

AO22461



FORM VAT 305

**GOVERNMENT OF ANDHRA PRADESH
COMMERCIAL TAXES DEPARTMENT**

ASSESSMENT OF VALUE ADDED TAX

[See Rule 25 (5)]

01. Tax Office Address: CTO MG ROAD CIRCLE 3rd FLOOR, PAVANI PRESTIGE AMEERPET, HYDERABAD	Date	Month	Year
	31	03	2012
	02 TIN 28790571789		

03. Name	M/s SUMMIT BUILDERS Soham Mansion, MG Road, Secunderabad
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Upon examination of your records and the issue of VAT-305A on 16-12-2010 and served on 21-02-2011. The correct amount of VAT under the provisions of APVAT Act 2005 has been determined as follows :

*This is resulted from :

1. Your agreement at the time of visit on 22-03-2012
2. After consideration of your reply received in this office on 22-03-2012
3. You failure to respond to the notice issued on 26-03-2012

Tax Perid	Particulars Turnover	Tax found to be due	Tax declared	Under declared tax	Over declare d Tax	Pen alty	Inter est @ 1%	Total Due to Tax Depart ment
11/06 To 03/07	Output Tax	133422/-	--	133422/-	--	--	--	133422
Total amount due to Tax Department								133422/-

Explanation for the above proposal

They are dealers in execution of Civil Works Contracts i.e. sales of Independent Houses and Apartments. They opted to pay tax @ 1% under composition under Section 4 (7) (d) of AP VAT Act, 2005. On verification of the monthly returns filed by the dealer in Form VAT 200 for the tax periods November, 2006 to March, 2007 with reference to the information received by the undersigned from other State Government Department of Andhra Pradesh it is noticed that the dealer has failed to pay VAT Output Tax @ 4% & 12.5% on purchase of VAT goods from unregistered sources and TOT dealers. The dealer also failed to disclose certain VAT Output Turnovers and failed to pay VAT Output Tax which is legitimately due to the State.

*Received on
12/4/12*

As per Section 4 (7) (e) of AP VAT Act, 2005 any dealer having opted for composition under Section 4 (7) (b) (c) & (d) of AP VAT Act, 2005 purchases or receives any goods from outside the State or India or from any dealer other than a Value Added Tax dealer in the State and uses such goods in the execution of the Works Contracts, such dealer shall pay tax on such goods at the rates applicable to them under the Act and the value of such goods shall be excluded for the purpose of computation of turnover on which tax by way of composition at the rate of 4% is payable.

Verified the information received from other State Government Department of Andhra Pradesh with reference to the monthly returns filed by the dealer in Form VAT 200 for the tax periods November, 2006 to March, 2007 revealed that the assessee suppressed VAT Output Turnovers and failed to pay VAT Tax on purchase of 4% & 12.5% VAT goods purchased by them from unregistered sources and TOT dealers. Which were used by them in execution on civil works contract.

The details of suppressed VAT Output Turnovers and purchase of 4% & 12.5% VAT goods from unregistered sources and TOT dealers are as under.

As per the information received from other State Government Department of Andhra Pradesh it is noticed that during the tax periods April, 2006 to March, 2007 the assessee has received Works Contracts Receipts Consideration of Rs.4,06,13,611-00 and charges towards extra Civil Works executed by them, amounts received towards Car Parking and Service Tax Payments of Rs.48,47,751-00 i.e., total Rs.4,54,61,362-00. Hence, the average Works Contract Receipts Turnover of Rs.37,88,447-00 per month is taken into consideration and arrived total Works Contracts Receipts Turnover as Rs.1,89,42,235-00 (**Rs.4,54,61,362-00X5/12**) for the tax periods November, 2006 to March, 2007.

As against this Output Turnover of Rs.1,89,42,235-00 on filing of monthly returns in Form VAT 200 the assessee has reported only a turnover of Rs.1,66,70,300-00 from November, 2006 March, 2007. Thus, they short reported Works Contracts Receipts Turnover of Rs.22,71,935-00 on filing of monthly VAT returns and suppressed VAT Output Tax @ 1% Rs.22,719-00.

