

AAO. NO. 48418

GOVERNMENT OF TELANGANA  
COMMERCIAL TAXES DEPARTMENT

**ASSESSMENT OF VALUE ADDED TAX**  
{See Rule 25 (5)}



FORM VAT 305

Date Month Year

17 12 2018

01. Tax Office Address:  
Commercial Tax Officer,  
M.G.Road-S.D. Road Circle,  
4<sup>th</sup> Floor, Pavani Prestige,  
Ameerpet, Hyderabad.

02. TIN 3 6 7 9 0 5 7 1 7 8 9

03. Name : M/s. Summit Builders

Address : 5/4/187/3 and 4, M.G.Road, Soham Mansion, Secunderabad – 500 003.

Examination of your records by the undersigned on 29.08.2018 and 05.09.2018 against the issue of VAT-304 dated 08.02.2018.

**Explanation:**

M/s. Summit Builders, Secunderabad, is a registered dealer under VAT and on the rolls of Commercial Tax Officer, M.G.Road-S.D.Road Circle. The assessee is doing business in works contract. They are filing monthly VAT Returns before Commercial Tax Officer, M.G.Road-S.D.Road Circle and paying taxes due thereon @ 14.5% under Non-composition after deducting Standard deductions @ 30%.

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. 08.02.2018 to produce the books of accounts for the years 2013-14 to 2017-18 (Upto June 2017), to verify the genuineness of the record maintained by them with reference to the VAT Returns filed.

The books of accounts produced by the dealers are verified with the following results:

**2013-14:**

| Particulars       | As per Returns     | As per Books of accounts                             |
|-------------------|--------------------|------------------------------------------------------|
| <b>Purchases:</b> |                    |                                                      |
| Exempt Purchases  | 2004600.00         |                                                      |
| 1%                | 416375.00          |                                                      |
| 5%                | 1836815.00         |                                                      |
| 14.5%             | 1599451.00         |                                                      |
| <b>Total</b>      | <b>5857241.00</b>  | <b>10323360.00</b><br><b>(Construction Expenses)</b> |
| <b>Sales:</b>     |                    |                                                      |
| Exempt Sales      | 3348751.00         |                                                      |
| 5%                | -                  |                                                      |
| 14.5%             | 7813750.00         |                                                      |
| <b>Total</b>      | <b>11162500.00</b> | <b>11162500.00</b><br><b>(Contract Receipts)</b>     |

**2014-15:**

| Particulars                            | As per Returns    | As per Books of accounts                            |
|----------------------------------------|-------------------|-----------------------------------------------------|
| <b>Purchases:</b>                      |                   |                                                     |
| Exempt Purchases                       | 661971.00         |                                                     |
| 1%                                     | 0.00              |                                                     |
| 5%                                     | 600053.00         |                                                     |
| 14.5%                                  | 1370456.00        |                                                     |
| <b>Total</b>                           | <b>2632480.00</b> | <b>6001081.00</b><br><b>(Construction Expenses)</b> |
| <b>Sales:</b>                          |                   |                                                     |
| Exempt Sales (April 2014 & May 2014)   | 529950.00         |                                                     |
| Exempt Sales (June 2014 to March 2015) | 1121978.00        |                                                     |
| 5%                                     | 0.00              |                                                     |
| 14.5%<br>(April 2014 & May'2014)       | 1236550.00        |                                                     |
| 14.5%<br>(June 2014 to March'2015)     | 2617948.00        |                                                     |
| <b>Total</b>                           | <b>5506426.00</b> | <b>6539336.00</b><br><b>(Contract Receipts)</b>     |

**2015-16:**

| Particulars       | As per Returns  | As per Books of accounts                           |
|-------------------|-----------------|----------------------------------------------------|
| <b>Purchases:</b> |                 |                                                    |
| Exempt Purchases  | 22433.00        |                                                    |
| 1%                | 443.00          |                                                    |
| 5%                | 7002.00         |                                                    |
| 14.5%             | 69767.00        |                                                    |
| <b>Total</b>      | <b>99645.00</b> | <b>506947.00</b><br><b>(Construction Expenses)</b> |

|               |                  |                                         |
|---------------|------------------|-----------------------------------------|
| <b>Sales:</b> |                  |                                         |
| Exempt Sales  | 81290.00.00      |                                         |
| 5%            | -                |                                         |
| 14.5%         | 189677.00        |                                         |
| <b>Total</b>  | <b>270967.00</b> | <b>582989.00</b><br>(Contract Receipts) |

