Summit Sales LLP

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Date: 15-01-2021
Place: Secunderabad

office copy

From,
M/s Summit Sales LLP
5-4-187, Soham Mansion,
M.G. Road, Ranigunj,
Secunderabad,
Telangana, 500003.
GSTIN: 36ACQFS2044C1Z7

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. ZD3601210007143 – F.Y.19-20-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 1,21,188/- 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. 2019-2020, that is Period – Apr-19, Aug-19, Sep-19 Dec-19 and Feb-20, the difference is:

Tax Period	Tax declared in R1	Tax declared in 3B	Difference
Apr-19	18,74,765.36	18,65,024.12	9741.24
Aug-19	24,57,895.02	24,51,231.18	6,663.84
Sep-19	25,53,646.32	24,81,631.68	72,014.64
Dec-19	26,45,997.52	26,13,378.00	32,619.52
Feb-20	22,08,882.58	22,08,734.00	148.58
Total	**1,17,41,186.80**	**1,16,19,998.98**	**1,21,187.82**

Assistant Commissioner (ST) * M.G. Road-S.D. Road Circle *
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25/1/2021

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3. Furthermore, following is the difference in liability as per GSTR 1 and GSTR 3B for all the months of F.Y. 19-20.

Period	As per GSTR1	As per GSTR3B	Difference
Apr-19	18,74,765.36	18,65,024.12	9,741.24
May-19	21,07,139.76	21,07,139.76	-
Jun-19	15,99,478.94	16,18,140.92	-18,661.98
Jul-19	31,02,597.94	31,02,598.00	-0.06
Aug-19	24,57,895.02	24,51,231.18	6,663.84
Sep-19	25,53,646.32	24,81,631.68	72,014.64
Oct-19	23,55,425.40	24,74,738.00	-1,19,312.60
Nov-19	19,09,622.30	19,09,622.00	0.30
Dec-19	26,45,997.52	26,13,378.00	32,619.52
Jan-20	30,76,895.18	30,76,896.00	-0.82
Feb-20	22,08,882.58	22,08,734.00	148.58
Mar-20	24,11,649.42	24,13,332.00	-1,682.58
Total	**2,83,03,995.74**	**2,83,22,465.66**	**-18,469.92**

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. 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.

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Yours faithfully,

For Summit Sales LLP

Authorised Signatory

References attached

1. GSTR 1 for Apr-19 to Mar-20
2. GSTR 3B for Apr-19 to Mar-20