



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)

(Annexure to DRC-07)

DIN:	GST/36AAOCS0548N1ZR/2021-2022
Office details Designation of the Assessing officer/Unit	Asst. Commissioner (ST) Ramgopalpet-Ranigunj-2Circle
Division	Begumpet
Details of the Tax payer Name	M/s. VERDANT CORPORATION PRIVATE LIMITED
GSTIN	36AAOCS0548N1ZR
Financial Year	2021-2022

Sub: GST Act – Show cause notice for the tax period from April 2021 to March 2022 of registered Tax Payer M/s. VERDANT CORPORATION PRIVATE LIMITED – under SGST/CGST/IGST – issued for certain irregularities Noticed – Called for written explanation/objections if any – Reply Submitted- DRC-07 Orders issued -Regarding.

Ref: 1. BIFA Reports for 2021-22.

2. DRC-01 SCN Ref ARN: **AD3609250226306** Dated: 27-09-2025.

3. Taxpayer Reply Dated: 13-10-2025.

M/s. VERDANT CORPORATION PRIVATE LIMITED is a registered tax payer on the rolls of the Assistant Commissioner (ST) Ramgopalpet-Ranigunj-2 Circle Begumpet Division with GSTIN 36AAOCS0548N1ZR (hereinafter referred to as "taxpayer").

As per the registration details obtained from the GSTN portal they are majorly dealing in RENTING OF IMMOVABLE PROPERTY SERVICES (HSN: 00440406).

DISCREPANCIES IDENTIFIED:

On verification of the records of the taxpayer such as GSTR- 3B GSTR-01 GSTR-09/09C GSTR-2A and any other available information the following discrepancies are noticed.

1. The excess input tax credit (ITC) claimed in GSTR3B Compared to ITC Available:

During the course of scrutiny of returns filed by the taxpayer electronically in GSTN portal it was noticed that there is a mismatch of Input Tax Credit amounts with regard to invoices on the strength of which input tax credit availed in GSTR 3B Returns and the amounts/invoices reflected in GSTR 2A returns.

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 2A and GSTR 3B resulting in tax payable to a tune of Rs. **11718.**

S. No	Issue	CGST	SGST	Total
1	Total ITC Claimed in GSTR3B for FY 2021-2022	45341	45341	90682
2	Total ITC Available in GSTR8A Of GSTR-09 for FY 2021-2022(i.e. ITC as per GSTR-2A)	39482	39482	78964
3	Total excess claimed of ITC for FY 2021-2022	5859	5859	11718

Response of the tax payer:

The Taxpayer Stated as below.

The department has alleged that the Noticee has claimed excess Input Tax Credit in GSTR-3B returns for the financial year 2021-22 as compared with the ITC reflected in GSTR-2A. As per the figures noted by the department ITC of ₹90682 (CGST ₹45341 + SGST ₹45341) was claimed in GSTR-3B whereas the ITC available in GSTR-2A is only ₹78964 (CGST ₹39482 + SGST ₹39482). This has resulted in a difference of ₹11718 (CGST ₹5859 + SGST ₹5859) which has been treated as excess claim of ITC.

At the outset it is submitted that the difference pointed out between ITC claimed in GSTR-3B and ITC reflected in GSTR-2A for FY 2021-22 is only on account of timing differences in availment of credit. The Noticee had an un availed credit pertaining to F.Y. 2020-21 to the tune of CGST ₹3229 and SGST ₹3229 in F.Y.2021-22. ITC comparison report of F.Y.2020-21 is provided hereunder to substantiate such un availed credit pertaining to F.Y.2020-21 and GSTR 2A report of F.Y.2020-21 is attached as **Annexure 1.1** in support of GSTR 2A figures

considered in the ITC comparison report.

