

GST and JOHNNY- UPDATE No.89

JOHNNY
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Yes, Papa!



Have you ever received SCN
for any matter in GST?



Yes papa



How to file
reply?



This papa: - I have filed refund under inverted duty structure for export under LUT for the month of March 2020. The department issued SCN against the said refund filed. However, the SCN determines only the amount which is inadmissible and liable to be rejected. The SCN says "ITC of Rs. 2694/- (Rs. 428/- taken on travelling and ITC of Rs. 2266/- on General Insurance is inadmissible. in terms of section 17(5) of CGST Act, 2017."

Now it is difficult on the part of the assessee to locate those invoices pertaining to specified heads from lakhs of invoices against which refund is filed.

The department informed us that they have a word limit of 160 words only and therefore, they are unable to issue SCN with detailed information.

The setting of word limit doesn't in any way helpful for the department or the assessee. The assessee has to do the permutation combination of the invoices to arrive at the total ITC mentioned in the invoice.

It is highly advisable to remove such an illogical restriction on issuance of SCN so that department as well assessee have the freedom to issue or reply respectively without any inconvenience.

After the GST has been implemented all the SCNs, appeals are filed online through the login credentials of the taxpayers. The department also issues notices on portal only. Therefore, such word limit in no way contributing to saving of paper and thereby environment. It is unnecessarily increasing complexities of assessee only thus should be removed.

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