



**GOVERNMENT OF TELANGANA  
COMMERCIAL TAXES DEPARTMENT**

**ATTACHMENT TO FORM GST DRC-07  
SUMMARY OF ORDER PROCEEDINGS**

**For the Financial Year 2021-22 under the GST Act, 2017  
[See Rule 142 and Section 73]**

**Date: 19-12-2025**

GSTIN	36AADCM5906D2ZO
Name of the Tax payer Name	MODI HOUSING PRIVATE LIMITED
Designation of the Assessing officer /Officer address	STATE TAX OFFICER -III, O/o. The Joint Commissioner (ST), Begumpet Division, 6 <sup>th</sup> Floor, Pavani prestige, Ameerpet, Hyd-16
Division	Begumpet
Financial Year	2021-22

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 2021-22 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 - Show Cause Notice issued in DRC 01 – Reply Filed – Orders Issued – Regarding.

Ref: 1. Notice for Audit Form GST ADT-01 vide Ref. No. ZD360524018355H, dt.09-05-2024.

2. Joint Commissioner (ST), Begumpet Division, Hyderabad Audit Authorization in Ref No. BGPT-DIVN/STO-II/51/MGSD/2024-25, dt. 05-11-2024.

3. STO-II, M.G.Road-S.D.Road Circle notice issued in GST Form DRC-01 vide Ref. No. ZD3611240132810, dt.13-11-2024.

4. M/s. Modi Housing Private Limited, Reply filed in DRC-06, dt.17-05-2025 & dt. 20-08-2025.

5. Personal hearing notice issued vide Ref. No. ZD360325015029N, dt. 11-03-2025.

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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 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 2021-22, 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 2021-22 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 proposed to assess and issued show cause notice in FORM GST DRC-01 vide reference 3<sup>rd</sup> cited as detailed below.

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

The Tax Payer claimed Input Tax Credit in GSTR – 3B return filed by them for the year 2021- 22 as under:

CGST	Rs. 7,89,928.00
SGST	Rs. 7,89,928.00
Total Input Tax	Rs. 15,79,856.00

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 genuiness 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. 15,79,856/-.

While bringing forward to the notice of the taxpayer about the above excess claimed ITC amounting to Rs. 15,79,856/- (i.e. Rs. 7,89,928/- towards CGST and Rs. 7,89,928/- 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 Returns filed by them for the year 2021-22 as under:

Particulars	Turnover	CGST	SGST
Exempted supplies	6882269	0	0
Non-GST supplies	84951847	0	0
Output Turnover Taxable @18%	5509964	460257	460257
<b>Total Reported</b>	<b>97344080</b>	<b>460257</b>	<b>460257</b>

**A)** The Tax Payer claimed Exemption on the Output Turnover of Rs. 68,82,269.00 in the GSTR3B 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:

Particular	Turnover	CGST Proposed @ 9%	SGST Proposed @ 9%	Total Output Tax Proposed
Turnover Reported as Exempted Supply Proposed to Tax in absence of documentary evidences	6882269	619404	619404	1238808

While bringing forward to the notice of the taxpayer about the above Shortly reported Output Tax amounting to Rs. 12,38,808/- (i.e., Rs. 6,19,404/- towards CGST and Rs. 6,19,404/- 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)** The Tax Payer claimed Exemption on the Output Turnover of Rs. 8,49,51,847.00 in the GSTR3B 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:

Particular	Turnover	CGST Proposed @ 9%	SGST Proposed @ 9%	Total Output Tax Proposed
Turnover Reported as Non-GSTsupplies Supply Proposed to Tax in absence of documentary evidences	84951847	7645666	7645666	15291332

While bringing forward to the notice of the taxpayer about the above Shortly reported Output Tax amounting to Rs. 1,52,91,332/- (i.e., Rs. 76,45,666/- towards CGST and Rs.76,45,666/- 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 2021 to March 2022 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	789928	789928	1579856
2A	Turnover Reported as Exempted Supply Proposed to Tax in absence of documentary evidences	619404	619404	1238808
2B	Turnover Reported as Non-GST supplies Supply Proposed to Tax in absence of documentary evidences	7645666	7645666	15291332
<b>Total Tax Due to the Department</b>		<b>9054998</b>	<b>9054998</b>	<b>18109997</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-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, 2021	11-05-2021	21-07-2021	71	7100
GSTR 1	May, 2021	11-06-2021	21-07-2021	40	4000
GSTR 1	June, 2021	11-07-2021	03-08-2021	23	2300
GSTR 1	July, 2021	11-08-2021	01-09-2021	21	2100
GSTR 1	Aug, 2021	11-09-2021	30-09-2021	19	1900
GSTR 1	Sept, 2021	11-10-2021	20-10-2021	9	900
GSTR 1	Oct, 2021	11-11-2021	04-12-2021	23	2300
GSTR 1	Nov, 2021	11-12-2021	07-01-2022	27	2700
GSTR 1	Dec, 2021	11-01-2022	29-03-2022	77	7700
GSTR 1	Jan, 2022	11-02-2022	07-04-2022	55	5500
GSTR 1	Feb, 2022	11-03-2022	14-05-2022	64	6400
GSTR 1	Mar, 2022	11-04-2022	23-06-2022	73	7300
<b>Total</b>					<b>50200</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.50,200/- (i.e., Rs.25,100/- towards CGST and Rs.25,100/- 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.

Accordingly, a notice in FORM GST DRC-01 was issued vide Reference No. ZD3611240132810 dated 13.11.2024, requesting the taxpayer to submit their objections, if any, within the time stipulated in the notice.

In response to the said notice, the taxpayer submitted replies in FORM GST DRC-06 dated 17.05.2025 and 20.08.2025. The submissions made by the taxpayer, along with the documents furnished, have been examined in detail. The contentions raised by the taxpayer and the findings thereon are discussed hereunder:

### **Para 1: - Wrong Claim of Input Tax**

#### **Response of the taxpayer:**

1. In this para whole of the ITC Claimed in the financial year 2020-21 has been disallowed on the ground of non-submission of books of accounts.

Tax Head / Description	CGST	SGST	Total Input Tax
ITC 6A (as per GSTR9)	7,89,928	7,89,928	15,79,856

2. Firstly, an extract of Table 6A of GSTR-09 Annual Return for the F.Y.2021-22 is provided hereunder for ready reference.

