



Proceedings of Assistant Commissioner (State Taxes)
RAMGOPALPET-RANIGUNJ 1
BEGUMPET DIVISION
PRESENT: S RAVI CHANDRA
(u/s 73 of the TGST & CGST Acts, 2017) dt: 08-10-2025

DIN:	GST/36AABCM4761E1ZM/21-22
Officer details Designation of the Assessing officer Unit	Asst. Commissioner (ST), Ramgopalpet-Ranigunj-1 Circle.
Division	Begumpet
Details of the Taxpayer Name	MODI PROPERTIES PRIVATE LIMITED
GSTIN	36AABCM4761E1ZM
Financial Year	2021-22

Ref:

1. Authorization issued vide no. RR01/AC(ST)/Audit-N/59/36AABCM4761E1ZM/24-25 Dt: 06-11-2024 by Joint Commissioner(ST), Begumpet Division.
2. Show cause notice issued vide ARN: AD360725000490E with ref no: ZD360725001496C dt 01-07-2025
3. Reply filed by the assessee vide ref: ZD360725001496C dt : 28/07/2025, ZD360725001496C dt : 20/08/2025 , ZD360725001496C dt : 27/09/2025.

M/s. MODI PROPERTIES PRIVATE LIMITED, is a Registered Tax Payer on the Rolls of Assistant Commissioner (ST), Ramgopalpet-Ranigunj-1 Circle, Begumpet Division bearing GSTTN: 36AABCM4761E1ZM.

As Per the Registration Details Obtained from the GSTN Portal, They are Traders in 00440410 WORKS CONTRACT SERVICES, 00440104 REAL ESTATE AGENTS, 00440334 CONSTRUCTION OF RES. COMPLEX, 00440406 RENTING OF IMMOVABLE PROPERTY SERVICES. They have office at 2ND FLOOR, 5-4-187/3 AND 4, SOHAM MANSION, M.G ROAD, SECUNDERABAD, Rangareddy, Telangana, 500003

Discrepancies Identified:

On verification of GSTR-09 filed by them for the FY 2021-22, it is noticed that the dealer has short paid tax as per box no 9.

1. Short payment of tax as per GSTR-9 in box No.9:

Description	Tax payable	Paid Through Cash	Paid through ITC			Total Paid	Difference Payable
			IGST	CGST	SGST		
Central Tax	9519248	9189169	358	260221	0	9449748	69500
State Tax	9519248	9189169	0	0	259863	9449032	69500

Which has resulted in short payment of tax under **CGST Rs.69,500-00** and **SGST Rs.69,500-00**

The reasons cited by the tax payer are:

This para points out that the noticee has under paid its tax liability to the tune of Rs. 1,39,000/- (CGST – Rs. 69,500 and SGST - Rs. 69,500) as enumerated in the table below.

Description	Tax Payable	Paid Through Cash	Paid Through ITC			Total Paid	Difference Payable
			IGST	CGST	SGST		
CGST	95,19,248	91,89,169	358	2,60,221	-	94,49,748	69,500
SGST	95,19,248	91,89,169	-	-	2,59,863	94,49,032	69,500

Noticee submits that during annual reconciliation it had discovered that it had inadvertently omitted to report turnover to the tune of Rs.7,73,222/- and had discharged tax liability against such supplies. A detailed break up of such inadvertently unreported turnover is provided in the Table hereunder:

Table 2

Amount in Rs.

Point	Particulars	Taxable Value	CGST	SGST
A	Outward taxable supplies declared in GSTR-9	34,12,73,273	94,46,845	94,46,845
B	Outward taxable supplies declared in GSTR-3B	34,05,00,057	93,77,345	93,77,345
C (A-B)	Difference	7,73,216	69,499	69,499
D	Supplies on which tax liability is discharged through DRC-03	7,73,222	69,590	69,590
D(a)	Income-Interest from customers	3,38,983	30,508	30,508
D(b)	Water & Electricity charges	10,593	953	953
D(c)	Profit on Sale of Car	4,16,892	37,520	37,520
D(d)	Actual difference in supplies declared in GSTR-3B	6,754	608	608

Noticee hereby submits that tax liability against such under reported turnover had been duly discharged vide payment in Form GST DRC-03. Details of Form GST DRC-03 payments are provided hereunder and such DRC-03s are attached as **Annexure 2 & 3 respectively**.

Table 2**Amount in Rs.**

Sno.	Date	ARN	CGST	SGST	Total Tax
1	13.01.2023	AD360123007444K	68,982	68,982	1,37,964
2	13.01.2023	AD360123007430T	608	608	1,216
Total			69,590	69,590	1,39,180

Therefore, it is submitted that noticee had discharged all the liability against such under reported supplies along with applicable interest. Hence, it is requested that all further proceedings in this regard are dropped.

Observations and conclusion of the assessing authority

The contentions made by the assessee have been verified by the DRC 03 submitted by the assessee vide ARN: AD360123007430T and AD360123007414N. The assessee had paid tax along with interest and found to be in order. Therefore the demand raised in the show cause notice is hereby dropped.

