

To,
The Commercial Tax Officer,
M.G. Road Circle,
Ameerpet, Hyderabad.

Sir,

Date: 5th June 2014



Sub: APVAT Act'2005 - M/s.Modi & Modi Constructions, Ranigunj, Secunderabad – Notice of Assessment of Value Added Tax in Form VAT 305A for the assessment years 2010-11, 2011-12, 2012-13 and 2013-14 (upto December, 2013) - Objections called for-Replies filed Reg.

Ref: 1) Notice of Assessment in form VAT 305A dated 18-03-2014.
2) Our letter dated 27/03/2014 requesting time.
3) Our letter dated 20th April 2014 – SCN Reply.

In continuation of the same, we make the following further objections:-

- 1) We submit that we are issued show cause notice of assessment dated 18/03/2014 for the years 2010-11, 2011-12, 2012-13 and 2013-14 (upto December, 2013) proposing levy of VAT @ 4% / 5% on the total contractual receipts of the said years under Section 4(7) (b) of the Act against our payment of tax @ 1%/ 1.25% under Sec. 4(7) (d) of the Act. We request to kindly consider our objections on the following grounds:-
- 2) You have adopted a Gross Turnover Inclusive of land value Rs.22,89,67,612/- as our receipts during the year 2010-11, 2011-12, 2012-13 & 2013-14(Up to Dec'13), and proposed levy of tax @ 4%. We submit that we have declared after discount and less Land Value is a turnover of Rs.3,50,89,600 for the year 2010-11, Rs. 3,56,86,894/- for the year 2011-12, Rs. 2,96,52,080/- for the year 2012-13 and Rs. 93,09,604/-for the year 2013-14 (up to Dec'2013), paid VAT @ 1% ^{1.25%} under composition under Sec. 4 (7) (d) of the APVAT Act, 2005 based on the declared in Income Tax Returns done during the respective periods. In the notice of assessment for the year 2010-11, 2011-12, 2012-13 & 2013-14(Up to Dec'13),
- 3) We have computed tax liability for the period 2010-11, 2011-12, 2012-13 & 2013-14(Up to Dec'13) under works contract services, composition scheme. Details of receipts during the said period and computation of tax liability is attached herein. Receipts were first appropriated towards
 - a. Sale deed.
 - b. Then towards the agreement of construction.
 - c. Towards additions and alternations and
 - d. Finally towards VAT, Service tax, stamp duty, registration charges, excess consideration received etc.



The receipts under the following heads were excluded for computation of taxable amount under work contract services:

- e. Receipts towards value of sale deed.
- f. Receipts towards payment of VAT, service tax, stamp duty and registration charges that were remitted to the government wither in advance or on a later date.
- g. Receipts that are in excess of the agreed sale consideration which were refunded or liable to refunded to the purchaser.
- h. Receipts towards the other charges like corpus fund, maintenance charges, electricity charges, etc received on behalf of the Owners Association or the electricity department which were paid to them in advance or on a later date.

Turnover declared in IT Returns at the time of position given to customer as per IT Act. Accordingly, the taxable amount under works contract services with composition was computed statement enclosed.

We request to kindly adopt the above turnover and levy VAT @1% only. In case you proceed further we request you to kindly provide us as opportunity of personal hearing to explain our case in detail with statements of turnovers

Thanking you,

Yours faithfully,

For **MODI & MODI CONSTRUCTIONS.**


(SOHAM MODI)
Managing Partner

Enclosures: As above