

MEHTA & MODI HOMES

5-4-187/3 & 4, II Floor, Soham Mansion, M.G. Road, Secunderabad - 500 003.
Phone : +91-40-66335551, Fax :

To,
The Assistant Commissioner
Service Tax anti Evasion,
O/o. Commissioner of Central Excise and Service Tax,
Hyderabad II Commissionerate
Hyderabad.

Dear Sir,

Sub.: Statement of amounts received against sales made.
Ref.: Our letter dated 09.12.2009.
Your letter HQ PRO no. 54/09-AE IV dated 8.9.2010

With reference to your request in the above referred letter please find enclosed the following documents related to Silver Oak Bungalows Phase I:

1. Statement of sale deeds executed
2. Statement of construction contract pertaining to those sale deed and the amounts received against the said construction contracts.
3. Details of service tax paid.
4. Copies of sale deed and construction contract of 3 customers.

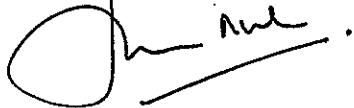
Please note that in the statement mentioned in Sl. No. 2 enclosed herein, the payments received towards consideration for development of land have been separately shown from the consideration towards construction of the bungalow as mentioned in the agreement of construction. The land development was completed before 16.6.2005, the date from which service tax on residential complexes became applicable. Accordingly, HUDA has released the final layout after completion of the development work on 07.06.2005. Copy of plan released by HUDA is enclosed.

Construction of the bungalows was taken up only after obtaining sanction from Kapra Municipality for each individual bungalow (from 02.07.2005 onwards). Evidently, service tax can not be levied on works completed prior to 16.6.2005 and therefore there can not be any tax liability on amounts collected towards development of land.

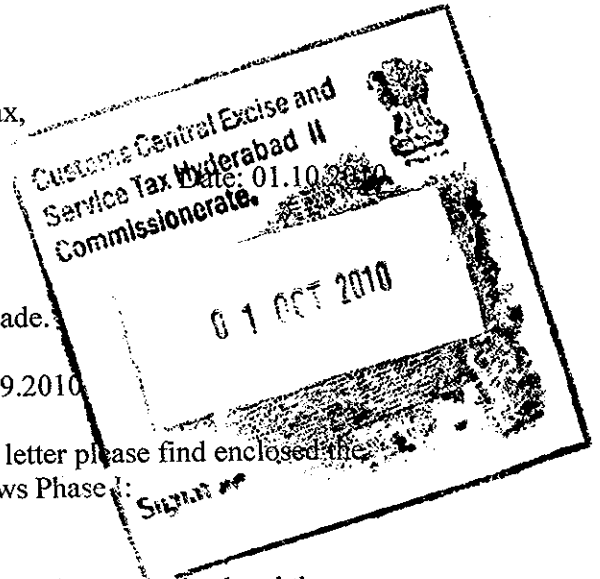
Please write to us for any further information that may be required.

Thank You.

Yours sincerely,
For MEHTA & MODI HOMES



Soham Modi
Managing Partner.



SERVICE TAX STATEMENT							
Name of the Company			Mehta & Modi Homes				
Project/Location			Silver Oak Bungalows Phase I				
Date			28-09-10				
List of Sale Deeds Executed							
Sno	B no	Name Of Customer	Sale Deed Document No.	Date	Value	Amount received towards sale deed	Balance amount receivable for sale deed
1	1	Ramanadeep khurana	4153	02.05.05	334000	334000	0
2	2	Mohanlal Jasti	4109	15.03.06	233000	233000	0
3	3	R Mohan	6588	11.07.05	204000	204000	0
4	4	Arpana U	6339	02.07.05	204000	204000	0
5	5	Alok Goyal	3006	30.03.05	204000	204000	0
6	6	Sifco meta;	9124	03.10.08	408000	408000	0
7	7	krishna Padmanaban	2946	30.03.05	204000	204000	0
8	8	Nadha Thota	5445	09.06.05	204000	204000	0
9	9	Tejal Modi	12155	10.12.04	233000	233000	0
10	10	Rajgopal	3005	31.03.05	266000	266000	0
11	11	IJ Anand	1918	10.02.06	254000	254000	0
12	12	kevin green	2995	01.03.06	233000	233000	0
13	13	venkat reddy	11652	07.08.06	233000	233000	0
14	14	Subhara M	1161	02.02.08	444000	444000	0
15	15	Inder kumar	1917	11.08.06	238000	238000	0
16	16	Debashish das	5804	18.06.05	194000	194000	0
17	17	Tirpta Anand	1919	10.02.06	261000	261000	0
18	18	Nikhil	8222	31.08.05	204000	204000	0
19	19	Nagender	8173	30.08.05	204000	204000	0
20	20	Srinivas			204000	204000	0
21	21	Souman Mukherji	6337	30.06.05	204000	204000	0
22	22	Sailaja	7559	12.08.05	204000	204000	0
23	23	Sunil	958	25.01.06	204000	204000	0
24	24	Girish Rao	14411	29.09.06	204000	204000	0
25	25	Girish subramani	10044	24.02.05	204000	204000	0
26	26	Feix Arney			204000	204000	0
27	27	Duraga prasad	9251	27.06.06	204000	204000	0
28	28	shah hussain	5125	29.03.06	204000	204000	0
29	29	Amarnadh	8923	09.06.07	204000	204000	0
30	30	D Purohit	4444	21.06.06	204000	204000	0
31	31	Pradeep	6338	02.07.05	204000	204000	0
32	32	Tarun Sharma	6640	13.07.05	204000	204000	0
33	33	Giridhar	2308	16.02.06	204000	204000	0
34	34	Rohit	11449	26.11.05	204000	204000	0
35	35	Neeti Tiwari	6563	11.07.05	204000	204000	0
36	36	Giridhar	5640	14.06.05	204000	204000	0
37	37	Rupa krishnana	5525	10.06.05	204000	204000	0
38	38	krishna Padmanaban	5526	10.06.05	204000	204000	0
39	39	jatil sharma	4114	16.03.06	204000	204000	0
40	40	Balaji sampath	1559	04.02.06	204000	204000	0
41	41	krishna sampath	1558	04.02.06	204000	204000	0
42	42	sesha B	7509	18.05.06	204000	204000	0
43	43	Raheela	1856	08.02.06	204000	204000	0
44	44	Rajeshwar Rao	12160	12.12.05	204000	204000	0

45	45	Venkatramama	5117	29.03.06	190000	190000	0
46	46	Babu Rao	8400	06.09.05	204000	204000	0
47	47	Avinash	3079	04.04.05	204000	204000	0
48	48	Ajay Mehta	1512	19.02.05	204000	204000	0
49	49	Kuldeep	3443	15.04.05	204000	204000	0
50	50	DD Singh	4027	29.04.05	204000	204000	0
51	51	Manohar Reddy	2739	24.03.05	204000	204000	0
52	52	Muridhar	1943	02.03.05	204000	204000	0
53	53	Ajay shah	12350	15.12.05	204000	204000	0
54	54	Nagakumar	5153	25.05.05	187000	187000	0
55	55	Bhaskar Rao	14664	05.10.06	187000	187000	0
56	56	G Nagesh	14662	05.10.06	204000	204000	0
57	57	sarritha	15759	26.10.06	204000	204000	0
58	58	Bhavani	6527	26.04.06	204000	204000	0
59	59	Hari Ramunajum	4128	16.03.06	204000	204000	0
60	60	sitamahalakshmi	2309	16.02.06	204000	204000	0
61	61	srinivasa murthy	5917	13.04.06	204000	204000	0
62	62	Ravi soni	1805	05.02.07	204000	204000	0
63	63	Balakrishna	8730	09.06.06	204000	204000	0
64	64	AVS Satish	14663	05.10.06	208000	208000	0
65	65	Ratneshwar	6513	25.04.06	175000	175000	0
66	66	Anil kumar	6898	04.05.06	175000	175000	0
67	67	Duraga prasad S	12806	31.10.06	434000	434000	0
68	68	Pavan kumar	2947	30.03.05	194000	194000	0
69	69	Saveed karan	3834	25.04.08	476000	476000	0
70	70	Srinivas arunachalam	2583	21.03.05	271000	271000	0
71	71	Sridhar	2948	30.03.05	253000	253000	0
72	72	Rashmi	4672	16.05.05	235000	235000	0
73	73	JVK Prasad	3074	02.03.06	217000	217000	0
74	74	Jasjit singh	1242	25.01.07	236000	236000	0
75	75	Sanjay sharma	10731	22.07.06	203000	203000	0
76	76	Durgesh Joshi	11179	29.07.06	237000	237000	0
Total		0	452782		17001000	17001000	0

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Data's of construction contract where sale deeds were executed								
Sno	B no	Name Of Customer	Aggrement for constructi on date	Consideration under 'Agreeme nt for developme nt charges'	Considerati on under 'Agreement for constructio n'	Consideration received under 'Agreement for Construction' upto 28-02-08	Consideration received under 'Agreement for Construction' from 01-03-08 upto 31-12-09	Balance
1	1	Ramanadeep khurana	02.05.05	601000	1349206	1215625	139343	-5762
2	2	Mohanlal Jasti	15.03.06	624250	1474000	1474000		0
3	3	R Mohan	11.07.05	457000	1347500	1347500		0
4	4	Arpana U.	02.07.05	457000	1339000	1339000		0
5	5	Alok Goyal	30.03.05	457000	1339000	1339000		0
6	6	Sifco meta;	03.10.08	768000	1099000	1067029	30447	1524
7	7	krishna Padmanaban	30.03.05	354000	1207000	1207000		0
8	8	Nadha Thota	09.06.05	405796	1399540	1376469	23071	0
9	9	Tejal Modi	10.12.04	449000	1068000	1067514		486
10	10	Rajgopal	31.03.05	565000	1401500	1401500		0
11	11	IJ Anand	10.02.06	735000	1549000	1549000		0
12	12	kevin green	01.03.06	740750	1601250	1601250		0
13	13	venkat reddy	07.08.06	915500	1401500	1343671	57829	0
14	14	Subhara M	02.02.08	1532000	2020000	983435	1036565	0
15	15	Inder kumar	11.08.06	814000	1608000	1053300	554700	0
16	16	Debashish das	18.06.05	536500	1279500	1279500		0
17	17	Tirpta Anand	10.02.06	752500	1548500	1548500		0
18	18	Nikhil	31.08.05	303796	1236050	1236050		0
19	19	Nagender	30.08.05	559000	1403600	1403600		0
20	20	Srinivas		559000	1465000	1465000		0
21	21	Souman Mukherji	30.06.05	457000	1339000	1339000		0
22	22	Sailaja	12.08.05	508000	1388000	1388000		0
23	23	Sunil	25.01.06	354796	1226204	1047847	178357	0
24	24	Girish Rao	29.09.06	1016000	1580000	1577594		2406
25	25	Girish subramani	24.02.05	610000	1436000	1428529		7471
26	26	Feix Arney		712000	1609000	1473421	134000	1579
27	27	Duraga prasad	27.06.06	865000	1391000	1391000		0
28	28	shah hussain	29.03.06	610000	936000	935563		437
29	29	Amarnadh	09.06.07	814000	1582000	1582000		0
30	30	D Purohit	21.06.06	559000	1483000	1483000		0
31	31	Pradeep	02.07.05	457000	1339000	1323937	15063	0
32	32	Tarun Sharma	13.07.05	457000	1356000	1356000		0
33	33	Giridhar	16.02.06	661000	1560000	1560000		0
34	34	Rohit	26.11.05	405796	1360204	1360154		50
35	35	Neeti Tiwari	11.07.05	405796	1360204	1360154		50
36	36	Giridhar	14.06.05	354796	1235204	1235204		0
37	37	Rupa krishnana	10.06.05	354000	1207000	1207000		0
38	38	krishna Padmanaban	10.06.05	354000	1207000	1207000		0
39	39	jatil sharma	16.03.06	765000	1456000	1456000		0
40	40	Balaji sampath	04.02.06	712000	1584000	1582569	1431	0
41	41	krishna sampath	04.02.06	712000	1584000	1582569	1431	0
42	42	sesha B	18.05.06	712000	1544000	1544000		0
43	43	Raheela	08.02.06	712000	1584000	1584000		0
44	44	Rajeshwar Rao	12.12.05	610000	1536000	1536000		0
45	45	Venkatramama	29.03.06	575000	1560000	1558569	1431	0