Tax Period	ITC claimed in GSTR-3B			ITC auto-drafted in GSTR-2A			Shortfall (-) / Excess (+)		
	IGST	CGST	SGST	IGST	CGST	SGST	IGST	CGST	SGST
Apr-20	-	2243	2243	-	1031	1031	-	1213	1213
May-20	-	1361	1361	-	2486	2486	-	-1125	-1125
Jun-20	-	2486	2486	-	2666	2666	-	-180	-180
Jul-20	-	1361	1361	-	1361	1361	-	-0	-0
Aug-20	-	2666	2666	-	1631	1631	-	1035	1035
Sep-20	-	1631	1631	-	1361	1361	-	270	270
Oct-20	-	1898	1898	-	1811	1811	-	86	86
Nov-20	-	1087	1087	-	2194	2194	-	-1107	-1107
Dec-20	-	2212	2212	-	1087	1087	-	1125	1125
Jan-21	-	-	-	-	1069	1069	-	-1069	-1069
Feb-21	-	-	-	-	73115	73115	-	-73115	-73115
Mar-21	-	139107	139107	-	69469	69469	-	69638	69638
Total	-	156053	156053	-	159282	159282	-	-3229	-3229

On examination of ITC comparison report provided above it is evident that Notice had un availed credit to the tune of Rs.6458/- (CGST-Rs.3339/- & SGST-Rs.3339/-). It is submitted that such un availed credit was claimed in the subsequent financial year (F.Y.2021-22). Computation of difference in credit claimed in GSTR 3B and Credit available in GSTR 2A in consideration of un-availed credit pertaining to F.Y.2020-21 is provided here under for ready reference.

Ref	Particulars	CGST	SGST
A	Un-availed credit pertaining to F.Y.2020-21	3229	3229
B	Credit pertaining to F.Y.2021-22	39482	39482
C=A+B	Actual credit available for claiming during F.Y.2021-22	42711	42711
D	Actual credit availed in GSTR 3B	45341	45341
E=D-E	Difference	-2630	-2630

Notice admits to such excess availed ITC in F.Y.2021-22 as arrived in the computation provided above. It is submitted that such credit had been reversed through Form GST DRC-03 vide ARN: AD3610250030021 dated :13-10-2025. A copy of DRC-03 is attached as **Annexure**

1.2.

It is further submitted that penalty cannot be imposed in this case since the lapse amounts to a minor breach. The excess ITC claimed is only to the extent of Rs.5260/- (CGST-Rs.2630/- & SGST- Rs.2630/-) which has been voluntarily paid. There was no intention to evade tax nor has there been any revenue loss to the exchequer.

In this regard reliance is placed on Section 126 of the CGST Act 2017 (General disciplines related to penalty) which provides under sub-section (1) that “No officer under this Act shall impose any penalty for minor breaches of tax regulations or procedural requirements and in particular any omission or mistake in documentation which is easily rectifiable and made without fraudulent intent or gross negligence.”

Thus, the present case falls squarely under the ambit of a minor breach as contemplated in Section 126(1). Accordingly, while the demand has been paid no penalty should be levied.

Observations and conclusion of the Assessing authority:

The taxpayer submitted a reply regarding the excess Input Tax Credit (ITC) claimed amounting to Rs. 5859/- each under the CGST and SGST heads stating that ITC amounting to Rs. 3229/- each under the CGST and SGST heads pertaining to the previous year was claimed in FY 2021-22. The same has been verified with reference to GSTR-2A for FY 2020-21 and it is observed that the excess ITC pertaining to the previous year is only Rs. 1608.60/- each under the CGST and SGST heads. Further the excess ITC amounting to Rs. 2630/- each under the CGST and SGST heads has already been paid through Form GST DRC-03 vide ARN AD3610250030021 dated 13-10-2025.

Accordingly, the taxpayer is liable to pay the differential amount of Rs. 1621/- each under the CGST and SGST heads which is hereby confirmed along with the interest & penalty as per Section 50 & 122 of GST Act,2017. -----→ (1).

2. 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 below is extract of the Sec 17(5).

(g) Goods or services or both used for personal consumption;

On Verification 8A document for the FY 2021-2022 it is noticed that You have Claimed the ITC on Goods or Services which appear to have been used for personal use or not used for furtherance of the business and the same is a violation to the Section 17(5)(g) of the CGST/TGST Act. Therefore, the ITC claimed on these commodities or services is proposed to be recovered. Below is the list of taxpayers from whom you have claimed the ineligible ITC.

