



PARAMOUNT

AVENUE

Site Office : Sy. No. 233, Nagaram,
Hyderabad - 500 083, ☎ +91-40-6453 7111.
✉ pmr@modiproperties.com
Owned & Developed by : PARAMOUNT ESTATES



EN443988812IN IVR:69784439888 India Post
SP SECUNDERABAD H.O <500003>
Counter No:2,14/12/2020,12:37
To:THE COMMISSIONER S GST C.,
PIN:500029, Himayathnagar S.O
From:MODI PROMOTIES,
Wt:41gms
Amt:17.70(Cash)Tax:2.70
<Track on www.indiapost.gov.in>

Date: 08-12-2020
Place : Secunderabad

From
Paramount Estates
5-4-187, Soham Mansion
M.G. Road, Ranigunj
Secunderabad, Hyderabad
Telangana, 500003.
GSTIN: 36AAJFP4202C1ZP

To,
The Commissioner
Secunderabad GST Commissionerate
Basherbagh, Hyderabad

Sir,

Sub: Reply to notice dated 06-11-2020 - GST - Complaint of Sri Chiranjay Roy - DIN-20201156YO0000005E6D

We are in receipt of your notice dated 06-11-2020, regarding refund of GST under PMAY-CLSS Scheme. In this connection our submissions are as under:

1. The above notice is addressed to "Modi Properties" but the project is developed by the name "M/s Paramount Estates" with the GSTIN: 36AAJFP4202C1ZP.
2. Sri Chiranjay Roy is a customer who purchased Flat No.115, C Block in the project "Paramount Avenue" situated at SY.No 233, Nagaram, Hyderabad-500083
3. The Agreement of sale between Paramount Estates (Builder) and Sri Chiranjay Roy (Customer) was entered into on 3rd November 2018. Agreement of sale attached as *Annexure-1*.



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To,
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Secunderabad GST Commissionerate
Bashierbagh, Hyderabad

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Sub: Reply to notice dated 06-11-2020 - GST - Complaint of Sri Chiranjay Roy - DIN-20201156YO0000005E6D

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1. The above notice is addressed to "Modi Properties" but the project is developed by the name "M/s Paramount Estates" with the GSTIN: 36AAJFP4202C1ZP.
2. Sri Chiranjay Roy is a customer who purchased Flat No.115, C Block in the project "Paramount Avenue" situated at SY.No 233, Nagaram, Hyderabad-500083
3. The Agreement of sale between Paramount Estates (Builder) and Sri Chiranjay Roy (Customer) was entered into on 3rd November 2018. Agreement of sale attached as *Annexure-1*.

Following are the details of Sale Consideration/Payment Terms:

Description	Amount	Cheque No/Date of receipt
Booking Amount	25,000	368357/30-10-2018
1 st Instalment	2,00,000	368358/30-10-2018
2 nd Instalment	4,76,550	368359/12-11-2018
3 rd Instalment	22,75,450	3167/16-07-2019
4 th Instalment	2,00,000	3167/16-07-2019
Total	31,77,000	

Other Statutory Payments are as under:

Description	Amount	Date
Registration Charges	1,90,631	27-07-2019
GST-April 19	84,186	27-07-2019
GST-July 19	2,97,054	27-07-2019
GST-Extra Specs	2,403	27-07-2019
Documentation Charges	5,074	27-07-2019
Extra Specs	13,350	27-07-2019

Buyerinfo sheet is attached as *Annexure-2*.

- The GST rate prevalent on Construction services of a single dwelling or multi-dwelling or multi-storied residential buildings is 18% on 2/3rd of the taxable value, where the effective rate of GST comes to 12%. Accordingly, on total sale consideration of Rs.31,77,000, a GST @ 12% amounting to Rs.3,81,240/- is collected from the customer and deposited to the Government.

5. The Possession of the flat was handed over to Sri Chiranjay Roy on 10th August 2019 and a No Due Certificate was also issued on 27th July 2019. The same is attached as *Annexure-3* for your reference.
6. In reply to your point 2 and 3 of the notice it is to be noted that reference of Notification No. 01/2018-Central Tax (Rate) dated 25.01.2018 and Para 2 of Notification No. 11/2017-CT (Rate) dated 22.08.2017 can be only taken to arrive at the effective rate of GST for customers falling under CLSS of PMAY Scheme. The above notification do not provide any clarification on the mechanism of how the effective rate of GST is to be implemented in cases where the customer obtains the eligibility of CLSS of PMAY scheme after taking the possession of the property and how the excess GST is to be refunded to the customer
7. Therefore, we seek reference from notification F.No. 354/52/2018-TRU dated 7th May'2018, which clarifies the method of refunding the GST to the customer and reporting the same in GSTR 3B returns. It states that
"Where the builder has collected higher GST from the buyer in earlier month, the excess can be adjusted by the builder against his future GST liability (by issue of Credit Notes). It is pertinent to point out here that the definition of taxable supply given in GSTR 3B, excludes the value of credit notes. This means that the GST liability on the date of filing of return by the builder gets proportionate reduced on account of Credit notes issued."
8. The Customer, Sri Chiranjay Roy became eligible for CLSS of PMAY scheme in March-2020 and has informed about his eligibility under CLSS of PMAY to us in March 2020.
9. Accordingly, the revised GST and the differential GST to be refunded to the Customer is given below:

Period	Taxable Value	GST @ 12%	GST @ 8%	Differential GST
Mar-19	7,01,550	84,186	56,124	28,062
Jul-19	24,75,450	2,97,054	1,98,036	99,018
Total	31,77,000	3,81,240	2,54,160	1,27,080

10. From the above table, we derive at the GST to be refunded to the customer as Rs 1,27,080. The GST liability of the project for March -2020 is only Rs 62,214. GSTR 3B of Mar-20 is attached as reference.

