

Date : 6th April 2018

To
The Deputy Commercial Tax Officer
Maredpally Circle
Begumpet Division,
Pavani Prestige, Ameerpet
Hyderabad – 500016

Sub: TVAT Act, 2005-M/s Nilgiri Estates, M G Road, Secunderabad-Notice of assessment in Form VAT 305 A –Reply – Reg.

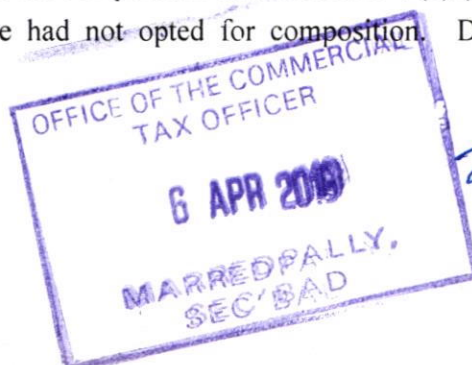
Ref: Your Notification Form VAT 304 dated 06.02.2018
Our letter dated 6th February 2018 for submission of documents
CTO, Maredpally Circle, notice in Form VAT 305A dated 07/03/2018.
Our letter dated 13th March 2018 – Requesting time.

Dear Sir,

We submit that we are in receipt of the notice of assessment of VAT in form VAT 305A dated 7.3.2018 issued under the provisions of the TVAT Act, 2005 (for short Act) for the period from July'15 to Jun'17 proposing to demand tax of Rs.2,42,33,973. We request to kindly consider our objections on the following grounds:-

We are registered VAT dealer on the rolls of the CTO, MG Road Circle, Hyderabad. We have commenced business with effect from 1.7.2015. We are engaged in the business of constructing and selling villas. It has been observed in the notice that we have not opted to pay tax under composition scheme and that therefore we have to pay tax under Section 4 (7) (a) of the Act read with Rule 17 (1) (g) of the VAT Rules. GO Ms. No.124 Revenue dated 30.6.2017 has also been mentioned by stating that we have to pay tax on the consideration received. Accordingly tax of Rs.2,47,28,037 has been proposed to be levied.

At the outset we submit that computation for arriving at the above tax due has not been mentioned in the notice. Be that as it may, we submit that at the time of commencement of business, we had filed form VAT 250 manually in the office of the CTO, MG Road Circle opting for composition under Section 4 (7) (d) of the Act and we are not able to trace the acknowledged copy due to the concerned Accounts employees leaving the firm. In support of this averment, we submit that we had not claimed any Input Tax Credit in the returns filed by us. We have paid VAT @ 1.25% at the time of registration of villas. These two points speak to the fact that we had opted for composition under Section 4 (7) (d) of the Act. Hence it is not correct to state that we had not opted for composition. During the period of



Nilgiri Estates

5-4-187/3&4, II floor, MG Road,
Secunderabad – 500 003.
Phone: +91-40-66335551

assessment we sold and registered the villas. The following is the sale consideration received by us on such registration.

2015-16	Rs.	NILL
2016-17	Rs.	5,00,50,000
2017-18 (Up to 30 th Jun'17)	Rs.	2,74,00,000
Total	Rs.	7,74,50,000

We have paid VAT of Rs.9,70,001 and not Rs.4,94,064 mentioned in the notice.

During the assessment period, we have received the following revenue, including the above amounts:-

2015-16	Rs.	8,64,99,344
2016-17	Rs.	15,13,45,014
2017-18 (Up to 30 th Jun'17)	Rs.	3,54,78,359
Total	Rs.	27,33,22,717

During the assessment period, we have received the following revenue, including the above amounts. Construction works not yet started.

2016-17	Rs.	8,16,85,503
2017-18 (Up to 30 th Jun'17)	Rs.	3,13,23,052
Total	Rs.	11,30,00,555

Without prejudice to the above we submit that we have maintained detailed accounts and all kinds of required information could be easily culled out from the books of account. In the event of levy of tax under Section 4 (7) (a) of the Act, we shall automatically become eligible for Input Tax Credit. This is submitted only as an alternative contention, as we have filed form VAT 250.

We request to kindly consider these objections and drop the proposed levy. We also request to afford us an opportunity of personal hearing before conclusion of the proceedings.

Kindly acknowledge for the same

Thanking You,

Yours faithfully
For NILGIRI ESTATES


Authorised Signatory