

TAX INFO

Dated 06/08/2020

Latest update on GST Law: Information regarding **MAIL RECEIVED FROM GSTN ON AGGREGATE TURNOVER** based on the mail received from the Department dated 04.08.2020

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As per Circular No. 136/06/2020-GST, dated 03.04.2020, CBIC clarified various issues like due date of filing of GST returns, Late fees, penalty etc., in case of delayed filing of returns due to Covid-19 during Lockdown periods. A great relaxation was given in levying Late Fee. Interest provisions were also relaxed due to Lockdown situation.

Numerous Notifications were issued providing waivers dates or capping the late fee amounts, and charging reduced interest rates if filed before waiver dates. For giving all such relaxation, the Government has segregated the taxpayers in two categories: One is taxpayers having turnover exceeding Rs. 5 Crores and another is taxpayers having turnover up to Rs. 5 Crores in the preceding financial year and provided the relief on this "Aggregate Turnover" basis.

But after the announcement of these measures a question arises in everyone's mind, that, how will the Government would know that what is the turnover of the taxpayer and how will they apply the provisions on them.

So, The Government has clarified the above by sending an **email to all the registered taxpayers on 04.08.2020** whose turnover exceeded Rs. 5 crores in the preceding financial year 2019-20.

As per the Latest Notifications issued in the past, if small dealer files return beyond waiver date but before 30.09.2020 then late fee payable are subject to capping of Rs. 500/- per return but no such relaxation for Big Taxpayers. Interest provision says Interest is NIL for first 15 days, delay thereafter @ 9% up to 24.06.2020 and thereafter @18% for the default period for Big Taxpayers. For small taxpayers Nil Interest till waiver date, 9% interest if return filed up to 30.09.2020 and @18% thereafter. In the nutshell, different relief measures for Big taxpayers or small taxpayers.

Please note that last waiver date for filing GSTR-3B for the month of March-2020 was 24.06.2020 for Big Taxpayers and 05.07.2020 was for Small Taxpayers. Accordingly, the GSTN has taken the data of each taxpayer as available on portal on 25.07.2020, thus calculated the Turnover on "Aggregated Turnover" basis for the preceding financial year 2019-20 and sent email to all such big dealers.

If a particular taxpayer is satisfied with his mail sent to him on this count, then **NO ACTION** by such recipient of mail. But in case if he is otherwise a small tax payer then he has to fill up an annexure in the below format:

PAN:			Legal Name:			
Sr. No.	GSTIN	Registration grant date	Tax period of last GSTR-3B filed	Date of filing of last GSTR-3B	STATUS (Active/ Cancelled)	Turnover as per taxpayer (Rs.)
1	2	3	4	5	6	7
1						
2						
3						

Facility to file a Grievance:

If any discrepancy is found in the turnover data based on the computation, as explained above and the actual turnover, the taxpayer may file a grievance at <https://selfservice.gstsystem.in> for redressal. The taxpayers are advised to upload the information while raising complaint in particular format as prescribed.

Example, if dealer has filed return GSTR-3B for 2019-20 declaring Rs 5.40 crores but in this turnover says, 80 Lakhs pertains to the year 2018-19 (Which is quite probable) then such a clarification needs to be given by filling aforesaid table and mail to System accordingly.

On the basis of reply mailed by such tax payer, the department will make correction in his "Aggregate Turnover" and will determine his Waiver Date, Late Fee, Interest provisions accordingly.

In case any dealer did not file any of his monthly GSTR-3B till 25.07.2020 then "Aggregate Turnover" of such taxpayer is calculated on proportionate basis as under

$$[(\text{Turnover declared} / \text{No. of GSTR-3B filed}) * \text{No. GSTR-3B liable to be filed}]$$

Illustration:

If a registered taxpayer filed the returns only for the period Apr to Jan, 20 upto 25-07-2020 with total turnover of Rs. 4.50cr then the turnover for the remaining months will be computed as follows:

$$\frac{[4.50 (\text{Turnover declared}) * 12(\text{No. GSTR-3B liable to be filed})]}{10(\text{No. of GSTR-3B filed})}$$

So, the aggregate turnover for the Financial Year 2019-20 is Rs. 5.40 Crores.

Relevance of such Computation:

1. Determining due date of return filing (20th or 22nd or 24th of subsequent month for GSTR 3B)
2. Computation of late fee by the system
3. Reporting interest on delayed payments based on self-assessment basis (based on recent relief announced due to outbreak of Covid -19)

Conclusion:

Through this advisory the Government will be able to know the turnover of the taxpayer so that they can apply the relevant provisions on the taxpayers whether it to be the due date of filing of returns or late fees applicable or the penal provisions.

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