Hiregange & Associates
Chartered Accountants

Dated: 17.02.2021

To

The Commissioner of Central Tax,
Secunderabad GST Commissionerate,
GST Bhavan, L.B.Stadium,
Basheerbagh,
Hyderabad – 500 004.

Dear Sir,

Sub: Submission of reply to Show Cause Notice dated 21.12.2020
Ref: Show Cause Notice O.R. No. 19 /2020-21- Sec- Adjn. —COMMR (ST) dated 21.12.2020 issued to M/s. Nilgiri Estates.

1. We have been authorized by M/s. Nilgiri Estates to submit a reply to the above referred show cause notice and represent before your good office and to do necessary correspondence in the above referred matter. A copy of authorization is attached to the reply to the Show Cause Notice.
2. In this regard, we are herewith submitting the Reply to SCN, authorization letter and other annexure referred in the reply along with this letter.

We shall be glad to provide any other information in this regard. Kindly acknowledge the receipt of the reply and post the hearing at the earliest.

Thanking You.
Yours faithfully,

For Hiregange & Associates
Chartered Accountants

Venkata Prasad P
Partner

Office of the Commissioner of Central Tax & Customs
18 FEB 2021
Secunderabad GST Commissionerate

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BEFORE THE COMMISSIONER OF CENTRAL TAX, SECUNDERABAD GST COMMISSIONERATE, GST BHAVAN, L.B. STADIUM ROAD, BASHEERBAGH, HYDERABAD – 500 004

Sub: Proceedings under Show Cause Notice O.R. No. 19 /2020-21- Sec-Adjn. —COMMR (ST) dated 21.12.2020 issued to M/s.Nilgiri Estates

Facts of the case:

A. M/s. Nilgiri Estates (here-in-after referred to as "Noticee") 5-4-187/3 & 4, 2nd Floor, M.G.Road, Ranigunj, Secunderabad-500003 is a partnership firm *inter alia* engaged in real estate business and registered for service tax vide STC. AAHFN0766FSD001 and migrated to GST vide GSTIN 36AAHFN0766F1ZA w.e.f 01.07.2017.

B. Noticee is the owner of land situated at Ac. 10-06 gts., is Sy. No. 100/2, Rampally Village, Keesara Mandal, Medchal, Malkajgiri District and during the subject period, Noticee has executed the project namely 'Nilgiri Estate' involving the construction & sale of 'Villas' on such land.

C. Noticee has obtained the building permit for Construction of Villa No's. 1 to 79, on part of the land in March, 2015 along with a small residential complex of flats. Subsequently, building permit was revised in October, 2016 wherein the total of 188 villas were proposed to be constructed along with other amenities and facilities. The small residential complex of flats which was proposed to be constructed was deleted and in its place 4 villas were constructed bearing no's. 80A to 80D.

D. The construction of 1 to 79 villas, referred to as Phase I were completed by June, 2017. Application for occupancy certificate was made on 02nd May, 2018. The Villa No's. 80A to D and Villa no. 81 to 185 constitute phase II.

E. Phase I sales were made as a composite unit with land and villa constructed thereon and service tax was paid on the entire consideration after availing abatement of 75%/70% in terms of Sl. No. 12 of Notification No.26/2012-ST dated 20.06.2012. Out of 79 villas, 78 villas were sold prior to 1-7-2017 in the service tax regime. These villas were sold as a

composite unit (land + construction). The total sale consideration for these 78 villas is Rs. 23,87,30,000/- and the consideration for Villa No. 72 which was sold on 01.12.2017 was Rs. 39 lakhs and no service tax is payable on it as the construction was completed before sale. The liability of service tax at different rates for the said consideration after abatement was discharged.

F. Noticee has not availed any CENVAT Credit on inputs materials during the period April 2015 to June 2017 and only availed CENVAT credit on input services. However, Noticee has erroneously disclosed the CENVAT Credit availed on input services as CENVAT credit availed on inputs while filing ST-3 returns. CENVAT Credit statement along with corresponding ledgers, invoice copies are enclosed as Annexure __.

G. Noticee collects the following amounts from the customers towards construction & sale of 'Villa' as per the terms of the agreement entered:

Sl. No	**Nature of receipt**	**Collected towards**
1	Villa sale price	Construction & sale of 'Villa' including land
2	Corpus fund	The amount collected towards corpus fund was transferred to M/s. Nilgiri Estate Owners Association, a registered society responsible for maintaining common amenities of the project
3	VAT (sales tax)	Sales tax levied on the sale of 'Villa' under A.P VAT Act, 2005
4	Stamp duty and Registration Charges	Paid on sale value of villa in accordance with State Stamp Act to the Government at the time of registration
5	Electricity consumption charges	Electricity charges were paid for completed villas that were lying vacant on behalf of the purchasers and debited to their account. These charges were later recovered from such purchasers

The service tax on the amounts shown at Sl. No. 2 to 5 was not paid as the same are mere reimbursement of the expenses/statutory payments made on behalf of the customers. The receipt of the aforesaid amounts was duly disclosed in ST-3 returns.

H. The turnover declared in ST-3 returns is on receipt basis in terms of Rule 3 of Point of Taxation Rules, 2011 whereas the Turnover declared in Income tax returns is on percentage of work completion method thereby the turnovers declared do not match with each other.

I. During the financial year 2018-19, the service tax department has scrutinized the ST-3 returns and issued a letter dated 24.09.2018 communicating certain discrepancies. Noticee has filed a detailed reply on 12.10.2018(Copy is enclosed as Annexures____ & ___). However, the department has never pointed out the discrepancies pointed out in the present notice.

J. Subsequently, after 2 years in the year 2020 amidst of lockdown, the service tax department had scrutinized the returns one more time covering the period from April 2015 to June 2017 and issued a letter dated 23.07.2020. Subsequently, Noticee filed a consolidated reply to the received letter dated 23.07.2020(Copy is enclosed as Annexures____ & ___).

i. Furnishing the aforesaid information is followed by the receipt of the present Show Cause Notice asking to show cause as to why

ii. an amount of Rs. 4,44,30,407/- (Rupees Four Crores Forty Four Lakhs Thirty Thousand Four Hundred and Seven Only) [including Education Cess, Secondary and Higher Education Cess, Swachh Bharat Cess and Krishi Kalyan Cess] should not be demanded towards short payment of Service Tax rendered under construction of residential complex service, in terms of proviso to Section 73(1) of the Finance Act, 1994;

iii. interest at the applicable rates on the above tax amount should not be recovered from them under Section 75 of the Finance Act, 1994;

iv. Penalty should not be imposed on them under Section 78 of the Finance Act, 1994.

v. Penalty should not be imposed on them under Section 78 of the Finance Act, 1994.

vi. Late fee of Rs. 20,000/- (Rupees Twenty Thousand Only) should not be imposed on them under Section 70(1) of the Finance Act, 1994.

