



**GOVERNMENT OF TELANGANA  
COMMERCIAL TAXES DEPARTMENT**

**FORM: VAT 305A**

**NOTICE OF ASSESSMENT OF VALUE ADDED TAX  
[See Rule 25(5)]**

| Date | Month | Year |
|------|-------|------|
| 16   | 02    | 2018 |

|     |   |   |   |   |   |   |   |   |   |   |   |
|-----|---|---|---|---|---|---|---|---|---|---|---|
| TIN | 3 | 6 | 8 | 4 | 0 | 2 | 9 | 8 | 8 | 9 | 4 |
|-----|---|---|---|---|---|---|---|---|---|---|---|

**Tax Office Address:**  
**Commercial Tax Office**  
**Bowenpally Circle, 6<sup>Th</sup> floor,**  
**Pavani Prestaige, Ameerpet**  
**Hyderabad-18**

**Name : M/s. SLIVER OAK REALTY**

**Address: 5-4-187/3 & 4 M.G.ROAD SECUNDERABAD-500003**

Sub: - TS VAT Act, 2005 –M/s. Sliver Oak Realty – TIN 36736708294 Audit conducted – Assessment proposed- Show Cause Notice – Issued – Objection Called for – Regarding.

- Ref: - 1) This office Audit Notice in Form 304 Dt: 02-02-2018.  
2) Authorization ADM 1B No:2018013104803255193601 DT 31-01-2018 issued by Deputy Commissioner (CT), Begumpet Division for completion of assessment order by audit.  
3) Authorization ADM 1C No:2018021604803255193602 DT 16-02-2018 Issued by Deputy Commissioner (CT), Begumpet Division for completion of assessment order by audit.

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M/S Silver Oak Realty, 5-4-187/3 and 4, M.G.Road, Secunderabad, are registered dealers on the rolls of CTO M.G.Road, circle, with TIN 36840298894, and are doing business of construction and selling of Flats.

As per the authorization of the Deputy Commissioner (CT), Begumpet Division, in Form ADM 1B, dated 31-01-2018, a notice in Form VAT 304, dated 02-02-2018 i.e Notification for Scrutiny of Accounts of VAT was issued to the dealer and requested them to produce books of accounts for the tax period 2013-14 to 2016-17. Having received the same, the dealer produced the following for scrutiny.

1. Copies of P & L account and Balance Sheets for years:  
2013-14, 2014-15, 2015-16 and 2016-17.

Verified the same with reference to the Turnovers reported in Monthly VAT 200 returns and found the following turnovers:

**TURNOVERS REPORTED AS PER VAT 200 RETURNS:**

| Sl. No | Year                       | Exempt Sale Turnover | 1% Sale Turnover | 5% Sale Turnover | Total Turnover |
|--------|----------------------------|----------------------|------------------|------------------|----------------|
| 1      | 2013-14                    | 89255225             | 0                | 29751742         | 119006967      |
| 2      | 2014-15                    | 65219475             | 0                | 21739825         | 86959300       |
| 3      | 2015-16                    | 22170750             | 0                | 7000250          | 29871000       |
| 4      | 2016-17                    | 26964750             | 0                | 8988250          | 35953000       |
| 5      | 2017-18<br>Up to<br>6/2017 | 0                    | 0                | 0                | 0              |

The dealer opted to pay tax under Composition as prescribed under section 4 (7) (d) of the TS VAT Act 2005, and filed Form VAT 250 dated 20-03-2013, for project value of Rs. 11,00,00,000=00 (Form No: 20130320797.)

**SALE RECEIPTS REPORTED IN P & L ACCOUNTS :**

| Sl. No | Year                       | Total Receipts as per P & L A/c |
|--------|----------------------------|---------------------------------|
| 1      | 2013-14                    | 72142056                        |
| 2      | 2014-15                    | 152626895                       |
| 3      | 2015-16                    | 72375000                        |
| 4      | 2016-17                    | 85903000                        |
| 5      | 2017-18<br>Up to<br>6/2018 | 5622297<br>(Advances)           |

### **2013-14**

The dealer did not file Form VAT 250. Hence assessed the dealer under Section 4(7)(a) of the TS VAT Act by levying tax on value of goods at the time of incorporation as specified in Schedule V @ 14.5% on total consideration received subject to such deduction as may be prescribed Rule 17 (h) of TS VAT Rules. (Standard Deduction)

|                                          |    |                           |
|------------------------------------------|----|---------------------------|
| Total Receipts as per P & L accounts     | -- | Rs. 7,21,42,056 = 00      |
| Less: Admissible Standard deductions     | -- | Rs. 2,16,42,617 = 00      |
| @ 30 % Of gross receipts.                |    | -----                     |
| Taxable turnover                         | -- | Rs. 5,04,99,439 = 00      |
|                                          |    | -----                     |
| Tax levied on Rs. 5,04,99,439=00 @ 14.5% | -- | Rs. 73,22,419 = 00        |
| Tax Paid along with monthly VAT returns  | -- | <u>Rs. 12,54,813 = 00</u> |
| Balance to be paid                       | -- | <u>Rs. 60,67,606 = 00</u> |

### **2014-15:**

Since the dealer is doing business in construction & selling of residential apartments/flats, and opted to pay tax under composition is liable for tax @ 5 % on 25% of Gross Receipts.

