

AO 11030



GOVERNMENT OF TELANGANA
COMMERCIAL TAXES DEPARTMENT

FORM: VAT 305

ASSESSMENT OF VALUE ADDED TAX

[See Rule 25(5)]

Tax Office Address:
Asst. Commissioner (CT)Int. LTU,
O/o The Deputy Commissioner(CT),
Begumpet Division, 6 th floor,
Pavani Prestige, Ameerpet, Hyderabad-500 016

Date Month Year

06	03	2019
----	----	------

TIN	3	6	2	9	2	1	9	2	9	0	3
-----	---	---	---	---	---	---	---	---	---	---	---

Name : M/s.Vista Homes

Address : 5-4-187/3 & 4 , 2nd floor, Soham Mansion, MG Road, Secunderabad - 500003

Sub:- TG VAT Act – M/s.Vista Homes - VAT Audit for the tax period 2013-14 to 2017-18 (upto June 2017) – Notice in VAT 304 issued – Records produced – Show cause notice Issued – Objections called for – Objections filed – verified the contents – final assessment orders passed - Reg.

- Ref:-
- 1) This office notice issued in Form VAT 304 dt:02-02-2018
 - 2) Records produced by the dealers 6-2-2018
 - 3) DC(CT)Begumpet Divn, Authorization for assessment
ADM IC No.2019030505864065189602,dt.5-3-2019
 - 4) This office show cause notice in form vAT 305 A dt. 5-3-2019
 - 5) Objections filed by the dealers vide letter dt. 6-3-2019

M/s.Vista Homes, Secunderabad are registered dealers under the TVAT Act 2005 bearing TIN No. 36292192903 and assesses on the rolls of CTO MG Road circle, Begumpet Division. They are registered as works contractors, & cement, iron & steel, bricks etc goods. They have filed monthly VAT returns in form VAT 200 and CST VI returns.

Authorisation for Audit and conducting Audit:

The Dy. Commissioner (CT) Begumpet authorized Asst. Commissioner (CT) LTU Begumpet Divn, to conduct VAT audit . Accordingly a notice in form VAT 304 dt. 2-2-2018 was issued and served on the dealers. In response to the notice issued, the dealers have appeared and produced the records for the year 2013-14 to 2017-18 (upto June 2017). The records produced were verified with reference to the turnovers reported in VAT returns. They have produced following records for the year 2013-14 to 2017-18 (upto June 2017) as under:

1. Xerox copies of Income Tax returns
2. Xerox copy of Form 250
3. Xerox copies of VAT registration certificate
4. Duly signed copy of Statement of receipts

The turnovers as per VAT returns for the year 2013-14 as under:

I. PURCHASE TURNOVERS:

a. Non creditable purchases	Rs. nil	ITC	Rs. nil
b. 5% purchases	Rs. nil	ITC	Rs. nil
c. 14.5% purchases	Rs. nil	ITC	Rs. nil
	-----		-----
TOTAL PURCHASES	Rs. nil		Rs. nil
	-----		-----

II. SALES TURNOVERS:

a. Exempted sales	Rs. 1748663	Tax	Rs. nil
b. CST sales	Rs. nil	Tax	Rs. nil
c. 5% VAT sales	Rs. 582888	Tax	Rs. 29144
d. 14.5% sales	Rs. nil	Tax	Rs. nil
	-----		-----
TOTAL SALES	Rs. 2331551		Rs. 29144
	-----		-----

The turnovers as per VAT returns for the year 20014-15 as under:

I. PURCHASE TURNOVERS:

a. Non creditable purchases	Rs. nil	ITC	Rs. nil
b. 5% purchases	Rs. nil	ITC	Rs. nil
c. 14.5% purchases	Rs. nil	ITC	Rs. nil
	-----		-----
TOTAL PURCHASES	Rs. nil		Rs. nil
	-----		-----

II. SALES TURNOVERS:

a. Exempted sales	Rs. 100741689	Tax	Rs. nil
b. CST sales	Rs. nil	Tax	Rs. nil
c. 5% VAT sales	Rs. 33580564	Tax	Rs. 1679028
d. 14.5% sales	Rs. nil	Tax	Rs. nil
	-----		-----
TOTAL SALES	Rs. 134322253		Rs. 1679028
	-----		-----

The turnovers as per VAT returns for the year 2015-16 as under:

I. PURCHASE TURNOVERS:

a. Non creditable purchases	Rs. nil	ITC	Rs. nil
b. 5% purchases	Rs. nil	ITC	Rs. nil
c. 14.5% purchases	Rs. nil	ITC	Rs. nil
TOTAL PURCHASES		Rs. nil	Rs. nil

II. SALES TURNOVERS:

a. Exempted sales	Rs. 83997038	Tax	Rs. nil
b. CST sales	Rs. nil	Tax	Rs. nil
c. 5% VAT sales	Rs. 27999013	Tax	Rs. 1399951
d. 14.5% sales	Rs. nil	Tax	Rs. nil
TOTAL SALES		Rs. 111996051	Rs. 1399951