2. Nonpayment of Tax on sale of cars Rs 1297000-00 taxed @ 28%:

Description	Taxable Value	CGST	SGST
sale of cars	1297000	181580	181580

The reasons cited by the tax payer are:

1. This para points non-payment of tax on the sale of a car valued at Rs. 12,97,000/-, and accordingly proposed tax at the rate of 28%.
2. Firstly, it is submitted that Rule 32(5) of the CGST Rules, 2017 prescribes the procedure to Determine the value of second-hand goods. An extract of Rule 32(5) is provided hereunder.

"Rule 32(5) Where a taxable supply is provided by a person dealing in buying and selling of second hand goods i.e., used goods as such or after such minor processing which does not change the nature of the goods and where no input tax credit has been availed on the purchase of such goods, the value of supply shall be the difference between the selling price and the purchase price and where the value of such supply is negative, it shall be ignored:"

3. On examining Rule 32(5) of the CGST Act, 2017 it is clear that the GST should be discharged only on the profit earned. In the instant case, the noticee had gained a profit of Rs.4,91,933/-. Such profit from the sale of used car is rightly reported in Schedule 19 of the Financials. An extract of Schedule 19 is provided hereunder for ready reference.

Extract of Schedule 19 of the F.Y.2021-22

19	Other Income	(in Rs)	
		As at 31st March, 2022	As at 31st March, 2021
	Interest from Customers	5,27,119	-
	FDR Interest	3,54,375	3,29,169
	Interest on IT Refund	35,821	1,19,477
	Interest Received on Unsecured Loans.	6,45,258	20,016
	Miscellaneous Receipts	39,118	-
	Rounded Off	20	-
	Profit on sale of Motor Car	4,91,933	-
	Share of Profit from Firms/LLP	5,16,31,905	2,11,81,282
	Forfeit Income	-	5,22,619
	Sundry Balance Written Off	31,772	4,729
	Prior Period Items	9,868	6,223
	Total	5,37,67,190	2,21,83,516

4. Further, it is submitted that the noticee has not collected GST on margin income from sale of car. Therefore, it has back calculated the tax liability from the total receipt of Rs 4,91,933 @18% and discharged the same. Computation of the tax liability is provided below:

Profit realized on Sale of Car	Tax Rate applicable	Taxable Value	CGST	SGST
4,91,933	18%	4,16,892	37,520	37,520

5. Noticee submits that, details of tax discharged can be verified in Ref no B8 of Table 1 and it is hereby submitted that the tax liability due on sale of car is discharged. Sale of Car ledger is attached as **Annexure 4**. The tax liability on profit from sale of car is paid in DRC-03 filed on 13-01-2023, acknowledged vide ARN: AD360123007444K
6. Hence, it is requested to drop all further proceedings in this regard.

Observations and conclusion of the assessing authority

The contentions made by the assessee have been verified and found to be in order. Therefore the demand raised in the show cause notice is hereby dropped.

3. As observed from the balance sheet it is noticed that the dealer has charged interest from the customers of Rs. 527119/- which is liable for tax under GST. In the absence of details, the above amount is proposed to be taxed @18%

Description	Taxable Value	CGST	SGST
Interest from the customer's	527119-00	47440.71	47440.71

The reasons cited by the tax payer are:

1. This para proposes to levy tax at 18% on interest income to the tune of Rs. 5,27,119/- received from customers.

2. It is submitted that the interest income in question arises from delayed payments by customers and is accounted as “Other Income” in the books of accounts. A detailed breakup provided below.

S.No.	Particulars	Amount	Mode of discharge
1.	Interest from Customers	1,27,119	GST Returns
2.	Interest from Customers	4,00,000	Paid via Form DRC-03 refer Para 1 of this reply
	Total	5,27,119	

3. To further substantiate, an extract of Schedule 19 is provided hereunder where such interest from customer is rightly reported in the Financials. An extract of Schedule 19 is provided hereunder for ready reference.

(in Rs)			
19	Other Income	As at 31st March, 2022	As at 31st March, 2021
	Interest from Customers	5,27,119	-
	FDR Interest	3,54,375	3,29,169
	Interest on IT Refund	35,821	1,19,477
	Interest Received on Unsecured Loans.	6,45,258	20,016
	Miscellaneous Receipts	39,118	-
	Rounded Off	20	-
	Profit on sale of Motor Car	4,91,933	-
	Share of Profit from Firms/LLP	5,16,31,905	2,11,81,282
	Forfeit Income	-	5,22,619
	Sundry Balance Written Off	31,772	4,729
	Prior Period Items	9,868	6,223
	Total	5,37,67,190	2,21,83,516

4. Further, it is submitted that the noticee has not collected GST on Interest income of Rs 4,00,000 total interest income of Rs 5,27,119/-. Therefore, on Rs 4,00,000/- it has back calculated the tax liability @18% and discharged the same. Computation of the tax liability is provided below:

Interest income from customers	Tax Rate applicable	Taxable Value	CGST	SGST
4,00,000	18%	3,38,983	30,508	30,508

5. Thus, the entire value of Rs. 5,27,119/- has been properly disclosed, and GST liability has already been discharged in full, in support of such submission Interest from Customer Ledger is attached as **Annexure 5**. The payment of tax liability against such interest from customers can also be verified at ref no. **B3 and B6** of Table 1 of this reply.
6. Therefore, there is no additional tax liability on this account, and the proposal to levy GST on the entire Rs. 5,27,119/- may kindly be dropped.