K. Noticee herein below makes the submission in response to the allegations and propositions made in the impugned SCN.

Submissions:

1. The Noticee submits that they emphatically deny all the allegations made in Show Cause Notice (SCN) as they are not factually/legally correct.

2. Noticee submits that the present proceedings and the issuance of the impugned SCN were without authority of the law as the provisions of the Finance Act, 1994 which authorizes the levy and collection of Service tax were repealed in terms of Section 19 of Constitution (one hundred and first amendment) Act, 2016 read with Section 173 of CGST Act, 2017. Further, Section 174 of the CGST Act, 2017 as amended only saves the proceedings already instituted before the enactment of the CGST Act, 2017 (w.e.f. 01.07.2017) whereas the issuance of the impugned SCN was initiated after 01.07.2017. Therefore, the present SCN do not sustain.

3. For the ease of comprehension, the submissions in this reply are made under different heads covering different aspects involved in the subject SCN as listed below:

A. Show Cause Notice is not valid
B. Noticee has not availed CENVAT Credit on inputs thereby eligible for abatement
C. Turnover comparison for the period April 2017 to June 2017 is incorrect due to different accounting method.
D. Amounts received as pure agent shall not be included in the taxable value
E. Extended Period of Limitation is not invokable
F. Interest and Penalties are not imposable

In Re: Show Cause Notice is not valid

4. Noticee submits that as per C.B.E. & C. Instruction F No. 1080/09/DLA/MISC/15 dated 21st December 2015 and Circular No. **1076/02/2020-CX dated 19.11.2020, pre-show cause notice consultation is mandatory in cases involving duty of more than 50 lakhs.** However, in the instant case the show cause notice was issued without pre-show cause notice consultation even though the demand involved is more than 50 lakhs. Therefore, the impugned notice becomes invalid on this ground alone. In this regard, reliance is placed on
   a. Amadeus India Pvt Ltd Vs CCE 2019 (25) G.S.T.L. 486 (Del.)
   b. Freight Systemns India Pvt Ltd Vs CCE 2019 (368) ELT 506 (Mad)
   c. Hitachi Power Europe GMBH Vs CBIC 2019 (27) GSTL 12 (Mad)

5. Noticee submits that the Show Cause Notice is issued based on mere assumptions and unwarranted inference that the Noticee has availed CENVAT Credit on inputs without actual examination of facts. In this regard, Noticee wish to rely on Supreme Court judgment in case of Oudh Sugar Mills Limited v. UOI, 1978 (2) ELT 172 (SC) wherein it was held that "*we must hold that the finding that 11,606 maunds of sugar were not accounted for by the Noticee has been arrived at* ***without any tangible evidence and is based only on inferences involving unwarranted assumptions.*** *The finding is thus vitiated by an error of law.*"
   The Hon'ble SC categorically held that such SCN issued with assumptions and presumptions is not sustainable under the law.

Therefore, on this count alone the entire proceedings in the SCN do not sustain and require to be dropped.

6. Noticee submits that it is settled law that SCN shall be issued informing charges against Noticee qua assessee so that Noticee can take his defense and prove his innocence/understanding. Further, authorities while issuing SCN must take care to manifestly keep an open mind as they are to act fairly in adjudging guilt or otherwise. Instead of this, impugned SCN was issued with pre-judged & premeditated conclusion on the various issues raised in the notice. That being a case, issuance of SCN in that fashion is bad in law and requires to be dropped. In this regard, reliance is placed on Oryx Fisheries Pvt. Ltd. v. Union of India — 2011 (266) E.L.T. 422 (S.C.) *"It is obvious that at that stage the authority issuing the charge-sheet, cannot, instead of telling him the charges, confront him with definite conclusions of his alleged guilt. If that is done, as has been done in this instant case, the entire proceeding initiated by the show cause notice gets vitiated by unfairness and bias and the subsequent proceeding become an idle ceremony."*

7. Noticee submits that the impugned notice has considered the turnover declared in ST-3 returns for the period April 2015 to March 2017 for quantifying the demand since the same is more than turnover declared in Income Tax return, however, for the period April 2017 to June 2017, it has compared the turnover disclosed in Income Tax Return since the turnover in income tax return is higher. This shows that the impugned notice has quantified the demand arbitrarily and it is settled law that the notice issued arbitrarily are not valid. Hence, the impugned notice needs to be dropped.

8. Noticee submits that the impugned notice has proposed to demand the following amounts

Particulars	Taxable values	Tax demand
Demand due to denial of abatement for the period April 2015 to March 2017	17,27,29,953	2,51,89,624
Demand due to denial of Pure agent deduction	29,76,388	4,46,208
Comparison between ITO Vs. ST-3 for April 2017 to June 2017	12,90,12,349	1,87,94,575
Total	**30,47,18,690**	**4,44,30,407**

In Re: Noticee has not availed CENVAT Credit on inputs thereby eligible for abatement:

9. Noticee submits that as submitted in the background facts, Noticee is engaged in provision of 'construction of residential complex service' and availing abatement at 70%/75% in accordance with Sl. No. 12 of Notification No.26/2012-ST dated 20.06.2012.

10. Noticee submits that the impugned notice vide Para 7 alleged that *"From the above, it appears that the assessees have taken credit on inputs and have utilized the same to discharge their Service Tax liability. It appears that the assessee have violated the conditions stipulated in the notification and hence, it appears that the assessee* ***are not eligible for abatement*** *under notification No. 26/2012-ST as amended by 2/2013 ST dated 01.03.2013 and as further amended".*

11. In this regard, Noticee submits that the allegation of the impugned notice that the Noticee had availed the CENVAT Credit on inputs thereby not eligible for abatement under Notification No.26/2012-ST dated 20.06.2012 is factually incorrect. As stated in the background facts, Noticee has availed CENVAT Credit only on input service and had not availed any CENVAT Credit on inputs. However, while disclosing the CENVAT Credit details in ST-3 returns, Noticee has erroneously disclosed the details of CENVAT Credit availed on input services as CENVAT Credit availed on inputs i.e, disclosed in I 3.1.2.1 instead of I 3.1.2.3. Due to this clerical mistake, it appeared to the department that the Noticee had availed the CENVAT Credit on inputs.

