GOVERNMENT OF TELANGANA
COMMERCIAL TAX DEPARTMENT

Attachment to Show Cause Notice in Form DRC-01

DIN	GST/36AAHFB7046A1ZT/19
Designation of the assessing officer	DEPUTY COMMISSIONER (ST)
Office details Circle Division	BEGUMPET STU2 BEGUMPET
Details of the Tax payer Name Legal Name GSTIN	B&C ESTATES5 B & C ESTATES 36AAHFB7046A1ZT
Financial Year	2018-19

You have filed annual return in GSTR-09 for the financial year 2018-19.

On examination of the information furnished in this return under various heads and also the information furnished in TRAN-1, GSTR-01, GSTR-2A, GSTR-3B, EWB and other records available in this office it is found that you have not declared your correct tax liability while filing the annual returns of GSTR-09. The summary of under declared tax is as follows:

SGST Rs.**7707113.00**
CGST Rs.**7707112.80**
Total Rs.**15414225.80**

The details of the above tax liability are as follows:

1. Net tax liability under declared on account of non-reconciliation of information declared in GSTR-09:

A. The excess input tax credit(ITC) claimed on account of non-reconciliation of information declared in GSTR-09:

Under Sec 16(2)(c) every registered person shall be entitled to take credit of ITC on supply of goods or services to him subject to the condition that the tax charged in respect of such supply has been actually paid to the Government either in cash or through utilization of ITC admissible in respect of such supply.

It is observed that the tax payer has not correctly availed input tax on his inward supplies on reconciliation of turnovers in GSTR-09. Resulting in tax payable to a tune of **Rs. 3441980.86**

S.No	Issue	Table No. in GSTR-09	SGST	CGST	Total
1	2	3	4	5	6
1	Excess claim of ITC declared in GSTR-09	8D	1720990.53	1720990.33	3441980.86
2	Add excess claim of IGST on imports in GSTR-09	8I	0.00	0.00	0.00
3	Total excess claimed of ITC as per GSTR-09		1720990.53	1720990.33	3441980.86

2. Excess claim of ITC:

• Excess ITC reversed in GSTR-09 over and above GSTR-3B:

You have reversed ITC in GSTR-09 over and above the amount reversed in GSTR-3B which has resulted in an underpayment of tax as follows:

S.No	Description	Table No. in GSTR-09	SGST	CGST	Total
1	2	3	4	5	6
1	Reversals in GSTR-09 related to current year	7I (-) 7E	740047.49	740047.49	1480094.98
2	Net reversals in GSTR-09 in the current year after reducing the reversals pertaining to previous year.	{12 of previous FY GSTR-09} (–) {12 of current FY GSTR-09}	0.00	0.00	0.00
3	Reversals in GSTR-3B	4B(1) + 4B(2) of GSTR-3B	0.00	0.00	0.00
4	Excess reversals in GSTR-09	S.No.1 (-) {S. No.3 (-) S.No.2}	740047.49	740047.49	1480094.98

• ITC to be reversed on non-business transactions & exempt supplies

Under Sec 17(1) & (2) where the goods or services or both are used by the registered person partly for the purpose of business, partly for other purposes or partly used for effecting exempt supply and partly for taxable supply then the amount of credit shall be restricted to so much of the input tax as is attributable to the taxable supplies in the course of business. Therefore the taxable person needs to make an apportionment of available input tax credit under Rule 42 & 43 to arrive at the eligible ITC.

However as seen from the GSTR-09 return filed it is evident that you have not made such apportionment resulting in excess claim of ITC than you are eligible. The details of the working are as under:

S.No	Issue	Table no. in GSTR-09	Value of outward supply	SGST	CGST	Total
1	2	3	4	5	6	7
1	Total supplies	5N+10-11	326607474.45	-	-	-
2	Exempt supplies	5C + 5D + 5E + 5F	117358948.77	-	-	-
3	Proportion of common ITC which has to be reversed to the extent of exempt supply (2/1 above)		0.36	-	-	-
4	Common input tax credit	6O+13-12	-	9059175.28	9059175.28	18118350.56
5	ITC to be reversed	{S.No.4 (x) S. No.2}/S.No.1	-	3255208.07	3255208.07	6510416.14
6	ITC reversed as per GSTR-09	7C + 7D +7F + 7G	-	0.00	0.00	0.00
7	Difference/Excess ITC claimed	S.No.5 (-) S. No.6	-	3255208.07	3255208.07	6510416.14

Therefore the excess ITC claimed is proposed to be recovered.

