East Delhi Study Circle

Recent Judgements and its impact/ benefit for Industry

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CASES RELATED TO LIQUIDATED DAMAGES

Liquidated Damages

Background:

- Levy of Service Tax/ GST on amounts received or recovered as Liquidated Damages has been a litigative issue under the erstwhile Service Tax Regime and also under the GST Regime.
- The revenue has been keen to tax such amounts under the category of *agreeing to the obligation to refrain from an act, or to tolerate an act or a situation, or to do an act* as declared service u/s 66E of the Finance Act, 1994 (Service Tax Law).
- Schedule II of the CGST Act contains an identical entry which classifies as the activity of *agreeing to the obligation to refrain from an act, or to tolerate an act or a situation, or to do an act* as a Service.

M/s K. N. Food Industries Pvt. Ltd. Service Tax Appeal No.70737 of 2018

The Hon'ble CESTAT Allahabad has held that for invocation of the clause (e) of Section 66(E) i.e. *agreeing to the obligation to refrain from an act, or to tolerate an act or a situation, or to do an act* to levy Service Tax , there has to be first a concurrence to assume an obligation to refrain from an act or tolerate an act. Payments or recoveries arising from "unintended" events and not emanating from any obligation on the part of any of the parties to an agreement to tolerate an act or a situation cannot be considered to be the payments for any services. The relevant extract of the judgment is reproduced as under:

Contd…

4. …

In the present case apart from manufacturing and receiving the cost of the same, the appellants were also receiving the compensation charges under the head ex-gratia job charges. The same are not covered by any of the Acts as described under Section 66E (e) of the Finance Act, 1994. The said Sub-clause proceeds to state various active and passive actions or reactions which are declared to be a service namely; to refrain from an act, or to tolerate an act or a situation, or to do an act. **As such for invocation of the said clause, there has to be first a concurrence to assume an obligation to refrain from an act or tolerate an act etc. which are clearly absent in the present case.** *In the instant case, if the delivery of project gets delayed, or any other terms of the contract gests breached, which were expected to cause some damage or loss to the appellant, the contract itself provides for compensation to make good the possible damages owning to delay, or breach, as the case may be, by way of payment of liquidated damages by the contractor to the appellant.* ***As such, the contracts provide for an eventuality which was uncertain and also corresponding consequence or remedy if that eventuality occurs****. As such the present ex-gratia charges made by the M/s Parle to the appellant were towards making good the damages, losses or injuries arising from "unintended" events and does not emanate from any obligation on the part of any of the parties to tolerate an act or a situation and cannot be considered to be the payments for any services.*

[Emphasis Supplied]

M/s Amit Metaliks Limited Service Tax Appeal No. 76639 of 2018-[DB]- Liquidated Damages are actionable claims

The Division Bench of Hon'ble CESTAT Kolkata has held that liquidated damages are in the nature of actionable claim and are thus outside the scope of definition of *"service"*. The relevant extract is reproduced as under:

25. We also find a considerable force in the contention raised by the learned Advocate that the compensation received by the Appellant from the cultivators and M/s AML, the debt in present and future, which as per Transfer of Property Act in the category of Actionable Claim placing reliance on the decision of Hon'ble Supreme Court in case of ***Kesoram Industries and Sunrise Association(Supra)***

13. A careful reading of the Settlement Agreement in question clearly show that the land owners have agreed to pay a definite sum, that is, an ascertained amount to the Appellant developer to resolve all claims of settlement.

The settlement agreements have resulted in creation of a debt in favour of the Appellant.

Under the said circumstances a debt is clearly created and the said amount would fall within the scope and ambit of an actionable claim within the meaning of Section 3 of the Transfer of Property Act, 1882 and hence excluded from the definition of ' service' as per Section 65B(44).

14. It is submitted that the amount in question is an ' actionable claim' which is not liable for any service tax under the provisions of the 1994 Act. The meaning, nature and scope of actionable claim has been dealt with in detail by the Constitution Bench of the Hon'ble Supreme Court of India in case ***of Sunrise Association vs. Govt. of NCT of Delhi reported in (2006) 5 SCC 603.***

26. Thus, we held that the entire sum of money would be classified as Actionable Claim which otherwise is beyond the scope of service tax under Section 66B(44) (iii) of the Finance Act. If the transaction of Development Agreement, Settlement Agreement and compensation not fall under 'Service' under the Finance Act there is no application of Section 66 E(e) of the Act ibid.

