FORM GST DRC - 01
[See rule 100(2) & 142(1)(a)]

Reference No. - ZD361124013289K

Date - 13-11-2024

To

GSTIN/ID: 36ABCFM6774G2ZZ
Name: MODI REALTY (MIRYALAGUDA) LLP
Address : 5-4-187/3 AND 4, SOHAM MANSION, 2ND FLOOR, M.G ROAD, SECUNDERABAD, Rangareddy, Telangana, 500003

Tax Period : APR 2021 - MAR 2022

F.Y.- 2021-2022

Act/ Rules Provisions - Under Section 73 of the GST Act

Section / sub-section under which SCN is being issued - 73

Summary of Show Cause Notice

(a) **Brief Fact of the Case** : Excess claim of Input Tax, Shortly reported Output Tax

(b) **Grounds** : Under the provisions of the GST Act

(c) **Tax and other dues** :

(Amount in Rs.)

Sr. No.	Tax Rate (%)	Turnover	Tax Period		Act	POS (Place of Supply)	Tax	Interest	Penalty	Fee	Others	Total
			From	To								
1	2	3	4	5	6	7	8	9	10	11	12	13
1	0	0.00	APR 2021	MAR 2022	CGST	NA	50,77,857.00	22,85,035.00	5,07,786.00	22,300.00	0.00	78,92,97
2	0	0.00	APR	MAR	SGST	NA	50,77,857.	22,85,035.	5,07,786.00	22,300.00	0.00	78,92,97

			2021	2022			00	00				
Total							1,01,55,714 .00	45,70,070. 00	10,15,572. 00	44,600.00	0.00	1,57,85,956. 00

Show Cause Notice is attached.

Supporting documents attached by officer:

1. MODI REALTY DRC-01 Annexure 2021-22 Signed.pdf : DRC 01 Annexure

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Details of personal hearing and due date to file reply:

Sr. No.	Description	Particulars
1	Date by which reply has to be submitted	29-11-2024
2	Date of personal hearing	29-11-2024
3	Time of personal hearing	2:00 pm
4	Venue where personal hearing will be held	O/o Assistant Commissioner (ST), M.G. Ro ad-S.D. Road, 4th Floor, 6-3-789, Pavani Prestige, Ameerpet, Hyd-16

Signature
Name: VENKATESHWAR RAO SHERI
Designation: State Tax Officer
Jurisdiction: M.G.ROAD - S.D.ROAD:Begumpet:Telangana

State Tax Officer-II
M.G. Road-S.D. Road Circle,
Begumpet Division, Hyderabad

GOVERNMENT OF TELANGANA
COMMERCIAL TAXES DEPARTMENT

Office of the ASSISTANT COMMISSIONER (ST), M.G.ROAD-S.D.ROAD CIRCLE, BEGUMPET DIVISION.
Address:-4th Floor, Pavani Prestige Complex, Hyderabad – 500 016.

GSTIN: 36ABCFM6774G2ZZ
ARN: AD3604240088518

Date: 13-11-2024

ANNESURE TO FORM GST DRC-01
SUMMARY OF SHOW CAUSE NOTICE
for the Financial Year **2021-22** under GST Act, 2017
[See Rule 142 (1) and Section 73]

SUB: Goods and Services Tax Act, 2017 (for brevity 'GST Act, 2017') – M.G.Road-S.D.Road Circle - Begumpet Division, Hyderabad –M/s. MODI REALTY (MIRYALAGUDA) LLP (for brevity 'taxpayer') – Conduct of general audit for the financial year **2021-22** under GST Act – Notice issued in ADT-01 - Records produced - Examination/scrutiny made of the same – Certain discrepancies / deficiencies/ anomalies noticed - Proposed to assess under Section 73 of CGST Act, 2017 - Issue of 'Summary of Show Cause Notice' inviting reply / explanations in writing with corroborative evidence – Regarding.

REF: Notice for Audit in Form GST ADT-01 vide Ref. No. ZD360424037386B, dated: 20-04-2024.

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M/s. MODI REALTY (MIRYALAGUDA) LLP, located at SOHAM MANSION, 2ND FLOOR, 5-4-187/3 AND 4, M.G ROAD, SECUNDERABAD, 500003 are a registered taxpayer under the provisions of GST Act, 2017 with GSTIN 36ABCFM6774G2ZZ and assessee on the rolls of the state jurisdictional tax office i.e., the Assistant Commissioner (ST), M.G.Road-S.D.Road Circle of Begumpet Division, Hyderabad. They are carrying on business in "trading of Goods as per the Portal' is that, (HSN 00440290) CONSTRUCTION SERVICES IN RESPECT OF COMMERCIAL OR INDUSTRIAL BUILDINGS AND CIVIL STRUCTURES(HSN 00440410) WORKS CONTRACT SERVICES.