Observations and conclusion of the assessing authority

The contentions made by the assessee have been verified and found to be in order. Therefore the demand raised in the show cause notice is hereby dropped.

4. As seen from the Profit & Loss account, the dealer has received Miscellaneous income of Rs. 39118-00 which is taxable under GST @18%.

Description	Taxable Value	CGST	SGST
Miscellaneous income	39118-00	3520.62	3520.62

The reasons cited by the tax payer are:

1. This para proposes to levy tax at 18% on Miscellaneous income to the tune of Rs. 39,118/- reported in the Profit and Loss Account of the F.Y. 2021-22.
2. The total income under this head of Miscellaneous income amounts to Rs. 39,118/- as per financials. A detailed breakup and mode of discharge of GST liability on it is provided in the table below.

S.No	Party	Amount	Mode of discharge
1	Income from Extra Specifications	26,618	GST Returns
2	Water & Electricity charges	12,500	Paid via Form DRC-03 (ref Para 1)
	Total	39,118	

3. To further substantiate, an extract of Schedule 19 is provided hereunder where such Miscellaneous income is rightly reported in the Financials. An extract of Schedule 19 is provided hereunder for ready reference.

		(in Rs)	
19	Other Income	As at 31st March, 2022	As at 31st March, 2021
	Interest from Customers	5,27,119	-
	FDR Interest	3,54,375	3,29,169
	Interest on IT Refund	35,821	1,19,477
	Interest Received on Unsecured Loans.	6,45,258	20,016
	Miscellaneous Receipts	39,118	-
	Rounded Off	20	-
	Profit on sale of Motor Car	4,91,933	-
	Share of Profit from Firms/LLP	5,16,31,905	2,11,81,282
	Forfeit Income	-	5,22,619
	Sundry Balance Written Off	31,772	4,729
	Prior Period Items	9,868	6,223
	Total	5,37,67,190	2,21,83,516

Clarification Income from Extra Specifications

4. With reference to Row B1 of Table 1, it is submitted that the income from extra specifications (hereinafter referred to as “extra specs”) amounts to ₹6,49,820/-, on which the noticee has discharged tax liability of ₹58,694/- each towards CGST and SGST, at the applicable rate of 18%.

5. As part of standard accounting practice, the noticee transfers such income to the Work-in-Progress (WIP) account. However, for F.Y. 2021–22, an amount of ₹6,23,202/- was transferred to the WIP account. The balance amount of ₹26,618/-, representing the differential, was not transferred to the WIP account but was instead classified under “Miscellaneous Receipts” in the financial statements.
6. It is important to note that the tax liability on the entire amount, including the said differential, has been duly discharged. The ledger for extra specifications is submitted herewith as **Annexure 6**.
7. Further, it is submitted that the noticee has not collected GST on water and electricity charges of Rs 12,500. Therefore, on Rs 12,500/- it has back calculated the tax liability @18% and discharged the same. Computation of the tax liability is provided below:

Interest income from customers	Tax Rate applicable	Taxable Value	CGST	SGST
12,500	18%	10,593	953	953

8. Ledger for water and electricity charges is submitted herewith as **Annexure 7**.
9. Thus, the entire value of Rs. 39,811/- has been properly disclosed, and GST liability has already been discharged in full and the payment of tax liability against such miscellaneous income can also be verified at ref no. **B1, B7 & D5** of Table 1 of this reply. Therefore, it is requested that all further proceedings in this regard be dropped.

Observations and conclusion of the assessing authority

The contentions made by the assessee have been verified and found to be in order. Therefore the demand raised in the show cause notice is hereby dropped.

5. The following items are to be taxed at the other expenditure; The dealer has failed to submit the details of the following, hence the same is proposed to be Taxed @ 18%;

a) Automobiles & Hire charges	Rs. 569500-00
b) Commission – URD	Rs. 4048017-00
c) Consultancy Charges	Rs. 647411-00
d) Legal Expenses	Rs. 67209-00
e) Professional services	Rs. 4257789-00
f) Rent	Rs. 920904-00
g) Security Charges	Rs. 380769-00
h) Statutory Audit Fee	Rs. 205418-00
	=====
	Rs. 11097017-00
	=====

Description	Taxable Value	CGST	SGST
Other expenditure	11097017-00	998731.53	998731.53

The reasons cited by the tax payer are:

7. This para proposes to levy tax at 18% on other expenditure to the tune of Rs. 1,10,97,017/- on grounds on non-submissions of details by the Noticee.

a) Automobiles & Hire charges	Rs. 569500-00
b) Commission – URD	Rs. 4048017-00
c) Consultancy Charges	Rs. 647411-00
d) Legal Expenses	Rs. 67209-00
e) Professional services	Rs. 4257789-00
f) Rent	Rs. 920904-00
g) Security Charges	Rs. 380769-00
h) Statutory Audit Fee	Rs. 205418-00
	=====
	Rs. 11097017-00
	=====

8. In this regard, the Noticee submits that imposition of GST liability on the other expenditure (Business expenditure) is in contravention of **Section 9 of CGST Act, 2017** and is arbitrary in nature. Therefore, it is requested to drop all further proceedings in this regard.
9. Nevertheless, the noticee has duly examined the applicability of reverse charge mechanism (RCM) on the heads classified under “Other Expenditure” and has provided detailed ledger-wise explanations for each corresponding amount, as presented in the table below:

Expense Head	Amount	Remarks
Automobiles & Hire Charges	5,69,500	GST has been charged by the supplier under the forward charge mechanism; hence, liability under reverse charge does not arise.
Commission - URD	40,48,017	This amount represents commission paid to individuals who are not registered under GST. With the CGST (Amendment) Act, 2018 (effective from 1st February 2019), Section 9(4) was amended to apply only to specified classes of registered persons receiving specified goods or services from unregistered suppliers — as may be notified by the Government on the recommendations of the GST Council. Since then, RCM under Section 9(4) is not applicable by default and is only invoked through specific notifications for targeted sectors.
Consultancy Charges	6,47,411	GST has been charged by the supplier under the forward charge mechanism; hence, liability under reverse charge does not arise.
Legal Expenses	67,209	Represents payments towards notary charges, stamp papers, etc. GST is not applicable, and reverse charge provisions do not apply.

Professional Services	42,57,789	GST has been charged by the supplier under the forward charge mechanism; hence, liability under reverse charge does not arise.
Rent	9,20,904	GST has been charged by the supplier under the forward charge mechanism; hence, liability under reverse charge does not arise.
Security Charges	3,80,769	GST has been discharged by the recipient under the reverse charge mechanism, as applicable.
Statutory Audit Fees	2,05,418	GST has been charged by the supplier under the forward charge mechanism; hence, liability under reverse charge does not arise.
	1,10,97,017	

10. The supporting ledgers corresponding to each of the above expense heads are enclosed herewith as **Annexure 8**. Since the noticee has duly fulfilled its obligations and discharged GST wherever applicable under the reverse charge mechanism, there remains no basis for raising a demand on the same transactions once again.

11. An additional reply was filed by the assessee as under:

With reference to the above, we respectfully submit that the expenditure accounted under the head "Commission URD amounting to Rs. 40,48,017/- does not pertain to any commission paid to unregistered dealers. The said amount represents incentives paid to employees of the organization in recognition of their performance.

It is humbly submitted that:

1. Employer-Employee Relationship:

As per Schedule III, Entry 1 of the CGST Act, 2017, "services by an employee to the employer in the course of or in relation to his employment" shall not be treated as a supply of goods or services. Consequently, any amount paid by the employer to its employees in the form of salary, bonus, or performance incentive, is outside the purview of GST.

2. Clarification by CBIC:

Further, the CBIC vide Circular No. 172/04/2022-GST dated 06.07.2022 has reiterated that payments made by employers to employees in terms of the employment agreement (including bonuses, incentives, and variable pay) are not liable to GST, being in the nature of consideration for services by employee to employer.

3. No Commission to URD:

The accounting nomenclature "Commission-URD" used in our books is only for internal classification purposes. In reality, the entire sum of Rs. 40,48,017/- is employee incentive expenditure and not commission paid to any unregistered person. Therefore, the proposal in the SCN to treat the same as taxable commission paid to URD is factually and legally incorrect. Employee incentive ledger is attached herewith as Annexure.

12. In light of the above, it is respectfully requested that further proceedings in this regard may kindly be dropped.

Observations and conclusion of the assessing authority

The contentions made by the assessee have been verified and found to be in order. The assessee has submitted the ledgers for employee incentives. Therefore the demand raised

in the show cause notice is hereby dropped.

6. ITC to be reversed on non-business transactions & exempt supplies:

Under Sec 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. However as seen from the GSTR-09 return filed it is evident that you have not made such apportionment 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-09	Value of outward supply	SGST	CGST	IGST	Total
1	2	3	4	5	6		7
1	Annual turnover after adjustments	5N+10-11	364191007.00	-	-	-	-
2	Exempt supplies	5C + 5D + 5E + 5F	71595887.00	-	-	-	-
3	Proportion of common ITC which has to be reversed to the extent of exempt supply (2/1 above)		0.1966	-	-	-	-
4	Common input tax credit	6O+13-12	-	460553	460553	358	921464
5	ITC to be reversed	{S.No.4 (x) S.No.2}/S.No.1	-	90544.72	90544.72	70.38	181159.82

Therefore, the excess ITC claimed is proposed to be recovered

The reasons cited by the tax payer are:

1. This para proposes to recover the alleged excess ITC claimed by the Noticee as it has failed to apportion ITC under Rule 42 & 43 of the CGST Act, 2017.