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46	46	Babu Rao	06.09.05	405796	1273550	1149671	123829	50
47	47	Avinash	04.04.05	354796	1235204	1235204		0
48	48	Ajay Mehta	19.02.05	303796	892204	892204		0
49	49	Kuldeep	15.04.05	303796	1232204	1232204		0
50	50	DD Singh	29.04.05	303796	1087204	1087204		0
51	51	Manohar Reddy	24.03.05	354796	1235204	1234661		543
52	52	Muridhar	02.03.05	450796	1315204	1315204		0
53	53	Ajay shah	15.12.05	406000	865000	847279	17721	0
54	54	Nagakumar	25.05.05	380313	1188687	1187256	1431	0
55	55	Bhaskar Rao	05.10.06	661000	1559000	1559000		0
56	56	G Nagesh	05.10.06	712000	1559000	1548264	10736	0
57	57	sarriha	26.10.06	712000	1559000	1440704	118296	0
58	58	Bhavani	26.04.06	712000	1544000	1544000		0
59	59	Hari Ramunajum	16.03.06	840000	1396000	1396000		0
60	60	sitamahalakshmi	16.02.06	712000	1544000	1544000		0
61	61	srinivasa murthy	13.04.06	712000	1544000	1544000		0
62	62	Ravi soni	05.02.07	1322000	1774000	1774000		0
63	63	Balakrishna	09.06.06	814000	1611000	1611000		0
64	64	AVS Satish	05.10.06	774000	1509000	1509000		0
65	65	Ratneshwar	25.04.06	756250	1318750	749333	569417	0
66	66	Anil kumar	04.05.06	712000	1113000	965661	100000	47339
67	67	Duraga prasad S	31.10.06	1138500	1427500	1402500	25000	0
68	68	Pavan kumar	30.03.05	342306	1225694	1225694		0
69	69	Saveed karan	25.04.08	579000	1605000	1529838	75162	0
70	70	Srinivas arunachalam	21.03.05	438479	1225521	1225521		0
71	71	Sridhar	30.03.05	479247	1258550	1257282		1268
72	72	Rashmi	16.05.05	570000	1272000	1267253		4747
73	73	JVK Prasad	02.03.06	642500	1440500	1440500		0
74	74	Jasjit singh	25.01.07	1144000	1495000	1495000		0
75	75	Sanjay sharma	22.07.06	810500	1586500	1586500		0
76	76	Durgesh Joshi	29.07.06	929500	1533500	1533500		0
		Total		47116443	106003938	102726490	3215260	62188

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Details of Service Tax paid				
Challan Date	Challan No.	Amount		
05-10-05	-	106373		
13-01-06	-	100470		
04-04-06	-	531447		
12-07-06	-	417538		
06-10-06	-	1269669		
10-01-07	-	532301		
07-04-07	-	526967		
		3484765		

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MEHTA & MODI HOMES

5-4-187/3 & 4, II Floor, Soham Mansion, M.G. Road, Secunderabad - 500 003.
Phone : +91-40-66335551, Fax :

To,
The Additional. Commissioner,
Anti Aviation, Service Tax
Central Excise, Customs & Service Tax
Commissionerate II
Hyderabad.

Date: 13.09.2010

Respected Sir

Sub: Gentle follow up on our earlier letter – Reg
Ref: Our letter dated 16.08.2010.

The above referred letter was filed in your office and was duly acknowledge on 16.08.10. In that letter, we had communicated our understanding with respect to the liability of service tax under the category "Construction of Complex Service".

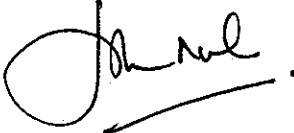
We request you to kindly confirm if our understanding therein is correct or otherwise so that appropriate decision can be taken at our end as to whether service tax has to be collected and paid.

Requesting to revert on this at the earliest as per convenience on this issue.

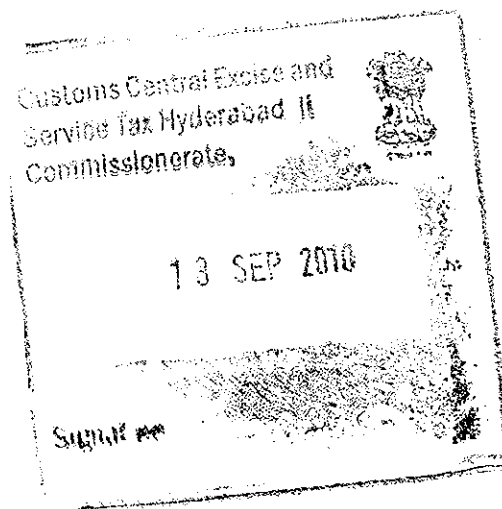
Thanking You.

Yours Truly

For MEHTA & MODI HOMES,



Authorised Signatory.





Handwritten signature and date: 14/09/10

**OFFICE OF THE COMMISSIONER OF CUSTOMS, CENTRAL EXCISE AND SERVICE TAX
HYDERABAD II COMMISSIONERATE : 3rd FLOOR (Annexe) :: SHAKKAR BHAWAN L.B.STADIUM
ROAD : BASHEERBAGH:: HYDERABAD-500 004.**

HQ POR No: 54/09-AE IV

Date: 8 .9.2010

To
M/s Mehta & Modi Homes,
5-4-187/3 & 4, II Floor, MG Road,
Secunderabad – 500 003

Gentleman,

Sub: Service Tax – Certain Information -Called for – Reg

<<>>

As seen from the records of M/s Mehta & Modi Homes, there were receipts from three ventures namely 1) Silver Oak Bungalows (Phase I) (76 units) 2) Silver Oak Bungalows (Phase II) (68 units) and 3) Silver Oak Bungalows (Phase III) (103 units) during the period from 16-6-2005 to 31-12-2009. But, in the statement given by you only one venture namely Silver Oak Bungalows was mentioned. Further, in the statement of sale deeds submitted vide your letter dated 9-12-2010, the information regarding the Silver Oak Bungalows (Phase I) has not been provided. Despite several oral reminders calling for the same till date no information has been received. Therefore, it is once again requested to provide the details of sale deed, agreement for construction pertaining to the Silver Oak Bungalows (Phase I), Bungalow-wise total receipts during the period prior to 1-4-2005.

Yours faithfully,

Handwritten signature and date: S. Haranadh 9/9/10
(S. HARANADH)
SUPERINTENDENT
SERVICE TAX (AE)



Recd
14/09/10

OFFICE OF THE COMMISSIONER OF CUSTOMS, CENTRAL EXCISE AND SERVICE TAX
HYDERABAD II COMMISSIONERATE : 3rd FLOOR (Annexe) :: SHAKKAR BHAWAN L.B.STADIUM
ROAD : BASHEERBAGH:: HYDERABAD-500 004.

HQ POR No: 54/09-AE IV

Date: 8 .9.2010

To
M/s Mehta & Modi Homes,
5-4-187/3 & 4, II Floor, MG Road,
Secunderabad - 500 003

Gentleman,

Sub: Service Tax - Certain Information -Called for - Reg
<<>

As seen from the records of M/s Mehta & Modi Homes, there were receipts from three ventures namely 1) Silver Oak Bungalows (Phase I) (76 units) 2) Silver Oak Bungalows (Phase II) (68 units) and 3) Silver Oak Bungalows (Phase III) (103 units) during the period from 16-6-2005 to 31-12-2009. But, in the statement given by you only one venture namely Silver Oak Bungalows was mentioned. Further, in the statement of sale deeds submitted vide your letter dated 9-12-2010, the information regarding the Silver Oak Bungalows (Phase I) has not been provided. Despite several oral reminders calling for the same till date no information has been received. Therefore, it is once again requested to provide the details of sale deed, agreement for construction pertaining to the Silver Oak Bungalows (Phase I), Bungalow-wise total receipts during the period prior to 1-4-2005.

Yours faithfully,

S. Haranadh
(S. HARANADH)
SUPERINTENDENT
SERVICE TAX (AE)

MEHTA & MODI HOMES

5-4-187/3 & 4, II Floor, Soham Mansion, M.G. Road, Secunderabad - 500 003.
Phone : +91-40-66335551, Fax :

To,
The Additional Commissioner,
Group III, Hyderabad – II Commissionerate,
L.B. Stadium Road,
Basheerbagh,
Hyderabad – 500004.

Date: 16.08.2010.

Dear Sir,

Sub.: Intimation regarding payment of service tax from 01.07.2010.
Ref.: STC No. AAJFH0647CST01.

1. With reference to above, we would like to inform that we are Builders/Developers of Residential Villas (independent houses in a gated community). We wish to recall our letter no. Nil dated 12.03.009 wherein, we had informed that we would not be liable for service tax and accordingly we had stopped remitting the payment of service tax also.
2. The reason for termination of payment of service was as under
 - a. Single Agreement: since the transaction involved is sale of immovable property (stamp duty has been suffered) service tax would not be payable in view of the Gauhati High Court in case of Magus Construction (P) Ltd., (2008 (11) S.T.R. 225 (Ga.)) and circular no. 108/02/2009-ST dated 29.0.2009.
 - b. Sale deed & construction agreement: For the consideration relating to Sale Deed (transfer of vacant land), the stand same as mentioned for single agreement would be applied. In case of construction, since the construction is for the customer for his personal use, the same has been excluded in the definition of the Residential Complex, which was also clarified vide Circular no. 108/02/2009-ST dated 29.01.2009.
 - c. Chennai Tribunal in case of Macro Marvel has held that independent houses in a gated community would not be liable for service tax.
 - d. Customer was not reimbursing the service tax, since the same was not liable based on the above view.
3. Now we understand that, recently there are amendments vide the Finance Act, 2010 r/w recent circulars and notifications issued in this regard. The essence of the amendment is that if we receive any amount/advance prior to taking completion certificate, then we would be liable for service tax under "Construction of Residential Complex Service", whereas if the entire consideration is received post obtaining completion certificate, then the same would be totally excluded from the service tax.

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Phone : +91-40-66335551, Fax :

4. We understand that such explanation inserted is not constitutionally valid for the reason that this intends to tax transfer of immovable property by apply the Doctrine of Pith and substance. Transfer of immovable property has been governed by List II of the seventy Schedule to Indian Constitution, which is exclusively state subject and union cannot levy tax on the same. Interim stay by the Bombay High Court has also been granted in this regard,
5. Further we understand, since the taxable object in the instant case is "Residential Complex", which excludes personal use of the customer. Therefore insertion of this explanation in the taxable service definition does not dilute our view taken in our earlier letter. Further to illustrate this with an example in construction of a single independent house and advance is take prior to completion certificate would not be liable for service tax even w.e.f. 01.07.2010. similarly the personal use complex would also be not liable for service tax.
6. However if we intend not litigating on the above ground, we understand that such amendment is prospective and applicable only from 01.07.2010 for the reasons mentioned below.
 - a. Since there is no specific retrospective provision in Finance Act 2010 as provided for the explanation inserted for "Commercial Coaching & training Center Service".
 - b. The explanation was inserted to enhance the scope of the existing service and hence the same can be only prospectively and ~~not~~ retrospectively. This view is also supported by a recent decision of Supreme Court in case of union of India v. Martin Lottery Agencies Ltd. (2009) 20 STT 203(SC).
 - c. Circular F.No.334/03/2010-TRU dated 01.07.2010 clarifies that this service came into effect only after 01.07.2010 and further the receipts received prior to such date was not liable for service tax as the same was specifically exempted.
7. Hence the transactions and receipts prior to 01.07.2010 are not liable to service tax at all. In the instant case the taxable event is "Construction of Complex" and for such construction of complete if the consideration has been received in advance/installments before the completion certificate then the same us deemed to be taxable service. Therefore the construction (taxable event) performed prior to 01.07.2010 would not be taxable.
8. Based on the above explanation, we have approached our customer, whether they are willing to reimburse service tax. Most f the customers expressed their willingness to pay service tax if at all they are liable from 01.07.2010at 2.575% for the amounts payable by them after this date.