12. Noticee submits that the facts that the Noticee had availed only CENVAT Credit on input services ad not on inputs is clearly evident from the CENVAT Credit ledgers of the Noticee for the disputed period wherein it was clearly mentioned that the details of input services on which CENVAT Credit is availed. CENVAT Credit statement along with corresponding ledgers, invoice copies are enclosed as Annexure __.

13. Noticee further submits that Noticee would be submitting a Chartered Accountant Certificate certifying that the Noticee has availed CENVAT Credit only in inputs services and not on inputs.

14. Noticee submits that since they have availed CENVAT Credit only on input services and not availed any CENVAT Credit on inputs, Noticee has satisfied all the conditions for availing abatement under Notification No.26/2012-ST dated 20.06.2012 thereby rightly eligible for abatement. Since the Noticee has already paid the entire service tax after availing the abatement, there is no short of service tax. Hence, the impugned notice needs to be dropped to that extent.

15. Noticee further submits that mere non-observance of procedure cannot take away the substantial benefit. In this regard reliance is placed on

    a. Sambhaji v. Gangabai — 2009 (240) E.L.T. 161 (S.C.) wherein it was held that *"Processual law is not to be a tyrant but a servant, not an obstruction but an aid to justice. A procedural prescription is the handmaid and not the mistress, a lubricant, not a resistant in the administration of justice."*
    b. Mangalore Chemicals & Fertilizers Ltd Vs DC 1991 (55) E.L.T 437 (S.C)
    c. Dhamur Sugar Mills Ltd Vs CCE, Meerut 2010 (260) E.L.T 106 (Tri-Del)
    d. BSNL v. CCE 2012 (28) S.T.R. 624 (Tri. - Chennai)
    e. Kathiravan Pipes Pvt. Ltd. Vs. CESTAT, Chennai 2007 (5) STR 9 Mad.

16. Noticee submits that mere technical interpretation of procedures to be avoided if the substantive fact of availment of CENVAT Credit on input services is evidenced by other documents such as ledger accounts of the Noticee and invoice copies is not in doubt. Further, a liberal interpretation is to be given in case of any technical lapse and relied on following case laws in support of the same

    a. Suksha International v. UOI - 1989 (39) E.L.T. 503 (S.C.)
    b. Union of India v. AV Narasimhalu - 1983 (13) E.L.T. 1534 (S.C.)
    c. Formica India v. Collector of Central Excise - 1995 (77) E.L.T. 511 (S.C.)
    d. IntasPharma Ltd v. CST 2013 (32) S.T.R. 543 (Tri. - Ahmd.)
    e. Barclays Technology Centre India (p) ltd. vs. CCE 2015 (38) S.T.R. 35 (Tri. - Mumbai)

17. Noticee submits that on perusal of above referred Supreme Court case laws, it is very clear that substantial benefit shall not be rejected due to mere procedural lapses. Hence, the impugned notice to that extent needs to be dropped.

18. Noticee submits that the summary of the consideration received, abatement and deduction claimed, taxes payable and taxes paid is as follows

SI No	Particulars	Amount
A	Total receipts during the period April 2015 to June 2017	24,61,22,673
B	Less: Non-taxable receipts	
	a. VAT, Stamp Duty and Registration charges	46,66,354
	b. Other Non Taxable Receipt like Corpus Fund / Electricity Charges	14,73,840
C	Gross taxable receipts	23,99,82,479
D	Less: Abatement at 75%/70%	17,23,02,557
E	Net taxable receipts	6,76,79,922
F	Service Tax Payable	99,29,813
G	Service Tax Paid	92,10,965
H	Excess/(Short paid)	(7,18,828)

From the above referred table, it is clear that the Noticee has made an excess payment of service tax when compared to actual service tax payable. Therefore, there is no short payment of service tax.

In Re: Turnover comparison for the period April 2017 to June 2017 is incorrect due to different accounting method

19. Noticee submits that the impugned Notice vide Para 9 alleged that *"In respect of Financial Year 2017-18 (up to, June, 2017) the assessee have shown taxable income of Rs. 1,23,83,924/-. However, the total sales for the Financial Year 2017-18 as per Income Tax Return filed by the assessee is Rs. 16,68,99,960/- and the outward supply as per GSTR-9 return filed by the assessee for the year 2017-18 is Rs. 3,78,87,611/-. Subtracting the taxable turnover shown in GSTR-9, which covers the period from July, 2017 to March, 2018, from the total sales for the year Financial Year 2017-18 as per Income Tax Return, taxable income for the period the 2017-18 (up to , June, 2017) works out to Rs. 12,90,12,349/- (Rs. 16,68,99,960/- minus Rs.3,78,87,611/-."*

20. In this regard, Noticee submits that the impugned notice has been issued by ignoring the fundamental concepts of Finance Act, 1994 such as value on which service tax is levied and this shows that the impugned notice has been passed with gross negligence and without application of mind and without considering the statutory provisions of Finance Act, 1994.

21. Noticee submits that income tax returns are filed by following the rules prescribed in Income Tax Act, 1961 and the Disclosure in ST-3 returns is in accordance with Point of Taxation Rules, 2011 i.e. based on advances received from customer.

22. Noticee submits that service tax demand proposed on differences between the disclosures made in the financial statements/ Income tax returns and ST-3 returns are lead by two different statues is not tenable.

23. Noticee submits that the difference between the turnover disclosed in ST-3 returns and Income Tax Returns is due to the reason that revenue in Income Tax Return was recognized based on percentage of completion method whereas the ST-3 returns were filed in accordance with provisions under Finance Act, 1994 and the rules made thereunder. In short, the difference is due to the following reasons

- Disclosure of revenue in the Income Tax returns is in accordance with percentage completion method
- Disclosure in ST-3 returns is in accordance with Point of Taxation Rules, 2011 i.e. based on advances received from customer

24. Noticee submits that the revenue recognition method adopted while filing the income tax returns is also specifically mentioned in Note to Accounts to the Income Tax Returns which reads as follows

d) Revenue Recognition

Revenue from property development activity which are in substance similar to delivery of goods in recognized when all significant risks and rewards of ownership in the land and or building are transferred to be customers and a reasonable expectation of collection of the sale consideration from the customer exists.

