

GST REFUNDS

PMO takes stock of exporters' concerns

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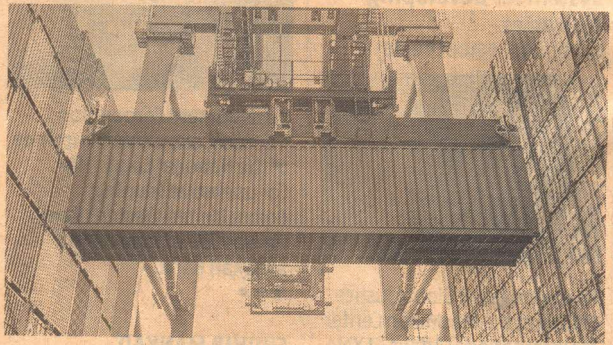
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The Prime Minister's Office (PMO) has stepped in to allay exporters' fears on stuck goods and services tax (GST) refunds, and has asked what issues they are facing, *Business Standard* has learnt.

Export organisations, in their responses to the PMO, have stated that among the input tax credit refund claims submitted online, about 45 per cent were not accepted manually by the tax authorities. Part of the process of the refund is online and another part involves physical submission of documents, unlike that for Integrated GST refunds, which is fully online.

The reason for not accepting, they said, is the tax authorities have to settle 90 per cent of the refund amount on a provisional basis. "If the claim is not accepted, the accountability to process the claim vanishes. Thus, the reluctance," said an exporter.

Business Standard has accessed some of the responses sent to the PMO. The PMO has sought a report on the issue from the Central Board of Indirect Taxes and Customs, which it has reportedly sent. On this, tax officials were not available for comment till the press time.



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Input tax credit refunds amounting to ₹53 billion were stuck till the first week of November, the finance ministry had said in a release last week. On this, exporters said the value does not do justice to the gravity of the problem.

"Though the proportion of stuck refunds by value would be 15 per cent of total refunds, the proportion of exporters whose refund claims are not being accepted is 45 per cent, meaning it is the small exporters who are facing the brunt," a person familiar with the matter said.

"We are sometimes asked to submit documents that are not mandatory. The physical interface of people adds to the transaction time and cost," another exporter said.

Some exporters also highlighted that input-tax credit

refunds for those inputs procured in the previous financial year for exports in the current fiscal year are facing worse troubles. Further, the issue persists with central as well as state tax authorities, they said. "In respect of state tax authorities, out of 198,497 applications filed on the portal, only 107,623 have been received in state tax offices... In respect of input tax credit applications filed with the Centre, only 55.18 per cent have been received in the centre tax offices," the official response of one organisation said.

"In many cases, where exporters' input tax credit claims in lieu of Central GST (CGST) have been processed, states took abnormal time to grant the SGST (state GST) portion of refund." It said. Dealing with two authorities compounds the problem, it added.