

GOVERNMENT OF TELANGANA
COMMERCIAL TAX DEPARTMENT

Attachment to Show Cause Notice in Form DRC-01

DIN	GST/36AAHCG4562D1ZP/22
Office details Designation of the assessing officer Unit Division	DEPUTY COMMISSIONER (ENFT) ENFORCEMENT HOD
Details of the Tax payer Name Legal Name GSTIN	GV RESEARCH CENTERS PRIVATE LIMITED GV RESEARCH CENTERS PRIVATE LIMITED 36AAHCG4562D1ZP
Financial Year	2021-22(Upto 092021)

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.**4646816.43**
CGST Rs.**4646816.43**
Total Rs.**9293632.86**

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)	372873.00	-	-	-
2	Exempt supplies	3.1(c)+3.1(e)	372873.00	-	-	-
3	Proportion of common ITC which has to be reversed to the extent of exempt supply (2/1 above)		1.000000	-	-	-
4	Common input tax credit	4A+Tran 1+ Tran 2	-	3599779.00	3599779.00	7199558.00
5	ITC to be reversed	[S.No.2]/[S. No.1]X[S.No. 4]	-	3599779.00	3599779.00	7199558.00
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	-	3599779.00	3599779.00	7199558.00

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	Works contractors	9954;		774096.05	774096.05	1548192.10
2	Interior designers	99832; 998391;		272941.38	272941.38	545882.76
A	Total ineligible ITC u/s 17(5)	-		1047037.43	1047037.43	2094074.86
B	Ineligible ITC declared in GSTR-3B	-	4D.(1)	0.000	0.000	0.000
C	Difference/excess ITC claimed	-		1047037.43	1047037.43	2094074.86

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	4646816.43	4646816.43	9293632.86

(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.

DEPUTY COMMISSIONER (ENFT)

To download response pdf [Click Here](#)

ITC to be reversed on non-business transactions & exempt supplies					Date: 05-02-2022			Rs in Rupees	
GSTIN : 36AAHCG4562D1ZP			Name : GV RESEARCH CENTERS PRIVATE LIMITED		FY : 2021-22(Upto 092021)				
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, 2021	0.00	0.00	69714.00	69714.00	139428.00	0.00	0.00	0.00
2	May, 2021	0.00	0.00	24079.00	24079.00	48158.00	0.00	0.00	0.00
3	Jun, 2021	170602.00	170602.00	549264.00	549264.00	1098528.00	0.00	0.00	0.00
4	Jul, 2021	154411.00	154411.00	745880.00	745880.00	1491760.00	0.00	0.00	0.00
5	Aug, 2021	0.00	0.00	550086.00	550086.00	1100172.00	0.00	0.00	0.00
6	Sep, 2021	47860.00	47860.00	1660756.00	1660756.00	3321512.00	0.00	0.00	0.00
	Total	372873.00	372873.00	3599779.00	3599779.00	7199558.00	0.00	0.00	0.00

Note:

Common SGST ITC = Common input tax credit from 4A + Tran 1 + Tran 2 = 3599779.00 + 0.00 + 0.00 = 3599779.00

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

= 3599779.00 - 0.00

= 3599779.00

Common CGST ITC = Common input tax credit from 4A + Tran 1 + Tran 2 = 3599779.00 + 0.00 + 0.00 = 3599779.00

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

= 3599779.00 - 0.00

= 3599779.00

Details of Ineligible ITC 17 (5)					Date: 05-02-2022	Rs in Rupees		
GSTIN : 36AAHCG4562D1ZP								
Name : GV RESEARCH CENTERS PRIVATE LIMITED			FY : 2021-22(Upto 092021)					
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	SUMMIT SALES LLP	36ACQFS2044C1Z7	Works contractors	9954;	Apr, 2021	28721.62	28721.62	57443.24
2	SUMMIT SALES LLP	36ACQFS2044C1Z7	Works contractors	9954;	May, 2021	59681.22	59681.22	119362.44
3	SUMMIT SALES LLP	36ACQFS2044C1Z7	Works contractors	9954;	Jun, 2021	94884.48	94884.48	189768.96
4	MODI PROPERTIES PRIVATE LIMITED	36AABCM4761E1ZM	Works contractors	9954;	Jun, 2021	24715.26	24715.26	49430.52
5	JOHNSON LIFTS PVT LTD	36AAACJ0838Q1Z7	Works contractors	9954;	Jun, 2021	22950.00	22950.00	45900.00
6	JOHNSON LIFTS PVT LTD	36AAACJ0838Q1Z7	Works contractors	9954;	Jul, 2021	217189.83	217189.83	434379.66
7	HESTIA	36AAMFH1012P1Z9	Interior designers	99832; 998391;	Jul, 2021	150581.61	150581.61	301163.22
8	SUMMIT SALES LLP	36ACQFS2044C1Z7	Works contractors	9954;	Jul, 2021	60399.87	60399.87	120799.74
9	SUMMIT SALES LLP	36ACQFS2044C1Z7	Works contractors	9954;	Aug, 2021	99304.30	99304.30	198608.60
10	HESTIA	36AAMFH1012P1Z9	Interior designers	99832; 998391;	Aug, 2021	32602.50	32602.50	65205.00
11	MODI PROPERTIES PRIVATE LIMITED	36AABCM4761E1ZM	Works contractors	9954;	Aug, 2021	16476.84	16476.84	32953.68
12	SUMMIT SALES LLP	36ACQFS2044C1Z7	Works contractors	9954;	Sep, 2021	93506.24	93506.24	187012.48
13	HESTIA	36AAMFH1012P1Z9	Interior designers	99832; 998391;	Sep, 2021	89757.27	89757.27	179514.54
14	JOHNSON LIFTS PVT LTD	36AAACJ0838Q1Z7	Works contractors	9954;	Sep, 2021	48027.97	48027.97	96055.94
15	MODI PROPERTIES PRIVATE LIMITED	36AABCM4761E1ZM	Works contractors	9954;	Sep, 2021	8238.42	8238.42	16476.84
	Total					1047037.43	1047037.43	2094074.86

