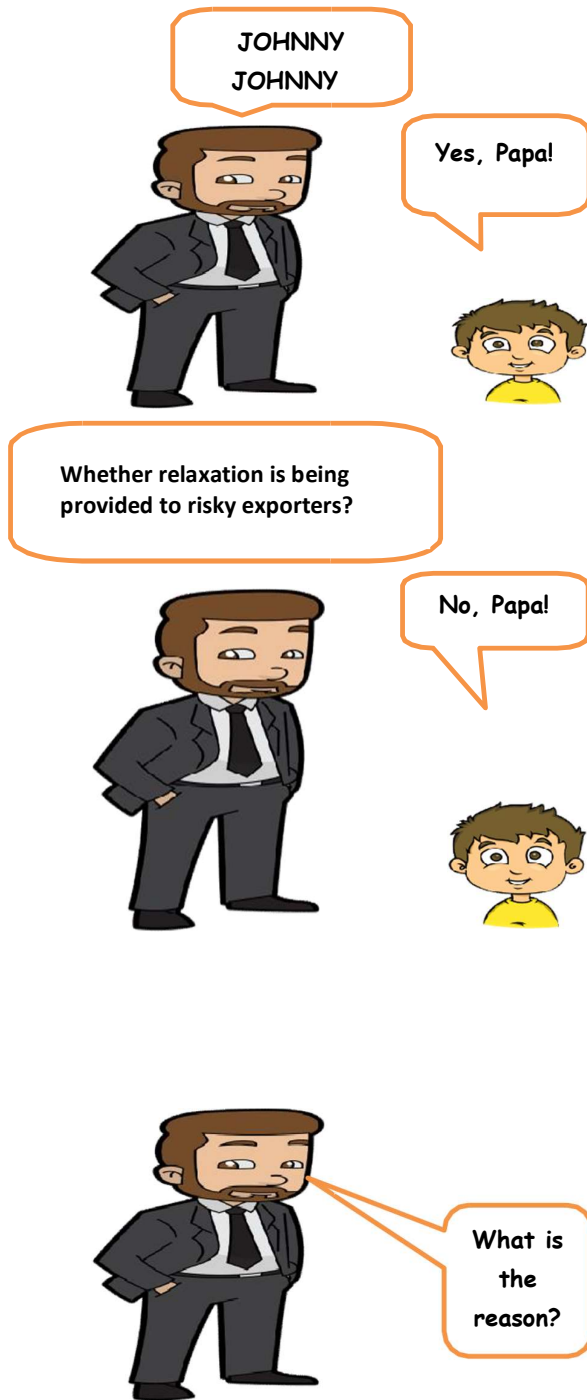


GST and JOHNNY- UPDATE No.30



This Papa:

In this update we shall discuss the practical problems being faced by "Risky exporters" during Lockdown. Risky exporters are those who are assessed as risky on the basis of a few parameters prescribed and a red flag given on the website of customs. After this red flag, each and every container of exporter is opened and subjected to 100% verification as well as IGST refund of exporter is withheld. The CGST department carries out the physical verification of such units as well as conducts audit of such exporters. After audit, the CGST department intimates the counter part custom department. The custom department after verification by top officers removes the red flag. Sometimes, the portal asks department shall require physical verification of suppliers from whom the goods have been purchased and after this the flag is removed. But during lockdown, how will it be possible for the exporter to attend the department. Further how will it be possible to verify the premises of suppliers as during lockdown, everything is closed. Moreover, what if the supplier is registered in other state, how will verification be possible. In one case of exporters, the supplier is at Mumbai who is in high risk. Such verification of supplier and audit in such a time is impossible. On the other hand, government is announcing the issuance of refunds from GST, customs, excise and Income tax departments (for taxpayers having refund upto 5 lakh rupees). We would request government to even provide relaxation to risky exporters as relaxations being provided to other taxpayers from compliances.

CA Pradeep Jain