GOVERNMENT OF TELANGANA
COMMERCIAL TAX DEPARTMENT

Attachment to Show Cause Notice in Form DRC-01

DIN	GST/36ACQFS2044C1Z7/21
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	2020-21

Take notice that you have not filed annual return in GSTR-09 for the financial year 2020-21.

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.**168015.43**
CGST Rs.**168015.43**
Total Rs.**336030.86**

The details of the above tax liability are as follows:

1. **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)	147315676.00	-	-	-
2	Exempt supplies	3.1(c)+3.1(e)	195610.00	-	-	-
3	Proportion of common ITC which has to be reversed to the extent of exempt supply (2/1 above)		0.001327	-	-	-
4	Common input tax credit	4A+Tran 1+ Tran 2	-	10601109.00	10601109.00	21202218.00
5	ITC to be reversed	[S.No.2]/[S. No.1]X[S.No. 4]	-	14067.67	14067.67	28135.34
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	-	14067.67	14067.67	28135.34

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;		145611.00	145611.00	291222.00
2	Motor Vehicle Insurance	997134;		4929.27	4929.27	9858.54
3	Accident & Health Insurance	997133;		3407.49	3407.49	6814.98
A	Total ineligible ITC u/s 17(5)	-		153947.76	153947.76	307895.52
B	Ineligible ITC declared in GSTR-3B	-	4D.(1)	0.000	0.000	0.000
C	Difference/excess ITC claimed	-		153947.76	153947.76	307895.52

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
1	Total tax due in (1) above	168015.43	168015.43	336030.86

(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 73 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 DRC-06 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)

To download response pdf Click Here

Name : SUMMIT SALES LLP FY : 2020-21

S.No.	Month	Total supplies	Exempt supplies	Common input tax credit			ITC reversed as per GSTR-3B		
				SGST	CGST	Total	SGST	CGST	Total
1	2	3	4	5a	5b	5c	6a	6b	6c
1	Apr, 2020	3079837.00	0.00	84691.00	84691.00	169382.00	0.00	0.00	0.00
2	May, 2020	8756501.00	0.00	629860.00	629860.00	1259720.00	0.00	0.00	0.00
3	Jun, 2020	10473983.00	22224.00	872504.00	872504.00	1745008.00	0.00	0.00	0.00
4	Jul, 2020	13360157.00	16402.00	730492.00	730492.00	1460984.00	0.00	0.00	0.00
5	Aug, 2020	10876473.00	11408.00	719059.00	719059.00	1438118.00	0.00	0.00	0.00
6	Sep, 2020	12147997.00	9606.00	864290.00	864290.00	1728580.00	0.00	0.00	0.00
7	Oct, 2020	9664115.00	67356.00	634664.00	634664.00	1269328.00	0.00	0.00	0.00
8	Nov, 2020	14211605.00	15351.00	1106483.00	1106483.00	2212966.00	0.00	0.00	0.00
9	Dec, 2020	15639604.00	30043.00	1201334.00	1201334.00	2402668.00	0.00	0.00	0.00
10	Jan, 2021	14091488.00	6928.00	929634.00	929634.00	1859268.00	0.00	0.00	0.00
11	Feb, 2021	18551965.00	0.00	1378619.00	1378619.00	2757238.00	0.00	0.00	0.00
12	Mar, 2021	16461951.00	16292.00	1449479.00	1449479.00	2898958.00	0.00	0.00	0.00
	Total	147315676.00	195610.00	10601109.00	10601109.00	21202218.00	0.00	0.00	0.00

Note:

Common SGST ITC = Common input tax credit from 4A + Tran 1 + Tran 2 = 10601109.00 + 0.00 + 0.00 = 10601109.00

SGST Tax = SGST ITC to be reversed {Exempt Supplies / Total Supplies X Common SGST ITC } - SGST ITC reversed as per GSTR-3B

= 14067.67 - 0.00

= 14067.67

Common CGST ITC = Common input tax credit from 4A + Tran 1 + Tran 2 = 10601109.00 + 0.00 + 0.00 = 10601109.00

CGST Tax = CGST ITC to be reversed {Exempt Supplies / Total Supplies X Common CGST ITC } - CGST ITC reversed as per GSTR-3B

= 14067.67 - 0.00

= 14067.67

Name : SUMMIT SALES LLP FY : 2020-21

S.No.	Seller Name	Seller GSTIN	Commodity / Service	HSN code	Month	R1 to this dealer		
						SGST	CGST	Total
1	2	3	4	5	6	7a	7b	7c
1	ROYAL SUNDARAM GENERAL INSURANCE CO. LIMITED	36AABCR7106G1ZK	Motor Vehicle Insurance	997134;	Jun, 2020	3407.49	3407.49	6814.98
2	Future Generali India Insurance Company Limited	36AABCF0191R1ZA	Motor Vehicle Insurance	997134;	Oct, 2020	1237.17	1237.17	2474.34
3	HESTIA	36AAMFH1012P1Z9	Interior designers	99832; 998391;	Dec, 2020	81399.60	81399.60	162799.20
4	Future Generali India Insurance Company Limited	36AABCF0191R1ZA	Motor Vehicle Insurance	997134;	Dec, 2020	1163.40	1163.40	2326.80
5	HESTIA	36AAMFH1012P1Z9	Interior designers	99832; 998391;	Jan, 2021	64211.40	64211.40	128422.80
6	Future Generali India Insurance Company Limited	36AABCF0191R1ZA	Motor Vehicle Insurance	997134;	Jan, 2021	-581.70	-581.70	-1163.40
7	BHARTI AXA GENERAL INSURANCE COMPANY LIMITED	36AADCB2008D1ZD	Accident & Health Insurance	997133;	Feb, 2021	2528.70	2528.70	5057.40
8	Future Generali India Insurance Company Limited	36AABCF0191R1ZA	Motor Vehicle Insurance	997134;	Feb, 2021	581.70	581.70	1163.40
	Total					153947.76	153947.76	307895.52

Note:

SGST Ineligible ITC = Lower of {(Total SGST ineligible ITC u/s 17(5) from GSTR-01 to this dealer - 4D(1) SGST of GSTR-3B) or Sum of 4C of all months GSTR 3B in FY}

= Lower of 153947.76 - 0.000 or 10597543.00

= 153947.76

CGST Ineligible ITC = Lower of {(Total CGST ineligible ITC u/s 17(5) from GSTR-01 to this dealer - 4D(1) CGST of GSTR-3B) or Sum of 4C of all months GSTR 3B in FY}

= Lower of 153947.76 - 0.000 or 10597543.00

= 153947.76