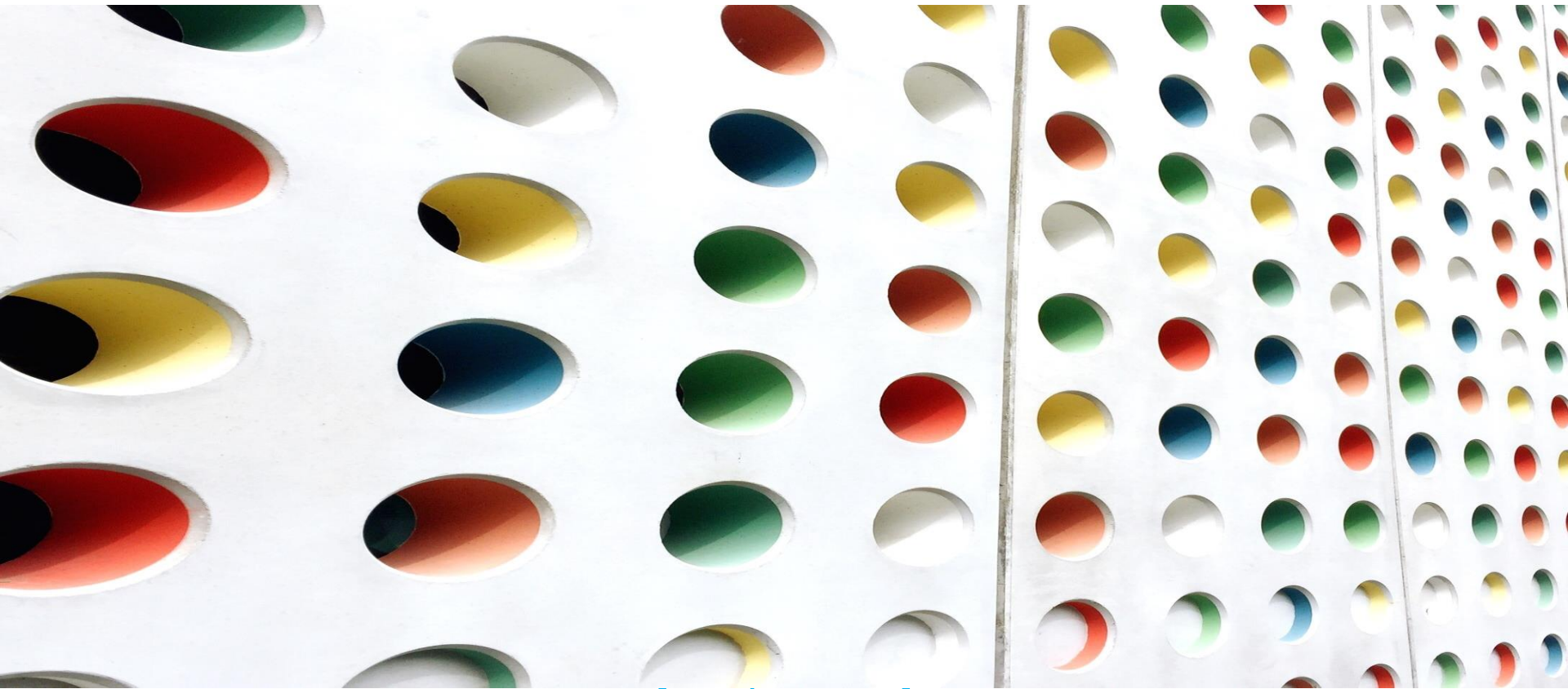


# GST Refunds

## Technical glitches need immediate attention




CA Pritam Mahure and Associates



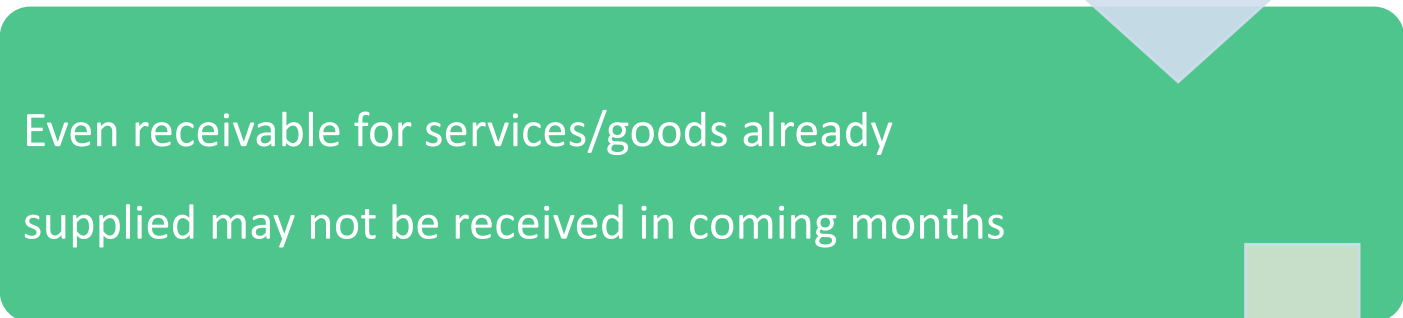
# 1. Why GST refund issues need attention? |

# 1.1 Why GST refunds issues need attention?

