

**GOVERNMENT OF TELANGANA
COMMERCIAL TAXES DEPARTMENT**

AAO NO 17308

FORM: VAT 305

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

Date	Month	Year
29	03	2018

Tax Office Address:
Commercial Tax Office
Bowenpally Circle 6TH floor,
Pavani Prestaige, Ameerpet
Hyderabad-18

TIN	3	6	6	9	8	2	1	3	7	1	1
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Name : M/s. MODI REALTY MIRYALAGUDA LLP

Address: 5-4-187/3 AND 4 2ND FLOOR, SOHAM MANSION M.G.ROAD

Sub: - TS VAT Act, 2005 –M/s. Modi Realty Miryalaguda LLP –TIN 36698213711
Audit conducted – Assessment proposed- Show Cause Notice - Issued –
Objection Called for – Objection Received – Considered – Orders Passed.

- Ref: - 1) This office Audit Notice in Form 304 Dt: 03-02-2018.
2) Authorization ADM 1B No:2018013104803255193301 DT 31-01-2018
issued by Deputy Commissioner (CT), Begumpet Division for
completion of assessment order by audit.
3) Authorization ADM 1C No:2018021604803255193302 DT 16-02-2018
Issued by Deputy Commissioner (CT), Begumpet Division for
completion of assessment order by audit.
4) This office Form VAT 305A notice dated: 16-02-2018.
5) The reply of the dealers dated: 22-02-2018.
6) The reply of the dealers dated: 05-03-2018.



ORDER:

M/S Modi Realty Miryalaguda LLP ,M.G.Road, Secunderabad, are registered dealers on the rolls of CTO M.G.Road, circle, with TIN 36698213711 w.e.f. 01.12.2016, 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 03-02-2018 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 2016-17 to 2017-18. Having received the same, the dealer produced the following for scrutiny.

1. Copies of P & L account and Balance Sheets for year:
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	2016-17	0	0	0	0
2	2017-18	0	0	0	0

SALE RECEIPTS REPORTED IN P & L ACCOUNTS :

Sl. No	Year	Total Receipts as per P & L A/c
1	2016-17	4555000
2	2017-18	0

2016-17

The dealer did not filed 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. 45,55,000 = 00
Less: Admissible Standard deductions @ 30 % Of gross receipts.	--	Rs. 13,66,500 = 00
Taxable turnover	--	Rs. 31,88,500 = 00
Tax levied on Rs. 31,88,500 =00 @ 14.5%	--	Rs. 4,62,333 = 00
Tax Paid along with monthly VAT returns	--	Rs. 0 = 00
Balance to be paid	--	Rs. 4,62,333 = 00

TOTAL TAX DUE TO DEPARTMENT Rs. 4,62,333-00

Accordingly a Show Cause notice Dt.16-02-2018 was issued to the dealer with request to file their objections with documentary evidence before the under signed within (7) days of receipt of the Show Cause notice. The Show Cause notice was served on the dealer on 17-02-2018.

Having received the said Show Cause notice, the dealer filed reply Dt.22-02-2018, and requested for (30) days of time to file the reply, on 05-03-2018, the dealer filed reply and stated that, there is no business during the year 2016-17 from 12/2016 and 2017-18 upto 06/2017, the turnovers proposed in the show cause notice is representing the advances received from their prospective buyers (i.e. land cost only).

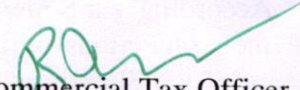
The dealer in their reply also stated that, Smt Ani Reddy Vasudha Reddy and others entered into JDA cum GPA with them on 24-12-2016 to develop land situated at Sy.No.786, Miryalaguda Village, Nalgonda District for construction of residential houses/ villas etc. Accordingly the dealer agreed to develop the land. The construction work was commenced on 01.04.2017. They also stated that, they are also entitled to sell the share allotted to them. Since they have not opted to pay tax under composition, they are ready to pay tax on the incorporation of goods value in the execution of works contract.

A personal hearing was provided to the dealer by the undersigned on 27-03-2018. Accordingly Mr. M Jaya prakash, Manager Finance and accounts of the company appeared. During the personal hearing the dealer stated that , they have entered into JDA cum GPA with private parties which was discussed supra , and collected advance of land cost. He has also stated that they have not even started the work till June 2018. Hence the advances received towards land cost are not liable for tax.

The contention made by them during personal hearing is examined with reference to record produced and found to be in order. Hence considered and the proposed Turnover's in show cause notice dt:16.02.2018 is withdrawn.

In view of the above there is no sale of residential homes/ villas in the above tax period and the amount reported in their P & L Accounts representing the amount of advance received from their prospective buyers in the Month of January'2017. Therefore, the assessment of the dealer for the year 2016-17 and 2017-18 upto 06/2017 under VAT is completed with Nil Turnover's.

TOTAL TAX DUE TO DEPARTMENT Rs. Nil


Deputy Commercial Tax Officer,
Bowenpally Circle, Hyderabad.

Deputy Commercial Tax Officer
**BOWENPALLY CIRCLE,
BEGUMPET DIVISION**

Note: An appeal against these orders can be filed before ADC (CT), Punjagutta, Office of the Commissioner of Commercial Taxes, Opp: Gandhi Bhavan, Nampally, Hyderabad within (30) days.