[Emphasis Supplied]

M/s HCL Learning Ltd. Service Tax Appeal 70580 of 2018- No Service Tax on Notice Pay

The Hon'ble CESTAT Allahabad has held that notice pay recovered from the salary of employees for termination of employment agreement is not covered by the provisions of Service Tax. The relevant extract is reproduced as under:

1…

From the record, we note that the term of contract between the appellant and his employee are that employee shall be paid salary and the term of employment is a fixed term and if the employee leaves the job before the term is over then certain amount already paid as salary is recovered by the appellant from his employee. This part of the recovery is treated by Revenue as consideration for charging service tax.

2. We hold that the said recovery is out of the salary already paid and we also note that salary is not covered by the provisions of service tax. Therefore, we set aside the impugned order and allow the appeal.

[Emphasis Supplied]

M/s Vikhroli Corporate Park v. CST, Mumbai 2016 (12) TMI 484-CESTAT Mumbai

The Hon'ble CESTAT has held that the amount which was forfeited as liquidated damages for not taking the possession of the premises contracted for by the customer is not liable to Service Tax. The Hon'ble CESTAT had also relied upon the judgment of Hon'ble Supreme Court in the matter of ***United Breweries Ltd. v. State of Andhra Pradesh [1997] 105 STC 177 (SC)*** wherein the court has held that security deposit forfeited by the company is in the nature of liquidated damages. The relevant para of the judgment is extracted as under:

5.3 As regards Service Tax liability on the amount which was forfeited by the Appellant as liquidated damages for rendition of the customer in not taking the possession of the premises contracted for, ***we do agree that Service Tax liability on such amount forfeited as liquidated damages does not arises****. Similar issue came up before Hon'ble Apex Court in the case of* ***United Breweries Ltd****. (supra). In the said case United Breweries Ltd. (supra) the issue was of security deposit of the bottles which was not returned which was forfeited by the said Company. We find the ratio of the judgment can be applicable in the case in hand which is in* ***paragraph 19*** *of the judgment which we respectfully reproduce.*

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" *We are unable to uphold this contention. Whether the bottles and the crates were sold along with the beer or not will depend upon the intention of the parties. We have set out the terms and conditions under which the beer was sold and it does not appear from these terms and conditions that UB intended to sell crates and bottles to the customers. On contrary it was very anxious to get back these crates and bottles in order to use them again for further supplies. The fact that UB advised customers to charge similar deposits from their consumers and get back the bottles from them goes to show that an out and out sale of the bottles had not taken place. By taking the deposits UB merely ensured the return of the bottles and the crates. A deposit of forty paise per bottle was taken to ensure return of the bottles. In our view, the deposit amount which was liable to be forfeited on failure of the return of bottle was in the nature of liquidated damages recoverable by the supplier under Section 74 of the Contract Act. An overall view has to be taken of the dealings and transactions between the manufacturer of the beer, its customers and the consumers. The intention of UB does not appear to have been to sell the beer bottles. Nor was there any intention of the retailers to sell the bottles to the consumers. On the contrary, by the terms and conditions of the agreement UB was trying to ensure that the bottles in which the beer was supplied to the consumers through their customers were brought back to it so that they could be used again for fresh supply of beer at a cheap rate.*"

CASES RELATED TO RECOVERY OF TAX AND INTEREST

M/s. V.N.Mehta & Company W.P.No.26187 of 2019 – Madras HC

The Hon'ble Madras High Court in the instant case has held that recovery proceedings cannot be initiated u/s 79 without even before making an assessment or at least initiating proceedings for making the assessment. The recovery proceedings u/s 79 were initiated against the Petitioner on the basis of an admitted liability in a statement given to the Department. The said admission was also later retracted by the Petitioner through a written communication.

The Hon'ble High Court noted that it is for the Department to determine the tax liability by resorting to the procedures in accordance with law, instead of issuing the impugned proceedings straightaway under Section 79 based on the so called admission which is subsequently retracted. Accordingly the proceedings initiated u/s 79 were held not sustainable as no proceedings were pending against Petitioner even till date, and accordingly the said proceedings would not be saved by Section 83 i.e. in the interest of revenue. The relevant extract is reproduced as under:

Contd…

10. Therefore, it is evident that the statement said to have been given on 19.06.2019 claims to be so called admission by the petitioner, is not available before the Revenue anymore and on the other hand, it is for them to determine the tax liability by resorting to the procedures in accordance with law, instead of issuing the impugned proceedings straightaway under Section 79 based on the so called admission which is subsequently retracted.

