Phone No. 044-26159248/9220
Fax No. 044 2615 5200

भारत सरकार : GOVERNMENT OF INDIA
MINISTRY OF FINANCE/ DEPARTMENT OF REVENUE
केंद्रीय वस्तु एवं सेवा-कर और केंद्रीय उत्पाद शुल्क आयुक्तालय लेखा परीक्षा -I , चेन्नै
GST AND CENTRAL EXCISE AUDIT-I COMMISSIONERATE, CHENNAI
1775, जवाहरलाल नेहरू इनर रिंग रोड, अण्णा नगर वेस्टर्न एक्सटेंशन, चेन्नै-600101
No. 1775, INNER RING ROAD, ANNA NAGAR WEST EXTENSION, CHENNAI 600101.

GADT/TECH/56/2024 – TECHNICAL & LEGAL **Dated: 12/07/2024**
DIN: 20240759XR000000C9D8

SHOW-CAUSE NOTICE GST- 141/2024 – AUDIT I

Sub:- GST Audit – Audit of Accounts of M/s. GLOTTIS (GSTIN: 33AAMFM1317L1ZA) for the period from July 2017 to March 2022 – Issuance of Show Cause Notice - Reg.

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M/s. GLOTTIS, 1st Floor, New no. 46 / Old No. 311, Thambu Chetty Street, Chennai, Chennai, Tamil Nadu, 600001, a Partnership company (hereinafter referred to as the "taxpayer") registered with GST vide GSTIN: 33AAMFM1317L1ZA, are engaged in providing service of freight forwarding by providing services of ocean freight import & export/ air freight import & export, terminal handling charges, clearing and forwarding services and business auxiliary services and other support services in relation to transport of goods by way of ocean & air. The taxpayer is availing Input Tax Credit of CGST and IGST paid on the goods/services received by them, under the provision of Section 16 and 17 of Central Goods and Services Tax Act, 2017 (CGST Act 2017, for short) and made applicable to IGST Act vide Section 20 of the Integrated Goods and Services Tax Act, 2017 (IGST Act 2017, for short) and the Rules made thereunder. Similarly, the taxpayer is availing input tax credit of SGST paid on account of inward supplies of Goods/Services received by them as provided under section 16 and 17 of Tamil Nadu Goods and Services Act, 2017 (TNGST Act 2017, for short). The taxpayer falls under the territorial jurisdiction of Range III, Parrys Division, Chennai North GST Commissionerate [TK0403].

2. Audit of the records of the taxpayer for the period from July 2017 to March 2022 was conducted by the Officers of the CGST & Central Excise, Audit-I Commissionerate, Chennai-600101 and following issues were observed, the details of which are given below:

Sl. No.	Issue Involved	Amount Payable (in Rs.)			
		IGST	CGST	SGST	Total
1.	Short Payment of Tax on reconciliation of GSTR-3B and GSTR1 Return for the F.Y. 2017-18, 2018-19, 2019-20, 2020-21 & 2021-22.	93,808	353,557	353,557	800,922
2.	Short payment of GST due to wrong classification of Taxable Services during the F.Y.2017-18 to 2021-22:	810,756,204	231,069,933	231,069,933	1,272,896,070
	Total	**810,850,012**	**231,423,490**	**231,423,490**	**1,273,696,992**

3. Short Payment of Tax on reconciliation of GSTR-3B and GSTR1 Return for the F.Ys 2017-18,2018-19,2019-20, 2020-21 & 2021-22- Tax involved Rs.8,00,922/- (IGST-Rs.93,808/-, CGST-Rs.3,53,557/- & SGST- Rs.3,53,557/-)

During the course of Audit for the F.Y. 2017-18, 2018-19, 2019-20, 2020-21 & 2021-22 and verification of statutory monthly returns, it was noticed that taxpayer has short paid GST in GSTR-3B return when compared to tax liability declared in GSTR-1 return. The tax involved is Rs.800,922/- (IGST-Rs.93,808/-, CGST-Rs.353,557/- & SGST- Rs.353,557/-) and the Financial Year wise details of short payment of tax are given below:

Short Payment of Tax upon reconciliation of GSTR-3B and GSTR1 Return (in Rs.)

