

ACKNOWLEDGEMENT

Sub: Acknowledgement of Show Cause Notice vide C. No. V/01/GST/78/2020-GR. 12 / CIR-1 dated 5th January 2022 issued by ADC, Audit - II Commissionerate.

Ref: GST No. 36AANFG4817C1ZH

We Acknowledge the receipt of Show Cause Notice No. V/01/GST/78/2020-GR. 12 / CIR-1 dated 05.01.2022 with DIN No. 20220156YS0000222C47 issued by the Additional Commissioner of Audit-II Commissionerate, Hyderabad D No. 1-98 / B / 20 & 21, Sanvi Yamuna Pride, Krithika Layout, Hi-Tech City, Madhapur, Hyderabad – 500081. on 13th January 2022.

Place: Secunderabad

Date: 13th January 2022



M. Jayaprakash

(M JAYAPRAKASH)

Sr. Manager – Finance & Accounts

Received

W/cur
13/01/22

Inspector (Group-12)

Audit-II Commissioner

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OFFICE OF THE COMMISSIONER OF CENTRAL TAX (GST)

AUDIT-II COMMISSIONERATE, HYDERABAD

D.No.1-98/B/20 & 21, SANVI YAMUNA PRIDE, KRITHIKA LAYOUT, HI-TECH CITY, MADHAPUR, HYDERABAD-500081

E-Mail: group12circle1@gmail.com

C.NO.V/01/GST/31/2020-GR.12/CIR-I

DATED: 05 .01.2022

DIN: 2022-0156480000222(47) SHOW CAUSE NOTICE.

Sub: - GST - Short/Nonpayment of GST under Reverse Charge Mechanism and irregular Input Tax Credit (ITC) during the period from July, 2017 to March, 2019 in terms of the provisions of the CGST Act, 2017 by M/s. VILLA ORCHIDS LLP, Secunderabad, GISTIN: 36AANFG4817CIZH - Issue of Show Cause Notice - Reg.

M/s. VILLA ORCHIDS LLP, 2nd Floor, 5-4- 187/ 3 and 4, Soham Mansion, M.G.Road, Secunderabad, Hyderabad Telangana-500003. [hereinafter called "the taxpayer"] are dealers engaged in the business of supply of Construction of Residential Complex Service falling under SAC 995411 of GST Tariff of India and holders of GISTIN: 36AANFG4817CIZH with effect from 01.07.2017. The taxpayer has filed GST Returns including Annual returns for the year 2017-18 [July, 2017 to March, 2018] to 2018-19.

2. Audit on the GST accounts of the taxpayer has been conducted by the Superintendents of Central Tax, Group-12, Circle-I of Audit-II Commissionerate for the year 2017-18 [July, 2017 to March, 2018] to 2018-19 and the following observations were noticed and communicated to the tax payer vide the Final Audit Report No.815/2020-21-GST dated 11.06.2021 issued by the Assistant Commissioner, Audit-II, Circle-I:

(i). Non-payment of GST under RCM on Brokerage/Commission paid to un-registered persons (Rs.3,060/-):

On scrutiny of GST Returns with Balance sheet and Ledgers, it is observed that the Tax Payer has not discharged Tax of Rs.3,060/- on payment made to un-registered persons under RCM for the period 01.07.2017 to 12.10.2017 as per Notification No.8/2017- Central Tax Rate Dt.28.06.2017. The details are as under:

Month	Taxable Value(Rs)	CGST @9%	SGST @9%	Total GST Payable
Jul-17	8500	765	765	1530
Aug-17	8500	765	765	1530
TOTAL	17000	1530	1530	3060

The tax liability vests on the taxpayer under RCM on purchases from un-registered dealers in terms of Section 9 (4) of the CGST Act, 2017, which prescribes as follows:

"9. Levy and collection.—

(4) [The Government may, on the recommendations of the Council, by notification, specify a class of registered persons who shall, in respect of supply of specified categories of goods or services or both received from an unregistered supplier, pay the tax on reverse charge basis as the recipient of such supply of goods or services or both, and all the provisions of this Act shall apply to such recipient as if he is the person liable for paying the tax in relation to such supply of goods or services or both"]

During the period from 01.07.2017 to 12.10.2017, in respect of purchases from unregistered dealers, the taxpayer has not paid GST in contravention of Section 9 (4) of the CGST Act, 2017 read with Notification No.08/2017-Central Tax (Rate) dated 28.06.2017 as amended by Notification No.38/2017-Central Tax (Rate) dated 13.10.2017 issued by the Government under Section 9(4).

