

GOVERNMENT OF TELANGANA  
COMMERCIAL TAXES DEPARTMENT

FORM: VAT 305 A

NOTICE OF ASSESSMENT OF VALUE ADDED TAX

[See Rule 25(5)]

Tax Office Address:  
Asst. Commissioner (CT)Int. LTU,  
O/o The Deputy Commissioner(CT),  
Begumpet Division, 6<sup>th</sup> floor,  
Pavani Prestige, Ameerpet, Hyd - 500 016

Date	Month	Year
12	03	2017

TIN	3	6	1	0	4	9	0	7	1	5	6
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Name : M/s. B & C Estates

Address : 5-4-187/3 & 4, 2<sup>nd</sup> floor, Soham Mansion, MG Road, Secunderabad

**Sub:-** TG VAT Act -- M/s.B & C Estates, VAT Audit for the tax period Sept 2013 to June 2017 -- Notice in VAT 304 issued -- Records produced -- Show cause notice Issued -- Objections called for - Reg.

Ref:- 1) This office notice issued in Form VAT 304 dt:2-2-2018  
2) Records produced by the dealers on 6-2-2018 and 9-3-2018.  
3)DC(CT)BegumpetDivn,AuthorisationforAssessment  
IssuedVideADMICNo.2018031205804085189002, dt. 12-3-2018

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M/s. B & C Estates.5-4-187/3 & 4, 2<sup>nd</sup> floor, Soham Mansion, MG Road, Secunderabad are registered dealers under the TVAT Act 2005 bearing TIN No. 36104907156 and assesses on the rolls of CTO MG Road Circle, Begumpet Division. They have registered as works contractors engaged in execution of works contract in constructions and selling of residential apartments w.e.f. 1-9-2013, and filed monthly VAT returns in form VAT 200 disclosing the sales turnovers till June 2017.

**Authorisation for Audit and conducting Audit:**

The Dy. Commissioner (CT) Begumpet authorized Asst. Commissioner (CT) LTU Begumpet Divn, to conduct VAT audit. Accordingly a notice in form VAT 304 dt. 2-2-2018 was issued and served on the dealers. In response to the notice issued, Company authorized person Sri. Jaya Prakash, has produced the records for the VAT period 2013-14( Sept 2013 ) to 2017-18 (utpo June 2017). The records produced were verified with reference to the turnovers reported in VAT returns.

They have produced following records as under:

1. Income Tax returns for the year 2013-14 to 2016-17
2. Details of Form 250 filed
3. Statement of total receipts from the flats purchasers from 2013-14 to 2017-18(upto June 2017) quarter wise report.

### **FINDINGS OF THE AUDIT**

The records produced were verified with reference to the turnovers reported in VAT returns during the tax period from 2013-14( Sept 2013 ) to 2017-18 (upto June 2017). On verification of the records, the following discrepancies were identified. The details are as under:

1. They dealers have executed works to M/s Vibrant Facades, for Rs. 29,76,550. On verification it is found that they have filed form VAT 250, but the turnovers are not reported in VAT returns. Therefore, it is proposed to levy tax @ 5% on the sales turnovers of Rs. 2976550. Tax Rs. 1,48,827 proposed to levy .

On verification of records, it is observed that the dealers engaged in execution of works contract in constructions and selling of residential apartments and reported sale of flats under section 4 (7)(d) of VAT Act 2005.

Further, it is observed that they have received Rs. 79,06,40,186 from the flats purchasers during tax period 2013-14 to 2017-18 (upto June 2017) but declared Rs.52,26,20,960 in VAT returns. The Rule 17 (4) amended vide GO Ms.No. 124 Revenue (CT-II) Dept dt. 30-6-2017. According to the G.O the clauses of (e) and (i) of Sub-rule 4 of Rule 17 of VAT Rules omitted. This implies that the dealers are liable to pay tax @ 1.25% on the consideration received or receivable. Therefore, it is proposed to assess them and levy tax @ 1.25% on the total amounts received as under:

Year	Total amount received as per books of a/cs	Turnovers declared in VAT returns	Diff. turnovers	Diff. tax proposed to levy
2013-14	7025000	0	7025000	87813
2014-15	49263072	0	49263072	615788
2015-16	243169916	156483251	86686665	1083583
2016-17	406029770	303269604	102760166	1284502
2017-18 (1-4-2017 to 30-6-2017)	85152428	62868105	22284323	278554
<b>Total</b>	<b>790640186</b>	<b>522620960</b>	<b>268019226</b>	<b>3350240</b>


Further, as seen from the records, it is noticed that they have declared sales turnovers in the VAT returns Rs. 52,26,20960 during the tax period 2013-14 to 2017-18 (upto June 2017), but not paid correct taxes due thereon.

Sales t.o. declared Rs. 522620960 tax payable @ 1.25% =	Rs. 65,32,762
(-) tax paid	Rs. 27,91,495
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Balance un-paid tax proposed to levy	Rs. 37,41,267
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In view of the above, their assessment for the tax period 2013-14 to 2017-18 (upto June 2017) is proposed to assess them and levy the tax as discussed under provisions of the TVAT Act, after obtaining authorization for assessment from the Deputy Commissioner (CT) Begumpet division vide ref. 3<sup>rd</sup> cited, as under:

Tax proposed to levy on sales t.o. not declared and tax not paid	Rs. 1,48,827
Tax proposed to levy on amount received but not declared	Rs. 33,50,240
Tax proposed to levy on sales t.o. declared but tax not paid	Rs. 37,41,267
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Total tax proposed to levy	Rs. 72,40,334
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M/s. B & C Estates, Secunderabad are requested to file written objections, if any, to the proposed assessment within (7) days from the date of receipt of this notice, failing which final assessment orders will be passed for the years 2013-14 to 2017-18 (upto June 2017) under T VAT Act 2005, without any further notice in this matter.

  
Assistant Commissioner (CT), LTU  
Begumpet Division, Hyd.  
65/ Assistant Commissioner (CT) INT, LTU  
Begumpet Division, Hyderabad.

To:  
M/s. B & C Estates  
5-4-187/3 & 4, 2<sup>nd</sup> floor,  
Soham Mansion, MG Road, Secunderabad

