GOVERNMENT OF ANDHRA PRADESH
COMMERCIAL TAXES DEPARTMENT

FORM: VAT 203 A
FOR TAX

NOTICE FOR PENALTY TO A VAT DEALER

Tax Office Address:
Asst. Commissioner (CT) LTU.,
O/o The Deputy Commissioner(CT),
Begumpet Division, 6th floor,
Pavani Prestige, Ameerpet, Hyd.

Date	Month	Year
11	09	2012

TIN	2	8	9	5	2	2	4	5	9	3	9

Name: M/s. MODI VENTURES,
Address: 5-4-187/3 & 4, 3rd floor, Soham Mansion, M.G. Road, Secunderabad.

Sub: - AP VAT Act 2005 – M/s. Modi Ventures, M.G. Road, Secunderabad – Audit Conducted – Verified records – Issued Orders – Regarding.

Ref: - 1. Authorization of Audit issued by DC (CT), Begumpet Division, Hyderabad in Form ADM 1B dated: 23-06-2011.
2. Notification of Audit visit in Form 304 dated: 23-06-2011.
3. Dealers letter dated: 27-06-2011.
4. Dealers letter dated: 08-07-2011.
5. This office notice dated: 12-07-2011.
6. This office notice dated: 15-02-2012.
7 .D.C(CT) Begumpet Divn. authorization for assessment dt.29-08-2012
8. This office Show Cause Notice in Form VAT 305 A dated: 01-09-2012.
9. Dealers reply dated: 05-09-2012.
10. Orders passed vide 305 in A.O.No.41366, dated: 11-09-2012.

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Tax Office records indicate that you have committed the following irregularity which is penalized under the provisions of APVAT Act 2005. Verified the record for the period 2009-10 to 2011-12 and noticed short payment of Taxes due of Rs. 32267, which has been assessed by the undersigned vide A.O.No. 41366, dated:11-09-2012 as under.

Tax Period	Particulars (input tax / output tax)	Tax declared / net credit / or Refund Claimed	Tax found to be due / net credit / or Refund due	Tax over declared Due to dealer	Tax under declared Due to Tax dept.	Total Due to Tax Dept.
2009 – 10	Output Tax	884375	895483	-	11108	11108
2010 - 11	Output Tax	748415	756843	-	8428	8428
2011 – 12	Output Tax	969121	981852		12731	12731
						32267

Total Tax due to the Department: Rs. 32,267
(Rupees Thirty Two Thousand Two Hundred and Sixty Seven only)

Explanation for the above Proposals:

M/s Modi Ventures,5-4-187/3,2nd floor, Soham Mansion, M.G.Road, Secunderabad are registered dealers under VAT Act,2005 holding TIN No.28952245939 and assessees on the rolls of Commercial Tax Office, M.G.Road Circle, Secunderabad. They are doing business in construction and selling of flats.

As per the authorization of the Deputy Commissioner (CT) Begumpet Division, Hyderabad the Assistant Commissioner (CT) VM-I issued a notice in form VAT 304 dt.23-06-2011 and served it on them on 23-06-2011 to produce the books of accounts maintained by them with reference to the books. In response to the notice they filed a letter dt. 27-6-2011 and requestred 2 days time. They have not turned up to produce the books and in connection a notice dt.12-7-2011 has been issued for submission of records. The assessee is registered under VAT w.e.f.01-01-2010. The assessee filed VAT 250 and opted under composition in construction of apartments and sales. The assessee constructing the apartments at Survey No. 93, 94 & 95, situated at Mallapur, Uppal Mandal, Ranga Reddy district.

The records produced for verification for the above site have since been verified and found that they have opted for composition of tax under section 4 (7)(d) of APVAT Act 2005. The assessee have not claimed input tax in their monthly returns. They have purchased i.e. Sand, Metal, Bricks, Cement, Plywood, Glass fittings etc, from the registered dealers. They are paying tax upto 13-9-2011 @ 4% on 25% and 5% on 25% from 14-9-2011 onwards on 25% turnover under Section 4(7)(d) of APVAT Act 2005 respectively.