The turnovers as per VAT returns for the year 2016-17 as under:**I. PURCHASE TURNOVERS:**

a. Non creditable purchases	Rs. nil	ITC	Rs. nil
b. 5% purchases	Rs. nil	ITC	Rs. nil
c. 14.5% purchases	Rs. nil	ITC	Rs. nil
TOTAL PURCHASES		Rs. nil	Rs. nil

II. SALES TURNOVERS:

a. Exempted sales	Rs. 63773101	Tax	Rs. nil
b. CST sales	Rs. nil	Tax	Rs. nil
c. 5% VAT sales	Rs. 21316553	Tax	Rs. 1065828
d. 14.5% sales	Rs. nil	Tax	Rs. nil
TOTAL SALES		Rs. 85089654	Rs. 1065828

The turnovers as per VAT returns for the year 2017-18 (upto June 2017) as under:**I. PURCHASE TURNOVERS:**

a. Non creditable purchases	Rs. nil	ITC	Rs. nil
b. 5% purchases	Rs. nil	ITC	Rs. nil
c. 14.5% purchases	Rs. nil	ITC	Rs. nil
TOTAL PURCHASES		Rs. nil	Rs. nil

II. SALES TURNOVERS:

a. Exempted sales	Rs. 29380943	Tax	Rs. nil
b. CST sales	Rs. nil	Tax	Rs. nil

c. 5% VAT sales	Rs. 10357408	Tax	Rs. 517870
d. 14.5% sales	Rs. nil	Tax	Rs. nil
TOTAL SALES	Rs. 39738351		Rs. 517870

FINDINGS OF AUDIT

On verification of records produced by the dealers and this office records, the following irregularities were noticed as under:

On verification of records, it is noticed that they have received Rs. 48,69,50,560=00 from the flats purchasers during tax period 2013-14 to 2017-18 (upto June 2017) but declared Rs.37,34,77,860=00 in VAT returns. The Rule 17 (4) amended vide GO Ms.No. 124 Revenue (CT-II) Dept dt. 30-6-2017. According to the G.O the clauses of (e) and (i) of Sub-rule 4 of Rule 17 of VAT Rules omitted. This implies that the dealers are liable to pay tax @ 1.25% on the consideration received or receivable. Therefore, it is proposed to assess them and levy tax @ 1.25% on the total amounts received.

In view of the above, their assessment for the tax period 2013-14 to 2017-18 (upto June 2017) is proposed to be completed by levying following taxes under provisions of the TVAT Act, after obtaining authorization for assessment from the Deputy Commissioner (CT) Begumpet Division vide ref. 3rd cited, as under:

Total amounts received from 2013-14 to 2017-18 (upto June 2017)	Rs. 48,69,50,560=00
Tax liable to pay @ 1.25%	Rs. 60,86,882=00
Total tax paid during the tax period in audit as per this office records	Rs. 38,91,494=00
Balance tax payable proposed to levy	Rs. 21,95,388=00

Accordingly a show cause notice in form VAT 305 A dt. 05-03-2019 was issued and served on the dealers. In response to the notice, they have filed objections stating that they have paid tax at the time of registration of flats at Sub-Registrar of Registrations, Kapra, Ranga Reddy Dist, but a sum of Rs. 7,99,783=00 paid by us at the time of flats registrations was not given credit in the show cause notice dt. 305A dt. 05-03-2019. In support of their contention the dealers have filed details of payments not credited in the show cause notice with details of cheque Nos. and date. The contention of the dealer is verified with details submitted. The same is sent for cross verification to the CTO M G Road circle.

Further, they contended that at the time of commencement of business, they had filed form VAT 250 through online to CTO MG Road Circle opting for composition under Section 4 (7) (d) of the Act & paid VAT @ 1.25% at the time of registration of villas.

In view of the above, their assessment for the tax period 2013-14 to 2017-18 (upto June 2017) under the provisions of VAT Act 2005 is finalized levying following tax as under:

Total amounts received from 2013-14 to 2017-18 (upto June 2017)	Rs. 48,69,50,560=00
Tax liable to pay @ 1.25%	Rs. 60,86,882=00
Total tax paid during the tax period in audit as per this office records	Rs. 38,91,494=00
Balance tax payable	Rs. 21,95,388=00
(-)tax paid at Sub-registrar, subject to cross verification	Rs. 7,99,783=00
Net tax payable	Rs. 13,95,605=00

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

*A The amount of Rs. 13,95,605=00 shall be paid within 30 days of receipt of this order. Failure to make the payment will result in recovery proceedings under the AP VAT Act 2005.

THE PAYMENT OF THE AMOUNT SPECIFIED AT 'A' ABOVE MUST BE MADE TOGETHER WITH DUPLICATE COPY OF THIS ORDER AND PAYMENT BOXES ON THAT COPY COMPLETED.

An Appeal against this order can be filed before the Appellate Deputy Commissioner Panjagutta within 30 days of receipt of this order.

To:
M/s.Vista Homes,
5-4-187/3 & 4, 3rd floor, Soham Mansion,
MG Road, Secunderabad.

Asst. Commissioner (CT), LTU
Begumpet Division, Hyd.
Assistant Commissioner (CT) INT LTU.
Begumpet Division, Hyderabad.