11. Therefore, I find that the impugned proceedings issued under Section 79 is not sustainable. No doubt, the first respondent sought to rely upon Section 83 to contend that the first respondent is entitled to make the provisional attachment.

12. Perusal of Section 83 would show that the such provisional attachment can be resorted to only when proceedings are pending under any of the provisions viz., Section 62, 63, 64, 67, 73 and 74.

13. In this case, as admitted by the learned counsel appearing for the first respondent, no such proceedings are pending as on today under any of the above provisions. Therefore, I am of the view that Section 83 also would not come to the rescue of the respondent to sustain the impugned proceedings.

[Emphasis Supplied]

M/s Commercial Steel Engineering Corporation Civil Writ Jurisdiction Case No. 2125 of 2019- Patna High Court

Hon'ble Patna High Court has held that words "availed" or "utilized" used in Section 73 each denote a positive act , and when such positive act is substantiated, only then can the dealer concerned be liable for recovery of such amount of tax availed from the input tax credit or utilized by him. However, such credit must have been used by him i.e. the credit balance must have reduced.

The Hon'ble Court further stated that recovery u/s 73(1) can be initiated only where the input tax credit has been availed or utilized to reduce tax liability. Mere reflection of credit in electronic credit ledger would not amount to an act of availment for initiating proceedings u/s 73(1). The relevant extracts of the judgement are reproduced as under:

32. In my opinion, the Assistant Commissioner of State Taxes has somewhere got confused to treat the transitional credit claimed by the dealer as an availment of the said credit when in fact ***an availment of a credit is a positive act and unless carried out for reducing any tax liability by its reflection in the return filed for any financial year, it cannot be a case of either availment or utilization.*** *It is rightly argued by Mr. Kejriwal that* ***even if the respondent No. 3 was of the opinion that the petitioner was not entitled to such transitional credit at best, the claim could be rejected but such rejection of the claim for transitional credit does not bestow any statutory jurisdiction upon the assessing authority to correspondingly create a tax liability especially when neither any such outstanding liability exists nor such credit has been put to use.***

Contd…

33. Had it been a case where the credit shown in electronic ledger, was availed or utilized for meeting any tax liability for any year, there would be no error found in the action complained but it would be stretching the term 'availment' beyond prudence to treat the mere reflection of the transitional credit in the electronic credit ledger as an act of availment, for drawing a proceeding under Section 73(1) of 'the BGST Act'. The provisions underlying Section 73 is self eloquent and it is only if such availment is for reducing a tax liability that it vests jurisdiction in the assessing authority to recover such tax together with levy of interest and penalty under Section 50 but until such time that the statutory authority is able to demonstrate that any tax was recoverable from the petitioner, ***a reflection in the electronic credit ledger cannot be treated as an 'availment'.***

[Emphasis Supplied]

No interest on liability arises due to retrospective amendment

- Government has made a retrospective amendment in Section 140 of the CGST Act w.e.f 1st July 2017 vide CGST Amendment Act, 2018, providing that credit of Krishi Kalyan Cess or EC/SHEC shall not be allowed to be carried forward through GST TRAN-1. The Central Government has appointed 01.02.2019 as the date on which the provisions of CGST Amendment Act, 2018 shall come into force.

- In the case of ***Star India (P) Ltd. v. Commissioner of Central Excise, Mumbai & Goa, (2005) 7 SCC 203*** the Hon'ble Apex Court held as under:

  "The liability to pay interest would only arise on default and is really in the nature of a quasi-punishment. Such liability although created retrospectively could not entail the punishment of payment of interest with retrospective effect."

- In any case Hon'ble Madras High Court in the case of ***Sutherland Global Services Pvt. Ltd. vs. Assistant Commissioner CGST and Central Excise, Writ Petition No.4773 of 2018*** has allowed the transitional credit of KKC, EC/SHEC under GST.

