

12/11/21

GOVERNMENT OF TELANGANA
COMMERCIAL TAX DEPARTMENT

Attachment to Show Cause Notice in Form DRC-01

DIN	GST/36ACQFS2044C1Z7/19
Office details Designation of the assessing officer Unit Division	ASSISTANT COMMISSIONER (ST) M.G.ROAD-S.D.ROAD BEGUMPET
Details of the Tax payer Name Legal Name GSTIN	SUMMIT SALES LLP SUMMIT SALES LLP 36ACQFS2044C1Z7
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.2522954.50
CGST Rs.2522954.68
Total Rs.5045909.18

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 tax on outward supplies under declared on reconciliation of data in GSTR-09:

It is observed that the tax payer has not correctly declared tax on his outward supplies on reconciliation of turnovers in GSTR-09. Resulting in a tax payable to a tune of **Rs. 48599.36**

S.No	Issue	Table No. in GSTR-09	SGST	CGST	Total
1	2	3	4	5	6
1	Tax on taxable supplies as declared in GSTR-09	4N	8765770.59	8765770.77	17531541.36
2	Add net increase due to amendments (Increase in amendments (-) decrease in amendments)	10 (-) 11	0.00	0.00	0.00
3	Add tax on deemed supplies	16B	0.00	0.00	0.00
4	Add tax on unreturned goods	16C	0.00	0.00	0.00
5	Add pending demands	15G	0.00	0.00	0.00
6	Total output tax liability as per the above in GSTR-09		8765770.59	8765770.77	17531541.36
7	Less Total tax paid in cash	9	623409.00	189889.00	813298.00
8	Less Tax paid by adjustment of ITC	9	8118062.00	8551582.00	16669644.00
9	Less differential tax paid on amendments	14	0.00	0.00	0.00
10	Add differential tax paid on amendments related to previous year in current year.	(14) of previous FY GSTR-09	0.00	0.00	0.00
11	Under declared tax in GSTR-09		24299.59	24299.77	48599.36

B. 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. 868260.64**

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	434130.32	434130.32	868260.64
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		434130.32	434130.32	868260.64

C. Net tax payable on account of reconciliation in GSTR-09 = Total of A + Total of B = **916860.00**

2. Net tax under declared due to non-reconciliation of turnovers in other returns and E-way bill information:

In addition to the above under declared turnovers with respect to GSTR-09, it is seen that you have under declared turnovers with respect to other information available in this office.

• Reconciliation of GSTR-01 with GSTR-09:

The outward supplies turnover declared in GSTR-01 is greater than net outward supplies information furnished in GSTR-09 and arrived at box 1A(1)+1A(2) above. This amount is therefore proposed to be taxed as under declared outward supplies as follows:

S.No	Issue	SGST	CGST	Total
1	2	3	4	5
1	Tax on Outward supplies declared in GSTR-01 for the FY.	8772597.71	8772597.89	17545195.60
2	Less tax on Outward supplies arrived in GSTR-09 at box 1A(1)+1A(2)	8765770.59	8765770.77	17531541.36
3	Difference (1-2)	6827.12	6827.12	13654.24

3. Excess claim of ITC:

• Excess ITC claimed in GSTR-3B compared to GSTR-09:

You have claimed excess ITC in GSTR-3B as compared to the net ITC available in the annual return GSTR-09 which has resulted in an under payment of tax as follows:

S.No	Description	Table No. in GSTR-09	SGST	CGST	Total
1	2	3	4	5	6
1	Eligible ITC in GSTR-3B	6A	6925673.01	6925673.01	13851346.02
2	ITC pertaining to previous year but availed in the current year	{13 (-) 12} of previous GSTR-09	-471993.00	-471993.00	-943986.00
3	Net ITC available in the current year	S.No.1 (-) S. No.2	7397666.01	7397666.01	14795332.02
4	Total ITC availed in GSTR-09	6O	6925673.01	6925673.01	13851346.02
5	ITC availed in GSTR-3B in excess of GSTR-09	S.No.3 (-) 6O	471993.00	471993.00	943986.00

• 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	124987638.66	-	-	-
2	Exempt supplies	5C + 5D + 5E + 5F	28572420.00	-	-	-
3	Proportion of common ITC which has to be reversed to the extent of exempt supply (2/1 above)		0.23	-	-	-
4	Common input tax credit	6O+13-12	-	6925673.01	6925673.01	13851346.02
5	ITC to be reversed	{S.No.4 (x) S. No.2}/S.No.1	-	1583222.47	1583222.47	3166444.94
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	-	1583222.47	1583222.47	3166444.94

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	Accident & Health Insurance	997133;		2482.00	2482.00	4964.00
A	Total ineligible ITC u/s 17(5)	-		2482.00	2482.00	4964.00
B	Ineligible ITC declared in GSTR-09	-	7E	0.00	0.00	0.00
C	Difference/excess ITC claimed	-		2482.00	2482.00	4964.00

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)+(3) above	2522954.50	2522954.68	5045909.18

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

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.

ASSISTANT COMMISSIONER (ST)

To download response pdf [Click Here](#)

6ACQFS2044C1Z7
UMMIT SALES LLP FY : 2018-19

Seller Name	Seller GSTIN	Commodity / Service	HSN code	Month	R1 to this dealer		
					SGST	CGST	Total
2	3	4	5	6	7a	7b	7c
ROYAL SUNDARAM GENERAL INSURANCE CO. LIMITED	36AABCR7106G1ZK	Accident & Health Insurance	997133;	Mar, 2019	2482.00	2482.00	4964.00
Total					2482.00	2482.00	4964.00

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

2482.00 - 0.00

2482.00

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

2482.00 - 0.00

2482.00

Details of RTI vs GSTR-09		Date: 12-11-2021		Rs in Rupees	
GSTIN : 36ACQFS2044C1Z7					
Name : SUMMIT SALES LLP		FY : 2018-19			
Sl.No.	Month	GSTR-01			Total
		SGST	CGST		
1	2	3a	3b	3c	
1	Apr, 2018	382292.78	382292.78	764585.56	
2	May, 2018	605372.90	605372.90	1210745.80	
3	Jun, 2018	846525.43	846525.43	1693050.86	
4	Jul, 2018	553790.03	553790.03	1107580.06	
5	Aug, 2018	779768.92	779768.92	1559537.84	
6	Sep, 2018	690894.98	690894.98	1381789.96	
7	Oct, 2018	698168.12	698168.12	1396336.24	
8	Nov, 2018	551225.28	551225.28	1102450.56	
9	Dec, 2018	799204.26	799204.26	1598408.52	
10	Jan, 2019	624827.89	624827.89	1249655.78	
11	Feb, 2019	1025678.75	1025678.93	2051357.68	
12	Mar, 2019	1214848.37	1214848.37	2429696.74	
	Total	8772597.71	8772597.89	17545195.60	

Note:

SGST Tax = GSTR-01 SGST - SGST from [(4N+10)-11] of GST09

= 8772597.71 - 8765770.59

= 6827.12

CGST Tax = GSTR-01 CGST - CGST from [(4N+10)-11] of GST09

= 8772597.89 - 8765770.59

= 6827.12