FORM GST DRC – 06

[See rule 142(4)]

Reply to the Show Cause Notice

1. GSTIN	36AERPK6958C1Z2	
2. Name	Rajesh Kumar Jayantilal Kadakia	
3. Details of Show Cause Notice	ZD3605240675736	Date of issue: 31-05-2024
4. Financial Year	2019-20	
5. Reply		
Given as Annexure A		
6. Documents uploaded I. Reply to Notice.		
7. Option for personal hearing	Yes- Required	No

8. Verification –

I hereby solemnly affirm and declare that the information given hereinabove is true and correct to the best of my knowledge and belief and nothing has been concealed therefrom.

Rajesh Kumar Jayantilal Kadakia

Proprietor

Reply to the Notice:

Rajesh Kumar Jayantilal Kadakia (hereinafter referred as "noticee") is engaged in renting of commercial property. They are registered with goods and services tax department vide GSTIN NO: 36AERPK6958C1Z2. Noticee herein makes the below submissions.

Submissions

9. Noticee submits that they deny all the allegations made in Show Cause Notice (SCN) as they are not factually/legally correct.

10. Noticee submits that the provisions (including Rules, Notifications & Circulars issued thereunder) of both the CGST Act, 2017 and the Telangana GST Act, 2017 are the same except for certain provisions. Therefore, unless a mention is specifically made to any dissimilar provisions, a reference to the CGST Act, 2017 would also mean a reference to the same provision under the TGST Act, 2017. Similarly, the provisions of CGST Act, 2017 are adopted by IGST Act, 2017 thereby the reference to CGST provisions be considered for IGST purpose also, wherever arises.

11. Noticee submits that the allegation made by the Show cause Notice dated 31-05-2024 is :

Para No.	Description	Amount
1	The outward supplies turnover declared in GSTR-01 is greater than net outward supplies information furnished in GSTR-09	Rs. 72,448/-
2	Excess utilization of ITC in GSTR 3B over and above ITC available as per filed GSTR 9.	Rs. 3,546/-
3	Under declaration of Ineligible ITC	Rs. 82,618/-
	Total	Rs. 1,58,612 /-

Para 1. The outward supplies turnover declared in GSTR-01 is greater than net outward supplies information furnished in GSTR-09.

12. This para points out that The outward supplies turnover declared in GSTR-01 is greater than net outward supplies information furnished in GSTR-09.

S.No	Issue	SGST	CGST	IGST	CESS	Total
1	2	3	4	5	6	7
1	Tax on Outward supplies declared in GSTR-01 for the FY	2813427.00	2813427.00	0.00	0.00	5626854.00
2	Less tax on Outward supplies arrived in GSTR-09 (5N+10-11)	2777203.00	2777203.00	0.00	0.00	5554406.00
3	Difference (1-2)	36224.00	36224.00	0.00	0.00	72448.00

13. Noticee in this regard, submits that, the GSTR 1 tax liability arrived in the notice is exclusive of credit notes, hence such exclusion is resulting in difference in tax liability reported in GSTR 9 and liability declared in GSTR 1 returns. Computation of actual tax liability is provided in the Table 1 given below.

Table 1

Amount in Rupees.

Particulars	IGST	CGST	SGST
GSTR 1 values adopted in Notice	0	28,13,427	28,13,427
Credit notes	0	36,225	36,225
Net liability as per GSTR 1	0	27,77,202	27,77,202
Reported in GSTR 9	0	27,77,203	27,77,203
Difference	0	1	1

14. On examination of table 1 provided above, it can be clearly established that there in consideration of such credit notes, *there is no such difference in CGST And SGST tax liability reported in GSTR 1* in comparison with GSTR 9. Further, An extract of Table 4 of GSTR 9 for the F.Y.2019-20 is provided below, showing such credit notes were duly reported in GSTR 9 annual return.

Extract of Table 4 of GSTR 9 of F.Y.2019-20.

4.Details of advances, inward and outward supplies made during the financial year on which tax is payable

Note : The fields, where the system computed values would be modified by more/less than 20%, shall be highlighted in 'Red' for reference and attention.

Nature of Supplies	Taxable value (₹)	Integrated Tax (₹)	Central Tax (₹)	State/UT Tax (₹)	CESS (₹)
(A) Supplies made to unregistered persons (B2C)	₹0.00	₹0.00	₹0.00	₹0.00	₹0.00
(B) Supplies made to registered person (B2B)	₹3,12,60,316.0(	₹0.00	₹28,13,428.44	₹28,13,428.44	₹0.00
(C) Zero rated supply (Export) on payment of tax (Except supplies to SEZ)	₹0.00	₹0.00			₹0.00
(D) Supplies to SEZ on payment of tax	₹0.00	₹0.00			₹0.00
(E) Deemed Exports	₹0.00	₹0.00	₹0.00	₹0.00	₹0.00
(F) Advances on which tax has been paid but invoice has not been issued (not covered under (A) to (E) above)	₹0.00	₹0.00	₹0.00	₹0.00	₹0.00
(G) Inward supplies on which tax is to be paid on the reverse charge basis	₹36,784.00	₹0.00	₹3,311.00	₹3,311.00	₹0.00
(H) Sub total (A to G above)	₹3,12,97,100.0(	₹0.00	₹28,16,739.44	₹28,16,739.44	₹0.00
(I) Credit notes issued in respect of transactions specified in (B) to (E) above (-)	₹4,02,500.00	₹0.00	₹36,225.00	₹36,225.00	₹0.00
(J) Debit notes issued in respect of transactions specified in (B) to (E) above (+)	₹0.00	₹0.00	₹0.00	₹0.00	₹0.00
(K) Supplies/tax declared through Amendments (+)	₹0.00	₹0.00	₹0.00	₹0.00	₹0.00
(L) Supplies/tax reduced through Amendments (-)	₹0.00	₹0.00	₹0.00	₹0.00	₹0.00
(M) Sub total (I to L above)	-₹4,02,500.00	₹0.00	-₹36,225.00	-₹36,225.00	₹0.00
(N) Supplies and advances on which tax is to be paid (H + M) above	₹3,08,94,600.0(	₹0.00	₹27,80,514.44	₹27,80,514.44	₹0.00

