

GV RESEARCH CENTERS PVT LTD

5-4-187/3&4, II floor, MG Road,
Secunderabad – 500 003.
Phone: +91-40-66335551

Date: 30-01-2023

To,
The Assistant Commissioner,
Ramgopalpet Circle,
Begumpet Division,
Hyderabad.

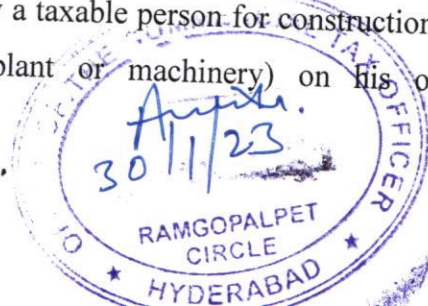
o/c

Dear Sir,

Sub: Intimation regarding availing of Input Tax Credit ('ITC').

Ref: GSTIN – 36AAHCG4562D1ZP

1. We are into the business of construction of commercial properties which is intended to be leased/rented to the customers. During the year 2021-22 we had constructed a property at Sy No.542, Plot No.3, Kolthur, Medchal – Malkajgiri, Telangana – 500078 which was rented from 18-04-2022.
2. For the purposes of the said construction, we are procuring various inputs and input services. These can be categorized into expenses which are relating to plant and machinery and others.
3. The activity of leasing/renting of commercial property is squarely covered under supply in terms of section 7 of the CGST Act, 2017. Thereby we would discharge GST on the same. Since the property which is being constructed would be used for leasing/renting business on which we are going to discharge GST, we would like to avail ITC of GST paid on various inputs and input services and utilize the same for payment of output liability. As the output is taxable, the ITC on the inputs or input services used in the construction of property is rightly eligible.
4. In this regard, we understand that ITC is restricted on the inputs and input services used in the construction of property in terms of section 17(5)(d) of the CGST Act, 2017. For easy reference, the same is extracted as follows:
“(d) goods or services or both received by a taxable person for construction of an immovable property (other than plant or machinery) on his own



account including when such goods or services or both are used in the course or furtherance of business”

5. For better understanding, we would like to contextually explain the above provision into parts,

- a. Goods or services or both received by a taxable person
- b. For construction of an immovable property (other than plant or machinery)
- c. On his own account including when such goods or services or both are used in the course or furtherance of business

6. From the above we understand that there is no restriction on availing and utilizing the credit relating to plant and machinery. Thereby, we have availed credit to the extent of Rs.17,95,304/-.

7. With regard to the other expenses incurred, we would like to bring to notice the decision of the Hon'ble High Court of Orissa which in case of Safari Retreats Pvt Ltd Vs C.C Of CGST 2019 (25) G.S.T.L. 341 (Ori.), which in very similar facts & circumstances has read down the aforesaid provision. The relevant portion of the decision is extracted below:

“19. The very purpose of the Act is to make the uniform provision for levy collection of tax, intra-State supply of goods and services both Central or State and to prevent multi taxation.

Therefore, the contention which has been raised by the Learned Counsel for the petitioners keeping in mind the provisions of Section 16(1)(2) where restriction has been put forward by the legislation for claiming eligibility for input credit has been described in Section 16(1) and the benefit of apportionment is subject to Section 17(1) and (2). While considering the provisions of Section 17(5)(d), the narrow construction of interpretation put forward by the Department is frustrating the very objective of the Act, in as much as the petitioner in that case has to pay huge amount without any basis. Further, the petitioner would have paid GST if it disposed of the property after the completion certificate is granted and in case the property is sold prior to completion certificate, he would not be required to pay



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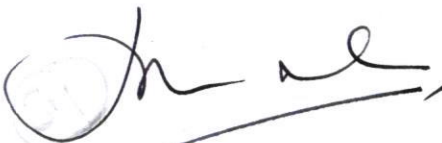
GST. But here he is retaining the property and is not using for his own purpose but he is letting out the property on which he is covered under the GST, but still he has to pay huge amount of GST, to which he is not liable.

8. We also understand that the judgement in the case of Safari Retreats Pvt Ltd ibid is pending before the Supreme Court.
9. In this regard, we hereby intimate that we wish to also avail ITC on inputs and input services which do not fall under the category of plant and machinery, amounting to Rs. 38,58,064/- procured for the construction and reverse under protest. If the judgement in the case of Safari Retreats Pvt Ltd ibid is given in favor of the assessee, we would re-avail the ITC reversed under protest.
10. This is our understanding of the law and would request you to let us know in case there is any other conclusion coming out from the provisions of the law so that we can comply.
11. We would be glad to provide any further information or explanation in this regard.
Kindly provide a dated acknowledgement of this letter for our records.