MEHTA & MODI HOMES

5-4-187/3 & 4, II Floor, Soham Mansion, M.G. Road, Secunderabad - 500 003.
Phone : +91-40-66335551, Fax :

9. Hence we would be paying only in respect of amounts received after 01.07.2010. we would be paying service tax at the rate of 2.575% (i.e., on 25% of value @ 10.3%). In Phase I, bungalow nos. 1 to 76 and in phase II bungalows nos. 201 to 268 were completed in the years 2007 & 2009 respectively and even property tax assessment also completed. In Phase III out of 103 bungalows some bungalows (25 nos.) were completed before 01.07.2010. Service Tax shall be paid for rest of the bungalows. We understand this exemption would not be eligible subject to following condition
- Not availing the CENVAT credit
 - Not availing exemption under notification 12/2003-ST as amended.
 - Not only completion and finishing services in relation to residential complex.
 - Value of goods and materials supplied or provided or used for providing the taxable service by the service provider should be included in the value.
 - Cost of land has not been separately recovered from the buyer by the builder or his representative.
10. In our case we have satisfied all the condition above and hence we would be paying service on the amount received after 01.07.2010.
11. We had earlier classified ourself under works contract service as per the advice of the Additional Commissioner under works contract service upto Dec 2008 later the payment was stopped in view f exclusion for personal use. Now our customer are willing to pay service tax at 2.575% levied under 'Residential Complex Service' hence we intend to pay the same accordingly as long as the same is reimbursed by the customer.
12. We hope all our understanding is corrected and we would be glad to provide you with any further information that may be required in this regard. We request you to kindly confirm the same so that we can start collecting and making the payment of service tax.

Kindly acknowledge the receipt of the same.

Thank You,
Yours Faithfully,
For Mehta & Modi Homes,


Soham Modi
Managing Partner

CC to AC/DC, Asst. Commissioner (A.E)

*Received 2 Copies
Addl. Commr. &
Asst. Commr.
Copies*

Customs Central Excise and
Service Tax Hyderabad II
Commissionerate.

15/8/10
17 AUG 2010

Signature

Statement of Shri A. Shankar Reddy, S/o Late A. Sathi Reddy, Age: 49 years, Deputy General Manager (Administration) of M/s Modi Properties and Investments (P) Ltd given under section 14 of Central Excise Act, 1944 as made applicable to Service Tax Under Section 83 of Finance Act, 1994 before the Superintendent of Service Tax, Anti-Evasion, Hyderabad-II Commissionerate, Basheerbagh, Hyderabad on 1st February 2010.

My personal details are as above. I am appearing before you on behalf of M/s Mehta and Modi Homes to give my truthful statement in respect of the affairs of the said company, in response to your summons dated 13.1.2010 issued on the company. In this connection I submit that I am authorised to represent before the Service Tax authorities in connection with assessment proceedings for the Financial Years 2004-05 to 2009-10 (till December 2009) and to produce any documents and information connected herewith. I have been explained with the provisions of Section 14 of Central Excise Act, 1944 as made applicable to Service Tax under section 83 of Finance Act, 1994 according to which these are deemed judicial proceedings within the meaning of section 193 and 228 of Indian Penal Code, 1860. I have been explained that giving false statement or fabricating evidence is an offence punishable under section 193 of Indian Penal Code and obstructing the officers sitting in these proceedings is an offence punishable under section 228 of Indian Penal Code. Having understood the above provisions of law and knowing my responsibilities and implication of law, I depose this statement to the best of my knowledge and as per the information provided by company to me.

Q 1) Please tell briefly about yourself ?

A) I am Deputy General Manager (Administration) of M/s Modi Properties and Investments (P) Ltd and am authorized to represent our group company M/s Mehta and Modi Homes, before Service Tax authorities in connection with Service Tax matters and to give Statement.

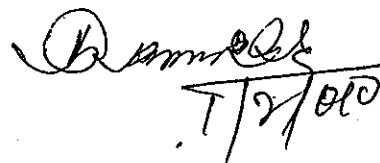
Q 2) You are aware that without submission of documents and information like month wise details of receipts, liability of tax and interest cannot be arrived at as the rate of tax and classification during the subject period changed. Then, why you have not submitted all the documents and information as called for therein the summons dated 13.1.2010?

A) We have already submitted the balance sheets, some ST3 return copies and plot-wise receipts details towards sale deed and agreement of construction since inception to October 2009. Book of accounts and unaudited book of accounts upto December, 2009 were provided in CD. The sample copies of agreement of construction and sale deed, monthwise receipts statement are also provided. Trial balance sheet for this financial year upto December, 2009, remaining copies of the ST3 returns filed, and plot-wise receipts details towards sale deed and agreement of construction for the months Nov & Dec 2009 will be submitted at the earliest.

Q 3) When was the business operations started by M/s Mehta and Modi Homes.? What are the activities undertaken by the said company?

A) Our business was started in 2004 as a Partnership firm. The activities undertaken by the company are providing services of construction of Residential Complexes. We purchased the land under sale deed. On that we constructed the residential complexes. Initially, we collect the amounts against booking form/agreement of sale. At the time of registration of the property, the amount received till then will be allocated towards Sale Deed and Agreement of construction. Therefore, service tax on amounts received against Agreement of construction portion up to registration was remitted immediately after the date of agreement. The service tax on remaining portion of the amounts towards Agreement of construction is paid on receipt basis.

Contd-2


T/T/2010

Agreement of sale constitutes the total amount of the land / semi-finished flat with undivided share of land and the value of construction. The sale deed constitutes a condition to go for construction with the builder. Accordingly, the construction agreement will also be entered immediately on the same date of sale deed. All the process is in the way of sale of the constructed unit as per the agreement of sale but possession was given in two phases one is land /-semi-finished flat with undivided share of land and other one is completed unit. This is commonly adopted procedure as required for getting loans from the banks.

Q4.) Is the entire land on which construction has been took place registered in the name of M/s Mehta and Modi Homes? If not, state the details of agreement between the land owners and M/s Mehta and Modi Homes.

A) We are having single project under this concern since inception, namely 1) Silver Oak Bungalows. We are the owners of the land by virtue of sale deeds.

Q5) When did you receive the first payments for service and when did you start providing the services of construction?

First booking amount was received in Nov., 2004 and the construction was also started in the same month.

Q 6) Have you taken registration under Service Tax and paying Service Tax?

A) We have been registered with Service Tax Department under Construction of residential complex service in 2005 and works contract services in 2008 and paying Service Tax on the total taxable services rendered by us w.e.f Oct.,2005.

Q 7) Did you pay the tax along with interest on the receipts towards construction services from 16-6-2005 till the date of payment of tax?

A) All the tax has been remitted in advance, considering the first receipt as tax as per actual completion of work though the partial amounts are receivable by the date of payment of tax. We have already submitted consolidated receipts towards the services from our customers.

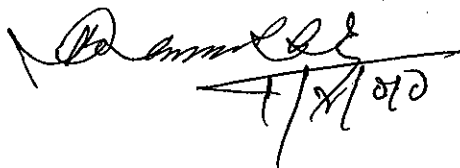
Q8.)How did you reclassified and converted the services of construction into works contract services?

A) Till 31.5.2007 we were remitting service tax under construction of residential complex service. From 01.06.2007, we started paying service tax under Works Contract Service for all the agreements of construction including those agreements done prior to 1.6.2007 and tax on first amount was paid under construction of residential complex service. As the service i.e., construction is ongoing and our services are appropriately classifiable under works contract, we started paying the service tax accordingly on receipts for the works done after 1-6-2007. Details of the same shall be provided soon.

Q.9)Why there is a difference in the receipts shown in the balance sheet, actual receipts shown in your worksheet and the receipts shown in the ST3 returns?

A) Net receipt from customers shown in the balance sheet doesn't directly reflect the actual receipts from customers towards construction service. However, the same can be arrived at by making certain calculations and the working sheet shall be provided. Our worksheet of receipts covers the period up to Dec., 2009 whereas the ST3 returns show the receipts up to Dec. 2008 only. We have not shown the receipts in ST3 returns from Jan 2009 onwards as we found our services are not taxable and as our customers stopped payment of service tax.

Cont-3

Handwritten signature and initials, possibly 'R. Anand' and 'F/A/O'.

Q. 10) Do you say that the difference of total receipts up to Dec., 2009 shown in your worksheet and the total of values shown in ST3 returns filed, pertains to the months starting from 1/2009 to 12/2009 on which tax has not been paid?

A) Yes. No.

Q.11) Why did you stop payment of service tax from 1-1-2009 and also not submitted the returns?

A) Our customers have stopped payment of service tax from January, 2009 onwards in the light of the CBEC Circular No.108/2009/ST dt.29.01.2009. We already submitted our letter for cancellation of service tax registration as we believe our services are not taxable. In this regard we didn't receive any communication from the department. As we applied for cancellation we stopped submission of returns. Copy of our letter for cancellation is submitted.

Q 12) As per the statute and as clarified in the circular mentioned above, tax is not leviable on the sale value only i.e., the value mentioned in the sale deed, and only the complex built by a person for his personal use as residence engaging any person to design, plan and construct was excluded from the definition of residential complex. Therefore, why the service tax should not be demanded in your case where you provided the services of the construction of residential complex to residential units i.e., the part of the residential complex of your customers?


A) In this regard, we have already provided our submissions in detail vide our letters dated 13-3-2009 and 2-7-2009 respectively. Copies of the same will be provided.


Q 13) Do you want to say anything more?

A) The word used in the exclusion is 'complex' not the 'residential complex'. A complex may also have single residential unit. Therefore, it is understood by us and our customers, services to a residential unit / complex which is a part of a residential complex, falls under the exclusion clause in the definition of residential complex.

The above statement is given by me voluntarily without being under any pressure, threat or coercion. All the above information was given by me as per the records produced before me by the company and to the best of my knowledge. On my request, one of the officers typed the statement on the computer available in your office. I have gone through the hard copy of the statement which is true, correct and is as dictated by me.

BEFORE ME


SUPERINTENDENT
SERVICE TAX
ANTI EVASION (GR. VI)


(A. SHANKAR REDDY)
For M/s Mehta and Modi Homes
Hyderabad.

MEHTA & MODI HOMES

5-4-187/3 & 4, II Floor, Soham Mansion, M.G. Road, Secunderabad - 500 003.
Phone : +91-40-66335551, Fax :

To,
Mr. R.L. Ramesh,
Asst. Commissioner, Service Tax
Office of the Commissioner of Custom,
Central Excise & Service Tax,
Hyderabad -II, Commissionerate,
Shakar Bhavan, Basheerbagh,
Hyderabad.

Date: 25.01.2010.

Dear Sir,

Ref.: Your summons dated 13.1.2010 vide letter no. HQST No.: 54/09 AE -IV for personal appearance at 11 am on 27.01.2010.

We have received your summons dated 13.1.10 requesting for documents pertaining to the financial year 2005 - till date. Please note that all the documents requested for have already been provided to the service tax department vide our letters dated 18.1.2010 and 30.11.2009 (copy enclosed).

Please find enclosed scanned copies of following document on a CD as requested by you.

- Bank statements from 1.4.2005 till 31.12.2009.
- Copies of all sale deeds and construction contracts.
- Books of accounts from 1.4.2005 till 31.03.2009.
- Un audited books of accounts from 1.4.2009 till 31.12.2009.

We are unable to meet your request for providing a month wise statement of amounts received towards sale deed, construction contract, etc., for comparison with the balance sheet as we are not sure as to how to make such a statement. It is not possible to distinguish payments received from customers towards sale deed, construction agreement, VAT, stamp duty and other charges, etc., as payments are received from customers on an adhoc basis. In our books of accounts, we are debiting these costs periodically as and when due to the customer account. Payment received from them are credited to their accounts. Therefore, the ledger copy of each individual customer needs to be looked into to determine the details of payments towards sale consideration, VAT, registration charges, etc. Ledger copies of every customer is enclosed in the CD.

Further, several customers have paid us advances towards purchase of flats / villas wherein no sale deed has been executed in their favour. The amounts are received towards tentative booking subject to cancellation and refund. On later dates which may vary from customer to customer sale deed (in some cases construction agreement) is executed in favour of the customer. Therefore, it is not possible to make a month wise detailed statement as requested by you.

Page 1 of 2

Office of the
Commissioner of Customs
Central Excise & Service Tax

Hyd - II, Commissionerate
HYDERABAD.

MEHTA & MODI HOMES

5-4-187/3 & 4, II Floor, Soham Mansion, M.G. Road, Secunderabad - 500 003.
Phone : +91-40-66335551, Fax :

Further, we are not to certain about our liability under service tax rules and the method of computation to be adopted for payment of service tax. We are unsure about the section under which we are liable to pay service tax i.e., under works contract or under residential complex services. In light of circular 108/2/2009 we believe that we do not fall under the ambit of service tax.