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 1047037.43 - 0.000 or 3599649.50
= 1047037.43

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 1047037.43 - 0.000 or 3599649.50
= 1047037.43

Office of Deputy Commissioner

Jurisdiction: Telangana

State/UT: Telangana

Reference No : ZD3602220020547

Date: 06/02/2022

To

GSTIN/ID: 36AAHCG4562D1ZP

Name: GV RESEARCH CENTERS PRIVATE LIMITED

Address : 5-4-187/3, Soham mansion, MG Road, MG Road, Secunderabad, Hyderabad, Telangana, 500003

Tax Period : APR 2021 - SEP 2021

F.Y. 2021-2022

ARN- NA

Date- NA

(Voluntary payment intimation details, if applicable)

Show Cause Notice under section 73

It has come to my notice that tax due has not been paid or short paid or refund has been released erroneously or input tax credit has been wrongly availed or utilized by you or the amount paid by you through the above referred application for intimation of voluntary payment for the reasons and other details mentioned in annexure for the aforesaid tax period

Therefore, you are directed to furnish a reply along with supporting documents as evidence in support of your claim by the date mentioned in table below.

You may appear before the undersigned for personnel hearing either in person or through authorized representative for representing your case on the date, time and venue, if mentioned in table below.

Please note that besides tax, you are also liable to pay interest and penalty in accordance with the provisions of the Act.

If you make payment of tax stated above along with up to date interest within 30 days of the issue of this notice with applicable penalty then proceeding may be deemed to have been concluded.

Details of personal hearing etc.

Sr. No.	Description	Particulars
1	Section under which show cause notice/statement is issued	73
2	Date by which reply has to be submitted	20/02/2022
3	Date of personal hearing	NA
4	Time of personal hearing	NA
5	Venue where personal hearing will be held	NA

Demand Details-

(Amount in Rs.)

Sr. No.	Tax Rate(%)	Turnover	Tax Period		Act	POS (Place of Supply)	Tax	Interest	Penalty	Fee	Others	Total
			From	To								
1	2	3	4	5	6	7	8	9	10	11	12	13
1	0	0.00	APR 2021	SEP 2021	SGST	NA	46,46,816.43	0.00	0.00	0.00	0.00	46,46,816.43
2	0	0.00	APR 2021	SEP 2021	CGST	NA	46,46,816.43	0.00	0.00	0.00	0.00	46,46,816.43

Total							92,93,632.86	0.00	0.00	0.00	0.00	92,93,632.86
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Signature
Name: SESHAGIRI RAO TOTAKURA
Designation: Deputy Commissioner
Jurisdiction: Telangana

FORM GST DRC - 01
[See rule 100(2) & 142(1)(a)]

Reference No. - ZD3602220020547

Date - 06/02/2022

To

GSTIN/ID: 36AAHCG4562D1ZP

Name: GV RESEARCH CENTERS PRIVATE LIMITED

Address : 5-4-187/3, Soham mansion, MG Road, MG Road, Secunderabad, Hyderabad, Telangana, 500003

Tax Period : APR 2021 - SEP 2021

F.Y.- 2021-2022

SCN Reference No. ZD3602220020547

Date 06/02/2022

Section / sub-section under which SCN is being issued - 73

Summary of Show Cause Notice

(a) Brief Fact of the Case : 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

(b) Grounds : 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

(c) Tax and other dues

(Amount in Rs.)

Sr.	Tax	Turnover	Tax Period	Act	POS (Place of	Tax	Interest	Penalty	Fee	Others	Total
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No.	Rate(%)		From	To		Supply)						
1	2	3	4	5	6	7	8	9	10	11	12	13
1	0	0.00	APR 2021	SEP 2021	SGST	NA	46,46,816.43	0.00	0.00	0.00	0.00	46,46,816.43
2	0	0.00	APR 2021	SEP 2021	CGST	NA	46,46,816.43	0.00	0.00	0.00	0.00	46,46,816.43
Total							92,93,632.86	0.00	0.00	0.00	0.00	92,93,632.86
Signature Name: Designation: Jurisdiction: SESHAGIRI RAO TOTAKURA Deputy Commissioner Telangana												