AO 33647 / 30-06-2012

FORM VAT 305

GOVERNMENT OF ANDHRA PRADESH
COMMERCIAL TAXES DEPARTMENT

ASSESSMENT OF VALUE ADDED TAX
[See Rule 25 (5)]

01. Tax Office Address:
CTO MG ROAD CIRCLE
3rd FLOOR, PAVANI
PRESTIGE AMEERPET,
HYDERABAD

Date	Month	Year
28	06	2012

02 TIN 28790571789

03. Name M/s SUMMIT BUILDERS
Soham Mansion, MG Road,
Secunderabad

Upon examination of your records and the issue of VAT-305A on 19-03-2012 and served on 21-03-2012. The correct amount of VAT under the provisions of APVAT Act 2005 has been determined as follows :

*This is resulted from :

1. Your agreement at the time of visit on
2. After consideration of your reply received in this office on --
3. You failure to respond to the notice issued on 19-03-2012

Tax Perid	Particulars Turnover	Tax found to be due	Tax declared	Under decl-ared tax	Over declare d Tax	Pen alty	Inter est @ 1%	Total Due to Tax Depart ment
04/07 To 03/08	Output Tax	273950/-	--	273950/-	--	--	--	273950/-

Total amount due to Tax Department 273950

Explanation for the above proposal

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 November, 2006 to March, 2007 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/- i.e., total Rs.3,07,37,299/-.

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.44,13,225-00 from April 2007 to March 2008. Thus, there is a suppressed turnover liable to tax of 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/-.

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/-. But reported only Rs 51,766/- in their VAT Returns. Hence the 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/- on purchase of above 4% & 12.5% VAT goods from un-registered sources.

Hence VAT Output Tax of Rs 2,73,950/- (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 un-registered 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/- 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/- 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 2008	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%	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 U/Sec-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.

From the foregoing it indicates that the dealer has committed an offence under the provisions of AP VAT Act, 2005 and the penalty proceedings and interest @ 1% pm as per the provisions of AP VAT Act, 2005 will be issued separately.

Accordingly a VAT-305A is issued and served to them for calling their objections. In response to the notice, the assessee has neither filed nor appeared before the undersigned against the proposed turnovers. Under these circumstances, the assessing authority has no other alternate option except to pass the order in VAT-305. Hence order passed.

Tax Perid	Particulars Turnover	Tax found to be due	Tax declared	Under decl-ared tax	Over declared Tax	Pen alty	Inter est @ 1%	Total Due to Tax Depart ment
04/07 To 03/08	Output Tax	273950/-	--	273950/-	--	--	--	273950/-

a) The amount of Rs 2,73,950/- shall be paid within (30) days of receipt of this order. Failure to make the payment will result in recovery proceedings under the APVAT Act 2005.

b) Your refund claim is reduced to Rs NIL and this amount will be refunded to you.

THE PROOF OF PAYMENT OF THE AMOUNT SPECIFIED AT 'A' ABOVE TOGETHER WITH DUPLICATE COPY OF THIS ORDER AND PAYMENT BOXES COMPLETED SHALL BE SUBMITTED WITHIN THE SPECIFIED TIME LIMIT.

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

COMMERCIAL TAX OFFICER, 28-6-2012
MG ROAD CIRCLE

COMMERCIAL TAX OFFICER
M.G. ROAD CIRCLE, SEC,BAD

ON DUPLICATE COPY OF THE ORDER
PAYMENT DETAILS

Challan / Inst. No	Date	Bank / Treasury Bank Code	Amount

Authorised Person
M/s. Sumit Builders

Received on
6/7/12