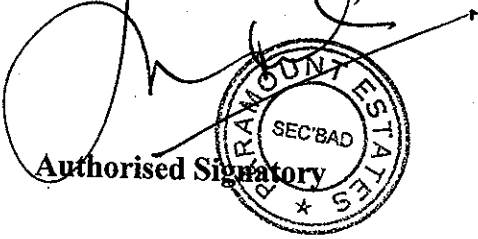
11. Further, the project received Completion Certificate for C Block on 15th April 2019. And thus, by Mar-20 there was no major GST liability to reduce the GST component of credit notes on account of PMAY Scheme and the mechanism of GSTR 3B does not take negative values in reporting.
12. Upon mutual consent with the customer a declaration was issued to the customer requesting him to approach the GST department directly for refund. In this regard we declare that we have not applied for any refund of the above excess GST paid and we have not adjusted the excess GST paid by issuing any credit notes.

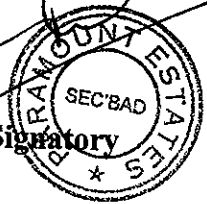
Hope you will find the above submissions in order

Thanking You,

Yours faithfully,

For Paramount Estates,


Authorised Signatory



References :

1. Agreement to sale
2. Notification No. F.No. 354/52/2018-TRU dated 7th May'2018
3. No Due Certificate
4. Mail Communications with the buyer
5. BuyerInfo Sheet
6. GSTR 3B for March-2020.



केंद्रीय कर आयुक्त का कार्यालय

OFFICE OF THE COMMISSIONER OF CENTRAL TAX

सिकंदराबाद जी.एस.टी आयुक्तालय SECUNDERABAD GST COMMISSIONERATE

जीएसटी भवन, एल बी स्टेडियम रोड, बशीर बाग, हैदराबाद-500 004

GST BHAVAN, L.B. STADIUM ROAD, BASHEER BAGH, HYDERABAD-500 004

Ph. No.: 040-23211421

Email Id: cgst.seccommteae@gov.in

C. No. IV/16/07/2020-GST Cell

Date: 06.11.2020

To
M/s. Modi Properties,
H. No. 5-4-187/3&4, II Floor,
M.G. Road, Secunderabad - 500003.

Sir,

Sub.: GST- Complaint of Sri Chiranjay Roy- Reg.

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Please refer to your letter dated 22.05.2020 addressed to Sri Chiranjay Roy, regarding refund of GST under PMAY-CLSS scheme.

2. In your above letter, vide Point 1 you have mentioned that the Govt. has not given any clear guidelines regarding eligibility of reduced rate of GST under PMAY-CLSS scheme. In this regard your attention is invited to Notification No. 01/2018 - Central Tax (Rate) dated 25.01.2018 in which inter-alia the following is mentioned:

(db) a civil structure or any other original works pertaining to the "houses constructed or acquired under the Credit Linked Subsidy Scheme for Economically Weaker Section (EWS)/ Lower Income Group (LIG)/ Middle Income Group-1 (MIG-1)/ Middle Income Group-2 (MIG-2)" under the Housing for All (Urban) Mission/ Pradhan Mantri Awas Yojana (Urban);

The above Notification read with Notification No. 20/2017-CT (Rate) dated 22.08.2017 and Para 2 of Notification No. 11/2017-CT (Rate) dated 28.06.2017, clearly mentions about the eligibility of reduced rate of GST under the PMAY-CLSS scheme. Hence, your contention that Govt. has not given clear guidelines is factually incorrect.

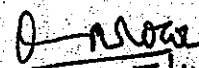
3. In your above letter, vide Point 2 and 3, you have stated that you are unable to refund any amount to Sri Chiranjay Roy. In this regard your mail dated 11.07.2019 to Sri Chiranjay Roy, may be referred to wherein you have specifically mentioned that you would collect GST @12% on Agreement of sale value at the time of registration and once the customer provides subsidy proof then you can

provide 4% refund. When your terms and conditions with your customer are so clear, and when provisions under Section 34 of CGST Act, 2017 were available for such situations during the period of above transaction why the excess amount collected from the customer was not returned to him.

4. In your above letter to your customer, vide Point 4, you have advised your customer to approach the department in the above case. Accordingly, Sri Chiranjay Roy, filed a complaint against you with the department.

5. In view of the above, you are requested to re-examine the issue and provide further submissions in this regard by 23.11.2020.

Yours faithfully,


(M.R.R. REDDY) 06/11/2020
COMMISSIONER

✓ Copy to
Sri Chiranjay Roy,
DRDO-Scientist, Flat No. 115,
Paramount Avenue,
Nagaram, Secunderabad 500083.