F.No.V/01/GST/78/2020/Gr-12/Cir-I

MODI PROPERTIES PVT. LTD. SEC'BAD INWARD No. 64 Date 24/7/21 Sign

केंद्रीयकरआयुक्तकाकार्यालय :: लेखापरीक्षा-IIआयुक्तालय
OFFICE OF THE COMMISSIONER OF CENTRAL TAX
AUDIT-II COMMISSIONERATE
DOOR NO. 1-98/B, PLOT NOS. 20 &21 SANVI YAMUNA PRIDE:
KRITHIKA LAYOUT, MADHAPUR, HI-TECH CITY, HYDERABAD-500081

C.No. V/01/GST/78/2020-Gr.12/Cir-I Date: 11.06.2021

DIN NO: 20210156YS000000ACAA

अनुलग्नकANNEXURE – X

अंतिमलेखापरीक्षारिपोर्टस. Final Audit Report No.815/2020-21-GST

Sub:-Sub:-GST –Audit conducted on the accounts M/s. VILLA ORCHIDS LLP Secunderabad, Telangana-500003covering the period from 07/2017 to 03/2019-Reg.

भाग– I Part – I

1.	करदाताकानामवपता Name & Address of the Taxpayer	M/s. VILLA ORCHIDS LLP 2ND Floor,5-4-187/3 and 4, Soham Mansion, M.G.Road, Secunderabad, Hyderabad Telangana-500003.
2.	मुख्यकार्यालय,क्षेत्रीय/शाखाकार्यालयआदि Head Office, Regional/Branch offices	-do-
3.	करदाताकीस्थिति Status of the taxpayer	Limited Liability Partnership
4.	अधिकारक्षेत्रआयुक्तालय/मण्डल/रेंज Jurisdictional Commissionerate / Division / Range	Secunderabad GST Commissionerate, SecunderabadGST Division, Ramgopalpet-III GST Range.
5.	दीगई/ प्राप्तकरयोग्यसेवाओंकेनाम(रिवर्सचार्जमकेनिज़्मकेअंतर्गतसेवा करकानगदभुगतान) Name of taxable Goods/Services provided / received (in case of payment of GST under reverse charge mechanism)	Construction of Residential Complex Service (HSN 9954).
6.	GST Reg. No.	36AANFG4817C1ZH
7.	अंतिमलेखापरीक्षाकीतिथि Date of last audit	First Audit.
8.	अवधिजिसकेलिएवर्तमानलेखापरीक्षाकीगई Period for which current Audit undertaken	July 2017 to March 2019
9.	लेखापरीक्षाकीतारीखें Dates on which audit undertaken	27.02.2021, 01.03.2021, 02.03.2021 and03.03.2021.
10.	लेखापरीक्षकोंकेनाम Names of the Auditors	सर्वश्रीS/Shri 1. D.Subhash, Superintendent, 2. K.Santhi Sekhar, Superintendent 3. Manoj Kumar Verma, Inspector
11.	Total amount detected	GST Rs.3,19,89,578/- (CGST Rs.1,59,92,845/- + SGST Rs.1,59,92,845/-) + Interest and Penalty

लेखापरीक्षाकेपरिणामकासारांश /SUMMARY OF AUDIT RESULTS

[लेखापरीक्षाकेदौरानचिन्हितमहत्वपूर्णवठोसगैरअनुपालनामामलोंकीरूपरेखाप्रदानकरें]
[PROVIDE AN OUTLINE OF IMPORTANT AND MATERIAL NON-COMPLIANCE ISSUES IDENTIFIED DURING THE AUDIT]
महत्वपूर्णवठोसगैरअनुपालनाकेचिन्हितकिएगएमामलेऔरउनपरकरदातोंकीप्रतिक्रियानिम्नसारणीमेंदीगईहै।

The important and material non-compliance issues identified and reaction of the tax payer is indicated in the table given below: -

ऑडिटपैरा नं. Audit Para No.	आपत्तियोंकासार Gist of objections Attested write-up/workings may be enclosed if warranted	राजस्वआलिप्तता,यदिकोई(रु.में)Revenue Implications, If any (in Rs.)	करदाताकीसहमतिहाँ/नहीं,यदिअसहमतिकाकोईकारणनहोतो Tax payer's Agreement Yes/No, If no reasons for Disagreement	विभागकानिष्कर्षकारणसहित Department's conclusion with reasons; MMC date & decision
1.	Non payment of GST under RCM on Brokerage/ Commission paid to un- registered persons (Rs.3,060/-)	GST Rs.3,060/- along with applicable interest and penalty.	Yes	Admitted in MMCM held on 09.04.2021.
2	Interest to be paid on Delayed filing of GSTR-3B Returns for the Months July17, Aug,17 and Oct,17.	Interest amount Rs.827/- and applicable penalty.	Yes	Admitted in MMCM held on 09.04.2021.
3	Non- payment GST on Advances received in FY. 2017-18 and 2018-19.	GST Rs.3,19,89,578/- (CGST 1,59,92,845/- + SGST 1,59,92,845/-)	No	Admitted in MMCM held on 09.04.2021.

