

Summit Sales LLP

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Date: 26th November 2021

To,
Assistant Commissioner (ST)
Ramgopalpet-Ranigunj
Begumpet

Sir,

Sub: Reply to Notice dated 12th November 2021 u/s. 73-GST Act, 2017 – M/s.
Summit Sales LLP, GSTIN: 36ACQFS2044C1Z7- DRC 01 - for the
Financial Period: 2019-20

We are in receipt of your notice dated 16-11-2021 issued for payment demand of SGST Rs.2,99,437/- and CGST Rs. 2,99437/-

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

Reply to Para 1 A and Para 2:

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

In the said para it is provided that CGST of Rs 3,005 and SGST of Rs 3,005 is tax payable.

The same has been paid through DRC-03 dated 26-11-2021. DRC-03 is attached as reference

Reply to Para 1B

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

In the said para, it is provided that ITC is not availed correctly when compared to GSTR 2A and hence a demand of CGST Rs 2,90,438 and SGST Rs 2,90,438 is raised.

It is to be noted that, Under Section 16(2)(c) of CGST Act payment of tax to Government, is subject to the provisions of Section 41 read with Rules 69 and 71. However, the ITC matching, reversal mechanism laid down under Section 41 read with rules is kept in abeyance. Therefore, till the provisions in this respect are given effect, the recipients are entitled to claim the ITC on the basis of tax invoice issued by the vendor without any consideration that such tax invoice is being reflected in GSTR-2A or not.

As held by Hon'ble Supreme Court in Tata Chemicals Limited v Commissioner, 2015 (320) ELT 45 (SC) when the law requires a particular thing to be done in a particular manner, it must be done in that manner only or not done at all. Therefore, ideally, the recipient cannot be asked to comply with this condition and reverse ITC when he has no mechanism to ensure whether the supplier has paid tax to the government or not.



Summit Sales LLP is a Limited Liability Partnership
Incorporated under Limited Liability Partnership Act, 2008 with LLP

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Therefore, it is unjust to demand payment of tax under the relevant section.

Reply to Para 2:

Net tax under declared due to non-reconciliation of turnovers in other returns and Eway bill information, Reconciliation of GSTR-01 with GSTR-09:

In the said para it is provided that GST to the tune of CGST Rs 3,018 and SGST Rs 3,018 is payable on account of difference between GSTR-01 and GSTR-09.

In this regards, we would like to provide that actual liability as per BoA and as declared in GSTR-09 is CGST Rs 1,41,66,748 and SGST Rs 1,41,66,748 for the F.Y. 2019-2020. Taxes under paid of CGST Rs 3,005 and SGST Rs 3,005 have been paid though DRC-03.

Reply to Para 3:

Excess claim of ITC:

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

In the said para it is provided that CGST of Rs 394 and SGST of Rs 394 is excess claimed.

The same has been paid through DRC-03 dated 26-11-2020. DRC-03 is attached as reference.

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.

In the said para, specific clause under which input tax credit shall not be available is not mentioned.

However, without prejudice to above we would like to provide that we have not claimed insurance from Future Generali India insurance company as provided in the annexure to the notice.

In lieu of above submissions we request from you re-assess the tax liability and drop any further proceedings

Thanking you,

Yours Sincerely,

For SUMMIT SALES LLP



(SODHM SATISH MODI)
Authorised Signatory