

Top firms get GST notices on credit claims; replies sought within hours



THROWN INTO A TIZZY

- **Hundreds of firms, including Google India, Hitachi,** asked to respond by same evening
- **Drive labelled unrealistic** by tax consultants
- **Move comes amid slowing** GST revenue collections
- **Dept also faced with significantly** high transitional credit claims worth ₹1.3 trillion
- **Move follows directive from the CBEC** to verify claims of credit over ₹10 million

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Goods and services tax (GST) officers sent notices to hundreds of companies across Gurugram, Mumbai and Bengaluru, on Friday, demanding they reply with exhaustive lists of documents within hours.

The notices sent to firms including Google India, Honeywell International, DLF City Centre, Panasonic, Hitachi Zochen, Yamaha Music India, Suzuki Motorcycles, leading banks and insurance companies, among others, pertain to transitional credit claimed for pre-GST stocks.

The notice, reviewed by *Business Standard*, said: "...Your organisation has been marked for preliminary verification...in order to ascertain the correctness of Transitional Cenvat Credit...you are requested to submit the documents on priority by today (Friday) evening positively."

The drive — labelled unrealistic by tax consultants — comes amid slowing revenue collections and significantly high transitional credit claims worth ₹1.3 trillion. The impromptu verification of documents and related information follows

directive from the Central Board of Excise and Customs to tax officers to verify claims of credit over ₹10 million.

The dealers who received the notices are being asked to submit this information amidst numerous statutory return filings in the months of December and January.

The tax officers have, however, claimed the deadline to send the replies by Friday evening was not strict, and attributed the drive to subdued GST collections.

They said about 2,000 companies were taking 90 per cent of input credit and, hence, the focus was on them. Claims could be higher due to duplication; because the companies were registered at one place earlier for the purpose of paying central excise but were now filing returns in each state, they added.

The documentation requirement includes 'Central Excise Return' Forms 1, 2 and 3 for January-June 2017, service tax return for October 16-June 17, calculation sheet for credit availed in TRAN-1 application and GST Electronic Credit Ledger. In addition, it has asked for a statement of inputs, work in progress and finished goods.