However, please find enclosed a month wise statement of receipts from customers. Please note that this statement does not bifurcate payments received towards sale deed, construction contract, finishing and completion services, VAT, service tax, stamp duty and registration charges, etc. Further it does not distinguish payments received towards sales made for phases/blocks/residential units completed prior to the notification of service tax u/s. 65(105)(zzzh) or 65(105)(zzzza). Therefore, it may be difficult to compute service tax liability based on the monthly receipts statement.

We request you to please clarify the ambiguity in the application of service tax and the method for computation of service tax liability. Please clarify the following:

- a. Whether we are liable to pay service tax under works contract or residential complex services.
- b. Can we exclude residential units whose construction was completed before respective date of notification.
- c. Can we exclude payments made towards sale deed, VAT, service tax, stamp duty and registration charges, etc., and calculate service tax liability only on value of construction contract.
- d. Can we exclude construction contracts executed prior to date of notification.

We await your advise on the above issues so that we can prepare a month wise statement as requested by you. Please write to us if any further details or information is required.

Thank You.

Yours sincerely,
For Mehta & Modi Homes,


Soham Modi,
Managing Partner

MEHTA & MODI HOMES

5-4-187/3 & 4, II Floor, Soham Mansion, M.G. Road, Secunderabad - 500 003.
Phone : +91-40-66335551, Fax :

To,
The Asst. Commissioner,
Service Tax: Anti Evasion,
O/o. Commissioner of Central Excise and Service Tax,
Hyderabad II Commissionerate,
Hyderabad.

Date: 09.12.2009

Dear Sir / Madam,

Sub.: Statement of amounts received against sales made.

- Ref.: 1. Notice for furnishing of records by the department, letter no. HQST No. /09 AE IV dated 6.11.09.
2. Our representation dated 18.11.2009

Mr. Shankar Reddy – Manger Admin had met you personally to discuss the details of documents to be produced as requested in reference 1 above. You have clarified that, at the moment a statement showing details of sale deeds executed along with construction contract executed pertaining to those sale deeds with details of receipts is required by the department. Details of service tax paid upto date should also be furnished.

Accordingly please find enclosed the following documents:

1. Statement of sale deeds executed.
2. Statement of construction contract pertaining to those sale deeds and the amounts received against the said construction contracts.
3. Details of service tax paid.
4. Copies of sale deed and construction contract of 3 customers.

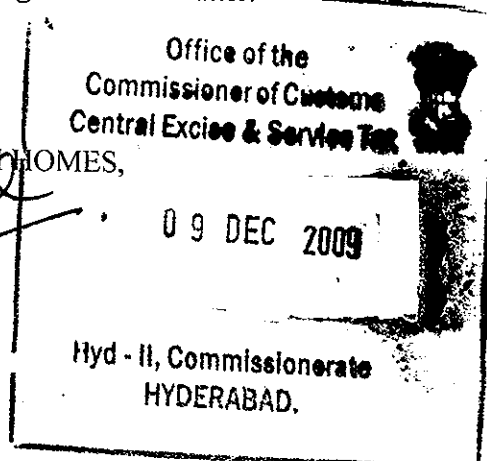
Balance sheets, trial balance and bank statements can be produced upon request. Copies of ST3 returns and challans can also be produced upon request. Please write to us if any further information and documents are required.

We have been regularly paying service tax to the department until the circular no. 108/2/2008 was issued. Because of the circular and its ambiguous wording, our customers have refused to pay service tax. In light of the above, we request you to not to take any coercive action for payment of service without issuing a show cause notice as provided in law and giving us an opportunity for a hearing in the said matter.

Thank You.

Yours sincerely,
For MEHTA & MODI HOMES,

Soham Modi.



Service tax Statement

Name of the Company : Mehta & Modi Homes
Project/Location : Silver Oak Burglows
Date : 03-12-2009

List of Sale Deeds executed

Sl.No.	Name of the customer	Sale deed document no.	Date	Value	Amount received towards sale deed	Bnalance receivable for sale deed
1	Mr. Bidesh Mukherjee	3056/09	15.05.09	440,000	440,000	-
2	Mr. Samir Kalia	12449/06	10.08.06	228,000	228,000	-
3	Mr. Sameer Kalia	12448/06	10.08.06	236,000	236,000	-
4	Mr. L.V. Raimana	19685/06	06.12.09	239,000	239,000	-
5	Mrs. A.R. Rajalakshmi	751/07	20.12.06	224,000	224,000	-
6	Polkam Sanjay	19232/06	12.08.06	224,000	224,000	-
7	Mr. Anand Subramani	2754/07	09.09.07	269,000	269,000	-
8	Mr. Ibrahim Abdul Hameed Mursni	6006/08	10.10.08	478,000	478,000	-
9	Dr. Tejal Modi	14411/06	07.06.06	256,000	256,000	-
10	Mrs. Radhika Aasoori	19233/06	17.07.06	224,000	224,000	-
11	Mr. Satyavolu Ravi Krishna	19234/06	19.08.06	230,000	230,000	-
12	Sanjeev Datta Gupta	1051/07	06.09.07	230,000	230,000	-
13	Mr. Kamalakar Karlapalem	1052/09	25.11.08	644,000	644,000	-
14	Mr. K. Aditya	20335/09	23.12.06	307,000	307,000	-
15	Mr. Srinivas Veeramachaneni	9691/07	26.04.07	276,000	276,000	-
16	C. Shiva Kumar	20337/06	23.12.06	230,000	230,000	-
17	Mr. Karuri Ramu	19687/06	06.12.09	230,000	230,000	-
18	Dr. Dhiraj Abhyankar	13962/06	21.09.06	272,000	272,000	-
19	V.S. Radha Krishna Murthy	20240/06	22.12.06	272,000	272,000	-
20	Mr. G. Poorna Kalvana Chakravarthy	20383/06	23.12.06	272,000	272,000	-
21	Mr. Madan Konakandla	8374/08	04.09.08	544,000	544,000	-
22	Mr. Rahul Gupta & Neelima Rani Thai	9051/07	27.07.07	326,500	326,500	-
23	Mrs. S.G. Sonia Raj	4444/07	07.04.07	408,000	408,000	-
24	A. Ravi Shankar	2304/07	22.12.06	281,000	281,000	-
25	Smt. A. Suseela	9858/08	03.11.08	318,000	318,000	-
26	Wg. Cdr. Vempati Mallikarjun	5276/08	31.05.08	544,000	544,000	-
27	Mr. P. Vijay Kumar	10359/07	29.08.07	381,000	381,000	-
28	Mr. Khantamaneni Venkat Rao & Mrs	4521/07	09.04.07	272,000	272,000	-
29	Mr. Prakash Jhaveri	13479/07	13.12.07	408,000	408,000	-
30	P.S. Narsing Rao	2753/07	26.02.07	326,500	326,500	-
31	Mr. Kompella Srinivas & Mrs KVS Ra	16435/06	04.11.06	327,000	327,000	-
32	Mr. Rajesh Racha Battuni	4758/07	13.04.07	390,000	390,000	-
33	Mrs. S. Vijayalakshmi & Mr. Ramakri	6834/07	01.06.07	390,000	390,000	-
34	Mr. G Jaganath	9469/07	03.08.07	455,000	455,000	-

35	Mr. Girish Lodd	12681/07	15.11.07	455,000	455,000
36	Suresh Kumar	3535/07	14.03.07	325,000	325,000
37	Mr. Ashtad Ahmed	1141/07	24.01.07	325,000	325,000
38	Mr. Lokesh Bharathan & Mrs. Jayashr.	12569/07	31.10.07	472,000	472,000
39	Mr. Prakash	1551/09	12.03.09	616,000	616,000
40	Mrs. M. Renuka & Mr. M. V. Ramana	7066/07	06.06.07	340,000	340,000
41	Mr. A. Avinash	9230/06	28.11.06	285,000	285,000
42	K. J. R. Padmavati & Mr. K. Venkata N.	20333/06	23.12.06	286,000	286,000
43	Mr. Jandhyala Venkata Dakshina Mu	20258/06	22.12.06	288,000	288,000
44	Mr. Murali Mohan Rao Bandaru	16403/06	03.11.06	289,000	289,000
45	A. K. Mohan & Mrs. A. Usha	19231/06	23.11.06	290,000	290,000
46	MR. Garimella Sritamakrishna Shri	2988/07	01.03.07	411,000	411,000
47	Mr. Praveen Kumar Krowidi & Mrs. S	2685/07	24.02.07	518,000	518,000
48	Mr. Pavan Kumar Muthuri & Mrs. Gaye	3601/08	18.04.08	536,200	536,200
49	Mr. Imran Mohammed Khan	1162/08	02.02.08	730,000	730,000
50	J. V. Jayakrishna Prasad	4211/07	30.03.07	444,000	444,000
51	Mrs P. Uma Kumari	12871/07	22.11.07	518,000	518,000
52	Mr. Soham Modi	8316/08	02.09.08	928,000	928,000
53	Mrs. V. Rajeshwari	12868/07	22.11.07	519,500	519,500
54	Mrs. V. Rajeshwari	12868/07	22.11.07	519,000	519,000
55	Mr. A. Deepak	9939/07	17.08.07	355,000	355,000
56	Mr. Durgadas Malve & Mr. Shyam & I	13787	20.12.07	280,000	280,000
57	Mr. J. V. Chandra Mohan & Mrs. Ush	5635/08	28.02.08	400,000	400,000
58	M/s. Balaji Crop Care Pvt. Ltd.	7440/07	18.06.07	240,000	240,000
59	Mrs. Lalitha Setty	7442/07	18.06.07	240,000	240,000
60	Mr. Prema Mitchell	3481/07	12.02.07	240,000	240,000
61	Mr. K. Kamallesh N.V. & Mrs. Smitha	4480/07	03.04.07	240,000	240,000
62	Mrs. Meera Srikant	6204/07	10.05.07	240,000	240,000
63	Dr. S. Ramakrishna & Dr. P. Sarguna	7444/07	18.06.07	240,000	240,000
64	Mr. Rajeev Kumar Pandey	9126/08	03-10-08	480,000	480,000
65	Mr. V. Siva Kumar	5368/09	13-08-09	400,000	400,000
66	Muraili Krishna	7339/2009	29-10-09	404,000	404,000
67	Mr. Parimi Diwakar & Mrs. Parimi Mar	5640/08	23-06-08	406,000	406,000
68	Dr. Gutti Bhavani	3710/08	28-03-08	406,000	406,000
69	Mr. Gunda Rajeswara Rao	5027/08	13-05-08	348,000	348,000
70	Mr. Dinavahi Srinivasa Rao	10915/08	12-12-08	554,000	554,000
71	Mr. C. Krishna Murthy	9861/08	04-10-08	530,000	530,000
72	Mrs. Jasiti Pratima Rao	8445/08	06-09-08	538,000	538,000
73	Mr. A. Krishna Rao	5123/08	05-06-08	348,000	348,000
74	Dr. T. Kalyana Chakravarthy	8343/08	04-09-08	435,000	435,000
75	Dr. B. Bhaskar Prasad Raju	4494/08	13-05-08	348,000	348,000
76	Mr. S. Swamynathan	6363/08	14-07-08	420,000	420,000
77	Mr. S. Srikant	6929/08	26-07-08	420,000	420,000
78	Mr. P. Gopi Mrs. P. Samatha	6883/2009	14-10-09	348,000	348,000
79	Mrs. Anupama Sivastava	6165/08	07-07-08	512,000	512,000
80	Mr. B. Mohan Vamsi Venkat Ramana	4718/08	22-05-08	348,000	348,000

81	Mr. Pinaki Gupta	4683/08	21-05-08	348,000	348,000
82	Mr. Ravva Surendernath	6547/08	18-07-08	420,000	420,000
83	Mrs. Meenakshi Kandala	6308/08	11-07-08	420,000	420,000
84	Mr. Srinivasa Rao Chellapilla	5815/08	27-06-08	348,000	348,000
85	Mr. B. V. J. Ganesh	5762/08	25-06-08	462,000	462,000
86	G. Padmavathi	10473/08	24-11-08	462,000	462,000
87	Mr. Bishnu Kumar Ippili	6125/08	07-07-08	358,000	358,000
TOTAL				32,784,700	32,784,700