S.NO	PERIOD	GSTN	NAME	TAX RATE	TAXABLE VALUE	IGST	CGST	SGST
1	JUL-21	36AAACK4409J1ZL	KOTAK MAHINDRA BANK LTD.	18	200.00	0.00	18.00	18.00
2	AUG-21	36AAACK4409J1ZL	KOTAK MAHINDRA BANK LTD.	18	200.00	0.00	18.00	18.00
3	SEP-21	36AAACK4409J1ZL	KOTAK MAHINDRA BANK LTD.	18	200.00	0.00	18.00	18.00
5	OCT-21	36AAACK4409J1ZL	KOTAK MAHINDRA BANK LTD.	18	200.00	0.00	18.00	18.00
6	NOV-21	36AAACK4409J1ZL	KOTAK MAHINDRA BANK LTD.	18	200.00	0.00	18.00	18.00
7	NOV-21	36AAACK4409J1ZL	KOTAK MAHINDRA BANK LTD.	18	5000.00	0.00	450.00	450.00
8	DEC-21	36AAACK4409J1ZL	KOTAK MAHINDRA BANK LTD.	18	200.00	0.00	18.00	18.00
9	JAN-22	36AAACK4409J1ZL	KOTAK MAHINDRA BANK LTD.	18	200.00	0.00	18.00	18.00
10	FEB-22	36AAACK4409J1ZL	KOTAK MAHINDRA BANK LTD.	18	200.00	0.00	18.00	18.00
11	MAR-22	36AAACK4409J1ZL	KOTAK MAHINDRA BANK LTD.	18	200.00	0.00	18.00	18.00
12	JUL-21	36AAACK4409J1ZL	KOTAK MAHINDRA BANK LTD.	18	200.00	0.00	18.00	18.00
13	AUG-21	36AAACK4409J1ZL	KOTAK MAHINDRA BANK LTD.	18	200.00	0.00	18.00	18.00
		TOTAL			7400.00	0.00	666.00	666.00

Response of the tax payer:

The Taxpayer Stated as below.

The department has alleged that the taxpayer has wrongly availed Input Tax Credit on certain services in violation of Section 17(5)(g) of the CGST/TGST Act 2017. The said provision

restricts availment of ITC on goods or services which are used for personal consumption. On verification of GSTR-2A for the financial year 2021-22 it was noticed that the taxpayer had claimed ITC on bank charges levied by Kotak Mahindra Bank Ltd. across multiple months during the year. According to the department these charges appear to have been used for personal purposes or not in the furtherance of business and therefore the corresponding ITC amounting to ₹1332 (CGST ₹666 + SGST ₹666) is proposed to be disallowed and recovered from the taxpayer.

S. No	Period	GSTN of Supplier	Name of Supplier	Rate (%)	Taxable Value (₹)	IGST (₹)	CGST (₹)	SGST (₹)
1	Jul-21	36AAACK 4409J1ZL	Kotak Mahindra Bank Ltd.	18	200.00	0.00	18.00	18.00
2	Aug-21	36AAACK 4409J1ZL	Kotak Mahindra Bank Ltd.	18	200.00	0.00	18.00	18.00
3	Sep-21	36AAACK 4409J1ZL	Kotak Mahindra Bank Ltd.	18	200.00	0.00	18.00	18.00
4	Oct-21	36AAACK 4409J1ZL	Kotak Mahindra Bank Ltd.	18	200.00	0.00	18.00	18.00
5	Nov-21	36AAACK 4409J1ZL	Kotak Mahindra Bank Ltd.	18	200.00	0.00	18.00	18.00
6	Nov-21	36AAACK 4409J1ZL	Kotak Mahindra Bank Ltd.	18	5000.00	0.00	450.00	450.00
7	Dec-21	36AAACK 4409J1ZL	Kotak Mahindra Bank Ltd.	18	200.00	0.00	18.00	18.00
8	Jan-22	36AAACK 4409J1ZL	Kotak Mahindra Bank Ltd.	18	200.00	0.00	18.00	18.00
9	Feb-22	36AAACK 4409J1ZL	Kotak Mahindra Bank Ltd.	18	200.00	0.00	18.00	18.00
10	Mar-22	36AAACK 4409J1ZL	Kotak Mahindra Bank Ltd.	18	200.00	0.00	18.00	18.00
11	Jul-21	36AAACK 4409J1ZL	Kotak Mahindra Bank Ltd.	18	200.00	0.00	18.00	18.00
12	Aug-21	36AAACK 4409J1ZL	Kotak Mahindra Bank Ltd.	18	200.00	0.00	18.00	18.00
Total					7400.00	0.00	666.00	666.00

