

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: 36AADCM5906D2ZO
ARN: AD3605240019553

Date: 13-11-2024

ANNESURE TO FORM GST DRC-01
SUMMARY OF SHOW CAUSE NOTICE

for the Financial Year 2020-21 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 HOUSING PRIVATE LIMITED (for brevity 'taxpayer') – Conduct of general audit for the financial year 2020-21 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. ZD360524018355H, dated: 09-05-2024.

M/s. MODI HOUSING PRIVATE LIMITED, located at 2nd Floor, 5-4-187/ 3 and 4, Soham Mansion, M G Road, Secunderabad, 500003 are a registered taxpayer under the provisions of GST Act, 2017 with GSTIN 36AADCM5906D2ZO 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 995411) Construction services of single dwelling or multi dwelling or multi-storied residential buildings, (995413) Construction services of industrial buildings such as buildings used for production activities (used for assembly line activities), workshops, storage buildings and other similar industrial buildings, (997212) Rental or leasing services involving own or leased non-residential property

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 2020-21, 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 09-05-2024 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. 24-05-2024 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 2020-21 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 failed to produce the records called for till this date. On due examination of 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) Input Tax on Inward Supplies :-

The Tax Payer claimed Input Tax Credit in GSTR4 return filed by them for the year 2020-21 as under:

CGST	Rs. 1,51,086.00
SGST	Rs. 1,51,086.00
Total Input Tax	Rs. 3,02,172.00

The taxpayer has failed to produce the relevant records (so maintained under Rule 56) and failed to fulfill the documentary requirements and conditions as laid down under Sections 16 and 155 of CGST Act, 2017, read with Rule 36 of CGST Rules, 2017. Since, the taxpayer failed to prove the eligibility and genuineness and legality of their claim of Input Tax Credit by producing the required documentary evidence, it is hereby proposed to reject their claim of Input Tax Credit of Rs. 3,02,172/-.

While bringing forward to the notice of the taxpayer about the above excess claimed ITC amounting to Rs. 3,02,172/- (i.e. Rs. 1,51,086/- towards CGST and Rs. 1,51,086/- 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.

2) Output Tax on Outward Supplies :-

The Tax Payer reported Output Turnover and Taxes in GSTR 3B and GSTR 09 Returns filed by them for the year 2020-21 as under:

Particulars	Turnover	CGST	SGST
Exempted, Nil Rated, Non-GST supplies	152308421	0	0
Output Turnover Taxable @18%	925352	83280	83280
Total Reported	153233773	83280	83280

A) The Tax Payer claimed Exemption on the Output Turnover of Rs. 15,23,08,421.00 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
Turnover Reported as Exempted Supply Proposed to Tax in absence of documentary evidences	152308421	13707758	13707758	27415516

While bringing forward to the notice of the taxpayer about the above Shortly reported Output Tax amounting to Rs. 2,74,15,516/- (i.e., Rs. 1,37,07,758/- towards CGST and Rs.1,37,07,758/- 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.

B) As seen from the Financial Statement (Profit and Loss Account) compared with the Output Taxes reported in GSTR 3B / GSTR 9 the following variations noticed in Output Turnovers and Taxes Reported.

Particulars	Turnover	CGST Proposed @ 9%	SGST Proposed @ 9%	Total Output Tax Proposed
Output Turnover as per Financial Statements (Profit and Loss Account)	175754604			
Less: Output Turnover Reported	153233773			
Short Reported Output Turnover Now Proposed to Tax @ 18%	22520831	2026875	2026875	4053750

While bringing forward to the notice of the taxpayer about the above Short reported Output Tax amounting to Rs. 40,53,750/- (i.e., Rs.20,26,875/- towards CGST and Rs. 20,26,875/- 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.

Therefore, it is proposed to assess for year April 2020 to March 2021 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	Wrong claim of Input Tax	151086	151086	302172
2A	Turnover Reported as Exempted Supply Proposed to Tax in absence of documentary evidences	13707758	13707758	27415516
2B	Short Reported Output Tax proposed compared with Financial Statements (Profit and Loss Account) and GSTR 3B / GSTR 9	2026875	2026875	4053750
Total Tax Due to the Department		15885719	15885719	31771438

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 9, 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 9	2020-21	28-02-2022	21-03-2022	21	2100
GSTR 9C	2020-21	28-02-2022	21-03-2022	21	2100
GSTR 1	April, 2020	11-05-2020	22-09-2020	134	13400
GSTR 1	May, 2020	11-06-2020	14-09-2020	95	9500
GSTR 1	June, 2020	11-07-2020	22-09-2020	73	7300
GSTR 1	July, 2020	11-08-2020	22-09-2020	42	4200
GSTR 1	Aug, 2020	11-09-2020	10-11-2020	60	6000
GSTR 1	Sept, 2020	11-10-2020	23-11-2020	43	4300
GSTR 1	Oct, 2020	11-11-2020	27-11-2020	16	1600
GSTR 1	Nov, 2020	11-12-2020	23-01-2021	43	4300
GSTR 1	Dec, 2020	11-01-2021	22-03-2021	70	7000
GSTR 1	Jan, 2021	11-02-2021	27-04-2021	75	7500
GSTR 1	Feb, 2021	11-03-2021	11-05-2021	61	6100
GSTR 1	Mar, 2021	11-04-2021	30-06-2021	80	8000
	Total				83400

While bringing forward to the notice of the taxpayer about the above Late Fee calculated for belated filing of Form GSTR-amounting to Rs.83,400/- (i.e., Rs.41,700/- towards CGST and Rs.41,700/- 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.

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.

Thus, the total Tax, Penalty and Interest for the period from April 2020 to March 2021 is proposed in addition to the Taxes reported as under:

S. No.	Act	Tax	Interest	Penalty	Late Fee	Total
1	CGST	15885719	10008003	1588572	41700	27523994
2	SGST	15885719	10008003	1588572	41700	27523994
3	TOTAL	31771438	20016006	3177144	83400	55047988

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.

To,
M/s. MODI HOUSING PRIVATE LIMITED,
2nd Floor, 5-4-187/ 3 and 4, Soham Mansion,
M G Road, Secunderabad, 500003

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

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

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

Reference No. - ZD361124013274V

Date - 13-11-2024

To

GSTIN/ID: 36AADCM5906D2Z0

Name: Modi Housing Private Limited

Address : 5 4 187 3 and 4, 2nd floor, Soham Mansion, M G Road, Secunderabad, Hyderabad, Telangana, 500003

Tax Period : APR 2020 - MAR 2021

F.Y.- 2020-2021

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 :

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 2020	MAR 2021	CGST	NA	1,58,85,719.00	1,00,08,003.00	15,88,572.00	41,700.00	0.00	2,75,23,994.00
2	0	0.00	APR	MAR	SGST	NA	1,58,85,719	1,00,08,003	15,88,572.	41,700.00	0.00	2,75,23,994.