S.No	Issue	Table no. in GSTR-09	Value of outward supply	SGST	CGST	IGST	Total
1	Annual turnover after adjustments	5N+10-11	36,41,91,007	-	-	-	-
2	Exempt supplies	5C + 5D + 5E + 5F	7,15,95,887	-	-	-	-
3	Proportion of common ITC		0.1966	-	-	-	-

	which must be reversed to the extent of exempt supply (2/1 above)						
4	Common input tax credit	60+13-12	-	4,60,553	4,60,553	358	9,21,464
5	ITC to be reversed	{S.No.4 (x) S.No.2}/S. N o.1	-	90,544	90,544	70	1,81,159

Firstly, noticee submits a break up of exempt supplies relying on values declared in Table 5 of the GSTR 9.

D	Total Exempt and Non- GST Supplies	7,15,95,887
D1	Income-FDR	3,54,375
D2	Interest on income tax refund	35,821
D3	Income -interest from Loans	6,45,258
D4	Sales of Villa	1,89,21,000
D5	Revenue-Extra specs	(2,340)
D6	OIE-Prior periods items	9,868
D7	Share of profit from partnership firm	5,16,31,905

Noticee submits that for the purpose of this para it is essential to examine Section 17(2) of the CGST Act,2017. An extract of Section 17(2) of the CGST Act,2017 is provided hereunder for ready reference.

"17(2) Where the goods or services or both are used by the registered person partly for effecting taxable supplies including zero-rated supplies under this Act or under the Integrated Goods and Services Tax Act and partly for effecting exempt supplies under the said Acts, the amount of credit shall be restricted to so much of the input tax as is attributable to the said taxable supplies including zero-rated supplies."

On pursual of Section 17(2) of the CGST Act,2017 and the nature of exempt supplies recorded in the financials, it is evident that Section 17(2) of the CGST Act,2017 applies to cases wherein input goods or services are used for effecting exempt supplies. In our case, none of the inputs against which ITC is availed are used for effecting exempt supplies that is entire credit availed by the noticee is attributable to only taxable supplies.

Therefore, it is evident that noticee has no liability for apportionment of credit under Section 17 read with Rule 42 & 43 since there is no credit attributable with exempt supplies.

Further it is submitted that the total Input Tax Credit (ITC) reflected in the noticee's GSTR-2A for the relevant year amounts to ₹3,17,92,516/-, whereas the ITC actually availed by the noticee during the said period is only ₹8,71,474/-. This significant difference clearly indicates that the noticee has not availed ineligible ITC.

8. Other ITC related information

Help ?

Description	Integrated tax (₹)	Central tax (₹)	State/UT tax (₹)	Cess (₹)
(A) ITC as per GSTR-2A (Table 3 & 5 thereof)	₹13,246.79	₹1,57,82,951.67	₹1,57,82,951.66	₹2,13,368.30
(B) ITC as per sum total of 6(B) and 6(H) above	₹358.00	₹4,35,558.00	₹4,35,558.00	₹0.00
(C) ITC on inward supplies (other than imports and inward supplies liable to reverse charge but includes services received from SEZs) received during the financial year but availed in the next financial year upto specified period	₹0.00	₹0.00	₹0.00	₹0.00
(D) Difference [A-(B+C)]	₹12,888.79	₹1,53,47,393.67	₹1,53,47,393.66	₹2,13,368.30

Therefore, it is requested to drop all further proceedings in this regard.

Observations and conclusion of the assessing authority

The contentions made by the assessee have been verified and found to be in order. Therefore the demand raised in the show cause notice is hereby dropped.

7. On verification of the details filed GST 9 and GST 9C the turnover difference in sales of Flats in noticed. Hence the same is proposed to be taxed as under;

Description	Taxable Value	CGST	SGST
Sale of Flats as per 9C	327241753.20		
Owner share as declared in 9C	112119924.00		
Total	439361677.20		
Turnover as declared in Annual Return (GSTR9)	412869160.00		
Difference proposed to taxed @ 5%	26492517.2	662312.93	662312.93

The reasons cited by the tax payer are:

This para points out to fictional difference in turnovers of GSTR 9C return and GSTR return.

