

## **Govt sitting still on GST refunds**

Last week, The Institute of Chartered Accountants of India (ICAI) brought to the government's attention several issues in filing of GSTR-1 returns and enabling of transitional credit to assesseees which could not file TRAN-1 returns due to system glitches. A follow-up to its representation of two weeks earlier.

ICAI said the GST Network system was not generating a summary within five minutes. Sometimes, it takes around 12 hours, due to which assesseees are not able to proceed further. Though the latter are generating 'a json' file in the latest version of the offline tool, on uploading such a file, the system shows it as generated in the old version. In the B2B sheet, assesseees round off the tax dues billwise but the system is finalising without rounding it off to rupees.

Due to such system errors, assesseees are finding it difficult to file before the due date. So, ICAI requested that assesseees get relief by having the last date for filing of GSTR-1 returns be extended by one month, after proper testing of the system and waiving of fees for filing after the due date. The government has ignored the request so far.

ICAI pointed out that some assesseees which were required to file TRAN-1 before the due date were unable to do so due to a message from the website showing "some uploaded records are in progress; kindly submit once it is processed". Such assesseees would not be able to claim the TRAN-1 transitional credit. So, ICAI also requested the government to resolve this issue. The government has not acceded to this.

ICAI also represented that the recent instructions for filing of refund claims manually defeats the fundamental premise of GST. These are taxes already paid for supplies by exporters. ICAI suggested that in the interim, till matching is firmly in place, 90 per cent be paid provisionally, subject to verification within the next two months. This part of the representation is somewhat unclear and ICAI should agitate the issue again with greater clarity.

Meantime, exporters continue to struggle for their refunds. On taxes paid on export of goods, many do not even know why their refunds are held up or where they have to look for reasons or with whom they have to take up the matter. The government should give suitable guidance. Better still, the government should straightaway disburse the refunds on the basis of shipping bills, later taking up instances of mismatch.

The government should also clearly again instruct that refund of 90 per cent of unutilised input tax credit due to export without payment of tax should not be delayed under any pretext. And, that the balance 10 per cent also be released as quickly as possible. It would be better, however, to amend the law for allowing 100 per cent refund immediately, subject to later scrutiny.

At the operating levels, an impression is gaining ground that the government is not keen on granting refunds due to shortfall in revenues. The best way for the government to counter this is by giving detailed figures of refunds claimed, disbursed and held up, with the reasons for delay.

*(Business Standard)*