#### **Extract of Table 6A of GSTR -09 Annual Returns for F.Y.2021-22**

Pt. III	Details of ITC for the financial year					
	Sr.No	Description	Type	Central Tax(₹)	State Tax / UT Tax(₹)	Integrated Tax(₹)
			1	2	3	4
6 Details of ITC availed during the financial year						
A		Total amount of input tax credit availed through FORM GSTR-3B (sum total of Table 4A of FORM GSTR-3B)		7,89,928.00	7,89,928.00	0.00
B		Inward supplies (other than imports and inward supplies liable to reverse charge but includes services received from SEZs)	Inputs	7,89,928.00	7,89,928.00	0
			Capital Goods	0	0	0
			Input Services	0	0	0

3. Noticee submits that it had reversed ITC to the tune of Rs. 6,94,382/- (CGST- Rs. 3,47,191/- & SGST- Rs. 3,47,191/-) vide GSTR 3B monthly returns and in support of such submission the details of ITC reversed in GSTR 3B returns is provided in the table below and all such GSTR 3B returns are attached as **Annexure 1.1** and GSTR 9 for the Financial Year 2021-22 is attached as **Annexure 1.2**.

Break up of ITC reversed respective GSTR 3B returns.

Month	IGST	CGST	SGST	Total
April, 2021	0	2,05,519	2,05,519	4,11,038
May,2021	0	0	0	0
June,2021	0	40,872	40,872	81,744
July,2021	0	0	0	0
August,2021	0	0	0	0
September,2021	0	0	0	0
October,2021	0	0	0	0
November,2021	0	0	0	0
December,2021	0	0	0	0
January, 2022	0	0	0	0
February,2022	0	0	0	0
March, 2022	0	1,00,800	1,00,800	2,01,600
<b>Total Reversals</b>		<b>3,47,191</b>	<b>3,47,191</b>	<b>6,94,382</b>

4. On examination of GSTR 3B returns and table provided above it is clear that noticee had made reversal of credit to the tune of Rs. 6,94,382/- (CGST- Rs. 3,47,191/- & SGST- Rs. 3,47,191/-) and the actual ITC claimed by the noticee during financial year 2021-22 is Rs. 8,85,474/- (CGST - Rs. 4,42,737/- & SGST - Rs. 4,42,737/-). Computation of actual credit availed is provided in the table given below.

#### Computation of actual credit availed

Particulars	CGST	SGST	Total Input Tax
ITC Claimed	7,89,928	7,89,928	15,79,856
ITC Reversed	3,47,191	3,47,191	6,94,382
Actual ITC Availed	4,42,737	4,42,737	8,85,474

5. Noticee submits that such reversals had been rightly reported in the Table 7 of GSTR 9 annual return, an extract of such Table 7 of GSTR-9 is provided here under:-

Pt. III	Details of ITC for the financial year				
Sr.No	Description	Central Tax(₹)	State Tax / UT Tax(₹)	Integrated Tax(₹)	Cess(₹)
	1	2	3	4	5
<b>7 Details of ITC Reversed and Ineligible ITC for the financial year</b>					
A	As per Rule 37	0.00	0.00	0.00	0.00
B	As per Rule 39	0.00	0.00	0.00	0.00
C	As per Rule 42	0.00	0.00	0.00	0.00
D	As per Rule 43	0.00	0.00	0.00	0.00
E	As per section 17(5)	0.00	0.00	0.00	0.00
F	Reversal of TRAN-1 credit	0.00	0.00		
G	Reversal of TRAN-2 credit	0.00	0.00		
H1	Others	3,47,191.00	3,47,191.00	0.00	0.00
I	Total ITC Reversed (Sum of A to H above)	3,47,191.00	3,47,191.00	0.00	0.00
J	Net ITC Available for Utilization (60 - 7I)	4,42,737.00	4,42,737.00	0.00	0.00

6. On examination of tables provided above, it is clearly established that noticee has claimed net ITC amounting to Rs. 8,85,474/- A detailed breakup of such credit availed is given hereunder.

GSTIN of the Vendor	Inv. No.	Party Name	GST Rate	Invoice Value	Taxable Value	IGST	CGST	SGST	Total ITC
36AAIFV6997M1Z1	853	M/S Vasant Enterprises	18	24,40,555	20,68,267	-	1,86,144	1,86,144	3,72,288
36AHUPG2360G2Z8	5	G.E Traders	18	15,57,571	13,19,975	-	1,18,798	1,18,798	2,37,596
36AHUPG2360G2Z8	6	G.E Traders	18	15,48,302	13,12,120	-	1,18,091	1,18,091	2,36,182
Total				55,46,427	47,00,362	-	4,23,033	4,23,033	8,46,065

#### ITC availed for other purchase (Consultancy etc.)

GSTIN of the Vendor	Inv. No.	Date of Invoice	Party Name	GST Rate	Invoice Value	Taxable Value	CGST	SGST	Total ITC
36ASDPM5467A1ZV	SA2122013	12-06-2021	Shruti Agarwal	18	44,199	37,457	3,371	3,371	6,742
36ACQFS2044C1Z7	SSCOM/21-22/10023	31-05-2021	Summit Sales LLP	18	2,605	2,208	199	199	397
36AASFK7372D1ZY	2021-2022/66	15-07-2021	KGM & Co	18	24,780	21,000	1,890	1,890	3,780

36AASFK7372D1ZY	2021-2022/123	15-07-2021	KGM & Co	18	3,540	3,000	270	270	540
36ACQFS2044C1Z7	sscom21-22/10094	14-08-2021	Summit Sales LLP	18	210	178	16	16	32
	2146	24-08-2021	Vivid World	18	655	555	50	50	100
36ASDPM5467A1ZV	SA2122030	09-09-2021	Shruti Agarwal	18	6,785	5,750	518	518	1,035
36ASDPM5467A1ZV	SA2122039	09-09-2021	Shruti Agarwal	18	6,018	5,100	459	459	918
36ASDPM5467A1ZV	SA2122068	07-10-2021	Shruti Agarwal	18	5,900	5,000	450	450	900
36AASFK7372D1ZY	2021-2022/374	06-01-2022	KGM & Co	18	6,325	5,360	482	482	965
Total					1,01,018	85,608	7,705	7,705	15,409

#### **Submissions for ITC availed on purchase of steel.**

7. Noticee submits that during the F.Y.2021-22 it had affected supply of Land, letting out hoardings for rent, trade of steel and received other miscellaneous incomes. A break up of such supplies is provided hereunder.