Description	Taxable Value	CGST	SGST
Sale of Flats as per 9C	32,72,41,753		
Owner share as declared in 9C	11,21,19,924		
Total	43,93,61,677		
Turnover as declared in Annual Return (GSTR9)	41,28,69,160		
Difference proposed to taxed @ 5%	2,64,92,517	6,62,312	6,62,312

At the outset, it is submitted that the above table compares arbitrary figures, resulting in an illogical and unfounded difference

Description	Taxable Value	Remarks
Sale of Flats as per 9C	32,72,41,753	Extracted by the assessing authority from Table 9 of GSTR-9C based on the line item where tax is paid at 5%. It is presumed by the authority that the entire supply made by the noticee, attracting the 5% GST rate, pertains exclusively to the sale of flats.
Owner share as declared in 9C	11,21,19,924	Extracted by the assessing authority from Table 6 of GSTR-9C, based on the note provided by the noticee explaining differences between turnover reported in financial statements and GST returns. This amount pertains to construction services provided to landowners, which qualifies as deemed supply under GST.
Total	43,93,61,677	
Turnover as declared in Annual Return (GSTR9)	41,28,69,160	Extracted from GSTR-9, representing the total turnover (computed as Table 5N + 10 - 11).
Difference proposed to taxed @ 5%	2,64,92,517	

Nevertheless, the noticee hereby submits a detailed reconciliation of its turnover as reported in the financial statements with that declared in GSTR-9.

Particulars Income as per Financial Statements	Amount	Amount 36,42,22,779	Remarks
Add:			
Revenue from Sale of Material - Transferred to WIP Account	21,44,994		The taxable value of ₹21,44,944/- from the sale of material forms part of GST turnover. However, for presentation in the financial statements, it is adjusted against work-in-progress and thus does not form part of turnover as per audited financials. GST has been duly paid on this amount.
Revenue from Extra Specifications - Transferred to WIP Account	6,23,202	27,68,196	Income from extra specifications amounting to ₹6,23,202/- is taxable under GST. However, the same is treated as work-in-progress in the financial statements and hence is not included in turnover as per audited accounts.
Less:			
Sundry Balance Written Off	31,772		This amount is reported under Table 5O of GSTR-9C.

Income on which GST is not discharged. (Total invoice value is recorded as income). Therefore GST component on it acts as a difference	1,37,964		GST liability of ₹1,37,973 (comprising CGST ₹68,982 and SGST ₹68,982) on income of ₹7,66,469/- is included in financials such as profit on sale of car, interest income from customers etc. The gross invoice value (₹7,66,469 + ₹1,37,973 = ₹9,04,433) is recorded as income in books, resulting in a notional difference.
Difference in TO in F.Y. 21-22, in construction account between Instalments raised and IT Revenue Recognised	6,60,71,997	- 6,62,41,733	As a real estate developer, the noticee follows the percentage of completion method as per Accounting Standard 7 under the Income Tax Act, 1961. GST turnover is based on demand raised on customers for progressive billing. This leads to a timing difference in turnover reporting between GST returns and financial statements. For F.Y. 2021-22, this difference is ₹6,60,71,997/-.
Income as per GST Add: Deemed Income as per GST i.e. Construction services to Land Lord		30,07,49,242 11,21,19,924	
Income reported in GSTR 9		41,28,69,166	

Noticee, also submits a rate-wise break up of its Turnover

Income	Taxability	Tax Rate	Taxable Value	CGST	SGST
Material @ 28%	Taxable	28%	61,491	8,609	8,609
Additional Car Parking Chargers	Taxable	18%	19,00,000	1,71,000	1,71,000
Greens Group Repairs & Maintenance Charges	Taxable	18%	14,28,955	1,28,606	1,28,606
Income-Interest from customers	Taxable	18%	1,27,119	11,441	11,441
Income-Interest from customers	Taxable	18%	3,38,983	30,508	30,508
Material @ 18%	Taxable	18%	10,17,101	91,539	91,539
Profit on Sale of Car	Taxable	18%	4,16,892	37,520	37,520
REVENUE-Admin Service Charges	Taxable	18%	71,84,132	6,46,572	6,46,572
Revenue-Extraspects	Taxable	18%	28,958	2,606	2,606
REVENUE-Extraspects	Taxable	18%	6,23,202	56,088	56,088
REVENUE-Management Supervision Charges	Taxable	18%	8,93,433	80,409	80,409
Water & Electricity charges	Taxable	18%	10,593	953	953
Material @ 12%	Taxable	12%	675	41	41
Material @ 5%	Taxable	5%	10,65,727	26,643	26,643
REVENUE- Construction Services to Landlord	Taxable	5%	11,21,19,924	28,02,998	28,02,998
REVENUE-From Unit Sales GST	Taxable	5%	21,40,56,102	53,51,403	53,51,403
OIE-Prior periods items	Non-GST		9,868		
Revenue-Extraspects	Non-GST		-2,340		
Sales of Villa	Non-GST		1,89,21,000		
Share of profit from partnership firm	Non-GST		5,16,31,905		
Income -interest from Loans	Exempt/Nil Rated		6,45,258		
Income-FDR	Exempt/Nil Rated		3,54,375		
Interest on income tax refund	Exempt/Nil Rated		35,821		
Total			41,28,69,175	94,46,936	94,46,936

Following conclusions can be drawn from the tables presented above.