• **Under declaration of Ineligible ITC:**

Under Sec 17(5) of the SGST Act, 2017 input tax credit shall not be available in respect of the list of commodities & services mentioned therein subject to certain conditions.

It is seen from GSTR-09 and other information that they have claimed ITC on these commodities and therefore the ITC claimed on these commodities or services is proposed to be recovered.

S.No	Commodity/Service	HSN code	Table no. in GSTR-09	SGST	CGST	Total
1	2	3	4	5	6	7
1	Works contractors	9954;		1988357.71	1988357.91	3976715.62
2	Accident & Health Insurance	997133;		2509.20	2509.20	5018.40
A	Total ineligible ITC u/s 17(5)	-		1990866.91	1990866.91	3981733.82
B	Ineligible ITC declared in GSTR-09	-	7E	0.00	0.00	0.00
C	Difference/excess ITC claimed	-		1990866.91	1990866.91	3981733.82

Summary :

The total tax payable on account of these deficiencies after giving credit to the payments made in cash and ITC adjusted is arrived as follows:

S.No	Issue	SGST	CGST	Total
1	2	3	4	5
1	Total tax due in (1)+(2) above	7707113.00	7707112.80	15414225.80

(The detailed workings of the above in tabular form are attached as Annexures-B)

Therefore it is proposed to assess the registered tax payer for the net tax payable indicated above under Section 73 of the SGST/CGST Act. The registered tax payer may therefore pay the tax along with interest in DRC-03. However, If the registered tax payer is not agreeing with the proposals in this notice they may file their objections in DRC-06 within (15) days from the date of receipt of this notice. A draft standard format is also attached for filing your response along with your detailed reply.

