



केंद्रीय कर: लेखा परीक्षा-II आयुक्त का कार्यालय

OFFICE OF THE COMMISSIONER OF CENTRAL TAX (AUDIT – II) COMMISSIONERATE

1-98/B/20, 21 : सान्वी यमुना प्राइड, कृत्तिका लेआउट, माधापुर, हाईटेक सिटी, हैदराबाद-500081

1-98/B/20, 21 : SANVI YAMUNA PRIDE, KRITHIKA LAYOUT, MADHAPUR, HITECH CITY, HYDERABAD-500081.

C.No. V/Audit-II/CR-I/44/2020-21/Gr 11
DIN-20221256YS000000A028

Date: 01.12.2022

To,
M/s. PARAMOUNT ESTATE
5-4-187/3 AND 4, 2ND FLOOR, SOHAM MANSION,
M.G ROAD, SECUNDERABAD, Rangareddy,
Telangana, 500003

Gentleman,

SPOT MEMO

Sub: GST Audit – M/s. PARAMOUNT ESTATE, bearing GST Registration No. 36AAJFP4202C1ZP for the period from 07/2017 to 03/2020.

Para No.I: Non-payment of Interest on delayed payment of GST.

On verification of GSTR-3B returns for the period 07/2017 to 03/2020, it is noticed that the taxpayer has filed GSTR-3B returns belatedly. In such circumstances, the taxpayer was required to pay interest on net tax liability (i.e. Cash) in terms of Section 50(1) of CGST Act, 2017. However, the taxpayer has not paid the interest on belated filed returns. The details are as under:

(Amount in Rs.)

Period		Tax liability paid in cash Rs.			No of days delay	Interest			
F.Y	Month	IGST	CGST	SGST		IGST	CGST	SGST	Total
2017-18	August	-	13,12,329	13,66,360	30	-	19,415	20,215	39,630
2019-20	July	0	1,83,605	2,78,457	40	0	3,622	5,493	9,115
	March	19,694	84,224	84,224	63	612	2,617	2,617	5,845
TOTAL		19,694	15,80,158	17,29,041		612	25,654	28,324	54,590

In this regard, the provision stipulated under Section 50 of the CGST Act, 2017 is reproduced hereunder:

50. (1) Every person who is liable to pay tax in accordance with the provisions of this Act or the rules made thereunder, but fails to pay the tax or any part thereof to the Government within the period prescribed, shall for the period for which the tax or any part thereof remains unpaid, pay, on his own, interest at such rate, not exceeding eighteen per cent., as may be notified by the Government on the recommendations of the Council.

¹Provided that the interest on tax payable in respect of supplies made during a tax period and declared in the return for the said period furnished after the due date in accordance with the provisions of section 39, except

where such return is furnished after commencement of any proceedings under section 73 or section 74 in respect of the said period, shall be levied on that portion of the tax that is paid by debiting the electronic cash ledger.

In view of the provision mentioned *supra*, the tax payer has to pay the total interest liability on such belated filing of GSTR-3B Returns during the period mentioned above is Rs. **54,590/-**. (IGST Rs. **612/-** CGST Rs. **25,654/-** and SGST Rs. **28,324 /-**)

Para-II : Short payment of tax declared in GSTR-9

During the course of audit, on verification of the annual returns filed by the tax payer, it was observed that there was a difference in tax payable and tax paid declared Pt.IV of table 9 in GSTR-9 of Annual returns for the financial years 2018-19 & 2019-20. The details of such short payment of tax are tabulated hereunder:

(Amount in Rs.)

FY	Amount payable			Amount paid			Short paid Amount		
	CGST	SGST	TOTAL	CGST	SGST	TOTAL	CGST	SGST	TOTAL
2018-19	51,22,623	51,22,623	1,02,45,246	51,12,542	51,12,542	1,02,25,084	10,081	10,081	20,162
2019-20	15,58,974	15,58,974	31,17,948	15,32,573	15,32,573	30,65,146	26,401	26,401	52,802
TOTAL	66,81,597	66,81,597	1,33,63,194	66,45,115	66,45,115	1,32,90,230	36,482	36,482	72,964

In view of the above the tax payer has to pay tax Rs. 72,964/- (CGST: Rs. 36,482/- & SGST: Rs. 36,482 /-) along with applicable Interest under Sec.50 of CGST Act, 2017 and Penalty under Sec.73(5) *ibid*.