Hence, it is proposed to levy VAT Output Tax @ 1% Rs.22,719-00 on the short reported works contracts receipts consideration of Rs.22,71,935-00.

As per the information received in this office from other State Government Department of Andhra Pradesh it is noticed that during the year 2006-07 the assessee has made purchase of 4% & 12.5% VAT goods from unregistered sources for Rs.36,78,199-00. After considering the turnover proposed by the Deputy Commissioner(CT), Begumpet Division, Hyderabad on Revision for Rs.16,81,389-00 still there is purchase of VAT goods from unregistered sources for Rs.19,96,810-00. As against the same the dealer has furnished the bill wise purchase details of 4% & 12.5% VAT goods having purchased from unregistered sources only for Rs.6,51,903-00. Thus, they short disclosed unregistered purchases turnover for Rs.13,44,907-00. Hence, difference VAT Output Tax @ 3% Rs.40,347-00 is now proposed on this short reported purchase turnover of Rs. 13,44,907/- of 4% VAT goods treating the same as purchased from unregistered sources.

As per the purchase details furnished by the dealer for the tax periods November, 2006 to March, 2007 it is noticed that during this tax periods the assessee has purchased Tools, Bamboos, Iron & Steel, Consumables, Hardware and Coal valued Rs.54,269-00 and Doors, Windows, Water Proofing Chemical, Electrical Goods, Sanitary Goods valued Rs.5,97,634-00 on which the dealer failed to pay VAT Tax @ 4% & 12.5% as required under Section 4 (7) (e) of AP VAT Act, 2005.

Hence, it is proposed to levy Difference VAT Tax @ 3% & 11.5% on the purchase value of 4% & 12.5% VAT goods purchased from unregistered sources for the tax periods November, 2006 to March, 2007 as under.

Tax period	4% VAT goods	Purchase Turnover	12.5% VAT goods	Purchase Turnover
Nov, 06	Tools, Bamboos and Iron & Steel.	36901	Doors, Windows.	14423
Dec, 06	Hardware.	1980	Water Proofing Chemical, Electrical Goods.	332204
Jan, 07	Consumables, Coal.	10323	Sanitary Goods, Electrical Goods..	163507
Feb, 07	Consumables.	1200	-----	
Mar, 07	Tools and Consumables.	3865	Water Proofing Chemical.	87500
Total Rs.		54269		597634

As the dealer failed to pay VAT Tax on purchase value of above 4% & 12.5% VAT goods purchased from other than registered VAT dealers of A.P. it is proposed to levy difference VAT Tax @ 3% Rs.1,628-00 on the purchase value of 4% VAT goods of Rs.54,269-00 and difference VAT Tax @ 11.5% Rs.68,728-00 on the purchase value of 12.5% VAT goods of Rs.5,97,634-00.

Thus, the dealer under declared VAT Output Tax of Rs.70,356-00 on purchase of above 4% & 12.5% VAT goods from unregistered sources.

Hence, VAT Output Tax of Rs.1,10,703-00 (Rs.40,347-00+ Rs.70,356-00=Rs.1,10,703-00) is now proposed.

Thus, the dealers filed incorrect monthly returns in Form VAT 200 for the tax periods November, 2006 to March, 2007 and suppressed the VAT Output Turnovers of works contracts receipts consideration and resultant VAT Output Tax on works contracts receipts and also suppressed VAT Output Tax on purchase of goods from unregistered sources.

As such the monthly VAT returns filed by the dealer are incorrect. Hence, they are rejected and VAT Tax is proposed as under.

