

GOVERNMENT OF TELANGANA  
COMMERCIAL TAXES DEPARTMENT

Attachment to Show Cause Notice & Form GST DRC-01 under Sec. 73 of GST Act, 2017

DATE : 23-05-2024

DIN	RCM/36AAATM5488Q2ZO/2019-20
Office details : Designation of the Assessing Officer Unit Division	ASSISTANT COMMISSIONER (ST) M.G.ROAD-S.D.ROAD CIRCLE BEGUMPET DIVISION
Details of the Tax Payer Name GSTIN	M/s. M.C.MODI EDUCATIONAL TRUST 36AAATM5488Q2ZO
Financial year	2019-20

You have filed returns in GSTR-3B for the financial year 2019-20.

On examination of the information furnished in this returns under Reverse Charge heads and other records available in this office it is found that you have not declared your correct tax payable on Reverse charge while filing the monthly returns of GSTR-3B. The summary of under declared tax payable on Reverse charge is as follows:

IGST Rs.0  
CGST Rs.9809  
SGST Rs.9809  
Total Rs.19618

The details of the above tax liability are as follows.

It resolutely appears to be observable inaccuracy (having worthy of brought to tax assessment as per law) on verification of Form GSTR-3B of table 4(A)(2)+4(A) (vs) GSTR-3B of table 3.1 (d) with regards RCM, the taxpayer without payment of taxes under the head of RCM have availed ITC under RCM, which is not permissible under law, hence the same is proposed as payable on the hands of the taxpayer the details are as under :

ACT	ITC claimed on inward RCM supplies in GSTR-3B [(as per table 4(A)(2) +4(A)(3)]	Reverse Charge liability declared in GSTR-3B [(as per table 3.1(d)]	Short(-)/Excess (+) in ITC (ITC claimed - Liability declared)
IGST	0	0	0
CGST	9809	0	9809
SGST	9809	0	9809
<b>Total</b>	<b>19618</b>	<b>0</b>	<b>19618</b>

Therefore it is proposed to assess the registered tax payer for the net tax payable indicated above under Section 73 of the SGST/CGST Act. The registered tax payer may therefore pay the **tax along with applicable interest @ 18% p.a and penalty at a rate of 10% of the tax due or Rs.10,000.00 penalty whichever is higher in DRC-03.** However, if the registered tax payer is not agreeing with the proposals in this notice they may file their written objections in DRC-06 within (15) days from the date of receipt of this notice.

(Digitally signed in DRC-01 of GSTN)

B. UPENDER REDDY  
Assistant Commissioner (ST),  
M.G. Road-S.D. Road Circle,  
Begumpet Division, Hyderabad.

GOVERNMENT OF TELANGANA  
STATE TAX DEPARTMENT

O/o. Assistant Commissioner (ST),  
M.G. Road - S.D. Road Circle  
Begumpet Division,  
4<sup>th</sup> Floor, Pavani Prestige complex,  
Ameerpet, Hyderabad.

Date: 27-08-2024

**Order For Dropping The Proceeding Under Section-73**

Sub: GST Act -M/s. M.C.MODI EDUCATIONAL TRUST, GSTIN: 36AAATM5488Q2ZO-  
Returns furnished verified - Certain discrepancies noticed - GST DRC-01 issued FY  
2019-20 - Dealer filed reply - Verified - Drop proceeding issued -Reg.

Ref:- 1) SCN in DRC-01 ARN: AD360524013360K, Ref No. ZD360524043868Z,  
Dt.23.05.2024

2) Dealer's reply dt.24.08.2024.

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With reference to the above show cause notice issued, the dealer has filed a reply vide reference 2<sup>nd</sup> cited stating that they have wrongly entered ITC in table 4(A)(3) instead of table 4(A)(5) in GSTR-3B return and submitted documentary evidences.

The reply of the taxpayer is examined and found tenable. Hence, the proposed show cause notice issued vide reference 1<sup>st</sup> cited is hereby dropped.