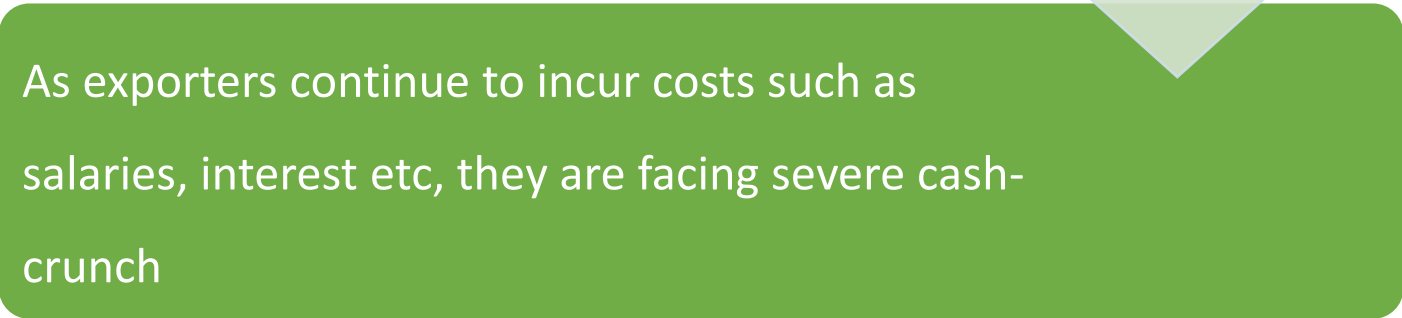
Export sales are already heavily impacted and will continue to be impacted in coming months



Even receivable for services/goods already supplied may not be received in coming months