Revenue from their property development activities which have the same economic substance as that of a construction contract is recognised based on the 'Percentage of Completion Method' (POC)

The revenue is recognized where the progress on the project has reached to a reasonable stage of 25% completion, The percentage of work completion is determined with reference to the proportion of project cost incurred for work performed upto the balance sheet date bear to the estimated total cost of each project.

The estimated of cost and revenue are reviewed by management periodically and effect of any change in such estimates is recognized in the period in which such changes are determined"

From the above referred Notes to account, it is clear that the revenue in income tax return is recognized on percentage of completion basis.

25. Noticee submits that under the percentage of completion method, contract revenue is recognized as revenue in the **statement of profit and loss** in the accounting periods in which the **work is performed**. Contract costs are usually recognized as an expense in the statement of profit and loss in the accounting periods in which the work to which they relate is performed.

26. Since the Income Tax Returns have to be prepared in accordance with the percentage completion method, it is pertinent to note that the revenue has to be recognized in the books of accounts irrespective of the fact that whether such amounts have been received or not.

27. Whereas Rule 3 of Point of Taxation Rules, 2011 determines the point of taxation (POT) for the services provided. As per said rule the point of taxation shall be the date which occurs earlier in the following:

    (i) Date of invoice for service provided or agreed to be provided.

    (ii) Where invoice not issued within 30 days from the date of completion of service, then the point of taxation shall be the date of completion of service.

    (iii) In the case where a payment is received before the time specified in point (i) or (ii), the time when such payment is received, to the extent of such payment.

28. In the present case, Noticee has been receiving advances from the customers before completion of the project, therefore, Noticee has discharged service tax on the advances received and disclosed the same in ST-3 returns.

29. Noticee submits that point of taxation as per Finance Act, 1994 is receipt of advance and the said compliance has been rightly made by the Noticee, therefore, there is no short payment of service tax as per Finance Act, 1994 and the allegation of impugned Notice are not valid.

30. Noticee submits that as explained in the previous Paras the basis on which the amounts disclosed in ST-3 returns and Financials are

different therefore the same cannot be compared, therefore the allegation of the impugned notice demanding service tax on differences between the disclosures made in the income tax returns and ST-3 returns which are lead by two different statues is not tenable and the same needs to be set aside. In this regard, Noticee wishes to rely on

- Indian Oil Sky Tanking Ltd Vs. Commr. of Service Tax, Banglore—2015(38) S.T.R 221 (Tri.-Bang)
- P. Govindaraj Vs. CCE, Madurai—2014(36) S.T.R.400 (Tri.-Chennai)
- Commissioner of Service Tax, Ahmedabad Vs. Purani Ads. Pvt. Ltd.—2010(19) S.T.R.242 (Tri.-Ahmd)

31. Without prejudice to above, Noticee submits that the impugned notice has considered the outward supply turnover as Rs.3,78,87,611/- for the period July 2017 to March 2018 out of the total turnover disclosed in income tax return as Rs.16,68,99,960/-. However, it has failed to consider the Non-GST supply turnover disclosed in GSTR-09 of Rs. 14,84,70,715/- and exempted turnover of Rs.12,08,090/-. Once the above turnover is considered, the total turnover disclosed in GSTR-09 for the period July 2017 to March 2018 amounts to Rs.18,75,66,416/-. Therefore, the comparison of only outward taxable supply of Rs.3,78,87,611/- with the turnover disclosed in ITR by the impugned notice is not correct and the same needs to be dropped.

32. Noticee submits that with respect to turnover for the period April 2017 to June 2017, Noticee is herewith submitting a Chartered Accountant Certifying the same as Annexure ___.

In Re: Amounts received as pure agent shall not be included in the taxable value

33. Noticee submits that as submitted in the background facts, Noticee has collected certain amounts towards VAT, Stamp duty, electricity charges from the customers and the same were paid to the respective departments on actual basis. The Noticee has collected the actual amounts from their customer and they are aware of the facts that these

amounts are paid to the third party and not towards provision of construction services by the Noticee. The fact of claiming of deduction is also disclosed in the ST-3 returns filed by the Noticee for the disputed period.

34. Noticee submits that the impugned Notice vide Para 8 alleged that *"As per the ST-3 returns filed by the assessee they had deducted from the gross income an amount of Rs.29,76,388/- claiming to be amount charged as pure agent from the gross income over the period from 2015-16 to 2017-18 (up to June,2017) as shown in Table -1 above. In this regard, the assessee was requested to submit the relevant documentary evidence regarding pure agent the services rendered as pure agent as certain conditions are to be met to claim abatement on account of pure agent as [per the provisions of Rule 5 of the Service Tax Valuation Rules,2006. The assessees have not furnished any information or documentary evidence to support their claim. Hence, it appears that the deduction from the gross income towards "amount charged as pure agent" cannot be allowed."*

35. Noticeesubmits that amounts collected by the Noticee as pure agent of recipient of service are as follows

    a. Corpus fund which is collected was transferred to Nilgiri Estate Owners Association, a registered society responsible for maintaining common amenities of the project. The amount collected is totally kept in separate bank account and transferred to society/association once it is formed; collection of corpus fund & keeping in separate bank account and subsequent transfer to association/society is statutory requirement;

    b. Electricity deposit is collected & totally remitted/deposited with the 'electricity board' towards electricity consumption charges. These electricity charges were paid for completed villas that were lying vacant on behalf of the purchasers and debited to their account. These charges were later recovered from such purchasers of such villas.

c. Service tax collected & remitted to the Central government as per the provisions of Finance Act, 1994;

d. Stamp Duty, Registration Charges and VAT Collected as per State Stamp Act and VAT Act, 2005 and remitted the same to the respective department. Noticee has collected the actual amounts incurred for the same and have not added any margin.

As seen from the above, all these charges collected i.e, 'other non-taxable receipts' are statutory charges/deposit and received as mere reimbursements of expenses/charges incurred/paid on behalf of customers and does not involve any provision of service. Hence, same shall be excluded from the taxable value *inter alia* in terms of Rule 5(2) of Service tax (determination of value) Rules, 2006.

36. It is submitted that Section 66 of Finance Act, 1994 levies service tax at a particular rate on the value of taxable service. Section 67(1) makes the provisions of the section subject to the provisions of Chapter V which includes Section 66. This is a clear mandate that the value of taxable services for charging service tax has to be in consonance with Section 66 which levies a tax only on the taxable service and nothing else. There is thus inbuilt mechanism to ensure that only the taxable service shall be evaluated under the provisions of 67. Reading Section 66 and Section 67(1) together and harmoniously, it clear that in the valuation of the taxable service, nothing more and nothing less than the consideration paid as *quitpro quo* for the service can be brought to charge in the sense that only the service actually provided by the service provider can be valued and assessed to service tax. Therefore, undoubtedly of taxing the reimbursements runs counter and is repugnant to Sections 66 & 67, ibid.

