

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 **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 REALTY (MIRYALAGUDA) LLP (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. ZD360424037386B, dated: 20-04-2024.

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 **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 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 **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 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) Input Tax on Inward Supplies :-

The Tax Payer claimed Input Tax Credit in GSTR3B / GSTR 9 returns filed by them for the year **2020-21** as under:

IGST Rs. 82,05,291.00
CGST Rs. 47,23,417.00
SGST Rs. 47,23,417.00

On verification of the ITC claim of the taxpayer among the Form GSTR-3B and Form GSTR-2A, the following variations are noticed.

The following Ineligible Input Taxes under Section 17(5) of the GST Act reflected in the Table 8A of GSTR 9 proposed for rejection.

Particulars	CGST Input	SGST Input
M/S CAPS GOLD PRIVATE LIMITED	3,451.46	3,451.46
Total	3451.46	3451.46

Thus, the eligible for Input Tax Credit as per the Table 8A of GSTR 9 is arrived as under:

Particulars	CGST	SGST
Input Tax as per Table 8A of GSTR 9	4442644.33	4442644.33
Less: Credit Notes	12577.50	12577.50
Net ITC	4430066.83	4430066.83
Ineligible Input Tax under Section 17(5) of the GST Act	3451.46	3451.46
Net ITC Eligible	4426615.37	4426615.37

The Tax Payer claimed excess ITC in GSTR3B/GSTR 9 compared with the ITC as appearing in Table 8A of GSTR 9 as under.

Particulars	CGST	SGST	Total
ITC claimed in GSTR 3B / GSTR 9	4723417	4723417	9446834
Less: Net ITC Eligible as per Table 8A of GSTR 9	4426615	4426615	8853230
Excess ITC Claimed	296802	296802	593604

2) Output Tax on Outward Supplies :-

The Tax Payer reported Output Tax in GSTR3B / GSTR 9 Returns filed by them for the year **2020-21** as under:

IGST Rs. 00.00
CGST Rs. 57,51,108.00
SGST Rs. 57,51,108.00

A) The Tax Payer claimed Exemption on the Output Turnover of Rs. 2,13,18,231/- 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	21318231	1918641	1918641	3837282

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	SGST	CGST	Total
1	2	3	4	5	6	7
1	Total supplies	3.1-3.1(D)	85020859.00	-	-	-
2	Exempt supplies	3.1(c)+3.1(e)	21150875.00	-	-	-
3	Proportion of common ITC which has to be reversed to the extent of exempt supply (2/1 above)		0.248772	-	-	-
4	Common input tax credit	4A+Tran 1+ Tran 2	-	4746403.98	4746403.98	9492807.96
5	ITC to be reversed	[S.No.2]/[S. No.1]X[S.No. 4]	-	1180772.41	1180772.41	2361544.82
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	-	1180772.41	1180772.41	2361544.82

B) 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		97172291			
Less: Output Turnover Reported		96721645			
1. GST Output Turnover	63901198				
2. CGST Tax	5751108				
3. SGST Tax	5751108				
4. Non-GST Output Turnover	21318231				
Total	96721645				
Short Reported Output Turnover Now Proposed to Tax @ 18%		450646	40558	40558	81116

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	Proposed to Disallow Excess claim of Input Tax compared with Table 8A of GSTR 9 and GSTR 3B / GSTR 9	296802	296802	593604
2A	Exempted Turnover Reported Proposed to Tax in absence of documentary evidences	1918641	1918641	3837282
2B	Short Reported Output Tax proposed compared with Sales Register filed and GSTR 3B / GSTR 9 returns filed	40558	40558	81116
Total Tax Due to the Department		2256001	2256001	4512002

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, 2020	11-05-2020	25-05-2020	14	1400
GSTR 1	May, 2020	11-06-2020	29-06-2020	18	1800
GSTR 1	June, 2020	11-07-2020	27-07-2020	16	1600
GSTR 1	July, 2020	11-08-2020	13-10-2020	63	6300
GSTR 1	Aug-20	11-09-2020	09-11-2020	59	5900
GSTR 1	Sept.2020	11-10-2020	16-11-2020	36	3600
GSTR 1	Oct.2020	11-11-2020	20-11-2020	9	900
GSTR 1	Nov.2020	11-12-2020	15-12-2020	4	400
GSTR 1	Mar.2021	11-04-2021	04-08-2021	115	11500
	Total				33400

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.33,400/- (i.e., Rs.16,700/- towards CGST and Rs.16,700/- 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.

The Tax payer failed to file GSTR 01 returns for the months January 2021 and February 2021, which is liable to levy Penalty @0.50% of the Turnover under Section 47 of CGST Act, 2017, as under.

Nature of return	Period	Output Turnover for the month	Late Fee @ 0.50% on Output Turnover
GSTR 1	Jan.2021	1688611	8443
GSTR 1	Feb.2021	4398500	21993
	Total		30436

While bringing forward to the notice of the taxpayer about the above Penalty calculated for not filing of Form GSTR-01 returns amounting to Rs.30,436/- (i.e., Rs.15,218/- towards CGST and Rs.15,218/- 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.

Further it is noticed that the Tax Payer wrongly claimed an IGST Input Tax of Rs.82,05,291/- in GSTR 3B Return filed for the month of July, 2020, subsequently it was reversed in GSTR 3B Return filed for the month of September, 2020 from the Credit having with them under IGST for Rs. 45,72,637/- and under CGST for Rs. 36,32,654/-, it clearly shows that the Tax Payer utilised the IGST Input Tax of Rs. 36,32,654/-, it needs to be levied Interest @ 18% PA, hence the same it proposed as under:

Ineligible IGST Input Tax utilised	Rs. 36,32,654-00
Period of Ineligible IGST Input Tax utilised	(2) months
Interest @ 18% (i.e. $3632654 \times 2/12 \times 18/100$)	Rs. 1,08,980-00

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 on Tax Proposed	Penalty for non filing of GSTR 01 Returns	Late Fee	Total
1	CGST	2256001	1421280	225600	15218	16700	3934799
2	SGST	2256001	1421280	225600	15218	16700	3934799
3	TOTAL	4512002	2842560	451200	30436	33400	7869598

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.

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

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

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

Reference No. - ZD361124013285S

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 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	22,56,001.00	14,21,280.00	2,25,600.00	31,918.00	0.00	39,34,799.00
2	0	0.00	APR	MAR	SGST	NA	22,56,001.00	14,21,280.00	2,25,600.00	31,918.00	0.00	39,34,799.00

			2020	2021				00	00				
Total								45,12,002.00	28,42,560.00	4,51,200.00	63,836.00	0.00	78,69,598.00

Show Cause Notice is attached.

Supporting documents attached by officer:

1. MODI REALTY DRC-01 Annexure 2020-21 Signed.pdf : DRC 01 Annexure
1. MODI REALTY DRC-01 Annexure 2020-21 .pdf : DRC 01 Annexure

Details of personal hearing and due date to file reply:

Sl. 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. Road-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