F.Y.	Tax payable as per GSTR-1			Tax paid as per GSTR-3B		
	IGST	CGST	SGST	IGST	CGST	SGST
2017-18	54,073,590	9,859,550	9,859,550	54,962,242	9,616,155	9,616,155
2018-19	82,951,658	21,677,297	21,677,297	82,929,954	21,577,511	21,577,511
2019-20	97,917,488	28,977,699	28,977,699	97,908,802	28,988,164	28,988,164
2020-21	127,821,320	46,464,012	46,464,012	127,762,077	46,638,006	46,638,006
2021-22	337,720,400	83,424,344	83,424,344	337,716,225	83,413,968	83,413,968
TOTAL	**700,484,457**	**190,402,902**	**190,402,902**	**701,279,301**	**190,233,804**	**190,233,804**

F.Y.	Difference (GSTR1-GSTR3B) Short Payment (+)			
	IGST	CGST	SGST	Total
2017-18		243,395	243,395	**486,790**
2018-19	21,704	99,786	99,786	**221,276**
2019-20	8,686			**8,686**
2020-21	59,243			**59,243**
2021-22	4,175	10,376	10,376	**24,927**
TOTAL	**93,808**	**353,557**	**353,557**	**800,922**

3.1 As per the provisions of Section 37 of CGST Act, 2017 read with Rule 59 of the CGST Rules, 2017, the taxpayer is liable to furnish the details of his outward supplies in GSTR-1 return and discharge the duty liability within the prescribed date vide prescribed returns. The taxpayer is also liable to furnish GSTR-3B in terms of Section 39 of the CGST Act, 2017 read with Rule 61 of the CGST Rules, 2017, furnishing the details of inward and outward supplies of goods or services or both, the ITC availed, tax payable, tax paid and any other particulars as may be prescribed.

3.2 Further, as per Section 59 of the CGST Act, 2017, the taxpayer under self-assessment scheme is required to assess the tax liability, levying the tax under Section 9 of the CGST Act, 2017 / Section 5 of the IGST Act, 2017 (for IGST) on all supply of goods or services or both on the transaction value arrived at as per the provisions of Section 15 of the CGST Act, 2017.

3.3 In the instant case, the taxpayer has declared tax liability in GSTR-1 but failed to discharge the same in relevant GSTR-3B, leading to short payment of GST. In as much as all the services supplied by the taxpayer are taxable as per Section 2(108) ibid, it appears that the taxpayer is liable to pay tax on the portion of transaction value of supply of service, which arose on account of reconciliation between GSTR-1 and GSTR-3B.

3.4 On being informed vide Audit Memo dated 20/02/2024, the taxpayer vide their reply dated 26.02.2023, contended that they have discharged excess IGST to the extent of Rs.8,88,652/- & Rs.17,261/- for the period 2017-18 & 2021-22 and excess CGST & SGST to the extent of Rs.20,930/- & Rs.3,47,988/- for the period 2019-20 & 2020-21, respectively, and hence, the demand were discharged under the wrong heads and same can be adjusted. The contention of the taxpayer is not acceptable for the reason that the taxpayer has short paid GST in GSTR-3B return than the liability declared in corresponding GSTR1 return and there is no provision in CGST Act, 2017 to adjust the GST paid under wrong heads. Hence, it appears that taxpayer have contravened the provisions of Section 49(8) of the CGST Act, 2017 read with Section 20 of IGST Act, 2017 and is liable to pay the GST on differential value along with appropriate interest as per Section 50(1) of CGST Act, 2017.