“As per Section 4(7)(d) of the TS VAT Act, every dealer who engaged in construction and selling of residential apartments, houses, buildings, commercial complexes may, in lieu of the amount of tax payable by him under clause (a) opt to pay tax by way of composition at the rate of 5% on twenty five percent of the amount received or receivable to wards composite value of both Land and Building or the market value fixed for the purpose of stamp duty, whichever is higher as per G.O.Ms.No:124, Rev (CT-II) Dept., dt. 30-06-2017”

The dealer submitted Form VAT 205 in the year March 2013, for a value of Rs. 11,00,00,000=00 and is eligible for payment of tax under composition only for the year 2014-15. Therefore the tax liability is worked out and proposed as under:

|                                                 |    |                              |
|-------------------------------------------------|----|------------------------------|
| Total Receipts as per P & L Account             | -- | Rs. 15,26,26,895 = 00        |
| Turnover deduction @ 75% of receipts            | -- | <u>Rs. 11,44,70,171 = 00</u> |
| Taxable Turnover i.e 25 %                       | -- | <u>Rs. 3,81,56,724 = 00</u>  |
| Tax levied on turnover of Rs. 38156724=00 @ 5 % | -- | Rs. 19,07,836 = 00           |
| Tax paid along with monthly VAT 200 returns     | -- | <u>Rs. 7,18,622 = 00</u>     |
| Balance to be paid                              | -- | <u>Rs/ 11,89,214 = 00</u>    |

### **2015-16**

The dealer did not file Form VAT 250. Hence assessed the dealer under Section 4(7)(a) of the TS VAT Act by levying tax on value of goods at the time of incorporation as specified in Schedule V @ 14.5% on total consideration received subject to such deduction as may be prescribed Rule 17 (h) of TS VAT Rules. (Standard Deduction)

|                                                                   |    |                               |
|-------------------------------------------------------------------|----|-------------------------------|
| Total Receipts as per P & L accounts                              | -- | Rs. 7,23,75,000 = 00          |
| Less: Admissible Standard deductions<br>@ 30 % of gross receipts. | -- | Rs. 2,17,12,500 = 00<br>----- |
| Taxable turnover                                                  | -- | Rs. 5,06,62,500 = 00<br>----- |
| Tax levied on Rs. 5,06,62,500=00 @ 14.5%                          | -- | Rs. 73,46,063 = 00            |
| Tax Paid along with monthly VAT returns                           | -- | Rs. 2,25,012 = 00             |
| Balance to be paid                                                | -- | Rs. 71,21,051 = 00            |

#### **2016-17**

The dealer did not file Form VAT 250. Hence assessed the dealer under Section 4(7)(a) of the TS VAT Act by levying tax on value of goods at the time of incorporation as specified in Schedule V @ 14.5% on total consideration received subject to such deduction as may be prescribed Rule 17 (h) of TS VAT Rules. (Standard Deduction)

|                                                                   |    |                               |
|-------------------------------------------------------------------|----|-------------------------------|
| Total Receipts as per P & L accounts                              | -- | Rs. 8,59,03,000 = 00          |
| Less: Admissible Standard deductions<br>@ 30 % of gross receipts. | -- | Rs. 2,57,70,900 = 00<br>----- |
| Taxable turnover                                                  | -- | Rs. 6,01,32,100 = 00<br>----- |
| Tax levied on Rs. 6,01,32,100=00 @ 14.5%                          | -- | Rs. 87,19,155 = 00            |
| Tax Paid along with monthly VAT returns                           | -- | Rs. 58,750 = 00               |
| Balance to be paid                                                | -- | Rs. 86,60,405 = 00            |

#### **2017-18 ( upto 6/2017 )**

The dealer did not file Form VAT 250. Hence assessed the dealer under Section 4(7)(a) of the TS VAT Act by levying tax on value of goods at the time of incorporation as specified in Schedule V @ 14.5% on total consideration received subject to such deduction as may be prescribed Rule 17 (h) of TS VAT Rules. (Standard Deduction)

As seen from the P & L account and balance sheet for the year 2016-17 it is noticed that, the dealer disclosed some advances received from their customers in liabilities of the balance sheet. Hence taken into account and assessed to tax as under

|                                               |    |                    |
|-----------------------------------------------|----|--------------------|
| Total Advances received during the tax period | -- | Rs. 56,22,297 = 00 |
| Less: Admissible Standard deductions          | -- | Rs. 16,86,689 = 00 |
| @ 30 % of gross receipts.                     |    | -----              |
| Taxable turnover                              | -- | Rs. 39,35,608 = 00 |
|                                               |    | -----              |

|                                         |    |                   |
|-----------------------------------------|----|-------------------|
| Tax levied on Rs. 39,35,608=00 @ 14.5%  | -- | Rs. 5,70,663 = 00 |
| Tax Paid along with monthly VAT returns | -- | Rs. ---nil        |
| Balance to be paid                      | -- | Rs. 5,70,663 = 00 |

In view of the above findings the final year wise tax liability is worked out as under:

| Sl. No. | Year                    | Tax under declared    |
|---------|-------------------------|-----------------------|
| 1       | 2013-14                 | 60,67,606=00          |
| 2       | 2014-15                 | 11,89,214=00          |
| 3       | 2015-16                 | 71,21,051=00          |
| 4       | 2016-17                 | 86,60,405=00          |
| 5       | 2017-18<br>Up to 6/2017 | 5,70,663=00           |
| 6       | <b>Total</b>            | <b>2,36,08,939=00</b> |

**TOTAL TAX DUE TO DEPARTMENT      Rs. 2,36,08,939-00**

If the dealers have any objection to the above proposed assessment they are requested to submit the same within (7) days from the receipt of this notice. They are also provided with an opportunity of personal hearing and they are advised to attend this office hours of any working day within these (7) days along with material evidence if any failure to respond to this notice would be construed that the dealer have no objection to offer and order will be passed the provision of TS VAT Act 2005 without any further information in this matter.

DEPUTY COMMERCIAL TAX OFFICER  
BOWENPALLY CIRCLE, HYDERABAD.

Deputy Commercial Tax Officer  
BOWENPALLY CIRCLE,  
BEGUMPET DIVISION  
HYDERABAD