

Govt owes exporters ₹20,000 cr in refunds under GST, ITC heads

FIEO says technical glitch has affected the refund filing process

OUR BUREAU

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Pending refunds to exporters under Integrated GST and Input Tax Credit (ITC) heads total ₹20,000 crore, the industry has estimated.

"Many exporters have not been able to file for refund of ITC due to technical glitches as input tax credit and exports happened in different months," according to the Federation of Indian Export Organisations (Fieo). "The GST refund process has considerably slowed down after the clearance fortnight. Refund of over ₹20,000 crore is

still pending on account of IGST and ITC."

Despite the snag, India's exports could touch \$350 billion in 2018-19 from \$302 billion in 2017-18, clocking a 15-20 per cent growth, FIEO President Ganesh Kumar Gupta told a press conference on Tuesday.

Despite increasing protectionism, global economic growth in 2018 looked promising, he said, adding that the increase in petroleum and commodity prices would also add to export growth. The recent depreciation of the rupee is also supporting exports, though its impact varies across sectors and companies, he added.

India's exports clocked \$314 billion in 2013-14, only to fall for two consecutive years after that. It inched up to

\$302 billion in the last financial year.

FIEO urged the Finance Minister to look into the issue of refunds and organise a drive to clear the dues and bring the refund process on track.

Liquidity is a major area of concern, particularly for the MSME sector, which contributes the bulk of the exports in employment-intensive sectors. "The challenges on the GST front continue, though the fortnight clearance drive, which was highly successful, gave us the hope that refunds will be provided on a real-time basis," Gupta said.

While claims of over ₹7,000 crore were cleared in March 2018, the amount for April is only a little over ₹1,000 crore.