In consequent to the GST General Audit authorized as required under the provisions of Section 65, read with Rule 101 of CGST Act and Rules, 2017 in respect of the above-mentioned taxpayer for the financial year **2021-22**, the audit of the taxpayer is accordingly undertaken.

In the course of and as a part of processing the Audit undertaken in due process of law, the taxpayer vide reference 1st cited, has been issued 'Notice for conducting Audit' via prescribed "Form GST ADT-01" dated 20-04-2024 as required under the provisions of Rule 101 and Sec.65 of CGST Act,2017 duly intimating / notifying the authorized Audit of their books of accounts and records and with a direction to attend in person or through an authorized representative on dated. 07-05-2024 before the undersigned at aforementioned address with the relevant books of accounts and records and in the light of Section 65 of CGST Act, 2017 they are asked to render their assistance for timely completion of the Audit for the financial year **2021-22** as required for Audit.

The Notice was served as prescribed under the provisions of Section 169 of CGST Act, 2017 i.e., by way of communicating to the e-Mail address of the taxpayer so given at the time of GST registration or as amended from time to time.

The taxpayer having received the ADT-01 appeared in person and produced Profit and Loss Account, Balance Sheet, Purchase and Sale Statements etc., On due examination of the same with reference to the material available in the GST Common Portal, their tax liabilities and other discharged liabilities are hereby proposed to assess with the following results:-

1) <u>Input Tax on Inward Supplies :-</u>

The Tax Payer claimed Input Tax Credit in GSTR3B / GSTR 9 returns filed by them for the year **2021-22** as under:

IGST Rs. 00.00
CGST Rs. 50,78,147.00
SGST Rs. 50,78,147.00

On verification of the ITC claim of the taxpayer among the Form GSTR-3B / GSTR 9 and Purchase details filed to Audit, the following variations are noticed.

The Tax Payer claimed excess ITC in GSTR3B / GSTR 9 compared with the ITC as per the Table 8A of GSTR 9:

Particulars	CGST	SGST	Total
ITC claimed in GSTR 3B / GSTR 9	5078147	5078147	10156294
Less: Net ITC Eligible as per Table 8A of GSTR 9	3267296	3267296	6534592
Excess ITC Claimed	**1810851**	**1810851**	**3621702**

2) <u>Output Tax on Outward Supplies :-</u>

The Tax Payer reported Output Tax in GSTR3B / GSTR 9 Returns filed by them for the year **2021-22** as under:

IGST Rs. 00.00
CGST Rs. 63,20,249.00
SGST Rs. 63,20,249.00

A) The Tax Payer claimed Exemption on the Output Turnover of Rs. 3,15,69,561/- in the GSTR3B / GSTR 9 Returns filed by them, but they have failed to file documentary evidences for their claim of exemption, hence the same is Proposed to Tax @ 18% as under:

Particulars	Turnover	CGST Proposed @ 9%	SGST Proposed @ 9%	Total Output Tax Proposed
Exempted Turnover Reported Proposed to Tax in absence of documentary evidences	31569561	2841260	2841260	5682520

Note: If the Tax Payer submits the documentary evidence for their claim of Exempted Output Turnover, the Input Tax to be reversed on non-business transactions & exempt supplies under Section 17(1) & (2) where the goods or services or both are used by the registered person partly for the purpose of business, partly for other purposes or partly used for effecting exempt supply and partly for taxable supply then the amount of credit shall be restricted to so much of the input tax as is attributable to the taxable supplies in the course of business. Therefore the taxable person needs to make an apportionment of available input tax credit under Rule 42 & 43 to arrive at the eligible ITC, resulting in excess claim of ITC than you are eligible. The details of the working are as under:

S. No	Issue	Table no. in GSTR-3B	Value of outward supply	SGST	CGST	Total
1	2	3	4	5	6	7
1	Total supplies	3.1-3.1(D)	93816250.00	-	-	-
2	Exempt supplies	3.1(c)+3.1(e)	24977061.00	-	-	-
3	Proportion of common ITC which has to be reversed to the extent of exempt supply (2/1 above)		0.266233	-	-	-
4	Common input tax credit	4A+Tran 1+ Tran 2	-	5098441.32	5098441.32	10196882.64
5	ITC to be reversed	[S.No.2] / [S.No.1] X [S. No.4]	-	1357373.33	1357373.33	2714746.66
6	ITC reversed as per GSTR-3B	4B(1)	-	0.00	0.00	0.00
7	Difference/Excess ITC claimed	S.No.5 (-) S.No.6	-	1357373.33	1357373.33	2714746.66

B) The Tax Payer claimed Exemption on the Credit Notes Turnover of Rs. 13,85,802/- in the GSTR3B / GSTR 9 Returns filed by them, but they have failed to file documentary evidences for their claim of exemption, hence the same is Proposed to Tax @ 18% as under:

Particulars	Turnover	CGST Proposed @ 9%	SGST Proposed @ 9%	Total Output Tax Proposed
Credit Notes Turnover Reported Proposed to Tax in absence of documentary evidences	1385802	124722	124722	249444

C) As seen from the Sales Register filed compared with the Output Taxes reported in GSTR 3B / GSTR 9 the following variations noticed in Output Turnovers and Taxes Reported.

