



<p>आयुक्त का कार्यालय, केंद्रीय जी. एस. टी. एवं केंद्रीय उत्पाद शुल्क, अहमदाबाद - उत्तर, कस्टम हाउस, प्रथम तल, नवरंगपुरा, अहमदाबाद- 380009</p>		 <p>OFFICE OF COMMISSIONER CENTRAL GST &amp; CENTRAL EXCISE, AHMEDABAD- NORTH CUSTOM HOUSE, 1<sup>ST</sup> FLOOR, NAVRANGPURA, AHMEDABAD-380009</p>
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निबन्धित पावती डाक द्वारा/By R.P.A.D

DIN- 20230764WT000000AC33

फा.सं./F.No. GST/15-05/OA-AE/2022

आदेश की तारीख/Date of Order :- 27.07.2023

जारी करने की तारीख/Date of Issue :- 27.07.2023

द्वारा पारित/Passed by:-

लोकेश डामोर //Lokesh Damor

सयुक्त आयुक्त / Joint Commissioner

**मूल आदेश संख्या / Order-In-Original No. 24/JC/ LD /GST/2023-24**

जिस व्यक्ति(यों) को यह प्रति भेजी जाती है, उसके/उनके निजी प्रयोग के लिए मुफ्त प्रदान की जाती है।  
This copy is granted free of charge for private use of the person(s) to whom it is sent.

इस आदेश से असन्तुष्ट कोई भी व्यक्ति इस आदेश के विरुद्ध अपील, इसकी प्राप्ति से 90 दिन के अन्दर आयुक्त (अपील), केन्द्रीय वस्तु एवं सेवा कर एवं उत्पाद शुल्क, केन्द्रीय उत्पाद शुल्क भवन, अंबावाड़ी, अहमदाबाद-380015 को प्रारूप GST-APL-01 में दाखिल कर सकता है। इस अपील पर रू. 5.00 (पांच रुपये) का न्यायालय शुल्क टिकट लगा होना चाहिए।

Any person deeming himself aggrieved by this order may appeal against this order in form GST-APL-01 to the Commissioner(Appeals), Central GST & Central Excise, Central Excise Building, Ambawadi, Ahmedabad-380015 within three months from the date of its communication. The appeal should bear a court fee stamp of Rs. 5.00 only.

इस आदेश के विरुद्ध अपील करने के लिए आयुक्त (अपील) के समक्ष नियमानुसार पूर्व जमा के धनराशी का प्रमाण देना आवश्यक है।

An appeal against this order shall lie before the Commissioner (Appeal) on giving proof of payment of pre deposit as per rules.

उक्त अपील, अपीलकर्ता द्वारा प्रारूप संख्या GST-APL-01 में दो प्रतियों में दाखिल की जानी चाहिए। उस पर केंद्रीय जी. एस. टी. नियमावली, 2017 के नियम 108 के प्रावधानों के अनुसार हस्ताक्षर किए जाने चाहिए। उक्त अपील के साथ निम्नलिखित दस्तावेज संलग्न किए जाएं।

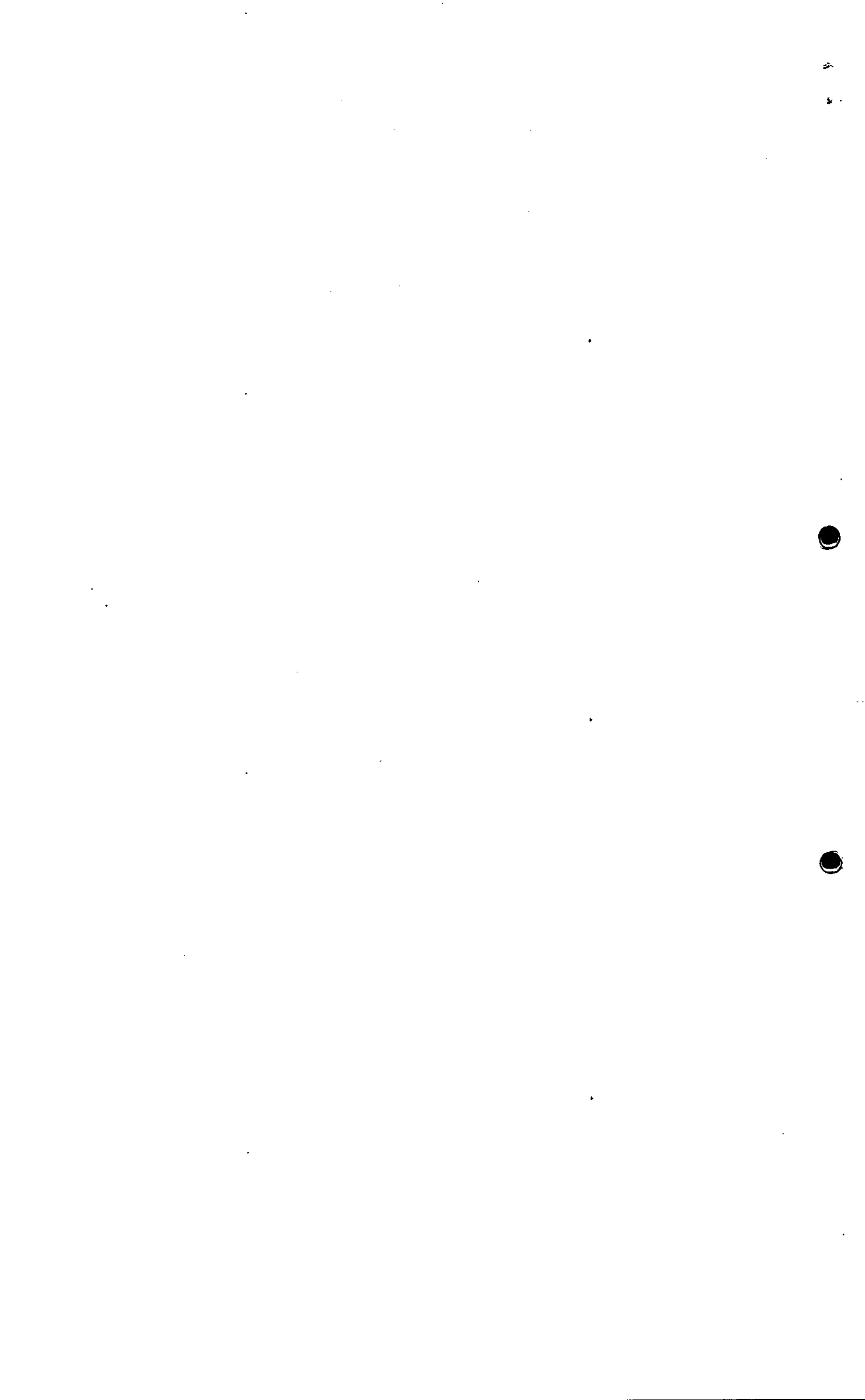
- (1) उक्त अपील की प्रति।
- (2) निर्णय की प्रतियाँ अथवा जिस आदेश के विरुद्ध अपील की गई है, उनमें से कम से कम एक प्रमाणित प्रति हो, या दूसरे आदेश की प्रति जिसपर रू. 5) 00. पांच रुपये (का न्यायालय शुल्क टिकट लगा होना चाहिए।

The appeal should be filed in form GST-APL-01 in duplicate. It should be signed by the appellant in accordance with the provisions of Rule 108 of CGST Rules, 2017. It should be accompanied with the following:

- (1) Copy of accompanied Appeal.
- (2) Copies of the decision or, one of which at least shall be certified copy, the order Appealed against OR the other order which must bear a court fee stamp of Rs.5.00.

विषय:- कारण बताओ सूचना/ Proceeding initiated against Show Cause Notice F.No. GEXCOM/AE/INV/GST/4066/2021-AE dated 31.03.2022 issued to M/s Varmora Furniture Pvt. Ltd., Plot No. 13, Survey/Block No. 151, Vasna Chacharvadi, Nr. Divyabhaskar Press, Bavla, Changodar, Ahmedabad Highway, Sanand, Ahmedabad-382213.





**BRIEF FACTS OF THE CASE :-**

M/s Varmora Furniture, Plot No. 13, Survey / Block No.151, Vasna Chacharvadi, Nr. Divyabhaskar Press, Bavla Changodar, Ahmedabad Highway, Sanand, Ahmedabad-382 213 (hereinafter referred to as "the said noticee") is a company registered under Companies Act 1956. They are engaged in manufacture and supply of Plastic Furniture of Chapter 94 and are holding GSTIN 24AAECV4282G1ZB. The said activities undertaken by the noticee qualifies as taxable supply in terms of Section 2(108) of the Central Goods and Service Tax Act, 2017 read with the definition of 'Goods' as given under Section 2(52) read with Section 7(1) of the Central Goods and Service Tax Act, 2017 *ibid*.

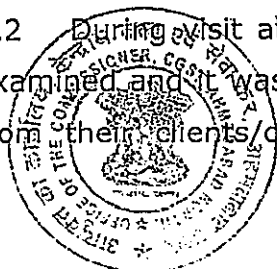
**2.Executive Summary of the Case:-**

Information gathered by Anti Evasion, CGST, Ahmedabad North indicated that M/s Varmora Furnitures Pvt. Ltd. had not filed their GSTR-3B Returns for the period from October-2017 to February-2018, also they were not discharging their Goods and Service Tax(hereafter read as GST) liability. Therefore, by not discharging their tax liability and non-filing of GSTR-3B returns, the noticee for the said period, have failed to comply with the provisions of Section 39 of the Central Goods and Service Tax Act, 2017 (hereinafter referred to as 'CGST Act, 2017') read with Rule 61 of the Central Goods and Service Tax Rules, 2017 (hereinafter referred to as "CGST Rules, 2017") and Section 39 of the Gujarat Goods and Service Tax Act, 2017 (hereinafter referred to as Gujarat GST Act, 2017) read with Rule 61 of the Gujarat Goods and Service Tax Rules, 2017 (hereinafter referred to as "Gujarat GST Rules, 2017") and Section 20 of the Integrated Goods and Service Tax Act, 2017 (hereinafter IGST Act, 2017).

**3. Action taken on the Intelligence gathered: -**

3.1 Acting on the above information, an inquiry was initiated against the noticee, under the provisions of the CGST Act, 2017. Accordingly, verification of records of noticee M/s Varmora Furniture Pvt. Ltd. was carried out by officers of Anti Evasion, CGST, Ahmedabad North at Plot No. 13, Survey / Block No.151, Vasna Chacharvadi, Nr. Divyabhaskar Press, Bavla Changodar, Ahmedabad Highway, Sanand, Ahmedabad-382 213 for procuring the necessary documents for inquiry. During inspection, a Panchnama dated 19-03-2018 was also drawn at principal place of business of the noticee.

