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**Page No: -** 02

### The Bengal Chamber reaction of State Budget 2018-2019

## CII calls for simplification of GST compliances in 2018-19 budgets

MI NEWS SERVICE

**KOLKATA :** Before the presentation of the Union Budget-2018-19 on February 1 by the Finance minister Arun Jaitley, Confederation of Indian Industry (CII) has requested for simplification of Goods Services Tax (GST) compliances and its implementation.

In a statement here on Tuesday evening the Confederation has highlighted the issues of filing of returns, matching of invoices and claiming timely credit of Input Tax Credit (ITC) as areas to be addressed in smoothly transitioning to the landmark tax reform of GST, introduced on 1 July 2017. CII is in agreement with the proposals presented to the GST Council by Nandan Nilekani, former chairman of the Unique Identification Authority of India and the Chairman, Infosys, the statement said. Quoting him it stated that he said 'If the buyer accepts supplier invoices on the GST system, this automatically determines the input tax cred-

it. In the proposed model, there will be no mismatch or reversal.' According to CII, simplification of GST compliances would result in higher number of returns filed, increased collection of revenues, and easier working capital management by trade and industry. The GST network (GSTN) functioning and return filing formats could be tweaked to ensure acceptance of invoices. 'We also stressed the need for designing a fool-proof and effective return filing system where seamless and speedier input tax credit (ITC) can be availed by the recipient, as against the current requirement of filing three GST returns', the statement said adding in some sectors with thousands of invoices daily, this exercise leads to complexities such as mismatches, ITC reversal with interest, and reclaim of ITC. Any mismatch in invoices due to filing errors leads to funds being held up, Nilekani said and added that A successful model should align with the natural business

process. Nilekani further suggested that the proposed process will offer multiple channels for upload and acceptance of invoices and filing of returns. Small taxpayers with some level of automation can use Excel based offline tool to download, compare and accept pending invoices. Similarly, the century old Bengal Chamber of Commerce and Industry (BCCI) expressing similar views suggested on Tuesday that in 2018-19 budget proposals, to be presented by Jaitley, Corporate tax structure should be reduced to 28 per cent from the existing 30 per cent. Moreover, significant public capital investment in infrastructure in the areas of pre and post harvest technologies should lead to faster growth in agriculture as this was expected to generate lot of employment and value creation, BCCI members feel. Finally it also suggested that clear directions must be provided by the minister to incentivise stronger linkages of FDI with Value Chains.