केंद्रीय करआयुक्तकाकार्यालयलेखा-II आयुक्तालय

OFFICE OF THE COMMISSIONER OF CENTRAL TAX
AUDIT-II COMMISSIONERATE
DOOR NO.1-98/B/20,21::SANVI YAMUNA PRIDE::KRITHIKA LAYOUT
MADHAPUR::HITECH CITY::HYDERABAD-500081

File C. No GADT/CnG/ADT/GST/6708/2022-Gr 4-CGST-ADT CIR-1-ADT II HYDERABAD

DIN: 20231156YS0000424222 **Date: 09.11.2023**

SPOT MEMO

To,
M/s SILVER OAK VILLAS LLP
5-4-187/3 AND 4, 2ND FLOOR, SOHAM MANSION,
M.G ROAD, SECUNDERABAD,
Rangareddy, Telangana, 500003
GSTN: 36ADBFS3288A2Z7 (MEDIUM)

Gentleman,

Sub:- GST Audit-GST Audit conducted on the accounts **M/s SILVER OAK VILLAS LLP, SOHAM MANSION, M.G ROAD, SECUNDERABAD,** Hyderabad, Telangana, 500003 - Regarding

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With reference to the above subject, it is to inform that on verification of records of your firm for the period **April 2020 to March 2022**, the following discrepancies have been observed and are communicated herewith.

Para I: Excess availment of ITC in GSTR 3B compared to GSTR2A for the period April 2020 to March 2022. Amount Rs.1,52,478/-

As per the comparison statement of the input tax credit claimed and the ITC available in GSTR2A for the period **April 2020 to March 2022**, it is noticed that, there is a mismatch to the extent of **Rs.1,52,478/-**. The said excess ITC availment was irregular in terms of Section 42 of CGST Act, 2017, as the supplier had not filed required returns for availing the said credit by the taxpayer. The details of such credit of ITC availed during the period are as follows:

(Amount in Rs.)

Tax Period	ITC claimed in GSTR-3B			ITC auto-drafted in GSTR-2A			Excess (+) in ITC (GSTR-3B - GSTR-2A)		
	IGST	CGST	SGST	IGST	CGST	SGST	IGST	CGST	SGST
2020-21	0.00	5463681	5463681	0.00	5387442	5387442	0.00	76239	76239
Total ITC to be reversed							0	76239	76239

In light of the above, you are requested to pay/reverse the irregularly availed ITC credit of **Rs.1,52,478/- (CGST: Rs.76,239/-& SGST: Rs.76,239/-)** under Section 73(1) of the CGST Act,2017 along with interest under Section 50(3) and penalty under Section 73 as applicable under the provisions of CGST Act,2017.

Para-II: Non reversal of Input Tax Credit against Credit Notes reflected under GSTR 2A – GST involved Rs.2,90,018/-

During the course of audit it is noticed from the GSTR 2A statement, certain suppliers have issued credit notes to the tax payer, and Input Tax Credit involved in such Credit Notes has not been reversed by the Taxpayer as required under Sec.43 of the CGST Act, 2017.

(Amount in Rs.)

Period	VALUE	IGST	CGST	SGST	CESS
2020-21	177826	0	16004	16004	0
2021-22	1441653	0	129005	129005	0
Total	**1623979**	**0**	**145009**	**145009**	**0**

Hence, an Input Tax Credit of **Rs.2,90,018/- (CGST: Rs.1,45,009/- SGST: Rs.1,45,009/-),** is required to be recovered under Sec.73 of the CGST Act, 2017, along with interest under Sec.50 of the CGST Act, 2017.

Para III: Non-payment of interest on delayed payment of tax liability: Amount Involved Rs.9,544/-

During the course of verification, it is noticed that the Taxpayer had filed the GSTR-3B returns for the following months belatedly. The taxpayer has paid the Tax amount and filed the returns but not paid the interest on cash portion of tax paid under section 50 of CGST Act., 2017. The details of delayed filing of GSTR-3B returns and non-payment of interest are given below:

(Amount in Rs.)

