

FORM VAT 305

GOVERNMENT OF TELANGANA  
COMMERCIAL TAXES DEPARTMENT

PROCEEDINGS OF THE COMMERCIAL TAX OFFICER, MG ROAD CIRCLE  
PRESENT : Smt. E PRASANNA LAKSHMI

TIN: 36604868066 / Scrutiny

Dated: 18-06-2018

AO No: 32950

ASSESSMENT OF VALUE ADDED TAX  
(Sec Rule 25(5))

Sub : TGVAT Act '05-- M/s Paramount Estates , Sec'bad -VAT-304  
dt 01-02-2018 - Assmt year 2013-14 to 2017-18 (upto 06/17)  
-Show Cause Notice – Issued – objection called for - dealer filed reply –  
accepted to pay - Req -- Reg.

- Ref : 1. Authorization issued by Deputy Commissioner (CT), Begumpet  
Division in form ADM1B 2018013004804105189201  
Dt. 30-01-2018 for Audit.
2. This office audit Notice in form VAT-304 Dt: 01-02-2018.
3. Authorization issued by Deputy Commissioner (CT), Begumpet  
Division in form ADM1C 2018040604804105189202.
4. 305A issued by CTO, M.G Road Circle.
5. Dealer's acceptance letter Dt:16.05.2018.

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M/s. Paramount Estates, 5-4-187/3 and 4, Soham Mansion, M.G.Road. Secunderabad., are registered dealer on the rolls of the Commercial Tax Officer, M.G Road Circle with TIN:36604868066. They are developers of residential apartments and Commercial Complexes in Hyderabad and. They have opted to pay tax under composition u/s 4 (7) (d) of the TGVAT Act and filed Form VAT 250.

Authorization for Audit and conducting Audit:

The Deputy Commissioner (CT), Begumpet Division has authorized the Commercial Tax Officer- M.G.Road Circle for conducting VAT audit through ADM1B 2018013004804105189201 Dt. 30-01-2018 . The Commercial Tax Officer, M.G.Road Circle has initiated VAT audit by issuing Form VAT 304. The dealer have attended the office of auditing authority and produced following records for verification and requested to complete Scrutiny/Audit.

- 1) P & L Account Balance Sheet for the year 2013-14 to 2016-17.
- 2) Receipts Statement.
- 3) Details of Flat-wise sales in Hyderabad for the period Apr'16 to June'17
- 4) Certain copies of agreement of sales and sale deeds
- 5) Tax payment details
- 6) Copy of Audited Balance sheet for the year 2016-17 and details of advances received from April 2017 to June 2017.
- 7)

The dealer reported following turnovers through VAT returns for the tax period April 2013-14 to June 2017-2018 :

**SALES:**

<i>Amount in Rs.</i>			
YEAR	Exmpted sales	5% sales	Total sales
2013-14	0	0	0
2014-15	1568250	522750	2091000
2015-16	59569875	20372625	79942500
2016-17	33201939	11067314	44269253
2017-18	14237992	5211937	19449929

The dealer is executing works contract in the nature of construction of Residential Apartments and commercial complexes by entering in to a sale agreement for the total sale consideration. Subsequently they are executing the Sale Deed and Agreement of Construction. They have opted to pay tax under composition u/s 4 (7) (d) of the TGVAT Act and filed Form VAT 250s project- wise. Hence the dealer is paying tax on the value of sale deeds along with value of respective additional works executed @ 1.25%. Thus the turnovers represent sales of flats, gross bills, construction receipts and misc. receipts are proposed to be assessed @ 1.25%.

**Findings :**

On verification of books of accounts, Profit and loss accounts it is observed that, the dealer under declared the sale turnover of apartment sales for the years 2014-15 to 2016-17 as detailed below.

<i>Amount in Rs.</i>			
YEAR	Total Receipts per the audited P & L account)	Total Receipts per the VAT	Difference
2013-14	-	-	-
2014-15	0	2901000	-2901000
2015-16	45838740	79942500	-34103760
2016-17	115313117	44269253	71043864
<b>Total</b>			<b>3,40,39,104</b>

Total Difference Turnover: Rs 3,40,39,104/-

In view of the above, their final assessments for the years 2013-14 to 2017-18 (Upto 06/2017) are hereby proposed to be completed on the following tax liability.

S.NO	PERIOD	UNDER DECLARATION OF TURNOVER	Tax due@1.25% In Rs.
1	2013-14 TO 2016-17	3,40,39,104	4,25,489

**Total Tax due to the department Rs. 4,25,489/-**

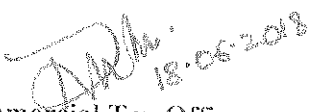
M/s Paramount Estates, Secunderabad are hereby requested to file their written objections within (7) days from the date of receipt of this notice, failing which the orders will be passed without any further notice / time.

Accordingly show cause notice in form 305A issued to the dealer and requested to file their objections if any against the show cause notice within Seven (07) days from the date of receipt of the notice and the same was got served on the dealer. In response to the show cause notice, the dealer filed reply on 16.05.2018 wherein he accepted to pay the proposed tax of **Rs. 4,25,489/-** in the show cause notice and also requested to pass the assessment order accordingly.

In view of the above, the request of the dealer is considered and tax proposed in the show cause notice for **4,25,489/-** for the years 2014-15 to 2016-17 (up to 06/2017) under VAT Act is hereby conformed.

Therefore, the dealers are requested to pay the tax due of **4,25,489/-** within (07) days from the date of receipt of this order failing which action will be initiated under provisions of the TG VAT Tax Act.

An appeal against this order lies before the Appellate Deputy Commissioner, Punjagutta, within 30 days of service of this order.

  
Commercial Tax Officer  
M.G.Road Circle.Hyd.

To,  
M/s Paramount Estates ,  
M.G. Road, Sec'bad