

GOVERNMENT OF TELANGANA
COMMERCIAL TAXES DEPARTMENT

FORM VAT 205



Office of the
ASSISTANT COMMISSIONER (ST),
M.G.Road-S.D. Road Circle,
Begumpet Division,
Pavani Prestige, Ameerpet, Hyderabad.

TIN:-36607622962

Date:-11.02.2025.

DEMAND OF PENAL INTEREST TO A VAT DEALER

Sub:-TGVAT Act, 2005 - M.G.Road-S.D.Road Circle – Begumpet Division, Hyderabad - M/s.Nilgiri Estates, Secunderabad (for brevity here-in-after referred to in as 'assessee') – VAT Audit-cum-Assessment for the tax periods of 07/2015 to 06/2017 conducted and completed by the AC(ST), M.G.Road-S.D.Road Circle in the form of passing an Assessment Order in Form VAT-305 – Assessee preferred an appeal before the ADC (CT), Punjagutta Division, Hyderabad [for brevity here-in-after referred to in as 'appellate authority'] seeking certain relief(s) of the assessed portions - Appeal disposed-off as "REMANDED" back to the assessing authority with certain conclusive observations and subsequent directions – Examination made of the Appeal Order – Process of giving consequential effect/Process of Revising the Assessment Proceedings in the light of the Remand directions of the appellate authority has been completed and necessary orders passed which resulted in raising certain demand - Imposition of Interest on the resulting tax in accordance with law – Order of Interest in Form VAT-205 passed – Reg.

- Ref:-1.Proceedings of the Assistant Commissioner (ST), M.G.Road- S.D.Road Circle in Form VAT-305 dated 13.07.2022 for the tax periods of 07/2015 to 06/2017 under TVAT Act, 2005 vide A.O.No.17546.
- 2.Proceedings of the Appellate Deputy Commissioner (CT) [Presently re-designated as Appellate Joint Commissioner (ST)], Punjagutta Division, Hyderabad in Appeal No.BV/40/2022-23, dated 04.03.2023 for the tax periods of 07/2015 to 06/2017 under VAT Act, 2005 vide ADC Order No.144.
- 3.This Tax Office Revised Proceedings [in order of giving consequential effect to the remand directions of the Appellate Authority] for the tax periods of 07/2015 to 06/2017 under TGVAT Act, 2005 vide A.O.No.51, dated 11.02.2025.

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M/s.Nilgiri Estates, located at H.No.5-4-187-3 and 4, 2nd Floor, Soham Mansion, Mahatma Gandhi Road, Secunderabad – 500 003 are registered dealers under the provisions of TVAT Act, 2005 and CST Act, 1956 with the TIN 36607622962 and assessee on the rolls of Commercial Tax Officer [presently re-designated as Assistant Commissioner (ST)], M.G.Road-S.D.Road Circle of Begumpet Division, Hyderabad.

For the tax periods of 07/2015 to 06/2017 under the TVAT Act, 2005, the assessee was audited their books of accounts by the Assistant Commissioner (ST), M.G.Road-S.D.Road Circle and in result they were passed Assessment Order in Form VAT-305 dated 13.07.2022 vide A.O.No.17546 which resulted in raising a demand of Rs.1,57,41,135-00. Later-on, in the light of the remand directions of the Appellate Deputy Commissioner (CT) [Presently re-designated as Appellate Joint Commissioner (ST)], Punjagutta Division, Hyderabad issued to the assessing authority vide reference 2nd cited, [in the event of disposing-off the appeal so filed by the assessee having disagreed with the VAT Assessment Order], this tax office in the course of necessary action to be taken in adhering to

the remand directions of the appellate authority to re-assess the VAT Assessment Proceedings in due process of law for the tax periods of 07/2015 to 06/2017 under TGVAT Act, 2005, it has been processed the necessary action and in such process, Revised Assessment Order dated 11.02.2025 vide reference 3rd cited, has been passed which resulted in confirming the tax so resulted during the VAT Assessment Proceedings to a tune of Rs.1,57,41,135-00. While this is so, after giving due credits for the amounts of tax paid to a tune of Rs.1,96,764-00 by the assessee during the trial of the case before the appellate authority, it was finally resulted in net tax due of Rs.1,55,44,371-00.

In these circumstances, as a part of the measures to be taken to calculate and impose the Interest due to the government in relation to/on the demand arose [while duly treating it as unpaid assessed tax] in accordance with the law and without prejudice to the generality of the provisions and as a part of the measures to be taken within the broad scope of the structural nature of the tax assessment principles, it is while invoking the implied scope of the relevant Section 22 (1) and 22(2) of TGVAT Act, 2005, Interest is calculated and levied @ 1.25% (i.e., at the rate of one and quarter percent] per month for the period of delay from the date of VAT Assessment Order i.e., 13.07.2022 to till the date of Revised Order passed on tax portion i.e., 11.02.2025. Thus the Interest is calculated as under:

(Amount in Rs.)					
Sl.No.	Tax Period	Tax due assessed	Due date taken for payment of tax due	Delay in months/ days upto 11.02.2025	Interest leviable @ 1.25%
1	07/2015 to 06/2017	1,57,41,135-00	13.07.2022	944 days	5,08,891-00

The assessee is hereby requested to pay the above calculated and resulted amount towards the Penal Interest within (15) days from the date of receipt of this Order.

YOU ARE REMINDED THAT THE TGVAT ACT, 2005 EMPOWERS THE TAX DEPARTMENT TO SEIZE, CONFISCATE AND SELL YOUR GOODS TO RECOVER THE AMOUNT OUTSTANDING.

To,
M/s.Nilgiri Estate,
located at H.No.5-4-187/3 & 4,
2nd floor, Soham Mansion,
M.G.Road, Secunderabad-500 003.


ASSISTANT COMMISSIONER (ST),
M.G. ROAD-S.D. ROAD CIRCLE.
Assistant Commissioner (ST)
M.G. Road-S.D. Road Circle,
Begumpet Division, Hyderabad.