(Digitally signed in DRC-07 of GSTN)

B. UPENDER REDDY  
Assistant Commissioner (ST),  
M.G.Road-S.D.Road Circle,  
Begumpet Division, Hyderabad.

**FORM GST DRC – 06**

*[See rule 142(4)]*

**Reply to the Show Cause Notice**

1. GSTIN	36AAATM5488Q2ZO	
2. Name	M.C.Modi Educational Trust	
3. Details of Show Cause Notice	ZD360524043868Z	Date of issue: 23-05-2024
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 <input type="checkbox"/>

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.*

M.C.Modi Educational Trust

Authorised Signatory

**Reply to the Notice:**

M.C.Modi Educational Trust (hereinafter referred as "noticee") is engaged in renting of commercial property. They are registered with goods and services tax department vide GSTIN NO: 36AAATM5488Q2ZO. 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	Short payment of RCM liability	Rs. 19,618 /-
	Total	Rs. 19,618 /-

**Para 1. Short payment of RCM liability.**

12. This para points out that the noticee has short paid the RCM liability.

ACT	ITC claimed on inward RCM supplies in GSTR-3B [(as per table 4(A)(2) +4(A)(3)]	Reverse Charge liability declared in GSTR-3B [(as per table 3.1(d)]	Short(-)/Excess (+) in ITC (ITC claimed - Liability declared)
IGST	0		
CGST	9809	0	0
SGST	9809	0	9809
<b>Total</b>	<b>19618</b>	<b>0</b>	<b>9809</b>
			<b>19618</b>

13. In this regard, it is submitted that noticee has inadvertently claimed such ITC under Table 4(A)(3) "Inward supplies liable to reverse charge (other than 1 & 2 above)" instead of claiming such credit in Table 4 (A)(5) All other ITC. Such clerical error is resulting in such difference in ITC claimed on RCM basis and RCM liability discharged in GST return.

14. In support of such submission, extract of tax liability and input comparison report is provided hereunder.

**Table 1 Comparative summary of ITC claimed GSTR 3B V. ITC available in GSTR 2A**

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/UTGST	CGST	SGST/UTGST	CGST	SGST/UTGST
	Apr-19	-	-			-
May-19	-	-			-	-
Jun-19	-	-	4,050	4,050	-4,050	-4,050
Jul-19	-	-			-	-
Aug-19	-	-			-	-
Sep-19	-	-	124	124	-124	-124
Oct-19	-	-	1,197	1,197	-1,197	-1,197
Nov-19	-	-	4,199	4,199	-4,199	-4,199
Dec-19	-	-	5,902	5,902	-5,902	-5,902
Jan-20	-	-	4,172	4,172	-4,172	-4,172
Feb-20	-	-	26	26	-26	-26
Mar-20	-	-			-	-
<b>Total</b>	-	-	<b>19,670</b>	<b>19,670</b>	<b>-19,670</b>	<b>-19,670</b>

**Table 2 Comparative summary of RCM liability declared and ITC against RCM claimed.**

Tax Period	ITC claimed on inward RCM supplies in GSTR-3B [as per table 4(A)(2) + 4(A)(3)]		Reverse charge liability declared in GSTR-3B [as per table 3.1(d)]		Shortfall (-)/ Excess (+) in ITC (ITC claimed - Liability declared)	
	CGST	SGST/UTGST	CGST	SGST/UTGST	CGST	SGST/UTGST
	Apr-19	-	-	-	-	-
May-19	-	-	-	-	-	-
Jun-19	-	-	-	-	-	-
Jul-19	-	-	-	-	-	-
Aug-19	-	-	-	-	-	-
Sep-19	-	-	-	-	-	-
Oct-19	-	-	-	-	-	-
Nov-19	-	-	-	-	-	-
Dec-19	-	-	-	-	-	-
Jan-20	-	-	-	-	-	-
Feb-20	-	-	-	-	-	-
Mar-20	9,809	9,809	-	-	9,809	9,809
<b>Total</b>	<b>9,809</b>	<b>9,809</b>	-	-	<b>9,809</b>	<b>9,809</b>

15. On examination of the Table 1 and Table 2 given above it can be clearly establish that the reason for such difference in RCM liability is due to clerical error committed in claiming eligible ITC.
16. Noticee has discharged all his liability as pointed out under this notice. It is therefore requested to all further proceedings in this regard.
17. 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.

M.C.Modi Educational Trust

Authorised Signatory