(I).Under declaration of VAT Output Tax of Rs.1,33,422-00 for the Tax Periods November, 2006 to March, 2007:

As per the information received from other State Government Department of Andhra Pradesh it is noticed that during the tax periods April, 2006 to March, 2007 the assessee has received Works Contracts Receipts Consideration of Rs.4,54,61,362-00 including charges for extra Civil Works, charges for Car Parking and Service Tax Payments and the details are as under. Hence, the average Works Contracts Receipts Consideration per month is arrived as Rs.37,88,447-00 **(Rs.4,06,13,611-00+Rs.48,47,751-00=Rs.4,54,61,362-00 x 5/12)** and the total turnover for the tax periods November, 2006 to March, 2007 is proposed as Rs.1,89,42,235-00.

A).Total works Contracts Receipts on sale of Flats / Independent Houses during April 2006 to March, 07	Rs.4,06,13,611-00
B).Add receipts for extra works rendered / Service Tax Payments / Amount Received For Car Parking during April 2006 to March, 07	Rs. 48,47,751-00
C).Total Receipts during the Year 2006 - 07	Rs. 4,54,61,362-00
D) Less Works Contracts Receipts Turnover disclosed in monthly VAT 200 Returns for April, 06 to October, 06 Rs.2,10,19,500-00 And Rs.1,66,70,300-00 for November 06 to March 07	Rs. 2,10,19,500-00
E) Works contract consideration not reported	Rs: 77,71,562-00
F) Works contracts consideration already Proposed by DC(CT), Begumpet on revision	Rs. 54,99,627-00
G) .Average turnover per month proposed (Rs.4,54,61,362-00x5/12)	Rs. 37,88,447-00
H).Works contract receipt turnover proposed For Nov 06 to Mar 07	Rs: 1,89,42,235-00
I). Works Contracts Receipts Turnover short reported on which tax is now proposed	Rs. 22,71,935-00
J).VAT Tax proposed @ 1% on the above turnover	Rs. 22,719-00
K).Difference VAT Tax @ 3% & 11.5% proposed On purchase of VAT goods from unregistered Sources.	Rs. 1,10,703-00

Total VAT Output Tax Now proposed Rs. 1,33,422-00

Thus, the dealer has under declared VAT Output Tax of Rs.1,33,422-00. Hence, now the same is proposed.

From the foregoing it indicates that the dealer has committed an offence under the provisions of AP VAT Act, 2005 and the penalty proceedings and interest @ 1% pm as per the provisions of AP VAT Act, 2005 will be issued separately.

Accordingly a VAT-305A is issued and served to them for calling their objections. In response to the notice, the assessee has neither filed nor appeared before the undersigned against the proposed turnovers. The undersigned given an opportunity for personal hearing on or before 22-03-2012, in response to the hearing notice, the assessee appeared and requested further 30 days time to file documentary evidences as their authorized person has resigned. Again the undersigned has given time only (3) days i.e. 26-03-2012 but they have failed to produce the evidences. Under these circumstances, the assessing authority has no other alternate option except to pass the order in VAT-305. Hence order passed.

Tax Perid	Particulars Turnover	Tax found to be due	Tax declared	Under declared tax	Over declare d Tax	Pen alty	Inter est @ 1%	Total Due to Tax Depart ment
11/06 To 03/07	Output Tax	133422/-	--	133422/-	--	--	--	133422

- a) The amount of Rs 1,33,422/- shall be paid within (30) days of receipt of this order. Failure to make the payment will result in recovery proceedings under the APVAT Act 2005.
- b) Your refund claim is reduced to Rs NIL and this amount will be refunded to you.

THE PROOF OF PAYMENT OF THE AMOUNT SPECIFIED AT 'A' ABOVE TOGETHER WITH DUPLICATE COPY OF THIS ORDER AND PAYMENT BOXES COMPLETED SHALL BE SUBMITTED WITHIN THE SPECIFIED TIME LIMIT.

An appeal order against this order can be filed before the Appellate Deputy Commissioner within 30 days of receipt of this order.

COMMERCIAL TAX OFFICER,
MG ROAD CIRCLE
COMMERCIAL TAX OFFICER
M.G. ROAD CIRCLE, SEC, BAD

ON DUPLICATE COPY OF THE ORDER
PAYMENT DETAILS

Challan / Inst. No	Date	Bank / Treasury Bank Code	Amount