Therefore, the tax amount of Rs.3,060/- [CGST:Rs.1,530/- (+) SGST:Rs.1,530/-] along with applicable interest and applicable penalty are recoverable from the taxpayer under Section 74 (1), Section 50 and Section 74 (1) of respectively of the CGST Act, 2017.

(ii). Interest for delayed filing of GSTR-3B Returns for the Months July, 2017, August, 2017 and October, 2017:

On verification of GSTR-3B returns filed by the party, it is observed that there is a delay in filing of GSTR-3B returns for the Months July, 2017, August, 2017 and October, 2017 as detailed hereunder:

MONTH	Cash paid/Rs)	DUE DATE	FILED DATE	DELAY	INTEREST @18% Payable
Jul-17	188774	25-08-2017	02-09-2017	5	466
Aug-17	48092	20-09-2017	03-10-2017	13	308
Oct-17	4008	20-11-2017	17-12-2017	27	53
TOTAL					827

Interest liability is concurrent with tax liability on the taxpayer in terms of Section 50 of the CGST Act, 2017 which reads as under;

Section 50. Interest on delayed payment of tax.-

(1) Every person who is liable to pay tax in accordance with the provisions of this Act or the rules made thereunder, but fails to pay the tax or any part thereof to the Government within the period prescribed, shall for the period for which the tax or any part thereof remains unpaid, pay, on his own, interest at such rate, not exceeding eighteen per cent., as may be notified by the Government on the recommendations of the Council:

Rate of interest prescribed @18% for Sub-section (1) of section 50 of the CGST Act, 2017 vide Notification No.13/2017 - Central Tax, dated the 28th June, 2017.

The tax payer is liable to pay interest amount of Rs.827 /- under Section 50 along with applicable penalty under Section 125(5) of CGST Act-2017.

(iii) Non-payment of GST on Advances received in FY.2017-18 and 2018-19:

As per Section 13 of CGST Act,2017, reproduced below:"

Section 13. Time of supply of services.

- (1). The liability to pay tax on services shall arise at the time of supply, as determined in accordance with the provisions of this section.
- (2). The time of supply of services shall be the earliest of the following dates, namely:-
 - (i). the date of issue of invoice by the supplier, if the invoice issued within the period prescribed under sub-section (2) of section 31 or the date of receipt of payment, whichever is earlier; or
 - (ii). the date of provision of service, if the invoice is not issued within the period prescribed under sub-section (2) of section 31 or the date of receipt of payment, whichever is earlier; "

The details are as under

Description	2017-18	2018-19	TOTAL
SALES AS PER P&L	198345402	204489452	402834854
TURNOVER AS PER GSTR 9C	206465103	206601387	413066490
AMOUNTS RECEIVED THROUGH CHEQUES.	116714926	298469294	415184220
NON-GST / EXEMPTED	2017-18	2018-19	TOTAL
SUPPLY(Sale of Land)	144185500	2257500	146443000
TAXABLE SUPPLY (INCLUDING TAX) i. e. Construction Service	8781302	82261636	91042938
TOTAL			237485938

During the period 2017-18 and 2018-19 it is observed that the taxpayer has received an amount of Rs.41,51,84,220/- through cheques. Out of this amount the taxpayer has paid tax on the taxable value of Rs.7,71,55,032/- at the rate of 18%.The taxpayer has claimed Rs.14,64,43,000/- towards exempted Sales (Sale of Land). Thus the taxpayer has not paid Tax on the differential Turnover of Rs.17,76,98,282/- which works out to Rs.1,59,92,845/-(CGST @9%) and SGST Rs.1,59,92,845/- @9%. The details are as under:

