



केन्द्रीय कर सहायक कार्यालय,सिकंदराबाद माल एवम सेवाकर मण्डल, सिकंदराबाद ।

OFFICE OF THE ASSISTANT COMMISSIONER OF CENTRAL TAX,
SECUNDERABAD GST DIVISION, SECUNDERABAD
SALIKE SENATE, D.No: 2-4-416 & 417, RAMGOPALPET, M.G. ROAD,
SECUNDERABAD- 500 003

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C.No GEXCOM/Adjn/GST/2903/2023-CGST-DIV-SNBD-COMMRTE-SECUNDERABAD

Date: 29.12.2023

DIN: 20231256YO000000BB29



SHOW CAUSE NOTICE No.61/2023-24

Sub: -GST-On account of discrepancies observed during verification of Returns filed by **M/s. VILLA ORCHIDS LLP** (GSTIN: **36AANFG4817C1ZH**) for the FY 2018-19- Issue of Show Cause Notice under Section 73 of the CGST Act, 2017 – Regarding.

M/s. VILLA ORCHIDS LLP (here-in-after referred to as “Taxpayer”), situated at 2ND FLOOR, 5-4-187/3 AND 4, SOHAM MANSION, M.G ROAD, SECUNDERABAD, Rangareddy, Telangana, 500003, are engaged in Works Contract Services falling under the HSN 00440410 & 995411. The taxpayer is registered with the Central GST Department with GSTIN: **36AANFG4817C1ZH** for the purpose of payment of GST and falls under the jurisdiction of Ramgopalpet-III CGST Range, Secunderabad GST Division, Secunderabad GST Commissionerate.

2. On verification of the records, by the Telangana State GST authority, the following discrepancies were observed.

2.1. ISSUE 1: Under declaration of output tax.

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

2.1.1. It is observed that, the taxpayer has not correctly declared tax on his outward supplies on reconciliation of turnover in GSTR-01, GSTR-3B and GSTR-9 for the financial year 2018-19.

2.1.2. The taxpayer has self-assessed the tax liability on outward supply and furnished the details of the same in returns specified under Section 37 of the CGST Act, 2017. In terms of provision of section 59 of the CGST Act, 2017, ‘every registered person shall self-assess the taxes payable under this Act and furnish a return for each tax period as specified under section 39’. The taxpayer failed to discharge the self-assessed tax in the returns specified under Section 39 and the taxpayer was to pay taxes liable under Section 9 of the CGST Act,2017 and therefore, the differential tax

of Rs 1,03,856/- as detailed in table below, is liable for recovery under Section 73 of the CGST Act, 2017 along with applicable interest under Section 50 and penalty under Section 73 of the CGST Act, 2017 read with Section 122(2)(a) of the CGST Act, 2017.

Table-1

Amount: INR

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	6323140.00	6323140.00	12646280.00
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	Pending demands	15G	0.00	0.00	0.00
6	Total output tax liability as per the above in GSTR-09(S.NO 1+2+3+4+5)		6323140.00	6323140.00	12646280.00
7	Less Total tax paid in cash	9	0.00	0.00	0.00
8	Less Tax paid by adjustment of ITC	9	6271212.00	6271212.00	12542424.00
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	Net tax payable (S.NO 6-7-8-9+10)		51928.00	51928.00	103856.00

2.2. ISSUE 1: Excess claim of ITC:

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

2.2.1. Under Section 16(2)(c) of CGST Act, 2017, 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.

2.2.2. It is observed that the taxpayer has not correctly availed input tax on his inward supplies on reconciliation of turnovers in GSTR-09.

Scrutiny of ITC availed:

S.No	Description	SGST	CGST	Total
1	2	3	4	5
1	ITC in the year as per Table 8A of GSTR-09	4804897.00	4804897.00	9609794.00
2	ITC from ISD table 4A (4)	0.00	0.00	0.00
3	ITC from imports table 4A (1) +4A (2)	0.00	0.00	0.00
4	Inward Supplies liability to reverse charge 4A (3) (other than 4A(1) & 4A(2))	0.00	0.00	0.00
5	ITC brought forward from previous FY to current FY, Table 8C of previous FY GSTR-09	0.00	0.00	0.00
6	ITC carried forward from present FY to subsequent FY, Table 8C of GSTR-09	0.00	0.00	0.00
7	Reversals in Table 4B of GSTR-3B	0.00	0.00	0.00
8	ITC Available for use in the same year (S.No 1+2+3+4+5-6-7)	4804897.00	4804897.00	9609794.00
9	ITC used in same year as per 4C of GSTR-3B	7313853.00	7313853.00	14627706.00
10	Net excess used (S.No 9-8)	2508956.00	2508956.00	5017912.00

Under declaration of Ineligible ITC:

2.2.3. Under Section 17(5) of the CGST Act, 2017 input tax credit shall not be available in respect of the list of commodities & services mentioned therein subject to certain conditions.

2.2.4. 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/SAC code	SGST	CGST	Total
1	2	3	4	5	6
1	Motor Vehicles	8702; 8703; 8711	1174.00	1174.00	2348.00
2	Motor Vehicle Insurance Service	997134	5028.00	5028.00	10056.00

S.No	Issue	Table no. in GSTR-09	SGST	CGST	Total
1	2	3	4	5	6
A	Total ineligible ITC u/s 17(5)		6202.00	6202.00	12404.00

B	Ineligible ITC declared	7E or {Sum of 4D(1) of GSTR 3B of all months in FY} which ever is higher	0.00	0.00	0.00
C	Difference/excess ITC claimed	"If (SL.No A – SI.NO B >0) then Lower of {SL.No A – SI.NO B} or {(Sum of 4C of GSTR 3B of all months in current FY) – (13-12 of Previous FY GSTR-09) + (13-12 of current FY GSTR-09)}"	6202.00	6202.00	12404.00

2.2.5. From the above, the taxpayer is required to reverse the excess ITC claimed under Section 73 of the CGST Act, 2017 along with applicable interest under section 50 of the CGST Act, 2017 and penalty under Section 73 of the CGST Act, 2017 read with Section 122(2)(a) of the CGST Act, 2017.