To download response pdf Click Here

Details of Ineligible ITC 17 (5)   Date: 12-11-2021   Rs in Rupees

GSTIN : 36AAHFB7046A1ZT
Name : B&C ESTATES5   FY : 2018-19

S.No.	Seller Name	Seller GSTIN	Commodity / Service	HSN code	Month	R1 to this dealer		
						SGST	CGST	Total
1	2	3	4	5	6	7a	7b	7c
1	SUMMIT SALES LLP	36ACQFS2044C1Z7	Works contractors	9954;	Apr, 2018	129735.46	129735.46	259470.92
2	KAILASH PANDAY	36BDAPK8279D1ZG	Works contractors	9954;	Apr, 2018	17006.58	17006.58	34013.16
3	SUMMIT SALES LLP	36ACQFS2044C1Z7	Works contractors	9954;	May, 2018	173935.90	173935.90	347871.80
4	KAILASH PANDAY	36BDAPK8279D1ZG	Works contractors	9954;	May, 2018	26325.00	26325.00	52650.00
5	MODI PROPERTIES PRIVATE LIMITED	36AABCM4761E1ZM	Works contractors	9954;	May, 2018	2380.14	2380.14	4760.28
6	SUMMIT SALES LLP	36ACQFS2044C1Z7	Works contractors	9954;	Jun, 2018	112554.14	112554.14	225108.28
7	KAILASH PANDAY	36BDAPK8279D1ZG	Works contractors	9954;	Jun, 2018	90187.20	90187.20	180374.40
8	MODI PROPERTIES PRIVATE LIMITED	36AABCM4761E1ZM	Works contractors	9954;	Jun, 2018	2616.30	2616.30	5232.60
9	SUMMIT SALES LLP	36ACQFS2044C1Z7	Works contractors	9954;	Jul, 2018	143307.58	143307.58	286615.16
10	KAILASH PANDAY	36BDAPK8279D1ZG	Works contractors	9954;	Jul, 2018	27590.94	27590.94	55181.88
11	MODI PROPERTIES PRIVATE LIMITED	36AABCM4761E1ZM	Works contractors	9954;	Jul, 2018	1361.30	1361.30	2722.60
12	SUMMIT SALES LLP	36ACQFS2044C1Z7	Works contractors	9954;	Aug, 2018	204496.43	204496.43	408992.86
13	KAILASH PANDAY	36BDAPK8279D1ZG	Works contractors	9954;	Aug, 2018	39751.65	39751.65	79503.30
14	MODI PROPERTIES PRIVATE LIMITED	36AABCM4761E1ZM	Works contractors	9954;	Aug, 2018	300.62	300.62	601.24
15	SUMMIT SALES LLP	36ACQFS2044C1Z7	Works contractors	9954;	Sep, 2018	159259.52	159259.52	318519.04
16	KAILASH PANDAY	36BDAPK8279D1ZG	Works contractors	9954;	Sep, 2018	9162.81	9162.81	18325.62
17	STAR HEALTH AND ALLIED INSURANCE COMPANY LIMITED	36AAJCS4517L1ZZ	Accident & Health Insurance	997133;	Sep, 2018	821.25	821.25	1642.50
18	MODI PROPERTIES PRIVATE LIMITED	36AABCM4761E1ZM	Works contractors	9954;	Sep, 2018	358.48	358.48	716.96
19	SUMMIT SALES LLP	36ACQFS2044C1Z7	Works contractors	9954;	Oct, 2018	241882.12	241882.12	483764.24
20	KAILASH PANDAY	36BDAPK8279D1ZG	Works contractors	9954;	Oct, 2018	19561.50	19561.50	39123.00
21	STAR HEALTH AND ALLIED INSURANCE COMPANY LIMITED	36AAJCS4517L1ZZ	Accident & Health Insurance	997133;	Oct, 2018	906.75	906.75	1813.50
22	MODI PROPERTIES PRIVATE LIMITED	36AABCM4761E1ZM	Works contractors	9954;	Oct, 2018	374.76	374.76	749.52
23	SUMMIT SALES LLP	36ACQFS2044C1Z7	Works contractors	9954;	Nov, 2018	104381.39	104381.39	208762.78
24	KAILASH PANDAY	36BDAPK8279D1ZG	Works contractors	9954;	Nov, 2018	48428.91	48428.91	96857.82
25	SUMMIT SALES LLP	36ACQFS2044C1Z7	Works contractors	9954;	Dec, 2018	117450.03	117450.03	234900.06
26	KAILASH PANDAY	36BDAPK8279D1ZG	Works contractors	9954;	Dec, 2018	4362.75	4362.75	8725.50
27	JOHNSON LIFTS PVT LTD	36AAACJ0838Q1Z7	Works contractors	9954;	Dec, 2018	1427.49	1427.49	2854.98
28	SUMMIT SALES LLP	36ACQFS2044C1Z7	Works contractors	9954;	Jan, 2019	67374.12	67374.12	134748.24
29	KAILASH PANDAY	36BDAPK8279D1ZG	Works contractors	9954;	Jan, 2019	12171.33	12171.33	24342.66

S.No.	Seller Name	Seller GSTIN	Commodity / Service	HSN code	Month	R1 to this dealer		
						SGST	CGST	Total
1	2	3	4	5	6	7a	7b	7c
30	SUMMIT SALES LLP	36ACQFS2044C1Z7	Works contractors	9954;	Feb, 2019	103770.22	103770.42	207540.64
31	KAILASH PANDAY	36BDAPK8279D1ZG	Works contractors	9954;	Feb, 2019	19480.05	19480.05	38960.10
32	SUMMIT SALES LLP	36ACQFS2044C1Z7	Works contractors	9954;	Mar, 2019	87232.90	87232.90	174465.80
33	KAILASH PANDAY	36BDAPK8279D1ZG	Works contractors	9954;	Mar, 2019	20130.09	20130.09	40260.18
34	STAR HEALTH AND ALLIED INSURANCE COMPANY LIMITED	36AAJCS4517L1ZZ	Accident & Health Insurance	997133;	Mar, 2019	781.20	781.20	1562.40
	Total					1990866.91	1990867.11	3981734.02

Note:

SGST Ineligible ITC = Total SGST ineligible ITC u/s 17(5) from GSTR-01 to this dealer - 7E SGST of GSTR09

= 1990866.91 - 0.00

= 1990866.91

CGST Ineligible ITC = Total CGST ineligible ITC u/s 17(5) from R1 to this dealer - 7E SGST of GSTR09