3.5 From the foregoing, it appears that the taxpayer has contravened the provisions of Section 9 of the CGST Act, 2017 / Section 5 of the IGST Act, 2017 (for IGST) read with Section 59 of the CGST Act, 2017 inasmuch as they have failed to discharge the self-assessed tax liability of GSTR1 in GSTR3B, which led to short payment of IGST, CGST and SGST as detailed above.

3.6 **Brief of Legal provisions invoked or contravened:**

Section 39. Furnishing of returns-

(1) Every registered person, other than an Input Service Distributor or a non-resident taxable person or a person paying tax under the provisions of section 10 or section 51 or section 52 shall, for every calendar month or part thereof, furnish, a return, electronically, of inward and outward supplies of goods or services or both, input tax credit availed, tax payable, tax paid and such other particulars, in such form and manner, and within such time, as may be prescribed:

Rule 59. Form and manner of furnishing details of outward supplies.-

(1) Every registered person, other than a person referred to in section 14 of the Integrated Goods and Services Tax Act, 2017 (13 of 2017), required to furnish the details of outward supplies of goods or services or both under section 37, shall furnish such details in FORM GSTR-1 for the month or the quarter, as the case may be, electronically through the common portal, either directly or through a Facilitation Centre as may be notified by the Commissioner.

Rule 61. Form and manner of furnishing of return.-
(1) Every registered person other than a person referred to in section 14 of the Integrated Goods and Services Tax Act, 2017 (13 of 2017) or an Input Service Distributor or a non-resident taxable person or a person paying tax under section 10 or section 51 or, as the case may be, under section 52 shall furnish a return in FORM GSTR-3B, electronically through the common portal either directly or through a Facilitation Centre notified by the Commissioner, as specified under -

Section 9. Levy and collection:
(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.

Section 15. Value of Taxable Supply.-
(1) The value of a supply of goods or services or both shall be the transaction value, which is the price actually paid or payable for the said supply of goods or services or both where the supplier and the recipient of the supply are not related and the price is the sole consideration for the supply.

Section 74 of the CGST Act, 2017. Determination of tax not paid or short paid or erroneously refunded or input tax credit wrongly availed or utilised by reason of fraud or any willful-misstatement or suppression of facts:
(1) Where it appears to the proper officer that any tax has not been paid or short paid or erroneously refunded or where input tax credit has been wrongly availed or utilised by reason of fraud, or any wilful-misstatement or suppression of facts to evade tax, he shall serve notice on the person chargeable with tax which has not been so paid or which has been so short paid or to whom the refund has erroneously been made, or who has wrongly availed or utilised input tax credit, requiring him to show cause as to why he should not pay the amount specified in the notice along with interest payable thereon under Section 50 and a penalty equivalent to the tax specified in the notice.

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.

Section 122 of CGST Act, 2017: Penalty for certain offences. -
(2) Any registered person who supplies any goods or services or both on which any tax has not been paid or short-paid or erroneously refunded, or where the input tax credit has been wrongly availed or utilised,-
(b) for reason of fraud or any wilful misstatement or suppression of facts to evade tax, shall be liable to a penalty equal to ten thousand rupees or the tax due from such person, whichever is higher.

3.7 Though, the taxpayer was well aware of the fact that they are liable to pay the tax liability declared in GSTR-1 returns, the taxpayer has willfully declared a lesser liability in GSTR-3B returns for the period from July 2017 to March 2022 with an intention to evade payment of tax and thereby, deliberately mis-declared the facts with a malafide intention to evade payment of tax and rendered themselves liable for invocation of provisions of Section 74(1) of the CGST Act, 2017. This issue / discrepancy would not have been unearthed had the audit of the accounts of the unit was not conducted. Hence, it appears that provision to Explanation 2 of Section 74 of CGST Act, 2017 would squarely be applicable in this case inasmuch the taxpayer has suppressed the facts from the department in order to evade tax.

