

**GOVERNMENT OF TELANGANA
COMMERCIAL TAX DEPARTMENT**

Attachment to Show Cause Notice in Form DRC-01

DIN	GST/36AAHCG4562D1ZP/21
Office details Designation of the assessing officer Unit Division	DEPUTY COMMISSIONER (ENFT) ENFORCEMENT HOD
Details of the Tax payer Name Legal Name GSTIN	GV RESEARCH CENTERS PRIVATE LIMITED GV RESEARCH CENTERS PRIVATE LIMITED 36AAHCG4562D1ZP
Financial Year	2020-21

Take notice that you have not filed annual return in GSTR-09 for the financial year 2020-21.

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

SGST Rs.**2143094.00**
CGST Rs.**2143094.00**
Total Rs.**4286188.00**

The details of the above tax liability are as follows:

1. Excess claim of ITC:

• Excess ITC claimed in GSTR-3B compared to the tax on inward supplies declared by

You have claimed excess ITC in GSTR-3B as compared to the tax declared by your suppliers on the supplies made to you.

S.No	Description	Table No. in GSTR-3B	SGST	CGST	Total
1	2	3	4	5	6
1	ITC claimed in GSTR-3B	4(A)(5) + 4 (D)(1)	3411329.00	3411329.00	6822658.00
2	Tax declared by the suppliers on the supplies made to you.	Cumulative figures of GSTR-01 filed by suppliers	2183877.10	2183877.10	4367754.20
3	Excess ITC availed	S.No.1 (-) S. No.2	1227451.90	1227451.90	2454903.80

• **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-3B 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-3B	Value of outward supply	SGST	CGST	Total
1	2	3	4	5	6	7
1	Total supplies	3.1-3.1(D)	264044.00	-	-	-
2	Exempt supplies	3.1(c)+3.1(e)	19569.00	-	-	-
3	Proportion of common ITC which has to be reversed to the extent of exempt supply (2/1 above)		0.074112	-	-	-
4	Common input tax credit	4A+Tran 1+ Tran 2	-	3468979.00	3468979.00	6937958.00
5	ITC to be reversed	[S.No.2]/[S. No.1]X[S.No. 4]	-	257092.97	257092.97	514185.94
6	ITC reversed as per GSTR-3B	4B(1)	-	0.00	0.00	0.00
7	Difference/Excess ITC claimed	S.No.5 (-) S. No.6	-	257092.97	257092.97	514185.94

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-3B 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-3B	SGST	CGST	Total
1	2	3	4	5	6	7
1	Works contractors	9954;		705773.13	705773.13	1411546.26
A	Total ineligible ITC u/s 17(5)	-		705773.13	705773.13	1411546.26
B	Ineligible ITC declared in GSTR-3B	-	4D.(1)	47224.000	47224.000	94448.000
C	Difference/excess ITC claimed	-		658549.13	658549.13	1317098.26

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) above	2143094.00	2143094.00	4286188.00

(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.

DEPUTY COMMISSIONER (ENFT)

To download response pdf [Click Here](#)