3.2 During visit at the noticee's premises on 19-03-2018, various records were examined and it was noticed that the noticee had collected CGST, GGST and IGST from their clients/customers but not deposited the same to the Government



exchequer during the period from October-2017 to February-2018 and they had also not filed their GSTR-3B returns for the said period. During verification, the noticee accepted that they had not filed their monthly return in the form GSTR-3B for the period from October-2017 to February-2018 and also failed to discharge the GST liability of the said period.

3.3. A statement of Shri Shailesh R. Patel, Director of the noticee, was recorded on 19.03.2018, wherein he, *inter-alia*, stated that:

- He is one of the director of M/s Varmora Furniture Pvt. Ltd. since inception of the company i.e. from February-2103 and other directors are Shri Denish Patel and Shri Ashish Patel;
- He looked after day to day business activities of the unit namely production, purchase, sale, Taxation and other director Shri Dinesh Patel monitored marketing etc;
- They knew that the tax liability arose due to non-payment of GST on supply of manufactured finished goods and the same were to be considered as 'clearances / supply of goods without payment of tax';
- He agreed with the tax liability against the supply of manufactured finished goods for the period October-2017 to February-2018 which attracted GST @ 28%/18%;
- Their company could not pay said tax liability due to financial crises and agreed to pay the above said tax liability alongwith interest and penalty at the earliest;

4. In subsequent period, the noticee had filed all these GSTR-3B returns. The GSTR-3B returns filing status noticed from GST Portal is as tabled below:

**Table-A**

Month	Due date of filing GSTR-3B	Actual Date of filing of GSTR-3B	No. of days delay
October-2017	20.11.2017	23-05-2018	184 days
November-2017	20.12.2017	24-05-2018	155 days
December-2017	22-01-2018	08-08-2018	198 days
January-2018	20-02-2018	25-10-2018	247 days
February-2018	20-03-2018	25-10-2018	219 days

4.1 From the GSTR-3B, filed for the period from October-2017 to February-2018, it was revealed that the noticee was liable to pay GST amounting to Rs.3,15,95,336/- but till the date of visit of their premises i.e. till 19-03-2018 by the officers from CGST Department, the noticee had neither paid the said GST nor



filed these GSTR-3B returns. The noticee subsequently filed these GSTR-3B returns and paid GST as details in Table below:

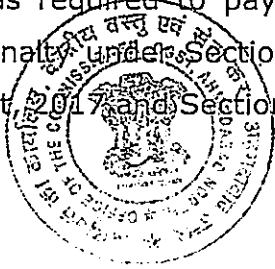
**Table-B****(Amt. in Rs.)**

Period	Taxable Value	Tax payable				Tax paid through (Cash + ITC)			
		CGST	SGST	IGST	Total	CGST	SGST	IGST	Total
Oct-17	30737093	1127200	1127200	6000784	8255184	1462304	1462304	5330576	8255184
Nov-17	31405709	1228762	1228762	3474089	5931613	2130473	2130473	1670667	5931613
Dec-17	33027963	933891	933891	3993012	5860794	1801606	1801606	2257582	5860794
Jan-18	35218978	1137035	1137035	3857037	6131107	1631062	1631062	2868983	6131107
Feb-18	30657110	657052	657052	4102534	5416638	1678044	1678044	2060550	5416638
Total	161046853	5083940	5083940	21427456	31595336	8703489	8703489	14188358	31595336

5. As per the provisions of Sections 39(1) of CGST Act, 2017 and the Gujarat GST Act, 2017 read with Section 20 of the IGST Act, 2017, the noticee had to file their GSTR 3B returns before the 20th day of each month or the extended time period, as tabulated above. Further, as per the provisions of Sections 39(7) of the CGST Act, 2017 and the Gujarat GST Act, 2017 read with Section 20 of the IGST Act, 2017, the supplier had to pay tax not later than the last date on which they were required to file their returns.

5.1 Further, as per the provisions of Sections 49(3) and 49(4) of the CGST Act, 2017 and the Gujarat GST Act, 2017 read with the provisions of Section 5(1) of the Integrated Goods and Services Act, 2017 ('IGST Act') and Rule 85(3), Rule 86 and Rule 87 of the CGST Rules, 2017 and Rule 85(3), Rule 86 and Rule 87 of the Gujarat GST Rules, 2017, the supplier had to pay tax either through their electronic credit ledger or through their electronic cash ledger.

5.2 It appeared that the noticee had failed to file the stipulated GSTR-3B returns on time for the period from October-2017 to February-2018 and accordingly they had not discharged their GST liability of Rs.3,15,95,332/- for the said period though they had collected the said GST from their customers. Shri Shailesh R. Patel, one of the director of the noticee admitted that their firm had defaulted in payment of their GST liability for the period October-2017 to February-2018 and assured to pay the outstanding GST with interest and penalty. Hence, it appeared that the noticee was required to pay GST amounting to Rs.3,15,95,336/- alongwith interest and penalty under Section 74 of CGST Act, 2017 read with Section 74 of Gujarat GST Act, 2017 and Section 20 of IGST Act, 2017.



5.3 It further appeared that the noticee had filed GSTR-3B return for October-2017 on 23-05-2018, for November-2017 on 24-05-2018, December-2017 on 08-08-2018, January-2018 on 25-10-2018 and February-2018 on 25-10-2018. All these GSTR-3B returns were filed by noticee only after initiation of inquiry and visit of their premise on 19-03-2018 by officers from CGST department Officer. On scrutiny of these GSTR-3B filed for October-2017 to February-2017, it is observed that the noticee had now discharged all their GST liabilities of Rs.3,15,95,336/- (through CGST Rs.87,03,489/- + SGST Rs.87,03,489/- + IGST Rs.1,41,88,358/-) and hence the same was required to be appropriated against the outstanding demand.

5.4 It further appeared that the noticee had not paid interest on such delayed payment of GST of Rs.3,15,95,336/-. Hence, it appeared that interest of Rs.31,06,562/-, as per applicable rate i.e. @ 18%, was required to be recovered from the noticee under the provisions of Section 50 of the CGST Act, 2017 read with Section 50 of the Gujarat GST Act, 2017 and read with Section 20 of the IGST Act, 2017. The details of calculation of interest is as per table below:

**Table-C****(Amt. in Rs.)**

Month	GST paid				No. of Days delay	Interest payable			
	CGST	SGST	IGST	Total		CGST	SGST	IGST	Total
Oct-2017	1127200	1127200	6000784	8255184	184	102282	102282	544509	749073
Nov-2017	1228762	1228762	3474089	5931613	155	93925	93925	265554	453403
Dec-2017	933891	933891	3993012	5860794	198	91189	91189	389893	572270
Jan-2018	1137035	1137035	3857037	6131107	247	138500	138500	469819	746819
Feb-2018	657052	657052	4102534	5416638	219	70962	70962	443074	584997
<b>Total</b>	<b>5083940</b>	<b>5083940</b>	<b>21427456</b>	<b>31595336</b>		<b>496857</b>	<b>496857</b>	<b>2112849</b>	<b>3106562</b>

5.4.1 Out of total interest liability of Rs.31,06,562/-, the noticee had paid interest of Rs.1,21,770/- vide Electronic Cash Leger Entry No. DC2403220306671 dated 29.03.2022 (DRC-03 dated 29.03.2022) and hence the same was required to be appropriated against the demand of interest.

5.5 It appeared that the noticee had collected GST but not deposited the same to the Government Exchequer during the period from October-2017 to February-2018 till the initiation of inquiry by the CGST department. If the investigation had not



been initiated by Anti Evasion, CGST, Ahmedabad North and search/ inspection of the noticee's premises were not conducted, the noticee would not have deposited the same to the Government exchequers, causing loss to the Govt. exchequer.

5.6 On scrutiny of the documents/ records submitted by the noticee, it was revealed that the noticee had not filed GSTR-3B returns for the period of October-2017 to February-2018 till the initiation of the inquiry by CGST Department and hence suppressed the taxable turnover. Accordingly, it appeared that despite having knowledge of CGST Acts and Procedures, the act of fraud, mis-declaration or suppression by the taxpayer shows the contravention of provisions with intent to evade payment of GST on the part of the noticee. Therefore, it appeared that Section 74 of the CGST Act, 2017 read with Section 74 of Gujarat GST Act, 2017 and Section 20 of IGST Act, 2017 is invocable in the present case. Further, it appeared for their act of non-payment of outstanding GST liability for the period from October-2017 to February-2018, as discussed hereinabove, make them liable to penal action under the provisions of Section 74 of the CGST Act, 2017 read with Section 74 of the Gujarat GST Act, 2017 and Section 20 of IGST Act, 2017.

6. During further course of investigation of the case, on further scrutiny of the data collected from the GST Portal and on comparing the details of GST liability shown in monthly GSTR-1 and GSTR-3B, it has come to the notice that the noticee had made short payment of GST in certain months, as they had not paid GST as declared by them in their GSTR-1 returns filed. The detailed are as per Table below:

**Table-D**

**Short payment of GST (Comparison between GSTR-1 vs. GSTR-3B)**

(Amt. in Rs.)

Month	Tax payable on outward supply						Differential tax payable			
	As per GSTR-1			As per GSTR-3B						
	CGST	SGST	IGST	CGST	SGST	IGST	CGST	SGST	IGST	Total Tax
Jul-17	297913	297913	5145939	297913	297913	5051648	0	0	94291	94291
Mar-18	2141598	2141598	4376145	1942473	1942473	4376145	199125	199125	0	398250
Mar-19	662671	662671	2911677	660571	660571	2878453	2100	2100	33224	37424
Oct-19	958397	958397	1477404	957591	957591	1477403	806	806	0	1612
<b>Total</b>	<b>4060579</b>	<b>4060579</b>	<b>13911165</b>	<b>3858548</b>	<b>3858548</b>	<b>13783649</b>	<b>202031</b>	<b>202031</b>	<b>127515</b>	<b>531577</b>



From Table-D above, it appeared that the noticee had failed to file the correct GSTR-3B returns for the month of July-2017, March-2018, March-2019,

October-2019 and accordingly they had not discharged their GST liability correctly for these months and made short payment of GST of Rs.5,31,577/- though they had collected the said GST from their customers as reflected in their GSTR-1 returns filed for these months. Vide letters dated 10.11.2020, dated 24.07.2021 and dated 07.02.2022, the noticee was requested to pay the differential amount of GST alongwith applicable interest and penalty and submit the payment particular. However, no reply received from the noticee in this regard. Hence, in view of the above discussion, it appeared that the noticee was required to pay differential GST amounting of Rs.5,31,577/- i.e. (CGST Rs.2,02,031/- + SGST Rs.2,02,031/- + IGST Rs.1,27,515/-) alongwith interest and penalty under Section 74 of CGST Act, 2017 read with Section 74 of Gujarat GST Act, 2017 and Section 20 of IGST Act, 2017.