- 9 DEC 2009

Details of construction contract where sale deeds were executed

Sl.No.	Name of the customer	Construction contract date	value mentioned in construction	Amount received towards construction contract			Balance receivable towards construction
				upto 28-02-2008	01-03-08 to 31-03-09	01-04-09 to 31-10-09	
1	Mr. Bidesh Mukherjee	15.05.09	2,520,000	0	1,456,500	1,063,500	
2	Mr. Samir Kalita	10.08.06	972,000	950,948	20,400	652	
3	Mr. Sameer kalita	10.08.06	964,000	0	343,000	500,600	
4	Mr. L.V.Ramana	06.12.09	1,276,000	861,344	370,049	-5,393	
5	Mrs. A.R. Rajalakshmi	20.12.06	1,936,000	1,894,717	43,895	-2,612	
6	Polkam Sanjay	12.08.06	1,786,000	1,567,328	217,049	1,623	
7	Mr. Anand Subramani	09.09.07	2,005,000	993,695	997,462	13,843	
8	Mr. Ibrahim Abdul Hammed Munshi	10.10.08	1,756,250	1,056,031	697,200	3,019	
9	Dr. Tejal Modi	07.06.06	1,373,000	1,007,327	392,972	-27,299	
10	Mrs. Radhika Aasoori	17.07.06	1,706,500	1,540,502	162,278	3,720	
11	Mr. Satyavolu Ravi Krishna	19.08.06	1,706,500	1,514,815	215,897	-24,212	
12	Sanjeev Datta Gupta	06.09.07	1,748,000	1,173,940	573,291	769	
13	Mr. Kamalakar Karlapalem	25.11.08	1,789,000	1,115,581	656,903	15,612	
14	Mr. K. Aditya	23.12.06	1,964,500	1,019,284	944,546	670	
15	Mr. Srinivas Veeramachaneni	26.04.07	1,224,000	815,762	366,057	-6,829	
16	C. Shiva Kumar	23.12.06	1,964,000	1,548,546	412,861	-2,593	
17	Mr. Kanuri, Ramu	06.12.09	1,212,000	540,470	618,441	50,000	
18	Mr. Ahmed Subhan	21.09.06	2,064,000	1,065,847	600,000	398,153	
19	Dr. Dhiraj Abhyankar	22.12.06	2,058,000	1,249,808	805,921	2,271	
20	V.S. Radha Krishna Murthy	23.12.06	1,888,000	1,169,366	718,283	351	
21	Mr. G. Poorna Kalyana Chakravarthy	04.09.08	1,922,000	1,286,280	656,265	-20,545	
22	Mr. Madan Konakandla	27.07.07	2,408,000	2,408,000	0	0	
23	Mr. Rahul Gupta & Neelima Rani Thai	07.04.07	2,307,000	1,928,555	378,445	0	
24	Mrs.S.G. Sonia Raj	22.12.06	2,207,000	1,525,336	670,000	7,334	
25	A. Ravi Shankar	03.11.08	1,888,500	1,145,903	742,591	6	
26	Smt. A. Suseela	31.05.08	2,492,000	1,228,649	525,000	738,351	
27	Vij. Cdr. Vempati Malikarjun	29.08.07	2,514,000	782,976	1,728,851	2,173	
28	Mr. P Vijay Kumar	09.04.07	2,612,000	1,719,280	891,269	1,451	
29	Mr. Prakash Jhaveri	13.12.07	2,500,000	370,707	2,128,100	1,193	
30	P. S. Narsing Rao	26.02.07	2,504,000	1,393,824	1,109,091	1,085	
31	Mr. Kompella Srinivas & Mrs KVS Ra	04.11.06	2,751,500	1,813,029	938,471	0	
32	Mr. Rajesh Racha Battuni	13.04.07	2,962,500	1,510,313	1,451,257	930	
33	Mrs. S. Vijayalakshmi & Mr. Ramakrish	01.06.07	1,551,250	951,369	599,218	663	
34	Mr. G. Jaganath	03.08.07	3,050,000	1,710,369	1,339,631	0	
35	Mr. Girish Lodd	15.11.07	3,365,000	1,844,704	1,519,528	768	
36	Suresh Kumar	14.03.07	3,048,500	1,314,166	1,705,400	-22,003	
37	Mr. Ashfaq Ahmed	24.01.07	1,748,000	820,888	926,779	333	
38	Mr. Lokesh Bharathan & Mrs. Jayashr	31.10.07	3,375,000	2,218,207	1,146,218	10,575	

39	Mr. Prakash	12.03.09	1,704,000	393,625	1,309,412	963
40	Mrs. M. Renuka & Mr. M. V. Ramana	06.06.07	1,014,250	1,013,587	663	663
41	Mr. A. Avinash	28.11.06	1,882,500	980,037	900,000	2,463
42	K. J. R. Padmavati & Mr. K. Venkata N.	23.12.06	1,988,000	983,002	1,004,431	567
43	Mr. Jandhyala Venkata Dakshina Mu	22.12.06	1,888,000	553,367	60,000	10,740
44	Mr. Murail Mohan Rao Bandaru	03.11.06	1,960,500	330,156	1,634,083	-3,739
45	A. K. Mohan & Mrs. A. Usha	23.11.06	1,980,000	864,810	1,702,066	1,096
46	M/R. Garmella Sritramakrishna Sri	01.03.07	2,139,500	1,203,940	50,000	20,750
47	Mr. Praveen Kumar Krowidi & Mrs. S	24.02.07	3,448,500	3,447,391	1,109	1,109
48	Mr. Pavan Kumar Murturi & Mrs. Gaye	18.04.08	3,594,500	3,548,600	45,579	330
49	Mr. Imran Mohammed Khan	02.02.08	3,217,500	2,291,316	926,019	165
50	J. V. Jayakrishna Prasad	30.03.07	3,150,000	979,914	2,175,000	-4,914
51	Mrs. P. Uma Kumari	22.11.07	3,415,000	1,198,837	1,486,100	730,063
52	Mr. Soham Modi	02.09.08	5,072,000	3,319,977	1,752,023	1,752,023
53	Mrs. V. Rajeshwari	22.11.07	3,409,500	681,182	1,971,000	435
54	Mrs. V. Rajeshwari	22.11.07	3,409,500	1,535,353	1,123,000	435
55	Mr. A. Deepak	17.08.07	3,490,000	1,687,785	1,797,000	435
56	Mr. Durgadas Malve & Mr. Shyam & I	20.12.07	3,085,000	3,084,408	592	592
57	Mr. J. V. Chandra Mohan & Mrs. Usha	28.02.08	2,965,000	2,821,121	143,069	810
58	M/s Balaji Crop Care Pvt. Ltd.	18.06.07	1,760,000	1,768,946	-8,946	-8,946
59	Mrs. Lalitha Setty	18.06.07	3,350,000	3,349,865	135	135
60	Mr. Prema Mitchell	12.02.07	3,010,000	3,010,000	0	0
61	Mr. K. Karmalesh N. V. & Mrs. Smitha	03.04.07	3,010,000	3,010,000	0	0
62	Mrs. Meera Srikant	10.05.07	3,125,000	3,092,790	32,210	32,210
63	Dr. S. Ramakrishna & Dr. P. Sarguna	18.06.07	3,060,000	3,058,546	1,454	1,454
64	Mr. Rajeev Kumar Pandey	03-10-08	2,920,000	1,590,234	205,500	1,124,266
65	Mr. V. Siva Kumar	13-08-09	3,900,000	1,782,000	1,266,330	851,670
66	Murali Krishna	29-10-09	3,596,000	2,323,768	1,272,232	1,272,232
67	Mr. Parimi Diwakar & Mrs. Parimi Mar	23-06-08	3,794,000	2,239,377	411,000	1,554,623
68	Dr. Gutti Bhavani	28-03-08	3,414,000	2,123,300	499,500	879,700
69	Mr. Gunda Rajeswara Rao	13-05-08	3,932,000	2,537,378	600,000	895,122
70	Mr. Dinavahi Srinivasa Rao	12-12-08	4,046,000	2,423,810	1,022,190	1,022,190
71	Mr. C. Krishna Murthy	04-10-08	2,756,000	1,648,416	744,166	363,418
72	Mrs. Jasti Pratima Rao	06-09-08	4,222,000	3,367,551	849,981	4,468
73	Mr. A. Krishna Rao	05-06-08	3,474,000	2,580,118	91,994	801,888
74	Dr. T. Kalyana Chakravarthy	04-09-08	3,123,000	2,500,418	621,028	1,554
75	Dr. B. Bhaskar Prasada Raju	13-05-08	3,419,000	2,007,859	500,000	911,141
76	Mr. S. Swamyatharan	14-07-08	3,690,000	3,042,967	646,700	333
77	Mr. S. Sikanth	26-07-08	3,690,000	3,690,300	-	(300)
78	Mr. P. Gopi Mrs. P. Samatha	14-10-09	3,852,000	3,491,091	360,909	360,909
79	Mrs. Anupama Sivasava	07-07-08	4,342,000	3,157,101	700,000	484,899
80	Mr. B. Mohan Vamsshi Venkat Ramana	22-05-08	3,210,000	2,587,652	707,911	(85,563)
81	Mr. Pinaki Gupta	21-05-08	3,210,000	1,884,552	832,700	492,748
82	Mr. Ravva Surendemath	18-07-08	3,426,000	2,779,165	441,000	205,835
83	Mrs. Meenakshi Kandala	11-07-08	3,477,000	2,795,360	-	681,640
84	Mr. Srinivasa Rao Chellapilla	27-06-08	3,419,000	107,380	2,729,432	582,188

85	Mr. B. V. J. Ganesh	25-06-08	3,816,000	-	2,632,019	200,000	983,981
86	G. Padmavathi	24-11-08	4,025,000	-	2,272,189	850,000	902,811
87	Mr. Bishnu Kumar Ippili	07-07-08	3,391,000	-	2,644,890	200,000	1,046,110
TOTAL			235,891,250	78,252,709	113,179,027	23,933,090	20,526,424


 RECEIVED
 9 DEC 2009

MEHTA & MODI HOMES

5-4-187/3 & 4, II Floor, Soham Mansion, M.G. Road, Secunderabad - 500 003.
Phone : +91-40-66335551, Fax :

To,
The Asst. Commissioner,
Service Tax: Anti Evasion,
O/o. Commissioner of Central Excise and Service Tax,
Hyderabad II Commissionerate,
Hyderabad.

Date: 18.11.2009

Dear Sir / Madam,

Sub.: Request for time for providing required information

- Ref.: 1. Notice for furnishing of records by the department, letter no. HQST No. 56/2009 AEIV dated 6.11.09.
2. Our letter dated 13.03.2009
3. Notice for filing returns by the department, letter no. AAJFM0646CST001 dated 31.3.2009.
4. Our letter dated 2.07.2009.
5. Notice for furnishing of records by the department, letter no. WCS/125 dated 27.1.09.

We have received your notice on 7.11.09. You have requested for details like service tax paid challans, ST3 return copies, bank statements, balance sheet, etc., for the period 2005 to 2009. Please note that you have requested for the same details for the period 2005 to 31.12.2008 vide reference 5 above. These details were furnished to the department over several visits. The same has also been stated in our letter dated 12.3.09 (reference 4).

Vide our letters addressed to the service tax department (Reference 2 & 4) we have clearly and in detail given reasons for non-applicability of service tax to our business in lieu of circular no. 108/2/2009 – ST dated 21.1.09. We have also requested for withdrawal of service tax registration.

Till date the department has not replied to our detailed representation or issued any show cause notice. Instead you have requested for details, most of which have been given to you on an earlier date.

As the information requested by you in reference 1 above is voluminous, we request you to grant us 15 days time to provide the information.

We further request you to please reply to our detailed representations regarding non-applicability of service tax to our operations. Infact, on an earlier date in our meeting with Mrs. Manjula, Deputy Commissioner of Service Tax, she had assured us that builders will not be pressurized to pay service tax until clarification on circular no. 108/2/2009 is received from CBEC. She had promised to write to CBEC seeking clarification in the matter. We have not heard from her or the department since then.




MEHTA & MODI HOMES

5-4-187/3 & 4, II Floor, Soham Mansion, M.G. Road, Secunderabad - 500 003.
Phone : +91-40-66335551, Fax :

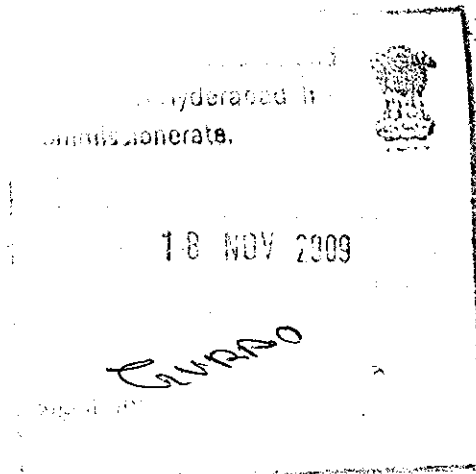
We have been regularly paying service tax to the department until the said circular was issued. Because of the circular and its ambiguous wording, our customers have refused to pay service tax. In light of the above, we request you to not to take any coercive action for payment of service without issuing a show cause notice as provided in law and giving us an opportunity for a hearing in the said matter.

