



# All India Federation of Tax Practitioners

(An Association of Advocates, Chartered Accountants & Tax Practitioners of India)

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Ref. No. ....

Date..... 28 Aug 2017

Shri Arun Jaitley  
Hon'ble Union Minister  
for Finance & Corporate Affairs  
Government of India  
North Block, New Delhi -110001

Hon'ble Sir,

**Sub: Gist of Difficulties Faced by Trade /Industry /Service providers and professionals in GST Compliance**

All India Federation of Tax Practitioners, having its registered office at Mumbai, is an apex professional organization, comprising of Advocates, Chartered Accountants and Tax Practitioners, serving the society for the past 04 decades. The main object of the Federation is to disseminate the knowledge and resolve the problems faced by the professionals.

Federation makes representation before various authorities in the interest of public at large, may be assesseees or the tax professionals and the past has shown that its representations are considered as important from the view point of society.

At the outset, we congratulate your honour for introducing the largest reform since independence and are committed to unconditionally support the Govt. for its smooth implementation. Accordingly, by way of this representation, we are bringing to your kind notice certain problems and issues being faced by the professionals and the ultimate stake-holders:

1. Cancellation Utility not provided by GSTN till date

Many Traders and service providers who were registered under State VAT Laws /Service TAX /Excise Law prior to 30.06.2017 have been migrated under GST Law w.e.f 01.07.2017 but they do not wish to continue their registration under GST their turnover being less than threshold limit of Rs. 20Lacs /10Lacs as the case may be.

These suppliers are not in a position to get their registration cancelled as utility of cancellation is not available at GSTN portal till date. Due to this reason, although they do not wish to continue registration, they are forced to file return for the month of July for which last date has already lapsed on 25.08.2017 but Government has neither come out with any

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Notification that such suppliers need not file the return for July 2017 nor with the clarification that the cancellation utility whenever available on GSTN portal will be effective from 01.07.2017, and non filing of return will not be treated as default.

This is a great hardship on such suppliers. Necessary clarification /Notification is required immediately and cancellation utility be provided on GSTN Portal.

2) Amendment / rectification / revision in Form 3B.

As per CGST Rules, where due date for filing of return in Form GSTR-3 has been extended, a monthly return in Form GSTR-3B has been prescribed in lieu of regular returns in form GSTR-1,2 & 3. Due to the problems being faced by the businessmen and the professionals, the due date for filing GSTR-3 has been extended, however, it is expected that the registered dealer may pay their taxes within time. This purpose could have been achieved simply by asking the dealers to pay their taxes by way of Challan. Instead of doing same, Government has prescribed a monthly consolidated return by way of GSTR-3B which is a very complicated form and also time consuming. Moreover, once any error is crept while filling the form, there is no mechanism to rectify the error. Accordingly, it is requested to create a mechanism so that necessary amendment / rectification / revision may be done in form 3B.

3. Composition Scheme

As per the Act, composition dealer under earlier regime have migrated to GST regime as per regular scheme. Post migration, there is no option available to the dealers to revert back to the composition scheme, they are unable to exercise this option due to technical glitch in GSTN. In such cases, it is not clear as to whether the dealer has to file GSTR-3B form declaring "Nil" return or they are required to wait till expiration of prescribed time line of 30<sup>th</sup> Sep 2017 for exercising the option. It is further requested to extend the date for opting composition scheme.

I may bring to your kind notice one of the difficulty felt by the professionals. While opting under composition scheme on 12.08.2017, the application form on GST Portal was showing FY 2018-19, without any option for current FY 2017-18. When contacted to helpline number 0120-4888999, it was told that since the date has already lapsed, composition cannot be opted now for FY 2017-18. But when it was explained to him that the last date for opting for composition scheme has been extended to 16.08.2017, he told to discuss the problem with his seniors. On discussion with senior, he suggested to wait till 14.08.2017 as the difficulty is being removed and site is updated. He assured that otherwise the date will be extended. Though the problems continue and the composition scheme could not be applied. For these kind of cases, a suitable remedy be suggested at the earliest.