Total receipts during FY 2017-18 and 2018-19	41,51,84,220
Invoice raised during FY 2017-18 and 2018-19 against Sale of land.	14,64,43,000
Tax already paid during 2017-18 and 2018-19 (including tax) taxable value Rs.7,71,55,032/-)	9,10,42,938
Differential amount for Construction service	17,76,98,282

In view of the above, the tax payer is liable to pay tax amount i.e., CGST Rs.1,59,92,845/- @9% and SGST Rs.1,59,92,845/- @9% on taxable value of Rs.17,76,98,282/- along with applicable interest and penalty under Section 74 (1), Section 50 and Section 74 (1) of respectively of the CGST Act, 2017.

(iv). Ineligible ITC availed during the FY-2018-19:

During audit of the records of the taxpayer for the period from April-2018 to March, 2019, it appears that the taxpayer has wrongly claimed Input Tax Credit to the extent of Rs.44,51,756/- (Rs.22,25,878/- of CGST, Rs. 22,25,878/- of SGST). The said irregular ITC is recoverable along with interest and penalty under Section 50 and 74 of the CGST Act, 2017, SGST Act, 2017 and the said provisions of the CGST Act-2017.

Description	IGST	CGST	SGST	TOTAL-ITC
GSTR-2A (Dynamic as on ~ 10-12-21) Grand Total for FY-2018-19	850665	5087976	5087976	11026617
GSTR-3B Returns ITC claimed and shown @ Tab-6B and Tab-8B	70696	7313854	7313854	14698404
Net excess ITC over and above of GSTR-2A Returns	779969	-2225878	-2225878	-4451756

In terms of Section 16(2) of the CGST Act, 2017 stipulates conditions for availing ITC by the Registered person. Section 16(2) as existing during the material period is reproduced below:

(2) Notwithstanding anything contained in this section, no registered person shall be entitled to the credit of any input tax in respect of any supply of goods or services or both to him unless,-

(a) he is in possession of a tax invoice or debit note issued by a supplier registered under this Act, or such other tax paying documents as may be prescribed;

(b) he has received the goods or services or both.

Explanation.-For the purposes of this clause, it shall be deemed that the registered person has received the goods where the goods are delivered by the supplier to a recipient or any other person on the direction of such registered person, whether acting as an agent or otherwise, before or during movement of goods, either by way of transfer of documents of title to goods or otherwise;

(c) subject to the provisions of section 41, the tax charged in respect of such supply has been actually paid to the Government, either in cash or through utilisation of input tax credit admissible in respect of the said supply; and

(d) he has furnished the return under section 39:

In terms of Section 16(2)(c) of the CGST Act, 2017, one of the conditions for availing ITC by the recipient customer is that the tax charged in respect of the supply has been paid to the Government by the supplier. However, the taxpayer did not produce any evidence in support of payment of GST to the Government by the supplier to the extent of the said amount of credits. Similar provisions exist under the Telangana State Goods and Services Tax Act, 2017 and the CGST Act, 2017 made applicable to IGST Act, 2017 also.

Section 41 of CGST Act 2017 : Claim of input tax credit and provisional acceptance thereof.

(1) Every registered person shall, subject to such conditions and restrictions as may be prescribed, be entitled to take the credit of eligible input tax, as self-

assessed, in his return and such amount shall be credited on a provisional basis to his electronic credit ledger.

Section 42 of CGST Act 2017: Matching, Reversal and Reclaim of Input Tax Credit (CHAPTER IX – RETURNS)

(1) The details of every inward supply furnished by a registered person (hereafter in this section referred to as the “recipient”) for a tax period shall, in such manner and within such time as may be prescribed, be matched–

(a) with the corresponding details of outward supply furnished by the corresponding registered person (hereafter in this section referred to as the “supplier”) in his valid return for the same tax period or any preceding tax period;

(b) with the integrated goods and services tax paid under section 3 of the Customs Tariff Act, 1975 in respect of goods imported by him; and

(c) for duplication of claims of input tax credit.

