

Hiregange & Associates LLP
Chartered Accountants

1-623 DIC



Date: 04.09.2021

To

The Commissioner of Central Tax,
Secunderabad GST Commissionerate,
GST Bhawan, L.B. Stadium Road,
Basheerbagh, Hyderabad -500004

Dear Sir,

Sub: Submission of information after personal hearing

Ref:

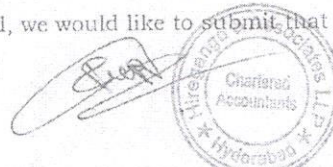
- a. SCN OR No.19/2020-21-Sec-Adjn-Commr (ST) dated 21.12.2020 issued to M/s. Nilgiri Estates
- b. Personal hearing attended on 14.06.2021
- c. Your letter dated 16.08.2021 pertaining to M/s. Nilgiri estates
- d. Our E-mail dated 23.08.2021 submitting certain information and requesting for extension of time for submitting the balance information

1. With reference to above, we wish to inform that we are authorized to represent M/s. Nilgiri estates and attended the personal hearing before your good self on 14.06.2021. During the course of the personal hearing your good-self have called for the following information

- i. Month-wise statement of CENVAT credit availed on input services and a list of invoices with detailed description in support of the credit availed on input services
- ii. An excel sheet giving year-wise breakup of the corpus fund in respect of each flat and the final transfer of Corpus fund to the Flat Owners Association
- iii. Sample electricity bills in respect of a few flats and details of corresponding amounts collected from them
- iv. A year-wise reconciliation statement for the differences between the amounts declared in ST-3 returns and income tax returns.

2. With respect to (i) above, we are herewith submitting the Month-wise statement of CENVAT credit availed on input services and a list of invoices with detailed description in support of the credit availed on input services as Annexure-I (sent through E-mail on 23.08.2021)

3. With respect to (ii) and (iii), regarding corpus fund and electricity charges, we would like to bring to your notice that the Show Cause Notice vide Para 8 alleged that we have claimed a deduction of Rs. 29,76,388/- as pure agent during the period April 2015 to June 2017. In this regard, we would like to submit that the amounts claimed



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as deduction is received towards VAT, registration charges and service tax. The bifurcation of the same is as follows

Period	Deductions claimed in ST-3	VAT and registration	Service Tax
April 15 to September 2015	0		
October 2015 to March 2016	50,000	50,000	0
April 2016 to September 2016	3,08,655	2,13,955	94,700
October 2016 to March 2017	26,17,733	20,43,235	5,74,498
April 2017 to June 2017	0	0	0
Total	29,76,388	23,07,190	6,69,198

4. We would like to submit that we have not received any amount towards corpus fund or electricity charges during the disputed period. However, we have inadvertently mentioned as received in Para 35 of the reply to Show Cause Notice. The corpus fund and electricity charges would be collected from the customers at the time of handing over of flat and in the instant case, the said amounts are collected from customers after implementation of GST (since the handing over was made then). Since we have not received any amount towards corpus fund and electricity charges, there is no warrant for submission of any further documents in this regard. Hence, we request you to consider the above while passing the order.
5. Further, we would like to bring to your notice while filing the ST-3 returns we have missed to declare certain amounts which are received as pure agent of recipient of service. The details of the same are as follows

Period	Actual amount received	Declared in ST-3	Not declared in ST-3
April 15 to September 2015	5,50,000	-	5,50,000
October 2015 to March 2016	50,000	50,000	-
April 2016 to September 2016	3,08,655	3,08,655	-
October 2016 to March 2017	26,48,798	26,17,733	31,065
April 2017 to June 2017	36,34,072	0	36,34,072
Total	71,91,525	29,76,388	42,15,137

6. We would like to submit that the above referred amounts are received towards VAT and registration charges and reimbursement of service tax from the customers. These are received as pure agent of recipient of service, therefore, the Noticee has claimed the same as deduction while paying service tax. The bifurcation of the amount received towards VAT and registration charges and service tax is as follows

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Period	VAT, registration charges	Service Tax	Total
2015-16	50,000	5,50,000	6,00,000
2016-17	22,88,255	6,69,198	29,57,453
2017-18	25,69,341	10,64,731	36,34,072
Total	49,07,596	22,83,929	71,91,525

7. To evidence that we have collected the actual amount incurred towards VAT and registration charges, we are herewith enclosing the copies of sale deed along with registration fees and VAT payment challan as Annexure -II. With respect to service tax collected from the customers, we are herewith enclosing the copy of ledger accounts of the customers as Annexure-III. Hence, we request you to consider the same and drop demand to that extent.
8. Further, we request your good self to consider the below mentioned table in place of table given in Para 18 of the reply to the SCN. We would like to bring to your notice that at the time of filing the reply to SCN, we have considered the amounts received towards sale deeds only as the turnover instead of actual receipts during the disputed period. Hence, we humbly request you to consider the below table while passing the order

Particulars	15-16	16-17	17-18	Total
Total receipts	8,90,54,592	15,43,21,402	1,60,17,996	25,93,93,990
Less: VAT, Stamp duty	50,000	22,88,255	25,69,341	49,07,596
Less: Other non-taxable receipts	5,50,000	6,69,198	10,64,731	22,83,929
Total receipts after deductions	8,84,54,592	15,13,63,949	1,23,83,924	25,22,02,465
Less: Abatement at 70/75%	6,63,40,944	10,59,54,764	86,68,747	18,09,64,455
Taxable turnover	2,21,13,648	4,54,09,185	37,15,177	7,12,38,010
Service Tax payable	31,20,878	67,79,508	5,57,277	1,04,57,663
Service tax paid in ST-3	31,39,523	67,80,908	5,57,277	1,04,77,708
Short/(Excess)				(20,045)

A receipt wise statement is enclosed along with this letter as Annexure IV.

9. Further, we would like to submit that the details of service tax payment can be verified from the ST-3 returns filed which are enclosed as Annexure- VI to reply to SCN and the statement enclosed as Annexure X (page-A227) to reply to SCN.



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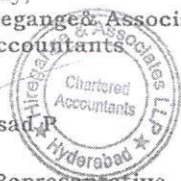
10. We would like to submit that the service tax collected from the customer would not match with the service tax paid during the disputed period as we are making service tax payment at the time of receipt of payment but collecting the same from the customer at the time of handing over the flat.

11. With respect to reconciliation between ST-3 returns and Income Tax Return for the period April 2017 to March 2018, we would like to submit that it is taking more time than expected for preparing the same. Hence, we humbly request you to provide 10 days more time to submit the same.

We sincerely regret the inconvenience caused to you in this regard. Kindly acknowledge the receipt of this mail and to the needful.

Thanking You,
Yours faithfully,
For M/s. Hiregange & Associates LLP
Chartered Accountants

Venkata Prasad,
Partner
Authorised Representative



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A	CENVAT credit register in excel format for the FY 2015-16 to June 2017	001-013
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