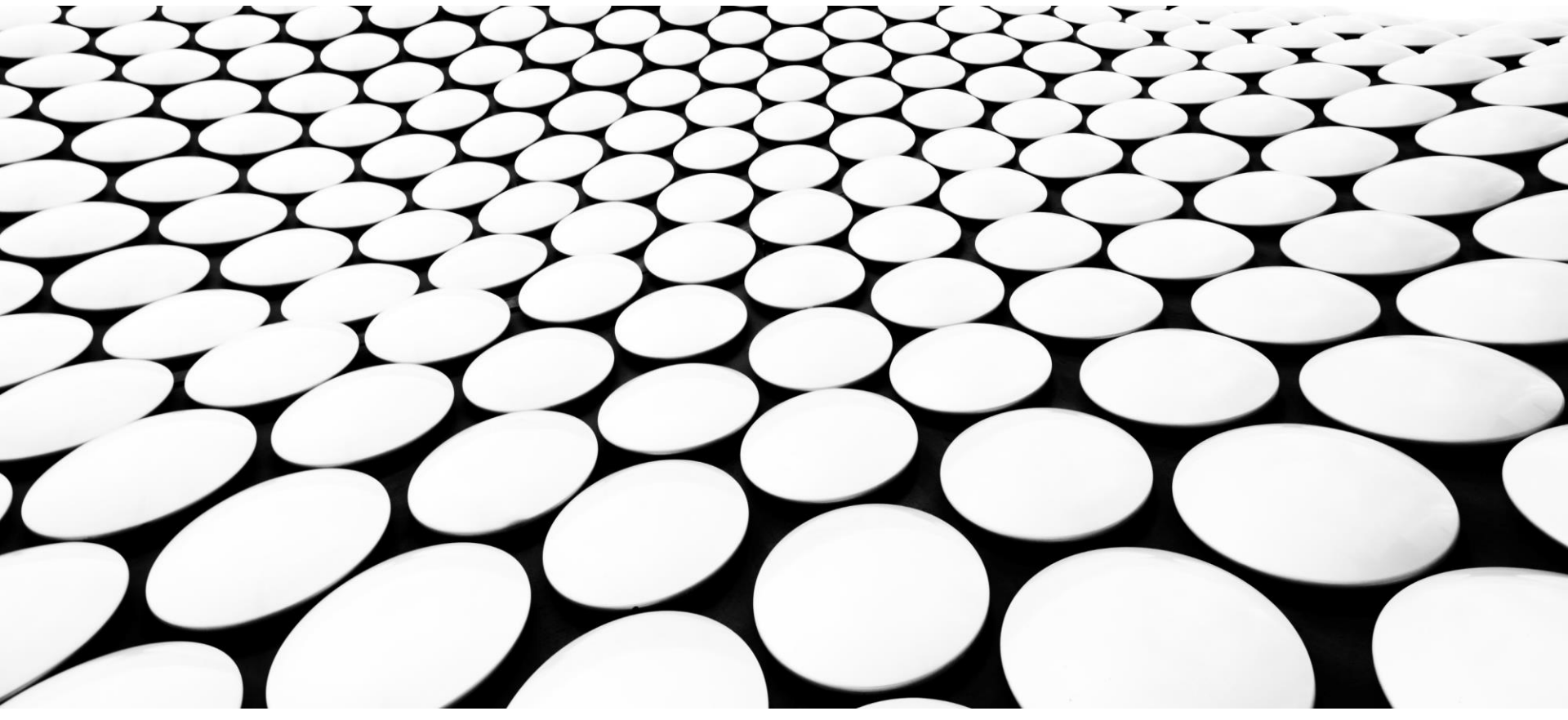


As exporters continue to incur costs such as salaries, interest etc, they are facing severe cash-crunch

