केंद्रीयकर: लेखापरीक्षा-II आयुक्तकाकार्यालय
OFFICE OF THE COMMISSIONER OF CENTRAL TAX
AUDIT – II COMMISSIONERATE
DOOR NO.1-98/B/20, 21 :: SANVI YAMUNA PRIDE :: KRITHIKA LAYOUT
MADHAPUR :: HITECH CITY :: HYDERABAD :: हैदराबाद – 500081

C.No. V/01/GST/78/2020-Gr.12/Cir-I
DIN-20210156YS000000ACAA

Date:08.04.2021

To
M/s. VILLA ORCHIDS LLP
2ND Floor,5-4-187/3 and 4,
Soham Mansion, M.G.Road,
Secunderabad, Hyderabad
Telangana-500003.
GSTIN: 36AANFG4817C1ZH

Gentlemen,

Sub:-GST –Audit conducted on the accounts M/s. VILLA ORCHIDS LLP Secunderabad, Telangana-500003-Certain discrepancies –Reg.

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With reference to the above subject, it is to inform that the records of your unit were audited on27.02.2021, 01.03.2021, 02.03.2021and 03.03.21 and this office letter dated 27.03.2021.

In continuation to this office Letter dated 27.03.2021 (pi refer 3rd point), it is further to inform you that the tax liability is arrived on the Non-payment of GST on Advances received in FY.2017-18 and 2018-19:

**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, it appears that you are 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 and compliance may be furnished to the audit.

**Yours Sincerely,**

08/4/21

(K.Santhi Sekhar)

**AC (In situ) GROUP-12**

**CIRCLE -I: AUDIT -II COMM'TE**