

# GREENWOOD ESTATES

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To,  
The Additional Commissioner,  
Service Tax Commissioner,  
11-5-423/1/A, Sitaram Prasad Towers  
Red Hills, Hyderabad-500 004

Date: 22<sup>nd</sup> December 2015

1178/20150/c

శ్రీనివాస  
SEVOTTAM

Sub.: Further submissions of information as stated during Personal Hearing

Ref.: Personal Hearing attended before your good self on 15.09.2015 for OIO.No.51/2012-  
Adjn.(ST) ADC dated 31.08.2012 pertaining to M/s. Greenwood Estates.  
Our letter dated 7<sup>th</sup> October 2015

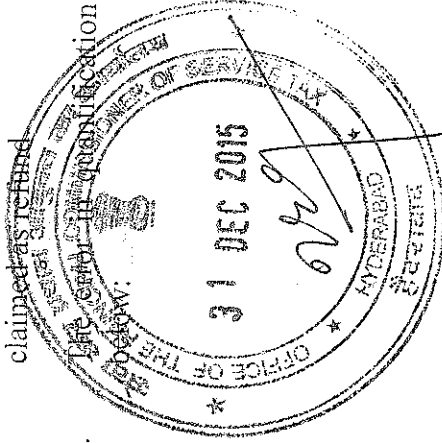
Dear Sir/Madam,

CESTAT/Commissioner has directed the relevant lower authority to re-quantify service tax demand for the period given in the reference above. Personal hearing for the same was also completed. We wish to make a further submission in that connection as follows:

1. The detailed working of receipts and the attribution of the said receipts towards sale deed is given in Annexure - A attached herein. The summary of the same is provided hereunder:

Description	Receipts	Non taxable	Taxable
Sum of towards sale deed	4,07,44,617	4,07,44,617	-
Sum of towards agreement of construction	5,32,39,887	-	5,32,39,887
Sum of towards other taxable receipts	13,29,697	-	13,29,697
Sum of towards VAT, Registration charges, etc	1,11,48,364	1,11,48,364	-
	10,64,62,565	5,18,92,981	5,45,69,584

2. Accordingly, the value of taxable services constituted 40% of Rs. 5,45,69,584/- i.e. Rs. 2,18,27,834/- and the service tax thereon @ 10.3% constituted Rs. 22,48,267/-. The actual payment of service tax amounted to Rs. 47,41,121/- which was more than the tax required to be paid.
3. This excess payment is due to the fact that at the time of giving statements the value of sale deed was at times not determined. Sale deed was executed at a later date and an adhoc value for sale deed was adopted for purposes of estimating service tax liability. Now the project has been completed and there is a finality in the value of sale deed. The excess so paid has not been claimed as refund.
4. The above information in SCN/OIO is explained through a comparative chart provided



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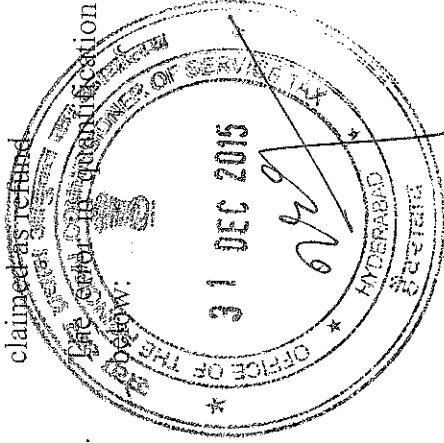
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4. The above explanation in SCN/OIO is explained through a comparative chart provided



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	As per Appellant	As per OIO
Gross Receipts	10,64,62,565	23,01,51,477
Less Deductions		
Sale Deed Value	4,07,44,617	-
VAT, Registration charges, stamp duty and other non taxable receipts	1,11,48,364	-
Taxable amount	5,45,69,584	23,01,51,477
Abatement @ 40%	2,18,27,834	9,20,60,591
Service Tax @ 10.3%	22,48,267	94,82,241
Actually Paid	47,41,121	-
Balance Demand	-24,92,854	94,82,241

5. Once the apparent error in calculation is taken to its logical conclusion, the entire demand fails and therefore there is no cause of any grievance by the department on this ground.
6. Since a substantial component of the demand is on account of the value attributable towards the sale deed value, a copy of all sale deeds executed for the relevant period are attached herein as Annexure – C. The Appellants enclose the full sale deed for Flat No. A-115 and the relevant extracts of all the sale deeds which aggregate to the value claimed as deduction.
7. From the above documentation, it is more than evident that the value attributable towards the sale deed cannot be included in the value of taxable services and the demand needs to be dropped on this ground.
8. Similar to the exclusion on account of sale deed value, the value attributable to statutory taxes like VAT, service tax, registration charges, stamp duty, etc need to be reduced. The flat wise details of such amounts are provided as Annexure – B.
9. Once the above deductions are provided to the Appellants, the demand would be reduced to NIL.

Thank You.

Yours sincerely,

For **GREENWOOD ESTATES**

**SOHAM MODI**  
Partner.

Encl: Annexure - A. Sale Deed details in relevant period  
Annexure – B. Receipt Details in relevant period  
Annexure – C. Sale deed copies

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