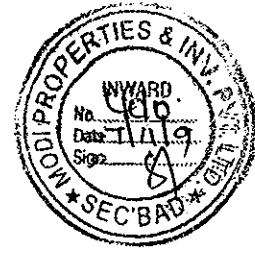
Thank You.

Yours sincerely,
For Greenwood Estates,



Soham Modi.





Phone : 23231481
23230196

OFFICE OF THE COMMISSIONER OF CENTRAL EXCISE, CUSTOMS AND SERVICE TAX
HYDERABAD II COMMISSIONERATE
3RD FLOOR (Annexe) :: SHAKKAR BHAWAN
L. B. STADIUM ROAD :: BASHEERBAGH :: HYDERBAD - 500 004

HQST No:54/2009 AE IV

Date: 29 th Oct , 2009

To
M/s Mehta Modi Homes,
5-4-187/3&4, II floor,
Sohan Mansion,
M.G.Road,
Secunderabad. 500 003

//SPEED POST//

Sirs,

Sub:-Service tax – Non payment of service Tax and furnishing of Certain
Records Reg.

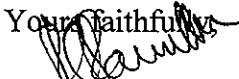
Please refer to this office Summons dated 27.01.2009.

2. The following records mentioned in the above referred letter have not been received till now. You are therefore requested to furnish the same immediately with out further loss of time.

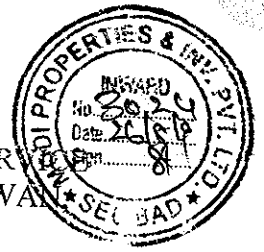
1. Details of work carried out /amounts received towards rendering the taxable services for the period from 16.06.2005 to 30.09.2009.
2. Details of Bank statements for the relevant period.
3. Balance sheets for the years 2005-06 to 2008-09 and trial balance for the current year.
4. Copies of ST 3 returns for June 2005 to 9/2009 and Service tax paid challans from Jan/2009 to Sep/2009.
5. Details of service tax payments made for the above period i.e. venture wise.

Please treat this as most urgent.

Your faithfully


(R.L.RAMESH RAM)
ASSISTANT COMMISSIONER
(SERVICE TAX :ANTI EVASION)

OFFICE OF THE COMMISSIONER OF CUSTOMS, CENTRAL EXCISE & SERVICE TAX, HYDERABAD-II COMMISSIONERATE, 3RD FLOOR, SHAKAR BHAWAN, L.B.STADIUM ROAD, BASHEERBAGH, HYDERABAD



C.NO.IV/16/474/09-ST(SIV)

DATED: 24 - 8 - 2009

To
Mehta & Modi Homes,
MG Road,
Secunderabad 500 003.

Tel: 040

Sir,

During the course of the survey conducted on your premises by the officers of this Department, in the latter part of the last financial year, Service Tax amounting to **Rs.8,00,000/-** was recovered/detected as unpaid liability.

As further investigations in this connection are underway, it is requested that you may present yourself along with copies of all the relevant documents (including service tax payment details and balance sheets) for the last 5 years, before the undersigned on **18.09.2009**.

Yours faithfully

(R.L.RAMESH RAM)
ASSISTANT COMMISSIONER(SERVICE TAX)
HYDERABAD-II COMMISSIONERATE

Mehta & Modi Homes

5-4-187/3&4, III Floor, M.G. Road, Secunderabad - 500 003.

Ph : 66335551

Date: 02.07.09.

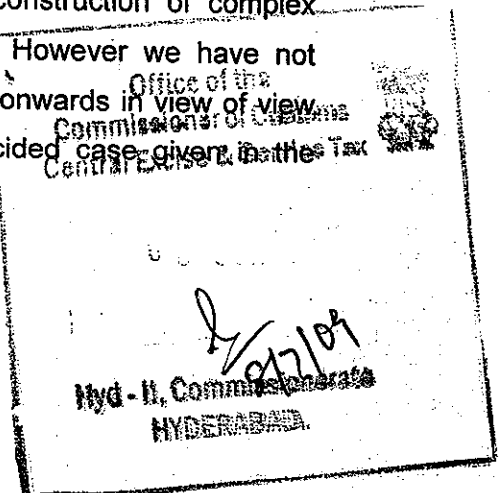
To,
The Superintendent of Service Tax
Hyderabad -II Commissionerate
L. B. Stadium Road, Basheerbagh
Hyderabad - 500 004

Dear Sir,

Sub: Non-filing of ST-3 returns for the half year ended 31.03.2009

Ref: Our STC No. AAJFM0647CST001 and your letter C. No. AAJFM0647CST001 dated 29.05.2009

1. We acknowledge the receipt of the above referred letter on 06.06.2009. We had earlier corresponded with Asst Com of Service Tax (AE) as to non-applicability of service tax liability for our operation.
2. With this regard, we again wish to clarify the above with the brief background of our company for your better appreciation. We are engaged in development of residential projects. The present project is with respect to development and selling of the residential flats. The transaction with the customer shall be as under
 - a. The customer interested in buying the property approaches us.
 - b. We sell the undivided portion of land along with the semi-constructed flat on which applicable stamp duty shall be paid by the purchaser.
 - c. We also enter into the construction/completion agreement with each of such customer for the construction/finishing of the flat.
 - d. The total consideration shall be received in installments, which is generally spread across the period i.e. right from the customer approach and completion of construction.
3. We have paid service tax on the said projects under "construction of complex service"/ "Works Contract Service" upto December 2008. However we have not made any remittance of tax for the month of January 2009 onwards in view of the circular 108/2/2009-ST dated 29.01.2009 and the decided case given in the subsequent points.



Mehta & Modi Homes

5-4-187/3&4, III Floor, M.G. Road, Secunderabad - 500 003.

Ph : 66335551

4. The consideration received for the first part of the transaction is not taxable for the reason
 - a. The transaction is in the nature of sale of immovable property therefore the same is not liable for service tax.
 - b. The construction undertaken is for oneself and there is no distinct service receiver and provider.
5. The above view is as per the Gauhati High Court in case of Magus Construction (P) Ltd., [2008 (11) S.T.R. 225 (Gau.)] and circular no. 108/02/2009-ST dated 29.01.2009.
6. The second part of the consideration is not taxable in view of the recent clarification given vide **circular no.108/02/2009-ST** dated 29.01.2009 clarifies that if the ultimate owner enters into a contract for construction of a residential complex with a promoter / builder / developer, who himself provides service of design, planning and construction; and after such construction the ultimate owner receives such property for his personal use, then such activity would not be subjected to service tax.
7. Instantly in our case, we execute construction for the owner of the semi-constructed flat, where the construction, service of designing and planning is done by our self. On completion of the said construction such owner receives for his/her personal use. Therefore the said circular exactly applies in our case and therefore we are not liable for payment of service tax.
8. Since the personal use exclusion is given in the definition on residential complex definition, there shall be no levy either under Construction of Complex service or under works contract service.
9. Therefore the service provided by us is not covered in the definition of the residential complex given under section 65(91a) of the Finance Act and accordingly no service tax is payable either under construction of complex service or under works contract service. Therefore the entire amount remitted by us has to consider as a deposit and not tax and accordingly we are eligible for refund of the same.

Mehta & Modi Homes

5-4-187/3&4, III Floor, M.G. Road, Secunderabad - 500 003.

Ph : 66335551

10. Further we also wish to clarify that this circular does not states that exclusion is only when the entire complex is being put to use by a single person. Any such notion may not be in line with clarification provided in the circular. This clarification is provided with an intention of construction of residential units only, therefore the same is applicable although the same is put to use by multiple service receiver.
11. In view of the above we have stopped paying service tax with effect from January 2009. Since the service provided by us in not liable for service tax no returns is required to be filed as clarified in the Board Circular no. 97/08/2007 dated 23.08.2007 in Para 6.1.
12. However since some amount has been paid in this regard till December 2008, we are submitting the returns herewith duly filled along with the late filing fee of Rs. 2000/- as prescribed.

We hope our understanding is clear and correct. We would like to request your good self to drop initiating any further proceedings in this regard.

We shall be glad to provide any further information or explanation in this regard. Kindly acknowledge the receipt of the following

Thanking You
Yours truly,

For Mehta & Modi Homes,

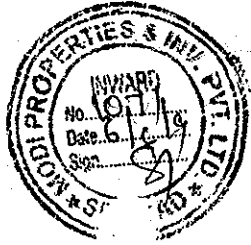


Managing Partner

Encl

1. Copy of Circular No.108/02/2009-ST dated 29.01.2009
2. ST- 3 returns
3. Copy of counterfoil of the payment challan.

OFFICE OF THE COMMISSIONER OF CUSTOMS, CENTRAL EXCISE AND
SERVICE TAX CELL : HYDERABAD II COMMISSIONERATE
3rd FLOOR : SHAKAR BHAVAN : BASHEERBAGH : HYDERABAD – 500 004
PHONE NO 23242543 / 23244519



C.No: AAJFM0647CST001

Dated: 29.05.2009

M/S
To
MEHTA & MODI HOMES
5-4-187/3&4
SOHAM MANSION 3RD FLOOR
M.G.ROAD
500003
Sirs,

Sub : Service Tax – Payment of Service tax and filing of Service Tax
Returns under Section 70 of the Finance Act, 1994 – Reg
Ref : Your registration No AAJFM0647CST001

* * * * *

With reference to the above, it is noticed that you have not filed ST-3 returns.

You are required to file the returns immediately in form ST-3 under Section 70 of Finance Act 1994 read with Rule 7(1) of the Service Tax rules 1994, for half year ending March 2009. Further, in terms of Section 77 of the Finance Act, 1994, failure to submit the Service Tax return in due time attracts a penalty which may extend to Rs. 5000/- and in addition to this penalty, you are liable to pay the late fee not exceeding Rs. 2000/-, by virtue of Section 70(1) of the Finance Act, 1994.

Also, in terms of section 75 of the Finance Act 1994, delay in depositing tax attracts interest @ 13% per annum. In terms of Section 76 of the Finance Act 1994, failure to pay service tax in due time attracts a penalty of Rs.200/- for every day or 2% of the tax per month during which such failure continues but not exceeding the service tax payable. Penalty under section 78 extending up to twice the amount due can also be imposed.

In view of the above, you are requested to pay the service tax as applicable and submit the required ST-3 returns immediately along with original challans, failing which action will be initiated as per law.

This letter is issued without prejudice to any other action that may be initiated against you under the Finance Act, 1994 and the Rules made here under or any other law for the time being force in India.

Yours faithfully,

(Signature)
(K.JAYANTI KRISHNA)
SUPERINTENDENT
SERVICE TAX-GROUP III

Hyderabad,
16.3.2009.

Handwritten signature
16/3/09

To:
The Assistant Commissioner,
Service Tax,
Anti-Evasion, Hyderabad-II Com'te
HYDERABAD.

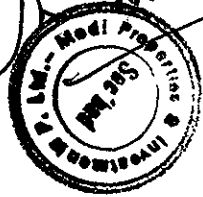
Sir,

Subject: Service Tax liability on construction services – Reg.

I invite your kind reference to the visit today to our premises and proceedings conducted. You and officers have explained about the Service Tax provisions and our liability towards service tax. I have understood the said provisions and I accept my liability. I herewith submit Cheques amounting to Rs.10 lakhs towards Service Tax liability.

Thanking You, Sir

Yours faithfully,

Handwritten signature


NOTE @ cheques sent enclosed

~~NOTE~~

PANCHANAMA

PLACE : At the premises of M/s. Modi Properties and Investiments Pvt. Ltd.,
5-4-187/3 & 4, II floor, M.G.Road, Secunderabad -500 003.