Details of ITC claimed in GSTR-3B Vs ITC from GSTR-01 Suppliers					Date: 05-02-2022		Rs in Rupees			
GSTIN : 36AAHCG4562D1ZP		Name : GV RESEARCH CENTERS PRIVATE LIMITED			FY : 2020-21					
S.No.	Month	GSTR-3B ITC			ITC from GSTR-01 Suppliers			Difference		
		SGST	CGST	Total	SGST	CGST	Total	SGST	CGST	Total
1	2	3a	3b	3c	4a	4b	4c	5a	5b	5c
1	Apr, 2020	0.00	0.00	0.00	6151.48	6151.48	12302.96	-6151.48	-6151.48	-12302.96
2	May, 2020	47224.00	47224.00	94448.00	78961.57	78961.57	157923.14	-31737.57	-31737.57	-63475.14
3	Jun, 2020	1121832.00	1121832.00	2243664.00	103498.77	103498.77	206997.54	1018333.23	1018333.23	2036666.46
4	Jul, 2020	329878.00	329878.00	659756.00	125948.28	125948.28	251896.56	203929.72	203929.72	407859.44
5	Aug, 2020	47079.00	47079.00	94158.00	92481.72	92481.72	184963.44	-45402.72	-45402.72	-90805.44
6	Sep, 2020	342602.00	342602.00	685204.00	600114.21	600114.21	1200228.42	-257512.21	-257512.21	-515024.42
7	Oct, 2020	214510.00	214510.00	429020.00	91056.49	91056.49	182112.98	123453.51	123453.51	246907.02
8	Nov, 2020	257350.00	257350.00	514700.00	88363.89	88363.89	176727.78	168986.11	168986.11	337972.22
9	Dec, 2020	104607.00	104607.00	209214.00	72001.02	72001.02	144002.04	32605.98	32605.98	65211.96
10	Jan, 2021	61306.00	61306.00	122612.00	135438.74	135438.74	270877.48	-74132.74	-74132.74	-148265.48
11	Feb, 2021	143573.00	143573.00	287146.00	508295.12	508295.12	1016590.24	-364722.12	-364722.12	-729444.24
12	Mar, 2021	741368.00	741368.00	1482736.00	345420.27	345420.27	690840.54	395947.73	395947.73	791895.46
	TOTAL	3411329.00	3411329.00	6822658.00	2247731.56	2247731.56	4495463.12	1163597.44	1163597.44	2327194.88

Note:
The value in GSTR 1 is considered upto 2021-10-22 as per under Sec 16(4) SGST : 63854.46

$$\begin{aligned} \text{SGST Tax} &= \text{All other SGST ITC } \{4(A)(5)\} + 4(D)(1) \text{ from GSTR-3B} \quad - [\text{SGST ITC from GSTR-01 suppliers} - \text{SGST ITC from Invalid ITC under Sec 16(4)}] \\ &= 3411329.00 - [2247731.56 - 63854.46] \\ &= 1227451.90 \end{aligned}$$

The value in GSTR 1 is considered upto 2021-10-22 as per under Sec 16(4) SGST : 63854.46

$$\begin{aligned} \text{CGST Tax} &= \text{All other CGST ITC } \{4(A)(5)\} + 4(D)(1) \text{ from GSTR-3B} \quad - [\text{CGST ITC from GSTR-01 suppliers} - \text{CGST ITC from Invalid ITC under Sec 16(4)}] \\ &= 3411329.00 - [2247731.56 - 63854.46] \\ &= 1227451.90 \end{aligned}$$

ITC to be reversed on non-business transactions & exempt supplies					Date: 05-02-2022		Rs in Rupees		
GSTIN : 36AAHCG4562D1ZP			Name : GV RESEARCH CENTERS PRIVATE LIMITED		FY : 2020-21				
S.No.	Month	Total supplies	Exempt supplies	Common input tax credit			ITC reversed as per GSTR-3B		
				SGST	CGST	Total	SGST	CGST	Total
1	2	3	4	5a	5b	5c	6a	6b	6c
1	May, 2020	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2	Jun, 2020	0.00	0.00	1170546.00	1170546.00	2341092.00	0.00	0.00	0.00
3	Jul, 2020	0.00	0.00	338052.00	338052.00	676104.00	0.00	0.00	0.00
4	Aug, 2020	0.00	0.00	53914.00	53914.00	107828.00	0.00	0.00	0.00
5	Sep, 2020	257569.00	19569.00	348489.00	348489.00	696978.00	0.00	0.00	0.00
6	Oct, 2020	6475.00	0.00	219854.00	219854.00	439708.00	0.00	0.00	0.00
7	Nov, 2020	0.00	0.00	261669.00	261669.00	523338.00	0.00	0.00	0.00
8	Dec, 2020	0.00	0.00	110300.00	110300.00	220600.00	0.00	0.00	0.00
9	Jan, 2021	0.00	0.00	66186.00	66186.00	132372.00	0.00	0.00	0.00
10	Feb, 2021	0.00	0.00	148453.00	148453.00	296906.00	0.00	0.00	0.00
11	Mar, 2021	0.00	0.00	751516.00	751516.00	1503032.00	0.00	0.00	0.00
	Total	264044.00	19569.00	3468979.00	3468979.00	6937958.00	0.00	0.00	0.00

