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Bombay Chartered Accountants' Society

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10-12-2018

The Additional Director
Directorate General of Goods & Service Tax
Western Zonal Unit, Mumbai, 9th floor, Piramal Chambers,
Jijibhoy Lane, Parel, Lalbaug, Mumbai 400 012

Dear Sir

Sub: Representation for non-review of refund orders

We understand that nodal officers of GST, West Zonal Unit are meeting on 12-12-2018 for discussing various issues relating to GST faced by field formations.

We would like to highlight following issue being faced by the industry.

As per section 54, refunds are granted to the assessee for various purposes. The order is passed granting refund in form RFD-06. It is observed that these orders are reviewed by the Commissioners under section 107(2) of CGST Act and appeal is filed to the Appellate Authority. Further, these orders are subject to post audit. The show cause notice under section 73 for recovery of refund granted is also issued.

Therefore, there is duplication of work both at the department as well as at the end of assessee. The assessee is required to contest the appeal with the Appellate Authority and also the show cause notice with appropriate authority. This increases the cost of compliance of assessee as he has to engage the consultant at both the occasions.

The provision for recovery of the amount for erroneous refund granted to the assessee is contained in section 73. Therefore, it is felt that filing of appeal at Commissioner (Appeals) may not serve any purpose. However, if it is felt that the order must be set aside at Commissioner (Appeals) level in order to conclude that the refund granted is erroneous, serving of show cause notice for recovery shall be the consequence of setting aside the order of refund. Therefore, it is suggested that one of the activity shall only be performed.

You may like to look into the matter and take corrective action to promote ease of doing business and reduce the cost of compliance.

Thanking you,

Yours faithfully,

CA Sunil Gabhawalla
President

CA Deepak Shah
Chairman
Indirect Taxation Committee

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