37. What is brought to charge under the relevant Sections is only the consideration for the taxable service. That being a case inclusion of expenditure reimbursements in the value of taxable service goes beyond the charging provision which is not at all permitted.

38. Noticee submits that they have collected the above referred amounts and paid to respective departments on behalf of customers which are nothing but pure reimbursements. Noticee submits that **the issue of taxability of reimbursements is no more res integra in view of the Hon'ble Supreme Court Judgment in case of Union of India and ANR Vs. Intercontinental Consultants and Technocrats Pvt. Ltd.— 2018 (10) GSTL 401 (SC)**-wherein it was held that Rule 5(1) of Service Tax (Determination of Value) Rules, 2006 was struck down as the said provisions were going beyond the mandate of Section 66 & 67, ibid. Therefore, the proposed demand to that extent is not sustainable.

39. Noticee further places reliance on ICC Reality & Others Vs CCE 2013 (32) S.T.R. 427 (Tri. - Mumbai); Karnataka Trade Promotion Organisation v. CST 2016-TIOL-1783-CESTAT-BANG; hence demand does not sustain to this extent.

40. Noticee submits that the amounts received as corpus fund are in the nature of "deposits" and thus does not amounts to consideration received for provision of taxable service thereby not liable to service tax. Hence, the impugned SCN needs to be dropped to that extent. In this regard, reliance is placed on Vijay Shanthi Builders Ltd Vs CST 2018 (9) GSTL 257 (Tri-Chennai) wherein it was held that *"The second issue is with regard to the* ***demand made under maintenance and repair services on the corpus fund*** *collected by the Noticees. It is submitted by the learned counsel that this is only a deposit and not received as charges for any services rendered. According to the Noticee, it is a deposit made by the allottee and in the event of their failure to pay the maintenance charges, the unpaid amount would be set off against the said deposit. In the impugned order, it is observed that, at any point of time, even if Noticee pays service tax on this fund, and if the corpus fund is refunded/ transferred, a suitable adjustment in tax liability can be made. It is therefore clear that the corpus fund, even according to the department is not collected for rendering any service of maintenance. It is in the form of a deposit.* ***We, therefore, are of the opinion that the***

demand of service tax on such deposit under the category of Management, Maintenance and Repair Service is unsustainable".

41. Noticee submits that amounts received are not received for provision of any service therefore the demand on such amounts is not sustainable. Reliance is placed on CCE Vs Ashok Matches and Timber Industries Pvt Ltd 2018 (6) TMI 716 –CESTAT Chennai.

42. Judicially also it was held that above charges are not to be included in taxable value. Relied on ICC Reality & Others Vs CCE2013 (32) S.T.R. 427 (Tri. - Mumbai); Karnataka Trade Promotion Organisation v. CST 2016-TIOL-1783-CESTAT-BANG; hence demand does not sustain to this extent.

43. Noticee further submits that the above view is also fortified by the jurisdictional tribunal decision in case of M/s Alpine Estates Vs CCE, Secunderabad 2019-TIOL-3829-CESTAT-HYD wherein it was held that *"5. After hearing the submissions of learned A.R. we are of the view that the matter requires to be reconsidered as to whether the amounts included in the sale-deed value of immovable property would be subject to levy of service tax under construction services. The computation in the order-in-original has to be looked into on the basis of the sale-deed executed by the appellant with customer which includes the semi-finished flat. Other charges like registration fee, VAT, etc. needless to say will not be subject to service tax as being reimbursable expenses."*

44. Noticee has remitted all the taxes collected from the customers to the Government. Copy of challans evidencing the payment of stamp duty, VAT, e.t.c are enclosed as Annexure ___

45. Noticee submits that reimbursements shall be excluded from taxable value in terms of Rule 5(2) of rules, ibid. The pre-requisite is that the expenses should have been incurred by the person on behalf of the service recipient and the expenses so incurred should be reimbursed to

him on actual basis, which were duly satisfied in the instant case as explained below.

46. Noticee submits that one of the condition to satisfy pure agent concept is that the service provider acts as a pure agent of the recipient of service when he makes payment to the third party for the goods or services procured. In this regard,Noticee submits that explanation 1 to Rule 5 reads as follows

Explanation 1.—For the purposes of sub-rule (2), "pure agent" means a person who—

a. enters into a contractual agreement with the recipient of service to act as his pure agent to incur expenditure or costs in the course of providing taxable service;
b. neither intends to hold nor holds any title to the goods or services so procured or provided as pure agent of the recipient of service;
c. does not use such goods or services so procured; and
d. receives only the actual amount incurred to procure such goods or services

47. Noticee submits that in the instant case they have satisfied all the conditions as given in the explanation to become pure agent as follows

- Noticee having a contractual agreement with the recipient of service to act as his pure agent of recipient of service i.e, agreement of sale and sale deed (Sample copies of sale deed is enclosed as Annexure ____)
- Noticee neither intends to hold nor hold any title to the goods or services for instance i.e. stamp duty, registration charges or VAT (Sample copies of VAT Challans is enclosed as Annexure ___)
- Noticee has not used such goods or services procured and the same were directly used by the service recipient and not by Noticee
- Noticee has received only the actual amount paid to the third party i.e. electricity department, registration department and VAT

department as evident from the amounts received and challans paid to VAT department

48. Once the Noticee satisfies the pure agent conditions then it needs to check whether all the conditions given for availing the deduction as pure agent is satisfied or not. In this regard, Noticee wish to submit how the conditions given for availing the deduction as pure agent is satisfied in the present case. To explain the same, Noticee is herewith taking the example of sale made to customer by name 'Srimahavishnu Vinjamuri (V.S.M Vishnu)'

49. Noticee submits that one of the conditions for getting deduction is that the service provider should act as a pure agent as recipient of service when he makes a payment to third party for the goods or services procured. In this regard, Noticee submits that majority of the amounts are received towards VAT and Stamp duty which needs to be paid by the purchaser of flat while getting the same registered in his name. This fact is also known to the VAT and Registration department. From this, it is clear that the Noticee is acting as pure agent when he is making payment to third party for goods or services (Copy of VAT challan is enclosed as Annexure __ and sale deed evidencing the payment of stamp duty is enclosed as Annexure ___).

