

GOVERNMENT OF TELANGANA
COMMERCIAL TAXES DEPARTMENT

Office of the ASSISTANT COMMISSIONER OF STATE TAX, M.G.Road-S.D.Road Circle,
Begumpet Division, Hyderabad.

Address : D.No.6-3-789, 4th Floor, Pavani Prestige Complex, Ameerpet, Hyderabad – 500 016

ARN.AD3601240339256

Date : 12.06.2025

**“Attachment” to Form GST DRC-01 (“Summary of Show Cause Notice”) issued
under Section 73(1), 73(3) and Rule 142(1)(a) for the F.Y.2017-18**

SUB:-Goods and Services Tax Act, 2017 (here-in-after referred to in as “GST Act, 2017” for brevity) – M.G.Road-S.D.Road Circle – Begumpet Division, Hyderabad - M/s.SILVER OAK VILLAS LLP, Secunderabad (here-in-after referred to in as ‘Taxpayer’ for brevity) – GST Assessment for the financial year 2017-18 completed and orders passed in Form GST DRC-07 – Taxpayer resorted the Hon’ble High Court of Judicature, for the State of Telangana, at Hyderabad seeking certain relief(s) and favourable orders – Case disposed-off by the Hon’ble Court of Justice by setting-aside/quashing the order in dispute and giving certain directive guidelines to Proper Officer (assessing authority) – Examination made of the Adjudication Order - Issue of “Summary of Show Cause Notice” in Form GST DRC-01 under Section 73, read with Rule 142 of CGST Act and Rules, 2017 – They are requested to pay the tax dues arising from the observed inaccuracies/anomalies by way of generating tax payment Form GST DRC-03, if not/or else, if they have any objections to observed irregularities, they are invited to submit them with appropriate evidence – Reg.

REF:-1.This tax office “Summary of Assessment Order” in Form GST DRC-07 dated 30.09.2023 under Section 73, read with Rule 142 of CGST Act and Rules, 2017 for the financial year 2017-18 (from 07/2017 to 03/2018) vide it’s Reference No.ZD361223015515R.

2.Adjudication order of the Hon’ble High Court of Judicature, for the State of Telangana, at Hyderabad Writ Petition No.6671 of 2024, dated 14.03.2024 for the financial year 2017-18 under CGST Act, 2017.

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M/s.Silver Oak Villas LLP, located at H.No.5-4-187/3 & 4, 2nd Floor, Soham Mansion, M.G.Road, Secunderabad - 500 003 are a registered taxpayer under the provisions of GST Act, 2017 with GSTIN 36ADBFS3288A2Z7 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. The constitution of business /status of business is a Limited Liability Partnership. The Legal Name of Business is Silver Oak Villas LLP and Trade Name is Silver Oak Villas LLP. They are carrying on business in Services only viz., i) Construction of Residential Complex (vide HSN code 00440334) and ii) Works Contract Services (vide HSN code 00440410).

In the background of certain anomalies/inaccuracies observed in the case of the above taxpayer for the financial year 2017-18, the assessment of their tax liabilities have been processed in due process of law and assessment order in Form GST DRC-07 dated 08.12.2023 was passed vide its Reference No.ZD361223015515R with the following tax determinations :

Act	ITC claimed on inward RCM supplies in GSTR-3B (as per Table 4A(2) + 4A(3))	Reverse Charge liability declared in GSTR-3B [as per Table 3.1(d)]	Short (-) / Excess (+) in ITC (ITC claimed – Liability declared)
IGST	0.00	0.00	0.00

CGST	1035949	38501	997448
SGST	1035949	38501	997448
TOTAL	2071898	77002	1994896

The taxpayer having disagreed with the above "Summary of Assessment Orders" in Form GST DRC-07 for the financial year 2017-18 resorted the Hon'ble High Court of Judicature for the State of Telangana, at Hyderabad seeking favourable orders. The Hon'ble Court of Justice having heard the pleadings from both the counsels of the Petitioner Taxpayer and Respondent(s) has disposed-off the case with an adjudicatory determination / with an adjudicatory directive indications to the assessing authority. The affirmative views-cum-adjudicatory directive indications/prescriptive or indicative judgment order of the Hon'ble Court of Justice are reproduced as is /in verbatim here under as a part of having more relevance and clarity on the impugned subjects/ contentious issues / on the claims so made by the assessee seeking certain reliefs and in addition thereto, also in order of processing the consequential action more appropriately and legitimately:-

"Considering the judicial precedents referred to in the preceding paragraphs, we are of the considered opinion that the impugned order in the instant case also since it an un-signed document which lose its efficacy in the light of requirement of Rule 26(3) of the CGST Rules, 2017 and also under the TGST Act and Rules, 2017. The Show Cause Notice as also the impugned Order both would not be sustainable and the same deserves to be and is accordingly set aside/quashed. However, the right of the respondents would stand reserved to take appropriate steps strictly in accordance with law governing the field".