Total			7,81,33,775	-	4,63,497	4,63,497
S.No.	Nature of Supply	Supply	Taxable Value	IGST	CGST	SGST
A	B2B	Hoarding Rent	4,14,000	-	37,260	37,260
B	B2B	Sale of steel	46,99,962	-	4,22,997	4,22,997
C	B2C	Hoarding Rent	36,000	-	3,240	3,240
D	Exempt	Interest on FD	23,25,061	-	-	-
E	Exempt	Interest on unsecured Loans	4,30,831	-	-	-
F	NON-GST	Sale of Villa	1,36,88,750	-	-	-
G	NON-GST	Revenue Recognized-on Sale of Land	5,38,45,800	-	-	-
H	NON-GST	Share of Profit from Partnership Firms/LLPs	26,93,371	-	-	-

8. Noticee submits that it had sold steel vide invoice no. SAL/SOVIII10010 dated 23-06-2021. outward supply having taxable value of Rs. 46,99,962/- (CGST- Rs. 4,22,997/- & SGST- Rs. 4,22,997/-) was duly reported in the GSTR 1 return for the month of June,2021 and tax liability against such supply was discharged utilizing the credit claimed against the invoices for purchase of steel as listed above. An extract of GSTR 1 return for the month of June,2021 is provided hereunder for ready reference.

9. An extract of GSTR 1 return for the month of June,2021

GSTIN - 36AADCM5906D2Z0 FY - 2021-22	Legal Name - Modi Housing Private Limited Return Period - June	Trade Name - Modi Housing Private Limited Status - Filed																											
<b>4A, 4B, 6B, 6C - B2B, SEZ, DE Invoices</b>																													
Recipient wise count		Document wise details																											
Processed Records																													
36ADBFS3288A2Z7 SILVER OAK VILLAS LLP		Display/Hide Columns: <input type="button" value="▼"/> Records Per Page : <input type="button" value="10"/> <input type="button" value="Search..."/>																											
<table border="1"> <thead> <tr> <th>Invoice no.</th><th>Invoice date</th><th>Total invoice value (₹)</th><th>Total taxable value (₹)</th><th>Integrated tax (₹)</th><th>Central tax (₹)</th><th>State/UT tax (₹)</th><th>Cess (₹)</th><th>Source</th><th>Actions</th></tr> </thead> <tbody> <tr> <td>SAL/SOVIII10010</td><td>23/06/2021</td><td>55,45,955.16</td><td>46,99,962.00</td><td>0.00</td><td>4,22,996.58</td><td>4,22,996.58</td><td>0.00</td><td></td><td> </td></tr> </tbody> </table>										Invoice no.	Invoice date	Total invoice value (₹)	Total taxable value (₹)	Integrated tax (₹)	Central tax (₹)	State/UT tax (₹)	Cess (₹)	Source	Actions	SAL/SOVIII10010	23/06/2021	55,45,955.16	46,99,962.00	0.00	4,22,996.58	4,22,996.58	0.00		 
Invoice no.	Invoice date	Total invoice value (₹)	Total taxable value (₹)	Integrated tax (₹)	Central tax (₹)	State/UT tax (₹)	Cess (₹)	Source	Actions																				
SAL/SOVIII10010	23/06/2021	55,45,955.16	46,99,962.00	0.00	4,22,996.58	4,22,996.58	0.00		 																				

9. In consideration of submissions made it is established that such purchase of steel is in the course of furtherance of business. Attached here with are:

- Purchase ledgers – Annexure 1.3
- Purchase Invoices – Annexure 1.4
- Extract of GSTR 2B report reflecting such purchase of steel invoices – Annexure -1.5
- Sale invoice of Steel – Annexure 1.6
- GSTR 2A for period F.Y. 2020-21 – Annexure 1.7

10. Further, in consideration of reversals made and actual ITC claimed against the eligible purchases, the computation of actual excess ITC claimed is provided hereunder.

	Particular	CGST	SGST	Total
A	ITC Claimed for the F.Y.2021-22	7,89,928	7,89,928	15,79,856
B	ITC reversed vide GSTR 3B returns	3,47,191	3,47,191	6,94,382
C=A-B	Net ITC claimed	4,42,737	4,42,737	8,85,474
D	ITC claimed against the above-mentioned supplies. (i.e. On steel and Consultancy Services)	4,30,737	4,30,737	8,61,475
E=C-D	Excess availed ITC	12,000	12,000	24,000

11. On examination of computation table provided above, it is evident that the noticee had inadvertently claimed Excess ITC only to the tune of Rs. 24,000/- (CGST-Rs.12,000/- & SGST-Rs.12,000/-) and such excess ITC has been reversed through Form GST DRC-03 dated:10/05/2025 vide ARN: AD360525007759R and is attached as Annexure 1.8.

12. In lieu of submissions proposed tax demand of Rs 15,79,856/- towards excess claimed ITC be dropped.

**Observations and conclusions of Assessing Authority:**

Upon verification of the reply and the documentary evidence furnished by the taxpayer, a detailed examination was carried out with reference to the declarations made in FORM GSTR-1, FORM GSTR-3B, FORM GSTR-9, and FORM GSTR-9C for the Financial Year 2021-22. During the course of verification, it was observed that the taxpayer had availed and claimed Input Tax Credit on consultancy services and other related services, which were neither restricted nor reversed in accordance with the provisions of Rule 42 of the CGST/TGST Rules, 2017 during the said period. Accordingly, the Input Tax Credit so availed is not admissible under the provisions of the GST Act, 2017, and is liable for disallowance.

In view of the above findings, and after considering the submissions made by the taxpayer in FORM GST DRC-06, the taxpayer's tax liability arising out of wrongful availment and utilization of Input Tax Credit for the Financial Year 2021-22 is hereby determined as detailed below:

Sl.No.	Particular	CGST	SGST	Total
1	ITC availed as per 4A(5) of the GSTR-3B	7,89,928	7,89,928	15,79,856
2	ITC reversed GSTR-3B	3,47,191	3,47,191	6,94,382
3	Net ITC claimed (1-2)	4,42,737	4,42,737	8,85,474
4	Eligible Input Tax Credit	4,23,033	4,23,033	8,46,066
5	<b>Excess availed ITC (3-4)</b>	<b>--19,704</b>	<b>-19,704</b>	<b>-39,408</b>
6	Tax paid through DRC-03	12,000	12,000	24,000
7	Net tax to be payable (5-6)	-7,704	-7,704	-15,408

**Recovery Details: FORM GST DRC-03**

ARN: AD360525007759R, Date: 10/05/2025

In view of the above, the net tax payable on account of the wrongful claim of ITC is confirmed CGST of Rs. 7,704/- & SGST of RS. 7,704/- for the Financial Year 2021-22 under the GST Act,2017.