3.8 In view of foregoing, it appears that the taxpayer is liable to pay GST short paid to the tune of Rs.8,00,922/- (IGST-Rs.93,808/-, CGST-Rs.3,53,557/- & SGST-

Rs.3,53,557/-), which is demandable and recoverable under the provisions of Section 74(1) of CGST Act, 2017 and TNGST Act, 2017 read with IGST Act, 2017 (made applicable vide Section 20 of the IGST Act, 2017) along with appropriate interest under the provisions of Section 50(1) of CGST Act, 2017 and TNGST Act, 2017 read with IGST Act, 2017 (made applicable vide Section 20 of the IGST Act, 2017). Further, the taxpayer is also liable for applicable penalty under sub-section (1) of Section 74 read with sub-section (2)(b) of Section 122 of CGST Act, 2017 and TNGST Act, 2017 read with IGST Act, 2017 (made applicable vide Section 20 of the IGST Act, 2017).

4. Short payment of GST due to wrong classification of Taxable Services during the F.Y. 2017-18 to 2021-22: Amount involved: Rs.127,28,96,070/- (IGST: Rs. 81,07,56,204/-, CGST: Rs.23,10,69,933/- and SGST: Rs.23,10,69,933/-).

4.1 During audit of records furnished by the taxpayer, it was observed that the taxpayer was engaged in supply of services relating to facilitating Import/Export of goods. They were further arranging foreign shipping line companies for transportation of goods for their customers (Indian Importer) and for which, the foreign shipping liner companies are raising bills for freight charges (Ocean Freight) to the taxpayer and the taxpayer further raise bill to their customers. Once the goods reached at Indian Port, the taxpayer further engages into various Cargo handling Services (SAC 9967) such as Container cleaning, Container maintenance, loading and unloading and freight forwarding (GTA) etc. and for all these services, the taxpayer is paying GST @18%.

4.2 As per Section 2(30) of the CGST Act, 2017 "Composite supply" means a supply made by a taxable person to a recipient consisting of two or more taxable supplies of goods or services or both, or any combination thereof, which are naturally bundled and supplied in conjunction with each other in the ordinary course of business, one of which is a principal supply.

4.3 On perusal of the invoices/details furnished by the taxpayer, it is observed that the taxpayer has charged 18% GST on services viz. Custom Clearance Charges, Import Service Charges, Liner Documents Charges, Glotiss Documents Charges, Manifestation Charges, CFS Charges, Destination Charges under SAC 99671 and the taxpayer has discharged 18% of GST. However, in respect of Ocean Freight Services, classified under SAC code 996521, the taxpayer has discharged 5% GST only. As per Section 8(a) ibid, classification of GST services will have to be done based on supply which constitute as Principal Supply and accordingly, GST will have to be discharged on par with the tax applicable to such principal supply. In the instant case, the principal service is Cargo Handling Service forming part of Business Support Service. Therefore, GST on Ocean Freight and related services will also have to be discharged at the rate of 18% and not at the rate of 5%. Since, the taxpayer have discharged GST @ 5% on the service mentioned as 'Ocean Freight', the same will have to be classified as composite service and GST at the rate of 18% is demandable, as principal service being Business Support Service, which attracts GST @ 18%. The details of such invoices where the taxpayer has charged GST @ 5% only are furnished in Annexure-I appended to this Notice. As the taxpayer have discharged 5% GST on Ocean Freight, the remaining 13% of GST is required to be paid along with appropriate interest and applicable penalty.