(vi)(f) Further Rule 36 of the CGST Rules 2017, lays down the documentary requirements and conditions for claiming ITC as below:

As per Rule 36 which prescribes the documentary requirements and conditions for claiming input tax credit.–

(1) The input tax credit shall be availed by a registered person, including the Input Service Distributor, on the basis of any of the following documents, namely,–

(a) an invoice issued by the supplier of goods or services or both in accordance with the provisions of section 31;

(b) an invoice issued in accordance with the provisions of clause (f) of sub-section (3) of section 31, subject to the payment of tax;

(c) a debit note issued by a supplier in accordance with the provisions of section 34; (d) a bill of entry or any similar document prescribed under the Customs Act, 1962 or rules made thereunder for the assessment of integrated tax on imports;

(e) an Input Service Distributor invoice or Input Service Distributor credit note or any document issued by an Input Service Distributor in accordance with the provisions of sub-rule (1) of rule 54.

(2) Input tax credit shall be availed by a registered person only if all the applicable particulars as specified in the provisions of Chapter VI are contained in the said document, and the relevant information, as contained in the said document, is furnished in FORM GSTR-2 by such person

In view of the above provisions, it is seen that ITC can be availed by a registered taxpayer only if all applicable particulars specified in the Tax Invoice (under Chapter VI of the Rules, *ibid*) are furnished in the Form GSTR-2A of the taxpayer.

When the supplier files GSTR –1 Return in any particular month disclosing his sales, the corresponding details are captured in the GSTR – 2A of the recipient. Hence, the amount of ITC available as disclosed in Table 4A must match with tax details disclosed in Form GSTR – 2A. It is important to reconcile Form GSTR – 3B and Form GSTR – 2A. The excess Input Tax credit is not appearing in the GSTR 2 A of the Tax payer for the relevant period. Hence, it appears that the supplier of the recipient has not paid the tax to the Government to that extent of the amount not appearing in the GSTR 2A.

Hence, it appears that the tax-payer is not eligible for Rs.44,51,756/- (Rs. 22,25,878/- of CGST, Rs. 22,25,878/- of SGST), the taxpayer was requested to pay the said ineligible ITC along with interest and penalty as applicable along with other paras.

4. Reply of the taxpayer: The tax payer has been requested to comply the payment involved in the above objections from Para- 2(i) to 2 (iii) vide the Superintendent of Central Tax, Group-12's C.No.V/01/GST/81/2020-Gr.12/Cir-I dated 27.03.2021 and C.No.V/01/GST/78/2020-Gr.12/Cir-I dated 08.04.2021 vide DIN-20210156YS000000ACAA and for para 2(iv) regarding excess claim of ITC for 2018-19 was communicated Superintendent of Central Tax, Group-12's letter C.No.V/01/GST/78/2020-Gr.12/Cir-I dated 29.12.2021 vide DIN-20211256VS0000999BAO. In reply to the same, the taxpayer vides his letter dated 27.05.2021 has submitted, observation-wise that:

(i). **Para-1: Non-payment of GST under RCM on Brokerage/Commission paid to un-registered persons:** We contend that there is no liability, but, however, the amount being nominal, we wish to remit along with interest and request you to drop further proceedings in this regard. The payment was made through DRC-03 ARN No.D13612200171423 DATED 31.12.2020 (Copy enclosed as Annexure-I).

Verification: On verification of DRC-03 ARN No.D13612200171423 DATED 31.12.2020, it is found that the payment made voluntarily under Section 73 (5) was CGST: Rs.45,275/- and SGST:Rs.45,275/- but not the amount of Rs.3,060/- [CGST:Rs.1,530/- (+) SGST:Rs.1,530/-] involved in the objection.

