

Form GST DRC-06

[See rule 142(4)]

Reply to the Show Cause Notice

ARN: ZD361121069276H

Date: 26/11/2021

1. GSTIN	36ACVFS7909P1ZV		
2. Name	SERENE CONSTRUCTIONS LLP		
3. Details of Show Cause Notice	Reference No. ZD3611210061924	Date of issue 12/11/2021	
4. Financial Year	2019-2020		
5. Reply	Reply to the notice and DRC 03 has been attached		
6. Documents uploaded	Reply to Notice F.Y 19-20.pdf DRC_03.pdf		
7. Option for personal hearing	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	

8.Verification-

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

Signature of Authorized Signatory
Name : SOHAMMODI
Designation / Status: Designated
Partner
Date: 26/11/2021

Serene Constructions LLP

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

Date: 26th November 2021

To,
Assistant Commissioner (ST)
Ramgopalpet-Ranigunj
Begumpet

Sir,

Sub: Reply to Notice dated 12th November 2021 u/s. 73-GST Act, 2017 - M/s.
Serene Constructions LLP, GSTIN: 36ACVFS7909P1ZV - DRC 01 - for the
Financial Period: 2019-20

We are in receipt of your notice dated 12-11-2021 issued for payment demand of SGST Rs.4,64,727/- and CGST Rs. 4,64,727/-

As per the said notice the details of the tax liability are as provided below.

Reply to Para 1A:

The tax on outward supplies under declared on reconciliation of data in GSTR-09:

In the said para it is provided that on comparison of GST liability payable in GSTR-09 versus GST liability paid, there is a difference of CGST Rs 31,500 and SGST Rs 31,500.

In this context we would like to provide that, CGST of Rs 31,500 and SGST of Rs 31,500 is excess paid in the GSTR-3B of March-2019 and thus the same has been reduced from GST liability of July-2019.

Extract of GSTR-3B and GSTR 1 for F.Y. 2018-19 and F.Y. 2019-20 is provided below:

Tax Period	Tax liability declared in GSTR-3B during the month [as per table 3.1(a)]				Tax liability declared in GSTR-1 (other than reverse charge supply) during the month [as per table 4A, 4C, 5, 6C, 7, 9A, 9B, 9C, 10, 11]				Shortfall (-) / Excess (+) in liability (GSTR-3B - GSTR-1)		
	IGST	CGST	SGST/UTGST	CESS	IGST	CGST	SGST/UTGST	CESS	IGST	CGST	SGST/UTGST
1	2	3	4	5	6	7	8	9	10	11	12
Apr-18	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
May-18	0.00	0.00	0.00	0.00	0.00	31,500.00	31,500.00	0.00	0.00	-31,500.00	-31,500.00
Jun-18	0.00	54,900.00	54,900.00	0.00	0.00	54,900.00	54,900.00	0.00	0.00	0.00	0.00
Jul-18	0.00	3,63,600.00	3,63,600.00	0.00	0.00	3,63,600.00	3,63,600.00	0.00	0.00	0.00	0.00
Aug-18	0.00	1,33,200.00	1,33,200.00	0.00	0.00	1,33,200.00	1,33,200.00	0.00	0.00	0.00	0.00
Sep-18	0.00	3,37,500.00	3,37,500.00	0.00	0.00	2,20,500.00	2,20,500.00	0.00	0.00	1,17,000.00	1,17,000.00
Oct-18	0.00	1,98,000.00	1,98,000.00	0.00	0.00	1,98,000.00	1,98,000.00	0.00	0.00	0.00	0.00
Nov-18	0.00	76,500.00	76,500.00	0.00	0.00	76,500.00	76,500.00	0.00	0.00	0.00	0.00
Dec-18	0.00	90,000.00	90,000.00	0.00	0.00	90,000.00	90,000.00	0.00	0.00	0.00	0.00
Jan-19	0.00	4,44,425.00	4,44,425.00	0.00	0.00	4,44,425.00	4,44,425.00	0.00	0.00	-0.00	-0.00
Feb-19	0.00	4,38,300.00	4,38,300.00	0.00	0.00	4,38,300.00	4,38,300.00	0.00	0.00	0.00	0.00
Mar-19	0.00	4,72,500.00	4,72,500.00	0.00	0.00	4,02,075.00	4,02,075.00	0.00	0.00	70,425.00	70,425.00
Total	0.00	26,08,925.00	26,08,925.00	0.00	0.00	24,53,000.00	24,53,000.00	0.00	0.00	1,55,924.69	1,55,924.69

