

**GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF REVENUE**

LOK SABHA
UNSTARRED QUESTION No.4003
TO BE ANSWERED ON FRIDAY, JANUARY 4, 2019/PAUSHA 14, 1940 (SAKA)

GST CREDIT REFUND TO EXPORTERS

4003. DR. KAMBHAMPATI HARIBABU:

Will the Minister of FINANCE be pleased to state:

- (a) whether the Government has not failed to pay input tax credit refunds under the Goods and Services Tax (GST) framework to the exporters and if so, the details thereof;
- (b) the steps being taken by the Government to hold the State Governments accountable for delay in payment of refunds; and
- (c) whether the Government is mandated to pay interests for delays in payment of refunds and if so, the details thereof?

**MINISTER OF STATE FOR FINANCE
(SHRI SHIV PRATAP SHUKLA)**

(a) The Government has not failed to pay input tax credit refunds to the exporters. The overall disposal rate of sanction of refund of unutilized input tax credit to the various taxpayers, including exporters, under GST is greater than 95% so far.

As on 31.12.2018, the disposal rate of refund applications filed in FORM RFD-01A is as below:

Centre	Count	87,961	83,476	94.90%
	Amount	28,401	27,130	95.52%
State	Count	135,102	131,661	97.45%
	Amount	25,199	20,917	83.01%

(b) Circular No. 79/53/2018-GST dated 31.12.2018 has been issued by the Central Government reiterating the legal provisions contained in section 56 of the Central Goods and Services Tax Act, 2017 (CGST Act for short) and stating that all tax authorities are advised to issue the final sanction orders within 45 days of the date of generation of Acknowledgment Receipt Number (ARN), so that the disbursement is completed within 60 days by both Central and State Tax Authorities for CGST / IGST / UTGST / Compensation Cess and SGST respectively.

The pendency of refund claims is being constantly monitored by the senior officers and appropriate action, wherever necessary, is initiated.

(c) Yes Madam. Section 56 of the CGST Act states that if any tax ordered to be refunded is not refunded within 60 days of the date of receipt of the refund application, interest at the rate of 6 per cent (notified vide notification No. 13/2017-Central Tax dated 28.06.2017) on the refund amount starting from the date immediately after the expiry of sixty days from the date of receipt of application till the date of refund of such tax shall have to be paid to the claimant.