**Para 2: Output Tax on Outward Supplies**

**Response of the taxpayer:**

13. In the said paragraph, the notice summarizes the turnover and output tax as per the GSTR-3B returns filed by the noticee for the financial year 2021-22, as follows:

Particulars	Turnover	CGST	SGST
Exempted supplies	68,82,269	-	-
Non-GST Supplies	8,49,51,847	-	-
Output Turnover Taxable @ 18%	55,09,964	4,60,257	4,60,257
Total	9,73,44,080	4,60,257	4,60,257

14. Each of the above turnover figures has been verified, and tax has been proposed on various grounds. Without prejudice to the same, the noticee respectfully submits that an inadvertent reporting error occurred in the return filed for August 2021, wherein an amount of ₹49,45,000, being Non-GST turnover, was mistakenly reported under Exempt Supplies instead of under Non-GST Supplies.

15. It is respectfully submitted that the taxable output turnover liable to GST @18% is Rs. 51,13,962/- and not Rs. 55,09,964/- as alleged. In the GSTR-3B return for September 2021, due to a clerical error, the noticee inadvertently declared its taxable turnover as Rs. 4,40,000/- instead of Rs. 44,000/-, thereby resulting in an excess declaration of Rs. 3,96,000/-. Since Form GSTR-3B does not permit negative turnover, the noticee could not rectify the said error in subsequent GSTR-3B returns. The error, however, has been duly corrected in the GSTR-9 annual return, wherein the correct taxable turnover has been reported as Rs. 51,13,962/-, comprising Rs. 46,99,962/- from sale of steel and Rs. 4,14,000/- from hoarding rent.

16. The noticee has duly discharged the entire tax liability on the taxable turnover of Rs. 51,13,962/- @18%, by paying CGST of Rs. 4,60,257/- and SGST of Rs. 4,60,257/- in its GSTR-3B returns.

17. Accordingly, it is requested that the turnover be rectified and verified as per the revised figures below:

Particulars	Turnover	Correction	T.O. after correction
Exempted supplies	68,82,269	-49,45,000	19,37,269
Non-GST Supplies	8,49,51,847	49,45,000	8,98,96,847
Output Turnover Taxable @ 18%	55,09,964	-3,96,000	51,13,962
Total	9,73,44,080		9,69,48,078

The above correction does not impact the total turnover or tax liability but ensures proper classification of the supplies. You are requested to consider the corrected details while examining the response.

**Para 2A: - Turnover Reported as Exempted Supply Proposed to Tax in absence of documentary evidences.**

18. This para proposes tax on exempted supplies reported in GSTR-3B, citing non-submission of supporting documentary evidence. The details as per the notice are as follows:

Particulars	Turnover	CGST Proposed @ 9%	SGST Proposed @ 9%
Turnover Reported as Exempted Supply Proposed to Tax in absence of documentary evidences	68,82,269	6,19,404	6,19,404

19. Upon considering the revised exempt turnover as per GSTR-3B amounting to ₹19,37,269, the noticee respectfully submits the following:

20. The exempt turnover pertains exclusively to interest income—comprising:

- Interest earned on Fixed Deposits with banks, and
- Interest on unsecured loans provided by the noticee.

21. The adjudicating authority appears to have solely relied on the exempt turnover reported in GSTR-3B for FY 2021–22. However, the exempt turnover reported in GSTR-9 for the same year amounts to ₹27,55,892. The variation between GSTR-3B and GSTR-9 arises primarily due to accrual-based accounting entries for interest income made at the time of finalisation of accounts.

22. Therefore, it is requested that the exempt income of ₹27,55,892, as reported in GSTR-9, be considered as correct and final.

23. It is pertinent to note that, under Section 44 of the CGST Act, 2017, GSTR-9 is a reconciliatory annual return capturing the accurate and consolidated figures for the financial year, after reconciliation with books of accounts and periodic returns.

24. In support of this, the Hon'ble High Court of Madras, in the case of *Sri Shanmuga Hardwares Electricals v. State Tax Officer* [W.P. No. 2938 of 2023, dated 07.02.2023], held that figures disclosed in GSTR-9 must be duly considered by the adjudicating authority, particularly where there are discrepancies or the need for clarification.

25. Accordingly, the correct figures for Exempt turnover as per GSTR-9 filed for the F.Y. 2021-22 are provided below. as an extract from table 5 of GSTR-9 of F.Y. 21-22 is provided.

S.No	Particulars	Turnover
1	Interest on FD	23,25,061
2	Interest on unsecured Loans	4,30,831
	Total	27,55,892

26. That an amount of Rs. 27,55,892 pertains to income from Fixed deposits of Rs. 23,25,061 and interest on unsecured loans of Rs. 4,30,831 received by the noticee during the financial year. In support of such submission an extract of Profit & Loss account of the noticee for the financial year 2021-22 is provided hereunder for your ready reference. Ledgers of interest income from fixed deposit and interest income on unsecured loans is attached as Annexure 2.1.

27. Further, it is submitted that such interest income is exempted by the Government by exercising its power under Section 11 vide Notification No. 12/2017- Central Tax (Rate), dated 28th June, 2017. A relevant extract of such Section and Notification is provided hereunder for your readily reference.

*Section 11. Power to grant Exemption.*

*(1)Where the Government is satisfied that it is necessary in the public interest so to do, it may, on the recommendations of the Council, by notification, exempt generally, either absolutely or subject to such conditions as may be specified therein, goods or services or both of any specified description from the whole or any part of the tax leviable thereon with effect from such date as may be specified in such notification.*

***Notification No. 12/2017- Central Tax (Rate), dated 28<sup>th</sup> June, 2017.***

Sl.No	Chapter, Section, Heading, Group or Service Code (Tariff)	Description of Services	Rate (%)	Condition
27	Heading 9971	<i>Services by way of—</i> <i>(a) extending deposits, loans or advances in so far as the consideration is represented by way of interest or discount (other than interest involved in credit card services);</i> <i>(b) inter se sale or purchase of foreign currency amongst banks or authorised dealers of foreign exchange or amongst banks and such dealers.</i>	Nil	Nil

28. Upon the submissions made above it can be clearly established that the such supplies of Rs. 27,55,892 are exempted supplies and therefore it is requested that any further proceeding this regard be dropped.

**Observations and Conclusion of the Assessing Authority:**

The taxpayer has stated that the turnover of Rs. 49,45,000/-was erroneously reported as exempt supply instead of Non-GST supply. They further clarified that the actual turnover pertaining to exempt supplies is Rs. 19,37,269/-. The taxpayer also submitted that, upon reconciliation of the books of accounts, the correct details of exempt supplies were duly disclosed in GSTR-09 as well as in the financial statements for the Financial Year 2021-22.

The above submission has been examined and the same has been considered as detailed below:

S.No	Particulars	Turnover
1	Interest on FD	23,25,061
2	Interest on unsecured Loans	4,30,831
	Total	27,55,892

Further, the taxpayer also stated that the aforesaid turnover pertains to interest on Fixed Deposits (FDs)and interest on unsecured loans. In support of their claim, they have furnished the Profit & Loss Account for the Financial Year 2021-22, along with the ledgers of interest income from fixed deposits and interest income on unsecured loans for verification. Based on these submissions, the taxpayer has requested that the proceedings in this matter be dropped.

