GOVERNMENT OF TELANGANA
COMMERCIAL TAX DEPARTMENT
[u/Sec 73 (9) of TGST & CGST Act 2017]

DRC-07

Date:13-02-2025

DIN	GST/ **36ACQFS2044C1Z7**/21
Office details	
Designation of the assessing officer	ASSISTANT COMMISSIONER (ST)
Unit	MG ROAD – SD ROAD
Division	BEGUMPET
Details of the Tax payer	
Name	M/s SUMMIT SALES LLP
Legal Name	SUMMIT SALES LLP
GSTIN	**36ACQFS2044C1Z7**
Financial Year	2020-21

Ref : 1) SCN ARN No : **AD360222013595D** , Date: **17/02/2022 .**

You have filed annual return in GSTR-09 for the financial year 2020-21.

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. 168015.43 CGST Rs. 168015.43 Total Rs. 336030.86

Responding to the show cause notice issued in the reference first cited above the tax payer has filed his written objections on Dt. 05/02/2025 . The same are discussed item wise along with the conclusions of the assessing authority as under:

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	SGST	CGST	Total
1	2	3		4	5	8

1	Total supplies	3.1-3.1(D)	147315676.00	-	-	
2	Exempt supplies	3.1(c)+3.1(e)	195610.00	-	-	-
3	Proportion of common ITC which has to be reversed to the extent of exempt supply (2/1 above) "(Maximum value is '1')"		0.001327	-	-	-
4	Common input tax credit	4A+Tran 1+Tran 2	-	10601109.00	10601109.00	21202218.00
5	ITC to be reversed {(S. No.2/S.No.1) X S.No.4}	[S.No.2]/[S. No.1]X[S.No. 4	-	14067.67	14067.67	28135.34
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	S.No.5 (-) S. No.6	-	14067.67	14067.67	28135.34

Response of the tax payer:

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

CGST: Rs. 14067.67 SGST : Rs. 14067.67

The reasons cited by the tax payer for disagreeing are:
An amount of Rs.1,70,770/- pertains to income from Fixed deposits received by the noticee during the financial year. In support of such submission an extract of Profit & Loss account of the noticee for the financial year 2020-21. n 1(b) of Rule 43(5) of CGST Rules, 2017 such income from interest on fixed deposits is excluded from aggregate value of exempt supplies while calculating the common ITC under Rule 42 & 43.

Observations and conclusion of the assessing authority

Agreed with TP

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	Interior designers	99832, 998391;		145611.00	145611.00	291222.00
2	Motor vehicles Insurance	997134,		4929.27	4929.27	9858.54
3	Accident & Health Insurance	997133,		3407.49	3407.49	6814.98
A	Total ineligible ITC u/s 17(5)			153947.76	153947.76	307895.52
B	Ineligible ITC declared		4D (1)	0.00	0.00	0.00

in GSTR09					
Difference/excess ITC claimed	-		153947.76	153947.76	307895.52

Response of the tax payer:

The tax payer has **'Not agreed'** for the following amount in the SCN.
SGST: Rs. 153947.76 CGST: Rs.153947.76
The reasons cited by the tax payer for disagreeing are:
Tax payer have not availed any Input Tax Credit on mentioned in the table above.

Observations and conclusion of the assessing authority

Agreed with TP.
Total ITC availed as per GSTR 3B is CGST: Rs. 1,05,67,466.00 SGST:Rs. 1,05,67,466.00
ITC reflecting in GSTR 2A is CGST: Rs. 1,08,01,260.19 SGST:Rs. 1,08,01,260.19

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
1	ITC to be reversed on non-business transactions & exempt supplies	14067.67	14067.67	0.00	0.00
2	Under declaration of Ineligible ITC	153947.76	153947.76	0.00	0.00
	Total	168015.43	168015.43	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

The Total due determined by the Assessing authority is Nil.

Assistant Commissioner (ST)
MG Road - SD Road Circle,
Begumpet Division, Hyderabad.

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

Reference No. : ZD360225032555J Date : 13/02/2025

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 : APR 2020 - MAR 2021 F.Y. : 2020-2021

SCN/Statement Reference No. : ZD360222014275V Date : 17/02/2022

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 : UPENDER REDDY BOPPIDI
Designation : Assistant Commissioner
Jurisdiction : M.G.ROAD - S.D.ROAD:Begumpet:Telangana

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