Para-III: Un-reconciled turnover as per GSTR9C for 2017-18:

During the course of audit, From the annual returns filed by the tax payer, it was observed that there was turnover difference of Rs. 40,179 /- declared at Pt.II O of Table 5 in GSTR-9C of FY 2018-19. The details of such turnovers are tabulated hereunder:

(Amount in Rs.)

FY	Turnover difference	Tax		TOTAL
		CGST@6%	SGST@6%	
2018-19	40,179	2,411	2,411	4,821

In view of the above the tax payer has to pay tax Rs. 4,821/- (CGST: Rs. 2,411/- & SGST: Rs. 2,411/-) along with applicable Interest under Sec.50 of CGST Act, 2017 and Penalty under Sec.74 *ibid*.

Para No.IV: Short payment of GST on account of difference in tax liabilities declared in GSTR-1 & GSTR-3B.

On verification of documents viz. GSTR-1 and GST-3B Returns for the financial year 2019-20, it is noticed that the tax payer has short paid tax of Rs. 4,34,504/- . The details are as under:

(Amount in Rs.)

FY	Tax liability as per GSTR-3B		Tax liability as per GSTR-1		Difference		
	CGST	SGST	CGST	SGST	CGST	SGST	Total
2019-20	13,12,175	13,12,175	15,29,427	15,29,427	2,17,252	2,17,252	4,34,504

From the above, it is clear that the taxpayer has not discharged the tax liability to the tune of Rs. 4,34,504 /-. In this regard, the provision stipulated under Section 9, 37 and 39 of the CGST Act, 2017 is reproduced hereunder:

“9. Levy and collection.— (1) Subject to the provisions of sub-section (2), there shall be levied a tax called the central goods and services tax on all intra-State supplies of goods or services or both, except on the supply of alcoholic liquor for human consumption, on the value determined under section 15 and at such rates, not exceeding twenty per cent., as may be notified by the Government on the recommendations of the Council and collected in such manner as may be prescribed and shall be paid by the taxable person.”

37. Furnishing details of outward supplies.— (1) Every registered person, other than an Input Service Distributor, a non-resident taxable person and a person paying tax under the provisions of section 10 or section 51 or section 52, shall furnish, electronically, in such form and manner as may be prescribed, the details of outward supplies of goods or services or both effected during a tax period on or before the tenth day of the month succeeding the said tax period and such details shall be communicated to the recipient of the said supplies within such time and in such manner as may be prescribed: Provided that the registered person shall not be allowed to furnish the details of outward supplies during the period from the eleventh day to the fifteenth day of the month succeeding the tax period: Provided further that the Commissioner may, for reasons to be recorded in writing, by notification, extend the time limit for furnishing such details for such class of taxable persons as may be specified therein: Provided also that any extension of time limit notified by the Commissioner of State tax or Commissioner of Union territory tax shall be deemed to be notified by the Commissioner.

In view of the provision mentioned supra, the taxpayer has to pay the short paid tax to the tune of Rs. 4,34,504 /-(CGST: Rs. 2,17,252/- + SGST: Rs. 2,17,252/-) along with applicable Interest under Section 50 and penalty under Section 73(5) of the Act.

Para-V: Irregular availment of Input Tax Credit in excess of GSTR-2A (3B Vs 2A)

During the course of audit on verification of GSTR-2A and GSTR-3B document, it is noticed that the quantum of input tax credit availed in GSTR-3B is in excess of the amount available under GSTR-2A of respective tax period, during the financial years 2017-18 & 2018-19, as detailed hereunder ;

(Amount in Rs.)

F.Y	ITC CLAIMED AS PER GSTR-3B			AS PER 2A			DIFFERENCE			
	IGST	CGST	SGST	IGST	CGST	SGST	IGST	CGST	SGST	TOTAL
2017-18	6,03,687	45,61,389	45,61,389	6,54,216	44,62,216	44,62,216	-	99,172	99,172	1,98,344
2018-19	3,99,506	51,33,317	51,33,317	3,69,795	47,39,988	47,39,988	29,711	3,93,329	3,93,329	8,16,369
TOTAL							29,711	4,92,501	4,92,501	10,14,713

Input tax credit charged on any supply of goods or services or both, is entitled when the same are used or intended to be used in the course of furtherance of his business, subject to the conditions to avail such credit are prescribed under Sec.16 of the CGST Act, 2017.

