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सीमाशुल्क, केंद्रीय उत्पाद शुल्क व सेवा कर आयुक्त का कार्यालय
OFFICE OF THE COMMISSIONER OF CUSTOMS, CENTRAL EXCISE & SERVICE TAX
हैदराबाद II आयुक्तालय HYDERABAAD II COMMISSIONERATE
11-5-423/1/A:: सीताराम प्रसाद टावर:: रेड हिलस:: हैदराबाद - 4
SITARAM PRASAD TOWERS:: RED HILLS:: HYDERABAD- 4

C.No: IV/16/195/2011-ST.Gr.X

Dt.02.12.2013

SHOW CAUSE NOTICE

Sub::Service Tax - Non-Payment of Service Tax on Taxable Services rendered by M/s. Paramount Builders- Issue of Show Cause Notice - Regarding.

M/s. Paramount Builders, #5-4-187/3 & 4, II Floor, Soham Mansion, MG Road, Secunderabad-500 003 (here-in-after referred as "**M/s Paramount**" or "**the assessee(s)**") are engaged in providing "**Works Contract Service**". The assessee is a registered partnership firm and got themselves registered with the department vide **Service Tax Registration Number AAHFP4040NST001**.

2. As seen from the records, the assessee entered into 1) a sale deed for sale of undivided portion of land together with semi finished portion of the flat and 2) an agreement for construction, with their customers. On execution of the sale deed the right in a property got transferred to the customer, hence the construction service rendered by the assessee thereafter to their customers under agreement of construction are taxable under Service tax as there exists service provider and receiver relationship between them. As there involved the transfer of property in goods in execution of the said construction agreements, it appears that the services rendered by them after execution of sale deed against agreements of construction to each of their customers to whom the land was already sold **are taxable services under "Works Contract Service"**.

that the grounds relied upon for the subsequent period are same as are mentioned in the earlier notices.

6. The grounds and legal position as explained in the show cause-cum-demand notices issued except the Point of Taxation Rules, 2011 are equally applicable to the present case; hence this statement of demand/show cause notice is issued in terms of **Section 73 (1A)** of the **Finance Act, 1994** for the period from **January, 2012 to June, 2012**.

7. In view of the above, **M/s Paramount Builders, Hyderabad**, are hereby required to show cause to the **Assistant Commissioner of Customs, Central Excise & Service Tax, Hyderabad-II Commissionerate, 1st Floor, D.No. 11-5-423/1/A, Sitaram Prasad Towers, Red Hills, Hyderabad - 500 004**, within **30 (thirty) days** of receipt of this Notice as to why:-

- (i) an amount of **Rs. 2,92,477/- (Rupees Two Lakhs Ninety Two Thousand Four Hundred and Seventy Seven only)** including Cesses should not be demanded on the **"works contract"** services rendered by them during the period from **January, 2012 to June, 2012** and an amount paid vide vide Challans listed in the assessee's letters dated 22-07-2012 and 08-04-2013 of **Rs. 2,28,155/-** should not be adjusted against the above demand;
- (ii) Interest should not be demanded under **Section 75 of the Finance Act 1994**;
- (iii) Penalty should not be imposed on them under **Section 76 of the Finance Act**; and
- (iv) Penalty should not be imposed on them under **Section 77 of the Finance Act, 1994**.

8. **M/s. Paramount Builders, Hyderabad** at the time of showing cause as above are required to produce all the evidence upon which they intend to rely in their defence. They are also required to indicate in their written reply whether they wish to be heard in person before the case is adjudicated. If no cause is shown against the action proposed to be taken within the stipulated time or having desired a hearing if they do not appear for the personal hearing on the appointed day & time, the case will be decided on merits, basing on the material/evidence available on record.

9. The assessee filed their ST-3 return for the period October, 2011 to March, 2012 on 4-6-2012 and hence, **the due date for issue of this SCN is 3-12-2013**.