

SANGHVI MOVERS LIMITED

Regd. Office : Survey No. 92, Tathawade,
Taluka - Mulshi, Pune, Maharashtra - 411033, INDIA
Tel. : 8669674701/2/3/4, 020-27400700
E-mail : sanghvi@sanghvicranes.com
Web. : www.sanghvicranes.com
CIN No. : L29150PN1989PLC054143



REF: SML/SEC/SE/23-24/60

Date: 05 December 2023

By Online filing

BSE Limited,

Phiroze Jeejeebhoy Towers,
Dalal Street, 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: Intimation pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 - Update on Sales Tax Demand received by the Company from Asst. Commissioner of Sales Tax Pune for FY 2008-09 under MVAT Act

Dear Madam/Sir,

- 1) This is in continuation of our earlier intimation dated 19th June 2015 bearing No. SML/SEC/SE/15-16/17 intimating you about the receipt of Notice of Demand on 25th May 2015 from Asst. Commissioner of Sales Tax (PUN-INV-D-007) Pune in respect of Order of Assessment of Tax under Central Sales Tax, 1956 for Financial Year 2008-09 towards VAT liability under CST Act and VAT liability under MVAT Act, 2002 aggregating to Rs. 120.26 Crores regarding "**transfer of right to use the goods**".
- 2) Aggrieved with the decision of Asst. Commissioner of Sales Tax (PUN-INV-D-007) Pune, the company has moved an appeal before The Dy. Commissioner of Sales Tax (Appeals), Pune.
- 3) The Dy. Commissioner of Sales Tax (Appeals), has passed Order dated 13 August 2015 and decided the appeal against the company in February 2017.
- 4) Aggrieved by the aforesaid Order, from The Dy. Commissioner of Sales Tax (Appeals), the company has moved an appeal before the Hon'ble Sales Tax Tribunal, Mumbai. (MSST) On 02 May 2017 vide Appeal no VAT-SA-376-377/17.
- 5) We are pleased to inform you that, after prolonged deliberations and hearings, MSST is pleased set aside the aforesaid order of the Dy. Commissioner of Sales Tax (Appeals) vide its order on 25 September 2020, received by us on 28 September 2020. The gist of the order passed by MSST is as under -

"VAT and CST levied on the Transactions as transfer of right to use the goods i.e. cranes stand deleted.

As a consequences of the conclusion reached above penalty imposed under section 29(3) of the MVAT Act and Section 9 (2) of the CST stands deleted.

Further, Amount of interest levied under Sec. 30(3) of the MVAT Act and under Section 9(2A) of the CST Act shall be recalculated and modified in accordance with this determination".

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Accordingly the Demand Notice issued by Asst. Commissioner of Sales Tax (PUN-INV-D-007) Pune in respect of Order of Assessment of Tax under Central Sales Tax, 1956 for Financial Year 2008-09 towards VAT liability under CST Act and VAT liability under MVAT Act, 2002 aggregating to Rs. 120.26 Crores regarding "**transfer of right to use the goods**" stands rejected.

- 6) VAT / Sales Tax department has filed an appeal against the MSST Order on 01 March 2021 bearing No. MVXAL / 6039 / 2021 and the grounds of Appeal are reproduced as under:

"Whether the Sales Tax Tribunal on the true and proper construction of Section 2(24) of Maharashtra Value Added Tax Act, 2002, was justified in holding that the transaction entered into by the Respondent with its customers with specific reference to the discernible and distinguishing contract clauses does not amount to "sale" under the Maharashtra Value Added Tax Act, 2002?"

- 7) In this regard, we hereby inform that the Hon'ble High Court of Judicature at Bombay (Bombay High Court), vide its order pronounced on 04 December 2023 (which was uploaded on the official website of the Bombay High Court on 04 December 2023 at around 06:11 p.m.), is pleased pass following order:-

Relevant para Nos 17 and 18 are at page 19 of the said order dated 04 December 2023 are reproduced hereinbelow:

"17. In view of the foregoing, by no stretch of imagination, can we hold that there was any transfer of right to use the cranes. Accordingly, we answer the question of law in the affirmative.

18. The Appeal stands dismissed. There will be no order as to costs."

This is for your information and record.

Thanking you,
For Sanghvi Movers Limited

Rajesh Likhite
Company Secretary & Compliance Officer