6.2 On scrutiny of the documents/ records submitted by the noticee, it was revealed that the noticee had not filed correct GSTR-3B returns for the month of July-2017, March-2018, March-2019 and October-2019 and suppressed the correct taxable turnover. If the investigation had not been initiated by Anti Evasion, CGST, Ahmedabad North and search/ inspection of the noticee's premises were not conducted, the short payment of GST would not have been noticed, causing loss to the Government Exchequer. Accordingly, it appeared that despite having knowledge of CGST Acts and Procedures, the act of fraud, mis-declaration or suppression by the taxpayer shows the contravention of provisions with intent to evade payment of GST on the part of the noticee. Therefore, it appeared that Section 74 of the CGST Act, 2017 read with Section 74 of Gujarat GST Act, 2017 and Section 20 of IGST Act, 2017 is invocable in the present case. Further, it appeared for their act of non-payment of outstanding GST liability for these months, as discussed hereinabove, make them liable to penal action under the provisions of Section 74 of the CGST Act, 2017 read with Section 74 of the Gujarat GST Act, 2017 and Section 20 of IGST Act, 2017.

7. During further course of investigation of the case, from the data collected from the GST Portal, it revealed that apart from the period October-2017 to February-2018, as mentioned in foregoing paras, the noticee, during the period from July-2017 to September-2021, had made delay in filing many GSTR-3B Returns also and resultantly they had made delay in discharging their GST liabilities for these months. For such delayed in payment of GST, the noticee was required to pay interest on GST paid through Electronic Cash Ledger. The details are as per table below:



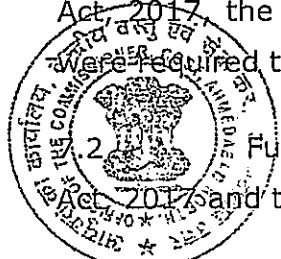


**Table-E**

**Details of interest calculation for late filing of GST returns for the period  
July-2017 to September-2017 and for the period March-2018 to  
September-2021)**

Sr. No.	Period	Due date of Filing	Return filed on	No. of days delay	GST paid In cash (including GST paid under RCM) as per GSTR 3B				Interest payable @ 18%			
					IGST	CGST	SGST	Total GST	IGST	CGST	SGST	Total
1	Jul-17	25-08-2017	22-11-2017	89	0	25934	25934	51868	0	1138	1138	2277
2	Aug-17	20-09-2017	25-01-2018	127	3664909	35526	35526	3735961	229534	2225	2225	233984
3	Sep-17	20-10-2017	01-03-2018	132	5801577	18728	18728	5839033	377659	1219	1219	380097
4	Mar-18	20-04-2018	25-10-2018	188	3111621	32510	32510	3176641	288486	3014	3014	294514
5	Apr-18	22-05-2018	11-01-2019	234	1174708	16868	16868	1208444	135558	1947	1947	139451
6	May-18	20-06-2018	12-01-2019	206	2346745	19507	19507	2385759	238404	1982	1982	242367
7	Jun-18	20-07-2018	12-01-2019	176	0	30258	30258	60516	0	2626	2626	5252
8	Jul-18	24-08-2018	12-01-2019	141	0	11244	11244	22488	0	782	782	1564
9	Aug-18	20-09-2018	12-01-2019	114	0	19773	19773	39546	0	1112	1112	2223
10	Sep-18	25-10-2018	12-01-2019	79	0	7210	7210	14420	0	281	281	562
11	Oct-18	20-11-2018	29-03-2019	129	1555319	11506	11506	1578331	98944	732	732	100408
12	Nov-18	20-12-2018	29-03-2019	99	610355	37690	37690	685735	29799	1840	1840	33479
13	Dec-18	20-01-2019	29-03-2019	68	1520490	4894	4894	1530278	50988	164	164	51317
14	Jan-19	22-02-2019	12-07-2019	140	1226840	20695	20695	1268230	84702	1429	1429	87560
15	Feb-19	20-03-2019	12-07-2019	114	1989644	8547	8547	2006738	111856	481	481	112817
16	Mar-19	23-04-2019	12-07-2019	80	0	12130	12130	24260	0	479	479	957
17	Apr-19	20-05-2019	21-08-2019	93	737382	6143	6143	749668	33819	282	282	34382
18	May-19	20-06-2019	28-08-2019	69	842751	9435	9435	861621	28677	321	321	29319
19	Jun-19	20-07-2019	28-08-2019	39	5340	26756	26756	58852	103	515	515	1132
20	Jul-19	22-08-2019	31-08-2019	9	83390	20912	20912	125214	370	93	93	556
21	Aug-19	20-09-2019	18-11-2019	59	757126	64951	64951	887028	22029	1890	1890	25809
22	Sep-19	20-10-2019	03-12-2019	44	388429	300000	300000	988429	8428	6510	6510	21448
23	Oct-19	20-11-2019	01-01-2020	42	1057321	224979	224979	1507279	21900	4660	4660	31219
24	Nov-19	23-12-2019	22-01-2020	30	430039	0	0	430039	6362	0	0	6362
25	Jan-20	20-02-2020	09-03-2020	18	277951	66077	0	344028	2467	587	0	3054
26	Feb-20	04-04-2020	22-05-2020	48	768912	357734	357734	1484380	18201	8468	8468	35137
27	Mar-20	05-05-2020	19-06-2020	45	337559	91677	91677	520913	7491	2034	2034	11560
28	Jun-20	20-07-2020	31-07-2020	11	143935	0	0	143935	781	0	0	781
29	Aug-20	20-09-2020	21-10-2020	31	143542	0	0	143542	2194	0	0	2194
30	Sep-20	20-10-2020	11-11-2020	22	480190	0	0	480190	5210	0	0	5210
31	Oct-20	20-11-2020	07-12-2020	17	793392	0	0	793392	6651	0	0	6651
32	Nov-20	20-12-2020	19-01-2021	30	686474	0	0	686474	10156	0	0	10156
33	Dec-20	20-01-2021	19-02-2021	30	349586	326537	326537	1002660	5172	4831	4831	14834
34	Jan-21	20-02-2021	22-03-2021	30	1147471	0	0	1147471	16976	0	0	16976
35	Feb-21	20-03-2021	21-06-2021	93	725900	0	0	725900	33292	0	0	33292
36	Mar-21	05-05-2021	27-08-2021	114	564417	0	0	564417	31731	0	0	31731
37	Apr-21	04-06-2021	27-08-2021	84	49902	76872	76872	203646	2067	3184	3184	8436
38	May-21	05-07-2021	27-08-2021	53	142332	51571	51571	245474	3720	1348	1348	6416
39	Jun-21	20-07-2021	15-09-2021	57	217692	53757	53757	325206	6119	1511	1511	9141
40	Jul-21	20-08-2021	18-09-2021	29	340651	0	0	340651	4872	0	0	4872
41	Aug-21	20-09-2021	18-10-2021	28	339296	137472	137472	614240	4685	1898	1898	8482
42	Sep-21	20-10-2021	03-12-2021	44	574846	222374	222374	1019594	12473	4825	4825	22124
				Total	35388034	2350267	2284190	40022491	1941877	64406	63819	2070101

7.1 As per the provisions of Sections 39(1) of CGST Act, 2017 and the Gujarat GST Act, 2017 read with Section 20 of the IGST Act, 2017, the noticee had to file their GSTR 3B returns before the 20<sup>th</sup> day of each month or the extended time period, as tabulated above. Further, as per the provisions of Sections 39(7) of the CGST Act, 2017 and the Gujarat GST Act, 2017 read with Section 20 of the IGST Act, 2017, the supplier had to pay tax not later than the last date on which they were required to file their returns.



Further, as per the provisions of Sections 49(3) and 49(4) of the CGST Act, 2017 and the Gujarat GST Act, 2017 read with the provisions of Section 5(1) of

the Integrated Goods and Services Act, 2017 ('IGST Act') and Rule 85(3), Rule 86 and Rule 87 of the CGST Rules, 2017 and Rule 85(3), Rule 86 and Rule 87 of the Gujarat GST Rules, 2017, the supplier had to pay tax either through their electronic credit ledger or through their electronic cash ledger.

7.3 It appeared that the noticee had not paid interest on such delayed payment of GST of Rs.4,00,22,491/- through Electronic Cash Ledger. Hence, it appeared that interest of Rs.20,70,101/-, as per Table-E above, as per applicable rate i.e.@18% , was required to be recovered from the noticee under the provisions of Section 50 (1) of the CGST Act, 2017 read with Section 50(1) of the Gujarat GST Act, 2017 and read with Section 20 of the IGST Act, 2017.

8. In light of the facts discussed hereinabove and the material facts and evidences available on records, it appeared that the noticee had contravened the following provisions of the CGST Act, 2017 read with Gujarat GST Act, 2017 and IGST Act, 2017:

- (i) Section 9 of the CGST Act, 2017 read with Section 9 of Gujarat GST Act, 2017 and Section 5 of IGST Act, 2017 in as much as they failed to pay the appropriate GST on supply of taxable goods made by them to their customers/clients, with intent to evade payment of tax;
- (ii) Section 12 of CGST Act, 2017 read with Section 12 of Gujarat GST Act, 2017 and Section 20 of IGST Act, 2017 in as much as the noticee have failed to pay GST on goods at the time of supply of taxable goods;
- (iii) Section 15 of the CGST Act, 2017 read with Section 15 of Gujarat GST Act, 2017 and Section 20 of IGST Act, 2017 in as much as they suppressed the actual value of the taxable supplies made by them, with an intent to evade payment of tax;
- (iv) Section 35 of the CGST Act, 2017 read with Section 35 of the Gujarat GST Act, 2017 read with Section 20 of the IGST Act, 2017 in as much as they failed to maintain a true and correct account of outward supplies made by them and of the outward tax payable by them, with an intent to evade payment of tax;
- (v) Section 39 of the CGST Act, 2017 read with Section 39 of the Gujarat GST Act, 2017 and Section 20 of the IGST Act, 2017 and also read with Rule 61, Rule 85(3) and Rule 87 of the CGST Rules, 2017 and Rule 61, Rule 85(3) and Rule 87 of the Gujarat GST Rules, 2017 in as much as they failed to file the GSTR-3B returns as well as to pay GST; within the prescribed due dates;
- (vi) Section 49(8) of the CGST Act, 2017 read with Section 49(8) of Gujarat GST Act, 2017 and Section 20 of IGST Act, 2017 in as much as they failed to discharge their tax liability, with an intent to evade payment of tax;