50. Noticee submits that the second condition is that the recipient of service receives and uses the goods and services so procured by the service provider in his capacity as pure agent of recipient of service. In this regard, Noticee submits that whatever the services that are procured by the pure agent were duly used by the recipient of service such as water and electricity charges. Further, it is also evident from the fact that the electricity meters were registered in the name of the recipient of service, therefore, the persons other than the recipient of service is not authorized to use such services

51. Noticee submits that the third condition is that the recipient of service is liable to make payment to the third party and he authorizes the service provider to make payment on his behalf. In this regard, Noticee submits that the flat was registered in the name of the recipient of service and water supply and electricity supply was received by the recipient of service, therefore, he is liable to make payment for the same but for the purpose of said payment the recipient of service has authorized the Noticee to make payment for such services. This can be evidenced from Para 17 of the agreement of sale (Copy of agreement of sale is enclosed as Annexure ___)

52. Noticee submits that the fourth condition is that the recipient of services authorizes the service provider to make payment on his behalf. In this case, the recipient has authorized the Noticee to make payment on behalf of customer. This can be evidenced from Para 17 of agreement of sale.

53. Noticee submits that the fifth condition is that the recipient of service knows that the goods and services for which payment has been made by the service provider shall be provided by the third party. In this regard, Noticee submits that the recipient of service is aware of the fact that all the above referred services were procured by the Noticee from the third party. Therefore, it is clear that the recipient of service is aware that the goods are procured from the third party.

54. Noticee submits that sixth condition is that the payment made by the service provider on behalf of the recipient of service has been separately indicated in the invoice issued by the service provider to the recipient of service. In this regard, Noticee submits that they are recovering the expenses by issuing a invoice separately and the said reimbursements were not clubbed with the construction services (Copy of invoice is enclosed as Annexure__).

55. Noticee submits that the seventh condition is that the service provider recovers from the recipient of service only such amount as has been paid by him to the third party. In this regard, Noticee submits that they have recovered only the amounts which were incurred and they have not collected anything in excess of expenses incurred by Noticee.

56. Noticee submits that the eight and last condition is that the goods or services procured by the service provider from the third party as a pure agent of recipient of service are in addition to the services provides on his own account. In this regard, Noticee submits that the services provided on reimbursement basis is over and above the services of construction provided by the Noticee.

57. Noticee submits that the amount so recovered/reimbursed by the Noticee are only towards the actual amounts paid to the third party vendors or Service providers. The Noticee has not recovered any amount over and above the actual expenses incurred by it. The Noticee has made the payment to the third-party vendors or service provider for procurement of specified services on behalf of their customers. Customers are completely aware of the fact that the services are procured from the third-party vendors or services providers and ultimate liability for payment is on the customers and Noticee is only acting on behalf of clients. The goods or services procured by the Noticee are not availed for own use of Noticee or consumption, and it is only for provision of services (which otherwise liable to be incurred by clients themselves). Therefore, Noticee completely satisfies the conditions of a 'Pure Agent' as set out in Rule 5(2) of the Valuation Rules. In this regard, wishes to rely on **Pharmalinks Agency (I) Pvt. Ltd. Vs CCE, 2015 (37) STR 305(Tri. - Mumbai).** Since the Noticee had satisfied the condition for availing the deduction for pure agent, the allegation of the impugned notice is not correct and the same needs to be dropped.

In Re: Extended Period of Limitation is not invokable

58. Without prejudice to the above, it is submitted that the demand for the period from April 2015 to September 2015 is time barred since show cause notice has been served on the Noticee beyond 5 years from the relevant date. The demand for the said period expired on 05.05.2020 whereas SCN was issued on 21.12.2020. Thereby, SCN served is time barred. The averment of impugned SCN taking the time extension given under Ordinance 2020 do not sustain as it lacks the legislative competence to amend the repealed enactments. In this regard, reliance is placed on the Hon'ble HC decision in case of **Reliance Industries Ltd Vs State Of Gujarat2020-TIOL-837-HC-AHM-VAT**

59. Noticee submits that as submitted in the preceding paragraphs, Noticee has not availed any CENVAT Credit on inputs, thereby, rightly eligible for claiming the abatement under Notification No.26/2012-ST dated 20.06.2012. Once the Noticee is eligible for availing the abatement, there is no short payment of service tax as alleged by the impugned notice. Also, the Noticee is of bonafide belief that the amounts claimed as pure agent is rightly eligible. Further, the fact of availment of abatement and claiming of deduction as pure agent is also disclosed in the ST3 returns. Thereby, there is no suppression of facts to invoke extended period of limitation.

60. Noticee submits that the impugned notice vide Para 14 alleged that *"It appeared that M/s. Nilgiri Estates who are registered with the department vide Service Tax No.AAHFN0766FSD001 were well aware that the services provided by them were taxable services and were liable to service tax by the service provider. It appeared that the assessee have availed abatement in violation of the condition notification No.26/2012-ST as amended by Notification No.02/2013-ST dated 01.03.2013 and has further amended under construction of residential complex services without meeting the conditions specified therein. They have suppressed their taxable income in the ST-3 return filed for the period April 2015 to*

June 2017. But for the verification caused by the department the short payment of service tax would have been un-detected."

61. In this regard, Noticee submits that lapse would not have come to light but for the investigation of department, standing alone cannot be accepted as a ground for confirming suppression, Misstatement or Mis-declaration of facts. More so considering the fact that the very objective of conducting the Audit of records of an assessee is to ascertain the correctness of payment of duty etc., any shortcomings noticed during the course of Audit, itself cannot be reasoned that the deficiency was due to mala fide intention on the part of assessee. In this regard, relied on LANDIS + GYR LTD Vs CCE 2013 (290) E.L.T. 447 (Tri. - Kolkata).

62. Noticee submits that they have never hidden any information from the department and they have submitted whatever the information required by the department. If the Noticee has the intention to suppress the facts, they would not have submitted the information asked by the department and this shows that Noticee was under bonafide belief that the compliance made by them is correct.

63. Noticee submits that the details of availment of abatement and deduction as pure agent were disclosed in ST-3 returns. The Authorities have all the information in their hands, the authority can examine the issue as and when the Returns are filed and can conclude the liability of service tax on that itself. Authority has the duty to verify the returns in time. Therefore, invocation of larger period of limitation is not valid and requires to be set aside. In this regard, Noticee wishes to rely on the following to support the above view:

- Sarabhai M. Chemicals v. CCE, Vadodara - 2005 (179) E.L.T. 3 (S.C.)
- Shree Shree Telecom Pvt Ltd., Vs. CCE Hyderabad [2008 (232) E.L.T. 689 (Tri. - Bang.)
- Sopariwala exports pvt. Ltd v. CST 2014 (36) S.T.R. 802 (Tri. - Ahmd.)