CASES RELATED TO ERROR IN FILING GST TRAN-1

Vision Distribution Pvt. Ltd. W.P.(C) 8317/2019- Delhi HC

The Hon'ble Delhi High Court while allowing refund of tax paid in cash on exports due to not availability of option to claim carry forward ITC on 01.07.2017 held that

The business activity in the country could not be expected to come to a standstill, only to await the Respondents making the GST system workable. The failure of the Respondents in first putting a workable system in place, before implementing the GST regime, reflects poorly on the concern that the Respondents have shown to the difficulties that the trade faced throughout the length and breadth of the country. Unfortunately, even after passage of over two years, the Respondents have not remedied their omissions and failures by taking corrective steps. They continue to take shelter of the limitations in, and the inability of their software systems to grant refund, despite the same being justified. The rights of the parties cannot be subjugated to the poor and inefficient software systems adopted by the Respondents. The software systems adopted by the Respondents have to be in tune with the law, and not vice versa. The system limitations cannot be a justification to deny the relief, to which the Petitioner is legally entitled.

[Emphasis Supplied]

SRC AVIATION (P) LTD W.P.(C) 12167/2019- Delhi HC

The Hon'ble Delhi High Court directed the Department to either open online portal to enable the petitioner to file Form TRAN-1 electronically or accept the same manually on or before 31.12.2019 while noting that it is not fair to expect that each person who may not have been able to upload the Form GST TRAN-1 should have preserved some evidence of it such as, by taking a screen shot. Many of the registered dealers/traders come from rural/semiliterate background. They may not have had the presence of mind to create any record of their having tried, and failed, to upload the Form GST TRAN-1. The Hon'ble Court also held credit to be "property" protected by Article 300A. The relevant extracts are reproduced as under:

9. The factual position in the present case is not any different and petitioner is also entitled to similar relief. At this juncture, it may be noted that as per Notification No. 49/2019 dated 09.10.2019 issued by CBIC, the date prescribed for filing of Form GST TRAN-1 under Rule 117 (1A) of the CGST Rules has been extended to 31.12.2019. This itself demonstrates that the Respondents recognise the fact that the registered persons were not able to upload the Form GST TRAN-1 due to the glitches in the system. It is not fair to expect that each person who may not have been able to upload the Form GST TRAN-1 should have preserved some evidence of it – such as, by taking a screen shot. Many of the registered dealers/traders come from rural/semiliterate background. They may not have had the presence of mind to create any record of their having tried, and failed, to upload the Form GST TRAN-1. They cannot be made to suffer in this background, particularly, when the systems of the Repsondents were not efficient.

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From the documents placed on record, it emanates that the Respondents have no cogent ground to deny the benefit of the Notification No. 49/2019 dated 09.10.2019 issued specifically to grant relief to taxpayers who faced difficulty in filing Form GST TRAN-1 due to technical glitches.

10. We may further add that the credit standing in favour of an assessee is "property" and the assessee could not be deprived of the said property save by authority of law in terms of Article 300 (A) of the Constitution of India. There is no law brought to our notice which extinguishes the said right to property of the assessee in the credit standing in their favour.

[Emphasis Supplied]

Hans Raj Sons CWP 36393/2019- P&H HC

The Hon'ble P&H High Court while allowing the petitioner to avail ITC by filing Form TRAN-1 by 31.12.2019 in alternative also allowed the petitioner to avail benefit of unutilized credit in their GSTR-3B for January 2020 if the petitioner is hampered in any way for filing TRAN-1 due to non opening of the Portal by the Department. The relevant extract is reproduced as under:

In view of above, present petition is allowed in terms of the said CWP No.30949 of 2018 decided on 04.11.2019 with permission/modification to file the said Statutory Form TRAN-I by 31.12.2019.

It is clarified that in case the petitioner is hampered in any manner from availing the benefit of aforesaid judgment, due to non opening of the Portal by the Respondents, then the petitioner shall be permitted, in the alternative to claim the benefit of unutilized credit in their GST-3B Forms to be filed for the month of January,2020 either electronically or manually.

