

GST refunds will not be held back for small errors: CBEC

'Refund camp' to be held till March 29

SURABHI

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To ensure faster refunds of pending claims of exporters, the Central Board of Excise and Customs (CBEC) has said that such claims should not be held back due to small errors.

"Refunds may not be withheld due to minor procedural lapses or non-substantive errors or omission," it said in a missive to its field officials.

The directive comes at a time when the CBEC is holding a special refund fortnight from Thursday till March 29 to deal exclusively with pending refund claims of Integrated Goods and Services Tax (IGST) and Input Tax Credit.

While the CBEC has processed refunds worth ₹5,000 crore, a similar amount has been pending



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since GST was rolled out on July 1, 2017. The Prime Minister's Office had also, earlier this week, held a meeting with officials from the Ministries of Commerce and Finance to resolve the issue.

Exporters say that just 30-40 per cent of the IGST claims have been cleared and a mere 10 per cent of the input tax credit refunds have been processed.

"We expect that these claims will be expedited in the camps

and a significant amount of the pending dues will be cleared," said Ajay Sahai, Director General, Federation of Indian Export Organisations, adding that the detailed circular by CBEC will help clear ground level confusion.

Other industry leaders have also called for daily monitoring of the refunds processed to ensure that most claims are cleared during the camp.

The CBEC circular also said that

substantive benefits of zero rating may not be denied where it has been established that exports in terms of the relevant provisions have been made. "The delay in furnishing of LUT (letter of undertaking) in such cases may be condoned," it added.

Self-declaration

The CBEC also pointed to instances where some field formations have asked for a self-declaration with every refund claim to the effect that the claimant has not been prosecuted. "This requirement is already satisfied in case of exports under LUT and asking for self-declaration with every refund claim where the exports have been made under LUT is not warranted," it has said.

Further, in case of a mismatch between values of GST invoice and shipping bill or bill of export, the CBEC has said that the lower of the two values should be sanctioned as refund.