

INTERVIEW WITH CBIC CHAIRMAN

'70-80% GST issues resolved, revenue buoyancy likely soon'

TERMINING HER 15-month term as challenging, Central Board of Indirect Taxes and Customs (CBIC) Chairman VANAJA N SARNA, who retires on June 30, says that at least 70-80 per cent of the problems under GST are settled and the rest is work-in-progress. In an interview with AANCHAL MAGAZINE and ANIL SASI, Sarna said that her team did its best to manage the transition after the GST rollout. Excerpts:

There are still concerns about GST collections. How are you faring on that front? Isn't it too long a wait to implement anti-evasion measures with only the e-way bill system coming so far?

On the revenue concerns front, while for March we have crossed the Rs 1-lakh crore mark, which at that time we had said is not something that you should take as a standard because March by and large, year on year always tends to be on a high. But if you see prior to that, we were in the Rs 88,000-89,000 crore range and then in the month after that we reached Rs 94,000 crore. Revenue thus appears to be stabilising.

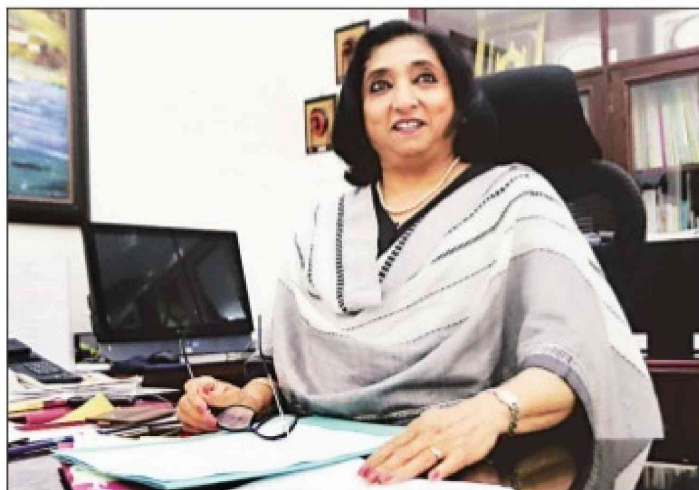
You will see buoyancy because one, of course, the introduction of e-way bill and enforcement action by Directorate-General of GST Intelligence (DGGI) is taking place where required. The states too are making cases. With all these measures and auditing in future, revenue should be on the rise. For analysis of data, we have Directorate General of Analytics and Risk Management (DGARM), which is already in the process of looking at various combinations of data which when seen and perhaps, handed over to the enforcement agencies, is bound to expose cases of evasion. With all these measures, compliance will definitely improve.

Any number so far?

I am not giving any figures as of now because it is all work in progress.

Compliance rate for GSTR-3B is around 70 per cent, for composition dealers, it's much lower.

We have reached 70 per cent or little more than that, but there are lot of assesseees who may no longer be in business and are actually cancelling their registration... In fact, this 70-odd per cent for the first 2-3 months was actually much lower and has been increas-



ing over time. By and by everyone will have to come under the net.

Right now only big businesses are contributing about 90 per cent of the revenue. What could be done more for small businesses?

What you need is balance between facilitation and enforcement to ensure compliance. As you said for the big businesses it is much easier and as far as revenue is concerned, the department is concerned about the big assesseees because that's where the revenue is coming from. There is also a desire to help the smaller parties to help them to file returns. This has to work two ways because the party should also want the handholding and come forward and seek assistance then the department will automatically help. A lot of them have already settled into regular filing of returns now as compared to where we were 6-7 months ago.

Refunds have been a sticky issue, you had to conduct a second fortnight. Could all this have been avoided?

There is a system even now where if you follow the Letter of Undertaking (LUT) method and need not pay and seek the refund. But most exporters are finding the refund route a good option. The only problem was the time lag. What pinched most exporters was capital blockage. In some cases it may have been large and therefore there was concern. But this is all about a cycle... the goal is to ensure that the refunds are granted as soon as possible... my goal was to reach zero as far as pre-April 30 refunds are concerned. I have told field formations that where there are still refunds pending, they have to treat every day as if it is a refund fortnight and ensure the problem is solved. So if

we continue at this pace, I think in ten days we should be able to mitigate the pre-April claims.

Was the lack of sync between the tech part and the policy part in the initial months of the GST rollout a big issue?

It's difficult to pinpoint any particular area. The first three months were fine. Only when the returns were being filed, the first set of difficulties came, but GSTN were also doing their best. The sheer number of people trying to enter the system does clog up the system. We were told that they are prepared but the proof of the pudding is really in the eating. Undoubtedly, the returns may have been very cumbersome, more so for the small and medium firms, as they don't always have a system in place, there's a cost involved. I feel that at least 70-80 per cent of the problems are settled and what is not settled is something which is work in progress. Any country that makes such a mammoth change, expecting that in one year it will be hundred per cent perfect, you can't expect it. In all fairness, I will say that the best which could be done has been done and then again if today you sit and look back and if I ask myself if this could have been done better, it will always be in the affirmative. But the answer is only because we have walked the path. If you hadn't walked this path, like we often see in life you have to make mistakes to learn, so I don't think we could have possibly visualised every likely pitfall. I would say at that time when the decision were taken, they were the best at that time. We have been very proactive — processes, procedures, rules, a lot of them have been changed. Nobody sat back even for a minute during this past year in our effort to have GST settle down well.