**2016-17:**

| Particulars | As per Returns | As per Books of accounts |
|-------------|----------------|--------------------------|
|             | Purchases Nil  |                          |
|             | Sales Nil      |                          |

**2017-18 (Upto June 2017):**

| Particulars | As per Returns | As per Books of accounts |
|-------------|----------------|--------------------------|
|             | Purchases Nil  |                          |
|             | Sales Nil      |                          |

**Authorization for Assessment:**

The DC (CT), Begumpet Division, has authorized to assess the dealer vide ADM 1 C No. 2018090605804095193702, Dt. 06.09.2018.

The assessee are under Non Composition and paying taxes @ 14.5% on the total receipts received from M/s. Modi Builders, Secunderabad and paying taxes @ 14.5% after deducting the Standard deductions @ 30% is as under

| Particulars               | 2013-14          | 2014-15          | 2015-16         |
|---------------------------|------------------|------------------|-----------------|
| Contractal Receipts       | 11162500.00      | 6539336.00       | 582989.00       |
| Standard Deductions @ 30% | 3348750.00       | 1961801.00       | 174897.00       |
| Net Taxable Turnover      | 7813750.00       | 4577535.00       | 408092.00       |
| Tax levied @ 14.5%        | 1132994.00       | 663742.00        | 59173.00        |
| Tax Paid                  | 810960.00        | 363778.00        | 0.00            |
| <b>VAT payable</b>        | <b>322034.00</b> | <b>299964.00</b> | <b>59173.00</b> |

| <u>Year</u>  | <u>Tax Payable</u>     |
|--------------|------------------------|
| 2013-14      | Rs. 3,22,034.00        |
| 2014-15      | Rs. 2,99,964.00        |
| 2015-16      | Rs. 59,173.00          |
| <b>Total</b> | <b>Rs. 6,81,171.00</b> |

**Total Tax due to the Department - Rs. 6,81,171.00**

Accordingly a show cause notice in Form VAT 305A dt: 14.09-2018 was issued and served on 19.09.2018 inviting their written objections, if any, against the proposed assessment and levy of tax. In response to the show cause notice, the dealers have filed letter dt: 24.10.2018 and have requested (15) days time for submitting the objections. Accordingly the time was granted, even after availing the opportunity provided, the dealers have neither produced any information nor filed any objections till date. Hence, it is construed that they do not having any objections to the turnovers and tax proposed in the show cause notice.

The tax paid by dealer for which the Challans were not updated in VATIS and vary when compared to DCB with actual payments. The details of payments are as follows:

**2013-14:**

| S No | Tax Period   | Amount in Rs.      | Challan | Date       |
|------|--------------|--------------------|---------|------------|
| 1    | 06/2013      | 8059.00            | 707759  | 23.07.2013 |
| 2    | 01/2014      | 60,339.00          | 504097  | 22.02.2014 |
| 3    | 03/2014      | 2,15,875.00        | 687329  | 09.06.2014 |
|      | <b>TOTAL</b> | <b>2,84,273.00</b> |         |            |

**2014-15:**

| S No | Tax Period | Amount in Rs. | Challan | Date       |
|------|------------|---------------|---------|------------|
| 1    | 04/2014    | 72,789.00     | 692357  | 16.06.2014 |

In view of the above, the turnovers and tax proposed in the show cause notice are hereby confirmed.

The amount of **Rs. 6,81,171-00** shall be paid within (30) days from the date of receipt of this order. Failure to make the payment will result in recovery proceedings.

An appeal against this order can be filed before the Appellate Dy. Commissioner (CT) Punjagutta within (30) days of receipt of this order.

To,  
M/s. Summit Builders,  
5/4/187/3 and 4,  
M.G.Road, Soham Mansion,  
Secunderabad - 500 003.

  
Commercial Tax Officer, 17/12/2018  
M.G.Road-S.D.Road Circle,  
Hyderabad.  
**Assistant Commissioner (ST)**  
**M.G. Road - S.D. Road Circle,**  
**Jugumpet Division, Hyderabad.**