As per the Notification No. 12/2017- Central Tax (Rate) New Delhi, the 28th June, 2017

Heading 9971- Services by way of –

- (a) extending deposits, loans or advances in so far as the consideration is represented by way of interest or discount (other than interest involved in credit card services);
- (b) inter se sale or purchase of foreign currency amongst banks or authorized dealers of foreign exchange or amongst banks and such dealer” the rate of tax to be levied is Nil.

In view of the above, the reply submitted by the taxpayer, along with GSTR-9 (Annual Return), Annual Financial Statements for the financial year 2021-22, and the certificate furnished by the Chartered Accountant, was verified with reference to the relevant notification. Upon such verification, it was found that the turnover of Rs.27,55,892/- pertains to interest income on Fixed Deposits and interest received on unsecured loan on which the applicable tax liability is Nil.

Accordingly, the tax proposed on the turnover reported as exempt supply is hereby dropped under the provisions of the GST Act and Rules, 2017, for the financial year 2021-22.

**Para 2B: Turnover Reported as Non-GST Supplies Proposed to Tax in absence of documentary evidences.**

**Response of the taxpayer:**

29. This para proposes to tax on Non-GST supplies reported in GSTR-3B on the grounds of non-submission of documentary evidence. Details provided as under

Particulars	Turnover	SGST Proposed @ 9%	SGST Proposed @ 9%
Turnover Reported as Non-GST supplies Supply Proposed to Tax in absence of documentary evidences	8,49,51,847	76,45,666	76,45,666

30. Upon considering the revised Non-GST turnover as per GSTR-3B amounting to ₹8,98,96,947, the noticee respectfully submits the following:

31. Non-GST supplies as per GSTR 3B pertains to revenue from sale of land. In lieu of which noticee submits the below documents

- Sales Register for income from sale of land – Annexure 2.2
- Sample copies sale invoices – Annexure 2.3
- Sample Customer ledgers – Annexure 2.4
- Eight sample copies of agreements with the customer i.e. sale deed and agreement for construction – Annexure 2.5 for plot – 104, 106, 108, 110, 112, 113, 114, 115
- Agreement of Sale between the Noticee and the vendor to establish purchase of land – Annexure 2.6

32. Further, it is submitted that such turnover is outside the preview of GST under Section 7(2) read with Schedule III of the CGST Act, 2017.

*Section 7(2) Notwithstanding anything contained in sub-section (1),(a) activities or transactions specified in Schedule III; or*

*(b) such activities or transactions undertaken by the Central Government, a State Government or any local authority in which they are engaged as public authorities, as may be notified by the Government, shall be treated neither as a supply of goods nor a supply of services.*

*Schedule III – Activities or Transactions Which Shall Be Treated Neither as a Supply of Goods Nor a Supply of Services. As per Section 7(2)(a)“5. Sale of land and, subject to clause (b) of paragraph 5 of Schedule II, sale of building.*

33. Accordingly, Turnover of Rs. 8,98,96,947/- arising from the sale of land is to be treated as neither a supply of goods nor a supply of services, and hence falls outside the scope of GST, qualifying as a Non-GST supply.

34. It is submitted that while adjudicating the matter, the authority has relied upon the Non-GST turnover reported in GSTR-3B returns. However, it is pertinent to highlight that as per Section 44 of the CGST Act, 2017, GSTR-9 (annual return) is a reconciliatory statement filed annually, which captures the consolidated and accurate figures for the entire financial year, after reconciling with books of accounts and periodic returns.

35. It is also submitted that the Hon'ble High Court of Madras, in the case of Sri Shanmuga Hardwares Electricals v. State Tax Officer [W.P. No. 2938 of 2023, dated 07.02.2023], held that the figures disclosed in GSTR-9 must be duly considered by the adjudicating authority, especially in cases of mismatch or clarification.

36. Accordingly, the correct figures for Non-GST turnover as per GSTR-9 filed for the F.Y. 2021-22 is provided below as an extract and such GSTR-9 is attached as Annexure 6.

37. Therefore, it is submitted that the figures mentioned in GSTR-9, being final and reconciled with the audited financials, it may kindly be taken into consideration for adjudication of the case.

38. Break up of non-GST turnover as per GSTR-9 is provided in the table below.

S.No	Particulars	Turnover
1	Revenue Recognized - Sale of Flat	1,36,88,750
2	Revenue Recognized-SOV - Sale of Land)	5,38,45,800
3	Share of Profit from Partnership Firms/LLPs	26,93,371
	<b>Total</b>	<b>7,02,27,921</b>

**Revenue Recognized-Sale of flat – Rs 1,36,88,750**

39. The noticee submits that an amount of ₹1,36,88,750 pertains to revenue received from the sale of completed flats in the project Vista Homes.

40. The details of the units sold during the year are as follows:

Flat Number	Customer Name	Amount
E-101	Rahul Voruganti	59,00,000
E-112	Vijaya Lakshmi	77,88,750
	<b>Total</b>	<b>1,36,88,750</b>

In support of the above transactions, the following documents are submitted:

- Customer ledgers for flats E-101 and E-112 - Annexure 2.7
- Sale deeds for flats E-101 and E-112 – Annexure 2.8
- Occupancy Certificate (OC) for Block E – Vista Homes – Annexure 2.9
- Ledgers of purchases from Vista Homes for Villas E-101 and E-112 – Annexure 2.10
- Purchase related documents from Vista homes – Annexure 2.11

41. It is relevant to highlight that the Occupancy Certificate for Block E of Vista Homes was issued on 05-11-2020, and the sales of the said flats occurred after the issuance of the OC.

As per Section 7(2)(a) of the CGST Act, 2017 read with Entry 5 of Schedule III, the sale of a building after issuance of the Occupancy Certificate or first occupation, whichever is earlier, is treated as neither a supply of goods nor a supply of services, and is therefore not liable to GST. Furthermore, Paragraph 5(b) of Schedule II clarifies that construction services are taxable under GST only when consideration is received before the issuance of the Occupancy Certificate. Once the OC is issued, the property becomes immovable property, and any subsequent sale is outside the scope of GST. This interpretation has been upheld in the landmark judgment of Larsen & Toubro Ltd. v. Union of India, and reaffirmed in CBIC Circular No. 151/07/2021-GST dated 17th June 2021.

42. Accordingly, the revenue of ₹1,36,88,750 from the sale of these villas constitutes a non-GST supply, and no GST is leviable on such transactions.

