

Form GST DRC-06

[See rule 142(4)]

Reply to the Show Cause Notice

ARN: ZD360925050432D

Date: 27/09/2025

1. GSTIN	36AABCM4761E1ZM		
2. Name	MODI PROPERTIES PRIVATE LIMITED		
3. Details of Show Cause Notice	Reference No. ZD360725001496C	Date of issue 01/07/2025	
4. Financial Year	2021-2022		
5. Reply			
The following documents are being submitted. 1. DRC-03 payment for pa ra 11 2. Ledger copy of Employee Incentive 3. Note on incentives to E mployee			
6. Documents uploaded			
DRC_03.pdf Employee Incentive.pdf Note on incentives to employees.pdf			
7. Option for personal hearing	☒ Yes	☐ No	

8.Verification-

I hereby solemnly affirm and declare that the information given herein above is true and correct to the best of my/our knowledge and belief and nothing has been concealed therefrom.

Signature of Authorized Signatory
Name : SOHAMMODI
Designation / Status: DIRECTOR
Date: 27/09/2025

From

Modi Properties Private Limited
GSTN: 36AABCM4761E1ZM

Date: 27-09-2025

To

The Assistant Commissioner
Ramgolapet – M.G. Road Division

Respected Sir,

Subject: Additional Clarification on Commission – URD/Employee Incentive amounting to Rs. 40,48,017/-

Reference: SCN No. 36AABCM4761E1ZM dated 01-07-2025

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**.

In light of the above submissions, it is respectfully prayed that your good office may kindly accept this clarification and drop the proposed demand of Rs. 40,48,017/- raised in the above Show Cause Notice.

Thanking you,

Yours faithfully,

Modi Properties Pvt Ltd Mayfower Platinum

M G Road, Ranigunj

Secunderabad

Employee Incentives

Ledger Account

1-Mar-22 to 31-Mar-22

Page 1

Date	Particulars	Vch Type	Vch No.	Debit	Credit
1-Mar-22	To Opening Balance				27,23,992.00
1-Mar-22	To (as per details)	Journal	JOU/11291	2,00,000.00	
	SP-S Rama Devi 10,000.00 Dr				
	TDS-5% Commission/Brokerage 10,000.00 Cr				
	SP-S Rama Devi 2,00,000.00 Cr				
	<i>being amount credited to S</i>				
	<i>Ramadevi towards project incentive</i>				
	<i>2nd installement</i>				
	To (as per details)	Journal	JOU/11299	2,700.00	
	SP-GB Ram Babu 135.00 Dr				
	TDS-5% Commission/Brokerage 135.00 Cr				
	SP-GB Ram Babu 2,700.00 Cr				
	<i>being amount credited to HL</i>				
	<i>incentive against flat no A708 MPL</i>				
	To (as per details)	Journal	JOU/11300	2,300.00	
	SP- G Vineela 115.00 Dr				
	TDS-5% Commission/Brokerage 115.00 Cr				
	SP- G Vineela 2,300.00 Cr				
	<i>being amount credited to HL</i>				
	<i>incentive against flat no A708 MPL</i>				
	To (as per details)	Journal	JOU/11301	2,300.00	
	SP-D Pavan Kumar 115.00 Dr				
	TDS-5% Commission/Brokerage 115.00 Cr				
	SP-D Pavan Kumar 2,300.00 Cr				
	<i>being amount credited to HL</i>				
	<i>incentive against flat no A708 MPL</i>				
	To (as per details)	Journal	JOU/11302	1,500.00	
	SP-K Prabhakar Reddy 75.00 Dr				
	TDS-5% Commission/Brokerage 75.00 Cr				
	SP-K Prabhakar Reddy 1,500.00 Cr				
	<i>being amount credited to HL</i>				
	<i>incentive against flat no A708 MPL</i>				
	To (as per details)	Journal	JOU/11303	1,200.00	
	SP- M Mahender 60.00 Dr				
	TDS-5% Commission/Brokerage 60.00 Cr				
	SP- M Mahender 1,200.00 Cr				
	<i>being amount credited to HL</i>				
	<i>incentive against flat no A708 MPL</i>				
4-Mar-22	To (as per details)	Journal	JOU/11306	2,00,000.00	
	SP-Yagnesh Dwarakadas Sachdev 10,000.00 Dr				
	TDS-5% Commission/Brokerage 10,000.00 Cr				
	SP-Yagnesh Dwarakadas Sachdev 2,00,000.00 Cr				
	<i>being amount credited to Yagnesh</i>				
	<i>sachdev towards commission on</i>				
	<i>sale of flats</i>				
	Carried Over				31,33,992.00

continued ...

