

**GOVERNMENT OF TELANGANA
COMMERCIAL TAXES DEPARTMENT**



Office Of The
Assistant Commissioner(ST),
M.G Road - S.D.Road Circle,
4th Floor, Pavani Prestige,
Ameerpet, Hyderabad.

TIN No. 36790571789/2013-14 to 2017-18 /VAT

Dated: 11-05-2022.

SHOW CAUSE NOTICE

Sub: VAT Act 2005 – M/s Summit Builders, Secunderabad. - Assessment completed for the period 2013-14 to 2017-18 (Upto June-2017) – Penalty orders passed consequently- Dealer preferred appeal before the ADC(CT) Punjagutta Division – Appeal Remanded – Penalty show cause notice issued – Objections called for - Regarding.

Ref: 1) Assessment order for the period 2013-17 (Upto June -2017) passed by CTO,
M.G.Road Circle, Order No.48418, Dt: 17.12.2018.

2) Penalty Order passed by CTO, M.G.Road Circle, Order No.93, Dt: 03.01.2019.

3) Order passed by the Hon'ble ADC (CT) Punjagutta vide AO.No.2425, Dt. 28-12- 2020.

M/s. Summit Builders, Secunderabad, are registered dealers and assesses on the rolls of the Assistant Commissioner (ST), M.G. Road - S.D. Road Circle, Hyderabad with TIN. 36790571789 and the dealer is carrying on business in works contract. In the reference 1st cited their assessment under VAT Act, 2005 for the period 2013-14 to 2017-18 (Upto June-2017) was completed on the following under declared tax:

Particulars	2013-14	2014-15	2015-16
Contractal Receipts	11162500.00	6539336.00	582989.00
Standard Deductions @ 30%	3348750.00	1961801.00	174897.00
Net Taxable Turnover	7813750.00	4577535.00	408092.00
Tax levied @ 14.5%	1132994.00	663742.00	59173.00
Tax Paid	810960.00	363778.00	0.00
VAT payable	322034.00	299964.00	59173.00

Year Tax Payable

2013-14 Rs. 3,22,034.00
2014-15 Rs. 2,99,964.00
2015-16 Rs. 59,173.00

Total **Rs. 6,81,171.00**

Subsequent to order passed above, penalty proceeding have also been issued vide reference 2nd cited by levying a penalty of **Rs. 1,70,293/-**

Aggrieved by the orders, the dealer has preferred an appeal before the ADC (CT) Punjagutta disputing the above levy of tax. The ADC (CT) Punjagutta has remanded the appeal vide orders passed in the 3rd cited which is extracted as under:

"I have heard the Authorised Representative and gone through his contentions as well as the contents of the impugned orders. The appellant, in the grounds of appeal, and his Authorised Representative, raised certain contentions with regard to the merits of the case placing reliance in certain case law. Without going into the admissibility or otherwise of the same, I have to observe that since the appeal filed by the appellant against the assessment to tax based on which the impugned penalty was levied, is disposed off by me as 'remanded' in Appeal No.BV/69/2019-20, dated 28-12-2020, the levy of penalty made by the Assessing Authority also needs re-consideration. In 11-SCC-101 in the case of Pratibha Processors Vs Union of India (SC), their Lordships of the Apex Court observed that "in a fiscal statute, penalty is ordinarily levied on an assessee for some contumacious conduct or for a deliberate violation of the provisions of a particular statute". Moreover, the penalty is an appendage of the original orders and its survival depends on the main order that acts as a prop. If the prop is set-aside, the appendage's survival is in question and falls flat. Hence, in fitness of matters, I feel it just and proper to remit the matter back to the territorial Assessing Authority, who shall pass such orders of penalty as deemed fit and warranted consequent on making of assessment to tax in pursuance of the appeal order as discussed above. With this direction, the impugned orders of penalty are set-aside on a penalty amount of Rs.1,70,293/- and the appeal thereon remanded.

*In the end, the appeal is **REMANDED**".*

In order to pass the consequential order, in the light of instructions issued by the Hon'ble ADC, the dealer has to submit documentary evidence to substantiate their claim. However, so far, they have not submitted any documentary evidence. Hence it is proposed to issue Show cause Notice by confirming the penalty orders as under:

Penalty proposed for the period 2013-14 to 2017-18 (Upto June-2017), **Rs. 1,70,293/-**

In the view of the above **M/s Summit Builders**, Secunderabad are requested to file their objections if any within (7) days from the date of receipt of this notice, failing which the turnovers proposed in the Show Cause Notice will be confirmed and Consequential orders to the orders of Hon'ble ADC will be passed, without any further notice under the provisions of the VAT Act 2005.

To,
M/s. Summit Builders,
Address : 5/4/187/3 and 4, M.G.Road,
Soham Mansion, Secunderabad – 500 003.
gst@modiproperties.com

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