

₹25,000 cr in GST refunds for exporters still pending; physical verification seen as key reason

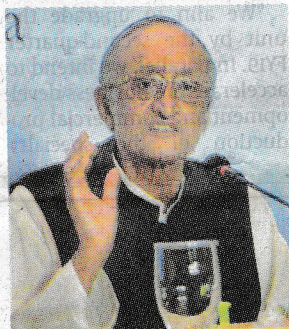
ABHISHEK LAW
PRATIM RANJAN BOSE

Kolkata, June 18

GST may have made life easier for many. But for exporters claiming accumulated input tax credit against payment of CGST and SGST, things are in a pitiable shape. The IGST refunds by Customs are, however, smooth.

On Monday, West Bengal Finance Minister Amit Mitra claimed ₹25,000 crore worth of refunds are payable to exporters against claims since July 1. Approximately a quarter of the unpaid refunds belong to Engineering Export Promotion Council (EEPC) members, who are mostly manufacturers.

Mitra blamed the delays on the need for physical verification of documents as the auto-verification module is not in place yet. "The GSTN is still not in place and delay in auto verification of documents has delayed refunds for exporters," he said at an exporters' meet or-



West Bengal Finance Minister Amit Mitra in Kolkata on Monday DEBASISH BHADURI

ganised by West Bengal Industrial Development Corp.

According to Imran Khan, a member of the committee of administrators of the Council of Leather Exports, the total due to the industry is ₹300 crore, of which one-third belongs to exporters from Bengal. "It is mostly the older refunds which are due. Settlement of refunds for recent months have become faster," he said.

According to Anshuman Kanoria, Vice-Chairman of the Indian Tea Exporters Association and Chairman of the Calcutta Tea traders Association, no exporter has received the refund for July 2017 (when GST was rolled out) as yet. However, refunds of some subsequent months were released.

"There is no pattern in this. We received refunds for some months and the rest are pending for months. Even the provisional 90 per cent refund which was scheduled to be released in 15 days didn't arrive," Kanoria said.

"We are in the process of collecting data to know the exact amount of refund pending to tea exporters. But some got 50 per cent some even lower," he said. What agitates Kanoria the most is the need for physical applications and frequent changes in format for filing.

Sources in GST bodies admit that GSTN is yet to launch the auto-verification module.

Formats changes is also a major issue.

A couple of months ago, GST authorities suddenly demanded repeat check of invoices, leading to delays.

Filing errors

But, according to a source, errors in filing is a major reason for the delay. "If there are discrepancies between returns submitted by the supplier of goods and the exporter, delay is inevitable. And, so far, a good number of applications had this error code," he said.

To speed up refunds, GST authorities organised a special refund fortnight in June. Officers were designated to sort out issues regarding specific errors. Over ₹100 crore claims from Bengal were settled during the fortnight.

Sources in the exporting community admit that filing error is an issue, though they insist it is not behind the delay in refunds.