- (vii) Section 50 of the CGST Act, 2017 read with Section 50 of the Gujarat GST Act, 2017 and Section 20 of IGST Act, 2017 in as much as they failed to pay interest as per applicable rate on delay payment of tax;
- (viii) Section 59 of the CGST Act, 2017 read with Section 59 of the Gujarat GST Act, 2017 and Section 20 of the IGST Act, 2017 in as much as they failed to self-assess their tax liability with an intent to evade payment of tax;
- (ix) Section 74 of the CGST Act, 2017 read with Section 74 of Gujarat GST Act, 2017 and Section 20 of the IGST Act, 2017 in as much as their wilful act of suppression and mis-declaration of facts with sole intention to evade GST;

9. Regarding applicability of interest, Sections 50(1) and 50(2) of the CGST Act, 2017 and Section 50(1) and 50(2) of the Gujarat GST Act, 2017 and Section 20 of the IGST Act, 2017 read as under:

*"50. (1) Every person who is liable to pay tax in accordance with the provisions of this Act or the rules made thereunder, but fails to pay the tax or any part thereof to the Government within the period prescribed, shall for the period for which the tax or any part thereof remains unpaid, pay, on his own, interest at such rate, not exceeding eighteen per cent., as may be notified by the Government on the recommendations of the Council.*

*Provided that the interest on tax payable in respect of supplies made during a tax period and declared in the return for the said period furnished after the due date in accordance with the provisions of section 39, except where such return is furnished after commencement of any proceedings under section 73 or section 74 in respect of the said period, shall be levied on that portion of the tax that is paid by debiting the electronic cash ledger.*

*(2) The interest under sub-section (1) shall be calculated, in such manner as may be prescribed, from the day succeeding the day on which such tax was due to be paid."*

Further, Hon'ble Jharkhand High Court in the case of M/s Mahadeo Construction have stated that-

*"Liability of interest is automatic, but the same is required to be adjudicated in the event an assessee disputes the computation or very levability of interest, by initiation of adjudication proceedings under Section 73 or 74 of the CGST Act. In our opinion, till such adjudication is completed by the Proper Officer, the amount of interest cannot be termed as an amount payable under the Act or the Rules,"*



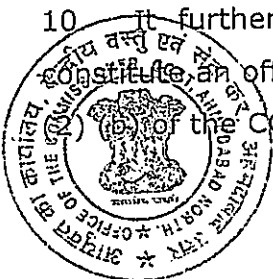
**"Emphasis Supplied"**

9.1 From the above facts, it appeared that the supplier had contravened the provisions of Sections 39(7) of the CGST Act, 2017 read with Section 20 of the IGST Act and provision of Section 39(7) of the Gujarat GST Act, 2017 and the provisions of Rules 85(3) and Rule 87 of the CGST Rules, 2017 and the provision of Rule 85(3) and Rule 87 of the Gujarat GST Rules, 2017 by not making GST payments within the prescribed due dates.

9.1.1 It appeared from their GSTR-3B returns filed for the period October-2017 to February-2018, as detailed in Table-A, Table-B and Table-C above, that the noticee had delayed the payment of tax. It was evident from Table-A above, the noticee had filed GSTR-3B returns for October-2017 on 23-05-2018, November-2017 on 24-05-2018, December-2017 on 08-08-2018, January-2018 and February-2018 on 25-10-2018. All these GSTR-3B returns were filed by noticee only after initiation of inquiry under Section 74 of the CGST Act, 2017 by visit of their premise on 19-03-2018 by officers from Anti-Evasion, CGST, Ahmedabad North. Hence, it appeared interest of Rs.31,06,562/-, as per applicable rate i.e. @18%, as calculated in Table-C above, was required to be recovered from the noticee under the provision of Section 50(1) of the CGST Act, 2017 read with Section 50 of the Gujarat GST Act, 2017 and read with Section 20 of the IGST Act, 2017. Apart from this, it appeared interest was also chargeable, as per applicable rate, on the short paid amount of GST of Rs.5,31,577/-, as detailed in Table-D above, and the same appears to be recoverable from the noticee under the proviso to Section 50 (1) of the CGST Act, 2017 read with Section 50 (1) of the Gujarat GST Act, 2017 and Section 20 of the IGST Act, 2017.

9.1.2 It further appeared from their GSTR-3B returns filed for the months, as detailed in Table-E above, that the noticee had delayed the payment of tax made through their Electronic Cash Ledger, as discussed in detailed in para supra. The delay in number of days and the interest liable to be paid on the cash component is tabulated in Table-E above. Accordingly, it appeared that the noticee was required to pay applicable interest of Rs.20,70,101/- (CGST Rs.64,406 /- + SGST Rs.63,819/- + IGST Rs. 19,41,877/-), as detailed in Table-E above, as prescribed under the proviso to Section 50(1) of the CGST Act, 2017 read with Section 50 (1) of the Gujarat GST Act, 2017 and Section 20 of the IGST Act, 2017. It is further observed that the noticee had made payment of Rs.8,78,230/- (Rupees Eight Lakh Seventy Eight Thousand Two Hundred Thirty only) (CGST Rs.64,405/- + SGST Rs.63,825/- + IGST Rs.7,50,000/-) against the demand of interest of Rs.20,70,101/-, hence the same needs to be appropriated against the demand of interest.

10 It further appeared that all the above mentioned acts of contravention constitute an offence of the nature as described under the provisions of Section 122 of the CGST Act, 2017 read with Section 122 (2) (b) of the Gujarat GST Act,

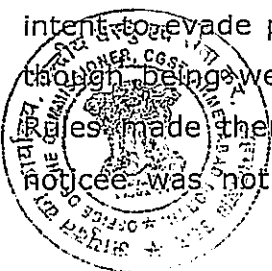


2017, rendering themselves liable to penalty under Section 74 and Section 122 of the CGST Act, 2017 read with Section 74 and Section 122 of the Gujarat GST Act, 2017 and Section 20 of the IGST Act, 2017 for failure to pay tax, failure to self assess the tax liability for the period from October-2017 to February, 2018 and for non-compliance of various provisions of the act leading to penalty under the said sections referred above.

11. It appeared that the system of self-assessment is specifically incorporated in respect of GST under the provisions of Section 59 of the CGST Act, 2017. In the scheme of self-assessment, the department comes to know about the supplies made and payment made only during the scrutiny of the statutory returns filed by the taxpayers under Rule 59 made thereunder read with Section 39 of the CGST Act, 2017. Therefore, it places greater onus on the taxpayer to comply with higher standards of disclosure of information in the statutory returns. Explanation 2 to Section 74 of the CGST Act, 2017 has defined suppression as under :

"Explanation 2.--For the purposes of this Act, the expression "suppression" shall mean non-declaration of facts or information which a taxable person is required to declare in the return, statement, report or any other document furnished under this Act or the rules made thereunder, or failure to furnish any information on being asked for, in writing, by the proper officer"

11.1 It appeared from the facts emerged during the course of investigation of M/s Varmora Furniture Pvt. Ltd. that they appeared to have suppressed their actual tax liability for the period October-2017 to February-2018. The facts regarding evasion of GST came into light due to investigation carried out by the CGST, Anti Evasion, Ahmedabad North, Ahmedabad. Had the present investigation not been initiated by CGST, Anti-Evasion, Ahmedabad North against the noticee, they would have continued with their modus of non payment of GST by not filing GSTR-3B on a regular basis. This clearly appeared to be done intentionally in order to suppress their actual tax liability and thereby evading GST. Various Courts including the Apex Court have clearly laid down the principle that tax liability is a civil obligation and therefore the intent to evade payment of tax cannot be established by peering into the minds of the tax payer but has to be established through evaluation of tax behaviour. The responsibility of the tax payer to voluntarily make information disclosures is much greater in a system of self-assessment. In case of evaluation of tax behaviour of the noticee, it shows their intent to evade payment of GST by an act of omission in as much as the noticee though being well aware of the unambiguous provisions of the CGST 2017 and Rules made thereunder failed to discharge GST. Had the investigation of the noticee was not initiated, these facts would not have come to light. Hence, it



appeared from the para discussed hereinabove, extended period of limitation of five years as envisaged under Section 74 of the CGST Act, 2017 read with Section 74 of the Gujarat GST Act, 2017 read with Section 20 of the IGST Act, 2017 is applicable to the present case.

12. It further appeared that Section 6 of Gujarat State GST Act, 2017 provides for cross empowerment of officer of Central Tax to act as Proper Officers against the noticee which are assigned to the State Tax Officers. It reads as under:

*"6. (1) Without prejudice to the provisions of this Act, the officers appointed under the Central Goods and Services Tax Act are authorised to be the proper officers for the purposes of this Act, subject to such conditions as the Government shall, on the recommendations of the Council, by notification, specify. Appointment of Officers. Powers of Officers. Authorisation of officers of central tax as proper officer in certain circumstances.*

*(2) Subject to the conditions specified in the notification issued under sub-section (1),-*

*(a) where any proper officer issues an order under this Act, he shall also issue an order under the Central Goods and Services Tax Act, as authorised by the said Act under intimation to the jurisdictional officer of central tax;*

*(b) where a proper officer under the Central Goods and Services Tax Act has initiated any proceedings on a subject matter, no proceedings shall be initiated by the proper officer under this Act on the same subject matter.*

*(3) Any proceedings for rectification, appeal and revision, wherever applicable, of any order passed by an officer appointed under this Act, shall not lie before an officer appointed under the Central Goods and Services Tax Act."*

In the instant case of M/s Varmora Furniture Pvt Ltd., by virtue of the above mentioned Section 6 of the Gujarat State GST Act, the Central Tax Officers are authorized to be Proper Officers under the said Act. All the Sections of CGST Act, 2017 are pari-materia to Gujarat State GST Act, 2017 and Vice-Versa.

13. The above said GST liabilities of M/s. Varmora Furniture Pvt. Ltd. have been worked out on the basis of GSTR-1/GSTR-3B Returns filed by the noticee in the GSTN Portal and data/information in this regards made available by the noticee during the course of investigation of the case by the CGST, Anti Evasion, Ahmedabad North. Thus, the present notice relates exclusively to the information available on records regarding non-filing / late filing of GSTR-3B by the noticee and the non-payment of tax / late payment of tax by them.



**14. Quantification of Tax, interest and penalty required to be recovered from M/s Varmora Furniture Pvt. Ltd.:**

**14.1** Based upon the available records available it appeared that the noticee M/s Varmora Furniture Pvt. Ltd. had not discharged their GST liability of Rs.3,15,95,336/- (CGST Rs.50,83,940/-/- + SGST Rs.50,83,940 /- + IGST Rs.2,14,27,456/-) for the period from October-2017 to February-2018.