Serene Constructions LLP is a Limited Liability Partnership
Incorporated under Limited Liability Partnership Act, 2008 with LLP Reg. No. AAE-3760

Serene Constructions LLP

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Difference in GSTR 1 and GSTR 3B of 18-19	1,55,924	1,55,924
Less: Taxes of 17-18 paid in 18-19	1,17,000	1,17,000
Taxes excess paid in 18-19	38,924	38,924

Taxes of CGST Rs 38,924 and SGST Rs 38,924 excess paid in F.Y. 18-19 is adjusted in F.Y. 19-20 as provided in the table below:

Tax Period	Tax liability declared in GSTR-3B during the month [as per table 3.1(a)]				Tax liability declared in GSTR-1 (other than reverse charge supply) during the month [as per table 4A, 4C, 5, 6C, 7, 9A, 9B, 9C, 10, 11]				Shortfall (-)/ Excess (+) in liabil (GSTR-3B - GSTR-1)		
	IGST	CGST	SGST/UTGST	CESS	IGST	CGST	SGST/UTGST	CESS	IGST	CGST	SGST/UTGST
1	2	3	4	5	6	7	8	9	10	11	12
Apr-19	0.00	2,16,000.00	2,16,000.00	0.00	0.00	2,16,000.00	2,16,000.00	0.00	0.00	0.00	0.00
May-19	0.00	1,35,000.00	1,35,000.00	0.00	0.00	1,35,000.00	1,35,000.00	0.00	0.00	0.00	0.00
Jun-19	0.00	1,35,000.00	1,35,000.00	0.00	0.00	1,35,000.00	1,35,000.00	0.00	0.00	0.00	0.00
Jul-19	0.00	2,56,500.00	2,56,500.00	0.00	0.00	2,88,000.00	2,88,000.00	0.00	0.00	-31,500.00	-31,500.00
Aug-19	0.00	3,10,500.00	3,10,500.00	0.00	0.00	3,10,500.00	3,10,500.00	0.00	0.00	0.00	0.00
Sep-19	0.00	2,65,500.00	2,65,500.00	0.00	0.00	2,72,925.00	2,72,925.00	0.00	0.00	-7,425.00	-7,425.00
Oct-19	0.00	1,80,000.00	1,80,000.00	0.00	0.00	1,80,000.00	1,80,000.00	0.00	0.00	0.00	0.00
Nov-19	0.00	3,60,000.00	3,60,000.00	0.00	0.00	3,60,000.00	3,60,000.00	0.00	0.00	0.00	0.00
Dec-19	0.00	1,57,500.00	1,57,500.00	0.00	0.00	1,57,500.00	1,57,500.00	0.00	0.00	0.00	0.00
Jan-20	0.00	1,12,500.00	1,12,500.00	0.00	0.00	1,12,500.00	1,12,500.00	0.00	0.00	0.00	0.00
Feb-20	0.00	4,95,000.00	4,95,000.00	0.00	0.00	4,95,000.00	4,95,000.00	0.00	0.00	0.00	0.00
Mar-20	0.00	52,916.00	52,916.00	0.00	0.00	52,915.68	52,915.68	0.00	0.00	0.32	0.32
Total	0.00	26,76,416.00	26,76,416.00	0.00	0.00	27,15,340.68	27,15,340.68	0.00	0.00	-38,924.68	-38,924.68

Therefore, it is evident that there has been no short payment of tax.

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

In the said para, it is provided that ITC is not availed correctly when compared to GSTR 2A and hence a demand of CGST Rs 4,21,849 and SGST Rs 4,21,849 is raised.

It is to be noted that, Under Section 16(2)(c) of CGST Act payment of tax to Government, is subject to the provisions of Section 41 read with Rules 69 and 71. However, the ITC matching, reversal mechanism laid down under Section 41 read with rules is kept in abeyance. Therefore, till the provisions in this respect are given effect, the recipients are entitled to claim the ITC on the basis of tax invoice issued by the vendor without any consideration that such tax invoice is being reflected in GSTR-2A or not.