Modi Properties Pvt Ltd Mayfower Platinum

Employee Incentives Ledger Account : 1-Mar-22 to 31-Mar-22

Page 2

Date	Particulars	Vch Type	Vch No.	Debit	Credit
	Brought Forward			31,33,992.00	
4-Mar-22	T0 (as per details)		Journal		
	SP-Yagnesh Dwarakadas Sachdev	12,500.00 Dr	JOU/11307	2,50,000.00	
	TDS-5% Commission/Brokerage	12,500.00 Cr			
	SP-Yagnesh Dwarakadas Sachdev	2,50,000.00 Cr			
	being amount credited to Yagnesh sachdev towards commission on sale of flats				
5-Mar-22	T0 (as per details)		Journal		
	SP-V Naveena Yadav -Commission	3,656.00 Dr	JOU/11308	73,125.00	
	TDS-5% Commission/Brokerage	3,656.00 Cr			
	SP-V Naveena Yadav -Commission	73,125.00 Cr			
	Towards marketing incentive for quarter ending 31.12.2021				
	T0 (as per details)		Journal		
	SP-S Rama Devi	10,000.00 Dr	JOU/11309	2,00,000.00	
	TDS-5% Commission/Brokerage	10,000.00 Cr			
	SP-S Rama Devi	2,00,000.00 Cr			
	being amount credited to S Ramadevi towards project incentive 3rd installement				
7-Mar-22	T0 (as per details)		Journal		
	SP-Yagnesh Dwarakadas Sachdev	10,000.00 Dr	JOU/11320	2,00,000.00	
	TDS-5% Commission/Brokerage	10,000.00 Cr			
	SP-Yagnesh Dwarakadas Sachdev	2,00,000.00 Cr			
	being amount credited to Yagnesh sachdev towards commission on sale of flats				
12-Mar-22	T0 (as per details)		Journal		
	SP-GB Ram Babu	675.00 Dr	JOU/11326	13,500.00	
	TDS-5% Commission/Brokerage	675.00 Cr			
	SP-GB Ram Babu	13,500.00 Cr			
	Being amount credited towards Housing loan incetives against flat No- A-304,604& B-401,801,905.				
	T0 (as per details)		Journal		
	SP- G Vineela	575.00 Dr	JOU/11327	11,500.00	
	TDS-5% Commission/Brokerage	575.00 Cr			
	SP- G Vineela	11,500.00 Cr			
	Being amount credited towards Housing loan incetives against flat No- A-304,604& B-401,801,905.				
	T0 (as per details)		Journal		
	SP-D Pavan Kumar	575.00 Dr	JOU/11328	11,500.00	
	TDS-5% Commission/Brokerage	575.00 Cr			
	SP-D Pavan Kumar	11,500.00 Cr			
	Being amount credited towards Housing loan incetives against flat No- A-304,604& B-401,801,905.				
	Carried Over			38,93,617.00	

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Modi Properties Pvt Ltd Mayfower Platinum

Employee Incentives Ledger Account : 1-Mar-22 to 31-Mar-22

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Date	Particulars	Vch Type	Vch No.	Debit	Credit
	Brought Forward			38,93,617.00	
12-Mar-22	T0 (as per details)		Journal		
	SP-K Prabhakar Reddy	375.00 Dr	JOU/11329	7,500.00	
	TDS-5% Commission/Brokerage	375.00 Cr			
	SP-K Prabhakar Reddy	7,500.00 Cr			
	Being amount credited towards Housing loan incetives against flat No- A-304,604& B-401,801,905.				
	T0 (as per details)		Journal		
	SP- M Mahender	300.00 Dr	JOU/11330	6,000.00	
	TDS-5% Commission/Brokerage	300.00 Cr			
	SP- M Mahender	6,000.00 Cr			
	Being amount credited towards Housing loan incetives against flat No- A-304,604& B-401,801,905.				
19-Mar-22	T0 (as per details)		Journal		
	EMP-C Raj Kumar -Saved Discount	1,125.00 Dr	JOU/11361	22,500.00	
	TDS-5% Commission/Brokerage	1,125.00 Cr			
	EMP-C Raj Kumar -Saved Discount	22,500.00 Cr			
	being amount credited to C rajkumar towards saved discount incentive against flat no B603				
23-Mar-22	T0 (as per details)		Journal		
	SP-GB Ram Babu	270.00 Dr	JOU/11372	5,400.00	
	TDS-5% Commission/Brokerage	270.00 Cr			
	SP-GB Ram Babu	5,400.00 Cr			
	being amount credited towards housing loan incentives against flat no C902and c502.				
	T0 (as per details)		Journal		
	SP- G Vineela	230.00 Dr	JOU/11373	4,600.00	
	TDS-5% Commission/Brokerage	230.00 Cr			
	SP- G Vineela	4,600.00 Cr			
	being amount credited towards housing loan incentives against flat no C902and c502.				
	T0 (as per details)		Journal		
	SP-D Pavan Kumar	230.00 Dr	JOU/11374	4,600.00	
	TDS-5% Commission/Brokerage	230.00 Cr			
	SP-D Pavan Kumar	4,600.00 Cr			
	being amount credited towards housing loan incentives against flat no C902and c502.				
	T0 (as per details)		Journal		
	SP-K Prabhakar Reddy	150.00 Dr	JOU/11375	3,000.00	
	TDS-5% Commission/Brokerage	150.00 Cr			
	SP-K Prabhakar Reddy	3,000.00 Cr			
	being amount credited towards housing loan incentives against flat no C902and c502.				
	Carried Over			39,47,217.00	