**14.1.1** After initiation of investigation by the Anti-Evasion Wing, CGST, Ahmedabad North, the noticee had fully discharged their GST liability for the period from October-2017 to February-2018 to the tune of Rs.3,15,95,336/-, as detailed in Table-B above, and also reproduces below:

**Table-B****(Amt. in Rs.)**

Period	Taxable Value	Tax payable				Tax paid through (Cash + ITC)			
		CGST	SGST	IGST	Total	CGST	SGST	IGST	Total
Oct-17	30737093	1127200	1127200	6000784	8255184	1462304	1462304	5330576	8255184
Nov-17	31405709	1228762	1228762	3474089	5931613	2130473	2130473	1670667	5931613
Dec-17	33027963	933891	933891	3993012	5860794	1801606	1801606	2257582	5860794
Jan-18	35218978	1137035	1137035	3857037	6131107	1631062	1631062	2868983	6131107
Feb-18	30657110	657052	657052	4102534	5416638	1678044	1678044	2060550	5416638
<b>Total</b>	<b>161046853</b>	<b>5083940</b>	<b>5083940</b>	<b>21427456</b>	<b>31595336</b>	<b>8703489</b>	<b>8703489</b>	<b>14188358</b>	<b>31595336</b>

**14.1.2** From the above table, it appeared that the noticee, during the period from October-2017 to February-2018 had evaded payment of GST and after initiation of investigation, the noticee had discharged that same as detailed in above table. Since, the noticee had delayed in payment of outstanding GST of Rs.3,15,95,336/- for the period from October-2017 to February-2018, they were required to pay interest as per applicable rate of 18% on such delayed payment of tax. However, they have not paid interest of Rs.31,06,562/- till date, as worked out in Table-C above and reproduces below, and the same was required to be recovered from them under provisions of Section 50 of the CGST Act, 2017 read with Section 50 of the Gujarat GST Act, 2017 and Section 20 of the IGST Act, 2017.

**Table-C****(Amt. in Rs.)**

Month	GST paid				No. of Days delay	Interest payable			
	CGST	SGST	IGST	Total		CGST	SGST	IGST	Total
Oct-2017	1127200	1127200	6000784	8255184	184	102282	102282	544509	749073
Nov-2017	1228762	1228762	3474089	5931613	155	93925	93925	265554	453403
Dec-2017	933891	933891	3993012	5860794	198	91189	91189	389893	572270
Jan-2018	1137035	1137035	3857037	6131107	247	138500	138500	469819	746819
Feb-2018	657052	657052	4102534	5416638	219	70962	70962	443074	584997
<b>Total</b>	<b>5083940</b>	<b>5083940</b>	<b>21427456</b>	<b>31595336</b>		<b>496857</b>	<b>496857</b>	<b>2112849</b>	<b>3106562</b>





to February-2018, and also short payment of GST of Rs.5,13,577/- for the month of July-2017, March-2018, March-2019 and October-2019, as discussed hereinabove, make them liable to penal action under the provisions of Section 74 of the CGST Act, 2017 read with Section 74 of the Gujarat GST Act, 2017 and Section 20 of IGST Act, 2017.

14.4 During further course of investigation of the case, from the data collected from the GST Portal, it revealed that apart from the period October-2017 to February-2018, as mentioned in foregoing paras, the noticee, during the period from July-2017 to September-2021, has made delay in filing many GSTR-3B Returns also and resultantly they had made delay in discharging their GST liabilities for these months. For such delayed in payment of GST, the noticee was required to pay interest on GST paid through Electronic Cash Ledger. The details are as per Table-E above and also reproduces below:

**Table-E**  
**Details of interest calculation for late filing of GST returns for the period**  
**July-2017 to September-2017 and for the period March-2018 to**  
**September-2021)**

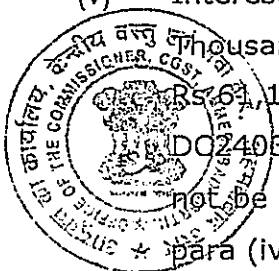
(Amt. in Rs.)

Sr. No.	Period	Due date of Filing	Return filed on	No. of days delay	GST paid in cash (including GST paid under RCM) as per GSTR 3B				Interest payable @ 18%			
					IGST	CGST	SGST	Total GST	IGST	CGST	SGST	Total
1	Jul-17	25-08-2017	22-11-2017	89	0	25934	25934	51868	0	1138	1138	2277
2	Aug-17	20-09-2017	25-01-2018	127	3664909	35526	35526	3735961	229534	2225	2225	233984
3	Sep-17	20-10-2017	01-03-2018	132	5801577	18728	18728	5839033	377659	1219	1219	380097
4	Mar-18	20-04-2018	25-10-2018	188	3111621	32510	32510	3176641	288486	3014	3014	294514
5	Apr-18	22-05-2018	11-01-2019	234	1174708	16868	16868	1208444	135558	1947	1947	139451
6	May-18	20-06-2018	12-01-2019	206	2346745	19507	19507	2385759	238404	1982	1982	242367
7	Jun-18	20-07-2018	12-01-2019	176	0	30258	30258	60516	0	2626	2626	5252
8	Jul-18	24-08-2018	12-01-2019	141	0	11244	11244	22488	0	782	782	1564
9	Aug-18	20-09-2018	12-01-2019	114	0	19773	19773	39546	0	1112	1112	2223
10	Sep-18	25-10-2018	12-01-2019	79	0	7210	7210	14420	0	281	281	562
11	Oct-18	20-11-2018	29-03-2019	129	1555319	11506	11506	1578331	98944	732	732	100408
12	Nov-18	20-12-2018	29-03-2019	99	610355	37690	37690	685735	29799	1840	1840	33479
13	Dec-18	20-01-2019	29-03-2019	68	1520490	4894	4894	1530278	50988	164	164	51317
14	Jan-19	22-02-2019	12-07-2019	140	1226840	20695	20695	1268230	84702	1429	1429	87560
15	Feb-19	20-03-2019	12-07-2019	114	1989644	8547	8547	2006738	111856	481	481	112817
16	Mar-19	23-04-2019	12-07-2019	80	0	12130	12130	24260	0	479	479	957
17	Apr-19	20-05-2019	21-08-2019	93	737382	6143	6143	749668	33819	282	282	34382
18	May-19	20-06-2019	28-08-2019	69	842751	9435	9435	861621	28677	321	321	29319
19	Jun-19	20-07-2019	28-08-2019	39	5340	26756	26756	58852	103	515	515	1132
20	Jul-19	22-08-2019	31-08-2019	9	83390	20912	20912	125214	370	93	93	556
21	Aug-19	20-09-2019	18-11-2019	59	757126	64951	64951	887028	22029	1890	1890	25809
22	Sep-19	20-10-2019	03-12-2019	44	388429	300000	300000	988429	8428	6510	6510	21448
23	Oct-19	20-11-2019	01-01-2020	42	1057321	224979	224979	1507279	21900	4660	4660	31219
24	Nov-19	23-12-2019	22-01-2020	30	430039	0	0	430039	6362	0	0	6362
25	Jan-20	20-02-2020	09-03-2020	18	277951	66077	0	344028	2467	587	0	3054
26	Feb-20	04-04-2020	22-05-2020	48	768912	357734	357734	1484380	18201	8468	8468	35137
27	Mar-20	05-05-2020	19-06-2020	45	337559	91677	91677	520913	7491	2034	2034	11560
28	Jun-20	20-07-2020	31-07-2020	11	143935	0	0	143935	781	0	0	781
29	Aug-20	20-09-2020	21-10-2020	31	143542	0	0	143542	2194	0	0	2194
30	Sep-20	20-10-2020	11-11-2020	22	480190	0	0	480190	5210	0	0	5210
31	Oct-20	20-11-2020	07-12-2020	17	793392	0	0	793392	6651	0	0	6651
32	Nov-20	20-12-2020	19-01-2021	30	686474	0	0	686474	10156	0	0	10156
33	Dec-20	20-01-2021	19-02-2021	30	349586	326537	326537	1002660	5172	4831	4831	14834
34	Jan-21	20-02-2021	22-03-2021	30	1147471	0	0	1147471	16976	0	0	16976
35	Feb-21	20-03-2021	21-06-2021	93	725900	0	0	725900	33292	0	0	33292
36	Mar-21	05-05-2021	27-08-2021	114	564417	0	0	564417	31731	0	0	31731
37	Apr-21	04-06-2021	27-08-2021	84	49902	76872	76872	203646	2067	3184	3184	8436
38	May-21	05-07-2021	27-08-2021	53	142332	51571	51571	245474	3720	1348	1348	6416



16. Therefore, a show cause notice bearing F.No.GEXCOM/AE/INV/GST/4066/2021-AE-I dated 31.03.2022 was issued to M/s Varmora Furniture Pvt. Ltd., Plot No. 13, Survey / Block No.151, Vasna Chacharvadi, Nr. Divyabhaskar Press, Bavla Changodar, Ahmedabad Highway, Sanand, Ahmedabad-382 213 calling upon them to show cause to the Additional Commissioner, CGST, Ahmedabad North, having his office at 1<sup>st</sup> Floor, Custom House, Near All India Radio, Ashram Road, Navrangpura Ahmedabad-380009 within 30 days of the receipt of this Show Cause Notice as to why:-

- (i) The GST amounting to Rs. 3,15,95,336/- (Rupees Three Crore Fifteen Lakh Ninety Five Thousand Three Hundred Thirty Six only) (CGST Rs.50,83,940/- + SGST Rs. 50,83,940/- + IGST Rs.2,14,27,456/-) should not be demanded and recovered from them under Section 74(1) of the CGST Act, 2017 read with Section 74(1) of the Gujarat GST Act, 2017 and Section 20 of the IGST Act, 2017.
- (ii) The GST amounting to Rs. 3,15,95,336/- (Rupees Three Crore Fifteen Lakh Ninety Five Thousand Three Hundred Thirty Six only) (CGST Rs.87,03,489/- + SGST Rs. 87,03,489/- + IGST Rs.1,41,88,358/-) paid through ITC and cash, should not be appropriated against their outstanding GST liability as per para (i) above.
- (iii) The GST amounting to Rs. 5,31,578/- (Rupees Five Lakh Thirty One Thousand Five Hundred Seventy Eight only) (CGST Rs.2,02,031/- + SGST Rs. 2,02,031/- + IGST Rs.1,27,516/-) should not be demanded and recovered from them under Section 74(1) of the CGST Act, 2017 read with Section 74(1) of the Gujarat GST Act, 2017 and Section 20 of the IGST Act, 2017.
- (iv) Interest of Rs.31,06,562/- (Rupees Thirty One Lakh Six Thousand Five Hundred Sixty Two only) (CGST Rs.4,96,857/- + SGST Rs.4,96,857/- + IGST Rs.21,12,849/-), as per applicable rate of 18% calculated for the amount of GST of Rs.3,15,95,336/- paid by them (as per para ii above), should not be demanded and recovered from them under the proviso to Section 50 of the CGST Act, 2017 read with Section 50 of the Gujarat GST Act, 2017 and Section 20 of the IGST Act, 2017;
- (v) Interest amounting to 1,21,770/- (Rupees One Lakh Twenty One Thousand Seven Hundred Seventy Only) (CGST Rs.60,595/- + SGST Rs.61,175/-), paid through Electronic Cash Ledger Entry No. ID02403220306671 dated 29.03.2022 (DRC-03 dated 29.03.2022), should not be appropriated against their outstanding demand of interest as per para (iv) above.