As held by Hon'ble Supreme Court in Tata Chemicals Limited v Commissioner, 2015 (320) ELT 45 (SC) when the law requires a particular thing to be done in a particular manner, it must be done in that manner only or not done at all. Therefore, ideally, the recipient cannot

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be asked to comply with this condition and reverse ITC when he has no mechanism to ensure whether the supplier has paid tax to the government or not.

Further, we would like to provide that, the difference is due to certain invoices pertaining to F.Y. 19-20, on which ITC has been availed in 19-20, but the supplier has reported the invoices in their returns in F.Y. 20-21 and hence it is not reflecting in GSTR-2A of 19-20.

Screenshot from portal of on such instance is provided below:

GSTIN- 36ACVFS7909P1ZV
Financial Year - 2020-21

Legal Name - SERENE CONSTRUCTIONS LLP
Return Period - September

Trade Name - SERENE CONSTRUCTIONS LLP
Generation date - 08/11/2020

SUMMARY ALL TABLES View Advisory

Select table to view details Taxable inward supplies received from registered person - B2B HELP

Supplier wise Details Document Details

Display/Hide Columns: +8 Records Per Page: 10 Apply filter Search... Q Download Excel

Trade/legal name ^	Invoice number ^	Invoice Date ^	Total Taxable Value (₹) ^	Integrated Tax (₹) ^	Central Tax (₹) ^	State/UT Tax (₹) ^	GSTR-1/5 Period ^	GSTR-1 Da
ES LLP	SSLLP/LOG/10368 v	10/08/2020	8,092.00	0.00	728.28	728.28	Aug'20	25/05
ES LLP	SSLLP/LOG/10385 v	10/08/2020	8,530.62	0.00	767.76	767.76	Aug'20	25/05
ES LLP	SSLLP/LOG/10464 v	31/08/2020	5,877.28	0.00	528.96	528.96	Aug'20	25/05
JESHWARI TRADERS	0214 v	17/08/2020	1,620.00	0.00	145.80	145.80	Aug'20	25/05
SOCIATES	POINTEC/19-20/23 v	22/11/2019	32,78,124.80	0.00	2,95,031.23	2,95,031.23	Jan'20	15/05
ETY SOLUTIONS	1250 v	17/08/2020	1,520.00	0.00	136.80	136.80	Aug'20	15/05
TERPRISES	EE2021-0090 v	08/07/2020	820.00	0.00	73.80	73.80	Jul'20	05/10
TERPRISES	EE2021-0105 v	22/07/2020	8,400.00	0.00	756.00	756.00	Jul'20	05/10

Therefore, it is unjust to demand payment of tax under the relevant section.

Reply to Para 2:

Excess ITC claimed in GSTR-3B compared to GSTR-09:

ITC to the extent of CGST Rs 11,377 and SGST Rs 11,377 provided in the said para is payable.

Thanking you,

Yours Sincerely,

For SERENE CONSTRUCTIONS LLP


(SODHM SATISH MODI)
Authorised Signatory

FORM GST DRC - 03

[See rule 142(2)&142(3)]

Intimation of payment made voluntarily or made against the show cause notice (SCN) or statement

ARN :AD3611210346397

Date :26/11/2021

1.	GSTIN		36ACVFS7909P1ZV									
2.	Name		SERENE CONSTRUCTIONS LLP									
3.	Cause of Payment		Voluntary									
4.	Section under which voluntary payment is made		73(5)									
5.	Details of show cause notice, if payment is made within 30 days of its issue		Reference No:NA					Date Of issue:NA				
6.	Financial Year		2019-2020									
7.	Details of payment made including interest and penalty, if applicable (Amount in Rs.)											
Sr. No.	Tax Period	Act	Place of supply	Tax/Cess	Interest	Penalty,if applicable	Fee	Others	Total	Ledger utilised (Cash/credit)	Debit entry no.	Date of debit entry
1.	APR 2019-MAR 2020	CGST	Telangana	11,377.00	0.00	0.00	0.00	0.00	11,377.00	Cash	DC3611210137107	26/11/2021
2.	APR 2019-MAR 2020	SGST	Telangana	11,377.00	0.00	0.00	0.00	0.00	11,377.00	Cash	DC3611210137107	26/11/2021

8. Reasons, if any -

Excess ITC Claimed in GSTR 3B compared to GSTR 09 is being reversed.

9. Verification -

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

DRC-03

Signature of Authorized Signatory

Name: SOHAM MODI

Designation: Designated Partner

Date: 26/11/2021