



**GOVERNMENT OF TELANGANA
COMMERCIAL TAXES DEPARTMENT
FORM VAT 305
ASSESSMENT OF VALUE ADDED TAX
[See Rule 25 (5)]**

**PROCEEDINGS OF THE DEPUTY COMMERCIAL TAX OFFICER-II, MAREDPALLY CIRCLE,
BEGUMPET DIVISION, HYDERABAD**

AAO No:18268

Date: 29-02-2020

01. TAX OFFICE ADDRESS :

Deputy Commercial Tax Officer-II
O/o Commercial Tax Officer,
Marredpally Circle, Begumpet Division,
6th Floor, Pavani Prestige Building,
Ameerpet, Hyderabad.

02. TIN: 28389317452

03. Name: M/s. GREEN WOOD ESTATES

**Address : 5/4/187/344, 2ND FLOOR M G ROAD, MG ROAD,
SECUNDERABAD - 500003**

Circle: MG ROAD - SD ROAD

Sub: APVAT Act, 2005 – M/s **GREEN WOOD ESTATES** – VAT Audit conducted
On authorization issued by the Deputy Commissioner (CT), Begumpet
Division - Show cause notice issued – Objections called for – Reply Not
filed - Personal Hearing provided - Orders Passed - Regarding.

- Ref-1. DC (CT) Begumpet Division authorization for conducting VAT Audit
in ADM 1 B No:2019112301864175250801, Dt:23-11-2019
2. This office notification of audit in Form VAT 304, dt.25.11.2019
 3. DC(CT), Begumpet Divn., Authorization for completion
of assessment vide ADM 1C No:2020012101864175250802, Dt:21-
01-2020
 4. This office show cause notice in VAT Form 305A dt:21-01-2020.
 5. Dealers letter dated:18-02-2020
 6. This office of notice for Personal Hearing dated:18-02-2020.
 7. Dealers letter dated:24-02-2020.
 8. This office endorsement dated 25-02-2020 for personal hearing.



M/s **GREEN WOOD ESTATES.**, TIN **28389317452**, are registered dealers under APVAT Act, 2005 & CST Act, 1956 and they are on the rolls of the Commercial Tax Officer, MG Road- SD Road Circle. They are into construction of residential flats. The Deputy Commissioner (CT), Begumt Division, Hyderabad has authorized to conduct APVAT audit in the instant case. Accordingly, the business premises of the dealers has been notified to the dealers in Form VAT 304, dated: 25-11-2019 for production of their books of accounts. In response to the notices, the dealers have submitted the Statements of Sales, Purchases and P & L Account statements, Development agreement, copy of Form 250 for the years 2013-14 and 2014-15 (upto May, 2014).

The dealers have reported turnovers of output / input in the monthly returns in Form VAT 200 for the years 2013-14 and 2014-15 (upto May, 2014) are as under:

PURCHASES:

Particulars	2013-14		2014-15 (upto May, 2014)	
	Turnover (Rs.)	Tax (Rs.)	Turnover (Rs.)	Tax (Rs.)
A) Non-creditable purchases	-	-	-	-
B) Creditable purchases	-	-	-	-
5% Rate	-	-	-	-
14.5% Rate	-	-	-	-
TOTAL	-	-	-	-

SALES:

Particulars	2013-14		2014-15 (upto May, 2014)	
	Turnover (Rs.)	Tax (Rs.)	Turnover (Rs.)	Tax (Rs.)
A) Exempted Sales	84576750	-	21948000	-
B) Interstate Sales	-	-	-	-
C) Exports	-	-	-	-
D) VAT Sales	-	-	-	-
5% Rate	28192250	1409612	7316000	365800
14.5% Rate	-	-	-	-
TOTAL	112769000	1409612	2926400	365800

The correctness and completeness of the turnovers reported in the monthly VAT 200 returns filed for the audit period have been verified with

reference to their books of accounts and annual Statement / P & L Accounts and made the following observations:

The assesses have entered an agreement with Sri K.Bhasker & Other 4 partners for development of property admeasuring Ac 6.05 Gts at Kowkur (V) Malkajgiri (M) Ranga Reddy Dist. As seen from development agreement the developers share is 284 flats out of 345 flat (i.e. around 82%)

The dealers have opted to pay tax under section 4(7)(d) of APVAT Act, 2005 duly filing Form VAT 250 as required under Rule17(4)(b) of APVAT Act,2005. The section 4(7)(d) reads as "any dealer engaged in construction and selling of Residential Apartments, Houses, buildings and commercial complexes may opt to pay tax by way of composition at the rate of 5% of Twenty five percent (25%) of the consideration received or receivable or the market value fixed for the purpose of stamp duty whichever is higher subject to such conditions as may be prescribed".

On verification of Annual statements / P&L account statement observed the sale consideration (net of discount) is more than the reported sales in their monthly VAT 200returns. As such the sales as in P & L account statement is adopted for the propose of levying VAT.

Thus, the dealers VAT liability is computed for the year 2013-14 and 2014-15 (upto May,2014) is as under:

Particulars	2013-14	2014-15 (upto May,2014)
Total consideration received towards sale of flats	146898863	29264000
25% of taxable turnover	36724716	7316000
Tax @ 5%	1836236	365800
Tax Paid	1175056	148475
Balance	661180	217325

Accordingly a show cause notice in FORM VAT 305A dated:21-01-2020 was issued calling their objections on the above proposed tax in writing if any. Having received the show cause notice the dealers did not file reply. However, in the interest of natural justice, the dealers have been granted personal hearing on 24-02-2020 vide this office reference 6th cited and again on 28-02-2020 vide this office endorsement dated 25-02-2020. Since, the dealers have failed to attend personal hearing, the tax as proposed in the Show-cause notice is hereby confirmed as below:

2013-14

Rs.661180-00

2014-15 (Upto May,2014)

Rs.217325-00

Total tax payable **Rs.878505-00**

The amount of **Rs.8,78,505-00** shall be paid within 30 days of the receipt of this order. Failure to make the payment will result in recovery proceedings under the T VAT Act, 2005.

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.


29/02/2020
Deputy Commercial Tax Officer-II,
Maredpally Circle, Begumpet Division.