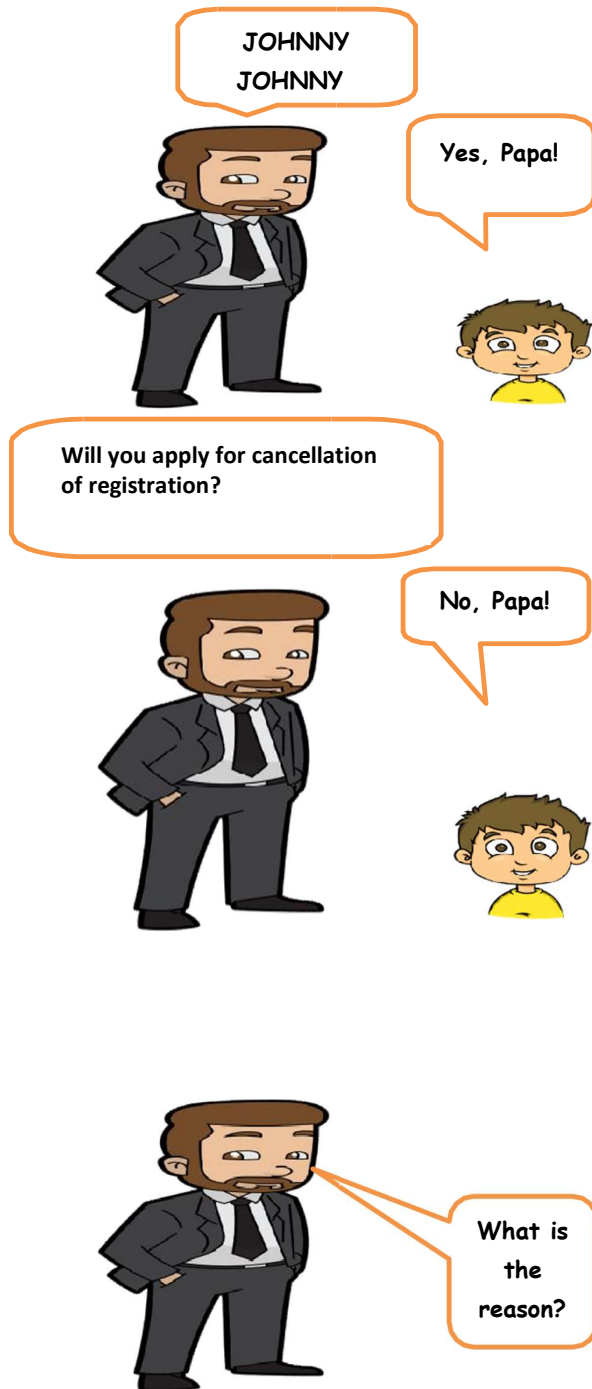


GST and JOHNNY- UPDATE No.19



This Papa:

There is a need for a clarification to unfurl a situation where an application by taxpayer for cancellation of registration has been rejected by the department. We have come across a situation where a taxpayer has applied for cancellation in the month of June 19 effective from March 19 and this application for cancellation is rejected by department in the month of February 2020 on the allegation that you have not filed return from April to June. The communication on mail might have come but assessee could not see as business is closed. What will be the position of such assessee? Will he be required to pay all the taxes for the period from April to March of 12 months which he has not collected from his buyers? Will he be required to file all returns along with late fees and interest? Further if such assessee doesn't have his turnover exceeding the Turnover limit, Will it be treated as voluntarily registration and forgo his exemption and pay taxes. This is a situation where the assessee has to face loss of tax not collected from supplies, interest and late fees, even though it was not his fault. This matter was referred to portal but no solution. Though the third anniversary of GST is nearby, there are yet several practical and technical issues which need immediate attention of Council.

CA Pradeep Jain