



सेवाकरप्रधान आयुक्तकाकार्यालय
OFFICE OF THE PRINCIPAL COMMISSIONER OF SERVICE TAX
सेवाकरआयुक्तालय :: SERVICE TAX COMMISSIONERATE

11-5-423/1/A::सीतारामप्रसादटावर::रेडहिलस::हैदराबाद- 4

11-5-423/1/A::SITARAM PRASAD TOWER::RED HILLS::HYDERABAD-500004

C.No. IV/16/70/2016-ST(Range-III A)

Date: 13.03.2017

To,
M/s B & C Estates
Office 5-4-187/3 & 4, II Floor
Soham Mansion, M.G.Road
Secunderaand - 500033

Sir,

Sub:-Detailed Manual Scrutiny of ST-3 returns for the years 2013-14
& 2014-15 -Reg

Please refer to your letter dated 17.12.2015 wherein documents were submitted in connection with Detailed Manual scrutiny of Registration.

2 On examination of the information / documents submitted by you, the following discrepancies have been noticed:

- i) It is observed from the ST-3 Returns, input credit of Rs.42,264 & Rs.4,79,766/- was taken & utilized for payment of Service tax during the years 2013-14 & 2014-15, respectively. However, one of the conditions of Notfn. NO.26/2012-dt. 20.06.2012 for availing abatement is that cenvat credit on inputs should not be utilized. Hence, it is requested to pay the credit taken along with interest and penalty.
- ii) It is noticed that as per P & L account total turnover during 2013-14 is Rs. 98,50,000 whereas in ST-3 Returns Rs. 68,75,000/- only was shown. It is requested to pay service tax on the differential amount. Further, it is also requested to

provide **Income tax return & P & L account for the year 2014-15 .**

iii) **Non-payment of Service Tax on land owner's share:** It appears from the returns for the period from 2013-4 & 2014-15 S.tax was paid only on amounts received from customers. No service tax appears to have been paid on Land owner's share. In terms of Board e Circular No. 151/2/2012-ST dated 10.02.2012 and letter F.NO. 354/311/2015-TRU dated 20.01.2016, the Developer /Builder has to discharge Service tax liability on land owner's share of flats when constructed Flats are transferred to the Land Owner. **Hence, in order to examine the liability, it is requested to provide a copy of Development agreement – cum-GPA entered with Land owners.**

iv) 03. It is requested to submit the above documents / make the payment and submit compliance to this **on or before 20.03.2017.**

Encl: As above

Yours faithfully,

K. *Sum*
13/3/2017

(K.SUBBAYAMMA)
SUPERINTENDENT
RANGE-III.A

Sent by mail on 14-3-2017

16
14/3/2017