



Proceedings of Assistant Commissioner (State Taxes)

Ramgopalpet-Ranigunj-II Circle

BEGUMPET DIVISION

PRESENT: Sri M. UPENDER

(U/s 73 of the TGST & CGST Acts, 2017)

DIN	GST/36AAOCS0548N1ZR/20/2
Office details Designation of the assessing officer Unit Division	ASSISTANT COMMISSIONER (ST) RAMGOPALPET-RANIGUNJ BEGUMPET
Details of the Tax payer Name Legal Name GSTIN	SDNMKJ REALTY PVT LTD SDNMKJ REALTY PRIVATE LIMITED 36AAOCS0548N1ZR
Financial Year	2019-20

- Ref: 1. These offices Show Cause notice vide ARN: AD360524035042I dated: 31/05/2024.
2. This office Reminders dated: 20/07/2024, 31/07/2024 & 07/08/2024.
3. Tax Payers reply dated: 24-08-2024.

You have filed annual return in GSTR-09 for the financial year 2019-20.

On examination of the information furnished in this return under various heads and also the information furnished in TRAN-1, GSTR-01, GSTR-2A, GSTR-3B, EWB and other records available in this office it is found that you have not declared your correct tax liability while filing the annual returns of GSTR-09. The summary of under declared tax is as follows:

SGST Rs. **162058.00**
CGST Rs. **162058.00**
IGST Rs. **0.00**
CESS Rs. **0.00**
Total Rs. **324116.00**

The details of the above tax liability are as follows:

**1. Net tax under declared due to non-reconciliation of turnovers in other returns
And E-way bill information:**

In addition to the above under declared turnovers with respect to GSTR-3B, it is seen that you have under declared turnovers with respect to other information available in this office.

• **Reconciliation of GSTR-01 with GSTR-3B:**

The outward supplies turnover declared in GSTR-01 is greater than net outward supplies information furnished in GSTR-3B. This amount is therefore proposed to be taxed as under declared outward supplies as follows:

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.	1726743.00	1726743.00	0.000	0.00	3453486.00
2	Less tax on Outward supplies arrived in GSTR-3B at box 3.1A+3.1B	1589603.00	1589603.00	0.000	0.000	3179206.00
3	Difference (S.No.1- S.No.2)	137140.00	137140.00	0.000	0.00	274280.00

Response of the taxpayer:

1. 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 discharged in GSTR 3B 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	17,26,744	17,26,744
Credit notes	0	-1,37,140	-1,37,140
Net liability as per GSTR 1	0	15,89,604	15,89,604
Liability discharged in GSTR 3B	0	15,89,603	15,89,603
Difference	0	1	1

2. 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 3B. In support of such submission, screen shot of GSTR 1 return of December, 2019 and January, 2020 are provided hereunder.

Screen shot of GSTR 1 return of December 2019

9B - Credit / Debit Notes (Registered)

Recipient wise count Document wise details

Processed Records

36AADCK4066C12S KARVY DATA MANAGEMENT SERVICES LIMITED

Display/Hide Columns: [v] Records Per Page: 10 [v] Q Search

C/D Note No.	C/D Note Date	Note Type	Note value (₹)	Taxable value (₹)	Integrated tax (₹)	Central tax (₹)	State/UT tax (₹)	Cess (₹)	Source	Actions
1	30/12/2019	Credit	4,70,372.00	3,98,620.00	0.00	35,875.80	35,875.80	0.00		[v] [v]

BACK

9B - Credit / Debit Notes (Registered)

Recipient wise count Document wise details

Processed Records

36AAGCK6303B1ZZ KFIN TECHNOLOGIES LIMITED

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C/D Note No.	C/D Note Date	Note Type	Note value (₹)	Taxable value (₹)	Integrated tax (₹)	Central tax (₹)	State/UT tax (₹)	Cess (₹)	Source	Actions
2	30/12/2019	Credit	4,49,167.00	3,80,650.00	0.00	34,258.50	34,258.50	0.00		[v] [v]
3	30/12/2019	Credit	4,08,152.00	3,45,891.25	0.00	31,130.21	31,130.21	0.00		[v] [v]

BACK

Screen shot of GSTR 1 return of January 2020

9B - Credit / Debit Notes (Registered)

Recipient wise count Document wise details

Processed Records

36AAGCK6303B1ZZ KFIN TECHNOLOGIES LIMITED

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C/D Note No.	C/D Note Date	Note Type	Note value (₹)	Taxable value (₹)	Integrated tax (₹)	Central tax (₹)	State/UT tax (₹)	Cess (₹)	Source	Actions
4	31/01/2020	Credit	4,70,372.00	3,98,620.00	0.00	35,875.80	35,875.80	0.00		[v] [v]

3. Further, tax liability and input comparison report as downloaded from the common portal is provided hereunder for your ready reference.