Particulars	Turnover	Turnover	CGST Proposed @ 9%	SGST Proposed @ 9%	Total Output Tax Proposed
Gross Output Turnover as per Sales Register filed		117779753			
Less: Output Turnover Reported		114435050			
1. GST Output Turnover	70224991				
2. CGST Tax	6320249				
3. SGST Tax	6320249				
4. Non-GST Output Turnover	31569561				
Total	**114435050**				
Short Reported Output Turnover Now Proposed to Tax @ 18%		**3344703**	**301023**	**301023**	**602046**

Therefore, it is proposed to assess for year **April 2021 to March 2022** for the net tax proposed to be payable indicated under Section 73 of the SGST/CGST Act as under:

S. No.	Particulars	CGST Tax	SGST Tax	Total Tax
1	Proposed to Disallow Excess claim of Input Tax compared with Table 8A of GSTR 9 and GSTR 3B / GSTR 9	1810851	1810851	3621701
2A	Exempted Turnover Reported Proposed to Tax in absence of documentary evidences	2841260	2841260	5682521
2B	Credit Notes Turnover Reported Proposed to Tax in absence of documentary evidences	124722	124722	249444
2C	Short Reported Output Tax proposed compared with Sales Register filed and GSTR 3B / GSTR 9 returns filed	301023	301023	602047
	Total Tax Due to the Department	**5077857**	**5077857**	**10155713**

In addition to above, the following punitive measures will be taken up while passing final orders.

A) As per Section 73 read with Rule 122 of CGST Act, 2017, a Penalty as required on the tax due will be levied at the time of assessment proceedings without any further notice.

B) As per Section 50 of CGST Act, 2017 the legitimate Interest @18% PA will be levied on the excess claim of Input Tax at the time of assessment proceedings without any further notice.

As per Section 47(2) of CGST Act, 2017 enumerates that, "any registered person who fails to furnish the return required under Section 44 by the due date shall be liable to pay a Late Fee of one hundred rupees for every day during which such failure continues subject to a maximum of an amount calculated at a quarter per cent of his turnover in the State or Union Territory.

In the light of the above legal positions, the amount of Late fee to be paid on account of belated filing of Form GSTR 9C and GSTR-1 Returns is hereby enumerated by due calculative exercise as under:

Nature of return	Period	Due Date of Filing	Date of Filing Return	No. of Days Delayed	Late Fee @ Rs.100 per day
GSTR 1	April, 2021	11-05-2021	24-08-2021	105	10500
GSTR 1	May,2021	11-06-2021	30-09-2021	111	11100
GSTR 1	June, 2021	11-07-2021	30-09-2021	81	8100
GSTR 1	July, 2021	11-08-2021	18-10-2021	68	6800
GSTR 1	Aug-21	11-09-2021	19-10-2021	38	3800
GSTR 1	Sept.2021	11-10-2021	01-11-2021	21	2100
GSTR 1	Oct.2021	11-11-2021	12-11-2021	1	100
GSTR 1	Jan.2022	11-02-2022	12-02-2022	1	100
GSTR 1	Feb.2022	11-03-2022	17-03-2022	6	600
GSTR 1	Mar.2022	11-04-2022	25-04-2022	14	1400
	Total				**44600**

While bringing forward to the notice of the taxpayer about the above Late Fee calculated for belated filing of Form GSTR-01 returns amounting to Rs.44,600/- (i.e., Rs.22,300/- towards CGST and Rs.22,300/- towards SGST respectively), the taxpayer is hereby directed to pay the same by generating Form GST DRC-03 or if having any objections, as to file their reply.

Thus, the total Tax, Penalty and Interest for the period from **April 2021 to March 2022** is proposed in addition to the Taxes reported as under:

S. No.	Act	Tax	Interest	Penalty	Late Fee	**Total**
1	CGST	5077857	2285035	507786	22300	**7892978**
2	SGST	5077857	2285035	507786	22300	**7892978**
3	TOTAL	**10155714**	**4570070**	**1015572**	**44600**	**15785956**

The registered tax payer may therefore pay the tax in DRC-03. However, if the registered tax payer is not agreeing with the proposals in this notice they may file their objections in DRC-06 within (15) days from the date of receipt of this notice, failing which orders as deemed fit will be passed without any further correspondence in the matter.

STATE TAX OFFICER-II,
M.G.ROAD-S.D.ROAD CIRCLE.

To,
M/s. MODI REALTY (MIRYALAGUDA) LLP,
SOHAM MANSION, 2ND FLOOR, 5-4-187/3 AND 4,
M.G ROAD, SECUNDERABAD, 500003

State Tax Officer-II
M.G. Road-S.D. Road Circle,
Begumpet Division, Hyderabad