#### **Revenue Recognized –SOV**

43. The noticee submits that an amount of ₹5,38,45,800 pertains to revenue from the sale of land, which has been recognized in the financial statements in accordance with the Percentage of Completion Method (POCM) as prescribed under Accounting Standard 7, for the purpose of reporting under the Income Tax Act, 1961. In contrast, the turnover reported in the GST returns is based on the installments/demands raised on customers for progressive work, in accordance with the provisions of the GST Act. This fundamental difference in the basis of revenue recognition has resulted in a mismatch between the turnover reported under the Income Tax Act and the GST Act.

44. Table below enumerates this difference:

Turnover	Amount
As per Financial Statements (Income Tax Act)	5,38,45,800
As per GSTR 3B Return (GST Act)	8,98,94,880
Difference	3,60,49,080

In support of above, the noticee submits the following documents:

- Revenue recognition workings based on the Percentage of Completion Method (POCM). – Annexue 2.12
- Installment receivable ledger – a control account reconciling installments raised under GST with revenue recognized under the Income Tax Act – Annexure 2.13.

45. It is humbly submitted that the monthly GSTR-3B returns reflect turnover based on installments raised, classified under Non-GST supplies, while the GSTR-9 annual return discloses revenue as per financial statements (i.e., as per the Income Tax Act), also under

Non-GST supplies. The mismatch arises purely due to differences in recognition principles under respective statutes and is duly supported by documentary evidence.

46. Further, it is submitted that such turnover is outside the preview of GST under Section 7(2) read with Schedule III of the CGST Act, 2017 and turnover arising from the sale of land is to be treated as neither a supply of goods nor a supply of services, and hence falls outside the scope of GST, qualifying as a Non-GST supply.

#### **Share of Profit from Partnership Firms/LLPs**

47. Income amounting to Rs 26,93,371/- represents the share of profit received by the noticee from its investments in partnership firms. Details of such income from different partnership firms is provided as Annexure 2.14
48. It is submitted that share of profit is not a “Supply” under section 7 of the CGST Act. As per Section 7(1) of the Central Goods and Services Tax (CGST) Act, 2017, GST is applicable only when there is a “supply of goods or services or both for a consideration in the course or furtherance of business.” In the present case
  - \* The noticee has invested capital in a partnership firm.
  - \* The share of profit of Rs. 26,93,371 represents the noticee’s entitlement to the profits earned by the firm in proportion to its profit-sharing ratio.
  - \* There is no supply of goods or services by the noticee to the firms in lieu of this amount.Hence, the transaction does not qualify as a supply, and GST is not leviable.
49. Further, share of profit is a return on investment and not a taxable consideration. The amount received as share of profit is akin to dividends in a company or interest income from investments, both of which are outside the scope of GST. This is a return on capital investment, and not a consideration for any service rendered.
50. The noticee has not rendered any independent services (like consultancy, technical, or management services) to the partnership firm. In the absence of specific consideration for such services, the share of profit cannot be construed as taxable consideration under GST.
51. In consideration of submissions made above, it is requested that all such further proceedings in this regard be dropped.

#### **Observations and conclusion of the Assessing Authority:**

The taxpayer has stated that the turnover reported under “Non-GST Supplies” in the GSTR-3B returns comprises instalments/demands raised on customers for progressive works in accordance with the provisions of the GST Act. They further submitted that an amount of Rs. 5,38,45,800/- pertains to revenue from the sale of land, an amount of Rs. 1,36,88,750/- pertains to the sale of a flat, and an amount of Rs. 26,93,371/- represents share of profit from

Partnership Firms/LLPs. The taxpayer explained that these amounts have been recognized in the financial statements under the Percentage of Completion Method (POCM), as prescribed under Accounting Standard-7, for the purpose of reporting under the Income Tax Act, 1961.

In support of this claim, the taxpayer furnished detailed revenue-recognition workings based on the Percentage of Completion Method (POCM) along with certificate of Chartered Accountant and stated that the same turnover has been duly disclosed in GSTR-9. They emphasized that the figures reported in GSTR-9 are final and are fully reconciled with the audited financial statements, and therefore requested that the same may be considered for the purposes of adjudication.

The reply and documentary evidence submitted by the taxpayer have been examined. Upon verification, the turnover reported as Non-GST Supplies under Sl. No. 5F of Part II of GSTR-9 for the Financial Year 2021-22 has been considered, as detailed below.

S.No	Particulars	Turnover
1	Revenue Recognized - Sale of Flat	1,36,88,750
2	Revenue Recognized-SOV - Sale of Land)	5,38,45,800
3	Share of Profit from Partnership Firms/LLPs	26,93,371
	<b>Total</b>	<b>7,02,27,921</b>

#### i. Sale of Flat:

The taxpayer has submitted a copy of the registered sale deed pertaining to the sale of a flat and further stated that the said flat was sold to the vendee after obtaining the Occupation Certificate. They have also relied upon clause (b) of Paragraph 5 of Schedule II of the CGST Act, 2017, to contend that the sale of a completed Flat/building, where the entire consideration is received after issuance of the Occupation Certificate, does not constitute a supply of goods or services under GST. Accordingly, the taxpayer has requested that all further proceedings in this matter may be dropped.

Flat Number	Customer Name	Amount
E-101	Rahul Voruganti	59,00,000
E-112	Vijaya Lakshmi	77,88,750
	<b>Total</b>	<b>1,36,88,750</b>

As per clause (b) of Serial No. 5 of Schedule II of the CGST Act, 2017, “*construction of a complex, building, civil structure or a part thereof, including a complex or building intended for sale to a buyer, wholly or partly, shall be treated as a supply of services, except where the entire consideration has been received after issuance of the completion certificate, where required, by the competent authority, or after its first occupation, whichever is earlier.*”

In view of the documentary evidence submitted by the taxpayer, it is established that the flat was sold after the issuance of the Occupation Certificate. Accordingly, the taxpayer's claim

that the turnover of Rs. 1,36,88,750/-, pertaining to the sale of the said flat, does not constitute a supply of goods or services and therefore does not attract GST, is found to be acceptable.

**ii. Sale of Land:**

The taxpayer has stated that the turnover of Rs.8,48,51,847/- reported as Non-GST supplies in GSTR-3B pertains to revenue arising from the sale of land. They further submitted that an amount of Rs.49,45,000/- was erroneously reported under exempt supplies instead of Non-GST supplies, despite the fact that it also relates to the sale of land. Accordingly, the taxpayer contends that the total turnover of Rs.8,97,96,847/- represents revenue from the sale of land, which is outside the scope of GST.