As per Section 16(2)(c) of the CGST Act, 2017, the taxpayer shall make sure that the GST of input tax credit being availed is actually been paid to the Government account by the supplier and as per Sec.16(2)(d) of the CGST Act, 2017 the taxpayer shall make sure that the supplier has filed the statutory return prescribed under Sec.39 of the CGST Act, 2017.

The details of outward supplies declared by the suppliers in their respective GSTR-1 returns are shared with the respective recipient of goods or services or both, electronically through common portal in

the form GSTR-2A (Rule 60 of the CGST Rules, 2017), for respective tax periods. The GSTR-2A provides the details of invoices furnished by the suppliers and filing status of GSTR-3B return by the suppliers.

Further as per Sec.42 of the CGST Act, 2017 the ITC availed under GSTR-3B shall be matched with the outward supplies declared by the supplier. The relevant portion of Sec.42 of CGST Act, 2017 reads as follows;

“42. Matching, reversal and reclaim of input tax credit.—(1) The details of every inward supply furnished by a registered person (hereafter in this section referred to as the —recipient)) for a tax period shall, in such manner and within such time as may be prescribed, be matched—
(a) with the corresponding details of outward supply furnished by the corresponding registered person (hereafter in this section referred to as the —supplier)) in his valid return for the same tax period or any preceding tax period;
(b) with the integrated goods and services tax paid under section 3 of the Customs Tariff Act, 1975 in respect of goods imported by him; and.....”

Therefore, before availing the input tax credit on the goods or services or both received by the taxpayers, they should match the same with the details provided in the auto drafted form GSTR-2A, provided in common portal electronically.

Whereas it appears that such measures have not been taken before availing the input tax credit, and therefore, the input tax credit of Rs. 10,14,713 (IGST: 29,711 /-Rs. CGST: Rs. 4,92,501 /- SGST : Rs. 4,92,501 /-) availed in excess of amount available under GSTR-2A was irregular, and is required to be demanded under Sec.73 of the CGST Act, 2017 along with interest under Sec.50 of the CGST Act, 2017 and penalty under Sec.122(2)(a) of the CGST Act, 2017 read with Sec.73 of the CGST Act, 2017.

In view of the provision mentioned supra, the tax payer has to pay the input tax credit of Rs. 10,14,713 (IGST: 29,711 /-Rs. CGST: Rs. 4,92,501 /- SGST : Rs. 4,92,501 /-)for the financial years 2017-18 & 2018-19 availed in excess of amount available under GSTR-2A is irregular along with applicable interest under Section 50 of CGST Act, 2017 and penalty under section 73 of the said Act.

Para VI : RCM difference GSTR-3B vs GSTR-2A:

During the course of audit on Scrutiny of the GSTR-2A and GSTR-3B from the liability statement there is a short payment under RCM which is tabulated below. The taxpayer has not paid RCM as auto-populated in PART-A of GSTR-2A.

(Amount in Rs.)

Year	Tax liability declared in GSTR-3B during the month [as per table 3.1(d)]			Amount auto-drafted in PART-A of GSTR-2A			Shortfall (-)/ Excess (+) in liability (GSTR-3B - GSTR-2A)		
	IGST	CGST	SGST/UTGST	IGST	CGST	SGST/UTGST	IGST	CGST	SGST/UTGST
2018-19	-	-	-	3,045	-	-	3,045	-	-

In view of the above, the tax payer has to pay the RCM amount of IGST: Rs.3,045/- only along with applicable interest under Section 50 of CGST Act, 2017 and penalty under section 73 of the said Act.

Para-VII: Non reversal of Input tax credit on account of Credit Notes received:

During the course of Audit on scrutiny of GSTR-2A and GSTR-3B, it is noticed that the taxpayer has not reversed the ITC to be reversed on receipt of Credit Notes amounting to Rs. 87,746/- (CGST: Rs. 43,873/- and SGST: Rs. 43,873/-) as required under Sec.43 of the CGST Act, 2017. The details of credit notes received by the taxpayer during audit period are mentioned below:

(Amount in Rs.)

FY	CGST	SGST	TOTAL
2017-18	4,094	4,094	8,188
2018-19	36,377	36,377	72,754
2019-20	3,402	3,402	6,804
TOTAL	43,873	43,873	87,746

Hence, the Input Tax Credit of Rs. 87,746 /- (CGST:Rs. 43,873/- and SGST: Rs. 43,873/-) is required to be recovered under Sec.73 of the CGST Act, 2017, along with interest under Section 50 of the CGST Act, 2017 and penalty under Sec.122(2)(a) of the CGST Act, 2017 read with Sec.73 of the CGST Act, 2017.