- (vi) Interest as per applicable rate should not be demanded and recovered from them for short payment of GST of Rs. Rs. 5,31,578/- (Rupees Five Lakh Thirty One Thousand Five Hundred Seventy Eight only), as para (iii) above, under the proviso to Section 50 of the CGST Act, 2017 read with Section 50 of the Gujarat GST Act, 2017 and Section 20 of the IGST Act, 2017;
- (vii) Interest of Rs.20,70,101/- (Rupees Twenty Lakh Seventy Thousand One Hundred One only) (CGST Rs.64,406/- + SGST Rs. 63,819/- + IGST Rs.19,41,877/-) calculated on delayed payment of GST through Cash amounting to Rs.4,00,22,491/- (CGST Rs.23,50,267/- + SGST Rs.22,84,190/- + IGST Rs.3,53,88,034/-) should not be demanded and recovered from under the proviso to Section 50 of the CGST Act, 2017 read with Section 50 of the Gujarat GST Act, 2017 and Section 20 of the IGST Act, 2017;
- (viii) Interest amounting to 8,78,230/- (Rupees Eight Lakh Seventy Eight Thousand Two Hundred Thirty only) (CGST Rs.64,405/- + SGST Rs.63,825/- + IGST Rs.7,50,000/-)paid, as detailed in para no. 14.4.1 above, should not be appropriated against their outstanding demand of interest as per para (vii) above.
- (ix) Penalty should not be imposed upon them under Section 74 (1) of the CGST Act, 2017 read with Section 74 (1) of the Gujarat GST Act, 2017 and Section 20 of the IGST Act, 2017 for non-payment of GST amount of Rs. 3,15,95,336/- as per para (i) above;
- (x) Penalty should not be imposed upon them under Section 122 (2) (b) of the CGST Act, 2017 read with Section 122 (2) (b) of the Gujarat GST Act, 2017 and Section 20 of the IGST Act, 2017for reason of fraud or wilful misstatement or suppression of facts to evade tax of Rs.3,15,95,336/-, as per para (i) above;
- (xi) Penalty should not be imposed upon them under Section 74 (1) of the CGST Act, 2017 read with Section 74 (1) of the Gujarat GST Act, 2017 and Section 20 of the IGST Act, 2017 for non-payment of GST amount of Rs. 5,31,578/-, as per para (iii) above;
- (xii) Penalty should not be imposed upon them under Section 122 (2)(b)of the CGST Act, 2017 read with Section 122 (2)(b) of the Gujarat GST Act, 2017 and Section 20 of the IGST Act, 2017 for reason of fraud or wilful misstatement or suppression of facts to evade tax of Rs.5,31,578/- as per para (iii) above.



**DEFENCE REPLY :-**

17. The said tax payer vide their letter dated 23.07.2023 submitted that they have received letter for personal hearing dated 23.06.23 for short payment of GST and interest on delayed payment of GST; that as per form GST DRC-01A there is demand for short payment of GST and interest on late payment of GST as per follows :

- (i) Table-A (Interest on late payment of GST Oct-17 to Feb-18 Rs.31,06,562/-.
- (ii) Table-B (Short payment of GST) Rs.5,31,578/-
- (iii) Table-C (Interest on late payment of GST Mar-18 to Sept-21) Rs.20,70,101/-

They further submitted that as per above details in Table-A interest on total amount of GST on sales and not on the GST payable amount so they have attached details of interest calculation on late payment of GST on Table-A and as per their calculation the interest is Rs.9,57,148/-.

They further accepted the other calculation of short payment of GST in Table-B and also interest amount in Table-C. They further submitted that they have paid interest of Rs.10,00,000/-. They requested for some extra time for making the pending payments.

**PERSONAL HEARING:**

18. Personal Hearing in the matter was granted to the said assessee on 26.05.23 and 23.06.23. On 06.07.23 Shri Makilbhai Vora, Chartered Accountant and Shri Jayesh Mandora, Assistant Manager of the said tax payer appeared on behalf of the said tax payer, and reiterated their written submission dated 23.07.23. He further requested to decide the SCN on merit.

**DISCUSSION AND FINDINGS :-**

19. I have carefully gone through the records of the case, defence reply and submission made during the course of personal hearing.

20. I find that the issue to be decided is to

(i) whether the said tax payer is liable to pay GST amounting to Rs. 3,15,95,336/- (CGST Rs. 50,83,940/- + SGST Rs.50,83,940/- + IGST Rs.2,14,27,456/-) during the period from October'2017 to February'2018 along with interest and penalty for collecting CGST, SGST and IGST from their clients/ customers but not depositing the same to the Government exchequer during the period of October'2017 to February'2018 and also for not filing their GSTR-3B returns for the said period;

(ii) whether the said tax payer is liable to pay GST amounting to Rs.5,31,578/- (CGST Rs.2,02,031/- + SGST Rs.2,02,031/- + IGST Rs.1,27,516/-) on account of short payment of GST on comparison between GSTR-1 vs GSTR-3B for the



month of July-17, March-18, March-19 and Oct-19 along with interest and penalty;

(iii) whether the said tax payer is liable to pay interest of Rs.31,06,562/- on account of delayed payment of GST during the period from Oct-17 to Feb-18;

(iv) whether the said tax payer is liable to pay interest of Rs.20,70,101/- on account of delayed payment of GST during the period from July-17 to Sept-17 and from March-18 to Sept-21.

21. I find that in the instant case information was gathered by Anti Evasion, CGST, Ahmedabad North which indicated that the said tax payer was not filing their GSTR-3B Returns for the period from October-2017 to February-2018 and also they were not discharging their GST liability. Acting on the above information, an inquiry was initiated against the said tax payer under the provisions of the CGST Act, 2017. Accordingly, verification of records was conducted by officer of Anti Evasion, CGST, Ahmedabad North at M/s Varmora Furniture Pvt. Ltd., Plot No.13, Survey/Block No.151, Vasna Chacharvadi, Nr. Divyabhaskar Press, bavla Changodar, Ahmedabad Highway, Sanand, Ahmedabad-382213 for procuring the necessary documents for inquiry under Panchnama dated 19.03.2018. During the visit at the tax payer's premises on 19.03.2018, various records were examined and it came to notice that they were collecting CGST, SGST and IGST from their clients/customers but not depositing the same to the Government exchequer during the period from October-2017 to February-2018 and had also not filed their GSTR-3B returns for the said period. I further find that Shri Shailesh R. Patel, Director of M/s Varmora Furniture Pvt. Ltd in his statement dated 19.03.2018 has confessed that they had defaulted in the GST payment for the period of October-2017 to February-2018.

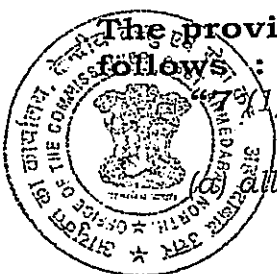
22. I further find that it was only after being pointed out by the department during the course of investigation, the said tax payer had filed the GSTR-3B returns for the period from October-2017 to February-2018 on the dates as mentioned in the table below and discharged the GST liability of Rs.3,15,95,336/- for the said period :-

Sr. No.	Period	Due date of filing of GSTR-3B	Actual date of filing of GSTR-3B	No. of days delay
1	Oct-17	20.11.17	23.05.18	184 days
2	Nov-17	20.12.17	24.05.18	155 days
3	Dec-17	22.01.18	08.08.18	198 days
4	Jan-18	20.02.18	25.10.18	247 days
5	Feb-18	20.03.18	25.10.18	219 days

23. Now, I would like to discuss the various provisions of law :-

The provisions of Section 7 of the CGST Act, 2017 stipulates as follows :-

(1) For the purposes of this Act, the expression "supply" includes-  
(a) all forms of supply of goods or services or both such as sale,



*transfer, barter exchange, licence, rental, lease or disposal made or agreed to be made for a consideration by a person in the course or furtherance of business;*

I find that the activity carried out by the said tax payer was supply of goods and liable to payment of GST.

**The provisions of Section 9 (1) of the CGST Act, 2017 read with Gujarat GST Act, 2017 stipulates as follows :**

*"9. (1) Subject to the provisions of sub-section (2), there shall be levied a tax called the central goods and services tax on all intra-State supplies of goods or services or both, except on the supply of alcoholic liquor for human consumption on the value determined under section 15 and at such rates, not exceeding twenty per cent., as may be notified by the Government on the recommendations of the Council and collected in such manner as may be prescribed and shall be paid by the taxable person. "*

I find that the said tax payer was under obligation to pay the Goods and Service Tax at applicable rate on supply of said goods/ services to their clients.

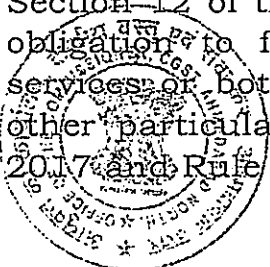
**The provisions of Section 12 of the CGST Act, 2017 read with Gujarat GST Act, 2017 stipulates the time to pay the tax on supply of goods and the provisions of Section 15 of the CGST Act, 2017 read with Gujarat GST Act, 2017 stipulates that the value of supply of goods shall be the transaction value.**

I find that the said tax payer was under obligation to pay the tax on the value of supply of goods within the stipulated time.

**The provisions of Section 39 of the CGST Act, 2017 read with Gujarat GST Act, 2017 along with Rule 59 of the CGST Rules, 2017 stipulates the taxpayers to furnish returns in such form and manner as may be prescribed.**

I find that the said tax payer was under obligation to furnish returns in the prescribed form and manner..