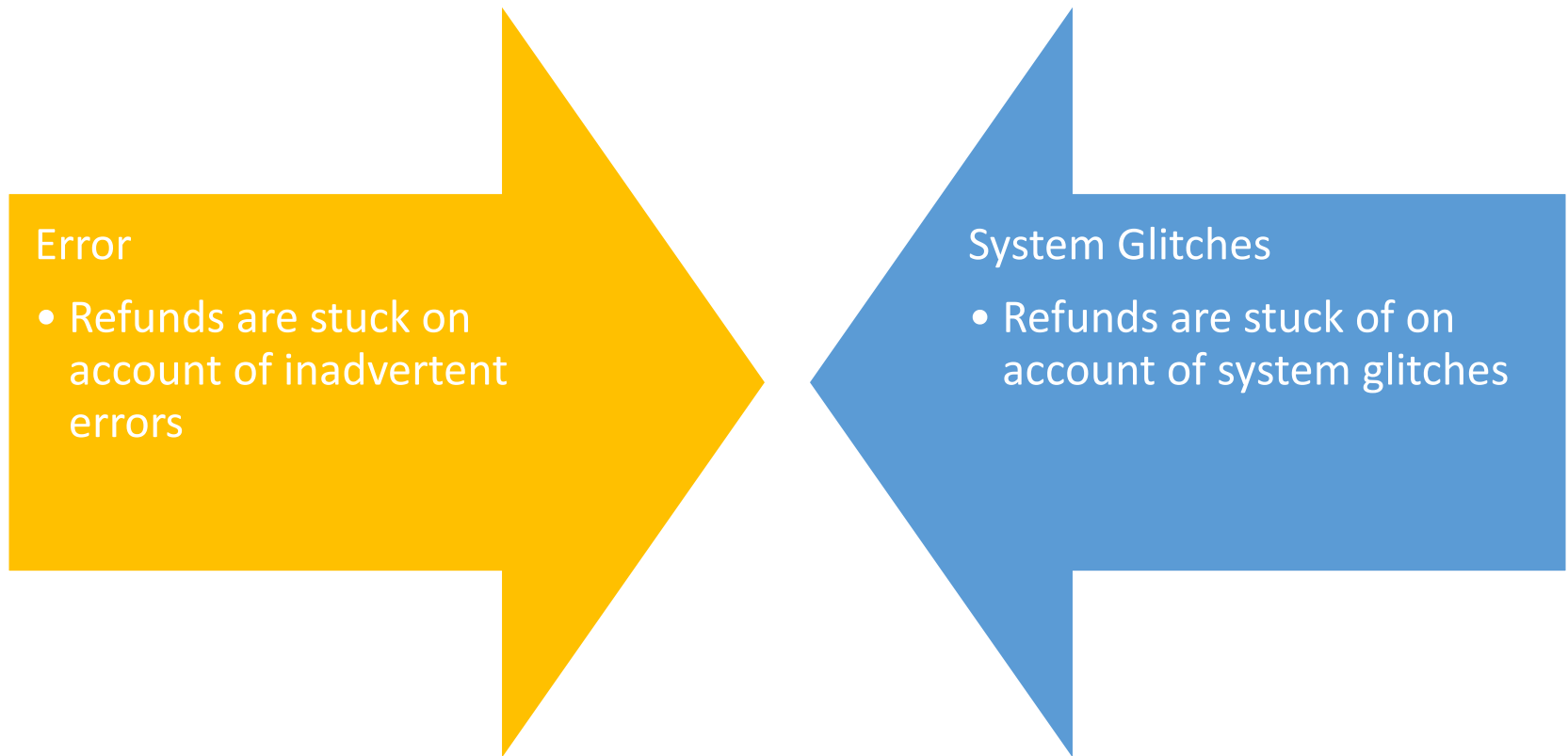


## 2. System glitch and/or errors


delaying the refunds



## 2.1 System glitch and/or error delaying the refunds



## 2.2 System glitch and/or error delaying the refunds



In many cases, refunds are stuck on account of inadvertent errors or system glitches

Further, no standard solution is available for such errors/ glitches

In certain cases, although Circular/ clarification is available still the same is not found as useful

It has been experienced by exporters that substantial time needs to be invested to receive such stuck refunds

Such cases can be split into two basket:

i.e. 1. Export with payment of GST 2. Export without payment of GST as discussed in ensuing slides



Export with payment of  
GST

A large blue arrow pointing to the right, with a white arrowhead on the left side. It is positioned behind a light blue rounded rectangle.

### **3. Rational for inadvertent errors**



## 3.1 Process for claiming refund

1. Invoice (commercial and/or GST Invoice) is prepared)




2. E-way bill is generated (for goods)



3. Shipping Bill with details of invoice is prepared



4. GSTR-1 is prepared (with details captured in table no. 6A)



5. GSTR-3B is prepared (with details captured in table no. 3.1 column b)

## 3.2 Instances of mismatches/ errors

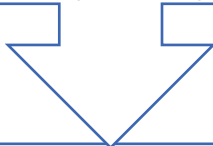
There are instances wherein refunds are not getting processed due to discrepancies in GSTR 1 (Table 6A) vis-à-vis GSTR 3B vis-à-vis Customs EDI system

Even Circular No. 05/2018-Customs highlighted that only 32% records of GSTR-1 are getting transferred

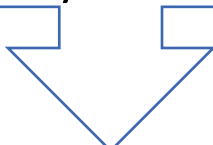
Circular No. 37/11/2018-GST also clarified that the detail of invoices/Shipping Bill/Bill of Export can be amended without mentioning the earlier period up to which it can be amended

## 3.3 Issue and way forward

Shipping bill can be amended for earlier years however details of invoices like date, number, etc. is not allowed to be amended after return of September of subsequent year

A blue-outlined downward-pointing arrow with a notched top, indicating a flow from the first box to the second.

Additionally, system restricts amendment of invoice only once. Thus, even in case of mismatches due to '-', date etc. refunds are pending for more than two years

A blue-outlined downward-pointing arrow with a notched top, indicating a flow from the second box to the third.

