GOVERNMENT OF TELANGANA
COMMERCIAL TAX DEPARTMENT

Office of the
Asst. Commissioner (ST),
M.G. Road - S.D. Road Circle,
4th floor, Pavani Prestige,
Ameerpet, Hyderabad – 500 016.

Rc. No. 36840298894

Date: 03-08-2020.

NOTICE

Sub: TVAT Act'2005 – M/s. Silver Oak Realty, Hyderabad – audit completed – AG Audit conducted - Certain irregularities noticed – Notice issued– Regarding.

Ref: 1.VAT Assessment orders for the period 04/2013 to 06/2017 passed in AO.No. 28661 dt.19.05.2018

2.Para No. VI for AG Audit period in RAST/U-XVII/7-174/2019-20/114 Dt.05.12.2019

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M/s. Silver Oak Realty, Hyderabad is registered on the rolls of Assistant Commissioner (ST), M.G. Road – S.D. Road Circle with TIN. 36840298894 under TVAT Act'2005 and CST Act'1956.

Vide reference 2nd cited the AG Audit was conducted for the period 2019-20 and raised an objection against the VAT Assessment orders for the period 04/2013 to 06/2017 passed in AO.No. 28661 dt.19.05.2018.

In this connection, while enclosing the copy of objection raised by the AG Audit party, you are requested to make the payment of Rs. 3,35,130/- as raised in AG Audit or submit objections along with documentary evidence, as the case may be, within (7) days of receipt of notice failing which proceedings will be initiated as deemed fit in the subject matter.

Encl: Para No. VI for AG Audit period in
RAST/U-XVII/7-174/2019-20/114 Dt.05.12.2019

G. Vijaya Lakshmi
Assistant Commissioner (ST) (FAC),
M.G. Road - S.D. Road Circle,
Begumpet Division, Hyderabad.

To,
M/s. Silver Oak Realty,
5-4-187/3 & 4, Soham Mansion, M G Road, Secunderabad, 500003
Email ID: jayaprakash@modiproperties.com
Mobile No. 9502288200

Part II-A

VI. Non-levy of penalty in VAT audit- TE – Rs.3,35,130/-

M/s. Silver Oak Reality: TIN 36840298894
VAT Asst. Order No. 28661 Dated:19.05.2018 (04/2013 to 06/2017)

As per Rule 25(10) of TS VAT Rules, 2005, every VAT dealer shall furnish, for every financial year, to the prescribed authority, the statements of Manufacturing/ Trading Account, Profit and Loss Account, Balance Sheet, and Annual Report, duly certified by a Chartered Accountant on or before the 31st day of December subsequent to the financial year to which the statements relate. As per Para 5.12 of VAT Audit Manual, mandatory basic checks are to be carried out on figures reported by VAT dealers in their monthly VAT returns filed with reference to those recorded in the certified annual accounts, so as to detect under declaration of tax, if any

As per Section 53(1) of the Telangana VAT Act-2005, where any dealer has under declared tax, and where it has not been established that fraud or willful neglect has been committed and where under declared tax is more than ten percent of the tax due, a penalty shall be imposed at twenty five percent of such under-declared tax.

The above dealer on the rolls of AC(ST)- MG Road Circle is a works contractor. During the verification of above audit file, Audit observed the following.

i. The dealer did not declare tax correctly in his returns which was due as per P&L A/c and the same was levied by assessing authority.

YEAR 1)	TURNOVER AS PER P&L ACCOUNT/ ACTUAL RECEIPTS (2)	TAX levied in VAT 305@1.25% (3)	Turnover reported in VAT 200 (4)	Tax declared in Return@1.25% (5)	Difference in turnover (6)	Difference in Tax (7)	Tax paid as per ledger (8)
2013-14	72142056	901776	119006967	14,87,587	-46864911	-5,85,811	1311063
2014-15	152626895	1907836	86959300	10,86,991	65667595	8,20,845	1129992
2015-16	72375000	904688	29871000	3,73,388	42504000	5,31,301	332512
2016-17	29923000	374038	35953000	4,49,413	-6030000	-75,375	241176
TOTAL	327066951	4088338		33,97,379		6,90,959	30,14,743

ii. There was under-declaration of output tax during the years 2014-15 and 2015-16 which was more than 10% of the output tax due, penalty was leviable at the rate

25% of under-declared tax but no penalty was levied. Non-levy of penalty worked out to **Rs.3,35,130/-**.

	Tax levied in VAT 305	Tax declared in VAT 200	Difference	Penalty to be levied @25%
2014-15	19,07,836	10,86,991	8,20,845	2,05,211
2015-16	9,04,688	3,85,013	5,19,675	1,29,919
Total non-levy of penalty				**3,35,130**

Department replied that the matter would be examined and detailed reply furnished in due course.