MODI PROPERTIES PVT. LTD. INWARD No. 559 Date 07/03/18 Sign. SEC'BAD

FORM VAT 305-A

GOVERNMENT OF TELANGANA
COMMERCIAL TAXES DEPARTMENT

NOTICE OF ASSESSMENT OF VALUE ADDED TAX

[See Rule 25 (5)]

01. Tax Office Address:
COMMERCIAL TAX OFFICE
Marredpally Circle
6TH FLOOR, PAVANI PRESTIGE
AMEERPET, HYDERABAD

Date	Month	Year
07	03	2018

02 TIN: 36607622962

03. Name: M/s Nilgiri Estates,
Address: 5-4-187, 3&4, 2nd Floor, Soham Mansion,
M. G. Road, Secunderabad.

Examination of your records by the undersigned on 07.02.2018 against the issue of VAT-304 dated 01.02.2018, the correct amounts of Value Added Tax have not been declared in the VAT returns listed below. Under the provisions of T VAT Act 2005 the following tax amounts are proposed to be assessed for the tax periods shown below:

Year	Particulars	Under declared tax	Total Due to Tax Department
2015-16	Sale of Flats	6423387	6423387
2016-17	Sale of Flats	15523550	15523550
2017-18	Sale of Flats	278100	2781100
		Total	**24728037**

Explanation:

M/s Nilgiri Estates, Secunderabad, is a registered dealer under VAT and on the rolls of Commercial Tax Officer, M. G. Road Circle. The assessee is doing business in Construction of Flats. They are filing monthly VAT Returns before Commercial Tax Officer, M. G. Road Circle and paying taxes due thereon on. The assessee are doing business with effect from 01.07.2015.

The Deputy Commissioner (CT), Begumpet Division, Hyderabad has issued authorization in Form ADM 1B to conduct audit. Accordingly the undersigned has issued Form VAT 304, dt. 01.02.2018 to produce the books of accounts for the years 2015-16 (from 01.07.2015) to 2017-18 (upto June' 2017), to verify the genuineness of the record maintained by them with reference to the VAT Returns filed.

The assessee have produced the financial statements for the years 2015-16, 2016-17 and 2017-18 (upto 06/2017)

2015-16 (from 01.07.2015):

Particulars	As per Returns	As per Books of accounts
Exempt Purchases	0	0
Exempt Sales	0	13994267
5% / 14.5 %	0	44319908

2016-17:

Particulars	As per Returns	As per Books of accounts
Exempt Purchases	0	0
Exempt Sales	37650000	45882415
5% / 14.5%	12550000	101058967
Tax payable	627500	15523550
Tax paid	110625	110625

2017-18 (upto 06/2017):

Particulars	As per Returns	As per Books of accounts
Exempt Purchases	0	0
Exempt Sales	23006250	8220000
5% / 14.5%	7668770	19180000
Tax payable	383439	2781100
Tax paid	383439	383439

The dealer is executing works contract in the nature of construction of Residential Apartments by entering in to a sale agreement for the total sale consideration. Subsequently they are executing the Sale Deed and Agreement of Construction. Hence, the dealer is paying tax on the 25% of the value of sale deeds along with value of respective additional works executed @ 5%.

Apart from the above, it is observed that as per Sec.4(7)(d) of the TVAT Act. Every dealer engaged in construction and selling of residential apartments, houses, buildings or commercial complexes may, in lieu of the amount of tax payable by him under clause (a) opt to pay tax by way of composition at the rate of 5% on twenty five percent of amount received or receivable towards the composite value of both land and building or the market value fixed therefore for the purpose of stamp duty, whichever is higher. As per G.O. Ms. No. 124, Revenue (CT-II) Dept., dt: 30.06.2017, The Rule 17(4) was amended, omitting clauses (e) and (i). This implies that the dealers are liable to pay tax on the consideration received.

As the assessee company has not opted to pay tax under composition by filing Form VAT 250, as per Rule 17 (2) (b), 17 (3) (c), 17 (4) (b) and 19 (5) of the TVAT Act. In the absence of the detailed books of accounts the assessee have been assessed to tax by allowing standard deductions under section 4 (7) (a) read with Rule 17 (1) (g).

Excerpts of Sec 4 (7) (a):

(7) Notwithstanding anything contained in the Act;-

a) Every dealer executing works contracts shall pay tax on the value of goods at the time of incorporation of such goods in the works executed at the rates applicable to the goods under the Act:

Provided that where accounts are not maintained to determine the correct value of goods at the time of incorporation, such dealer shall pay tax at the rate of 12.5% / 14.5% on the total consideration received or receivable subject to such deductions as may be prescribed.

Authorization for assessment:

The DC (CT), Begumpet Division, as authorized to assess the dealer vide ADM 1 C No. 20180306058032451898O2, Dt. 06.03.2018.

Total Tax payable	-	Rs. 24728037-00
Tax Paid along with return	-	Rs. 494064-00
Balance payable	-	Rs. 24233973-00

Tax payable by the Dealer to the Department Rs. 24233973-00

M/s Nilgiri Estates, Secunderabad, are requested to file their written objections if any, against the above proposal within (7) days from the date of receipt of this notice, failing which orders will be passed accordingly without any further notice in the matter.

Commercial Tax Officer,
Marredpally Circle.

To,
M/s Nilgiri Estates,
5-4-187, 3&4, 2nd Floor, Soham Mansion,
M.G.Road, Secunderabad