

Finance Ministry to ensure timely refund of GST dues to exporters

Refutes reports of strains on their working capital

OUR BUREAU

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The Finance Ministry on Friday said it was working to ensure timely refund of taxes for exporters under the Goods and Services Tax (GST) regime, even if it has to intervene manually.

"The GST Network application for refund is getting ready. But in the meantime, we are also finding other ways of giving refund, if necessary through a manual procedure," it said in a statement.

The government is looking to find a way to give refunds

by linking GSTR 1 with GSTR 3B forms. "Exporters who have not yet filed form GSTR 1 for July 2017 may be advised to file it immediately and not wait till the deadline," it said.

But to give immediate relief to exporters, the government has also asked tax officials of the States and the Centre to expeditiously clear the pre-GST refund claims of Central excise and value-added tax.

Working capital woes

The Finance Ministry also refuted concerns that a large part of the working capital of exporters had been blocked under the GST due to delay in refunds.

"For 66 per cent of the value of exports, exporters have pre-

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ferred the duty drawback scheme instead of taking actual refund of input taxes in the pre-GST regime. There is no blockage of funds for these exports," said the Ministry.

It added that the remaining 33 per cent of exporters have always preferred a normal refund route for taxes paid on

inputs for Central Excise value added tax, which was given only after the actual exports took place.

"There was a normal blockage of funds for a period of five to six months at least — except for those using (the) facility of advance authorisation," it said.

The Ministry stressed that the Committee on Exports led by Revenue Secretary Hasmukh Adhia met exporters from eight sectors earlier this week to discuss ways to address their problems under GST.

The meeting of the GST Council has also been advanced to October 6 to work out more measures for exporters.