

70% IGST refund stuck due to flawed claims filed by exporters: CBEC

As about 70 per cent of GST refunds stuck due to flawed information, the CBEC has asked exporters to amend the details in the final returns of subsequent month to enable the department to process the refund claims by March.

The Central Board of Excise and Customs (CBEC) has sanctioned Rs 4,000 crore worth refunds to exporters in 4 months since October. Still about Rs 10,000 crore worth claims are stuck due to discrepancies in the information furnished by exporters to GST Network (GSTN) in filing GSTR 1 or Table 6A or GSTR 3B and shipping bill filed with Customs.

"The analysis of data indicates that only about 32 per cent records of GSTR 1 / Table 6A have been transmitted from GSTN to Customs. In other words, a majority (about 70 per cent) of refund claims are held up either due to insufficient information or lack of due diligence on the part of exporter while filing GST returns," the CBEC said in a communication to Principal Commissioners.

The analysis of claims data post October 2017 indicate that while the quantum of error is decreasing, a large number of exporters are still filing incomplete GSTR 1 or Table 6A, where shipping bill number or date or port code are missing. "These records are not processed / forwarded to Customs by GSTN. E-mails have been sent to exporters asking them to correct their records through amendment process of GSTR 1 i e through Table 9 of GSTR 1 of the following month," the CBEC said.

The CBEC had in October 2017 started refunds for exporters of goods who have paid Integrated GST (IGST) and have claimed refund based on shipping bill by filling up Table 6A. While for those businesses making zero rated supplies or those want to claim input credit have to fill Form RFD-01A. Analysis of GSTN data show that in a large number of cases, the refund claimed by an exporter is higher than the GST paid by him and consequently, the information filed by exporters is not forwarded to Customs by GSTN.

"In these cases also, e-mails have been sent to exporters asking them to correct their records through amendment process of GSTR 1 i e through Table 9 of GSTR 1 of the following month," the CBEC said. The apex indirect tax authority also said where exporters have already filed information through Table 9 of GSTR-1, the said information is being validated by GSTN. "The validated information is expected to be forwarded by GSTN to Customs by mid-March 2018 for further processing".

AMRG & Associates Partner Rajat Mohan said the issue could be resolved if GST compliance structure is simplified and government programmes are designed to achieve a robust digital literacy in the long run. "IGST refund to exporters are issued in a fully automatised environment, and even a smallest mismatch in invoice number results in non-issuance of refunds.

Now, government has planned to provide an alternative mechanism whereby exporters can get such errors rectified with the help of a manned interface placed at Customs department. This could address the worries of the exporters if this manned intervention is operated timely," Mohan said.

The CBEC listed out the major errors that are committed by the exporters in claiming refunds. These are mismatch of invoice number, taxable value and IGST paid in the Shipping Bill vis-a-vis the same details mentioned in GSTR 1 / Table 6A, incorrect shipping bill numbers in GSTR-1, GSTIN declared in the shipping bill does not match with the GSTIN used to file the corresponding GST returns.

Besides, there are instances of non-filing or incorrect filing of electronic Export General Manifest (EGM). "Information is being made available to exporters on a real-time basis with regard to the errors status on ICEGATE website for registered users. Details of refund sanctioned is being sent through SMS on registered mobile phones," the CBEC noted.

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