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Modi Properties Pvt Ltd Mayfower Platinum

Employee Incentives Ledger Account : 1-Mar-22 to 31-Mar-22

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Date	Particulars	Vch Type	Vch No.	Debit	Credit
	Brought Forward			39,47,217.00	
23-Mar-22	T0 (as per details) SP- M Mahender 120.00 Dr TDS-5% Commission/Brokerage 120.00 Cr SP- M Mahender 2,400.00 Cr <i>being amount credited towards housing loan incentives against flat no C902and c502.</i>		Journal JOU/11376	2,400.00	
25-Mar-22	T0 (as per details) SP-Chagal Raj Kumar -Commission 500.00 Dr TDS-5% Commission/Brokerage 500.00 Cr SP-Chagal Raj Kumar -Commission 10,000.00 Cr <i>towards on account incentive paid</i>		Journal JOU/11387	10,000.00	
26-Mar-22	T0 (as per details) SP-GB Ram Babu 270.00 Dr TDS-5% Commission/Brokerage 270.00 Cr SP-GB Ram Babu 5,400.00 Cr <i>towards housing loan incentive against flat no A1001 and C1005</i>		Journal JOU/11390	5,400.00	
	T0 (as per details) SP-D Pavan Kumar 230.00 Dr TDS-5% Commission/Brokerage 230.00 Cr SP-D Pavan Kumar 4,600.00 Cr <i>towards housing loan incentive against flat no A1001 and C1005</i>		Journal JOU/11391	4,600.00	
	T0 (as per details) SP- G Vineela 230.00 Dr TDS-5% Commission/Brokerage 230.00 Cr SP- G Vineela 4,600.00 Cr <i>towards housing loan incentive against flat no A1001 and C1005</i>		Journal JOU/11392	4,600.00	
	T0 (as per details) SP-K Prabhakar Reddy 150.00 Dr TDS-5% Commission/Brokerage 150.00 Cr SP-K Prabhakar Reddy 3,000.00 Cr <i>towards housing loan incentive against flat no A1001 and C1005</i>		Journal JOU/11393	3,000.00	
	T0 (as per details) SP- M Mahender 120.00 Dr TDS-5% Commission/Brokerage 120.00 Cr SP- M Mahender 2,400.00 Cr <i>towards housing loan incentive against flat no A1001 and C1005</i>		Journal JOU/11394	2,400.00	
31-Mar-22	T0 (as per details) SP-Murali Krishna B 250.00 Dr TDS-5% Commission/Brokerage 250.00 Cr SP-Murali Krishna B 5,000.00 Cr <i>being onaccount incentive paid</i>		Journal JOU/11400	5,000.00	
	Carried Over			39,84,617.00	

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Modi Properties Pvt Ltd Mayfower Platinum

Employee Incentives Ledger Account : 1-Mar-22 to 31-Mar-22

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Date	Particulars	Vch Type	Vch No.	Debit	Credit
	Brought Forward			39,84,617.00	
31-Mar-22	T ₀ (as per details)		Journal		
	SP-S Rama Devi	3,170.00 Dr	JOU/11410	63,400.00	
	TDS-5% Commission/Brokerage	3,170.00 Cr			
	SP-S Rama Devi	63,400.00 Cr			
	<i>Towards commission for the month of Feb 22 and Mar 22</i>				
				40,48,017.00	
By	Closing Balance				40,48,017.00
				40,48,017.00	40,48,017.00

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 or intimation of tax ascertained through Form GST DRC-01A

ARN :AD360925023347W

Date :27/09/2025

1.	GSTIN	36AABCM4761E1ZM										
2.	Name	MODI PROPERTIES PRIVATE LIMITED										
3.	Cause of Payment	After issuance of SCN/Statement but before issuance of the order										
4.	Section under which voluntary payment is made	73										
5.	Details of After issuance of SCN/Statement but before issuance of the order	Reference No:ZD360725001496C					Date Of issue:01/07/2025					
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.	APR 2021-MAR 2022	IGST	Telangana	0.00	0.00	0.00	0.00	0.00	0.00	Cash	DC3609250183118	27/09/2025
2.	APR 2021-MAR 2022	CGST	Telangana	0.00	0.00	0.00	7,800.00	0.00	7,800.00	Cash	DC3609250183118	27/09/2025
3.	APR 2021-MAR 2022	SGST	Telangana	0.00	0.00	0.00	7,800.00	0.00	7,800.00	Cash	DC3609250183118	27/09/2025

8. Reasons, if any -

With regards to DRC-01 vide Ref No: ZD360725001496C dated: 01-07-2025, Para 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.

9. Verification -

I hereby solemnly affirm and declare that the information given hereinabove is true and correct to the best of my knowledge and belief and nothing has been concealed therefrom .

Signature of Authorized Signatory

Name: SOHAM MODI

Designation: DIRECTOR

Date: 27/09/2025