

Computation Notes For Consideration Of Assessing Authority

DIN	GST/36ACQFS2044C1Z7/18
Office details Designation of the assessing officer Unit Division	ASSISTANT COMMISSIONER (ST) M.G.ROAD-S.D.ROAD BEGUMPET
Details of the Tax payer Name Legal Name GSTIN	SUMMIT SALES LLP SUMMIT SALES LLP 36ACQFS2044C1Z7
Financial Year	2017-18

Ref : 1) SCN ARN No : **AD361121008271T**

SCN ARN Date : **12/11/2021**

2) PH Date : **23/12/2023**

You have filed annual return in GSTR-09 for the financial year 2017-18.

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.**564425.88**

CGST Rs.**564427.08**

Total Rs.**1128852.96**

Responding to the showcause notice issued in the reference first cited above the tax payer has filed his written objections on dt _____ and also append for the personal hearing represented by Sri/Smt.**Jaya Prakash** on dt **23/12/2023**. The same are discussed item wise along with the conclusions of the assessing authority as under:

1. Net tax under declared due to non-reconciliation of turnovers in other returns and E-way bill 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 1A(1)+1A(2) 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.	1025594.77	1025594.77	2051189.54
2	Less tax on Outward supplies arrived in GSTR-09 at box 1A(1)+1A(2)	1013851.11	1013851.11	2027702.22
3	Difference (1-2)	11743.66	11743.66	23487.32

Response of the tax payer :

The tax payer has 'Not agreed' for the following amount in the SCN.

SGST : 11743.66 CGST : 11743.66

The reasons cited by the tax payer for disagreeing/partially disagreeing are:

1. Turnover reported in 3B return:

(a) As per 3B : SGST Rs. 1032017.64 CGST Rs. 1032017.64

(b) As per GSTR-09 : SGST Rs. 1013851.11 CGST Rs. 1013851.11

Observations and conclusion of the assessing authority

Agreed with TP

2. Excess claim of ITC:**• Excess ITC claimed in GSTR-3B compared to GSTR-09:**

You have claimed excess ITC in GSTR-3B as compared to the net ITC available in the annual return GSTR-09 which has resulted in an under payment of tax as follows:

S.No	Description	Table No. in GSTR-09	SGST	CGST	Total
1	2	3	4	5	6
1	Eligible ITC in GSTR-3B	6A	1912594.20	1912595.40	3825189.60
2	ITC pertaining to previous year but availed in the current year	{13 (-) 12} of previous GSTR-09	0.00	0.00	0.00
3	Net ITC available in the current year	S.No.1 (-) S. No.2	1912594.20	1912595.40	3825189.60
4	Total ITC availed in GSTR-09	6O	1393090.00	1393090.00	2786180.00
5	ITC availed in GSTR-3B in excess of GSTR-09	S.No.3 (-) 6O	519504.20	519505.40	1039009.60

Response of the tax payer :

The tax payer has 'Not agreed' for the following amount in the SCN.

SGST : 519504.20 CGST : 519505.40

The reasons cited by the tax payer for disagreeing/partially disagreeing are:

1. The difference Excess ITC is reversed in subsequent years GSTR 3B but not declared in GSTR-09:

SGST Rs. 519800 CGST Rs. 519800

Observations and conclusion of the assessing authority

Agreed with TP

• **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	11696130.64	-	-	-
2	Exempt supplies	5C + 5D + 5E + 5F	421296.00	-	-	-
3	Proportion of common ITC which has to be reversed to the extent of exempt supply (2/1 above)		0.04	-	-	-
4	Common input tax credit	6O+13-12	-	921097.00	921097.00	1842194.00
5	ITC to be reversed	{S.No.4 (x) S. No.2}/S.No.1	-	33178.02	33178.02	66356.04
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	-	33178.02	33178.02	66356.04

Therefore the excess ITC claimed is proposed to be recovered.

Response of the tax payer :

The tax payer has 'Not agreed' for the following amount in the SCN.

SGST : 33178.02 CGST : 33178.02

The reasons cited by the tax payer for disagreeing/partially disagreeing are:

1. No restriction of itc is required as the value of the exempt supplies relates to interest income/non-gst supplies/high seas sales.

Observations and conclusion of the assessing authority

Agreed with TP

Summary :

Annexure with details for the above proposals are already sent with show cause notice.

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:

Statement of Computation of Liability					
S.No	Issue	Amt in SCN		Amt determined by AA	
		SGST	CGST	SGST	CGST
1A	The tax on outward supplies under declared on reconciliation of data in GSTR-09	-	-	-	-
1B	The excess input tax credit(ITC) claimed on account of non reconciliation of information declared in GSTR-09:	-	-	-	-
2(i)	Amount of supplies in GSTR-01 in excess of supplies declared in GSTR-09.	11743.66	11743.66	0.00	0.00
2(ii)	Amount of supplies in EWB in excess of supplies declared in GSTR-01	-	-	-	-
2(iii)	Reconciliation of turnover in GSTR-07 with supplies declared in GSTR-01/GSTR-09	-	-	-	-
2(iv)	Reconciliation of turnover in GSTR-08 with supplies declared in GSTR-01/GSTR-09	-	-	-	-
3(i)	Excess ITC claimed in GSTR-3B compared with GSTR-09	519504.20	519505.40	0.00	0.00
3(ii)	Excess ITC reversed in GSTR-09 over and above reversed in GSTR-3B	-	-	-	-
3(iii)	Excess claim of TRAN-1 credit	-	-	-	-
3(iv)	ITC to be recovered on non-business transactions & exempt supplies	33178.02	33178.02	0.00	0.00
3(v)	Ineligible ITC	-	-	-	-
3(vi)	Invalid ITC under Sec 16(4)	-	-	-	-
3(vii)	ITC claimed from cancelled dealers return defaulters and tax non-payers	-	-	-	-
	Total liability	564425.88	564427.08	0.00	0.00
Less Tax paid after issuing SCN but within (30) days				0.00	0.00
Less Tax paid after issuing SCN but after (30) days				0.00	0.00
Net liability				0.00	0.00

Note: The AA shall issue SCN for penalty for net liability and also payments made after (30) days from the date of issue of SCN i.e., SGST Rs. **0.00** and CGST Rs. **0.00** .

Office of : Assistant Commissioner
Jurisdiction : M.G.ROAD - S.D.ROAD:Begumpet,Telangana, State/UT : Telangana

Reference No. : ZD361223044575G

Date : 23/12/2023

To

GSTIN/ID : 36ACQFS2044C1Z7

Name : SUMMIT SALES LLP

Address : 5-4-187 / 3 AND 4, 3RD FLOOR, SOHAM MANSION, M.G ROAD, SECUNDERABAD, Rangareddy, Telangana, 500003

Tax period : JUL 2017 - MAR 2018

F.Y. : 2017-2018

SCN/Statement Reference No. : ZD361121006102D

Date : 12/11/2021

Act/ Rules Provisions :
GST ACT 2017

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 : UPENDER REDDY BOPPIDI

Designation : Assistant Commissioner

Jurisdiction : M.G.ROAD -

S.D.ROAD:Begumpet,Telangana