[Emphasis Supplied]

THE TYRE PLAZA W.P.(C) 8970/2019- Delhi HC (Argued by ALA Legal)

The Hon'ble High Court observed that the entire GST system is still in a trial and error phase and it will be too much of a burden to place on the Assessees to expect them to comply with the requirement of the law where they are unable to even connect with the system on account of network failures or other failures. Thus, the Hon'ble Court directed the Department to open the Portal to enable the Petitioner to file Tran-1, failing which they shall accept the Form Tran-1 manually filed by the Petitioner. The relevant extracts are reproduced as under:

7. As observed by this Court in several orders i.e. in ***Bhargava Motors v. Union of India 2019 SCC OnLine Del 8474, Kusum Enterprises Pvt. Ltd. v. Union of India [WP(C) 7423/2019] and Sanko Gosei Technology India Pvt. Ltd. v. Union of India & Ors. [WP(C) 7335/2019]****, the entire GST system is still in a trial and error phase and it will be too much of a burden to place on the Assessees to expect them to comply with the requirement of the law where they are unable to even connect with the system on account of network failures or other failures.*

Contd…

8. The Court would urge the ITGRC to review the policy it has adopted in such cases, and acknowledge instances like the present one, where the Petitioners are not able to link with the Portal and therefore, the fact of a technical glitch is not able to be accounted for in the system.

9. The Court therefore, directs that the Respondents to either open the Portal to enable the Petitioner to again file the TRAN-1 Form electronically, failing which they will accept the TRAN–1 Form already filed manually by the Petitioner.

[Emphasis Supplied]

CASES RELATED TO REFUND UNDER GST

GSI Products Vs. Union of India & others WP(C) 9161/2018- Delhi HC

These Writs constituted the matter of issuance of refund to the petitioner.

i. Order dated 11.01.2019

The Hon'ble High Court has granted liberty to file manual application for refund.

ii. Order dated 28.03.2019

The Hon'ble Court has directed the department to accept the manual application. The Court has directed to the department to hear the petitioner and process the refund application on the specific date and time fixed by the court.

iii. Order dated 07.05.2019

The Hon'ble High Court said that "if before the next date, there is no definite decision taken on the refund application, then provisional refund in terms of Rule 91 of CGST and DGST Rule will be positively paid to petitioners".

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iv. Order dated 21.05.2019

The Hon'ble High Court of Delhi had issued notice to Commissioner VAT and members of Refund Approval Committee of DVAT for disobedience of its orders (i.e. sanctioning of refund) requiring their personal presence on the next date of hearing viz. 29.05.2019.

On objection of Petitioner's Counsel, the Court had also asked the Commissioner to explain the legal sanctity of the Refund Approval Committee (RAC).

v. Order dated 29.05.2019

In view of the Counsel's arguments and the observations of the Hon'ble Court that Refund Approval Committee (RAC) has no basis under the Act, Commissioner VAT, State Tax (GST) and the counsel for State agreed to disband the RAC.

Sales Tax Bar Association & Anr. Vs. Union of India & Ors. WP(C) 10284/2018- Delhi HC

This Writ constitutes the issue of refund facing by the large number of assessees at different stages i.e. delay in refund, etc.

Order dated 28.09.2018

The Hon'ble High Court issued notice to the Respondents (Union of India, GNCTD, GST Council, GSTN & others) to file inter alia data regarding:

(i) refund applications filed and claimed,

(ii) refund applications pending with amount claimed,

(iii) refunds which have been issued, and

(iv) refunds paid by the Central Government and the State Government.

HCL Infosystem Ltd. Vs. UOI- W.P(C) No. 9314 of 2019- Delhi HC

The Department had rejected the refund claim of Rs. 5.67 Cr of the Petitioner which he had filed on 14.01.2019 vide rejection order dated 22.07.2019. The order neither mentioned any reason for rejection, nor the Respondents provided any hearing opportunity to the petitioner before passing rejection order.

Thereafter the petitioner filed the writ petition before Delhi High Court. On the second date of hearing the Hon'ble High Court vide Order dated 06.09.2019 set aside the rejection order and ordered the Respondents to pass a reasoned order after giving hearing opportunity to the Petitioner. Thereafter, the Respondents passed the refund sanctioned order. Now we are contesting for the interest of Rs. 21 Lac on the delayed payment of Refund.

The Special Commissioner Delhi GST Appeared and stated before the Court that as on 18.10.2019 a total 593 refund applications are pending in the states of Delhi. Out of 593 refund applications, 95 applications are pending for more than 60 days. The Hon'ble Court has directed the Respondent to file an affidavit in this regard showing the status of the pending refund application along with the reasons for their pendency. Also the affidavit should disclose the status with regard to provisional refund payable in terms of Rule 91 (2) of the CGST and DGST Rules. The Hon'ble High Court has directed the Special Commissioner to file the affidavit within two weeks.