- Sale of flats as per GSTR-9C, amounting to ₹32,72,41,753/-, as extracted from Table 9 based on the line item where tax is paid at 5%, is incorrect. This figure also includes the sale of materials attracting GST @ 5%, amounting to ₹10,65,727/-. Therefore, the actual value of flat sales as per GSTR-9C stands at ₹32,61,76,026/-
- Further, the amount representing sale of flats, on which GST is discharged @ 5%, already includes the deemed income on account of construction services provided to the landowner, amounting to ₹11,21,19,924/-. Hence, adding the deemed income separately once again would lead to double taxation and is not warranted. GSTR 9 and 9C for F.Y. 21-22 is submitted herewith as **Annexure 9 and 10 respectively**.

Therefore, it can be concluded that the noticee has discharged all its liability as pointed out under this notice. It is therefore requested to all further proceedings in this regard.

Observations and conclusion of the assessing authority

The contentions made by the assessee have been verified and found to be in order. Therefore the demand raised in the show cause notice is hereby dropped.

- 8. On verification of the details filed GST 9C the turnover of Rs. 2144944.00 declared as sale of material. The details of the same was not submitted by the dealer. Hence the same is proposed to be taxed @ 28% as under;**

Description	Taxable Value	CGST	SGST
sale of material turnover	2144944.00	300292.16	300292.16

The reasons cited by the tax payer are:

This para intends to levy tax on sale of material amounting to Rs, 21,44,944/- due to absences of details.

Noticee in this regard submits a detailed breakup of such sale of material in the table below

Particulars	Amount	CGST	SGST
Material @ 12%	675	41	41
Material @ 18%	10,17,101	91,539	91,539
Material @ 28%	61,491	8,609	8,609
Material @ 5%	10,65,727	26,643	26,643
Total	21,44,994	1,26,832	1,26,832

Noticee submits that it had rightly discharged the GST liability against such material sales as enumerated at ref no. **A1 and B2** in the Table 1 in this reply. In support of such submission material sales ledgers in the books of accounts of the noticee are attached as **Annexure 11**.

In the light of the submissions made above, it is therefore requested that any further proceedings in this regard be dropped.

Observations and conclusion of the assessing authority

The contentions made by the assessee have been verified and found to be in order. Therefore the demand raised in the show cause notice is hereby dropped.

9. On verification of the details filed GST 9C the income of Rs 766469-00 declared is liable to be taxed @18% in the absence of details

Description	Taxable Value	CGST	SGST
the income of Rs 766469-00 to be taxed @18% in the absence of details	766469.00	68982.21	68982.21

The reasons cited by the tax payer are:

This para in the absence of details on the income of Rs. 7,66,469/- levies tax liability at 18%.

Noticee submits that it has discharged the tax liability of such income of Rs. 7,66,469 (CGST Rs. 68,982/- and SGST Rs. 68.982/-) through Form GST DRC-03 vide ARN: AD360123007444K dated: 13.01.2023. In support of such submission, an exact such DRC-03 is provided below for your readily reference.

FORM GST DRC - 03

[See rule 142(2)&142(3)]

Intimation of payment made voluntarily or made against the show cause notice (SCN) or statement

ARN :AD360123007414N

Date :13/01/2023

1.	GSTIN						36AABCM4761E1ZM					
2.	Name						MODI PROPERTIES PRIVATE LIMITED					
3.	Cause of Payment						Voluntary					
4.	Section under which voluntary payment is made						74(5)					
5.	Details of show cause notice, if payment is made within 30 days of its issue						Reference No:NA			Date Of issue:NA		
6.	Financial Year						2021-2022					
7.	Details of payment made including interest and penalty, if applicable (Amount in Rs.)											
Sr. No.	Tax Period	Act	Place of supply	Tax/Cess	Interest	Penalty,if applicable	Fee	Others	Total	Ledger utilised (Cash/credit)	Debit entry no.	Date of debit entry
1.	MAR 2022-MAR 2022	CGST	Telangana	68,982.00	9,313.00	0.00	0.00	0.00	78,295.00	Cash/Credit	DC3601230038838/DI3601230018663	13/01/2023
2.	MAR 2022-MAR 2022	SGST	Telangana	68,982.00	9,313.00	0.00	0.00	0.00	78,295.00	Cash/Credit	DC3601230038838/DI3601230018663	13/01/2023

8. Reasons, if any -

DRC 03 IS FILED FOR INCOMES ON WHICH GST LIABILITY IS NOT ACCOUNTED.

As there is no liability that is to be discharged in this para, it is therefore, requested that all further proceedings in this regard be dropped.

Observations and conclusion of the assessing authority

The contentions made by the assessee have been verified and found to be in order. Therefore the demand raised in the show cause notice is hereby dropped.

10. On verification of the details filed GST 9C Income from Services of Rs 652160-00 declared is liable to be taxed @18% in the absence of details

Description	Taxable Value	CGST	SGST
Income from Services of Rs 652160-00 declared is liable to be taxed @18%	652160.00	58694.40	58694.40

The reasons cited by the tax payer are:

This para intends to levy tax on Income from services amounting to Rs. 6,52,160/- due to absences of details.