64. Further, Noticee submits that department is well aware of the facts which is evident from department letter dated 24.09.2018 wherein it has stated that the department has scrutinised the ST-3 returns of the Noticee and observed certain discrepancies. Noticee has also submitted a reply dated 12.10.2018. However, the issue involved in the present show cause notice that the Noticee had availed the CENVAT Credit on inputs and claimed deduction under pure agent were never pointed out by the department. This has led to the belief that the compliance made by the Noticee is correct (Copy of letter dated 24.09.2018 and 12.10.2018 is enclosed as Annexure___). Hence, suppression of facts cannot be attributed to the present case. In this regard reliance is placed on **Nizam Sugar Factory vs. C.C.E**, A.P. 2006 (197) E.L.T. 465 (S.C.) it was held that *"Allegation of suppression of facts against the Noticee cannot be sustained. When the first SCN was issued all the relevant facts were in the knowledge of the authorities. Later on, while issuing the second and third show cause notices the same/similar facts could not be taken as suppression of facts on the part of the assessee as these facts were already in the knowledge of the authorities. We agree with the view taken in the aforesaid judgments and respectfully following the same, hold that there was no suppression of facts on the part of the assessee/Noticee."*

65. In this regard, Noticee submits that once the department has verified the returns and had not pointed out any discrepancies. But again after expiry of 2 years, the issuance of show cause notice invoking extended period of limitation is not correct and the same needs to be dropped.

66. Noticee submits that the impugned show cause notice proposed demand by the invocation of the extended period of limitation only on the ground that Notice has suppressed the details to department. In this regard it is submitted that an **extended period of five years applicable only when something positive other than mere inaction or failure on the part of manufacturer/service provider is proved** - Conscious or deliberate withholding of information by

manufacturer/service provider necessary to invoke larger limitation of five years. In this regard wishes to rely on **CCE, Chemphar Drugs & Liniments 1989 (40) E.L.T 276 (S.C).** Therefore the allegation of SCN is not legal and proper.

67. Intention to evade payment of tax is not mere failure to pay tax. It must be something more i.e. that assessee must be aware that tax was leviable/credit was inadmissible and he must act deliberately to avoid such payment of tax. Evade means defeating the provision of law of paying tax and it is made more stringent by the use of word 'intent'. Where there was scope for doubt whether tax is payable or not, it is not 'intention to evade payment of tax'. reliance is placed on **Tamil Nadu Housing Board v. CCE, 1994 (74) ELT 9 (SC)**

68. Mere non-payment/short payment of tax per se does not mean that Noticee has willfully contravened the provisions with the intent to evade payment of tax. In this regard reliance is placedon**Uniworth Textiles Ltd. v. Commissioner 2013 (288) E.L.T. 161 (S.C.)**

69. Noticeesubmits that long list of familiar judicial pronouncements holding impugned grounds of non-payment of Service Tax and failure to file correct ST-3 returns by themselves totally inadequate to sustain an allegation of wilful misstatement/suppression of facts. Relied on Punj Lloyd Ltd. V. CCE & ST 2015 (40) S.T.R. 1028 (Tri. - Del.);

70. Noticee submits that all the entries are recorded in books of accounts and financial statements nothing is suppressed hence the extended period of limitation is not applicable. Wishes to place reliance on LEDER FX Vs DCTO 2015-TIOL-2727-HC-MAD-CT; Jindal Vijayanagar Steel Ltd. v. Commissioner — 2005 (192) E.L.T. 415 (Tri-bang);

71. Noticee submits that they are under bonafide belief that they are eligible for abatement and deduction as pure agent as per their legal understanding. It is well settled legal position that suppression of facts

cannot be attributed to invoke longer period of limitation if there is bonafide belief. Same was flown from the following:

a. Padmini Products v. Collector —1989 (43) E.L.T. 195 (S.C.)
b. Commissioner v. Surat Textiles Mills Ltd. — 2004 (167) E.L.T. 379 (S.C.)

72. Noticee submits that expression "suppression" has been used in the Section 73(1) of Finance Act, 1994 accompanied by very strong words as 'fraud' or "collusion" and, therefore, has to be construed strictly. Mere omission to give correct information is not suppression of facts unless it was deliberate to stop the payment of duty. **Suppression means failure to disclose full information with the intent to evade payment of duty.** Relied on Continental Foundation Jt. Venture CCE, **2007 (216) E.L.T 177 (S.C)**

With the above submissions it is clear that the invocation of the larger period of limitation not sustainable.

73. Noticee submits that the entire period from April 2015 to March 2017 falls beyond normal period of limitation (30 months) as tabulate below. Hence the proposed demand to that extent requires to be dropped on the count of limitation.

S.No.	Period	Return filing date	The date till which SCN can be issued	Demand Proposed
1	01.04.2015 to 30.09.2015	05-11-2015	05-05-2018	92,68,530
2	01.10.2015 to 31.03.2016	20-07-2016	20-01-2019	
3	01.04.2016 to 30.09.2016	15-11-2016	15-05-2019	1,63,67,301
4	01.10.2016 to 31.03.2017	06-09-2017	06-03-2020	

In Re: Interest and Penalties are not imposable

74. Without prejudice to the foregoing, Noticee submits that when service tax is not applicable, the question of interest also penalties does not arise. It is a natural corollary that when the principal is not payable there can be no question of paying any interest as held by the Supreme Court in ***Prathiba Processors Vs. UOI, 1996 (88) ELT 12 (SC).***

75. Noticee submits that all the grounds have taken for **"In Re: Extended period of limitation is not invokable"** above is equally applicable for a penalty as well.

