



## GST is one of the biggest successes of this government

A significant communication with **CMA Biswarup Basu**, President -  
**The Institute of Cost Accountants of India** on GST implementation and other related subjects

### How was your experience during four years journey of GST implementation in India?

It was a very difficult task to implement GST, which is one nation one tax in the federal country of ours, where many States have different governments with different ideology and other lot many hurdles including technological challenges. In spite of the same, Hon'ble Prime Minister Shri Narendra Bhai Modi and then Hon'ble Finance Minister, Late Shri Arun Jaitley had overcome all such hurdles and ensured amendment in the Constitution of India for long term success of GST and ensured 100% success through Co-operative Federalism, which is the foundation of not only the GST, but making India united for nation building. In my opinion, GST is one of the biggest successes of this government.

### You are saying this is a big success, but all the stakeholders including taxpayers and professionals (CMA/CA) were totally occupied and made number of representations to the government. Will you still say it is big success, how?

One has to appreciate that when the system was designed, there were some teething problems in the technology & unfortunately, it took much more time to resolve the technology related issues. However during this period, govt. was watchful and listening to the issues of all stakeholders and resolving the technology issues at one end and also extending time period for compliances. Initially, GST Council meetings were held very frequently to resolve all the difficulties faced by trade and industries. Therefore, to resolve various issues emerging out of GST implementation, several amendments and circulars have been issued.

Further, COVID-19 pandemic has very adversely affected all the economies of the world including India. Still GST collections remained at more than Rs. 1 lakh crore per month. In fact, it peaked to Rs. 1.41 lakh crore in April 2021. The success of GST can also be determined by sharp increase in the number of tax payers in spite of

increase in the threshold limits.

### What factors have you considered for rating GST as a success?

As I said, there is considerable increase in number of taxpayers in spite of increasing the threshold limits and stable revenue collections given the adverse impact of pandemic on the economy. Other factors that favour overall success of GST are introduction of E-Way bill and removing all bottlenecks of inter-state movements of goods, introduction of E-Invoicing (Phase wise), introduction of filing quarterly returns and introducing IFF system, giving relaxation to the small taxpayer including MSME, resolving technological issues, reduction of rates and timely review of GST Rules, Provisions, Laws and making the required amendments to address the issues raised by stakeholders. These factors have also helped in improving ease of doing business through substantial reduction in interface with government officials.

### Lot of exporters have faced the problems in getting the refund and now demand notices are getting issued for recovery of the refund amount already granted. What are your comments?

We are aware of this issue. Government made number of changes in the provisions relating to granting the refund under Rule 89(4) and 96(10) of CGST Rules 2017 with retrospective effect and few of these changes were contradictory with each other. As a result, the exporters faced lot of difficulties in getting the refund arising out of technological issues as well as contradictions in various notifications. However, now the finality has been given and there are no more contradictions or disputes. We have already made representation to the government not to recover the refund, which was granted after proper scrutiny of relevant records. We have also said that no interest and penalty should be recovered as there was no fault of the stakeholders.

### Taxpayers are getting confused on account of various different advance rulings of different state government Advance Ruling Authorities. What will you advise the government to reduce the scope of litigation.

Any major variations in the decisions given by Advance Ruling Authority of different State Governments would lead to more confusions and the entire purpose of Advance Ruling framework will get defeated, if such a scenario continues. Taxpayers are of the view that majority of the advance

ruling decisions are solely in favour of the state revenue and do not address the issues. Based on these revenue favourable decisions, revenue authorities are issuing the demand notices. Since an advance

ruling decision has binding effect on the taxpayer, Advance Ruling Authorities of different State Governments should be more careful & responsive to avoid contradictions or confusions. However, in the opinion of our Institute, it is advisable that Advance Ruling Authority should have judicial member and National Advance Ruling Authority to be constituted for removing such conflicts. **Section 35 of CGST Act 2017 has been amended and notified whereby there is no need of certification by Cost Accountant or Chartered Accountant in the Form GSTR-9C. Don't you think it is a set-back for your institute and professionals?**

This is an unfortunate decision of the Government and there will be adverse impact on the taxpayer. Taxpayer will have to bear high interest cost as well as pay the penalty when such errors and omissions will be detected during departmental audit. Cost Accountants were hand-holding the trade & industry while certifying GSTR-9C and improving the system of taxpayer for being 100% statutory compliant and also the payment was getting deposited at the time of filing annual return. By virtue of these multiple benefits, large number of taxpayers have al-

ready engaged the Cost Accountants to do the same work and also enabling the taxpayer to do self-certification. Meanwhile, we have already made representation to the government to withdraw such amendment which is neither beneficial to the revenue authorities nor to the taxpayer.

### What are your recommendations to the government which needs to be addressed on top priority?

1. First & foremost, there is a need to form Appellate Tribunal.
2. Remove technology related difficulties and resolve issues as mentioned above.
3. Set-up more friendly GSTN Helpdesk.
4. Deploying Data Analytics Tool to ease the burden of compliant & honest taxpayer.
5. Introduce the GST Rating System of taxpayer as envisaged.
6. Integrate the principles of design thinking in the GST compliance processes by way of pre-filled returns.
7. Establishing and fostering mutual trust and understanding with the taxpayer.
8. Re-establishing consensus and trust amongst all GST council members.
9. Resolving the issues of unpaid compensation cess to the states.
10. Quick resolution and redressal mechanism of queries and issues faced by the taxpayer
11. Inviting suggestions from trade and industries before GST Council Meeting to address their concerns.
12. Constitution of National Advance Ruling Authorities consisting of judicial members
13. Formation of GST Tribunals having equal representation of judiciary and technical members
14. Re-introduction of submission of GSTR-9C, which is certified by Cost Accountant and other professionals or providing reconciliation of Annual Accounts with Audited Financial Statement.
15. Coverage of petroleum products in the GST for seamless flow of input tax credit and reduction of cost.
16. Removal of blocked credit provision.

