

**GOVERNMENT OF TELANGANA
COMMERCIAL TAXES DEPARTMENT**

O/o Assistant Commissioner (ST),
MG Road – SD Road circle
Begumpet division,
4th Floor, Pavani Prestige complex,
Ameerpet, Hyderabad

Sub: CGST/SGST Act –M/s SUMMIT HOUSING LLP - Records
furnished verified – Certain discrepancies noticed – GST DRC-
01 ISSUED FY 2018-19- dealer furnished reply- Conclusion
proceeding issued -Reg.

REF: 1 JC(S.T)Authorisation No.BGPT DIVN/STO-I/40/2023-24, Dt:25-01-2024
2.SCN ARN ZD360124031598E, Dt. 25/01/2024.
3. Reminder Notice – I dt 10/02/2024
4. Reminder Notice – II dt 19/02/2024.
5. Reminder Notice – III dt 28/02/2024
6. Dealer letter dt 04.03.2024

M/s **SUMMIT HOUSING LLP** GSTIN 36ACQFS2044C1Z7 is on the rolls of MG ROAD – SD ROAD Circle, dealing in stranded wire, cables,, natural sands of all kinds having their registered place of business at Plot No. 5-4-187/3 & 4, Soham Mansion , M.G Road.

The tax payer has furnished the following documents for verification:

- 1) Audited Balance sheet and P & L account as on 31-03-2019
- 2) Copies of GSTR-09 ,9C

Verified the above information filed by the dealer thoroughly and following discrepancies were noticed, which are discussed point wise as under.

The details of verification are as under:

1. LESS OUTPUT TAX PAID IN GSTR3B THAN IN GSTR1:

The following is the comparison of tax liability of the tax payer as per GSTR-3B & the tax liability as appearing in GSTR-1

Description	output tax declared In GSTR1	output tax declared In GSTR3B	less output tax paid in GSTR3B than in GSTR1
less SGST output tax paid in GSTR3B than in GSTR1	8766251	8741471	24780
less CGST output tax paid in GSTR3B than in GSTR1	8766251	8741471	24780

The above less paid output tax of Rs 24,780 of SGST and Rs 24,780 of CGST is proposed to be payable by the dealer.

2.TAX RPOPOSED ON CREDIT NOTES TURNOVER IN P&L COPY:

During the course of verification the information submitted by the dealer, it appeared that there is a credit notes turnover of Rs 11,35,399 on which exemption was taken. Hence in the absence of proper documentary evidence is proposed to levy tax @ 18% which is discussed as under.

Description	turnover	Proposed SGST TAX	Proposed CGST TAX	Total Tax Proposed
credit notes	1135399	102185	102185	204370
TOTAL				

3.TAX RPOPOSED ON EXEMPTED SUPPLY TURNOVER IN GSTR 9:

During the course of verification the information submitted by the dealer, it appeared that there is a turnover of Rs 2,66,403 IN annual return GSTR 9 FY 2018-19 on which exemption was taken. Hence in the absence of proper documentary evidence is proposed to levy tax @ 18% which is discussed as under.

Description	turnover	Proposed SGST TAX	Proposed CGST TAX	Total Tax Proposed
Exempted Supply	266403	23976	23976	47952
TOTAL				

4.TAX RPOPOSED ON Non-GST supply TURNOVER IN GSTR 9:

During the course of verification the information submitted by the dealer, it appeared that there is a turnover of Rs 2,76,56,125 in annual return GSTR 9 FY 2018-19 pertaining to non- GST supply on which exemption was taken. Hence in the absence of proper documentary evidence is proposed to levy tax @ 18% which is discussed as under.

Description	turnover	Proposed SGST TAX	Proposed CGST TAX	Total Tax Proposed
non- GST supply	27656125	2489051	2489051	4978102
TOTAL				

Therefore, it is proposed to assess M/s. . SUMMIT HOUSING LLP (SUMMIT SALES LLP)GSTIN 36ACQFS2044C1Z7 for year April 2018 to March 2019 for the net tax proposed to be payable indicated above under Section 73 of the SGST/CGST Act :

Particulars	SGST	CGST	Total
Tax proposed to be payable	2639992	2639992	5279984

In response to the above notice, The dealer has not filed any reply. Hence reminder notices I,II and III were issued to the dealer as cited in the reference above requesting them to file their objections . Then the dealer appeared and filed his objections vide their letter dt 04.03.2024 on this office. The contentions of the dealer filed are discussed point wise as under.

