

FORM APP 400
FORM OF APPEAL UNDER SECTION 31

[See Rule 38(2)(a)]

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| 1. | Appeal Office Address | :The Appellate Dy. Commissioner(CT)
Punjagutta Division, Hyderabad |
| 2. | TIN/GRN | :28790571789 |
| 3. | Name & Address | :M/s.Summit Builders,
D.No.5-4-187/3&4, Soham Mansion,
M.G. Road, Secunderabad. |
| 4. | I wish to appeal the following decision /
assessment received from the tax office on | :06/07/2012 |
| 5. | Date of filing of appeal | : /08/2012 |
| 6. | Reasons for delay (if applicable enclose a
separate sheet | :Not Applicable |
| 7. | Tax Period / Tax Periods | :04/07 to 03/08/VAT |
| 8. | Tax Office decision / assessment Order No. | :Assessment of Value Added Tax
(Form VAT 305) order dt.28/06/2012 passed
by CTO, M.G. Road Circle, Secunderabad. |
| 9. | Grounds of the appeal (use separate sheet
if space is insufficient | : Separately Enclosed |
| 10. | If turnover is disputed | |
| | a) Disputed turnover | : NIL |
| | b) Tax on the disputed turnover | : Rs.2,73,950/- |
| | If rate of tax is disputed | |
| | a) Turnover involved | : NIL |
| | b) Amount of tax disputed | : NIL |
| 11. | 12.5% of the above disputed tax paid | : Rs.34,244/- |
| | <u>Note:</u> Any other relief claimed | : Other grounds that may be urged at the
time of hearing. |

**GOVERNMENT OF ANDHRA PRADESH
COMMERICAL TAXES DEPARTMENT**



Office of the
Commercial Tax Officer,
M.G.Road Circle,
Begumpet Division, Hyderabad.

TIN : 28790571789

Dt.19-03-2012.

**SHOW CAUSE NOTICE UNDER VAT FOR THE TAX PERIODS
APRIL, 2007 TO MARCH, 2008.**

Sub:- AP VAT Act, 2005 – M/s.Summit Builders – Assesseees on the rolls of Commercial Tax Officer, M.G. Road Circle, Begumpet Division – Filing of monthly returns in Form VAT 200 for the tax periods APRIL 2007 to March 2008 – Information received from other State Government Department of Andhra Pradesh – Suppression of VAT Output Tax – Noticed – Proposal of levy of VAT Output Tax on purchase of VAT goods from unregistered sources and proposal of levy of VAT Output Tax on suppressed VAT Output Turnovers – Show Cause Notice issued – Written objections called for – Regarding.

Ref:- 1). Monthly returns filed by M/s.Summit Builders in Form VAT 200 for the tax periods Nov, 06 to March, 07.

M/s.Summit Builders, D.No.5-4-187/3 & 4, Soham Mansion, Secunderabad are registered Dealers under the provisions of AP VAT Act, 2005 with TIN 28790571789 and assesseees on the rolls of Commercial Tax Officer, M.G. Road Circle, Begumpet Division, Hyderabad.

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 April 2007 to March 2008 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.

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 April 2007 to March 2008 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 2007 to March 2008 the assessee has received Works Contracts Receipts Consideration of Rs.2,87,29,625-00 and charges towards extra Civil Works executed by them, amounts received towards Car Parking and Service Tax Payments of Rs.20,07,674-00 i.e., total Rs.3,07,37,299-00.

As against this Output Turnover of Rs.3,03,11,272-00 on filing of monthly returns in Form VAT 200 the assessee has reported only a turnover of Rs. 44,13,225/- from April 2007 to March 2008. Thus, there is a suppressed turnover liable to tax Rs 2,58,98,047/-, on this 25% of taxable turnover is liable as per the provisions of APVAT Act and tax worked out to Rs 2,58,980/-.

Hence, it is proposed to levy VAT Output Tax @ 1% Rs.2,58,980/- on the short reported works contracts receipts consideration of Rs.2,58,98,047-00.

As per the information received in this office from other State Government Department of Andhra Pradesh it is noticed that during the year 2007-08 the assessee has made purchase of 4% & 12.5% VAT goods from unregistered sources for Rs.4,26,027-00 but whereas they reported only Rs 51,766/- in their VAT Returns. Hence differential turnover of Rs 3,74,261/- is propose to levy @ 4%, tax worked out to Rs 14,970/-

Thus, the dealer under declared VAT Output Tax of Rs.14,970-00 on purchase of above 4% & 12.5% VAT goods from unregistered sources.

Hence, VAT Output Tax of Rs. 2,73,950-00 (Rs. 2,58,980/- + Rs. 14,970/- → Rs.2,73,950/-) is now proposed.

Thus, the dealers filed incorrect monthly returns in Form VAT 200 for the tax periods April 2007 to March 2008 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.2,73,950-00 for the Tax Periods April 2007 to March 2008:

As per the information received from other State Government Department of Andhra Pradesh it is noticed that during the tax periods April, 2007 to March 2008 the assessee has received Works Contracts Receipts Consideration of Rs.3,07,37,299-00 including charges for extra Civil Works, charges for Car Parking and Service Tax Payments excluding of Purchases of Rs 4,26,027/- and the details are as under.

Total works Contracts Receipts on sale of Flats / Independent Houses during April 2007 to March 08	Rs. 2,87,29,625-00
Add receipts for extra works rendered / Service Tax Payments / Amount Received For Car Parking during April 2007 to March 2008	Rs. 20,07,674-00
Total Receipts during the Year 2007-08	Rs. 3,07,37,299-00
Less : Purchases liable to tax under Sec-4(7)(e)	Rs 4,26,027-00
Total turnover	Rs 3,03,11,272-00
Less : Reported turnover	Rs 44,13,225-00
Suppressed Turnover liable to tax	Rs 2,58,98,047-00
25% taxable turnover under section 4(7)(d)	Rs 64,74,511-00
VAT @ 4.5%	Rs 2,58,980-00

Purchase turnover (Sand, Metal, Brick statement is enclosed)	Rs	4,26,027-00
Less : Turnover reported in VAT>Returns	Rs	51,766-00
Balance Turnover liable to tax under section 4(7)(e)	Rs	3,74,261-00
VAT @ 4%	Rs	14,970-00
TOTAL VAT OUTPUT TAX DUE	Rs	2,73,950-00

Thus the dealer has under declared VAT Output Tax of Rs 2,73,950/-. Hence the same is proposed under Rule 21(5) of APVAT Rules 2005.

Further the dealer is liable to pay interest @ 1% on the under declared VAT Input Tax for the period of delay. Separate proceedings to this effect will be issued.

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

Hence, M/s. Summit Builders, Soham Mansion, M.G. Road, Secunderabad are hereby requested to file their written objections if any along with documentary evidence within (7) days from the date of receipt of this Show Cause Notice failing which Orders will be passed accordingly without any further notice in the matter.

Commercial Tax Officer, 19-3-2012
M.G.Road Circle,
Begumpet Division, Hyderabad.
COMMERCIAL TAX OFFICER
M.G. ROAD CIRCLE, SEC, BAD

To
M/s.Summit Builders, Soham Mansion, M.G. Road, Secunderabad.