Under Rule 17(4)(i) of AP VAT Rules, the VAT dealer mentioned in clause (a) above shall pay an amount equivalent to one percement (1%) and 1 ½ on the total consideration received or receivable or the market value fixed for the purpose of stamp duty whichever is higher. The payment shall be made by way of Demand Draft obtained in favour of the Commercial Tax Officer or Assistant Commissioner concerned and the instrument is to be presented at the time of registration of the property to the Sub-Registrar, who is registering the property duly furnishing his TIN No. and full address of the Commercial Tax Officer / Assistant Commissioner concerned on the reverse of the Demand Draft., The Sub-Registrar shall send the same to the Commercial Tax Officer /Assistant Commissioner concerned every week.

Clause (i) was added by G.O. Ms .No. 1614 Rev. CT.II dt. 31-8-2005 w.e.f 31-8-2011.

Verified the books of accounts and the tax liability is worked out as under.

2009-2010:

	Amount	Rate of Tax	Tax due
Sale and registered apartments	Rs.88437500	@ 1%	Rs.884375

Verified the purchase invoices and noticed that the assessee purchased the goods from non VAT dealers for Rs.96589. Hence the difference tax @ 11.5% is worked out and proposed to tax of Rs.11108.

Total tax due	Rs.	895483
Tax paid at Sub-registrar at the time of flat registration	Rs	884375
Net payable	Rs	11108

2010-2011:

	Amount	Rate of Tax	Tax due
Sale and registered apartments	Rs.74841500	@ 1%	Rs.748415

Verified the purchase invoices and noticed that the assessee purchased the goods from non VAT dealers for Rs.62432. Hence the difference tax @ 11.5% is worked out and proposed to tax of Rs.8428.

Total tax due	Rs.	756843
Tax paid at Sub-registrar at the time of flat registration	Rs	748415
Net payable	Rs	8428

2011-2012:

	Amount	Rate of Tax	Tax due
Sale and registered apartments			
from 01.04.2011 – 13.09.2011	Rs.33438233	@ 1%	Rs. 334382
from 14.09.2011 – 31.03.2012	Rs.50779120	@ 1.25%	Rs. 634739

Verified the purchase invoices and noticed that the assessee purchased the goods from non VAT dealers for Rs.94306. Hence the difference tax @ 11.5% is worked out and proposed to tax of Rs.12731.

Total tax due	Rs.	981852
Tax paid at Sub-registrar at the time of flat registration	Rs	969121
Net payable	Rs	12731

Total Tax Due Year Wise

2009-10	Rs. 11,108
2010-11	Rs. 8,428
2011-12	Rs. 12,731
TotalTax Due	Rs. 32,267

In view of the above the audit is completed for the years 2009-10 to 2011-12 up to 31-03-2012 and issued orders accordingly.

The Deputy Commissioner (CT), Begumpet Division, Hyderabad through a separate proceeding, has authorized the under signed to assess the dealers as per the omissions pointed out during the course of scrutiny of the orders filed in connection with the audit.

Tax Office records indicate that you have committed the following irregularity which is penalized under the provisions of APVAT Act 2005.

Short payment of output Tax of Rs.32,267 for the year 2009-10 to 2011-12 was noticed.

In view of the lapses noticed, it is proposed that you are liable to pay of Rs.3,227 as penalty under Rule 53(1)(i) of AP VAT Rules at 10% on a tax amount of Rs.32,267 which was due.

M/s Modi Ventures, Secunderabad are reque4sted to filed their written objections if any to the above proposals within (7) days from the date of receipt of this notice, failing which orders will be passed under he provisions of AP VAT Act 2005, without any further notice / time.

Assistant Commissioner (CT) LTU,
Begumpet Division, Hyderabad.

11/09/2012