

**GOVERNMENT OF TELANGANA
COMMERCIAL TAX DEPARTMENT**

Attachment to ASMT - 10

DIN	GST/36ACQFS2044C1Z7/22
Office details Designation of the assessing officer Unit Division	ASSISTANT COMMISSIONER (ST) M.G.ROAD-S.D.ROAD BEGUMPET
Details of the Tax payer Name Legal Name GSTIN	SUMMIT SALES LLP SUMMIT SALES LLP 36ACQFS2044C1Z7
Financial Year	2021-22

Take notice that you have not filed annual return in GSTR-09 for the financial year 2021-22.

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

SGST Rs.2904173.65
CGST Rs.2904173.65
Total Rs.5808347.30

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	Total
1	2	3	4	5
1	Tax on Outward supplies declared in GSTR-01 for the FY.	17070448.14	17070448.14	34140896.28
2	Less tax on Outward supplies arrived in GSTR-3B at box 3.1A	15340807.36	15340807.36	30681614.72
3	Difference (1-2)	1729640.78	1729640.78	3459281.56

2. Excess claim of ITC:

• **ITC to be reversed on non-business transactions & exempt supplies**

Under Sec 17(1) & (2) where the goods or services or both are used by the registered person partly for the purpose of business, partly for other purposes or partly used for effecting exempt supply and partly for taxable supply then the amount of credit shall be restricted to so much of the input tax as is attributable to the taxable supplies in the course of business. Therefore the taxable person needs to make an apportionment of available input tax credit under Rule 42 & 43 to arrive at the eligible ITC.

However as seen from the GSTR-3B return filed it is evident that you have not made such apportionment resulting in excess claim of ITC than you are eligible. The details of the working are as under:

S.No	Issue	Table no. in GSTR-3B	Value of outward supply	SGST	CGST	Total
1	2	3	4	5	6	7
1	Total supplies	3.1-3.1(D)	166827155.15	-	-	-
2	Exempt supplies	3.1(c)+3.1(e)	191611.10	-	-	-
3	Proportion of common ITC which has to be reversed to the extent of exempt supply (2/1 above)		0.001148	-	-	-
4	Common input tax credit	4A+Tran 1+ Tran 2	-	11333055.00	11333055.00	22666110.00
5	ITC to be reversed	[S.No.2]/[S.No.1]X[S.No.4]	-	13010.35	13010.35	26020.70
6	ITC reversed as per GSTR-3B	4B(1)	-	0.00	0.00	0.00
7	Difference/Excess ITC claimed	S.No.5 (-) S.No.6	-	13010.35	13010.35	26020.70

Therefore the excess ITC claimed is proposed to be recovered.

• **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	Table no. in GSTR-3B	SGST	CGST	Total
1	2	3	4	5	6	7
1	Interior designers	99832; 998391;		1156747.69	1156747.69	2313495.38
2	Accident & Health Insurance	997133;		3037.32	3037.32	6074.64
3	Motor Vehicle Insurance	997134;		1737.51	1737.51	3475.02
A	Total ineligible ITC u/s 17(5)	-		1161522.52	1161522.52	2323045.04
B	Ineligible ITC declared in GSTR-3B	-	4D.(1)	0.000	0.000	0.000
C	Difference/excess ITC claimed	-		1161522.52	1161522.52	2323045.04

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	Total
1	2	3	4	5

(The detailed workings of the above in tabular form are attached as Annexures)

Therefore it is proposed to assess the registered tax payer for the net tax payable indicated above under Section 61 of the SGST/CGST Act. The registered tax payer may therefore pay the tax along with interest in DRC-03. However, If the registered tax payer is not agreeing with the proposals in this notice they may file their objections in ASMT-11 within (15) days from the date of receipt of this notice. A draft standard format is also attached for filing your response along with your detailed reply.

ASSISTANT COMMISSIONER (ST)

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