In support of this claim, the taxpayer has furnished documentary evidence, including the statement of receipts from customers pertaining to the sale of land, sample invoice copies, sample customer ledger extracts, and sample copies of sale deeds and construction agreements for reference.

However, the taxpayer has stated that the turnover reported in the GST returns is based on the instalments/demands raised on customers for progressive work, in accordance with the provisions of the GST Act. They further submitted that an amount of Rs.5,38,45,800 pertains to specifically to revenue from the sale of land, which has been recognized in the financial statements in accordance with the Percentage of Completion Method (POCM), as prescribed under Accounting Standard-7 for reporting under the Income Tax Act, 1961.

They further contended that such turnover falls outside the purview of GST in terms of Section 7(2) read with Schedule III of the CGST Act, 2017, under which the sale of land is treated as neither a supply of goods nor a supply of services. Accordingly, they claimed that the said turnover qualifies as a Non-GST supply and requested that further proceedings in this matter be dropped.

As per Section 7(2) of the Central Goods and Services Tax Act, 2017, read with Sl. No. 5 of Schedule III, the sale of land is treated as neither a supply of goods nor a supply of services. Accordingly, transactions relating to the sale of land do not attract GST.

In view of the above legal position and based on the documentary evidence furnished by the taxpayer, it is established that the reported turnover pertains to the sale of land and therefore does not fall within the ambit of GST. Hence, the taxpayer's contention that the turnover of Rs.8,97,96,847/- (Rs.5,38,45,800/- as per the GSTR-9) is not liable to GST is acceptable.

**iii. Share of Profit from LLPs: Rs. 26,93,371/-**

The taxpayer has stated that the income amounting to Rs.26,93,371/- represents the share of profit received from its investments in partnership firms. Share of profit is not a "supply" under Section 7 of the CGST Act. As per Section 7(1) of the CGST Act, 2017, GST is leviable only when there is a supply of goods or services or both for a consideration in the

course or furtherance of business. The taxpayer has submitted that no goods or services were supplied by them to the partnership firms in lieu of this amount. Therefore, the transaction does not qualify as a supply, and GST is not applicable.

Upon verification of the taxpayer's reply with reference to the Annual Financial Statements for the year 2021-22, it is found that the taxpayer's contention regarding the amount of Rs.26,93,371/- being in the nature of share of profit and not constituting a supply is acceptable. Accordingly, the amount is treated as not falling within the purview of GST.

In view of the above, the taxpayer's submissions along with the details reported in GSTR-3B, GSTR-1, GSTR-9 Annual Return, and the supporting annexures have been duly verified. The taxpayer's tax liability in this matter is accordingly worked out as shown below.

#### Non-GST Supplies Turnover Reconciliation

- Non-GST turnover reported in GSTR-9 Annual Return : Rs. 7,02,27,971/-
- Turnover supported by documents furnished : Rs. 7,02,27,921/-
- Difference : Rs. 50/-

Therefore, the taxpayer is liable to pay CGST of Rs. 5/- and SGST of Rs. 5/- (@9% each) on the difference in turnover of Rs. 50/- pertaining to Non-GST supplies. The said tax liability is hereby confirmed under the provisions of the GST Act and Rules, 2017 for the financial year 2021-22.

#### **Para 3: - Late Fee to be paid on account of belated filing of GSTR-1 for F.Y. 2021-22**

**Response of the taxpayer:**

This para points out that the noticee is liable to pay Rs. 50,200/- (CGST 25,100, SGST 25,100) as late fee for late filing of GSTR-1 for the F.Y. 2021-22.

Nature of return	Period	Due Date of filing	Date of Filing Return	No. of Days Delayed	Late Fee a Rs.100 per day	
					CGST	SGST
GSTR 1	April, 2021	11-05-2021	21-07-2021	71	3550	3550
GSTR 1	May, 2021	11-06-2021	21-07-2021	40	2000	2000
GSTR 1	June, 2021	11-07-2021	03-08-2021	23	1150	1150
GSTR 1	July, 2021	11-08-2021	01-09-2021	21	1050	1050
GSTR 1	Aug, 2021	11-09-2021	30-09-2021	19	950	950
GSTR 1	Sept, 2021	11-10-2021	20-10-2021	9	450	450
GSTR 1	Oct, 2021	11-11-2021	04-12-2021	23	1150	1150
GSTR 1	Nov, 2021	11-12-2021	07-01-2022	27	1350	1350
GSTR 1	Dec. 2021	11-01-2022	29-03-2022	77	3850	3850
GSTR 1	Jan, 2022	11-02-2022	07-04-2022	55	2750	2750
GSTR 1	Feb, 2022	11-03-2022	14-05-2022	64	3200	3200
GSTR 1	Mar, 2022	11-04-2022	23-06-2022	73	3650	3650
<b>Total</b>				<b>502</b>	<b>25,100</b>	<b>25,100</b>

It is submitted Notification No. 4/2018-Central Tax, Dated 23-1-2018 waives the amount of late fee payable by any registered person for failure to furnish FORM GSTR-1 by the due date under section 47 of the said Act, which is in excess of an amount of twenty-five rupees for every day during which such failure continues. Therefore, the late fee liability is recalculated accordingly in the table below. And such Notification is attached as Annexure 3.1.

Nature of return	Period	Due Date of filing	Date of Filing Return	No. of Days Delayed	Late Fee a Rs. 50 per day	
					CGST	SGST
GSTR 1	April, 2021	11-05-2021	21-07-2021	71	1,775	1,775
GSTR 1	May, 2021	11-06-2021	21-07-2021	40	1,000	1,000
GSTR 1	June, 2021	11-07-2021	03-08-2021	23	575	575
GSTR 1	July, 2021	11-08-2021	01-09-2021	21	525	525
GSTR 1	Aug, 2021	11-09-2021	30-09-2021	19	475	475
GSTR 1	Sept, 2021	11-10-2021	20-10-2021	9	225	225
GSTR 1	Oct, 2021	11-11-2021	04-12-2021	23	575	575
GSTR 1	Nov, 2021	11-12-2021	07-01-2022	27	675	675
GSTR 1	Dec. 2021	11-01-2022	29-03-2022	77	1,925	1,925
GSTR 1	Jan, 2022	11-02-2022	07-04-2022	55	1,375	1,375
GSTR 1	Feb, 2022	11-03-2022	14-05-2022	64	1,600	1,600
GSTR 1	Mar, 2022	11-04-2022	23-06-2022	73	1,825	1,825
<b>Total</b>				<b>502</b>	<b>12,550</b>	<b>12,550</b>

Accordingly, the said liability has been discharged through GST Form DRC-03 vide ARN dated:10/05/2025 vide ARN: AD360525007759R attached as Annexure 3.2

#### **Observations and conclusion of the Assessing Authority:**

Agreed with the taxpayer

As verified the taxpayer's reply along with reference to the Notification No. 4/2018-Central Tax, Dated 23-1-2018 and found correct. Hence, late fee proposed on the account of belated filing of GSTR-1 is hereby confirmed of Rs. 12,550/- towards CGST & Rs. 12,550/- towards SGST under the GST Act & Rules 2017. Further the taxpayer informed that they have paid the late fee by filing the FORM GST DRC-03 and same is as detailed under.

