



**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: 18279

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: 36389317452

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:TVAT 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 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 **36389317452**, are registered dealers under TVAT 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 conducted VAT 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 period June,2014 to June,2017.

The dealers have reported turnovers of output / input in the monthly returns in Form VAT 200 for the period June,2014 to June,2017 are as under:

PURCHASES:

Particulars	2014-15 (June,14 to March,15)		2015-16		2016-17		2017-18 (Upto June,2017)	
	Turnover (Rs.)	Tax	Turnover (Rs.)	Tax	Turnover (Rs.)	Tax	Turnover (Rs.)	Tax
A)Non-creditable purchases	-	-	-	-	-	-	-	-
B)Creditable purchases	-	-	-	-	-	-	-	-
5% Rate	-	-	-	-	-	-	-	-
14.5% Rate	-	-	-	-	-	-	-	-
TOTAL	-	-	-	-	-	-	-	-

SALES:

Particulars	2014-15 (June,14 to March,15)		2015-16		2016-17		2017-18 (Upto June,2017)	
	Turnover (Rs.)	Tax	Turnover (Rs.)	Tax	Turnover (Rs.)	Tax	Turnover (Rs.)	Tax
B)Interstate Sales	-	-	-	-	-	-	-	-
C) Exports	-	-	-	-	-	-	-	-
D) VAT Sales	-	-	-	-	-	-	-	-
Exempt Sales	56716500	-	53606258	-	35722000	-	-	-

5% Rate	18905500	945275	17868753	893437	11995153	599757	-	
14.5% Rate	-	-	-	-	-	-	-	-
TOTAL	75622000	945275	71475011	893437	47717153	599757	0	0

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 TVAT Act, 2005 duly filing Form VAT 250 as required under Rule17(4)(b) of TVAT 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 noticed that, the sale consideration is more than the reported sales in the monthly VAT 200 returns except for the year 2015-16. As such, sales as in P & L account statement is adopted for the purpose of assessment.

Further, as seen from trial balance for the period 04/2017 to 06/2017, the dealers have received advances of Rs.10,08,120-00, the same is proposed to tax U/s 4(7)(d) of TVAT Act,2005 as the Rule 17(1)(c) and (i) have been omitted.

Thus, the dealers VAT liability is computed for the period June,2014 to June,2017 is as under:

Particulars	2014-15 (6/14 to 03/15)	2015-16	2016-17	2017-18 (Upto June,2017)
Total sale consideration received towards sale of Flats	118375000	53430000	50057000	1008120
(-)Being assessed separately under APVAT for 04/14 & 05/14.	(-)29264000	0	0	0

	89111000			
25% of taxable turnover	22277750	13357500	12514250	252030
Tax @ 5%	1113888	667875	625713	12602
Tax Paid	954475	948279	130046	0
Balance tax payable	159413	(+)280404	495667	12602

Year wise tax liability is abstracted as below:

2014-15 (06/2014 to 03/2015) Rs.1,59,413-00
2015-16 (+) Rs.2,80,404-00
2016-17 Rs.4,95,667-00
2017-18 (Upto June,17) Rs. 12,602-00
Total tax payable **Rs.3,87,278-00**

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:

2014-15 (06/2014 to 03/2015) Rs.1,59,413-00
2015-16 (+) Rs.2,80,404-00
2016-17 Rs.4,95,667-00
2017-18 (Upto June,17) Rs. 12,602-00
Total tax payable **Rs.3,87,278-00**

The amount of **Rs.3,87,278-00** 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