(ii). **Para 2: Interest for delayed filing of GSTR-3B Returns for the Months July, 2017, August, 2017 and October, 2017:** In this regard, we would like to submit that we have paid an amount of Rs.827/- towards interest vide CPIN: 21053600068521 dated 27.05.2021 [Copy of DRC-03 is enclosed as Annexure-II].

Verification: On verification it is found that Annexure-II is not submitted but only paid Challan CPIN: 21053600068521 dated 27.05.2021 submitted which is not sufficient unless cash debit is affected through DRC-03.

iii). **Para-3: Non-payment of GST on Advances received in FY.2017-18 and 2018-19:** In this regard, we wish to submit that the project undertaken by us got completed & all units were sold by now and received the completion certificate also. The customers also have paid the amounts towards the sale of Villas. We have remitted the applicable GST also (including the advance received in FY 2017-18, 2018-19, 2019-20 & 2020-21 as shown below:

Sl. No.	Particulars	July, 2017 to March, 2021
1	Total receipts	70,67,62,816
2	Less: Land (exempt sales)	32,04,85,000
3	Less: Non-taxable receipts (Stamp duty, registration charges, GST etc.)	7,09,77,240
4	Net Taxable Value	31,53,00,570
5	Declared in GST Returns	31,07,73,154
6	Difference to be declared	45,27,417

Sl. No.	Particulars	July, 2017 to March, 2021
7	GST payable on the above (6)	8,14,935

The year wise reconciliation is enclosed as Annexure-III. Further, it is submitted the major portion of the liability was paid through ITC in which case there is no interest liability on the belated remittance of the GST, if any to that extent.

Verification: The period of audit undertaken is from July, 2017 to March, 2019 and the audit's observation is limited to this period only. It is found that total receipts (advances received through as per ledger) is Rs.41,51,84,220/- whereas for the same period as per the reconciliation sheet submitted [Annexure-III] by the taxpayer, it is Rs.22,28,82,098/-. However, in the present context, the reconciliation made by the taxpayer for the period from 2017-18 to 2020-21 is not relevant. The taxpayer's contention should be limited to the involved liability of Rs.3,19,85,690/- [CGST Rs.1,59,92,845/- @9% and SGST Rs.1,59,92,845/-] only as per the objection raised in the FAR.

5. Invocation of extended period alleging suppression of facts:

The provisions for invoking extended period of limitation due to suppression etc., are prescribed under Section 74 (1), 74 (5) to 74 (7) of the CGST Act, 2017 as under:

74. Determination of tax not paid or short paid or erroneously refunded or input tax credit wrongly availed or utilised by reason of fraud or any willful-misstatement or suppression of facts.—

(1) Where it appears to the proper officer that any tax has not been paid or short paid or erroneously refunded or where input tax credit has been wrongly availed or utilised by reason of fraud, or any wilful-misstatement or suppression of facts to evade tax, he shall serve notice on the person chargeable with tax which has not been so paid or which has been so short paid or to whom the refund has erroneously been made, or who has wrongly availed or utilised input tax credit, requiring him to show cause as to why he should not pay the amount specified in the notice along with interest payable thereon under section 50 and a penalty equivalent to the tax specified in the notice.

(5) The person chargeable with tax may, before service of notice under sub-section (1), pay the amount of tax along with interest payable under section 50 and a penalty equivalent to fifteen per cent. of such tax on the basis of his own ascertainment of such tax or the tax as ascertained by the proper officer and inform the proper officer in writing of such payment.

(6) The proper officer, on receipt of such information, shall not serve any notice under sub-section (1), in respect of the tax so paid or any penalty payable under the provisions of this Act or the rules made thereunder.

(7) Where the proper officer is of the opinion that the amount paid under sub-section (5) falls short of the amount actually payable, he shall proceed to issue the notice as provided for in sub-section (1) in respect of such amount which falls short of the amount actually payable.