4.4 Accordingly, the revised duty calculation reflecting short-paid GST on account of mis-classification of services as provided by the taxpayer is mentioned hereunder:

Table-I					
Tax payable @18%					
F.Y.	**Taxable Value**	**IGST @18%**	**CGST@9%**	**SGST@9%**	**Total**
2017-18	289,290,675	32,533,582	9,769,381	9,769,381	52,072,344
2018-19	411,386,308	43,986,182	15,031,692	15,031,692	74,049,566
2019-20	576,414,043	60,092,726	21,830,918	21,830,918	103,754,563
2020-21	1,565,975,356	147,095,414	67,390,422	67,390,422	281,876,258
2021-22	6,948,426,421	838,877,609	205,920,572	205,920,572	1,250,718,754
Total	**9,791,492,803**	**1,122,585,513**	**319,942,985**	**319,942,985**	**1,762,471,485**

Table-II					
Tax already paid@5%					
F.Y.	**Taxable Value**	**IGST @5%**	**CGST@2.5%**	**SGST@2.5%**	**Total**
2017-18	289,290,675	9,037,106	2,713,717	2,713,717	14,464,540
2018-19	411,386,308	12,218,384	4,175,470	4,175,470	20,569,324
2019-20	576,414,043	16,692,424	6,064,144	6,064,144	28,820,712
2020-21	1,565,975,356	40,859,837	18,719,563	18,719,563	78,298,963
2021-22	6,948,426,421	233,021,558	57,200,159	57,200,159	347,421,876
Total	**9,791,492,803**	**311,829,309**	**88,873,053**	**88,873,053**	**489,575,415**

Table-III					
Details of Short paid Tax {13%(18%-5%)}					
F.Y.	**Taxable Value**	**IGST @13%**	**CGST@6.5%**	**SGST@6.5%**	**Total**
2017-18	289,290,675	23,496,476	7,055,664	7,055,664	37,607,804
2018-19	411,386,308	31,767,798	10,856,222	10,856,222	53,480,242
2019-20	576,414,043	43,400,302	15,766,774	15,766,774	74,933,850
2020-21	1,565,975,356	106,235,577	48,670,860	48,670,860	203,577,297
2021-22	6,948,426,421	605,856,051	148,720,413	148,720,413	903,296,877
Total	**9,791,492,803**	**810,756,204**	**231,069,933**	**231,069,933**	**1,272,896,070**

4.5 From the foregoing, it appears that the taxpayer has contravened the provisions of Section 9 and Section 59 of CGST Act, 2017 relating to self-assessment scheme, and Section 5 of IGST Act, 2017 (For IGST) read with Section 8(a) ibid relating to Composite Supply inasmuch as the taxpayer has failed to self-assess the GST liability correct by wrongly classifying the service and paying less tax.

Section 2 of CGST Act, 2017
(30) "composite supply" means a supply made by a taxable person to a recipient consisting of two or more taxable supplies of goods or services or both, or any combination thereof, which are naturally bundled and supplied in conjunction with each other in the ordinary course of business, one of which is a principal supply;

Section 8 of CGST Act, 2017: Tax liability on composite and mixed supplies:
The tax liability on a composite or a mixed supply shall be determined in the following manner, namely: -
(a) a composite supply comprising two or more supplies, one of which is a principal supply, shall be treated as a supply of such principal supply; and
(b) a mixed supply comprising two or more supplies shall be treated as a supply of that particular supply which attracts the highest rate of tax.

Section 50 of CGST Act, 2017: 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.]
(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.
(3) Where the input tax credit has been wrongly availed and utilised, the registered person shall pay interest on such input tax credit wrongly availed and utilised, at such rate not exceeding twenty-four per cent. as may be notified by the Government, on the recommendations of the Council, and the interest shall be calculated, in such manner as may be prescribed.

4.6 In the era of self-assessment, the Government placed full trust on the taxpayer and demands voluntary compliance of the provisions of GST law by the taxpayer, therefore, the governing statutory provisions create a liability on taxpayer when any provision is contravened.

4.7 From the above, it appears that the taxpayer has deliberately suppressed the facts with a mala-fide intention to evade payment of tax making it a fit case for invoking suppression under the provisions of Section 74(1) of the CGST Act, 2017. The above act of the taxpayer would not have come to the notice of the department but for the verification conducted by the Audit, warranting invocation of extended period as well as equivalent amount of penalty under Section 74(1) of the CGST Act, 2017 in respect of the issues discussed in the preceding Para 4 above. Hence, it appears that provision to Explanation 2 of Section 74 of CGST Act, 2017 would squarely be applicable in this case inasmuch the taxpayer has suppressed the facts from the department in order to evade tax.