At the outset it is submitted that the ITC in question pertains to bank charges levied by Kotak Mahindra Bank Ltd. on the current account maintained in the previous name of the Noticee i.e. SDNMKJ Realty Private Limited. Being a private limited company. The bank account in question is in the exclusive name of the company and is operated only for the purposes of the company's business transactions. In support of such submission bank statement clearly establishing the existence of such bank account in the name of company is attached as **Annexure**

Accordingly, there is no possibility that such an account could be linked to an individual or used for personal purposes. The charges levied thereon are purely in connection with financial

transactions undertaken by the company in the course of its business. Hence the allegation that the said ITC falls within the restriction under Section 17(5)(g) of the CGST/TGST Act 2017 is misplaced.

Therefore, the ITC claimed on such bank charges is wholly business-related and is legitimately eligible. The proposed disallowance of ₹1332 may therefore kindly be dropped.

Observations and conclusion of the Assessing authority:

The Taxpayer has filed a reply regarding the ineligible ITC amounting to Rs. 666/- under each of the CGST and SGST heads stating that the said ITC pertains to bank charges incurred in the furtherance of business. The same has been verified with reference to the documentary evidence and found to be in order. Hence the explanation of the taxpayer is accepted and the proposed tax demand on the alleged under-declaration of ineligible ITC amounting to Rs. 666/- under each of the CGST and SGST heads is hereby withdrawn.

3. Non-payment of late fee for filing GSTR-01 Return belatedly for the Year 2021-2022:

On verification of Monthly Returns in GSTR-01 during the 2021-22 it is observed that the taxpayer had filed the same belatedly. The taxpayer must pay late fee on delayed filing of Monthly Returns. The details of delayed filing of GSTR-1 Returns and non-payment of late fees are furnished hereunder:

MONTH	Due date/ Extended due date	Filing Date	Days of delay	Late fee payable per day	Total Late fee Payable		Paid		Balance	
					SGST	CGST	SGST	CGST	SGST	CGST
Apr	11-05-2021	11-06-2021	30	50	750	750	0	0	750	750
May	11-06-2021	01-07-2021	20	50	500	500	0	0	500	500
Jun	11-07-2021	17-07-2021	6	50	150	150	0	0	150	150
Jul	11-08-2021	17-08-2021	6	50	150	150	0	0	150	150
Aug	11-09-2021	20-09-2021	9	50	225	225	0	0	225	225
Sep	11-10-2021	20-10-2021	9	50	225	225	0	0	225	225
Oct	11-11-2021	18-11-2021	7	50	175	175	0	0	175	175
Nov	11-12-2021	28-12-2021	17	50	425	425	0	0	425	425
Jan	11-02-2022	16-02-2022	5	50	125	125	0	0	125	125
Feb	11-03-2022	14-03-2022	3	50	75	75	0	0	75	75
Mar	11-04-2022	12-04-2022	1	50	25	25	0	0	25	25
TOTAL			113		2825	2825	0	0	2825	2825

Response of the tax payer:

The Taxpayer Stated as below.

With respect to the allegation regarding non-payment of late fee for delayed filing of GSTR-1 returns for FY 2021-22 the Noticee respectfully submits that the said liability of ₹5650 (CGST ₹2825 + SGST ₹2825) is duly admitted. The late fee has already been discharged voluntarily through Form GST DRC-03 vide ARN: AD3610250030021 dated 13-10-2025 the copy of which is enclosed herewith and marked as **Annexure 1.2**.

The noticee reserves the right to add to withdraw to correct to change to delete to modify any submissions at the time of Personal Hearing in the Principal of Natural Justice.

Observations and conclusion of the Assessing authority:

With regard to the Non-payment of late fee for filing GSTR-01 Return belatedly the taxpayer has paid an amount of Rs. 2825 /- under each SGST & CGST through Form DRC-03 vide ARN: AD3610250030021 dated 13-10-2025. Accordingly, the proposed tax demand on the said discrepancy is hereby withdrawn.

Summary:

Accordingly, the final assessment is completed as discussed above and the tax proposed and applicable penalty under Sec.122 of the CGST/SGST is confirmed as below.

S. No	Issue	IGST	CGST	SGST	TOTAL
1	Total tax payable as per above findings	0.00	1621.00	1621.00	3242.00

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 CGST Rs. 0.00 IGST Rs.0.00.