76. Noticee submits that no penalty should be imposed for technical or venial breach of legal provisions or where the breach flows from the bona-fide belief that the offender is not liable to act in the manner prescribed by the statute. Relied on **Hindustan Steel Ltd. v. State of Orissa —1978 (2)** E.L.T. **(J159) (S.C.)**

77. Noticee submits that this is not the case of will-full evasion of the service tax for the imposition of the penalty under Section 78 of the Finance Act, 1994. Noticee further submits that penalty u/s 78 is imposable when the duty should not have been paid, short levied or short paid or erroneously refunded ***because of*** either fraud, collusion, willful mis-statement, suppression of fact or contravention of any provision or rules. These ingredients postulate a positive act and, therefore, mere failure to pay duty and availing the credit under the bonafide belief does not attract the penalty u/sec 78. In the instant case Noticee there is no intention to evade duty, particularly when the information asked for, was made available to the department

78. Noticee submits that the impugned show cause notice had not discharged the burden of proof regarding the imposition of the penalty under Section 78 of the Finance Act, 1994. In this regard wishes to rely on the judgment in the case of Indian Coffee Workers' Co-Op. Society LtdVsC.C.E. & S.T., Allahabad 2014 (34) S.T.R 546 (All) it was held that ***"It is unjustified in absence of discussion on fundamental conditions for the imposition of penalty under Section 78 of Finance Act, 1994".***

79. Noticee submits that Penalty under Section 78, as the word suggests, **is punishment for an act of deliberate deception by the assessee with the intent to evade duty by adopting any of the means mentioned in the section.** Bonafide belief as to -non-taxability of service cannot be

the reason for the imposition of the severe penalty. In this regard wishes to place reliance on **Rajasthan Spinning & Weaving Mills [2009 (238)** E.L.T. **3 (S.C.)&Commissioner Of Central Excise, VapiVs Kisan Mouldings Ltd 2010 (260) E.L.T 167 (S.C).**

80. Noticee further submits that the impugned SCN has not at all explained why penalty requires imposing under section 77 of the Finance Act, 1994. As the penalty proposed under section 77 without any allegations, the same is not sustainable and requires to be dropped.

81. Noticee further submits that if the penalty under section 77 of the Finance Act, 1994 is levied for non/misdeclaration of information in the ST-3 returns, in that case, Noticee submit that such imposition of penalty is not warranted in absence of said legal background.

82. In this regard, reliance is placed on **Godavari Khore Cane Transport Co. (P) Ltd v. CCE 2012 (26) S.T.R. 310 (Tri. - Mumbai)** wherein it was held that "*14. Yet another penalty imposed by the learned Commissioner on the assessees is one under Section 77 of the Finance Act, 1994. Penalties of Rs. 5,000/- each have been imposed under this provision of law. The reason stated for this penalty is that the assessees misrepresented facts in the ST-3 returns filed by them. On a perusal of the text of Section 77 of the Finance Act as it stood during the material period, we find that it provided for a penalty extending to an amount not exceeding Rs. 1000/- where the assessee failed to furnish service tax return in due time prescribed under Section 77. In other words. Section 77 as it stood during the material period provided for a penalty for those who failed to file return.* ***The provision did not contemplate any penalty on any person for misrepresentation of facts in the return filed by him. Therefore, the proposal raised in the relevant show-cause notices and the decision taken by the learned Commissioner under Section 77 of the Finance Act, 1994 are both unsustainable. The penalties imposed on the*** **Noticee** ***under Section 77, therefore, will stand set aside.***"

In Re: Late fees is not payable

83. Noticee submits that the late fee applicable for the delay in filing of returns was already discharged vide Challan No. 00127 dated 20.10.2018 and the same is evident in the letter 12.10.2018 submitted by the Noticee in response to the Notice dated 24.09.2018. (Copies of letter dated 12.10.2018 & challan is enclosed as Annexure __). As the required amount is already discharged, there is no requirement to pay any further late fee amount.

84. Noticee submits that several grounds are urged in this Appeal, in this regard, Noticee wishes to communicate that **all grounds are without prejudice to one another.** Reliance is placed on the decision in case of Bombay Chemicals Pvt Ltd Vs Union of India 1982 (10) E.L.T 171 (Bom)

85. Noticee craves leave to alter, add to and/or amend the aforesaid grounds.

86. Noticee wishes to be heard in person before passing any order in this regard

For M/s.Nilgiri Estates

Authorized Signatory

BEFORE THE COMMISSIONER OF CENTRAL TAX,
SECUNDERABAD GST COMMISSIONERATE, GST BHAVAN, L.B. STADIUM ROAD, BASHEERBAGH, HYDERABAD – 500 004

Sub: Proceedings under Show Cause Notice O.R. No. 19 /2020-21- Sec- Adjn. — COMMR (ST) dated 21.12.2020 issued to M/s. Nilgiri Estates

I, _____, _____ of M/s. Nilgiri Estates, hereby authorizes and appoint Hiregange & Associates, Chartered Accountants, Bangalore or their partners and qualified staff who are authorised to act as an authorised representative under the relevant provisions of the law, to do all or any of the following acts: -

a. To act, appear and plead in the above-noted proceedings before the above authorities or any other authorities before whom the same may be posted or heard and to file and take back documents.
b. To sign, file verify and present pleadings, applications, appeals, cross-objections, revision, restoration, withdrawal and compromise applications, replies, objections and affidavits etc., as may be deemed necessary or proper in the above proceedings from time to time.
c. To Sub-delegate all or any of the aforesaid powers to any other representative and I/We do hereby agree to ratify and confirm acts done by our above-authorised representative or his substitute in the matter as my/our own acts as if done by me/us for all intents and purposes.

This authorization will remain in force till it is duly revoked by me/us.
Executed this on ___ day of January 2021at Hyderabad

Signature

I the undersigned partner of M/s. Hiregange & Associates, Chartered Accountants, do hereby declare that the said M/s. Hiregange & Associates is a registered firm of Chartered Accountants and all its partners are Chartered Accountants holding certificate of practice and duly qualified to represent in above proceedings under Section 35Q of the Central Excises Act, 1944. I accept the above-said appointment on behalf of M/s Hiregange & Associates. The firm will represent through any one or more of its partners or Staff members who are qualified to represent before the above authorities.

Dated: __.01.2021

For Hiregange & Associates
Chartered Accountants

Address for service:
Hiregange & Associates
Chartered Accountants,
4Th Floor, West Block,
SridaAnushka Pride, Beside SBI Bank,
Road No.12, Banjara Hills,
Hyderabad – 500 034

Venkata Prasad P
Partner (M. No. 236558)

I Partner/employee/associate of M/s Hiregange & Associates duly qualified to represent in above proceedings in terms of the relevant law, also accept the above said authorization and appointment.

Sl.No.	Name	Qualification	Membership No.	Signature
1	Sudhir V S	CA	219109	
2	Lakshman Kumar K	CA	241726	
3	RasikaKasat	CA	243001	