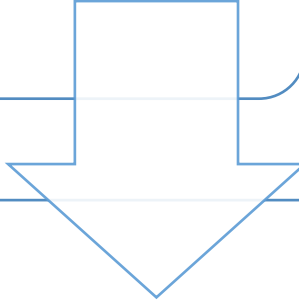
Given this, appropriate resolution to these issues should be provided at the earliest



## **4. Non-transmission of details to ICEGATE**

## 4.1 Non-transmission of details to ICEGATE

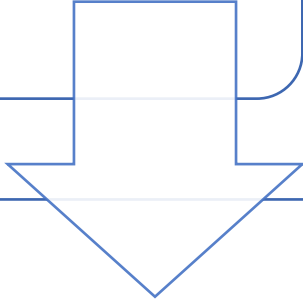
There are instances wherein although details mentioned in GSTR-1 still the same are not getting transmitted to ICEGATE



In such scenario, in case the taxpayer approaches the GST Authorities then they are informed to approach Customs Authorities and vice-versa.

## 4.2 Sometimes, even Helpdesk does not help!

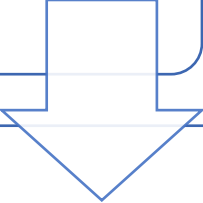
Missing appropriate communication between ICEGATE and GST Authorities leads to a practical challenge for taxpayer as they do not know whom to approach for resolution



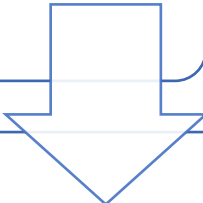
Even in case a taxpayer raises query ticket with Helpdesk then it has been observed that Helpdesk asks for same/similar data multiple times

## 4.3 Sometimes, even Helpdesk does not help!

In certain instances, the Helpdesk has closed the ticket even without resolving the errors

A blue-outlined downward-pointing arrow connects the first text box to the second.

In certain instances, Helpdesk has been observed as unable to provide appropriate resolution or provides two contrary resolutions

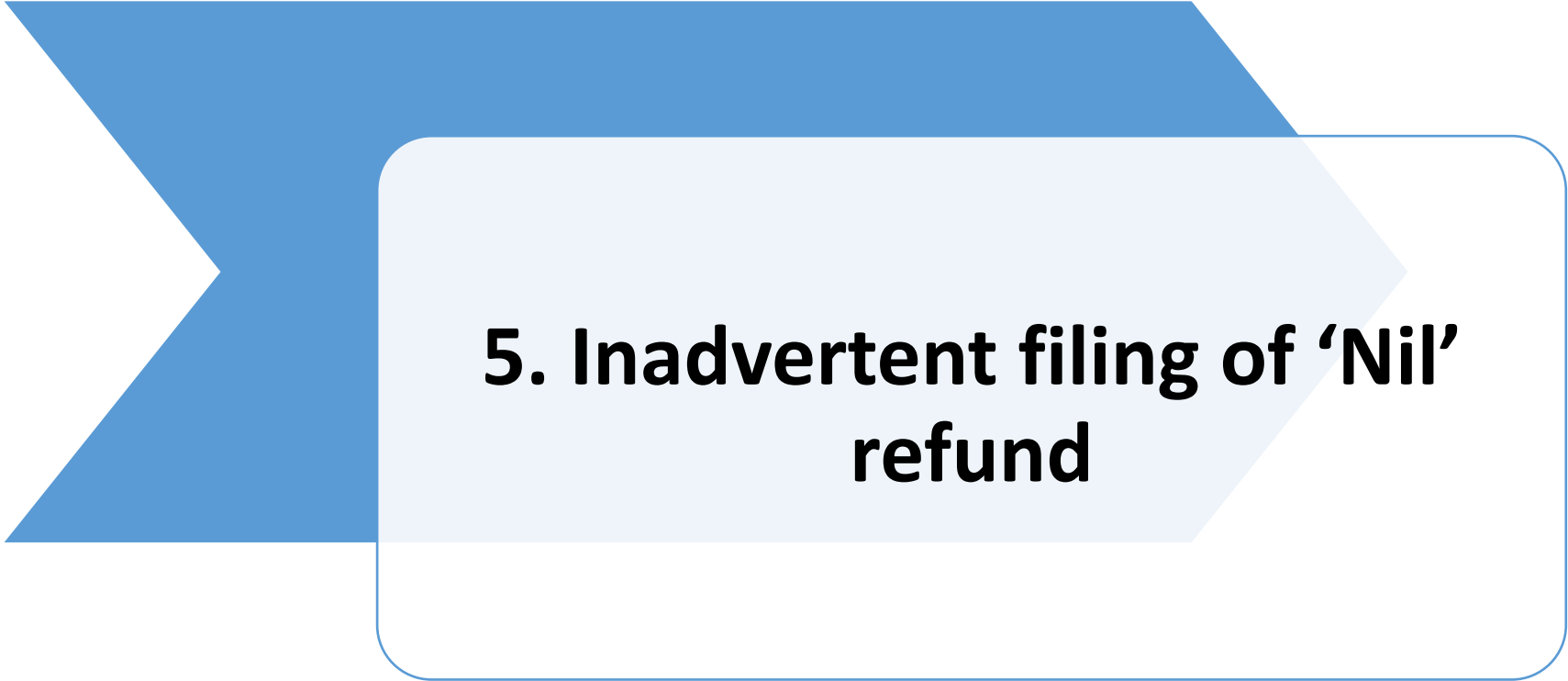
A blue-outlined downward-pointing arrow connects the second text box to the third.