Para-VIII: Irregular availment of ITC in respect of supplies where supplier has not filed GSTR-3B

During the course of audit on verification of GSTR-2A it is noticed that the taxpayer has claimed ineligible input tax credit of Rs. 46,654/- (CGST: Rs. 23,327/- SGST: 23,327/-) against invoices reflected under GSTR-2A where the suppliers has not filed GSTR-3B returns during FY 2017-18, 2018-19 & 2019-20. The details are mentioned below:

(Amount in Rs.)

FY	CGST	SGST	TOTAL
2017-18	19584	19584	39,168
2018-19	3,152	3152	6,304
2019-20	591	591	1,182
TOTAL	23,327	23,327	46,654

As per Section 16(2)(c) of the CGST Act, 2017, the taxpayer shall make sure that the GST of input tax credit being availed is actually been paid to the Government account by the supplier and as per Sec.16(2)(d) of the CGST Act, 2017 the taxpayer shall make sure that the supplier has filed the statutory return prescribed under Sec.39 of the CGST Act, 2017.

In view of the provision mentioned supra, ineligible Input Tax Credit of Rs. 46,654/- (CGST: Rs. 23,327/- SGST: 23,327/-) is availed and required to be reverse such credit along with interest under Sec.50 of the CGST Act, 2017 penalty under Sec.73 of the CGST Act, 2017.

Para IX: Short/Non-payment of GST under RCM u/s 9(3):

During the course of audit on verification of Ledgers, Records for the period 07/2017 to 03/2019, it is noticed that the tax payer has incurred an expenditure of Rs. 2,02,246 /- on Legal Services on which RCM was not paid. On such expenditure, Tax Payer is required to discharge GST under RCM under Section 9(3) of the CGST Act,2017 read with SI.No.2 of the table contained under Notification No.13/2017-C.T (Rate) dated 28.06.2017. The details of such Legal Services and GST payables there on, are mentioned below.

(Amount in Rs.)

FY	Taxable Value	CGST @ 9%	SGST @ 9%	TOTAL
2017-18	1,70,000	15,300	15,300	30,600
2018-19	32,246	2,902	2,902	5,804
Grand Total	2,02,246	18,202	18,202	36,404

In view of the above, the tax payer has to pay tax under RCM @18% for Legal Services is Rs. **36,404/-** (CGST: Rs. **18,202** /- + SGST: Rs. **18,202** /-) along with applicable Interest under Sec.50 of CGST Act, 2017 and Penalty under Sec.73(5) ibid.

Para X: Short/Non-Payment of GST under RCM on supplies received from unregistered persons u/s. 9(4)

During the audit, it is observed that the tax payer has shown certain expenditure under the head "Rent paid for model flat" but not paid GST on the same.

Section 9. Levy and collection.-

(4) 1[The Government may, on the recommendations of the Council, by notification, specify a class of registered persons who shall, in respect of supply of specified categories of goods or services or both received from an unregistered supplier, pay the tax on reverse charge basis as the recipient of such supply of goods or services or both, and all the provisions of this Act shall apply to such recipient as if he is the person liable for paying the tax in relation to such supply of goods or services or both.]

It is observed from P&L account that the taxpayer has paid an amount of Rs. 21,173 /- during the FY 2017-18. Tax amount@18% which works out to Rs. 3,992/- (CGST: Rs. 1,996 /- & SGST: Rs. 1,996 /-).

In view of the above the tax payer has to pay tax Rs. 3,992/- (CGST: Rs. 1,996 /- & SGST: Rs. 1,996 /-) along with applicable Interest under Sec.50 of CGST Act, 2017 and Penalty under Sec.73 ibid.

Para-XI: Non payment of GST on Interest received from Customers towards delayed payment of sale proceeds

During the course of audit, it is noticed that an amount of Rs. 8,74,655 /- has been received from the customers towards delay in payment of sale proceeds, as detailed hereunder.

(Amount in Rs.)

FY	Interest Received	CGST@2.5%	SGST@2.5%	TOTAL
2017-18	6,018	150	150	301
2018-19	7,63,637	19,091	19,091	38,182
2019-20	1,05,000	2,625	2,625	5,250
TOTAL	8,74,655	21,866	21,866	43,733

As per Sec.15(2)(d) of the CGST Act, 2017, the interest received towards supply is required to be included in the taxable value of goods/services or both.