= 1990867.11 - 0.00

= 1990866.91

Office of Deputy Commissioner

Jurisdiction: Begumpet STU-2:Begumpet:Telangana
State/UT: Telangana

Reference No : ZD3611210038014 **Date: 12/11/2021**

To

GSTIN/ID: 36AAHFB7046A1ZT
Name: B & C ESTATES
Address : 5-4-187/3 and 4, 2nd floor, soham mansion, mg road, secunderabad, Ranga Reddy, Telangana, 500003

Tax Period : APR 2018 - MAR 2019 **F.Y. 2018-2019**

ARN- NA **Date- NA**
(Voluntary payment intimation details, if applicable)

Show Cause Notice under section 73

It has come to my notice that tax due has not been paid or short paid or refund has been released erroneously or input tax credit has been wrongly availed or utilized by you or the amount paid by you through the above referred application for intimation of voluntary payment for the reasons and other details mentioned in annexure for the aforesaid tax period

Therefore, you are directed to furnish a reply along with supporting documents as evidence in support of your claim by the date mentioned in table below.

You may appear before the undersigned for personnel hearing either in person or through authorized representative for representing your case on the date, time and venue, if mentioned in table below.

Please note that besides tax, you are also liable to pay interest and penalty in accordance with the provisions of the Act.

If you make payment of tax stated above along with up to date interest within 30 days of the issue of this notice with applicable penalty then proceeding may be deemed to have been concluded.

Details of personal hearing etc.

Sr. No.	Description	Particulars
1	Section under which show cause notice/statement is issued	73
2	Date by which reply has to be submitted	26/11/2021
3	Date of personal hearing	NA
4	Time of personal hearing	NA
5	Venue where personal hearing will be held	NA

Demand Details-

(Amount in Rs.)

Sr. No.	Tax Rate(%)	Turnover	Tax Period		Act	POS (Place of Supply)	Tax	Interest	Penalty	Fee	Others	Total
			From	To								
1	2	3	4	5	6	7	8	9	10	11	12	13
1	0	0.00	APR 2018	MAR 2019	SGST	NA	77,07,113.00	0.00	0.00	0.00	0.00	77,07,113.00
2	0	0.00	APR 2018	FEB 2019	CGST	NA	77,07,113.00	0.00	0.00	0.00	0.00	77,07,113.00

Total							1,54,14,226.00	0.00	0.00	0.00	0.00	1,54,14,226.00

Signature
Name: AravindaReddy E
Designation: Deputy Commissioner
Jurisdiction: Begumpet STU-2:Begumpet:Telangana

FORM GST DRC - 01
[See rule 100(2) & 142(1)(a)]

Reference No. - ZD3611210038014 **Date - 12/11/2021**

To

GSTIN/ID: 36AAHFB7046A1ZT
Name: B & C ESTATES
Address : 5-4-187/3 and 4, 2nd floor, soham mansion, mg road, secunderabad, Ranga Reddy, Telangana, 500003

Tax Period : APR 2018 - MAR 2019 **F.Y.- 2018-2019**

SCN Reference No. ZD3611210038014 **Date 12/11/2021**

Section / sub-section under which SCN is being issued - 73

Summary of Show Cause Notice

(a) Brief Fact of the Case : Detailed attachments enclosed

(b) Grounds : Under Section 73, 17(5)

(c) Tax and other dues

(Amount in Rs.)

Sr. No.	Tax Rate(%)	Turnover	Tax Period		Act	POS (Place of Supply)	Tax	Interest	Penalty	Fee	Others	Total
			From	To								
1	2	3	4	5	6	7	8	9	10	11	12	13
1	0	0.00	APR	MAR	SGST	NA	77,07,113.00	0.00	0.00	0.00	0.00	77,07,113.00

			2018	2019								
2	0	0.00	APR 2018	FEB 2019	CGST	NA	77,07,113.00	0.00	0.00	0.00	0.00	77,07,113.00
Total							1,54,14,226.00	0.00	0.00	0.00	0.00	1,54,14,226.00

Signature
Name: AravindaReddy E
Designation: Deputy Commissioner
Jurisdiction: Begumpet STU-2:Begumpet:Telangana