24. In view of the above provisions of law, I find that the said tax payer was engaged in the manufacturing and supply of plastic furniture. The activity carried out by the said tax payer falls under the scope of supply as defined under Section 7 of the CGST Act, 2017. There is no dispute regarding this. Further, the said tax payer was under the obligation to pay Goods and Service Tax at the applicable rate on the supply of said goods to their clients as prescribed under the provisions of Section 9(1) of the CGST Act, 2017. Also, they were under obligation to make payment of GST at the time as stipulated in Section 12 of the CGST Act, 2017. Furthermore, they were under the obligation to furnish the details of outward supplies of goods or services or both, input tax credit availed, tax payable, tax paid and other particulars as prescribed under Section 39 of the CGST Act, 2017 and Rule 59 of the CGST Rules, 2017.



25. In the instant case, I find that the said tax payer had not filed GSTR-3B return nor discharged their tax liability for the period from October-17 to February-18 (i.e. 5 months) as per the provisions of CGST Act / CGST Rules as mentioned in above mentioned para. I find that it was only after initiation of investigation proceedings against the said tax payer under Panchnama dated 19.03.2018, the said tax payer had filed the GSTR-3B returns for the period from October-17 to February-18 on the dates as mentioned in the table above and discharged the GST liability of Rs.3,15,95,336/- for the said period. I find that the said tax payer had filed GSTR-3B for the month from October-17 to February-18 in the month of May-2018, Aug-2018 and October-2018 only. If this investigation had not been initiated by Anti Evasion, CGST, Ahmedabad North and inspection of their premises were not conducted; then the taxpayer would not have deposited the tax to the government exchequers, causing loss to Govt. exchequer. This shows that despite having knowledge of CGST Acts & Procedures, the act of fraud, mis-declaration or suppression by the taxpayer shows the contravention of provisions with intent to evade payment of GST.

26. It is also a fact that, the said tax payer in order to suppress their taxable income from the department, had not filed the GSTR-3B Returns timely as stipulated under Section 39 of CGST Act 2017, for the period from October-17 to February-18. The fact about collecting and not depositing GST was detected only when the department initiated the present investigation. Various Courts including the Apex Court have clearly laid down the principle that tax liability is a civil obligation and therefore, the intent to evade payment of tax cannot be established by peering into the minds of the tax payer, but has to be established through evaluation of tax behaviour. The responsibility of the tax payer to voluntarily make information disclosures is much greater in a system of self-assessment. In case of evaluation of tax behaviour of the said tax payer, it shows their intent to evade payment of GST by an act of omission in as much as they though being well aware of the unambiguous provisions of the CGST Act, 2017 and Rules made there under, failed to disclose to the department at any point of time, their taxable income on which GST was collected but not paid by them, by way of not filing their GST Returns viz. GSTR-3B for the period October-17 to February-18 before initiation of the present investigation.

27. The next issue is whether the said tax payer is liable to pay interest of Rs.31,06,562/- on account of delayed payment of GST during the period from Oct-17 to Feb-18. I find that the said tax payer had delayed in filing GSTR-3B for the period October-17 to February-18 and subsequently delayed payment of GST during the said period. The details are as under :-

Sr. No.	Period	GST paid	No. of days delay	Interest payable
1	Oct-17	8255184	184 days	749073
2	Nov-17	5931613	155 days	453403
3	Dec-17	5860794	198 days	572270
4	Jan-18	6131107	247 days	746819
5	Feb-18	5416638	219 days	584997
		3,15,95,336		31,06,562





27.1 I find that the said tax payer vide their letter dated 23.07.2023 has stated that interest should be calculated on that portion of tax which is paid through cash only which comes to Rs.9,57,148/-.

27.2 The provisions of Section 50 of the CGST ACT, 2017 reads as follows :-

**Section 50. Interest on delayed payment of tax.-**

(1) Every person who is liable to pay tax in accordance with the provisions of this Act or the rules made thereunder, but fails to pay the tax or any part thereof to the Government within the period prescribed, shall for the period for which the tax or any part thereof remains unpaid, pay, on his own, interest at such rate, not exceeding eighteen per cent., as may be notified by the Government on the recommendations of the Council:

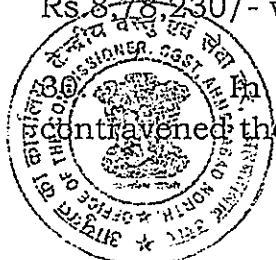
[Provided that the interest on tax payable in respect of supplies made during a tax period and declared in the return for the said period furnished after the due date in accordance with the provisions of section 39, except where such return is furnished after commencement of any proceedings under section 73 or section 74 in respect of the said period, shall be levied on that portion of the tax that is paid by debiting the electronic cash ledger.]

27.3 In the instant case, I find that proceedings has been initiated against the said tax payer under Section 74 of the CGST Act, 2017 and therefore in view of the above provisions of Section 50 of the CGST Act, 2017, the contention of the said tax payer cannot be accepted. Hence, the said tax payer is liable to pay interest of Rs.31,06,562/- on account of delayed payment of GST during the period from Oct-17 to Feb-18. I find that the said tax payer has paid interest of Rs.1,21,770/- vide Electronic Cash Ledger Entry No.DC2403220306671 dated 29.03.2022.

28. The other issue is whether the said tax payer is liable to pay GST amounting to Rs.5,31,578/- (CGST Rs.2,02,031/- + SGST Rs.2,02,031/- + IGST Rs.1,27,516/-) on account of short payment of GST on comparison between GSTR-1 vs GSTR-3B for the month of July-17, March-18, March-19 and Oct-19. I find that the said tax payer vide their letter dated 23.07.2023 has accepted the tax liability. Hence, the said tax payer is liable to pay GST amounting to Rs.5,31,578/- along with interest and penalty.

29. The last issue is whether the said tax payer is liable to pay interest of Rs.20,70,101/- on account of delayed payment of GST during the period from July-17 to Sept-17 and from March-18 to Sept-21. I find that the said tax payer vide their letter dated 23.07.2023 has accepted the interest liability. Hence, the said tax payer is liable to pay interest of Rs.20,70,101/- on account of delayed payment of GST during the period from July-17 to Sept-17 and from March-18 to Sept-21. I find that the said tax payer has paid interest of Rs.8,78,230/- vide Electronic Cash Ledger dated 29.03.2022.

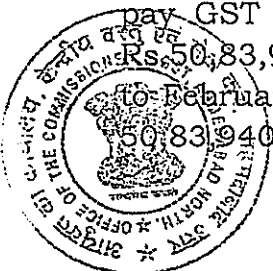
In view of the above, it appeared that the said tax payer had contravened the following provisions of the CGST Act, 2017:



- (i) Section 9 of the CGST Act, 2017 read with Section 9 of Gujarat GST Act, 2017 along with Section 20 of IGST Act, 2017 in as much as they failed to pay the appropriate GST on supply of taxable supply made by them to their customers/clients, with intent to evade payment of Tax;
- (ii) Section 12 of the CGST Act, 2017 read with Section 12 of Gujarat GST Act, 2017 and Section 20 of IGST Act, 2017 in as much as they failed to pay GST on goods at the time of supply of taxable goods;
- (iii) Section 15 of the CGST Act, 2017 read with Section 15 of Gujarat GST Act, 2017 along with Section 20 of IGST Act, 2017 in as much as they suppressed the actual value of the taxable supplies made by them, with an intent to evade payment of Tax;
- (iv) Section 35 of the CGST Act, 2017 read with Section 35 of Gujarat GST Act, 2017 along with Section 20 of IGST Act, 2017 in as much as they failed to maintain a true and correct account of outward supplies made by them and of the outward tax payable by them, with an intent to evade payment of Tax;
- (v) Section 39 of the CGST Act, 2017 read with Section 39 of Gujarat GST Act, 2017 along with Section 20 of IGST Act, 2017 read with Rule 61 of the CGST Act, 2017 in as much as they failed to file the correct GSTR-3B returns for the period of Oct-17 to Feb-18, with an intend to evade payment of tax;
- (vi) Section 49(8) of the CGST Act, 2017, read with Section 49(8) of Gujarat GST Act, 2017 along with Section 20 of IGST Act, 2017, in as much as they failed to discharge their tax liability, with an intend to evade payment of tax;
- (vii) Section 50 of the CGST Act, 2017, read with Section 50 of Gujarat GST Act, 2017 along with Section 20 of IGST Act, 2017, in as much as they failed to pay interest as per applicable rate on delayed payment of tax;
- (viii) Section 59 of the CGST Act, 2017 read with Section 59 of Gujarat GST Act, 2017 along with Section 20 of IGST Act, 2017, in as much as they failed to self-assess their tax liability with an intend to evade payment of tax;
- (ix) Section 74 of the CGST Act, 2017 read with Section 74 of Gujarat GST Act, 2017 along with Section 20 of IGST Act, 2017 in as much as their wilful act of suppression and mis-declaration of facts with sole intention to evade GST;

31.

From the above facts, I hold that the said tax payer is liable to pay GST amounting to **Rs. 3,15,95,336/-** (CGST Rs. 50,83,940/- + SGST Rs. 50,83,940/- + IGST Rs.2,14,27,456/-) during the period from October'2017 to February'2018 . Therefore GST amounting to **Rs. 3,15,95,336/-** (CGST Rs. 50,83,940/- + SGST Rs.50,83,940/- + IGST Rs.2,14,27,456/-) is liable to be



recovered from the said tax payer under the provisions of Section 74(1) of the CGST Act, 2017 read with the Section 74(1) of the Gujarat GST Act, 2017 read with Section 20 of IGST Act, 2017 along with applicable interest under the provisions of Section 50 of the Act, *ibid.* I find that the said tax payer has paid the GST amount of Rs.3,15,95,336/- and the same needs to be appropriated against the demand.

