

Hiregange Associates LLP
Chartered Accountants



Date: 24.09.2021

To

The Commissioner of Central tax,
Secunderabad GST Commissionerate,
GST Bhavan, L.B. Stadium Road,
Basheerbagh, Hyderabad - 500004

Dear Sir,

Sub: Submission of information called during personal hearing.

Ref:

- a. Submissions of information vide letter dated 04.09.2021
- b. Your letter dated 16.08.2021
- c. Personal hearing attended on 14.06.2021
- d. SCN vide OR No. 19/2020-21-Sec-Adjn-Commr (ST) dated 21.12.2020 issued to M/s. Nilgiri Estates

1. In continuation to our letter dated 04.09.2021, we wish to submit the reconciliation statement for the differences between the amounts declared in GST/ST-3 returns and Income Tax Returns (ITR) for the period April 2017 to June 2017.
2. At the outset we would like to submit that the turnover declared in the ITR and the turnover declared in GST/ST-3 returns will not match as the revenue recognition adopted under both acts are completely different. While the revenue recognised in ITR is recognised as per the percentage completion method, the value of supply under CGST Act, 2017 is on receipt basis.
3. We would like to submit that the impugned notice has considered the outward supply turnover under GST as Rs.3,78,87,611/- for the period July 2017 to March 2018 and compared the same with turnover disclosed in income tax return as Rs. 16,68,99,960/-. The differential amount of Rs. 12,90,12,349/- was taken as turnover for the period April 2017 to June 2017.
4. In this regard, we submit that the impugned notice as not considered the Non-GST supply turnover disclosed in GSTR-09 of Rs. 14,84,70,715/- and exempted

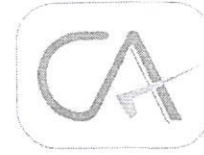
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turnover of Rs.12,08,090/-. The details of total turnover for the period July 2017 to March 2018 is as follows

S. No	Particulars	Amount
1	B2C Supplies	3,78,87,611
2	Supplies liable under RCM	17,34,529
3	Exempted Supply	12,08,090
4	Non-GST Supply	14,84,70,715
5	Total Value of supply	18,93,00,945
6	Less: Supplies liable under RCM	17,34,529
7	Turnover as per GSTR 9	18,75,66,416

Once the above turnover is considered, the total turnover disclosed in GSTR-09 for the period July 2017 to March 2018 amounts to Rs.18,75,66,416/-. Therefore, the turnover of Rs.3,78,87,611/- considered by the impugned notice for the period July 2017 to March 2018 is not correct (Copy of GSTR-09 for the period July 2017 to March 2018 is enclosed).

5. With respect to the turnover declared in the ITR, we would like to submit that the revenue recognised in ITR is based on percentage of completion method. In this regard, we would like to submit the reconciliation between revenue recognised in ITR and revenue disclosed in GST returns is as follows

SI NO	Particulars	Amount
A	Revenue recognised	16,68,99,960
B	Other Income	13,58,012
C	Total turnover as ITR (Audited Financial statements)	16,82,57,972
D	Less: Turnover from April 2017 to June 2017	12,80,904
E	Add: Unadjusted advances at the end of FY	3,64,38,455
F	Less: Unadjusted advances at the beginning of FY	1,83,87,813
G	Total (C-D+E-F)	18,63,08,614
H	Turnover as per GSTR - 9	18,75,66,416
I	Unreconciled	23,102

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6. In this regard, we would like to submit that there is no major difference between the income declared in ITR and income declared in GST Returns. Further, we would like to submit that the actual amounts received during the period April 2017 to June 2017 is Rs. 1,60,17,996/-, out of which an amount of Rs.1,23,83,924/- was received towards taxable services and the same was clearly disclosed in ST-3 return filed for such period. The balance amount of Rs. 36,34,072/- was received towards reimbursements of VAT, Registration Charges and Service Tax, however, the same was not disclosed in ST-3 returns as the same are not liable to service tax. The fact was also informed to your good office vide Para 5 of our letter dated 04.09.2021 (Copy of date-wise receipts for the period April 2017 to June 2017 is enclosed).
7. Therefore, the turnover of Rs.1,60,17,996/- shall be considered as turnover for April 2017 to June 2017 as against the turnover considered by the impugned notice of Rs.12,90,12,349/-. Hence, we request your good self to drop the further proceedings with respect to the same.

We shall be glad to provide any other information required in this regard. Kindly acknowledge the receipt of this letter.

Thanking you,

Yours truly,

For M/s. Nilgiri Estates & Associates LLP


Venkata Prasad. P
Authorized Representative



Enclosures:

- Copy of GSTR-09 for the period July 2017 to March 2018
- Income Tax return for the period 2017-18 (Assessment Year 18-19)
- Copy of date-wise receipts for the period April 2017 to June 2017

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