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4. Utility of Filing Tran-1 made available on GSTN portal on 21.08.2017

As per Rule 117 of CGST Rules 2017– Suppliers who wish to avail carry forward of VAT /Excise /Service Tax /CVD /SAD need to file Tran-1 by 28<sup>th</sup> Sept. 2017 i.e. within 90 days of implementation of GST w.e.f 01.07.2017. However, the utility of filing Tran-1 was made available on GSTN Portal on 21.08.2017 i.e. 52 days late from 01.07.2017. Further, the last date of filing GSTR-3B for July was 28.08.2017. Hence, suppliers were provided only 7 days time i.e. from 21.8.2017 to 28.08.2017 to file Tran-1 and GSTR-3B which is a very short time to submit details required in Tran-1 and the same will result in errors in clamming Carry Forward credits of VAT/Excise/Services Tax etc while filing GSTR-3B.

It is accordingly requested that time for filing GSTR-3B and Tran-1 be extended by minimum 52 days for which Tran-1 utility was not available on GSTN Portal. Please appreciate that this utility was required to be provided on 01.07.2017. For defaults of Government, the suppliers should not be made to suffer.

5. Clarification for claim of ITC through GST TRANS-1

There are cases that certain dealers have filed their returns in GSTR-3B Form immediately on release of Form-3B but before the issuance of the notification No.23/2017-CGST clarifying the filing of GST TRAN-1 & GSTR-3B. There are also cases where certain dealers have filed their returns in Form-3B without claiming ITC as GST TRAN-1 is yet to be released. In view of statutory mandate that ITC has to flow from GST TRANS-1 and due date for filing Trans-1 Form is 90 days from appointed date, it is understood that claim of the dealers for ITC shall be made available in the month in which the GST TRANS-1 is filed. Accordingly kindly clarify the correct position of the Law on ITC claim flowing from TRANS-1 Form where GSTR-3B Forms have been filed without waiting for GSTR Trans-1 FORM.

6. Resolving Issues Regarding compliances.

It is required from the dealers to provide information within a short time, moreover, this is the initial stage of compliance and therefore mistakes are bound to occur, but GST portal is such that there is no provision for revision. Input matching is also not available as GSTR-1 and GSTR-2 forms are not yet made operational. Hence, it is requested to allow revision of Form-3B, so as to match data with GSTR-1 and 2. This will avoid undue hardships to the dealers at large. It would be highly appreciated if it is notified that the teething problems faced by the dealers can be solved off line with concerned State/Central jurisdiction, as the same cannot be resolved On-line for initial few months.

7. 'Amendment' utility for 'Core' items in registration

Registered Suppliers who wish to change their registration particulars due to change of Address, addition of godowns /place of business, change in constitution cannot file amendment applications inspite of the fact, that as per GST Law they are required to do the same within 30 days from the date of change.

Please appreciate that this has resulted lot of difficulties to many suppliers who could not do the corrections /amendments as utility is not available on GSTN Portal again a lapse on the part of GSTN.

8. Filing of First Appeal against rejection orders on Fresh Registration applications

The applications of the suppliers who applied for fresh registration under GST Law due to their business commencement after 01.07.2017 are rejected, in few cases. They cannot file the First appeal before the higher authorities as this utility is not available on GSTN Portal.

Since the appeal has to be filed as quickly as possible after the rejection orders as otherwise business of the supplier will be affected, either the suppliers be allowed to file such appeals manually as done in case of 'LUT for exporters or the utility be immediately provided otherwise it will be a big hardship on such suppliers due to lapse on the part of GSTN.

9. Poor Response of Email sent to GSTN or Phone calls to help desk

If a supplier finds out any difficulty in uploading information/data and contact the help desk, the person attending the calls gives only routine answers which are not of any help to suppliers /professionals and on asking to get in touch with some higher /responsible officers, it is told to go to nearby VAT /Excise /Service Tax office to get your issues resolved.

