Technical glitches leading to export refunds pile up; Steps underway to fix problem; exporters assured.

Delays in GST refunds to exporters are attributed to technical glitches in GSTN which are being corrected but the government is committed to refunding zero rated export goods with the minimal of human interface, senior Finance Ministry officials have informed a high level delegation of the EEPC India.

Chairman of the apex engineering exporters’ organisation EEPC India Mr T S Bhasin and Vice Chairman Mr Pankaj Chadha met senior Finance Ministry officials last week, apprising them of a grave situation of cash crunch arising out of delays in the exporters’ refunds, after implementation of the Goods and Services Tax.

Mr Bhasin conveyed exporters’ concern over the accumulating refunds and shortage of working capital for the exporting community. All this is leading to fall in exports, as was witnessed in the subdued export data for October.

Officials reiterated that the Government is committed to refunding zero rated goods and “will do everything” in this direction. The Government is also keen to ensure that there is minimal human interface and it is for this reason technical glitches are being corrected. In the process, however, delays are occurring in clearance of the refunds.

It emerged in the meeting how errors in the shipping bills are resulting in the refund settlement and exporters are asked for claiming re-credit. But in the process, precious time is lost as for instance, for July, the re-credit would be paid along with August claims and thus the refunds keep on accumulating. The Council pointed out that lately Drawback payment has stopped in some cities. The Finance Ministry officials said the issue is being resolved.

Some ports have also issued documents showing errors in the mis-match of data for month of July 2017. The officials assured the EEPC India team that the issue would be resolved. Besides the problems relating to shipments from ports/ICDs and e-filing issues were discussed.

The government asked the council to highlight among its members the benefits of Electronic Sealing. According to a government study, cost will get lowered for exporters if they use Electronic Sealing facility. However, it was pointed out to the government about inadequacy of seals and it was mentioned that it was for this reason, the system has been made voluntary till December 15, 2017.