Value Added Tax Act, 2003

Section 50 - Payment of Interest on Refunds

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(1) Where any amount refundable to any person under an order made, or proceedings taken, under any provision of this Act or Rules made thereunder is not refunded to him within thirty five days,

(a) of the date of such order, if that order is made by the refunding authority, or

(b) of the date of receipt of such order by the refunding authority, if that order is made by an authority other than the refunding authority,

the refunding authority, being any officer of the Commercial Taxes Department authorized to make any refund under this Act, shall pay such person simple interest at the rate of twelve percent per annum on the said amount from the day immediately following the expiry of the said thirty five days to the day of the refund.

(2) The interest calculable under sub-section (1) shall be on the balance of the amount remaining after adjusting out of the refundable amount any tax, interest or other amount due under this Act, for any year by the person on the date from which such interest is calculable.

(3) In computing the period of thirty five days referred to in sub-section (1), such periods as may be prescribed shall be excluded.

(4) The interest payable for a part of month shall be proportionately determined.