Further if any email is sent for the resolution of difficulties, the same are acknowledged by GSTN but no response is being provided for many days.

Most of the stakeholders are dependent on FAQs, handbooks and GOI Twitter for query resolution. It is amazing that contradictory clarifications are coming from GOI Twitter handle on the same issue. It is required to issue a clarification on the authenticity of such contents.

It is also required that some responsible /Knowledgeable persons should be deputed on help desks and e-mails be replied promptly.

Needless to mention here that GSTN Portal is working comparatively more badly than the State VAT Portals of the country and this being a centralised

portal there is no person to listen the voice /difficulties of suppliers /Professionals.

Due to above reasons, the work which could be done in 15 minutes, the same could not be completed in days by the professionals of the entire country which is resulting in National Wastage of time and energy of Tax Practitioners/CA/ Advocates/CS/CWA which are helping the suppliers to comply the GST Law.

This is a very serious matter, and Government needs to take immediate action to solve the problems of suppliers to make GST successful in the country.

10. Payment through credit/debit cards without logging in/usage of OTP.

For ease of operations, it is requested that the payment option be enabled without using OTP as it is a usual practice that any person/professional pays the tax on behalf of entity/client who may not be able to dedicate time and effort due to variety of business reasons and feasibility.

11. Extension of Time for filing GSTR-3B

As you are aware that entire north Bengal and Bihar are badly affected by flood and internet connection is not working since 09<sup>th</sup> Aug whereas due date of opting of composition scheme is closed on 16<sup>th</sup> Aug. Moreover, there is Bandh in Darjeeling since last 60 days and internet connection is disconnected by the government itself. When there is no internet connectivity, it was not possible for the dealers to opt for the composition scheme.

Due to floods in many states of the country and due to application of 144 / Curfew in Haryana/ Punjab and Chandigarh due to Baba Ram Rahim Issue, the work of filing of GSTR-3B has got disturbed and many suppliers could not file the same. It is, therefore, desirable /need of the hour that time for filing the GSTR-3B be extended reasonably for the whole country.

12. Filing of Returns on Quarterly basis instead of monthly

Since GST Law prescribed the payments of tax on monthly basis by 20<sup>th</sup> of next month, there is a fit case that filing of returns be made quarterly so that suppliers can devote their time and energy to carry on their business smoothly instead of getting busy throughout the year in returns on monthly basis,. Since tax is being received on monthly basis, there will be no loss to the Government but will be an ease of compliance to suppliers for doing business.

13. Filing of Form CMP-03 – details of stock upto 29.08.2017 but CMP-03 not available on GSTN Portal.

In case of suppliers migrated from VAT Regime w.e.f 01.07.2017 and have opted for composition need to file details of stock as on 30.06.2017 in Form – CMP-03 within 60days i.e by 28<sup>th</sup> August,2017. However, this form is not available on GSTN Portal and the same therefore cannot be filed. No notification has been issued so far for extension of the date and the



professionals handling GST Compliances of such suppliers are asking from one another as to what is the status of filing such form. The Government should therefore clarify the position by issuing some press release / Notification.

Hon'ble Sir, these are some of the problems being faced by the stakeholders. Since AIFTP is a nation-based organization, comprising of all the tax professionals, be it Chartered Accountant or Advocate or Tax Practitioner, the queries are received from the entire country and is being forwarded to your honour. We request and hope that your honour will appreciate the spirit and object being this representation for favourable consideration and for this act of kindness, the Federation and its members shall have a deep sense of gratitude for ever.

With warm regards,

Yours Sincerely,

PL Bansal  
Prem Lata Bansal  
Senior Advocate  
National President

Sh. Arun Jaitley  
Hon'ble Union FM.O  
North Block N Delhi



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