Tax Period	Tax liability declared in GSTR-3B during the month [as per table 3.1(a)]		Tax liability declared in GSTR-1 (other than reverse charge supply) during the month [as per table 4A, 4C, 5, 6C, 7, 9A, 9B, 9C, 10, 11]		Shortfall (-)/ Excess (+) in liability (GSTR-3B - GSTR-1)	
	CGST	SGST	CGST	SGST	CGST	SGST
Apr-19	1,29,860	1,29,860	1,29,860	1,29,860	-	-
May-19	1,29,860	1,29,860	1,29,860	1,29,860	-	-
Jun-19	1,29,860	1,29,860	1,29,860	1,29,860	-	-
Jul-19	1,29,860	1,29,860	1,29,860	1,29,860	-	-
Aug-19	1,29,860	1,29,860	1,29,860	1,29,860	-	-
Sep-19	1,34,329	1,34,329	1,34,329	1,34,329	-	-
Oct-19	1,34,329	1,34,329	1,34,329	1,34,329	-	-
Nov-19	1,34,329	1,34,329	1,34,329	1,34,329	-	-
Dec-19	1,34,329	1,34,329	1,34,329	1,34,329	-	-

Jan-20	1,34,329	1,34,329	1,34,329	1,34,329	-	-
Feb-20	1,34,329	1,34,329	1,34,329	1,34,329	-	-
Mar-20	1,34,329	1,34,329	1,34,329	1,34,329	0	0
Total	15,89,604	15,89,604	15,89,604	15,89,604	0	0

4. On examination of tax liability and input comparison report given above, it can be established that there is no such short payment of taxes in GSTR 3B returns. Hence, notice has discharged all the liability as pointed out in this para and it is therefore requested to drop all further proceedings under this para.

Observations and conclusion of the assessing authority:

The Reply filed by the Tax Payer has been verified with reference to the GSTR01 & GSTR3B of FY2019-2020 and found in Order. Hence the proposed tax in the Show cause notice is hereby dropped.

2. Excess claim of ITC:

The excess input tax credit (ITC) claimed on account of non-reconciliation of information declared in GSTR-3B:

It is observed that the taxpayer has not correctly availed input tax on his inward supplies on reconciliation of turnovers in GSTR-3B.

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

You have availed excess ITC in GSTR-3B as compared to the tax declared by your suppliers on the supplies made to you. GSTR-1 filed by supplier up to the tax period of September of following FY till the cut-off date has been considered for availability of ITC. For the FY: Apr 19-Mar 20, the cut-off date is 31 Oct, 2020.

S.No	Issue	Table No. in GSTR-3B	SGST	CGST	IGST	CESS	Total
1	2	3	4	5	6	7	8
1	ITC availed in GSTR-3B	4A(3) + 4A(5)	37937.00	37937.00	0.000	0.000	75874.00
2	Tax declared by the suppliers on the supplies made to you	Cumulative figures of GSTR-01 filed by suppliers	35645.00	35645.00	0.000	0.000	71290.00
3	Invalid ITC as the supplier has filed GSTR-01 after the cut-off date	Cumulative figures of GSTR-01 filed by suppliers	0.00	0.00	0.000	0.000	0.00

		after the cut-off date					
4	Excess ITC availed S.No.1 (-) {S.No.2-S.NO.3}		2292.00	2292.00	0.000	0.000	4584.00

Response of the taxpayer:

5. In this regard, it is submitted that notice 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
15-01-2019	TS-TL028-1819	Transaction Square LLP	31,932	2,874	2,874

6. Such excess credit pertaining to invoice no. TS-TL028-1819 dated 15-01-2019 is claimed in GSTR 3B return of June 2019, hence resulting in difference between ITC claimed in GSTR 3B return and ITC available in GSTR 2A. It is requested to drop all further proceedings in this regard.

Observations and conclusion of the assessing authority:

The taxpayer filed the reply for excess claim of ITC SGST: 2292.00 CGST: 2292.00 and stated that they have claimed the short claimed ITC of FY 2018-2019 in FY 2019-2020 and the same has been verified with reference to the ITC Claimed in GSTR3B and ITC available in GSTR2A of FY 2018-2019 and found in order, hence agreed with taxpayer and the proposed tax is hereby withdrawn.

• 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	SGST	CGST	IGST	CESS	Total
1	2	3	4	5	6	7	8
1	Works contractors	9954	22626.00	22626.00	0.00	0.00	45252.00

S.No	Issue	Table no. in GSTR-3B	SGST	CGST	IGST	CESS	Total
1	2	3	4	5	6	7	8

A	Total ineligible ITC u/s 17(5)		22626.00	22626.00	0.00	0.00	45252.00
B	Ineligible ITC declared in GSTR-3B	Ineligible ITC declared in GSTR-3B at box 4D (1)	0.00	0.00	0.00	0.00	0.00
C	Difference/excess ITC claimed	"Lower of {SI.NO A-B} or {Sum of 4C of all months GSTR3B in FY}"	22626.00	22626.00	0.00	0.00	45252.00

Response of the taxpayer:

- In this regard, it is submitted that such credits alleged as works contracts pertains to business administration services availed by the notice 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**.
- Notice has discharged all his liability as pointed out under this notice. It is therefore requested to all further proceedings in this regard.
- The notice 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.

Observations and conclusion of the assessing authority:

The taxpayer filed reply and stated that ITC SGST: 22626.00 CGST: 22626.00 claimed on goods under the exception to 17(5) as the taxpayer is in the business of supply of same goods and produced the documentary evidence, hence agreed with taxpayer and the proposed tax is hereby withdrawn.

Summary:

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	IGST	Total
1	2	3	4	5	6
1	Total tax due in (1) + (2) + (3) above	0	0	0	0

Since the taxpayer has not paid the amounts within (30) days of issue of the show cause they are liable to pay penalty under Sec.122 of the CGST/SGST Act as applicable of SGST Rs. **0.00** and CGST Rs. **0.00** and IGST Rs. **0.00**.

This order is issued only to the extent of the discrepancies identified prima facie in the returns as mentioned in the Show cause notice mentioned above.

Note: An appeal against this order lies before the Appellate Joint Commissioner (ST) Punjagutta Division Hyderabad within (90) days from the date of receipt of this order.

Sd/-
Assistant Commissioner (ST)
Ramgopalpet-Ranigunj-II Circle.