

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.

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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.

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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        |
| <b>Total Reported</b>                 | <b>153233773</b> | <b>83280</b> | <b>83280</b> |

**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       |                    |                    |                           |
| <b>Short Reported Output Turnover Now Proposed to Tax @ 18%</b>       | <b>22520831</b> | <b>2026875</b>     | <b>2026875</b>     | <b>4053750</b>            |

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         |
| <b>Total Tax Due to the Department</b> |                                                                                                                      | <b>15885719</b> | <b>15885719</b> | <b>31771438</b> |

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                      |
|                  | <b>Total</b> |                    |                       |                     | <b>83400</b>              |

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     | <b>Total</b>    |
|--------|--------------|-----------------|-----------------|----------------|--------------|-----------------|
| 1      | CGST         | 15885719        | 10008003        | 1588572        | 41700        | <b>27523994</b> |
| 2      | SGST         | 15885719        | 10008003        | 1588572        | 41700        | <b>27523994</b> |
| 3      | <b>TOTAL</b> | <b>31771438</b> | <b>20016006</b> | <b>3177144</b> | <b>83400</b> | <b>55047988</b> |

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.

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

Reference No. - ZD361124013274V

Date - 13-11-2024

To

GSTIN/ID: 36AADCM5906D2ZO

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 :

(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 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.   |

|       |  |  |      |      |  |  |                |                |              |           |      |                |
|-------|--|--|------|------|--|--|----------------|----------------|--------------|-----------|------|----------------|
|       |  |  | 2020 | 2021 |  |  | .00            | .00            | 00           |           |      | 00             |
| Total |  |  |      |      |  |  | 3,17,71,438.00 | 2,00,16,006.00 | 31,77,144.00 | 83,400.00 | 0.00 | 5,50,47,988.00 |

Show Cause Notice is attached.

Supporting documents attached by officer:

1. Modi Housing DRC-01 Annexure 2020-21 Signed.pdf : DRC 01 Annexure

1. Modi Housing DRC-01 Annexure 2020-21.pdf : DRC 01 Annexure

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. 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