4.8 In view of above, it appears that the taxpayer is liable to pay the short-paid GST of Rs.127,28,96,070/- (IGST: Rs.81,07,56,204/-, CGST: Rs.23,10,69,933/- and SGST: Rs.23,10,69,933/-), which is demandable and recoverable under the provisions of Section 74(1) of CGST Act, 2017 and TNGST Act, 2017 read with IGST Act, 2017 (made applicable vide Section 20 of the IGST Act, 2017) along with appropriate interest under Section 50(1) of CGST Act, 2017 and TNGST Act, 2017 read with IGST Act, 2017 (made applicable vide Section 20 of the IGST Act, 2017). Further, the taxpayer is also liable for applicable penalty under sub-section (1) of Section 74 read with sub-section (2)(b) of Section 122 of CGST Act, 2017 and TNGST Act, 2017 read with IGST Act, 2017 (made applicable vide Section 20 of the IGST Act, 2017).

5. Now, therefore, M/s. GLOTTIS (GSTIN: 33AAMFM1317L1ZA), 1st Floor, New no. 46 / Old No. 311, Thambu Chetty Street, Chennai-600001 is hereby called upon to show-cause to the Additional / Joint Commissioner of GST & Central Excise, Chennai North GST Commissionerate, No.121, Mahatma Gandhi Road, Nungambakkam, Chennai within 30 days of the receipt of this notice as to why:

(i) Short Payment of GST of Rs.8,00,922/- (Rupees Eight lakhs Nine Hundred Twenty Two only) (IGST-Rs.93,808/-, CGST-Rs.3,53,557/- & SGST-Rs.3,53,557/-), as discussed in **Para 3** above, for the period from July 2017 to March 2022, should not be demanded and recovered under the provisions of Section 74(1) of the CGST Act, 2017 and TNGST Act, 2017 read with IGST Act, 2017 (made applicable vide Section 20 of the IGST Act, 2017);

(ii) Interest at the applicable rate should not be demanded under the provisions of Section 50(1) of the CGST, 2017 and TNGST Act, 2017 read with IGST Act, 2017 (made applicable vide Section 20 of the IGST Act, 2017) on the amount mentioned at clause (i) above;

(iii) Penalty should not be imposed under the provisions of sub-Section (1) of Section 74 read with Section 122(2)(b) of CGST Act, 2017 and TNGST Act, 2017 read with IGST Act, 2017 (made applicable vide Section 20 of the IGST Act, 2017) on the amount demanded at clause (i) above;

(iv) Short-payment of GST of Rs.127,28,96,070/- (Rupees One Hundred and Twenty-Seven Crore Twenty-Eight Lakh Ninety-Six Thousand and Seventy only) (IGST: Rs. 81,07,56,204/-, CGST:Rs.23,10,69,933/- and SGST: Rs.23,10,69,933/-) due to wrong classification as discussed in **Para 4** above, for the period from July 2017 to March 2022, should not be demanded and recovered under the provisions of Section 74(1) of CGST Act, 2017 and TNGST Act, 2017 read with IGST Act, 2017 (made applicable vide Section 20 of the IGST Act, 2017);

(v) Interest at the applicable rates should not be demanded under the provisions of Section 50(1) of CGST Act, 2017 and TNGST Act, 2017 read with IGST Act, 2017 (made applicable vide Section 20 of the IGST Act, 2017), on the amount mentioned at clause (iv) above;

(vi) Penalty should not be imposed under the provisions of sub-Section (1) of Section 74 read with sub-section (2)(b) of Section 122 of the CGST Act, 2017 and TNGST Act, 2017 read with IGST Act, 2017 (made applicable vide Section 20 of the IGST Act, 2017), on the demand made at clause (iv) above;

6. As per the provisions of sub-section (8) of Section 74 of CGST Act, 2017 and TNGST Act, 2017, the proceedings initiated in this show-cause notice shall be deemed to be concluded if the taxpayer pays the said tax along with applicable 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.

