

PMO steps in to speed up GST refunds for exporters

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Taking note of slowing exports growth, the Prime Minister's Office (PMO) has called a meeting of key officials from the ministries of finance and commerce to expedite clearance of exporters' refunds for the goods and services tax (GST).

The Department of Commerce has strongly demanded clearance of exporters' refunds to address their working capital issue impacting India's outbound shipments.

"The PMO has finally stepped in to resolve exporters' concerns under the GST, with the commerce ministry and the finance ministry on different pages on the matter. The exports should not suffer because of administrative loopholes," said a senior government official. Exporters claim only 10 per cent of refunds has been made by the government for input tax credit and 30 per cent in case of the integrated GST (IGST).

These claims have been contested by the Ministry of Finance. According to the Central Board of Excise and Customs, the nodal department for the GST implementation, 88.77 per cent of refunds have been disbursed for input-tax credit claims.

"Of the ₹41 billion claimed under completed applications, we have already refunded ₹37 billion," said a finance min-

Govt eases norms of e-way bill

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The government has changed e-way bill rules which are expected to help e-commerce companies in smooth transportation of goods and ease the method of calculating the value of goods. The government has notified changes in rules of e-way bill which includes permitting even job workers to generate the electronic receipt for

istry official.

India's exports growth slowed to 9.07 per cent in January from 12.03 per cent in December. More than 6 per cent growth was on account of petroleum products. The labour-intensive sectors such as garments, carpets, and handicrafts showed negative growth.

"Labour-intensive sectors are facing extreme liquidity crunch because of funds getting blocked under the GST. Banks have also tightened lending after the Nirav Modi case. Advance tax and other deadlines are approaching as well," said Ajay Sahai, secretary general, Federation of Indian Export Organisations.

movement of goods. Electronic way bill will be required from April 1 for transporting goods valued over ₹50,000 between states.

In a major relief to FMCG companies, the government has allowed businesses to consider only the value of taxable supply for the purpose of generating e-way bill in cases where sales invoice includes both exempted and taxable supply of goods.

He added a large section of micro and medium exporters are affected, prompting them to lay off workers in some cases.

Sahai also said input tax credit refund requires manual filing. After filing applications electronically on the GST Network portal, the credit ledger is debited for which an exporter takes refund from the government.

That requires taking a print out and submitting it manually to the tax authority in the jurisdiction. The tax officer has 15 days time to acknowledge the submission and issue provisional refund of 90 per cent within the next seven days. After verification, the 10 per cent has to

be disbursed within six months.

While the government is claiming that the exporters are not coming forward and submitting the print outs of the filing with correct documentation, the exporters say that the authorities are refusing to accept the manual filings.

"We are issuing whatever applications are coming to us, duly filled with documentation in place. There may be a lack of awareness among exporters that they are not doing the manual submission part," said the finance ministry official.

The exporters however pointed out that of the 104,000 online claims filed only 25,000 have been accepted by the tax authorities. "The tax authorities are not acknowledging applications. They are asking for a slew of documents not even mentioned in the GST rules," argued an exporter.

According to the rules only the statement of exports is required.

"The tax authorities are asking for varied documents like proof of exports realisations, for which the central bank gives nine months, suppliers' duty documents, etc. There is no end to it," he added.

Sahai said, "For the time being, they need to streamline the refund process and to migrate to the EDI platform over time so that the physical interface between the exporter and the tax officer is avoided."