5.1 Factors for alleging the suppression etc., and consequential penalties:

The above issues of non- payment Tax/non-reversal of ITC on the issues at Para-2(ii) to 2(iii) & 2(iv) came to light only during audit of the taxpayers' records by the

Department. The subject issues were never intimated to Department nor sought for clarification from the Department. It is also observed that the taxpayer has not reflected such tax liability correctly in any of the statutory returns and further have filed the Annual Return GSTR-9 or GSTR-9C without taking cognizance of the RCM. While filing GSTR-9C for the year 2017-18 & 2018-19, the taxpayer has not reversed ITC mismatched with GSTR-3Bs filed. Hence the Department was not in the knowledge of the subject issue prior to the conduct of Audit. This non-payment therefore appears to be a deliberate avoidance or evasion of tax on the part of the taxpayer.

5.1.1. Further, the taxpayer cannot claim ignorance in as much as they are operating under GST for nearly 4 years. Since the taxpayer has been registered with the department for many years, it can be reasonably assumed that they are well versed with the provisions of the law. In the regime of self-assessment under Section 59 of the CGST Act, 2017, greater responsibility and trust is placed on the taxpayer to correctly assess, pay and declare the tax liability. In doing so, it appears that they have suppressed these facts, which have seen the day of light only during verification of records by the Departmental officers. Whereas the taxpayer has agreed to the first two objections and the involved amount stated to have been paid but not paid and but did not care to contend the Para-2 (iii) in true spirit and give a confusing and ambiguous reply giving the data from July, 2017 to March, 2021 which is found to have not been according to the objection raised. On the objection at Para-3 also, the taxpayer did not respond or filed any written defensive reply till date of issue of this show cause notice..

5.1.2 All these actions/inactions indicate that the taxpayer has suppressed the facts with intent to evade the interest penalty as applicable. Therefore, this is a fit case for demanding the duty from the taxpayer by invoking extended period in terms of Section 74(1) of the CGST Act, 2017 along with the applicable interest in terms of Section 50(1) of the CGST Act, 2017. Further, it appears that the taxpayer is liable for a penalty in terms of Section 74 (1) of the CGST Act, 2017.

6. In view of the foregoing, M/s. VILLA ORCHIDS LLP, 2nd Floor, 5-4-187/ 3 and 4, Soham Mansion, M.G.Road, Secunderabad, Hyderabad Telangana-500003 are hereby required to show cause to the Additional/Joint Commissioner of Central Tax & GST, Secunderabad GST Commissionerate, 7th Floor, GST Bhavan, Hyderabad, Telangana 500004, within thirty (30) days of receipt of this notice as to why:

- (i). An amount of total GST of **Rs.3,060/-** [CGST:Rs.1,530/- (+) SGST:Rs.1,530/-] [Rupees Three Thousand and Sixty only] for the year 2017-18 should not be demanded from the taxpayer under Section 74 (1) of the CGST Act, 2017;
- (ii). Interest as applicable should not be demanded from the taxpayer in terms of Section 50 (3) of the CGST Act, 2017 on the proposed demand of **Rs.3,060/-** as mentioned at Sl.No.(i) above;