TOTAL TAX PAYABLE SUMMARY				
Sl. No.	Issue	SGST	CGST	Total
1	2	3	4	5
1	Total Tax due	2567086.00	2567086.00	5134172.00
2	Interest	In terms of Section 50 of the CGST Act, 2017		
3	Penalty	In terms of Section 73 of the CGST Act, 2017		

3. The DRC 01A vide DIN-20231256YO000041994F dated 20.12.2023 issued to the taxpayer requesting to pay tax along with interest and applicable penalty. However the taxpayer neither paid dues nor submitted any reply till now.

4. Now therefore, **M/s. VILLA ORCHIDS LLP** (here-in-after referred to as "Taxpayer"), situated at 2ND FLOOR, 5-4-187/3 AND 4, SOHAM MANSION, M.G ROAD, SECUNDERABAD, Rangareddy, Telangana, 500003, are required to Show Cause to the Assistant Commissioner of Central Tax (Adjudicating Authority), Secunderabad GST Division, Secunderabad GST Commissionerate, Salike Senate,

D.No.2-4-416&417, Ramgopalpet, MG Road, Secunderbad – 500003 within thirty days (30) from the date of issue of this notice as to why: -

- (i) an amount of **Rs.1,03,856/- (CGST: Rs.51,928/- & SGST: Rs.51,928/- (Rupees One Lakh Three Thousand Eight Hundred and Fifty Six only)**, as discussed supra in Para 2.1 should not be demanded from them under Section 73(1) of the CGST Act, 2017/TSGST Act, 2017.
- (ii) an amount of **Rs.50,30,316/- (CGST: Rs.25,15,158/- & SGST: Rs.25,15,158/- (Rupees Fifty Lakhs Thirty Thousand Three Hundred and Sixteen only)**, as discussed supra in Para 2.2 should not be demanded from them under Section 73(1) of the CGST Act, 2017/TSGST Act, 2017.
- (iii) interest at the applicable rate should not be demanded from them on tax demanded at (i) & (ii) above under section 50 of CGST Act, 2017/TSGST Act, 2017.
- (iv) Penalty should not be imposed on them demands at (i) & (ii) above under Section 73 of CGST Act, 2017 read with Section 122 (2)(a) of CGST Act, 2017/TSGST Act, 2017.

5. M/s. VILLA ORCHIDS LLP (here-in-after referred to as “Taxpayer”), situated at 2ND FLOOR, 5-4-187/3 AND 4, SOHAM MANSION, M.G ROAD, SECUNDERABAD, Rangareddy, Telangana, 500003 having GSTIN No. **36AANFG4817C1ZH** are hereby directed to produce all the evidence upon which they intend to rely in support of their defence. They should also indicate in their written reply, whether they wish to be heard in person, before the case is adjudicated. If no mention is made in their written explanation, it would be presumed that they do not desire a personal hearing.

6. If no reply is received to this notice within the stipulated period of time as above or if they do not indicate their wish for a personal hearing or having indicated so, if they do not appear before the adjudicating authority when the case is posted for personal hearing, then it shall be construed that they do not have anything to state in their defence and the case shall be decided on merits ex-parte based on the material available on record, without any further notice/intimation to them.

7. M/s. **VILLA ORCHIDS LLP** are also informed that in terms of Section 73(8) of the CGST Act, 2017 and TSGST, Act, 2017, “where any person chargeable with tax under Sub-Section (1) or Sub-Section (3) pays the said tax along with interest applicable under Section 50 within thirty days (30) of issue of the notice,

no penalty shall be payable and all proceedings in respect of the said notice shall be deemed to be concluded”.

8. This notice is issued without prejudice to any other action that may be initiated against them in terms of the provisions of Central Goods and Services Tax Act, 2017 and Telangana Goods and Services Tax Act, 2017 and Rules made thereunder and/or any other law for the time being in force and enforceable in India.

9. Reliance for issuance of the notice is placed on the following documents which are already available with the taxpayer:

(i) DRC-01A issued from C.No. GEXCOM/Adjn/GST/2903/2023-CGST-DIV-SNBD-COMMRTE-SECUNDERABAD dt. 20.12.2023 issued by the Assistant Commissioner of Central Tax (Adjudicating Authority), Secunderabad GST Division, Secunderabad GST Commissionerate.

(ii) Observation communicated by the Telangana GST Authority as per GSTR-9 and other returns filed by the taxpayer.

आ.स.सत्यनारायण 29/12/2023

(आर.सत्यनारायण)/(R.SATYANARAYANA)
सहायक आयुक्त/Assistant Commissioner
सिकंदराबाद मण्डल/ Secunderabad Division

To

M/s. VILLA ORCHIDS LLP
GSTIN: 36AANFG4817C1ZH
2ND FLOOR, 5-4-187/3 AND 4,
SOHAM MANSION, M.G ROAD,
SECUNDERABAD, Rangareddy, Telangana, 500003

Copy to:

1. Superintendent of Central Tax, Ramgopalpet-III Range, Secunderabad GST Division – He is directed to serve the SCN on the Tax payer, obtain dated acknowledgement and submit the same to this office for record.
2. Office Copy/Spare Copy.
3. Notice Board.