Relevant portion of Sec.15 reads as under;

“15. Value of Taxable Supply.—(1) The value of a supply of goods or services or both shall be the transaction value, which is the price actually paid or payable for the said supply of goods or services or both where the supplier and the recipient of the supply are not related and the price is the sole consideration for the supply.

(2) The value of supply shall include—

(a) any taxes, duties, cesses, fees and charges levied under any law for the time being in force other than this Act, the State Goods and Services Tax Act, the Union Territory Goods and Services Tax Act and the Goods and Services Tax (Compensation to States) Act, if charged separately by the supplier;

(b) any amount that the supplier is liable to pay in relation to such supply but which has been incurred by the recipient of the supply and not included in the price actually paid or payable for the goods or services or both;

(c) incidental expenses, including commission and packing, charged by the supplier to the recipient of a supply and any amount charged for anything done by the supplier in respect of the supply of goods or services or both at the time of, or before delivery of goods or supply of services;

(d) interest or late fee or penalty for delayed payment of any consideration for any supply; and

(e) subsidies directly linked to the price excluding subsidies provided by the Central Government and State Governments.”

In view of the above, the taxpayer has to pay the tax to the tune of Rs. 43,733 /- (CGST: Rs. 21,866 /- and SGST: Rs. 21,866 /-) on the interest of Rs. 8,74,655 /- received from the customers, towards supply of goods, under Sec.73 of the CGST Act, 2017 read with Sec.15 of the CGST Act, 2017 along with interest under Sec.50 of the CGST Act, 2017 and penalty under Sec.122(2)(b) of the CGST Act, 2017 read with Sec.73 of the CGST Act, 2017.

Para-XII: Short payment of tax in the years 2018-19 – declared in GSTR 9C:

During the course of Audit, on verification of the annual returns filed by the tax payer, it was observed that there was short payment of tax on reconciliation of the tax payment in the years 2018-19 declared Pt.III O in GSTR-9C. The details of such short payment of tax are tabulated hereunder:

Year	Tax short paid		(Amount in Rs.)
	CGST	SGST	TOTAL
2018-19	43,979	43,979	87,958

In view of the above, the tax payer has to pay tax Rs. 87,958 /- (CGST: Rs. 43,979 /- & SGST: Rs. 43,979 /-) along with applicable Interest under Sec.50 of CGST Act, 2017 and Penalty under Sec.73(5) ibid.

Para-XIII: Non-payment interest on delayed reversal of ITC:

During the course of Audit, on verification of the annual returns filed by the tax payer, it was observed ITC pertain to 2018-19 to the tune of Rs. 80,143 /- of CGST and SGST each was reversed belatedly in June-2019 as declared under table 13 in GSTR-9C. However, the taxpayer has not discharged the interest on such ITC reversal. The interest amount works out to be Rs. 33,278 /- (CGST: 16,639 /-, SGST: 16,639 /-)

In view of the above, the tax payer has to pay interest of Rs. 33,278 /- (CGST: 16,639 /- & SGST: 16,639 /-).

Para-XIV: Short payment of GST - Sales Ledger/P&L Vs GSTR-3B:

During the course of Audit, on verification of the ledgers submitted by the tax payer, with the 3B returns, it was observed that the taxpayer has collected but short paid the tax during the years 2017-18, 18-19 and 19-20 . The details of such short payment of tax are tabulated hereunder:

(Amount in Rs.)

Financial Year	Tax Payable as per Ledger		Tax Paid in GSTR-3B		Short Payment	
	CGST	SGST	CGST	SGST	CGST	SGST
2017-18	64,03,362	64,03,362	62,51,397	62,51,397	1,51,965	1,51,965
2018-19	52,67,322	52,67,322	51,12,542	51,12,542	1,54,780	1,54,780
2019-20	15,36,987	15,36,987	13,12,175	13,12,175	2,24,812	2,24,812
TOTAL	1,32,07,671	1,32,07,671	1,26,76,114	1,26,76,114	5,31,557	5,31,557
GRAND TOTAL					10,63,114	

In view of the above, the tax payer has to pay tax Rs. 10,63,114/- (CGST: Rs. 5,31,557/- & SGST: Rs. 5,31,557/-) along with applicable Interest under Sec.50 of CGST Act, 2017 and Penalty under Sec.74 ibid.

Para XV: Non reversal of Input Tax Credit on unsold as on date of completion.