- (iii). Penalty equal to the demand at Sl. No.(i) should not be imposed on the taxpayer in terms of Section 74 (1) of the CGST Act, 2017; However, the taxpayer has the option to pay the reduced penalty of 25% in terms Section 78 (8) of the CGST Act, 2017 subject to the condition that **the said tax along with interest payable under section 50 and a penalty equivalent to twenty-five per cent. of such tax within thirty days of issue of this notice;**
- (iv). Interest of **Rs.827/-** [Rupees Eight Hundred and Twenty Seven Only] [CGST:Rs.413.50 (+) SGST:Rs.413.50] should not be demanded from the taxpayer in terms of Section 50 of the CGST Act, 2017;
- (v). Penalty as applicable under Section 125 (5) of the CGST Act, 2017 should not be imposed on them ;
- (vi). An amount of **Rs.3,19,85,690/-** (CGST Rs.1,59,92,845/- @9% and SGST Rs.1,59,92,845/-) during the year 2017-18 & 2018-19 should not be demanded by/from the taxpayer Section 74 (1) of the CGST Act, 2017;
- (vii). Interest as applicable should not be demanded from the taxpayer in terms of Section 50 of the CGST Act, 2017 on the proposed demand of **Rs.3,19,85,690/-** as mentioned at Sl. No.(vi) above;
- (viii). Penalty equal to the demand at Sl. No.(vi) should not be imposed on the taxpayer in terms of Section 74 (1) of the CGST Act, 2017; However, the taxpayer has the option to pay the reduced penalty of 25% in terms Section 74 (8) of the CGST Act, 2017 subject to the condition that **the said tax along with interest payable under section 50 and a penalty equivalent to twenty-five per cent. of such tax within thirty days of issue of this notice;**
- (ix). An amount of **Rs.44,51,756/-** [CGST Rs.22,25,878/- (+) SGST Rs.22,25,878/-] (Rupees Forty Four Lakhs Fifty One Thousand Seven Hundred and Fifty Six Only) should not be demanded from the taxpayer in terms of Section 74 (1) of the CGST Act, 2017;
- (x). Interest as applicable should not be demanded from the taxpayer in terms of Section 50 of the CGST Act, 2017 on the proposed demand of ~~Rs.91,71,144/-~~ - as mentioned at Sl.No.(ix) above;
- (xi). Penalty equal to the demand at Sl. No.(ix) should not be imposed on the taxpayer in terms of Section 74 (1) of the CGST Act, 2017; However, the taxpayer has the option to pay the reduced penalty of 25% in terms Section 74 (8) of the CGST Act, 2017 subject to the condition that **the said tax along with interest payable under section 50 and a penalty equivalent to twenty-five per cent. of such tax within thirty days of issue of this notice;**

7. The taxpayer is required to produce at the time of showing cause, all the evidence upon which they intend to rely in support of their defense in their written reply to the Show Cause Notice. They are further required to state in their written reply whether they wish to be heard in person before the case is adjudicated. If they do not reply to the Show Cause Notice within the stipulated period or if they do not indicate their wish for a personal hearing or if they do not appear when the case is posted for personal hearing, it would be construed that they do not have anything to state in their defense and the case will be decided based on the merits available on the records.

8. This Show Cause Notice is issued without prejudice to any other action that may be initiated or has already been initiated against the taxpayer under the CGST Act, 2017 or the Rules made thereunder or under any other law for the time being in force and enforceable in India.

9. Reliance for issue of this notice is based on the following (available with the taxpayer):

- (i) Audited Financial Statements and Expenditure Ledgers for the period from 01.07.2017 to 31.03.2019;
- (ii) GST Returns for the period from July, 2017 to March, 2019;
- (iii) Annual Returns in Form GSTR-9 & GSTR-9C for the years 2017-18 & 2018-19 filed by the taxpayer;


ADDITIONAL COMMISSIONER OF
CENTRAL TAX, CIRCLE - I, AUDIT-II
COMMISSIONERATE.

To
M/s. VILLA ORCHIDS LLP,
2nd Floor, 5-4- 187/ 3 and 4,
Soham Mansion, M.G.Road,
Secunderabad, Hyderabad, Telangana-500003

Copy submitted to:

1. The Additional/Joint Commissioner of GST & Customs, Secunderabad GST Commissionerate, 7th Floor, GST Bhavan, Hyderabad, Telangana 500004 [the **Adjudicating Authority** with relied upon documents, FAR NO: 815/2020-21 GST dt. 11.06.2021 , letter C.No. V/01/GST/81/2020-Gr.12/ Circle-I dt. 29.12.2021.

Copy to:

1. Deputy / Assistant Commissioner of Central Tax & GST, Secunderabad GST Division, Secunderabad GST Commissionerate.
2. The Superintendent of Central Tax, Ramgopalpet-III CGST Range, Secunderabad GST Division, Secunderabad GST Commissionerate.
3. Master copy / file copy / spare copy.