54, the order passed by the Appellate Authority, Appellate Tribunal or by the court shall be deemed to be an order passed under the said sub-section (5).

^[1] Enforced with effect from 1.7.2017.

^[2] Refer rule 94 of the CGST Rules, 2017.

^[3] Refer Not. No. 10/2018-CT, dt. 23.1.2018

^[4] Refer Cir. No. 68/2018- GST, dt. 5.10.2018; Cir. No. 106/2019- GST, dt. 29.6.2018.

^[5] For notified rate, refer Noti. No. 13/2017- CT, dt. 28.6.2017 & Noti. No. 6/2017- Integrated Tax, dt. 28.6.2017.