Reply to SCN under Section 73 of CGST Act 2017: Clarification on Alleged Underreporting Due to Duplicate E-Way Bill.

To,

The [Designation],

[Office/Department Name],

[Office Address].

Subject: Reply to SCN under Section 73 of CGST Act 2017: Clarification on Alleged Underreporting Due to Duplicate E-Way Bill.

In the Matter of M/s. [Your Company Name] GSTIN [Your GSTIN]

Respected Sir/Madam,

We, M/s. [Your Company Name] with GSTIN [Your GSTIN], are writing in response to the Show Cause Notice (SCN) dated [Date of SCN] issued by your esteemed office. The SCN alleges underreporting of outward supply on the grounds that two e-way bills were generated using the same invoice number [Invoice Number].

We understand the seriousness of the allegations and want to assure you of our complete cooperation in resolving this matter.

1. Duplicate E-Way Bill: The details of both e-way bills (recipient, vehicle number, quantity, and amount) are identical. This strongly suggests a clerical error in generating the duplicate e-way bill.

2. Communication of Error: We informed you about this discrepancy through our letter dated [Date of the Letter] to demonstrate the genuineness of our mistake or system error.

3. Books of Accounts: We have attached our books of accounts (Annexure A) as further evidence. These records confirm that the payment received for invoice number [Invoice Number] and dated [Invoice Date] corresponds to a single transaction.

4. No Financial Impact: It is pertinent to note that the issuance of the duplicate E-Way Bill did not lead to any underreporting of our turnover or tax liability. Both the original and duplicate E-Way Bills pertain to the same transaction, and the goods covered under these bills were reported correctly in our GST returns.

5. Corrective Measures: As soon as the error was identified, immediate corrective measures were taken to prevent such occurrences in the future. We have now implemented a more robust internal control system to ensure the accuracy of E-Way Bills issued.

6. Supporting Documentation: To substantiate our explanation, we are enclosing the following documents:

- Copy of the original and duplicate E-Way Bills.
- Copy of the relevant invoices.
- Copy of our GST returns for the relevant period.
- An internal report detailing the steps taken to rectify the clerical error and prevent future occurrences.

7. ....

We assure you that there was absolutely no intention to suppress or underreport the outward supply in GSTR-1. The duplicate e-way bill was generated due to a clerical error. Unfortunately, we couldn't rectify this mistake as the deadline for cancelling the second e-way bill had passed.

We would also like to bring to your kind attention the initial confusion surrounding e-way bill generation during its implementation phase. We believe taxpayers like us, who committed such unintentional errors due to lack of clarity on new provisions, should be treated leniently.

We strongly believe that the evidence presented demonstrates a genuine mistake with no intention of tax evasion. Therefore, we request you to:

1. Consider the reasons explained and the lack of tax evasion intent.

2. Drop the SCN proceedings.

3. Refrain from levying any tax, interest, or penalty as there was no underreporting.

We are confident that this explanation clarifies the situation. We are available to provide any further information or clarifications you may require.

Thanking you for your time and consideration.

Yours Sincerely,

For M/s. [Your Company Name]

[Authorized Signatory's Name]

[Designation]

Mobile: ....

E-mail: ....

Date: ....

Place: ....