During course of audit it was noticed that certain flats were sold after receipt of occupancy certificate and the same were shown as exempted sales. However they have not reversed the Input Tax Credit as per rule 42 of CGST Rules in respect of inputs and input services and rule 43 of CGST Rules in respect of capital goods. The taxpayer has submitted the Occupancy certificate vide proceeding No. 2795/PB/HMDA/2018 dated 16.03.2018 for 112 residential flats out of 208 flats. Also since no data was furnished regarding carpet area etc., the value of the exempted sales of flats is taken for consideration.

Sl.No	FY	Other Outward Supplies (Nil Rated, Exempted)	CGST	SGST
1	2018-19	1,14,93,282	6,89,597	6,89,597
2	2019-20	99,38,974	5,96,338	5,96,338
TOTAL		2,14,32,256	12,85,935	12,85,935

Para 5(b) of Schedule II of CGST Act, 2017 covers real estate projects of residential and commercial apartments. As per section 17(3) of CGST Act, value of exempt supply shall include sale of building where supply is made after obtaining completion certificate. For purpose of section 17(3) of CGST Act (proportionate reversal of ITC when taxable person is making both taxable and exempt supply), the expression "value of exempt supply" shall include sale of land or sale of building after completion certificate is obtained.

In view of the above, the taxpayer has to reverse ITC /pay the GST to the tune of Rs. 25,71,870 /- (CGST: Rs. 12,85,935 /-, SGST: Rs. 12,85,935 /-) along with applicable Interest under Sec.50 of CGST Act, 2017 and Penalty under Sec.74 ibid.

Para XVI: Irregular availment of blocked Input Tax Credit u/s 17(5)

On verification of GSTR-9C for the financial year 2017-18, it was noticed that the taxpayer has availed Input Tax Credit to the tune of Rs. 17,574/- on expenses on conveyance which is blocked credit. The taxpayer has not given any clarification for the same. Therefore, the taxpayer has violated the provisions prescribed in Section 17(5) of the CGST Act, 2017. The details of the same are produced hereunder:

In this regard, the provisions stipulated under Section 16 and 17(5) of the CGST Act, 2017 are reproduced hereunder:

"16. Eligibility and conditions for taking input tax credit.—

(1) Every registered person shall, subject to such conditions and restrictions as may be prescribed and in the manner specified in section 49, be entitled to take credit of input tax charged on any supply of goods or services or both to him which are used or intended to be used in the course or furtherance of his business and the said amount shall be credited to the electronic credit ledger of such person.

(2) Notwithstanding anything contained in this section, no registered person shall be entitled to the credit of any input tax in respect of any supply of goods or services or both to him unless,—

(a) he is in possession of a tax invoice or debit note issued by a supplier registered under this Act, or such other tax paying documents as may be prescribed;

(b) he has received the goods or services or both. [Explanation.— For the purposes of this clause, it shall be deemed that the registered person has received the goods or, as the case may be, services—

(i) where the goods are delivered by the supplier to a recipient or any other person on the direction of such registered person, whether acting as an agent or otherwise, before or during movement of goods, either by way of transfer of documents of title to goods or otherwise;

(ii) where the services are provided by the supplier to any person on the direction of and on account of such registered person;]³⁸

(c) subject to the provisions of section 41, the tax charged in respect of such supply has been actually paid to the Government, either in cash or through utilisation of input tax credit admissible in respect of the said supply; and

(d) he has furnished the return under section 39:

17(5). Notwithstanding anything contained in sub-section (1) of section 16 and sub-section (1) of section 18, input tax credit shall not be available in respect of the following, namely:—

(a) motor vehicles for transportation of persons having approved seating capacity of not more than thirteen persons (including the driver), except when they are used for making the following taxable supplies, namely:—

(A) further supply of such motor vehicles; or

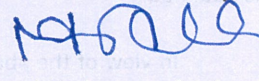
(B) transportation of passengers; or

(C) imparting training on driving such motor vehicles;

In view of the provision(s) mentioned supra, the taxpayer has to reverse the ineligible Input Tax Credit availed to the tune of Rs.17,574/- (CGST: Rs.8787/- + SGST: Rs. 8787/-) along with applicable interest under Section 50 of CGST Act, 2017 and penalty under section 74 of CGST Act, 2017.

You are requested to furnish reply to this spot memo within three days failing which it would be construed that all the paras in the spot memo have been accepted.

Yours Sincerely

 01/12/2021

(Mohammad Athar)
SUPERINTENDENT
GROUP-11, CIRCLE-I