In the light of the expressly referred directive guidelines of the Hon'ble Court of Law / as a part of taking necessary action having adhered with the directions of the Hon'ble Court of law as made above, it is with a lawful view to assess the observed discrepancies / inaccuracies by invoking the implied scope of the provisions of Section 73 and Rule 142 of CGST Act and Rules, 2017, it is [without prejudice to the generality of the provisions of law and as well as while keeping in view the scope of the prima-facie lawful principles in assessing their discharged tax and other liabilities in appropriate manner], it is hereby proposed to issue a Summary of Show Cause Notice in Form GST DRC-01 for the financial year 2017-18 [i.e., from July, 2017 to March, 2018] with the details of observations made and the order in which they have been appraised/evaluated accordingly in the course of properly assessing the tax liabilities of the taxpayer and properly assessing/ensuring their compliance with the provisions of GST Act and Rules on the following lines, so as to enable them to look into and submit suitable reply and clarifications on the same with adequate corroborative evidence :-

- 1) During verification of Form GSTR-3B (vide Table 4A(2) + 4(A) Vs. Table 3.1(d)] regarding RCM, it is found that, the taxpayer without payment of taxes under the RCM has availed ITC under RCM which is not permissible in law. Hence, the same is proposed to be brought under the ambit of tax assessment as payable by the taxpayer. The details of the observed irregularity are briefed or outlined as under:

(Amount in Rs.)			
Act	ITC claimed on inward RCM supplies in GSTR-3B (as per Table 4A(2) + 4A(3))	Reverse Charge liability declared in GSTR-3B [as per Table 3.1(d)]	Short (-) / Excess (+) in ITC (ITC claimed – Liability declared)
IGST	0.00	0.00	0.00
CGST	1035949	38501	997448
SGST	1035949	38501	997448
TOTAL	2071898	77002	1994896

While concluding the issuance of Summary of Show Cause Notice in the light of the adjudicatory directive indications of the Hon'ble Court of Law for the tax periods of July, 2017 to March, 2018 as required under the provisions of Section 73, read with Rule 142 of CGST Act and Rules, 2017, the taxpayer M/s.Silver Oak Villas LLP, Secunderabad are accordingly requested to go through the aspects elaborated point-wise as supra and pay the taxes arising out of irregularities observed as a part of the tax assessment process by way of generating tax payment Form GST DRC-03 ; otherwise/ or else, if they have any objections on those observed irregularities, they are invited to submit the same with adequate corroborative evidence in support thereof within (15) days from the date of receipt of this Notice: failing which, necessary action as may be deemed fit in accordance to the provisions of Act and Rules will be taken to complete the GST Audit-cum-Assessment Proceedings without any further notice or reminder.

Taking of punitive measures or Penal action (in other words, regarding taking action as to imposition/levy of Penalty and Interest to an extent necessary):-

For the tax proposals made in due process of law as detailed above upon/as the cause of noticing of certain inaccuracies and anomalies in respect of certain things or else in discharging of their tax obligations (while considering them prima facie eligible to be brought within the ambit of tax assessment / while deeming them prima facie worthy of being brought under the ambit of tax assessment accordingly), in this contextual scenario, it is as a part of punitive measures /penal action to be taken in pursuance thereof or in consequence thereof/ in accordance with the above proposed tax determinations within the ambit of the law, the necessary impositions/punishments are made as under :

- i) Regarding the Penalty to be imposed or levied in the light of the irregularities observed above within the scope of /in subject to lawfully irrefutable manner and justly admissible manner, necessary Penalty will be imposed accordingly as required under the provisions of Section 73(1), 73(8), 73(9) and Section 122(2)(a) of CGST Act, 2017 based on the tax that will arise at the time when the tax assessment process of those currently in the notice stage is processed and concluded/finalized in a prescribed manner in other words, legitimate Penalty as applicable in the law shall be levied after the initiated process of assessing their tax liabilities is duly processed, sorted-out in a lawfully prescribed manner and that after the amount of net tax is conclusively determined.
- ii) Further, for the lapses/anomalies noticed in claiming the benefits of Input Tax Credit in accordance with the law and/or else in respect of short-paid of output tax or non-payment of any output tax or anything else, in other words, to put it in a little more detail, they are i) for claiming of benefits of Input Tax Credit on ineligible items which would have no such nexus in course of their business or in the furtherance of their business, ii) for claiming of Input Tax Credit benefits in contrary in respect of certain inward supply of goods or services as provided in and as per Section 17(5) of the CGST Act, 2017 though they were exempt from the availability of Input Tax Credits on the goods or services listed as Blocked Credits under Section 17(5) or and like-wise iii) on account of underpayment of tax made in respect of output tax liability, iv) and on account of non-payment of any output tax so payable etc., the taxpayer is entitled to appropriate punitive action as prescribed under the provisions of Section 73(1), 73(8), 73(9), read with Section 50(1) and 50(3) and Rule 88B of CGST Act and Rules, 2017 @ 18% per Annum. However and whatever, the amount of Penal Interest will be calculated in due process of law after the proposed tax assessment is completed and the assessed portion of tax is determined as already outlined at above point.

Assistant Commissioner (ST),
M.G.Road-S.D.Road Circle,
Begumpet Division, Hyderabad.
Assistant Commissioner (ST)
M.G. Road-S.D. Road Circle,
Begumpet Division, Hyderabad.