

Dated: 27.05.2023

To,

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**Subject :** Reply to Notice – Annexure to GSTR 01 dated 02.05.2023.

Respected Sir,

1. That we are ..... having GSTN .....
2. That we have applied for cancellation of registration and which was duly cancelled w.e.f. 30.01.2019.
3. That we have also filed GSTR 10 dated 09.05.2023 vide ARN .....
4. During the period of registration, there were no outward supplies made and no inward supplies received for which Input Tax Credit (ITC) was claimed.

**In reference to above said notice we submit the following:**

1. That the said notice issued does not comply with requirement of Rule 142 of GST Rules and has not been issued in the required format.
2. That since a nil GSTR-10 has been filed, there is no basis for imposing a penalty under GST Law.
3. That the learned officer has disregarded the general disciplines related to penalty enumerated in Section 126 of GST law while issuing this notice. The relevant section 126 is reproduced below:

**General disciplines related to penalty.**

**126. (1) No officer under this Act shall impose any penalty for minor breaches of tax regulations or procedural requirements and in particular, any omission or mistake in documentation which is easily rectifiable and made without fraudulent intent or gross negligence.**

*Explanation.*—For the purpose of this sub-section,—

**(a) a breach shall be considered a 'minor breach' if the amount of tax involved is less than five thousand rupees;**

**(b) an omission or mistake in documentation shall be considered to be easily rectifiable if the same is an error apparent on the face of record.**

**(2) The penalty imposed under this Act shall depend on the facts and circumstances of each case and shall be commensurate with the degree and severity of the breach.**

**(3) No penalty shall be imposed on any person without giving him an opportunity of being heard.**

(4) The officer under this Act shall while imposing penalty in an order for a breach of any law, regulation or procedural requirement, specify the nature of the breach and the applicable law, regulation or procedure under which the amount of penalty for the breach has been specified.

(5) When a person voluntarily discloses to an officer under this Act the circumstances of a breach of the tax law, regulation or procedural requirement prior to the discovery of the breach by the officer under this Act, the proper officer may consider this fact as a mitigating factor when quantifying a penalty for that person.

(6) The provisions of this section shall not apply in such cases where the penalty specified under this Act is either a fixed sum or expressed as a fixed percentage.

**PRAYER**

In light of the above submission it is requested before your good office to drop the penalty proceedings.

In any case, it is prayed that opportunity of hearing may be granted to us.

Signature

For .....

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