ISSUES RELATED TO SABKA VISHWAS (LEGACY DISPUTE RESOLUTION) SCHEME, 2019

Kiran Borewells Vs. Union of India W.P. No. 51299/2019 – Delhi HC

Issue:

- SCN issued on 21.10.2019 and communications made vide letters dated 13.11.2018, 20.01.2019 and other various follow-ups.
- Scheme rejected on the ground that "tax dues were not intimated, therefore, the same was not quantified for the period involved.

Order:

- The impugned order dated 24.10.2019 is the unilateral decision taken by the Respondent without giving an opportunity of hearing to the Petitioner.
- Any order passed by the quasi judicial authority adversely affecting the rights of the parties should be strictly in adherence to the principles of natural justice.
- The petitioner shall appear before the respondent without waiting for any notice and put forth his explanation/submission.
- Designated Committee shall re-consider the matter after providing an opportunity of hearing and take a decision in accordance with law, in an expedite manner.

Nidhi Gupta Vs. Union of India and Anr. W.P.(C) 12917/2019--Delhi HC

9.We expect from the respondents that they shall follow scrupulously the Scheme, 2019 and the provisions of the relevant Act whenever any benefit is to be given for the Central Excise and for the Service Tax. As and when the individual case will come to the Court in detail, the provisions of the Scheme, 2019 and the relevant Act shall be matched with the facts of that individual case. In view of disposal of the main writ petition, this application is dismissed as having become infructuous.

STANDARD OPERATING PROCEDURE TO BE FOLLOWED IN CASE OF NON-FILERS OF RETURNS

Background

Section 46 of the CGST Act provides for issuance of notices to return defaulters. Such notice is issued in form GSTR 3A, wherein it is also mentioned that if the return is not filed within 15 days, then tax liability shall be assessed under Section 62 of the CGST Act (best judgment assessment).

The Government has observed that different practices are being followed by the Department on this issue. Therefore, by using the powers under Section 168 of the CGST Act (Power to issue instructions/ directions - for the purpose of uniformity in the implementation of the Act) has issued a Standard Operating Procedure to be followed in case of non-filers of returns.

Standard Operating Procedure

- A system generated message ***3 days before the due date***.
- ***A system generated mail / message would be sent to all the defaulters immediately after the due date***. [The said mail/message is to be sent to the authorized signatory as well as the proprietor/partner/director/karta, etc.]
- ***5 days after the due date of furnishing the return***, a notice in FORM GSTR-3A shall be issued electronically to such registered person who fails to furnish return under **section 39**, requiring him to ***furnish such return within 15 days***.
- ***Note:*** The above said notice would be deemed to be issued for best judgment assessment and no further communication would be required to pass an order by way of best judgment under Section 62, in case of subsequent failure to file such return within 15 days.
- In case the said return is still ***not filed within 15 days*** by the defaulter of the said notice, the proper officer ***may*** *proceed to assess* the tax liability, to the best of his judgment under section 62 of the CGST Act and would issue order under rule 100 of the CGST Rules in FORM GST ASMT-13. The proper officer shall upload the summary thereof in FORM GST DRC-07.
- In case the defaulter ***furnishes a valid return within 30 days*** of the service of assessment order in FORM GST ASMT-13, the said ***assessment order shall be deemed to have been withdrawn*** section 62(2) of the CGST Act.
- In case the default continues immediately after ***lapse of 30 days*** from issuance of order in FORM ASMT-13, then the proper officer ***may initiate proceedings*** under section 78 and recovery under section 79 of the CGST Act.

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Basis of information for passing best judgment assessment:

- For the purpose of best judgment assessment of tax liability under section 62 of the CGST Act, the proper officer may take into account the details of outward supplies available in the statement furnished under section 37 (FORM GSTR-1), details of supplies auto-populated in FORM GSTR-2A, information available from e-way bills, or any other relevant material information available from any other source, including from inspection which he has gathered under section 71.

Additional actions which might be initiated if the default continues:

- In deserving cases, based on the facts of the case, the Commissioner **may resort to provisional attachment** to protect revenue under section 83 of the CGST Act before issuance of FORM GST ASMT-13.
- The proper officer would initiate action under sub-section (2) of section 29 of the CGST Act for **cancellation of registration** in cases where the return has not been furnished for the period specified in section 29 [Section 29 empowers to cancel the registration in case of non-filing of returns for continuous period of six months].

THANK YOU

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