DATE & TIME : 16/03/2009; 1100 hrs onwards

WITNESSES :

1) K. Lakshmi, aged 42 years
D/O. Late K. Krishna
Flat No.302, Venkateswara Apartments,
Chikkadpally,
Hyderabad

2) G.Sreenivasa Murthy, aged 39 years
S/O G. Markandeyulu,
Plot No.5, Madhura Nagar Colony,
Risala Bazar,
Secunderabad - 500 010

Today, i.e. on 16.03.2009, we the above mentioned persons were approached and requested by a team of officers led by the Assistant Commissioner, Service Tax Anti-Evasion, Hyderabad-II Commissionerate who after identifying themselves to us, requested us to be witnesses to certain official proceedings to be conducted by them. We agreed to the same and accompanied the officers to the premises at the address mentioned above. At the time of our entry along with the officers, one person who identified himself as Sri Soham Modi, Managing Director of M/s. Modi Properties & Investiments Pvt. Ltd. was present. The officers identified themselves and introduced us to Sri Soham Modi and showed him a Search Warrant issued by the Commissioner, Service Tax, Hyderabad-II Commissionerate, requiring and authorizing them to search the premises in connection with the proceedings under the Finance Act, 1994. Sri Soham Modi perused the Search Warrant and appended his dated signature thereon in token of having seen the same. We, the witnesses also appended our dated signatures thereon as a token of identification. Thereupon, the officers thoroughly searched the premises and found certain documents and recovered the same and kept in a made-up file containing 127 pages serially numbered manually from 01 to 127 on reasons to believe that the same were relevant for their proceedings under the Finance Act, 1994. The officers, thereupon, completed the search which was conducted without causing any harm/damage to any person/property. The officers did not recover or seize any other thing/document other than those mentioned above. Before commencing the search and again after

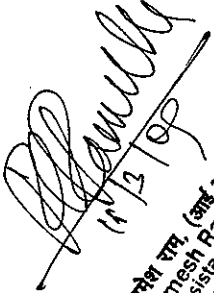
1) K. Lakshmi
16/03/09


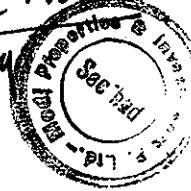
2)

G. Sreenivasa Murthy
16/3/09

completing the search and before leaving the premises, the officers offered themselves for personal search, which was politely declined by Sri Soham Modi. This panchanama, typed by one of the officers on the Computer system available in the premises and printout taken as per our request and as per our narration of the proceedings witnessed by us, concluded at 1800 hrs on 16/03/2009.

- 1) K. Lakshmi 16/3/09
- 2) [Signature] 16/3/09


16/3/09
श्री. एच. राम राम, (आ. अ. ए.)
R.L. Ramesh Ram (IRS)
आ. अ. ए. / Assistant Commissioner
द्वारा II अंश, Service Tax Anti-Evasion,
Hyderabad II Commissionerate, Hyderabad-500 004.


16/3/09


Hyderabad,
16.3.2009.

To:
The Assistant Commissioner,
Service Tax,
Anti-Evasion, Hyderabad-II Com'te
HYDERABAD.

Sir,

Subject: Service Tax liability on construction services – Reg.

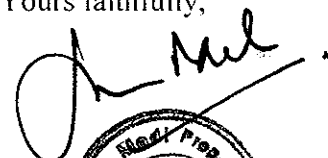

* * *

I invite your kind reference to the visit today to our premises and proceedings conducted. You and officers have explained about the Service Tax provisions and our liability towards service tax . I have understood the said provisions and I accept my liability. I herewith submit the following Cheques towards Service Tax liability.

- 1) Cheque No.326716 Dt. 16.3.2009 for Rs. 50000/-
- 2) Cheque No.326717 Dt. 16.3.2009 for Rs. 50000/-
- 3) Cheque No.326718 Dt.16.3.2009 for Rs. 50000/-
- 4) Cheque No.326719 Dt.16.3.2009 for Rs. 50000/-
- 5) Cheque No. 326720 Dt.16.3.2009 for Rs.50000/-
- 6) Cheque No. 326721 Dt. 16.3.2009 for Rs.50000/-
- 7) Cheque No. 340323 Dt. 16.3.2009 for Rs.100000/-
- 8) Cheque No.369508 Dt. 22.3.2009 for Rs.50000/-
- 9) Cheque No. 369509 Dt. 22.3.2009 for Rs.50000/-
- 10) Cheque No. 369510 Dt. 22.3.2009 for Rs.50000/-
- 11) Cheque No. 369511 Dt. 22.3.2009 for Rs.50000/-
- 12) Cheque No. 369512 Dt. 22.3.2009 for Rs.50000/-
- 13) Cheque No. 369513 Dt. 22.3.2009 for Rs.50000/-
- 14) Cheque No. 155463 Dt. 16.3.2009 for Rs.100000/-

Thanking You, Sir

Yours faithfully,

Mehta & Modi Homes

5-4-187/3&4, III Floor, M.G. Road, Secunderabad - 500 003.

Ph : 66335551

To,
The Asst Commissioner,
Service Tax: Anti Evasion,
Office of The Commissioner of Customs,
Central Excise & Service Tax,
Hyderabad II Commissionerate,
Hyderabad , A.P.

Date: 12.03.2009

- Ref.: 1. Your summon dated 27.1.09 bearing no. HQST No. 15/2009ST AE.
2. Circular No. 108/02/2009 issued by the Central Board of Excise and Customs dated 29.01.2009.
3. Clarification issued by The Joint Commissioner, Service Tax on 21.01.2008

Dear Sir,

Mr. Shankar Reddy -- Admin Manager has produced the relevant documents requested by you in reference 1 from time to time, as per your request, over the last several weeks. Mr. Shankar Reddy has also explained in detail the method adopted for computing service tax. In any case, please find enclosed the copy of challans showing proof of payment of service tax along with copies of ST3 returns filed for the period 1.06.2006 to 31.12.08. Please write to us if any further clarification are required


You are aware that there is a great deal of uncertainty regarding the applicability and method of computation for payment of service tax by builders. We have paid service tax on advances received from purchasers as per our understanding of applicability of service tax, after regular consultation with our counsel and also in consultation with the Excise Department. The Excise Department had issued clarification regarding applicability of service tax (Reference 3 above) and we have been following the same. Upto date service tax payments have been made upto 31.12.08.

Vide circular given in reference 2. The Central Board of Excise and Customs has clarified that the builders, promoters and developers are not liable for payment of service tax under the circumstances mentioned in the said circular. We are developing flats/independent houses by providing our own design, planning and construction and the prospective purchaser is purchasing units in our projects by way of an agreement of sale. Therefore, as per circular given in reference 2, we are not liable for payment of service tax.

Under the circumstances we request you to please drop any proceedings as mentioned in your summons (Reference 1). Further, we wish to withdraw our service tax registration. We request you to please do the needful. We are willing to provide any further details or documents that you may require.

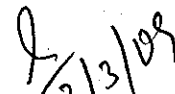
Thank You.

Yours sincerely,
For MEHTA & MODI HOMES.


Sakam Modi.

Office of the
Commissioner of Customs
Central Excise & Service Tax




13/3/09

Hyd - II, Commissionerate
HYDERABAD.



Ph: 040- 2323 1481

OFFICE OF THE COMMISSIONER OF CUSTOMS, CENTRAL EXCISE &
SERVICE TAX ::HYDERABAD II COMMISSIONERATE:: SHAKAR BHAVAN
L.B.STADIUM ROAD:: BASHEERBAGH:: HYDERABAD-500 004.

S U M M O N S

(Under Section 14 of the Central Excise Act, 1944 made applicable to Service Tax
under Section 83 of Finance Act, 1994)

HQST NO.15/2009 ST AE

Date: 27.01.2009.

To

M/s. Mehta & Modi Homes,
5-4-183/3 & 4,
Soham Mansion,
MG Road,
Sec 11, Hyderabad.

* * * * *

Whereas an investigation against you about non-payment/evasion of Service Tax/contravention of the provisions of Finance Act, 1994 and Rules made there under is being inquired by me /under my orders.

And whereas I have reasons to believe that you are in possession of facts or/and documents and things which are relevant to the above inquiry.

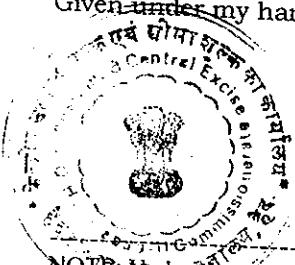
You are hereby summoned under Section 14 of the Central Excise Act, 1944 made applicable to Service Tax matters under Section 83 of the Finance Act, 1994 to appear before me in person on the **9th day of February, 2009 at 14.30 Hrs** in my office situated at III Floor, Shakkar Bhavan in the office of the Commissioner of Customs and Central Excise, L.B. Stadium Road, Basheerbagh, Hyderabad -500 004 to give evidence truthfully on such matters concerning the enquiry as you may be asked and to produce the documents and things mentioned in the schedule below.

If you fail to comply with this summons and intentionally avoid to attend or to give evidence and to produce the documents and things, without a lawful excuse, you will be liable to be punished under the provisions of section 174 & 175 of the Indian Penal Code. **Penal provisions are applicable under Section 77 of the Finance Act, 1994 for delay in submission of documents/information within stipulated date/time specified above.**

SCHEDULE

1. Details of works carried out / amounts received towards rendering taxable services for the period from 16.06.2005 to 31.12.2008.
2. Details of Bank statements for the relevant period.
3. Balance Sheets for the years 2005-06, 2006-07 & 2007-08.
4. Details of service Tax payments, if any, made for the relevant period.
5. Copies of GAR Challans and ST-3 returns filed, if any, for the relevant period.

Given under my hand and seal of office today the, 27th day of January, 2009.



(R.L. RAMESH RAM)
Assistant Commissioner
Service Tax ::Anti Evasion

NOTE: Under Clause 3 of Sec 14 of Central Excise Act, 1944, the above inquiry is deemed to be 'Judicial proceedings' within the meaning of Sec 193 and Sec 228 of Indian Penal Code, 1860 according to which giving intentional false statement in any stage of proceedings punishable under Sec 193 and intentional insult or interruption to public servant sitting in any stage of proceedings punishable under Sec 228 of IPC, 1860.

Mehta & Modi Homes

5-4-187/3&4, III Floor, M.G. Road, Secunderabad - 500 003

Ph : 66335551

To
The Branch Manager,
State Bank of Hyderabad,
R.P. Road Secbad.

Dear Sir,

Subj:- Remittance of Service Tax for
the period July-06 to Sept-06. By

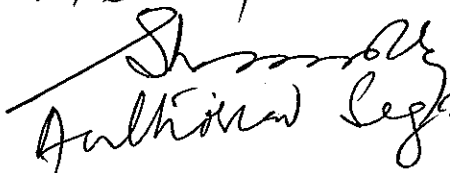
Ref:- Our code no. AAJFM064720001.

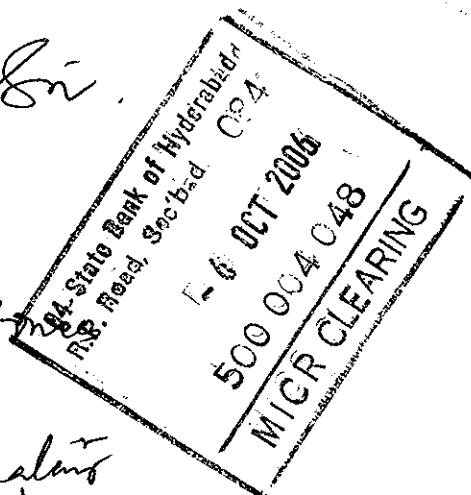
With reference to the above, please
find enclosed a cheque Rs 12,69,669/-

towards Service Tax for the quarter
starting July-06 to Sept-06. Please acknowledge
and receipt of the same.

Thanking you Sir.

Yours Obedt.

For Mehta & Modi Homes

Authorized Signatory



Mehta & Modi Homes

5-4-187/3&4, III Floor, M.G. Road, Secunderabad - 500 003

Ph : 66335551

To
THE BRANCH MANAGER,
STATE BANK OF HYD.
R.P. ROAD, SEC'BAD.

Dear Sir

○ Subj:- Submission of Service Pan Challans.
- Reg.