Given this, Authorities should immediately track queries pending and provide appropriate resolution for the same



Export without payment of  
GST

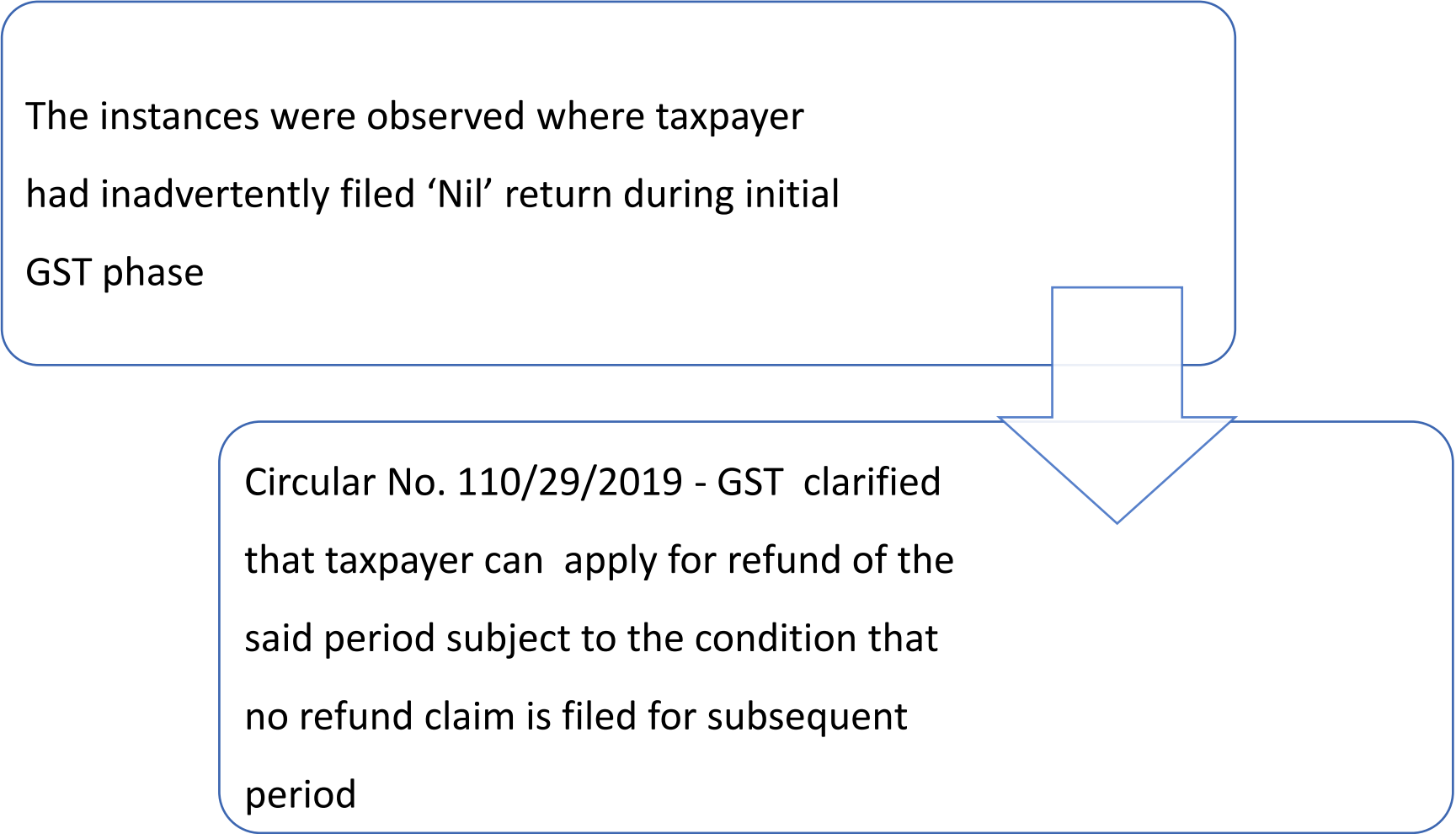




## **5. Inadvertent filing of 'Nil' refund**

## 5.1 Inadvertent filing of 'Nil' refund still unresolved

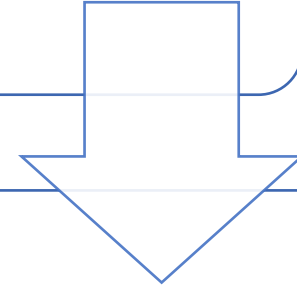
The instances were observed where taxpayer had inadvertently filed 'Nil' return during initial GST phase



Circular No. 110/29/2019 - GST clarified that taxpayer can apply for refund of the said period subject to the condition that no refund claim is filed for subsequent period

## 5.2 Inadvertent filing of 'Nil' refund still unresolved

Given this, in cases where the taxpayers have already filed a refund claim for subsequent period, resolution for such issues is not yet provided



Given this, resolution for such issues should be provided at the earliest



## **6. Transfer of refund to different Jurisdiction**

## 6.1 Transfer of refund to different Jurisdiction

There are instances wherein the application for refund are being transferred to different jurisdiction

