

## Summit Sales LLP

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Date: 26<sup>th</sup> November 2021

To,  
Assistant Commissioner (ST)  
Ramgopalpet-Ranigunj  
Begumpet

Sir,

**Sub:** Reply to Notice dated 12<sup>th</sup> November 2021 u/s. 73-GST Act, 2017 – M/s. Summit Sales LLP, GSTIN: 36ACQFS2044C1Z7- DRC 01 - for the Financial Period: 2017-18

We are in receipt of your notice dated 16-11-2021 issued for payment demand of SGST Rs.5,64,426/- and CGST Rs. 5,64,427/-

As per the said notice the details of the tax liability are as provided below.

### 1. Reconciliation of GSTR-01 and GSTR-09

In the said para, reconciliation is made between tax liability as per GSTR 1 and GSR 9.

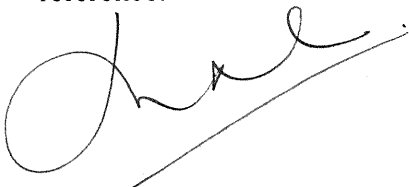
GST R -09, contains details of annual sales for the year. The sales that have been excess reported in GSTR-1 are rectified and reported correctly in GSTR-09. It is also to be noted that taxes are paid through form GSTR -3B. The table below provides the details of outward tax liability for F.Y. 17-18 paid vs. payable as per books of accounts.

| Particulars                                    | IGST | CGST      | SGST      | Cess |
|------------------------------------------------|------|-----------|-----------|------|
| Outward Tax Liability paid in GSTR 3B          | -    | 10,32,018 | 10,32,018 | -    |
| Outward Tax liability as per Books of Accounts | -    | 10,13,853 | 10,13,851 | -    |
| Taxes Excess paid in GSTR 3B of F.Y. 17-18     |      | 18,165    | 18,167    | -    |

Therefore, it is evident that there is no short payment of outward tax liability in F.Y. 17-18.

### 2. Excess ITC claimed in GSTR-3B compared to GSTR-09

ITC excess availed is reversed in GSTR 3B of Sep-18 and Mar-19. GSTR -3B is attached for reference.



**3. 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”.

It is to be noted that ITC availed in GSTR 3B pertains to ITC on inward supplies used to affect outward taxable supplies. Goods and services on which ITC is availed is used completely to effect taxable supply.

Following is the break – up of exempt income as reported in GSTR – 9.

|                           |                 |
|---------------------------|-----------------|
| FD Interest Income        | 41,171          |
| Exempt / Nil Rated Supply | 3,80,125        |
|                           | <b>4,21,296</b> |

We request you to consider the above submissions and drop any further proceedings in this regard.

Thanking you,

Yours Sincerely,

**For SUMMIT SALES LLP**



**(SODHM SATISH MODI)**  
**Authorised Signatory**