

SANGHVI MOVERS LIMITED

Regd. Office : Survey No. 92, Tathawade,
Taluka - Mulshi, Pune, Maharashtra - 411 033, INDIA.
Tel. : +91-20-66744700 Fax : +91-20-66744724
E-mail : sanghvi@sanghvicranes.com
Web : www.sanghvicranes.com
CIN No. : L29150PN1989PLC054143



REF: SML/SEC/SE/16-17/27

Date: 22nd August 2016

By e-mail/Online filing

Bombay Stock Exchange Limited,

Department of Corporate Services,
Corporate Relationship Department,
1st Floor, Rotunda Building,
B. S. Marg, Fort,
Mumbai - 400001

Kind Attn.: Ms. Pooja Sanghvi - Relationship Manager
Ref: Code No. 530073

National Stock Exchange of India Limited,

Exchange Plaza,
Bandra Kurla Complex,
Bandra East,
Mumbai - 400051

Kind Attn.: Mr. K. Hari - Asst. Vice President
Symbol: SANGHVIMOV

- Sub: - Update on Sales Tax Demand received by the Company from Asst. Commissioner of Sales Tax Pune for FY 2008-09 under MVAT Act
- Ref :- a) Our Letter dated 19/06/2015 regarding intimation about the receipt of Sales Tax Demand from Asst. Commissioner of Sales Tax Pune for FY 2008-09
- b) Our Letter dated 09/11/2015 regarding intimation about the receipt of Order from Hon'ble Sales Tax Tribunal, Mumbai for FY 2008-09
- c) Our Letter dated 28/06/2016 regarding intimation about the receipt of Order from Hon'ble Bombay High Court.

Dear Madam/Sir,

We refer to our letter dated 19th June, 2015 whereby we informed the Stock Exchange that Asst. Commissioner of Sales Tax (PUN-INV-D-007) Pune has raised a demand on us Assessment Year 2008-09 aggregating to Rs. 120.22 Crores.

Aggrieved by the said decision of Asst. Commissioner of Sales Tax (PUN-INV-D-007) Pune, we moved an appeal before The Dy. Commissioner of Sales Tax (Appeals), Pune.



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The Dy. Commissioner of Sales Tax (Appeals), has vide his Order dated 13th August, 2015 and has fixed a Part Payment of Rs. 7.45 Crores under CST Act and Rs. 0.62 Crores under MVAT Act, being 20% of the basic Tax Amount. The Dy. Commissioner of Sales Tax (Appeals), while passing the said order has observed that *"the issue involved requires further deliberations and discussions and hence considering the legalities to be decided further in the case, prima facie I fix the Part Payment at 20% of the disputed tax dues in the Assessment Order."*

After the receipt of the aforesaid Order of the Dy. Commissioner of Sales Tax (Appeals), the Company has moved an appeal before the Hon'ble Sales Tax Tribunal, Mumbai.

The Hon'ble Sales Tax Tribunal, Mumbai vide its Order dated 19th October, 2015, received by the Company on 31st October, 2015, has reduced the part payment from 20% to 10% i.e. Rs. 3.73 Crores under CST Act and Rs. 0.31 Crores under MVAT Act. The Hon'ble Sales Tax Tribunal, Mumbai has also observed while passing aforesaid Order that *"The First Appellate Authority has rightly pointed out that the transactions requires examination in detail based on the contract entered by the appellant with the lessee. Under such circumstances we restrain ourselves from expressing any opinion as regards to the nature of contracts in the case before us."*

Aggrieved by the said decision of Hon'ble Sales Tax Tribunal, Mumbai, company has filed a Writ Petition No. 3974 of 2016 before The Hon'ble Bombay High Court on 17th December, 2015 and have made the prayers before the Hon'ble High Court – a) to stay the recovery proceedings of the assessed demands, b) to give proper direction / order the Dy. Commissioner of Sales Tax (Appeals) – Pune to complete the Appeal proceedings at the earliest and c) to give necessary directions to the Hon'ble Tribunal to consider the entire grounds of appeal raised before them and decide the stay petition.



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The Hon'ble Bombay High Court vide its order dated 21st June, 2016 has upheld the Order of Hon'ble Sales Tax Tribunal, Mumbai and has directed us to pay the 10% of the Basic Tax Amount i.e. Rs. 3.73 Crores under CST Act and Rs. 0.31 Crores under MVAT Act within eight weeks from the date of its Order.

Aggrieved by the said decision of Hon'ble Bombay High Court, the Company preferred a Special Leave Petition No. 23346/2016 before the Hon'ble Supreme Court. The said Petition was listed for hearing on 16th August, 2016. The Hon'ble Supreme Court was pleased to dismiss the Special Leave Petition filed by the company and has upheld the Order of Hon'ble Bombay High Court and have directed us to deposit the 10% of the Basic Tax Amount i.e. Rs. 3.73 Crores under CST Act and Rs. 0.31 Crores under MVAT Act within four weeks from the date of its Order. However, it has granted us the liberty to approach the appellate authority for an expeditious disposal of the appeal pending before the appellate authorities.

This is for your information and record.

Thanking you
For Sanghvi Movers Limited

Rajesh Likhite
Company Secretary & Compliance Officer