In such cases, as per Circular No. 79/53/2018-GST, the Officer is required to re-assign it to the appropriate jurisdictional officer within three days

However, it is observed that the jurisdiction to which such refund applications are transferred are not traceable

Thus, in such cases its taking much longer time and consistent follow-up to get the refund application transferred to appropriate jurisdiction



## 7. Way Forward

## 7.1 Way forward

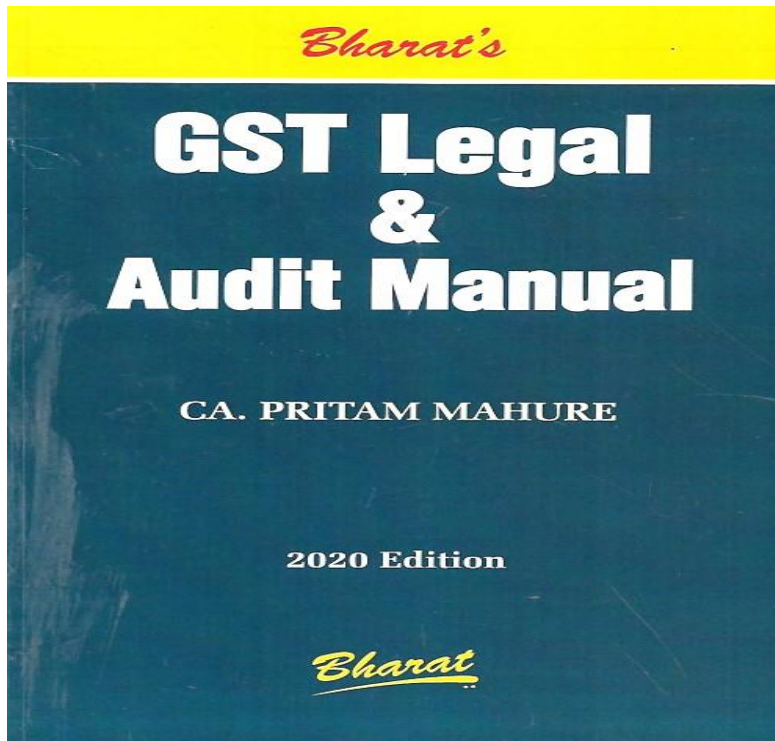
Immediately a uniform methodology should be prescribed where refunds are stuck on account of technical glitches or inadvertent errors

Amendments in invoice number, invoice date GSTN etc. should be allowed without any restriction on number of times or period

Specific task force / help desk can be formed for Refunds

Query tickets should be allowed to be closed only after satisfactory solutions is provided to taxpayers

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