

Exporters hope for refunds

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New Delhi, Sept. 17: Exporters facing a liquidity crunch because of the goods and services tax are pinning their hopes on a meeting this week to get some relief. There are fears that the delay in refunds can hit the labour-intensive small exporters.

A committee, headed by the revenue secretary, will meet on Tuesday to take up the issue of the "inordinate delay in GST refund to exporters" and the consequent blocking of working capital that is severely affecting exporters' liquidity and adding to their tax burden.

In a representation to the government, the Federation of Indian Export Organisations (Fieo) has suggested that the refund of integrated GST (IGST) should be given on the basis of the GSTR-3B and GSTR-1 forms filed by the exporters.

The industry body has also suggested that duty credit scrips under the Merchandise Exports from India Scheme and Service Exports from India Scheme be allowed to pay IGST and central GST. They also want to be allowed to use the scrips to pay bank interest.

Analysts said the delay in refund raised questions about the future of small exporters.

"Even if a small exporter manages to deploy additional capital in the business, he may not be able to survive for long without timely refunds. Labour-intensive sectors such as gems and jewellery, leather and readymade garments

KEY MEET

- GST refunds delay are taking a toll on labour-intensive small exporters
- Key sectors such as gems & jewellery and leather have suffered
- Refunds could take up to December, which will hit competitiveness
- Exporters want duty credit scrips be used for GST



have suffered the most, first by demonetisation and now GST," they added.

Fieo president Ganesh Kumar Gupta said exporters had stopped taking orders with least or no working capital at their disposal because of the funds being blocked under the GST and uncertainty over refunds for the months of July to October, 2017.

"The liquidity problem will reduce the competitiveness of exporters by 2 per cent because of the interest burden on them," Ajay Sahai, director-general of Fieo, said.

The refunds have been delayed because of the government extending the date of filing of refund documents. The filing of documents for GSTR 1, GSTR 2 and GSTR 3 have been extended to July 10, October 31 and November 10, respectively. This extension effectively means that the refunds for July will only be available in the third week of November at the earliest. Similarly, export refunds for August will be pushed back to December and this is expected to have a cascading impact on the September refunds.

Sahai said since exporters would have to wait till December for the refunds, they would have to arrange the funds on their own to pay the GST for the July-October period.

Small units get new window

New Delhi, Sept. 17 (PTI): The GST Network (GSTN) today said it has reopened the facility for small taxpayers with turnover of up to Rs 75 lakh to opt for the composition scheme.

Such small taxpayers will have time till September 30 to opt for the scheme, which offers easy compliance for businesses as returns are to be filed only quarterly.

Taxpayers were earlier given time till August 16 to opt for the composition scheme. Only 10.86 lakh taxpayers of the 85 lakh registered businesses opted for the scheme.

In a statement, the GSTN said the window would be open for those assesseees who had migrated from the earlier excise/service tax/VAT regime as well as for new registered taxpayers.

The GST Council had last week decided to reopen the window to allow the taxpayers to opt for the scheme.

Those who opt for composition scheme during this period will get this facility from October 1 for the current financial year. "For the period before October 1, the taxpayers will be treated as normal taxpayers and they will have to file monthly returns for the period till September 30, 2017," the GSTN said.

To opt for the scheme, the taxpayer needs to log into his account at the GST portal www.gst.gov.in and select the "Application to opt for the composition scheme" under the "Services" menu. After filling in the form, he has to submit the application using digital signature.