BACK TO GSTR-9 DASHBOARD SAVE

15. Hence, noticee has discharged all the liability as pointed out in this para and it is therefore requested to drop all further proceedings under this para.

Para 2. Excess utilization of ITC in GSTR 3B over and above ITC available as per filed GSTR 9.

16. This para points out that noticee has claimed excess credit in GSTR 3B over and above credit available for utilization as arrived in GSTR 9.

S.No	Description	SGST	CGST	IGST	CESS	Total
1	2	3	4	5	6	7
1	ITC in the year as per Table 8A of GSTR-09	45483.00	45483.00	0.00	0.00	90966.00
2	ITC from ISD table 4A (4)	0.00	0.00	0.00	0.00	0.00
3	ITC from imports table 4A (1) +4A (2)	0.00	0.00	0.00	0.00	0.00
4	Inward Supplies liability to reverse charge 4A(3) (other than 4A(1) & 4A(2))	3311.00	3311.00	0.00	0.00	6622.00
5	ITC brought forward from previous FY to current FY, Table 8C of previous FY GSTR-09	0.00	0.00	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	0.00	0.00
7	Reversals in Table 4B of GSTR-3B	0.00	0.00	0.00	0.00	0.00
8	ITC Available for use in the same year (S.No 1+2+3+4+5-6-7)	48794.00	48794.00	0.00	0.00	97588.00
9	ITC used in same year as per 4C of GSTR-3B	50567.00	50567.00	0.00	0.00	101134.00
10	Net excess used (S.No 9-8)	1773.00	1773.00	0.00	0.00	3546.00

17. In this regard, it is submitted that noticee has claimed credit pertaining to F.Y.2018-19 in F.Y.2019-20 details of such purchase on which ITC has been claimed in F.Y.2019-20 is provided in table 2 below.

Table 1

Amount in rupees.

Invoice Date	Invoice No.	Party	Taxable Value	CGST	SGST
31-mar-19	MCS52/18-19	Modi Consultancy Services	30,685	2,761	2,761

18. In support of such submission, Tax liability and input comparison report downloaded from the common portal is provided hereunder.

Tax liability and Input comparison report

Tax Period	ITC claimed in GSTR-3B during the month [as per table 4A(4)+4A(5)-4B(1)-4B(2)] *		ITC auto-drafted in GSTR-2A during the month [as per PART-A, PART-B](Excluding RCM supplies)		Shortfall (-) /Excess (+) in ITC (GSTR-3B - GSTR-2A)	
	CGST	SGST	CGST	SGST	CGST	SGST
Apr-19	2,206	2,206	2,206	2,206		
May-19	2,206	2,206	2,206	2,206	-	-
Jun-19	4,052	4,052	4,052	4,052	-	-
Jul-19	7,861	7,861	5,099	5,099	-	-
Aug-19	2,969	2,969	2,294	2,294	2,762	2,762
Sep-19	2,409	2,409	4,434	4,434	675	675
Oct-19	3,759	3,759	2,409	2,409	-2,025	-2,025
Nov-19	9,827	9,827	9,827	9,827	1,350	1,350
Dec-19	3,984	3,984	4,558	4,558	-	-
Jan-20	2,983	2,983	2,564	2,564	-574	-574
Feb-20	2,564	2,564	2,409	2,409	419	419
Mar-20	2,436	2,436	3,425	3,425	156	156
Total	**47,256**	**47,256**	**45,483**	**45,483**	-989	-989
					1,773	**1,773**

19. On examination of extract of tax liability and input comparison report provided above, it is clear that excess credit pertaining to invoice no. MCS52/18-19 dated 31-mar-19 is claimed in GSTR 3B return of June 2019, hence resulting in difference between ITC claimed in GSTR 3B return and ITC available for utilization as arrived in GSTR 9. It is requested to drop all further proceedings in this regards.

Para 3. Under declaration of Ineligible ITC.

20. This para points out that noticee has utilized blocked credits under section 17(5) of CGST Act,2017.

S.No	Commodity/Service	HSN/SAC code	SGST	CGST	IGST	CESS	Total
1	2	3	4	5	6	7	8
1	Works contractors	9954	41309.00	41309.00	0.00	0.00	82618.00

21. In this regard, it is submitted that such credits alleged as works contracts pertains to business administration services availed and credit claimed against such purchase does not fall under the ambit of Section 17(5) of CGST Act,2017. In support of such submission a sample invoice is attached as **Annexure 1**.

22. Noticee has discharged all his liability as pointed out under this notice. It is therefore requested to all further proceedings in this regard.

23. The noticee reserves the right to add, to withdraw, to correct, to change, to delete, to modify any submissions at the time of Personal Hearing in the Principal of Natural Justice.

Rajesh Kumar Jayantilal Kadakia

Proprietor