1. LESS OUTPUT TAX PAID IN GSTR3B THAN IN GSTR1:

Regarding the above issue the dealer furnished reconciliation is made between tax liabilities paid vs. liability declared in GSR 9, andtax declared in GSTR 1 Vs. GSTR 3B

GSTR-09, contains details of annual sales for the year. The sales that have been excess reported in GSTR-1 are rectified and reported correctly in GSTR-09. It is also to be noted that taxes are paid through form GSTR -3B and DRC-03. The table below provides the details of outward tax liability forF.Y. 17-18 and F.Y. 18-19 paid vs. payable as per books of accounts.

Output GST liability is excess paid in GSTR-3B when compared to actual liability as per books, for F.Y. 2017-18 to the tune of CGST Rs 18,165 and SGST Rs 18,165, and

taxes short paid in GSTR-3B of F.Y. 18-19 is CGST Rs 19,865 and SGST Rs 19,865. i.e. technically, taxes excess paid in 17-18 is set off in 18-19.

	F.Y. 17-18		F.Y. 18-19		Total	
	CGST	SGST	CGST	SGST	CGST	SGST
As per GSTR 1	10,28,676	10,28,676	87,66,251	87,66,251	97,94,927	97,94,927
As per GSTR 3B	10,32,018	10,32,018	87,41,471	87,41,471	97,73,489	97,73,489

Difference is outward tax liability as per books of account and taxes paid in GSTR 3B is CGST Rs 1,700 and SGST Rs 1,700, when calculated cumulatively for two year i.e. F.Y. 17-18 and F.Y. 18-19. (It is to be noted that taxes excess paid in F.Y. 17-12 18 is adjusted in F.Y. 18-19)

Further, differential tax of CGST Rs. 1,700 and SGST Rs 1,700 is paid through DRC-03 dated 0412- 2020. DRC-03 and enclosed the DRC 03 copy.

Observations and conclusion of the assessing authority:

Verified carefully the information filed by the dealer and found to be in order. Hence the tax proposed in DRC 01 output tax of Rs 24,780 of SGST and Rs 24,780 of CGST is here by dropped.

2.TAX RPOPOSED ON CREDIT NOTES TURNOVER IN P&L COPY:

Regarding credit notes turnover the dealer stated that, Credit Note Turnover is not availed correctly when compared to Books of Accounts.

Credit Notes of Turnover Rs.11,35,399 raised all are wrongly raised Invoices and double time raised invoices corrected in the mode of Credit Notes, GST not applicable and also Enclosed ledger copies with proper narrations as a Annexure – 2 and requested to drop the levy of tax on credit notes turnover.

Observations and conclusion of the assessing authority:

Verified carefully the information filed by the dealer and found to be in order. Hence the tax proposed in DRC 01 on credit notes turnover of Rs 11,35,399 is here by dropped.

3.TAX RPOPOSED ON EXEMPTED SUPPLY TURNOVER IN GSTR 9 & TAX RPOPOSED ON Non-GST supply TURNOVER IN GSTR 9:

Regarding exempted turnover and non GST supply , the dealer stated that 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".

It is to be noted that ITC availed in GSTR 3B pertains to ITC on inward supplies used to affect outward taxable supplies. Goods and services on which ITC is availed is used completely to effect taxable supply.

Following is the break – up of exempt income as reported in GSTR – 9.

Particulars	Amount
Sales @Nil Rated	6,49,115
Sales Exempted	1,21,299
Sales-IGST Nil Rated	777
Interest on FD	1,45,104
Share of Profit from Partnership Firms	2,76,15,630
Sundry Balance Written Off	8,590
Profit on Sale of Land	25,695
Miscellaneous Income	7,518
Discount	(1,309)
Total	2,85,72,420

Observations and conclusion of the assessing authority:

Verified carefully the information filed by the dealer and found to be in order. Hence the tax proposed in DRC 01 on exempted turnover and non GST supply is hereby dropped.

In view of the above, the further proceedings are hereby dropped.

State Tax officer-I,
MG Road – SD Road circle

To,

M/S **SUMMIT HOUSING LLP,**

Plot No. 5-4-187/3 & 4, Soham Mansion ,

M.G Road.

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

Reference No. : ZD360324006901Q

Date : 05/03/2024

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 2018 - MAR 2019

F.Y. : 2018-2019

SCN/Statement Reference No. : ZD360124031598E

Date : 25/01/2024

Act/ Rules Provisions :
Under the Provisions of GST Act and Rules 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 : VANI BELDI

Designation : State Tax Officer

Jurisdiction : M.G.ROAD -

S.D.ROAD: Begumpet: Telangana