7. Attention of the taxpayer is also invited to the Board's Circular No. 31/05/2018-GST dated 09.02.2018 & Trade Notice No. 08/2018-GST dated 19.02.2018 issued by the Principal Chief Commissioner of GST & Central Excise, Tamil Nadu &TN Zone, Chennai with regard to the monetary limits for issuance of notice.

8. At the time of filing their reply & showing cause, the taxpayer shall produce all the evidence on which they intend to rely upon in support of their defence. They are further required to clearly state in their written reply as to whether they wish to be heard in person before the case is adjudicated. If no mention is made about this in their reply, it would be presumed that they have nothing to say in their defence and they wish to waive the personal hearing.

9. If no reply is received to this notice within the stipulated period of time as above, or if they do not appear for a personal hearing on the date and time of hearing, then it would be construed that they do not have anything to state in their defence and the case will be decided based on the material available on records, without any further notice/intimation to them.

10. If no cause is shown against the action proposed to be taken **within thirty days** from date of receipt of this notice, or having shown cause, if they fail to appear before the adjudicating authority when the case is posted for hearing, the case will be decided based on the evidence available on record.

11. The Notice is issued in terms of Notification No. 79/2020 – Central Tax dated 15/10/2020 (Sl. No. 6) wherein amendment to Rule 142(1A) has been effected, whereby the issuance of DRC01A has been made optional.

12. This notice is issued without prejudice to any other action that may be taken against them under the provisions of the CGST Act, 2017, IGST Act, 2017 and Tamilnadu Goods and Services Tax Act, 2017 as amended or the Rules made there under or under any other law for the time being in force in India.

13. The following list of relied upon documents are attached with this notice, which form integral part of the notice:

(i) GSTR-1 & GSTR-3B returns for FY 2017-18 to 2021-22 available online;
(ii) Copy of GST ADT-02 dated 04.04.2024 available with the Noticee;
(iii) Sample Invoice for Composite supply available with the Noticee;
(iv) Annexure-I – List of invoices, where GST on ocean freight paid @ 5%;
(v) Copy of Taxpayer reply dated 26.02.2024.

12/7/24

(Dr. SARANYA C.)
JOINT COMMISSIONER
AUDIT-I COMMISSIONERATE, CHENNAI

To

M/s. GLOTTIS (GSTIN: 33AAMFM1317L1ZA),
1st Floor, New no. 46 / Old No. 311,
Thambu Chetty Street, Chennai-600001 (BY SPAD)

Copy to:

1. The Additional/Joint Commissioner of GST & Central Excise, Chennai North GST Comm'te, No.121, Mahatma Gandhi Road, Nungambakkam High Road, Nungambakkam, Chennai – 600 034. **{For necessary action}** (By SPAD)
2. The Deputy/Assistant Commissioner of GST & Central Excise, Parrys Division, Newry Towers, No.2054, Ist Block, IInd Avenue, 12th Main Road, Anna Nagar, Chennai – 600 040. (By SPAD)
3. The Assistant Commissioner of GST & Central Excise, Hqrs. Technical Section, GST Audit-I Commissionerate, Chennai-101.
4. The Deputy Commissioner of GST & Central Excise, Circle –VI, GST Audit-I Commissionerate, Chennai-101.
5. The Superintendent of GST & Central Excise, Range-III, Parrys Division, Newry Towers, No.20, No.2054, Ist Block, IInd Avenue, 12th Main Road, Anna Nagar, Chennai – 600 040. (By SPAD)
6. Master Copy/Spare.