



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: 20231256YS000091919B

Date:19.12.2023

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

With reference to the above subject, it is to inform that on verification of records of your firm for the period **April 19 to March 2022**, the following discrepancies have been observed and are communicated and revised herewith in continuation of the spot memo issued dated 13.11.2023.

Para I: Excess availment of ITC in GSTR 3B compared to GSTR2A for the period April 2019 to March 2022. Amount Rs.15,53,304/-

As per the comparison statement of the input tax credit claimed and the ITC available in GSTR2A for the period **April 2019 to March 2022**, it is noticed that, there is a mismatch to the extent of **Rs.15,53,304/-**. The said excess ITC availment was irregular in terms of Section 41 of CGST Act, 2017 read with Section 16, 39 of CGST Act, 2017 and Rule 36, 39 and 60 of CGST Rules 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
2019-20	1609795	7293152	7293152	56491	7653629	7653629	1553304	0.00	0.00
Total ITC to be reversed							1553304	0	0

In light of the above, you are requested to pay/reverse the irregularly availed ITC credit (difference between GSTR-3B and 2A Auto populated statement) of Rs.15,53,304/- (IGST: Rs.15,53,304/-) 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 for the contravention of provisions of Section 16, 41, 39 of CGST Act, 2017 and Rule 36, 39 and 60 of CGST Rules 2017.

Para-II: Non reversal of Input Tax Credit against Credit Notes reflected under GSTR 2A – GST involved Rs.3,28,322/-

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 Section 34(1) & 34(2) read with Section 16 2(b) of the CGST Act, 2017.

(Amount in Rs.)

Period	VALUE	IGST	CGST	SGST	CESS
2019-20	212801	0	19152	19152	0
2020-21	177826	0	16004	16004	0
2021-22	1441653	0	129005	129005	0
Total	1836780	0	164161	164161	0

Hence, an Input Tax Credit of Rs.3,28,322/- (CGST: Rs.1,64,161/- SGST: Rs. 1,64,161/-), is required to be recovered under Sec.73 of the CGST Act, 2017, along with interest under Sec.50 of the CGST Act, 2017 for the contravention of the provisions of Section 34(1) & 34(2) read with Section 16 2(b) of the CGST Act, 2017.

Para III: Non-Reversal of Ineligible input tax credit availed on goods or services not used in or in relation to the furtherance of business blocked credit in terms of Section 17(5) read with Section 16 of CGST Act, 2017. Amount involved of Rs.1,78,950/-

On verification of ITC ledger, invoices with GSTR2A auto populated data, GSTR3B and worksheets pertaining to ITC availed, it is noticed that the taxpayer has availed ITC on input tax credit (detailed in Annexure I attached). The same are not qualified as inputs to the said manufactured

products. It is also observed that the ITC is utilized for making payments of their liability. The details of credits (detailed in Annexure) are blocked credits as per Section 17(5) of the CGST Act, 2017 and are required to reverse the ITC involved along with applicable interest and penalty.

(Amount in Rs.)

Year	IGST	CGST	SGST
2019-20	0	65997	65997
2020-21	0	7290	7290
2021-22	0	16188	16188
Total ITC to be reversed	0	89475	89475

Hence, the taxpayer is required to reverse the ITC involved to the tune of **Rs.1,78,950/-** (CGST: **Rs.89,475/-** and SGST: **Rs.89,475/-**) along with Interest under Section 50 and Penalty under Section 74 of the CGST Act, 2017 for deliberately contravening the provisions of Section 17(5) of CGST Act, 2017 with intention to evade payment of GST in cash.

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 has 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, 2017 to 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.

PARA V: Short payment of GST – Sales P&L Vs GSTR-3B: Amount involved Rs. 1,27,49,239/-

On verification of Sales in the Profit and Loss Account Statement and GSTR-3B returns for the audit period, it is observed that there is a short payment of GST in their GSTR-3B returns when compared with the GST liability payable on receipts for construction services as per the Profit and Loss Account Statement for the audit period. Hence there is a short payment of GST on the receipts from construction services by the taxpayer as detailed below:

(Amount in Rs.)

FY	Profit and Loss Account	GSTR3B	Differential Taxable Value	GST@18%
2021-22	116200069	100762528	15437541	2778757
2020-21	84725834	79698225	5027609	904970
2019-20	113558481	63244525	50313956	9056512
Total			70779106	12740239

Hence, the taxpayer is required to pay the short-paid GST amount of **Rs.1,27,40,239/- (CGST: Rs. 63,70,120/- & SGST: Rs. 63,70,120/-)** along with applicable interest under Section 50 of CGST Act' 2017 and. penalty under section 74 of GGST Act,2017 read with section 20 of IGST Act, 2017 for the contravention of the provisions of Section 39, Section 59 and Rules 61 of CGST Act, 2017.

. Para-VI: - Non-payment of GST amount received for provision of amenities: Amount involved Rs. 1,00,54,589/-

On verification of the Sales for the audit period. It was observed that taxpayer has declared the amounts received under 'other amount' along with construction services in the audit period as

Group 14

Annexure II

[illegible]

*** The End ***



18/10/19
K. SHATHI
Asst Accts
Manager.

Asst Acc
Manager