In this regard, the noticee submits that the income pertains to additional charges received from customers for extra specifications requested in their flats. The corresponding tax liability at 18% has already been duly discharged in the GST returns for the respective periods.

Particulars	Amount	CGST	SGST
Revenue from Extra Specification	6,52,160	58,694	58,694

Payment of GST liability against Extra Specification can be verified in ref no. **B1 and D5** under the Table 1 of this reply. In support of such submission Extra Specs ledger form the Books of noticee is already attached as **Annexure 6**.

In the light of the submissions made above, it is therefore requested that any further proceedings in this regard be dropped.

Observations and conclusion of the assessing authority

The contentions made by the assessee have been verified and found to be in order. Therefore the demand raised in the show cause notice is hereby dropped.

11. Late fee payable for Late Filing of GSTR-1 Returns: Section 39 of the Central Goods and Services Act, 2017 (CGST Act) Furnishing of returns.

Every registered person, other than an Input Service Distributor or a non-resident taxable person or a person paying tax under the provisions of section 10 or section 51 or section 52 shall, for every calendar month or part thereof, furnish, in such form and manner as may be prescribed, a return, electronically, of inward and outward supplies of goods or services or both, input tax credit availed, tax payable, tax paid and such other particulars as may be prescribed, on or before the eleventh day of the month succeeding such calendar month or part thereof.

On examination of records, it was observed that the Taxpayer had filed the returns belatedly. The taxpayer has to pay late fee on delayed filing of GSTR-1 returns as per Notification No. 04/2018 Dt. 23.01.2018 issued under Section 47 of said Act.

The details of delayed filing of GSTR-1 returns and non-payment of late fees are given below.

Month	Due date for filing	Actual date of filing	No. of days delayed	Late fee to be paid	
				CGST @ Rs.25/- per day	SGST @ Rs.25/- per day
Apr-21	11-May-21	3-Jul-21	53	1325	1325
May-21	11-Jun-21	12-Jul-21	31	775	775
Jun-21	11-Jul-21	24-Aug-21	44	1100	1100
Jul-21	11-Aug-21	6-Sep-21	26	650	650
Aug-21	11-Sep-21	12-Oct-21	31	775	775

Sep-21	11-Oct-21	16-Nov-21	36	900	900
Oct-21	11-Nov-21	1-Dec-21	20	500	500
Nov-21	11-Dec-21	7-Jan-22	27	675	675
Dec-21	11-Jan-22	11-Jan-22	0	0	0
Jan-22	11-Feb-22	8-Mar-22	25	625	625
Feb-22	11-Mar-22	30-Mar-22	19	475	475
Mar-22	11-Apr-22	11-Apr-22	0	0	0
			Total	7800	7800

The reasons cited by the tax payer are:

Noticee in this regard admits to such belated filing of GSTR- 1 returns and pursuant late fee liability of Rs. 15,600 (CGST Rs. 7,800 and SGST Rs. 7,800).

Observations and conclusion of the assessing authority

The assessee has paid the late fee liability of Rs. 15,600 (CGST Rs. 7,800 and SGST Rs. 7,800) vide ARN: AD360925023347W dt : 27-09-2025. Therefore the demand proposed in the show cause notice is hereby dropped.

SIKHA RAVI
CHANDRA
 Digitally signed by
 SIKHA RAVI CHANDRA
 Date: 2025.10.08
 17:05:13 +05'30'
 Assistant Commissioner (ST),
 Ramgopalpet-Ranigunj 1 Circle

To
 M/s MODI PROPERTIES PRIVATE LIMITED
 2ND FLOOR, 5-4-187/3 AND 4, SOHAM MANSION, M.G ROAD, SECUNDERABAD,
 Rangareddy, Telangana, 500003

Office of : Assistant Commissioner
Jurisdiction : RAMGOPALPET - RANIGUNJ-1: Begumpet:Telangana, State/UT : Telangana

Reference No. : ZD361025006076U

Date : 08/10/2025

To

GSTIN/ID : 36AABCM4761E1ZM

Name : MODI PROPERTIES PRIVATE LIMITED

Address : 5-4-187/3 AND 4, 2ND FLOOR, SOHAM MANSION, M.G ROAD, SECUNDERABAD, Rangareddy, Telangana, 500003

Tax period : APR 2021 - MAR 2022

F.Y. : 2021-2022

SCN/Statement Reference No. : ZD360725001496C

Date : 01/07/2025

Order for dropping the proceedings under section 73/74

With reference to the above referred show cause notice issued to you for representing your case against the reasons stated in the Annexure attached thereto and on the basis of information available on record, the proceedings are hereby dropped for the reasons and other details stated in the Annexure attached herewith.

Signature

Name : RAVI CHANDRA SIKHA

Designation : Assistant Commissioner

Jurisdiction : RAMGOPALPET -

RANIGUNJ-1: Begumpet:Telangana