PERIOD	IGST	CGST	SGST	Due date	Date of filing	Delay in No. of days	IGST	CGST	SGST
May-2020	0	7309	7309	20-06-2020	16-09-2020	88	0	317	317
Jun-2020	0	7463	7463	20-07-2020	16-09-2020	58	0	213	213
Jul-2020	0	7768	7768	20-08-2020	16-09-2020	27	0	103	103
Aug-2020	0	7712	7712	20-09-2020	21-09-2020	1	0	4	4
Sep-2020	0	8979	8979	20-10-2020	18-11-2020	29	0	128	128
Oct-2020	0	9014	9014	20-11-2020	29-12-2020	39	0	173	173
Nov-2020	0	9056	9056	20-12-2020	25-02-2021	67	0	299	299
Dec-2020	0	9550	9550	20-01-2021	15-03-2021	54	0	254	254
Jan-2021	0	10025	10025	20-02-2021	12-04-2021.	51	0	252	252
Feb-2021	0	9861	9861	20-03-2021	30-04-2021	41	0	199	199
Mar-2021	0	20457	20457	20-04-2021	01-07-2021.	72	0	726	726
May-2021	0	9520	9520	20-06-2021	0-08-2021.	44	0	207	207
Jun-2021	0	9649	9649	20-07-2021	11-08-2021.	22	0	105	105
Jul-2021	0	9674	9674	20-08-2021	01-09-2021.	12	0	57	57
Aug-2021	0	9541	9541	20-09-2021	30-09-2021.	10	0	47	47
Sep-2021	0	5410	5410	20-10-2021	28-01-2022	100	0	267	267
Oct-2021	0	5410	5410	20-11-2021	04-02-2022.	76	0	203	203
Nov-2021	0	5278	5278	20-12-2021	09-03-2022.	79	0	206	206
Dec-2021	0	5770	5770	20-01-2022	21-03-2022	60	0	171	171
Jan-2022	0	6470	6470	20-02-2022	07-04-2022.	46	0	147	147
Feb-2022	0	6423	6423	20-03-2022	03-06-2022.	75	0	238	238
Mar-2022	0	12996	12996	20-04-2022	30-06-2022	71	0	455	455
Total Interest to be paid							**0**	**4772**	**4772**

As per Section 50 of the CGST Act, 2017 "*50. (1) Every person who is liable to pay tax in accordance with the provisions of this Act or the rules made there under, 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.*"

In view of the above, the Taxpayer is liable to pay interest in cash of **Rs.9,544/- (CGST: Rs.4,772/- & SGST: Rs.4,772/-)** along with penalty under Section 73 as applicable under the provisions of CGST Act, 2017.

Para-IV: Non-payment of Late fee due to delayed filing of GSTR 1: Amount involved Rs.71,050/-

During the course of verification of records, it is seen that the tax payer have belatedly filed GSTR-1 Monthly Returns in terms of Section 37 of CGST Act, 2017 for some of the months but failed to pay the late fee as specified as per the Notification No.04/2018-CT dated 23.01.2018 issued under Sec.47 of CGST Act, 2017to the tune of **Rs.71,050/- (CGST:Rs.35,525/-&SGST:Rs.35,525/-)** as detailed here under :

(Amount in Rs.)

Details of Late Fee payable due to late Filing of GSTR-1 for the FY 2020-21 to 2021-22					
Month	Due date	Filing date	No. of days delayed	Late fee Rs.50/- Per Day	
				CGST	SGST
Apr-20	30-06-2020.	15-09-2020	77	1925	1925
May-20	30-06-2020.	15-09-2020	77	1925	1925
Jun-20	11-07-2020.	15-09-2020	66	1650	1650
Jul-20	11-08-2020.	15-09-2020	35	875	875
Aug-20	11-09-2020.	15-09-2020	4	100	100
Sep-20	11-10-2020.	30-10-2020	19	475	475
Oct-20	11-11-2020.	29-12-2020	48	1200	1200
Nov-20	11-12-2020.	25-02-2021	76	1900	1900
Dec-20	11-01-2021.	15-03-2021	63	1575	1575
Jan-21	11-02-2021.	12-04-2021.	60	1500	1500
Feb-21	11-03-2021.	30-04-2021	50	1250	1250
Mar-21	11-04-2021.	01-07-2021.	81	2025	2025
Apr-21	11-05-2021.	08-07-2021.	58	1450	1450
May-21	11-06-2021.	03-08-2021.	53	1325	1325
Jun-21	11-07-2021.	11-08-2021.	31	775	775
Jul-21	11-08-2021.	01-09-2021.	21	525	525
Aug-21	11-09-2021.	30-09-2021	19	475	475
Sep-21	11-10-2021.	28-01-2022	109	2725	2725
Oct-21	11-11-2021.	01-02-2022.	82	2050	2050
Nov-21	11-12-2021.	04-02-2022.	55	1375	1375
Dec-21	11-01-2022.	16-03-2022	64	1600	1600
Jan-22	11-02-2022.	02-06-2022.	111	2775	2775
Feb-22	11-03-2022.	02-06-2022..	83	2075	2075
Mar-22	11-04-2022.	29-06-2022	79	1975	1975
Total late fee liability of GSTR 1				**35525**	**35525**

In view of the above, they are liable to pay the late fee of **Rs.71,050/- (CGST: Rs.35,525/ and SGST: Rs.35,525/-)** in terms of the provisions of Section 47(2) of CGST Act, 2017.

In view of the above, you are requested to inform this office whether you are agreeing to the above said audit objections. If so, it is requested to pay the tax liability, as detailed above, along with applicable interest and penalty as applicable under CGST Act, 2017 and submit the copies of DRC -03 to this office, at the earliest.

Yours faithfully,

09/11/2023

Superintendent of Central Tax
Group-14, Circle I.