

Date: 15-01-2021
Place: Secunderabad

From,
M/s Summit Sales LLP
5-4-187, Soham Mansion,
M.G. Road, Ranigunj,
Secunderabad,
Telangana, 500003.
GSTIN: 36ACQFS 2044C1Z7

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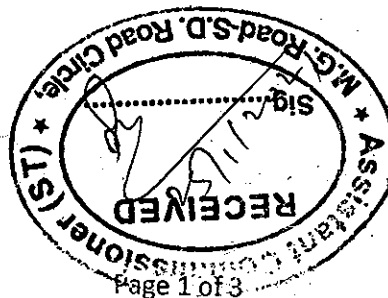
To,
Assistant commissioner (ST) (FAC)
M G Road – S D Road Circle
Begumpet Division
Hyderabad

Ma'am,
Sub: Reply to notice dated 12th January 2021 – Reference no. ZD3601210007135 – Reg.

We are in receipt of your notice dated 12th January 2021, issued under section 73 of Central Goods and Services Tax (CGST) Rules, 2017

1. In the said notice Tax liability of Rs 12,71,888/- is arrived at with out mentioning the absolute cause of the liability.
2. However, it is that noted on Comparison of GSTR 1 with GSTR 3B for few selective months of F.Y. 2018-2019, that is Period – Jun-18 to Oct-18 and Jan-19, the difference is:

Tax Period	Tax declared in R1	Tax declared in 3B	Difference
Jun-18	22,75,389.32	16,41,100.00	6,34,289.32
Jul-18	14,75,373.74	10,63,586.19	4,11,787.55
Aug-18	17,32,149.20	15,38,046.46	1,94,102.74
Sep-18	13,79,886.76	13,69,610.00	10,276.76
Oct-18	14,01,948.64	13,99,998.00	1,950.64
Jan-19	12,68,635.74	12,49,154.00	19,481.74
Total	95,33,383.40	82,61,494.65	12,71,888.75



3. Furthermore, following is the difference in liability as per GSTR 1 and GSTR 3B for all the months of F.Y. 18-19.

Peirod	As per GSTR 1	As per GSTR 3B	Difference
Apr-18	7,65,393	7,65,881	-489
May-18	95,310	13,11,840	-12,16,530
Jun-18	22,75,389	16,41,100	6,34,289
Jul-18	14,75,374	10,63,586	4,11,788
Aug-18	17,32,149	15,38,046	1,94,103
Sep-18	13,79,887	13,69,610	10,277
Oct-18	14,01,949	13,99,998	1,951
Nov-18	11,03,060	11,08,384	-5,324
Dec-18	15,94,643	15,94,653	-11
Jan-19	12,68,636	12,49,154	19,482
Feb-19	20,94,990	20,94,990	-0
Mar-19	23,75,675	23,75,651	24
Total	1,75,62,454	1,75,12,894	49,560

4. As per Circular No. 26/26/2017-GST, "If liability was not reported in FORM GSTR-1 of the month/quarter, then such liability may be declared in the subsequent month's/ quarter's FORM GSTR-1 in which payment was made" and "Where the liability was over reported in the month's / quarter's FORM GSTR-1 also, then such liability may be amended through amendments under Table 9 of FORM GSTR-1"
5. Thus, mere comparison of liability for few selective months of a Financial year to arrive at difference in taxes paid is not an ideal approach.
6. According to Section 37 of the CGST Act 2017, read with Rule 59 of CGST Rules, 2017 on Returns, GSTR 1 is a return where a registered person furnishes the details of outward supply of goods or services or both for a given calendar period. GSTR 3B is a monthly return where the GST liability is self-assessed by the registered person and paid for a particular calendar month. Hence it is established that GST taxes are paid/ set off against ITC, via GSTR 3B return. GSTR 1 is merely a return to furnish detailed summary of outward supplies and pass on the ITC to the customer.

7. Also, a detailed comparison of Taxes as per Books of Accounts and taxes declared in GSTR 3B is given below

Particulars	IGST	CGST	SGST
Output Tax as per BoA in FY 17-18 (A)	0	10,13,853	10,13,853
Output Tax as per BoA in FY 18-19 (B)	29951	87,61,336	87,61,336
Total Tax as per BoA (C=A+B)	29,951	97,75,189	97,75,189
Output Tax as per GSTR 3B of FY 17-18 (D)	0	10,32,018	10,32,018
Output Tax as per GSTR 3B of FY 18-19 (E)	29,951	87,41,471	87,41,471
Total Tax as per GSTR 3B (F=D+E)	29,951	97,73,489	97,73,489
Difference (C-F)	0	1,700	1,700

Based on the comparison between GSTR 3B and Books of Accounts, an amount of Rs.3,400 is short paid. These taxes have been paid through DRC-03 dated 04-12-2020.

8. Further It is held by Appellate Authority – GST, ANDHRA PRADESH in case of Sri Kali Krishna Industries Vs Assessing Authority AP that mere mismatch in GSTR 3B & GSTR 1 is not conclusive for any suppression of tax.

We hope, that you find the above submissions in order.

Yours faithfully,
For Summit Sales LLP

Authorized Signatory

References attached

1. GSTR 1 for Apr-18 to Mar-19
2. GSTR 3B for Apr-18 to Mar-19
3. GSTR 9 for F.Y. 18-19
4. GSTR 9C for F.Y. 18-19
5. DRC-03 Dated 04-12-2020