

Billing of value added tax ("VAT") under Haryana Value Added Tax Act, 2003 ("Act") on sale of constructed property be it a residential or commercial constructed property in pursuance of Amnesty scheme recently introduced by Haryana Government

Dear Sir / Madam,,

This is with reference to our earlier communication sent to you regarding the applicability of VAT under the Act on sale of constructed property (residential or commercial) and recovery of VAT thereon pursuant to the judgement of the Hon'ble Supreme Court of India.

In this regard, we would like to inform you that the Government of Haryana has notified an amnesty scheme vide (Notification No.19/ST1/H.A.6/2003/S59A/2016 dated September 12, 2016) ("VAT Amnesty Scheme") to deposit a lump sum amount @ 1% of the entire sale consideration. Further, a surcharge at the rate of 5% shall also be payable on the aforesaid amount, which together totals to 1.05% of the total sale consideration. The VAT payable under the VAT Amnesty Scheme is in lieu of tax, interest, penalty, charged or chargeable, under the provisions of the Act. The VAT Amnesty Scheme is available for the period up to March 31, 2014.

Please note that the VAT liability for the collections received (if any) after March 31, 2014 will be intimated separately later on as per the rates computed at that time.

Please note the following as well:

1. In case if you fail to pay the above amount in the period mentioned above, interest @ 18 p.a. % shall be charged.
2. Any future payments made by you for the said unit will be first used to discharge the VAT amount billed above.
3. If you have deposited a fixed deposit receipt ("FDR") / Bank Guarantee ("BG") as a security to the Company, then lien / BG to the extent of liability discharged will be released once the full payment against this demand is deposited by you and the VAT amnesty application of the Company is accepted by the department.

In case the payment against this bill is not received by the due date the company will have the right to invoke the lien on fixed deposit/Bank guarantee deposited as security towards the VAT liability and adjust the amount to the extent of VAT liability against fixed deposit / Bank guarantee.

4. This is an interim payment of VAT. In case our application to enroll for the amnesty scheme is not accepted by the department, then VAT charged at normal rate shall be payable by you.

Should you require any further clarifications in this regard, please feel free to reach us on (0124)-3852787 or email us at customercare@btp.com and we will be happy to assist you.

Regards