Interest should be calculated as on payment date of the tax as per Section 50 of GST Act as and when the payment made.

This order is issued only to the extent of the discrepancies identified *prima facie* in the returns as mentioned in the Show cause notice mentioned above.

**METHARY
UPENDER**

Digitally signed by
METHARY UPENDER
Date: 2025.12.29
16:21:09 +05'30'

M. Upender
ASSISTANT COMMISSIONER (ST)
Ramgopalpet-Ranigunj 2 Circle.
21/12/2025

To:

M/s. VERDANT CORPORATION PRIVATE LIMITED.

5-2-223 GOKUL DISTILERY ROAD SECUNDERABAD Ranga Reddy Telangana 500003.

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

Reference No. : ZD3612251079394

Date : 29/12/2025

To

GSTIN/ID : 36AAOCS0548N1ZR
Name : VERDANT CORPORATION PRIVATE LIMITED
Address : 5-2-223, GOKUL DISTILERY ROAD, SECUNDERABAD, Rangareddy, Telangana, 500003

SCN/Statement Reference No. : ZD3609250493237

Tax Period : APR 2021 - MAR 2022

Date : 27/09/2025

F.Y. : 2021-2022

Act/ Rules Provisions :

GST ACT

Order under section 73

A show cause notice/statement referred to above was issued to you u/s 73 of the Act for reasons stated therein. Show Cause Notice/ Statement referred to above was made available on the common portal on 27/09/2025. On the basis of documents available with the department and information furnished by you, if any, demand is created for the reasons and other details attached in annexure.

Please note that interest, if any, has been levied up to the date of issue of the order. While making payment, interest for the intervening period between date of order and date of payment, shall also be worked out and paid along with the dues stated in the order.

In case any refund is arising as per the above order, please claim the same by filing application in the prescribed form.

Demand Details :-

Sr. No.	Tax Rate (%)	Turnover	Tax Period		Act	POS (Place of Supply)	Tax	Interest	Penalty	Fee	Others	Total
			From	To								
1	2	3	4	5	6	7	8	9	10	11	12	13
1	0	0.00	APR 2021	MAR 2022	IGST	Telangana	0.00	0.00	0.00	0.00	0.00	0.00
2	0	0.00	APR 2021	MAR 2022	CGST	NA	1,621.00	0.00	0.00	0.00	0.00	1,621.00
3	0	0.00	APR 2021	MAR 2022	SGST	NA	1,621.00	0.00	0.00	0.00	0.00	1,621.00
Total							3,242.00	0.00	0.00	0.00	0.00	3,242.00

You are hereby directed to make the payment by 29/01/2026 failing which proceedings shall be initiated against you to recover the outstanding dues.

Signature

Name : METHARY UPENDER
Designation : Assistant Commissioner
Jurisdiction : RAMGOPALPET-RANIGUNJ
2:Begumpet:Telangana

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FORM GST DRC - 07
[See rule 142(5)]
Summary of the order

Reference No. : ZD3612251079394

Date : 29/12/2025

1. Tax Period :- APR 2021 - MAR 2022

2. Issues involved :- As per the attachment

3. Description of goods / services :-

Sr. No	HSN	Description
-	-	-

4. Details of demand :-

Sr. No	Tax Rate (%)	Turnover	Tax Period		Act	POS (Place of Supply)	Tax	Interest	Penalty	Fee	Others	Total
			From	To								
1	2	3	4	5	6	7	8	9	10	11	12	13
1	0	0.00	APR 2021	MAR 2022	IGST	Telangana	0.00	0.00	0.00	0.00	0.00	0.00
2	0	0.00	APR 2021	MAR 2022	CGST	NA	1,621.00	0.00	0.00	0.00	0.00	1,621.00
3	0	0.00	APR 2021	MAR 2022	SGST	NA	1,621.00	0.00	0.00	0.00	0.00	1,621.00
Total							3,242.00	0.00	0.00	0.00	0.00	3,242.00

You are hereby directed to make the payment by 29/01/2026 failing which proceedings shall be initiated against you to recover the

outstanding dues.

Signature

Name : METHARY UPENDER

Designation : Assistant Commissioner

Jurisdiction : RAMGOPALPET-RANIGUNJ
2: Begumpet:Telangana

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