#### **Late fee Recovery details: FORM GST DRC-03**

ARN: AD360525007759R, Date:13-11-2024.

CGST of Rs. 12,550/- & SGST of Rs. 12,550/-

Therefore, the late fee to be paid on the account of belated filing of GSTR-1 during the year 2021-22 is Rs. -Nil-

**Summary:**

The annexure containing the detailed workings for the above proposals was already furnished along with the Show Cause Notice. After considering the submissions of the taxpayer and upon giving due credit to the amounts already paid in cash and the ITC adjusted, the total tax payable on account of the deficiencies discussed above is arrived at as follows:

**Abstract:**

Sl. No.	Particulars	CGST (Rs.)	SGST (Rs.)	Total Tax (Rs.)
1	Wrong claim of Input Tax	19704	19704	39408
2A	Turnover Reported as Exempted Supply Proposed to Tax in absence of documentary evidences	0	0	0
2B	Turnover Reported as Non-GST supplies Supply Proposed to Tax in absence of documentary evidences	5	5	10
3	Late Fee for belated filing of GSTR-01 returns	12550	12550	25100
4	Total tax to be payable (1+2A+2B+3)	32259	32259	64518
5	Tax paid through DRC-03	24550	24550	49100
6	Net tax to be paid (4-5)	7709	7709	15418

**Interest:**

The tax payer has liable to pay the interest @18% on the above proposed tax under section 50(3) both TGST and CGST Act, 2017 read with section 20 (xvi) of the IGST Act. The same has confirmed now as detailed under.

Act	Tax Confirmed	Interest calculated date from	Interest calculated date to	No of days delay	Interest @18%
CGST	7709	01-04-2022	18-12-2025	1357	5159
SGST	7709	01-04-2022	18-12-2025	1357	5159
Total					10318

**Penalty:**

The sub-section 9 read with sub-section 8 of Section 73 of the TGST Act, 2017 makes it clear that the tax payer is liable for penalty of ten percent of the tax or ten thousand rupees whichever is higher if the tax is not paid within (30) days from the date of initiation of the assessment proceedings. Hence the same is now confirmed Rs. 20,000/- ( Rs.10,000/- each towards CGST & SGST).

## ABSTRACT

Act	Tax	Interest	Penalty	Late fee	Total
CGST	7709	5159	10000	0	22868
SGST	7709	5159	10000	0	22868
Total	15418	10318	20000	0	45736

The tax payer is also directed to pay the above determined taxes along with above interest and penalty within (30) days of receipt of this Assessment Order/ Summery Assessment Order in Form GST DRC-07.

**Note:** An appeal against this order lies before the Appellate Joint Commissioner (ST), Pangagutta Division, Hyderabad within (90) days from the date of receipt of this Order.

Muppa  
Srinivas  
Reddy

Digitally signed by  
Muppa Srinivas Reddy  
Date: 2025.12.19  
18:11:31 +05'30'

State Tax Officer-3  
O/o The Joint Commissioner (ST),  
Begumpet Division, Hyderabad

To,  
M/s. MODI HOUSING PRIVATELIMITED,  
2<sup>nd</sup> Floor, 5-4-187/3 and 4, SohamMansion,  
M G Road, Secunderabad, 500003.

**Office of the State Tax Officer  
Jurisdiction : Begumpet, Telangana, State/UT : Telangana**

Reference No. : ZD36122507362276

Date : 19/12/2025

To

GSTIN/ID : 36AADCM5906D2Z0  
Name : Modi Housing Private Limited  
Address : 54 187 3 and 4, 2nd floor, Soham Mansion, M G Road, Secunderabad, Hyderabad, Telangana, 500003

SCN/Statement Reference No. : ZD3611240132810

Tax Period : APR 2021 - MAR 2022

Date : 13/11/2024

F.Y. : 2021-2022

**Order under section 73**

A show cause notice/statement referred to above was issued to you u/s 73 of the Act for reasons stated therein. Show Cause Notice/ Statement referred to above was made available on the common portal on 13/11/2024. On the basis of documents available with the department and information furnished by you, if any, demand is created for the reasons and other details attached in annexure.

Please note that interest, if any, has been levied up to the date of issue of the order. While making payment, interest for the intervening period between date of order and date of payment, shall also be worked out and paid along with the dues stated in the order.

In case any refund is arising as per the above order, please claim the same by filing application in the prescribed form.

Demand Details :-

(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 2021	MAR 2022	CGST	NA	7,709.00	5,159.00	10,000.00	0.00	0.00	22,868.00
2	0	0.00	APR 2021	MAR 2022	SGST	NA	7,709.00	5,159.00	10,000.00	0.00	0.00	22,868.00
							15,418.00	10,318.00	20,000.00	0.00	0.00	45,736.00
<b>Total</b>												

You are hereby directed to make the payment by 19/01/2026 failing which proceedings shall be initiated against you to recover the outstanding dues.

Copy to -

Signature  
Name : SRINIVAS REDDY MUPPA  
Designation : State Tax Officer  
Jurisdiction : Begumpet:Telangana

**FORM GST DRC - 07**  
**[See rule 142(5)]**  
**Summary of the order**

Reference No. : ZD3612250736276

Date : 19/12/2025

1. Tax Period :- APR 2021 - MAR 2022

2. Issues involved :- Excess ITC claimed

3. Description of goods / services :-

Sr. No	HSN	Description
-	-	-

4. Details of demand :-

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 2021	MAR 2022	CGST	NA	7,709.00	5,159.00	10,000.00	0.00	0.00	22,868.00
2	0	0.00	APR 2021	MAR 2022	SGST	NA	7,709.00	5,159.00	10,000.00	0.00	0.00	22,868.00
<b>Total</b>							<b>15,418.00</b>	<b>10,318.00</b>	<b>20,000.00</b>	<b>0.00</b>	<b>0.00</b>	<b>45,736.00</b>

You are hereby directed to make the payment by 19/01/2026 failing which proceedings shall be initiated against you to recover the outstanding dues.

Signature  
Name : SRINIVAS REDDY MUPPA  
Designation : State Tax Officer  
Jurisdiction : Begumpet:Telangana

Copy to -