Reg:- our Reg. No. AAJFM08647CST001

with reference to the above, Please

find enclosed a cheque of Rs 4,19,538/-

towards Service Pan for the quarter

April - 01 to June - 01. Please acknowledge

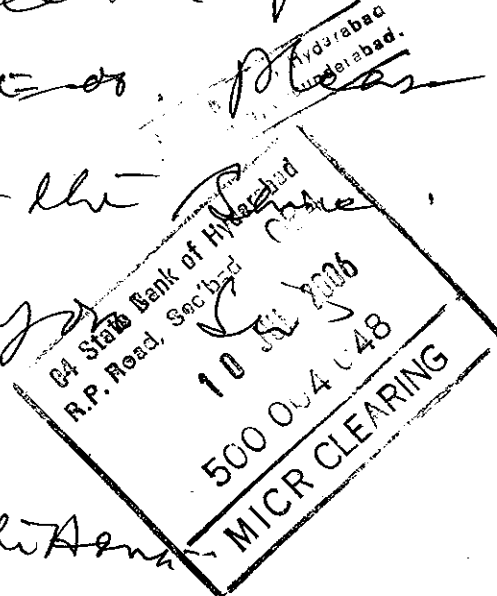
and receipt of the

Thanking you

Yours truly

Jr Mehta & Modi Homes

Jr Mehta & Modi Homes



Mehta & Modi Homes

5-4-187/3 & 4, III Floor, M.G. Road, Secunderabad - 500 003.
Phone : 55335551

27/03/06

To

The Branch Mgr.
SRA R.P. Road.
Secbad.

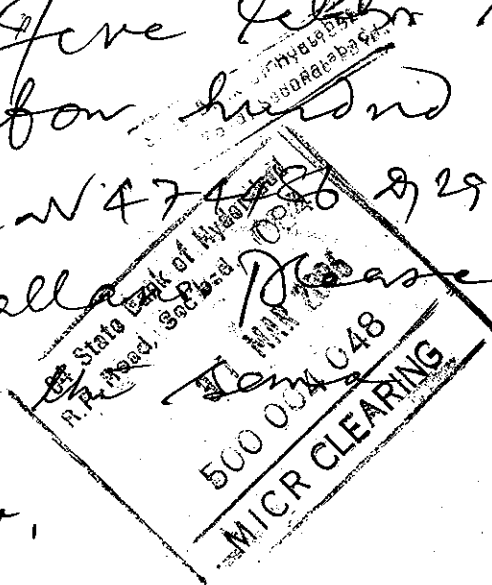
Dear Sir

Subj: Submission of Service Tax
Challan - Reg.
Ref: on S.T code no AAS PM 0644e
- 50001.

Please find enclosed a cheque
of Rs 5,31,447 (Five Lakhs thirty
one thousand four hundred and
seventy seven only) vide N 474286 dated 29/03/06,
along with Challan. Please acknowledge
and receipt of the same.

Thanking you,

Yours faithfully
for Mehta & Modi Homes
S. R.





केन्द्रीय उत्पाद एवं सीमा शुल्क आयुक्त
OFFICE OF THE COMMISSIONER OF CENTRAL EXCISE AND CUSTOMS
HYDERABAD-II COMMISSIONERATE: HYDERABAD

C.No:IV/16/41/2006-COM/CCS

Date: 3-3-2006



To

M/s Mehata & Modi Homes
5-4-187/3&4
Soham Mansion, 3rd Floor
M.G.Road, Secunderabad
PIN - 500003

Dear Sir,

Sub: Service Tax – certain clarification in respect of construction of complex services – Reg.

Please refer to your written Queries submitted on construction of complex services during course of meeting held with the Chief Commissioner of Customs & Central Excise, Hyderabad Zone, Hyderabad on 2.3.2006.

Before answering queries, the taxability of construction of complex services is briefly detailed below for guidance:

- (i) This service was brought under Service Tax by the Finance Act, 2005 with effect from 16.6.2005.
- (ii) The definition of construction of complex service is given under clause(30 a) of Sec.65 of the Finance Act, 1994.
- (iii) The definition of taxable services provider by the service provider in relation to construction of complex is given under clause 105(zzb) of Sec 65 of the Act.
- (iv) The value of taxable service in relation to construction of complex service provided or to be provided by the service provider shall be the gross amount charged from any person in relation to such service as per Sec 67 of the Act.
- (v) Vide Notifn No.18/2005-ST dated 7.6.2005 with effect from 16.6.2005, the value of taxable service shall be limited 33% of the gross amount charged. The abatement of 67% under this notification shall be available only when there is composite contract for the construction of complex service i.e gross amount charged includes the value of goods and material supplied or provided or used by the provided of such service.

However, such abatement is not available if such services are provided only for completion and finishing services in relation to residential complex (See sub clause (b) of clause 30(a) of Sec. 65)

However, notification 18/2005-ST provides option to avail abatement and pay service tax only on 33% of the gross amount charged subject to fulfilment of conditions specified in the notification.

3. In the above back ground, the queries are clarified as under.

Query 1: whether service tax is payable on the cost of land and registration charges.

Reply: As explained vide para 2(vi) supra, the cost of land and stamp duty paid for registration of land would not include the taxable value.

Query 2: What is the taxable value for payment of service tax in a situation when 60% of consideration for semi finished construction which includes undivided or divided share of land and 40% of consideration is for construction:

Reply: 40% consideration relating to construction is a taxable service. The 60% consideration excluding land value and registration charge of such land shall be the taxable value.

Query 3: Whether abatement of 67% for the service tax payable on construction of residential house can be availed as per notification No.15/2004 ST

Reply: The exemption of 67% of gross amount under Notifn. No.15/2004 ST dated 10.9.2004 is available to construction service (renamed as commercial or industrial services w.e.f 16.6.2005) but not to the construction of complex service wch is taxable with effect from 16.6.2005.

Query 4: Confirm whether abatement provided under Notn No.18/2005 cannot be availed for completion and finishing services.

Reply: Yes, the explanation given para 2(v) above may be referred to.

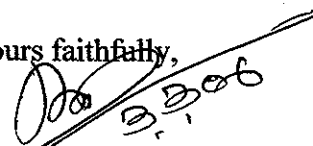
Query 5: What is completion and finishing services? Whether 60% of consideration towards cost of land value and semi-finished consideration and 40% of consideration for construction could fall under completion and finishing services.

As per sub-clause (b) of clause (30a) of Sec 65, completion and finishing services in relation to construction of complex means – “ completion and finishing services in relation to residential complex such as glassing, plastering, painting, floor and wall filing, wall covering and wall papering, wood and metal joinery and carpentry, fencing and railing, construction of swimming pools, acoustic applications or fittings and other similar services”.

The nature of construction involved in the query does not fall under the definition of “Completion and finishing” services.

The above clarification is given with the approval of Commissioner.

Yours faithfully,



Mehta & Modi Homes

5-4-187/3 & 4, III Floor, M.G. Road, Secunderabad - 500 003.
Phone : 55335551

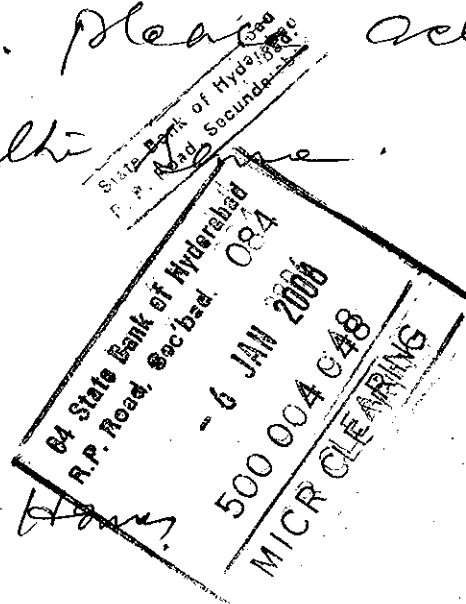
To
The Branch Manager
State Bank of Hyd,
R.P. Road Sec'bad

Dear Sir,

Sub: Payment Service Pan - Ref.
Ref. on S.F. Coler AATFM 0647C-ST001.

With reference to the above, please
find enclosed challans and a cheque
of Rs 1,00,470/-N. Please acknowledge
and receipt of the same.

Thank you
your sincere
for Mehta & Modi Homes
A Reddy



ABSTRACT
MEHTA & MODI HOMES

Service Tax Payable as on 31 Dec'05 Rs.2,13,783/- ✓
1st Quarter Paid Amount Rs 1,06,908/- ✓
S.T.Payable Rs. 1,06,875/- ✓

Credits

Rs.1556/- Paid to Kulkarani ✓
Rs.3890/- Paid to Kulkarani ✓
Rs.246/- Tata Telephone Bill
Rs.199/- Tata Telephone Bill
Rs.70/- Tata Telephone Bill
Rs.75/- Tata Telephone Bill
Rs.52/- Tata Telephone Bill
Rs.50/- Tata Telephone Bill
Rs.268/- BSNL Bill
Rs.6,398/- Total

Net S.T. Payable - Rs.1,06,875/- - Rs.6,398/- = 1,00,470/-

SR
SR
5/1/06.

To THE COMMISSIONER GENERAL CUSTOMS
CALCUTTA, HYD-D, Hyd.

Mehta & Modi Homes

5-4-187/3 & 4, III Floor, M.G. Road, Secunderabad - 500 003.
Phone : 55335551

D/21/05

To

The Branch Manager,
State Bank of A.P.
A.P. Road, Sec'bad

Dear Sir,

Sub: Submission of Service Tax Challans - Reg.

Ref: Our Service Tax Reg. No. AAJFM0649CSFO01

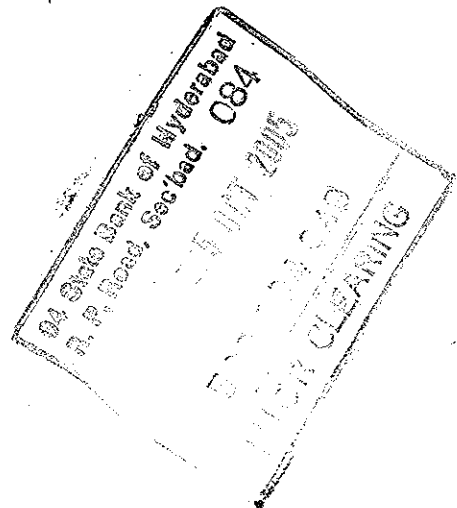
With reference to the above please find enclosed Service Tax Challan for the quarter

Pls sep-out along with a cheque vide no 17033571 of Rs 1,06,323=00. Please acknowledge receipt of the same.

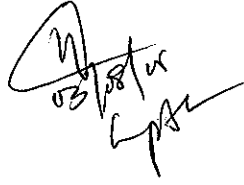
Thank you.

Yours Truly
for Mehta & Modi Homes

[Signature]



SMLK Bhawan 6th Floor, 7/14

03/08/05
LPA

Date: 19-7-05

To
The Commissioner,
Central Excise & Custom,
Hyd - II, Hyderabad.

Dear Sir,

Sub: Submission of Form - ST - 1 for getting Registration - Reg.

With the subject cited above, we are herewith submitting ST - 1 for getting Registration of Service Tax with effect from 1-7-05, please do the needful and oblige.

Thank you,

Yours truly,


For MIEBTA & MODI HOMES

CA Sreeni

FORM ST - 1
Application for Registration under Section 69 of the
Finance Act, 1994 (32 of 1994)

1	Name of the assessee	Mehta & Modi Homes
2	Address of the assessee	5-4-187/3&4, Soham Mainson, 3 rd Floor, M.G. Road, Secunderabad - 500 003.
2A	PAN number	AAJFM 0647 C
3	Address of the premises to be registered	5-4-187/3&4, Soham Mainson, 3 rd Floor, M.G. Road, Secunderabad - 500 003.
4	Category of the service	Construction (RESIDENTIAL)
5	Fax/Telex and phone number	040-55335551/52 Fax: 040-27544048
6	Form Of Organisation (individual/company/partnership etc.)	Partnership
7	Additional Information Required in The case of stock broker	NA
	(a) Name of the Member, with Code No.	
	(b) Name of stock exchange registered with	NA
	(c) Date of admission of membership	NA
	(d) Whether member of more than one stock exchange? If so, please give name of the stock exchange with code number	NA
	(e) Registration number allotted by Securities and Exchange Board of India (copy of certificate of registration may be enclosed or a copy of application for registration with SEBI may be enclosed)	NA

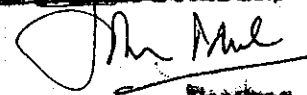
8. I/We SOHAM MODI agree to abide by all the provisions of Service Tax Rules, 1994 and any order issued thereunder.

9. I/We SOHAM MODI declare to the best of my/our knowledge and belief that the information furnished herein is true and complete.

Place : 18/7/08

Date : Hyderabad

For Mehta and Modi Homes


Partner