5-4-187/3&4, II floor, MG Road,
Secunderabad – 500 003.
Phone: +91-40-66335551

Modi Realty (Miryalaguda) LLP

Date: 3rd March 2018

O/C

To
The Deputy Commercial Tax Officer
Bowenpally Circle
Begumpet Division, 6th Floor
Pavani Prestige, Ameerpet
Hyderabad – 500016

Dear Sir,

Sub: TVAT Act, 2005-M/s ~~Serene Constructions~~ MODI REALTY MIRYALAGUDA LLP, M G Road, Secunderabad-Notice of assessment in Form VAT 305 A –Reply – Reg.

Ref: DCTO, Bowenpally Circle, Hyderabad notice in Form VAT 305A dated 16/02/2018.
Our letter dated 21st February 2018 – Requesting time.

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We submit that we are in receipt of the notice of assessment in Form VAT 305 A dated 16-02-2018 proposing to levy tax of Rs. 4,62,333/- on the total receipts as per P & L accounts under Section 4 (7) (a) of the TVAT Act, 2005 read with Rule 17 (1) (h) of the TVAT Rules after allowing 30% towards standard deduction for the year 2016-17. We request you to kindly consider our objections on the following grounds:

We submit that Smt. Ani Reddy Vasudha Reddy and others entered into JDA cum GPA with us on 24.12.2016 (copy enclosed) to develop land situated at Sy. No.786, Miryalaguda Village, Nalgonda District for constructing residential houses/villas etc. We have accordingly agreed to develop the land. We are entitled to sell the share allotted to us. We have commenced construction on 1.4.2017. However certain advances have been received from the prospective buyers in January, 2017. We also submit that we have not opted for composition scheme of payment of VAT for this project during the year or before starting the construction of this project.

We submit that tax under Section 4 (7) (a) is liable to be paid only on the incorporation of goods in the execution of works contract, accordingly arriving the turnover by following Rule 17 (1) (h) is not correct. We submit that no VAT can be levied on the advances received under Section 4 (7) (a) of the Act when no work is executed during that year. We submit that no work is executed during the year and we have not sold any property during the year 2016-

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17, as the construction itself has commenced on and from 1.4.2017, there is no taxable turnover for the year 2016-17. Hence no tax can be levied as has been proposed, as there was no execution of any works contract during that year in favour of any person. We therefore request to kindly drop the proposal.

In case your good self wants to proceed further we request to provide us an opportunity of personal hearing to explain our case in detail.

Kindly acknowledge for the same

Thanking You,

Yours faithfully
For MODI REALTY (MIRYALAGUDA) LLP

Authorised Signatory

Encl.: As above

Office of the Commercial Tax Officer
Begum Bazar Circle
5/3/18