

Show Cause Notice- DRC-01 [See Rules 142(1)(a)]

Office details Designation of the assessing officer Unit Range Address	STATE TAX OFFICER Ghatak 10 (ABD) Range 3 (ABD) OFFICE OF THE ASSISTANT COMMISSIONER OF STATE TAX UNIT-10, 7 TH FLOOR,D-BLOCK,M.S. BUILDING(APNA BAZAR),LALDARWAJA,AHMEDABAD- 380001
Details of the Tax payer Name Legal Name GSTIN	AIB MANAGEMENT SOLUTIONS PRIVATE LIMITED AIB MANAGEMENT SOLUTIONS PRIVATE LIMITED 24AAOCA6463G1ZJ
Financial Year	2020-21

Ref : Intimation ARN No : ZD240624024989Z

Intimation ARN Date 10/06/2024

Authorised Person Name : NA

Based on the examination of the information furnished in statutory returns (GSTR-01, GSTR-2A, GSTR-3B, and GSTR-9), other records and information available with this office, appears that you had not declared correct tax liability for the Financial Year 2020-21. Hence, intimation in form of DRC-01A was issued vide ARN No. and date as referred above. Considering the reply submitted in Part-B of DRC-01A and upon its verification, this office has decided to undertake adjudication u/s 74 of CGST/GGST/IGST/CESS Act-2017 and rules made thereunder for the determination of input tax credit wrongly availed or utilized by reason of fraud or any wilful misstatement or suppression of facts. The summary of such differential tax liability/ excess Input tax credit with applicable interest and penalty is as follows:

SGST Rs.0
CGST Rs.0
IGST Rs.3873566
CESS Rs.0
Total Rs.3873566

1. Excess claim of ITC

1.1 Ineligible ITC as per section 16(2) claimed from cancelled taxpayers, non-genuine and non-existent Taxpayers and return/ tax defaulters

S.No	Particulars	SGST	CGST	IGST	CESS	Total
1	2	3	4	5	6	7
1	Suppliers' registration cancelled before date of invoice	0	0	1043280	0	1043280
2	Non-genuine Taxpayers / Non-existent Taxpayers	0	0	381600	0	381600
3	Supplier failed to file GSTR-3B and did not pay tax on the invoices declared in GSTR-01	465	465	46	0	976
4	Supplier filed GSTR-3B with Nil turnover and did not declare or pay tax corresponding to the invoices declared in GSTR-01	0	0	0	0	0
5	Total (S.No.1 + S.No.2 +S.No.3+ S.No.4)	465	465	1424926	0	1425856

Reply/Submission filed by the taxpayer :

The taxpayer has furnished the following clarification

The para was raised for "Ineligible ITC as per section 16(2) claimed from cancelled taxpayers, non-genuine and non-existent Taxpayers and return/ tax defaulters". The tax payer is submitted response on 24.06.2024 & 15.07.2024. As per submitted reply, the tax payer has claimed ITC as per section 16 of GGST Act 2017. The tax payer has provided online status of suppliers indulged in DRC 01A.

Observations and conclusion of the assessing authority :

Upon verification of the reply filed by the taxpayer, it is decided to adjudicate on account of following grounds

The para was raised for "Ineligible ITC as per section 16(2) claimed from cancelled taxpayers, non-genuine and non-existent Taxpayers and return/ tax defaulters". The tax payer is submitted response on 24.06.2024 & 15.07.2024. As per submitted reply, the tax payer has claimed ITC as per section 16 of GGST Act 2017. The tax payer has provided online status of suppliers indulged in DRC 01A. As per verification of reply & system based verification, the suppliers who had failed to file GSTR-3B and did not pay tax on the invoices declared in GSTR-01 are the quarterly return filers. Hence, the tax of Feb 2021 paid in March 2021 - GSTR 3B. Hence submission allowed for the same. The tax payer has claimed the ITC from Cancelled supplier & ITC claimed from non-genuine Taxpayer / non-existent Taxpayer. The submitted response is not liable to allow.

Collections/Reversals :

S.No	Particulars	Act	Tax	Interest	Penalty	Total
1	2	3	4	5	6	7
	Total	SGST	0	0	0	0
		CGST	0	0	0	0
		IGST	0	0	0	0
		CESS	0	0	0	0

Final Amounts determined by the Assessing Authority in this Notice :

Item	SGST	CGST	IGST	CESS
Tax	0	0	1424880	0
Interest	0	0	1023806	0
Penalty	0	0	1424880	0
Total	0	0	3873566	0

Summary :

Annexure with details for the above discrepancies are already sent with intimation.

1. Para wise net amount payable summary :

[illegible]

2. Determination of payable Tax, Interest and penalty

S.No	Category	SGST CGST	IGST CESS	Total
1	2	3	4	5
1	Total Tax Liability	0	1424880	1424880
		0	0	
2	Interest	0	1023806	1023806
		0	0	
3	Penalty	0	1424880	1424880
		0	0	
	Grand Total	0	3873566	3873566
		0	0	

Therefore, the tax payer is hereby called upon to show cause to the undersigned having his office as mentioned above on the date mentioned in Summary to this Show Cause Notice as to why the tax determined as above along with the applicable interest u/s 50 and penalty u/s 74(1) should not be recovered.

(On the basis of best judgment, Interest is calculated u/s 50 from 1st October 2020 till today. However the same shall be liable to be recalculated from the date of liability to the actual date of payment/Order. If taxpayer pays the tax along with applicable interest and penalty u/s 74(1) within 30 days from the date of issue of SCN).

The taxpayer is also directed to produce all the relevant documentary submissions relied upon in support of their rebuttal. They are further directed to mention explicitly in their reply/written submission if they desire to be heard in person before the case is adjudicated. If opportunity of being heard is not asked for in their written explanation, it would be presumed that they do not desire a personal hearing and the Officer may proceed on the basis of reply furnished.

The said taxpayer is also informed that as mentioned u/s 74(8), if the taxpayer pays the said tax along with interest payable under section 50 and a penalty equivalent to twenty-five per cent of such tax within thirty days of issue of the notice, all proceedings in respect of the said notice shall be deemed to be concluded.

(Note: If taxpayer agrees fully/ partially with the tax liability ascertained above and is willing to make payment in DRC-03, then the taxpayer may select the reference no. of this DRC-01 for linking the payment to this SCN (DRC-01) and make the payment on the portal in Form DRC-03)

If no cause is shown against the action proposed to be undertaken within 30 days of the receipt of this notice or if they do not appear before the undersigned with relevant submission, then adjudication will be proceeded with based on facts and evidences on record without any further communication by this Office.

This Show Cause Notice is issued without prejudice to any other action that may be taken against them under the CGST Act, 2017/Gujarat GST Act, 2017 and the Rules framed there under or under any other Law for the time being in force in India.