1) Non payment of GST under RCM on Brokerage/Commission paid to Un registered persons (Rs.3,060/-):

On scrutiny of GST Returns with Balance sheet and Ledgers it is observed that the Tax Payer has not discharged Tax of Rs.3,060/- on payment made to un-registered persons under RCM for the period 01.07.2017 to 12.10.2017 as per Notification No.8/2017- Central Tax Rate Dt.28.06.2017.The details are as under:

Month	Value(Rs)	CGST @9%	SGST @9%	Total GST Payable (Rs)
Jul-17	8500	765	765	1530
Aug-17	8500	765	765	1530
TOTAL	17000	1530	1530	3060

Therefore, it is requested that the tax amount of Rs.3,060/- may be discharged along with applicable interest under Section 50 of the CGST Act,2017 and applicable penalty in terms of Section 74(5) of the CGST Act,2017 may be paid and compliance submitted to the audit immediately.

On being pointed out, the Tax Payer agreed with the audit objection and sought time for payment of Tax.

Decision taken in the MMCM: Para was admitted in the Monthly Monitoring Committee Meeting for the month of March'2021 held on 09.04.2021 and directed the SAG to recover the above Tax or issue SCN.

2) Interest for Rs. 827/- on delayed filing of GSTR-3B Returns for the months July-2017,August,2017 and October-2017:

On Verification of GSTR-3B Returns filed by the party, it is observed that there is a delay in filing of GSTR-3B returns for the months July,17, Aug,17 andOct,17 as detailed hereunder:

MONTH	Cash paid(Rs)	DUE DATE	FILED DATE	DELAY	INTEREST @18%
Jul-17	188774	25-08-2017	02-09-2017	5	466
Aug-17	48092	20-09-2017	03-10-2017	13	308
Oct-17	4008	20-11-2017	17-12-2017	27	53
TOTAL					**827**

The tax payer is liable to pay interest amount of Rs.827/- along with applicable penalty under Section 125(5) of CGST Act,2017.

On being pointed out the Tax Payer agreed to pay the interest amount of Rs.827/-. However, they are not agreeing to pay the penalty under Section 125(5) of CGST Act,2017.

Decision taken in the MMCM: Para was admitted in the Monthly Monitoring Committee Meeting for the month of March'2021 held on 09.04.2021 and directed the SAG to recover the above Tax or issue SCN.

3) Non-payment of GST on Advances received in FY.2017-18 and 2018-19:

As per Section 13 of CGST Act,2017, reproduced below:

'' *Section13.Time of supply of services.*

1) The liability to pay tax on services shall arise at the time of supply, as determined in accordance with the provisions of this section.

2) The time of supply of services shall be the earliest of the following dates, namely:-

1.the date of issue of invoice by the supplier, if the invoice issued within the period prescribed under sub-section (2) of section 31 or the date of receipt of payment, whichever is earlier; or

2.the date of provision of service, if the invoice is not issued within the period prescribed under sub-section (2) of section 31 or the date of receipt of payment, whichever is earlier; ''

The details are as under.

	FY.2017-18	FY.2018-19	TOTAL (Rs)
SALES AS PER P&L	198345402	204489452	402834854
TURNOVER AS PER GSTR 9C	206465103	206601387	413066490
AMOUNTS RECEIVED THROUGH CHEQUES.	116714926	298469294	**415184220**

	FY.2017-18	FY.2018-19	TOTAL (Rs)
NON-GST /EXEMPTED SUPPLY(Sale of Land)	144185500	2257500	146443000
TAXABLE SUPPLY (INCLUDING TAX)i.e. Construction Service	8781302	82261636	91042938
		TOTAL	237485938

During the period 2017-18 and 2018-19 it is observed that the taxpayer has received an amount of Rs.41,51,84,220/- through cheques. Out of this amount, the taxpayer has paid tax on the taxable value of Rs.7,71,55,032/- at the rate of 18%.The taxpayer has claimed Rs.14,64,43,000/-towards exempted Sales (Sale of Land).Thus the taxpayer has not paid Tax on the differential Turnover of Rs.17,76,98,282/- which works out to Rs.1,59,92,845/-(CGST @9%) and SGST Rs.1,59,92,845/- @9%.

The details are as under:

(Rupees

Total receipts during FY 2017-18 and 2018-19	41,51,84,220
Invoice raised during FY 2017-18 and 2018-19 against Sale of land.	14,64,43,000
Tax already paid during 2017-18 and 2018-19 (including tax) taxable value Rs.7,71,55,032/-)	91042938
Differential amount for Construction service	17,76,98,282

In view of the above, the tax payer is liable to pay tax amount i.e., CGST Rs.1,59,92,845/- @9% and SGST Rs.1,59,92,845/- @9% on taxable value of Rs.17,76,98,282/- along with applicable interest and penalty.

Decision taken in the MMCM: Para was admitted in the Monthly Monitoring Committee Meeting for the month of March'2021 held on 09.04.2021 and directed the SAG to recover the above Tax or issue SCN.

रविन्द्र लालजैस्वाल
11.06.2021
(RAVINDRA LALJAISWAL)
ASSISTANT COMMISSIONER
CIRCLE – I

To,
M/s. VILLA ORCHIDS LLP,2[ND] Floor,5-4-187/3 and 4,
Soham Mansion, M.G.Road,Secunderabad, Hyderabad
Telangana-500003.

1. The Commissioner of Central Tax & Customs, Secunderabad Commissionerate, Hyderabad.
2. The Additional Director General Audit, Central Tax and Customs, Hyderabad.

Copy to:
1) The Deputy/Assistant Commissioner of Central Tax, (MIS), Audit-II Commissionerate.
2) The Deputy/Assistant Commissioner of Central Tax, Secunderabad GST Division, SecunderabadCommissionerate.
3) The Superintendent of Central Tax, Ramgopalpet-III GST Range, Secunderabad GST Division,Secunderabad GST Commissionerate.