Note:

Common SGST ITC = Common input tax credit from 4A + Tran 1 + Tran 2 = 3468979.00 + 0.00 + 0.00 = 3468979.00

SGST Tax = SGST ITC to be reversed {Exempt Supplies / Total Supplies X Common SGST ITC } - SGST ITC reversed as per GSTR-3B

= 257092.97 - 0.00

= 257092.97

Common CGST ITC = Common input tax credit from 4A + Tran 1 + Tran 2 = 3468979.00 + 0.00 + 0.00 = 3468979.00

CGST Tax = CGST ITC to be reversed {Exempt Supplies / Total Supplies X Common CGST ITC } - CGST ITC reversed as per GSTR-3B

= 257092.97 - 0.00

= 257092.97

Details of Ineligible ITC 17 (5)				Date: 05-02-2022		Rs in Rupees		
GSTIN : 36AAHCG4562D1ZP								
Name : GV RESEARCH CENTERS PRIVATE LIMITED			FY : 2020-21					
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, 2020	16011.99	16011.99	32023.98
2	SUMMIT SALES LLP	36ACQFS2044C1Z7	Works contractors	9954;	May, 2020	4109.76	4109.76	8219.52
3	SUMMIT SALES LLP	36ACQFS2044C1Z7	Works contractors	9954;	Jun, 2020	11918.13	11918.13	23836.26
4	SUMMIT SALES LLP	36ACQFS2044C1Z7	Works contractors	9954;	Jul, 2020	33284.42	33284.42	66568.84
5	MODI PROPERTIES PRIVATE LIMITED	36AABCM4761E1ZM	Works contractors	9954;	Jul, 2020	24715.26	24715.26	49430.52
6	MODI PROPERTIES PRIVATE LIMITED	36AABCM4761E1ZM	Works contractors	9954;	Aug, 2020	16476.84	16476.84	32953.68
7	SUMMIT SALES LLP	36ACQFS2044C1Z7	Works contractors	9954;	Sep, 2020	26929.24	26929.24	53858.48
8	SUMMIT SALES LLP	36ACQFS2044C1Z7	Works contractors	9954;	Oct, 2020	22718.29	22718.29	45436.58
9	SUMMIT SALES LLP	36ACQFS2044C1Z7	Works contractors	9954;	Nov, 2020	20432.26	20432.26	40864.52
10	SUMMIT SALES LLP	36ACQFS2044C1Z7	Works contractors	9954;	Dec, 2020	21198.82	21198.82	42397.64
11	MODI PROPERTIES PRIVATE LIMITED	36AABCM4761E1ZM	Works contractors	9954;	Jan, 2021	41192.10	41192.10	82384.20
12	SUMMIT SALES LLP	36ACQFS2044C1Z7	Works contractors	9954;	Jan, 2021	35181.50	35181.50	70363.00
13	SUMMIT SALES LLP	36ACQFS2044C1Z7	Works contractors	9954;	Feb, 2021	214643.32	214643.32	429286.64
14	MODI PROPERTIES PRIVATE LIMITED	36AABCM4761E1ZM	Works contractors	9954;	Feb, 2021	8238.42	8238.42	16476.84
15	SUMMIT SALES LLP	36ACQFS2044C1Z7	Works contractors	9954;	Mar, 2021	200484.36	200484.36	400968.72
16	MODI PROPERTIES PRIVATE LIMITED	36AABCM4761E1ZM	Works contractors	9954;	Mar, 2021	8238.42	8238.42	16476.84
	Total					705773.13	705773.13	1411546.26

Note:

SGST Ineligible ITC = Lower of {(Total SGST ineligible ITC u/s 17(5) from GSTR-01 to this dealer - 4D(1) SGST of GSTR-3B) or Sum of 4C of all months GSTR 3B in FY}
= Lower of 705773.13 - 47224.000 or 3468979.00
= 658549.13

CGST Ineligible ITC = Lower of {(Total CGST ineligible ITC u/s 17(5) from GSTR-01 to this dealer - 4D(1) CGST of GSTR-3B) or Sum of 4C of all months GSTR 3B in FY}
= Lower of 705773.13 - 47224.000 or 3468979.00
= 658549.13