Thanking You,

Yours Faithfully,

For M/s G V Research Centers Private Limited



Authorised Signatory

Enc:GSTR-3B

Form GSTR-3B

[See rule 61(5)]

Year	2022-23
Period	October

1. GSTIN	36AAHCG4562D1ZP
2(a). Legal name of the registered person	GV RESEARCH CENTERS PRIVATE LIMITED
2(b). Trade name, if any	GV RESEARCH CENTERS PRIVATE LIMITED
2(c). ARN	AA3610226369638
2(d). Date of ARN	30/11/2022

(Amount in ₹ for all tables)

3.1 Details of Outward supplies and inward supplies liable to reverse charge (other than those covered by Table 3.1.1)

Nature of Supplies	Total taxable value	Integrated tax	Central tax	State/UT tax	Cess
Outward taxable supplies (other than zero rated, nil rated and exempted)	5585225.00	0.00	502670.25	502670.25	0.00
(b) Outward taxable supplies (zero rated)	0.00	0.00	-	-	0.00
(c) Other outward supplies (nil rated, exempted)	0.00	-	-	-	-
(d) Inward supplies (liable to reverse charge)	0.00	0.00	0.00	0.00	0.00
(e) Non-GST outward supplies	0.00	-	-	-	-

3.1.1 Details of Supplies notified under section 9(5) of the CGST Act, 2017 and corresponding provisions in IGST/UTGST/SGST Acts

Nature of Supplies	Total taxable value	Integrated tax	Central tax	State/UT tax	Cess
(i) Taxable supplies on which electronic commerce operator pays tax u/s 9(5) [to be furnished by electronic commerce operator]	0.00	0.00	0.00	0.00	0.00
(ii) Taxable supplies made by registered person through electronic commerce operator, on which electronic commerce operator is required to pay tax u/s 9(5) [to be furnished by registered person making supplies through electronic commerce operator]	0.00	-	-	-	-

3.2 Out of supplies made in 3.1 (a) and 3.1.1 (i), details of inter-state supplies made

Nature of Supplies	Total taxable value	Integrated tax
Supplies made to Unregistered Persons	0.00	0.00
Supplies made to Composition Taxable Persons	0.00	0.00
Supplies made to UIN holders	0.00	0.00

4. Eligible ITC

Details	Integrated tax	Central tax	State/UT tax	Cess
A. ITC Available (whether in full or part)				
(1) Import of goods	0.00	0.00	0.00	0.00
(2) Import of services	0.00	0.00	0.00	0.00
(3) Inward supplies liable to reverse charge (other than 1 & 2 above)	0.00	0.00	0.00	0.00

(4) Inward supplies from ISD	0.00	0.00	0.00	0.00
(5) All other ITC	3393.77	1561465.92	1561465.92	0.00
B. ITC Reversed				
(1) As per rules 38,42 & 43 of CGST Rules and section 17(5)	0.00	27416.00	27416.00	0.00
(2) Others	0.00	1929032.00	1929032.00	0.00
C. Net ITC available (A-B)	3393.77	-394982.08	-394982.08	0.00
(D) Other Details	0.00	0.00	0.00	0.00
(1) ITC reclaimed which was reversed under Table 4(B)(2) in earlier tax period	0.00	0.00	0.00	0.00
(2) Ineligible ITC under section 16(4) & ITC restricted due to PoS rules	0.00	0.00	0.00	0.00

5 Values of exempt, nil-rated and non-GST inward supplies

Nature of Supplies	Inter- State supplies	Intra- State supplies
From a supplier under composition scheme, Exempt, Nil rated supply	0.00	0.00
Non GST supply	0.00	0.00

5.1 Interest and Late fee for previous tax period

Details	Integrated tax	Central tax	State/UT tax	Cess
System computed Interest	-	130.74	130.74	-
Interest Paid	0.00	130.74	130.74	0.00
Late fee	-	725.00	725.00	-

6.1 Payment of tax

Description	Total tax payable	Tax paid through ITC				Tax paid in cash	Interest paid in cash	Late fee paid in cash
		Integrated tax	Central tax	State/UT tax	Cess			
(A) Other than reverse charge								
Integrated tax	0.00	0.00	0.00	0.00	-	0.00	0.00	-
Central tax	897652.00	897652.00	0.00	-	-	0.00	131.00	725.00
State/UT tax	897652.00	897652.00	-	0.00	-	0.00	131.00	725.00
Cess	0.00	-	-	-	0.00	0.00	0.00	-
(B) Reverse charge								
Integrated tax	0.00	-	-	-	-	0.00	-	-
Central tax	0.00	-	-	-	-	0.00	-	-
State/UT tax	0.00	-	-	-	-	0.00	-	-
Cess	0.00	-	-	-	-	0.00	-	-

Breakup of tax liability declared (for interest computation)

Period	Integrated tax	Central tax	State/UT tax	Cess
October 2022	0.00	897652.00	897652.00	0.00

Verification:

I hereby solemnly affirm and declare that the information given herein above is true and correct to the best of my knowledge and belief and nothing has been concealed there from.

Date: 30/11/2022

Name of Authorized Signatory

SOHAM MODI

Designation /Status

MANAGING DIRECTOR

FILED