



Proceedings of Assistant Commissioner (State Taxes)

Ramgopalpet-Ranigunj-II Circle

BEGUMPET DIVISION

PRESENT: Sri M. UPENDER

(u/s 73 of the TGST & CGST Acts, 2017)

Dt. 28-04-2024

DIN	GST/36ACVFS7909P1ZV/19
Office details Designation of the assessing officer Unit Division	ASSISTANT COMMISSIONER (ST) RAMGOPALPET-RANIGUNJ BEGUMPET
Details of the Tax payer Name Legal Name GSTIN	SERENE CONSTRUCTIONS LLP SERENE CONSTRUCTIONS LLP 36ACVFS7909P1ZV
Financial Year	2018-19

Ref: 1. This office Show Cause notice vide ARN: AD361121008293N dated: 12/11/2021
2. This office Reminders dated: 29/11/2021, 14/12/2021 and 24/12/2021.
3. Tax Payers reply dated: 26/11/2021

You have filed annual return in GSTR-09 for the financial year 2018-19.

On examination of the information furnished in this return under various heads and also the information furnished in TRAN-1, GSTR-01, GSTR-2A, GSTR-3B, EWB and other records available in this office it is found that you have not declared your correct tax liability while filing the annual returns of GSTR-09. The summary of under declared tax is as follows:

SGST Rs.**2524505.61**

CGST Rs.**2524505.61**

Total Rs.**2849011.22**

The details of the above tax liability are as follows:

1. Net tax liability under declared on account of non-reconciliation of information declared in GSTR-09:

A. The excess input tax credit (ITC) claimed on account of non-reconciliation of information declared in GSTR-09:

Under Sec 16(2)(c) every registered person shall be entitled to take credit of ITC on supply of goods or services to him subject to the condition that the tax charged in respect of such supply has been actually paid to the Government either in cash or through utilization of ITC admissible in respect of such supply.

It is observed that the tax payer has not correctly availed input tax on his inward supplies on reconciliation of turnovers in GSTR-09. Resulting in tax payable to a tune of Rs. **658638.76**

S.No	Issue	Table No. InGSTR-09	SGST	CGST	Total
1	2	3	4	5	6
1	Excess claim of ITC declared inGSTR-09	8D	329319.38	329319.38	658638.76
2	Add excess claim of IGST on imports in GSTR-09	8I	0.00	0.00	0.00
3	Total excess claimed of ITC as perGSTR-09		329319.38	329319.38	658638.76

Response of the tax payer:

We would like to provide that the difference is due to certain invoices pertaining to financial year 2018-19 our supplier has reported the invoices in their returns of financial year 2019-20 hence it is not reflecting in GSTR2A of 2018-19

Observations and conclusion of the assessing authority:

On verification of GSTR-2A and GSTR-1 of supplier it is noticed that certain invoices of financial year 2018-19 the supplier has reported the invoices in the month May'2019 & August '2019 in their GSTR-1 return of financial year 2019-20 in time only but the same was not reflected in GSTR2A &GSTR-9. Hence, the above demand is dropped.

2. Net tax under declared due to non-reconciliation of turnovers in other returns and E-waybill information:

In addition to the above under declared turnovers with respect to GSTR-09, it is seen that you have under declared turnovers with respect to other information available in this office.

• Reconciliation of GSTR-01 with GSTR-09:

The outward supplies turnover declared in GSTR-01 is greater than net outward supplies information furnished in GSTR-09 and arrived at box (5N+10-11) above. 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.	2453000.31	2453000.31	4906000.62
2	Less tax on Outward supplies arrived in GSTR-09 at box 1A(1)+1A(2)	260425.00	2460425.00	2720850.00
3	Difference (1-2)	2192575.31	0	2185150.62

Response of the tax payer:

We would like to submit that while filing the GSTR-09 values entered wrongly under Table 4(A) as 260425.00 instead of 2460425.00 in SGST portion.

Observations and conclusion of the assessing authority:

On verification of GSTR-3B, GSTR1 and GSTR-9 it is noticed that the tax payer wrongly entered values under Table 4(A) as 260425.00 instead of 2460425.00 in SGST portion but taxes paid accordingly. Hence, the above demand is dropped.

3. 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-09 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-09	Value of outward supply	SGST	CGST	Total
1	2	3	4	5	6	7
1	Total supplies	5N+10-11	27431651.00	-	-	-
2	Exempt supplies	5C + 5D + 5E + 5F	46796.00	-	-	-
3	Proportion of common ITC which has to be reversed to the extent of exempt supply (2/1 above)		0.00	-	-	-
4	Common input tax credit	6O+13-12	-	1530514.00	1530514.00	3061028.00
5	ITC to be reversed	{S.No.4 (x) S.No.2}/S.No.1	-	2610.92	2610.92	5221.84
6	ITC reversed as per GSTR-09	7C + 7D + 7F + 7G	-	0.00	0.00	0.00
7	Difference/Excess ITC claimed	S.No.5 (-) S.No.6	-	2610.92	2610.92	5221.84

Therefore the excess ITC claimed is proposed to be recovered.

Response of the tax payer:

We would like to submit that we have received Interest income from bank the same was disclosed in exempt supplies table while filing of GSTR-9.

Observations and conclusion of the assessing authority:

On verification of bank statement, the tax payer has received Interest income from bank.

Hence, the above demand is dropped.

Summary :

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) + (2) above	0	0	0

Since the taxpayer has not paid the amounts within (30) days of issue of the show cause, they are liable to pay penalty under Sec.122 of the CGST/SGST Act as applicable of SGST Rs.**0.00** and SGST Rs.**0.00**.

Note: An appeal against this order lies before the Appellate Joint Commissioner (ST), Punjagutta Division Hyderabad within (90) days from the date of receipt of this order.

Sd/-
Assistant Commissioner (ST)
Ramgopalpet-Ranigunj-II Circle

Office of : Assistant Commissioner
Jurisdiction : RAMGOPALPET-RANIGUNJ 2: Begumpet: Telangana, State/UT : Telangana

Reference No. : ZD360424081301P

Date : 29/04/2024

To

GSTIN/ID : 36ACVFS7909P1ZV

Name : SERENE CONSTRUCTIONS LLP

Address : 5-4-187/3 AND 4, 2ND FLOOR, SOHAM MANSION, MG ROAD, SECUNDERABAD, Rangareddy, Telangana, 500003

Tax period : APR 2018 - MAR 2019

F.Y. : 2018-2019

SCN/Statement Reference No. : ZD361121006113A

Date : 12/11/2021

Act/ Rules Provisions :
GST Act

Order for dropping the proceedings under section 73/74

With reference to the above referred show cause notice issued to you for representing your case against the reasons stated in the Annexure attached thereto and on the basis of information available on record, the proceedings are hereby dropped for the reasons and other details stated in the Annexure attached herewith.

Signature

Name : METHARY UPENDER

Designation : Assistant Commissioner

Jurisdiction : RAMGOPALPET-RANIGUNJ
2: Begumpet: Telangana