32. I also hold that the said tax payer is liable to pay GST amounting to **Rs.5,31,578/-** (CGST Rs.2,02,031/- + SGST Rs.2,02,031/- + IGST Rs.1,27,516/-) on account of short payment of GST on comparison between GSTR-1 vs GSTR-3B for the month of July-17, March-18, March-19 and Oct-19. Therefore GST amounting to **Rs.5,31,578/-** (CGST Rs.2,02,031/- + SGST Rs.2,02,031/- + IGST Rs.1,27,516/-) is liable to be recovered from the said tax payer under the provisions of Section 74(1) of the CGST Act, 2017 read with the Section 74(1) of the Gujarat GST Act, 2017 read with Section 20 of IGST Act, 2017 along with applicable interest under the provisions of Section 50 of the Act, *ibid.*

33. Every registered taxable person shall himself assess the taxes payable and furnish a return for each tax period. This means GST continues to promote self-assessment just like the Excise, VAT and Service Tax under current tax regime. Accordingly measures like self-assessments etc., based on mutual trust and confidence are in place. All these operate on the basis of honesty of the tax payer; therefore, the governing statutory provisions create an absolute liability, when any provision is contravened or there is a breach of trust, on the part of service tax assessee, no matter how innocently. The collection of CGST, SGST and IGST from the clients of the said tax payer and not depositing the same to the government exchequer during the period Oct-17 to Feb-18 and also not filing of GSTR-3B returns for the said period came to light during the course of investigation initiated by Anti Evasion, CGST, Ahmedabad North. Had the investigation not been initiated by Anti Evasion and inspection of their premises not conducted, the matter would have not come to the notice of the department. Collection of tax from their clients and non-payment of tax is utter disregard to the requirements of law and the breach of trust deposited on them which is outright act of defiance of law by way of suppression, concealment & non-furnishing value of taxable service with intent to evade payment of tax. All the above facts of contravention on the part of the said assessee have been committed with an intention to evade the payment of tax by suppressing the facts. Therefore, GST amounting to **Rs. 3,15,95,336/-** (CGST Rs. 50,83,940/- + SGST Rs.50,83,940/- + IGST Rs.2,14,27,456/-) for the period Oct-17 to Feb-18 and GST amounting to **Rs.5,31,578/-** (CGST Rs.2,02,031/- + SGST Rs.2,02,031/- + IGST Rs.1,27,516/-) on account of short payment of GST on comparison between GSTR-1 vs GSTR-3B for the month of July-17, March-18, March-19 and Oct-19, is required to be recovered from them under the provisions of Section 74(1) of the CGST Act, 2017 read with the Section 74(1) of the Gujarat GST Act, 2017 read with Section 20 of IGST Act, 2017.

Further, as per Section 50(1) of the CGST Act, 2017 read with Gujarat GST Act, 2017, every person who is liable to pay tax in accordance with the provisions of this Act or the rules made there under, but fails to pay



the tax or any part thereof to the Government within the period prescribed is liable to pay the interest at the applicable rate of interest. Since the said tax payer had failed to pay their Tax liabilities in the prescribed time limit, I find that the said tax payer is liable to pay the said amount along with interest. Thus, the said Tax is required to be recovered from the said tax payer along with interest of **Rs.31,06,562/-** on account of delayed payment of GST during the period from Oct-17 to Feb-18 and interest of **Rs.20,70,101/-** on account of delayed payment of GST during the period from July-17 to Sept-17 and from March-18 to Sept-21 under Section 50(1) of the CGST Act, 2017 read with Gujarat GST Act, 2017.

35. As far as imposition of penalty under Section 74(1) of the CGST Act, 2017 read with Gujarat GST Act, 2017 is concerned, on perusal of the facts of the case and in view of the above discussion, I find that this is a fit case to levy penalty under 74(1) of the CGST Act, 2017 read with Gujarat GST Act, 2017 as they failed to pay the tax with the intend to evade the same. It is also a fact that they had deliberately suppressed the value of goods supplied by them, with an intent to evade the proper payment of tax on its due date. These facts would not have come to light had the department not initiated inquiry against the said tax payer. The assessee had thus, willfully suppressed the actual provision of taxable value of goods supplied by them with an intent to evade the Tax. Hence, I find that this is a fit case to impose penalty equivalent to the tax under Section 74(1) of the CGST Act, 2017 read with Gujarat GST Act, 2017.

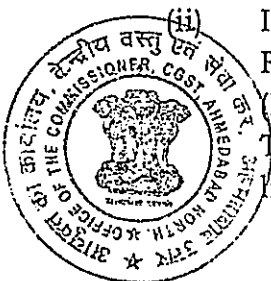
36. As far as imposition of penalty under Section 122(2)(b) of the CGST Act, 2017 read with Section 122(2)(b) of the Gujarat GST Act, 2017 is concerned, I find that Section 75(13) of the CGST Act, 2017 stipulates that where any penalty is imposed under Section 73 or Section 74, no penalty for the same act or omission shall be imposed on the same person under any other provision of this Act. Hence, I refrain from imposing any penalty under Section 122(2)(b) of the CGST Act, 2017 read with Section 122(2)(b) of the Gujarat GST Act, 2017.

37 In view of the above discussion and findings, I pass the following order :-

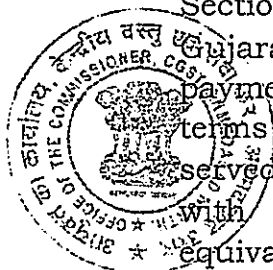
#### O R D E R

(i) I confirm the demand of GST amount of **Rs. 3,15,95,336/-** (CGST Rs. 50,83,940/- + SGST Rs.50,83,940/- + IGST Rs.2,14,27,456/-) (Rupees Three Crore Fifteen lakh Ninty Five Thousand Three Hundred Thirty Six only) and order to recover the same from them under the provisions of Section 74(1) of the CGST Act, 2017 read with the Section 74(1) of the Gujarat GST Act, 2017 read with Section 20 of IGST Act, 2017;

(ii) I order to appropriate the GST amount of **Rs. 3,15,95,336/-** (CGST Rs. 87,03,489/- + SGST Rs.87,03,489/- + IGST Rs.1,41,88,358/-) (Rupees Three Crore Fifteen lakh Ninty Five Thousand Three Hundred Thirty Six only) paid through ITC/Cash against the demand of GST liability as per para (i) above;

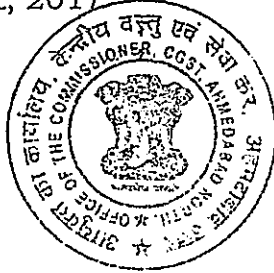


- (iii) I confirm the demand of GST amount of **Rs.5,31,578/-** (CGST Rs.2,02,031/- + SGST Rs.2,02,031/- + IGST Rs.1,27,516/-) (Rupees Five lakh Thirty One Thousand five Hundred Seventy Eight only) and order to recover the same from them under the provisions of Section 74(1) of the CGST Act, 2017 read with the Section 74(1) of the Gujarat GST Act, 2017 read with Section 20 of IGST Act, 2017
- (iv) I order to demand interest of **Rs.31,06,562/-** (Rupees Thirty One lakh Six Thousand Five Hundred Sixty Two Only) as per applicable rate of 18% calculated for the amount of GST of Rs.3,15,95,336/- paid by them (as per para ii above) and order to recover the same from them under the proviso to Section 50 of the CGST Act, 2017 read with Section 50 of the Gujarat GST Act, 2017 and Section 20 of the IGST Act, 2017;
- (v) I order to appropriate the interest amounting to **Rs.1,21,770/-** (CGST Rs.60,595/- + SGST Rs.61,175/-) (Rupees One Lakh Twenty One Thousand Seven Hundred Seventy Only) paid through Electronic cash ledger Entry No.DC2403220306671 dated 29.03.2022 (DRC-03 dated 29.03.2022) against the demand of interest as per para (iv) above;
- (vi) I order to demand interest as per the applicable rate for short payment of GST of Rs.5,31,578/- as per para (iii) above, and recover the same from them under Section 50 of the CGST Act, 2017 read with Section 50 of the Gujarat GST Act, 2017 read with Section 20 of IGST Act, 2017;
- (vii) I order to demand interest of **Rs.20,70,101/-** (Rupees Twenty lakh Seventy Thousand One Hundred One Only) (CGST Rs.64,406/- + SGST Rs.63,819/- + IGST Rs.19,41,877/-) calculated on delayed payment of GST through cash amounting to Rs.4,00,22,491/- (CGST Rs.23,50,267/- + SGST Rs.22,84,190/- + IGST Rs.3,53,88,034/-) and order to recover the same from them under the proviso to Section 50 of the CGST Act, 2017 read with Section 50 of the Gujarat GST Act, 2017 and Section 20 of the IGST Act, 2017;
- (viii) I order to appropriate the interest amounting to **Rs.8,78,230/-** (Rupees Eight Lakh Seventy Eight Thousand Two Hundred Thirty only) (CGST Rs.64,405/- + SGST Rs.63,825/- + IGST Rs.7,50,000/-) paid, as detailed in para no. 14.4.1 above, against the demand of interest as per para (vii) above;
- (ix) I impose a penalty of **Rs. 3,15,95,336/-** (Rupees Three Crore Fifteen lakh Ninty Five Thousand Three Hundred Thirty Six only) under Section 74(1) of the CGST Act, 2017 read with the Section 74(1) of the Gujarat GST Act, 2017 read with Section 20 of IGST Act, 2017 for non payment of GST amount of Rs.3,15,95,336/- as per para (i) above. In terms of sub section (11) of Section 74 ibid, where any person served with an order issued under sub-section (9) pays the tax along with interest payable thereon under section 50 and a penalty equivalent to fifty per cent of such tax within thirty days of



communication of the order, all proceedings in respect of the said notice shall be deemed to be concluded;

- (x) I impose a penalty of **Rs. 5,31,578/-** (Rupees Five lakh Thirty One Thousand five Hundred Seventy Eight only) under Section 74(1) of the CGST Act, 2017 read with the Section 74(1) of the Gujarat GST Act, 2017 read with Section 20 of IGST Act, 2017 for non payment of GST amount of Rs.5,31,578/- as per para (iii) above. In terms of sub section (11) of Section 74 ibid, where any person served with an order issued under sub-section (9) pays the tax along with interest payable thereon under section 50 and a penalty equivalent to fifty per cent of such tax within thirty days of communication of the order, all proceedings in respect of the said notice shall be deemed to be concluded
- (xi) Since a penalty under Section 74 is already imposed, I refrain from imposing any penalty under Section 122(2) (b) of the CGST Act, 2017, read with Section 122 (2)(b) of the Gujarat GST Act, 2017, read with Section 20 of IGST Act, 2017, in terms of Section 75 (13) of the CGST Act, 2017



(Lokesh Damor)  
Joint Commissioner,  
Central GST & CE.,  
Ahmedabad North.

BY RPAD/MAIL  
F.No. GST/15-05/OA-AE/2022

Dt. 27.07.2023

To  
M/s Varmora Furniture, (GSTIN :24AAECV4282G1ZB)  
Plot No. 13, Survey / Block No.151,  
Vasna Chacharvadi,  
Nr. Divyabhaskar Press, Bavla Changodar,  
Ahmedabad Highway,  
Sanand, Ahmedabad-382 213

Copy to:

1. The Commissioner, Central GST & Central Excise, Ahmedabad North.
2. The DC/AC, Central GST & Central Excise, Division-IV Ahmedabad North.
3. The Superintendent, Range-V, Division-IV, Central GST & Central Excise, Ahmedabad North with a request to create Form GST DRC-07 electronically in terms of DSR Advisory no.01/2018 dated 26.10.2018 of the ADG, Systems & Data Management, Bengaluru.
4. The AC/DC, Anti-Evasion, Central GST & Cx., Ahmedabad North.
5. The Superintendent (System), Central GST & Central Excise Ahmedabad North for uploading the order on website.

✓ 6. Guard File.