

IN THE HIGH COURT OF PUNJAB & HARYANA AT
CHANDIGARH

2025:PHHC:142236-DB



(107)	
1. VATAP-369-2019(O&M)	Date of Decision: 14.10.2025
Excise and Taxation Commissioner	--Appellant
Versus	
M/s Mahabir Techno Ltd. & another	--Respondents
2. VATAP-129-2019(O&M)	
Excise and Taxation Commissioner	--Appellant
Versus	
M/s Prakash Webtech Pvt. Ltd. & another	--Respondents
3. VATAP-180-2019(O&M)	
Excise and Taxation Commissioner	--Appellant
Versus	
M/s Ansal Properties & Infrastructure Ltd. & Anr.	--Respondents
4. VATAP-181-2019(O&M)	
Excise and Taxation Commissioner	--Appellant
Versus	
M/s Ahluwalia Contracts (I) Ltd. & another	--Respondents
5. VATAP-211-2018(O&M)	
Excise and Taxation Commissioner	--Appellant
Versus	
M/s R.K. Industries & another	--Respondents
6. VATAP-214-2018(O&M)	
Excise and Taxation Commissioner	--Appellant
Versus	
M/s R.K. Industries & another	--Respondents
7. VATAP-213-2018(O&M)	
Excise and Taxation Commissioner	--Appellant
Versus	
M/s R.K. Industries & another	--Respondents

8. VATAP-239-2019(O&M)

Excise and Taxation Commissioner

--Appellant

Versus

M/s Ravindra Spinners Ltd. & another

--Respondents

9. VATAP-247-2018(O&M)

Excise and Taxation Commissioner

--Appellant

Versus

M/s Kesari Roller Flour Mill & another

--Respondents

10. VATAP-247-2019(O&M)

Excise and Taxation Commissioner

--Appellant

Versus

M/s Arjun Garg Govt. Contractor & another

--Respondents

11. VATAP-253-2018(O&M)

Excise and Taxation Commissioner

--Appellant

Versus

M/s SKH Metals Ltd. & another

--Respondents

12. VATAP-283-2018(O&M)

Excise and Taxation Commissioner

--Appellant

Versus

M/s District Food & Supplies Controller & another

--Respondents

13. VATAP-286-2019(O&M)

Excise and Taxation Commissioner

--Appellant

Versus

M/s Echo Builder & another

--Respondents

14. VATAP-305-2019(O&M)

Excise and Taxation Commissioner

--Appellant

Versus

M/s Echo Builder & another

--Respondents

15. VATAP-366-2019(O&M)

Excise and Taxation Commissioner

--Appellant

Versus

M/s Deep Auto Agency & another

--Respondents

**CORAM:- HON'BLE MRS. JUSTICE LISA GILL.
HON'BLE MRS. JUSTICE MEENAKSHI I. MEHTA.**

Present:- Ms. Mamta Singla Talwar, DAG, Haryana.

Mr. Balwinder Singh, Advocate for
Mr. Rajiv Agnihotri, Advocate for respondents
in VATAP Nos.181, 129 of 2019 and 253 of 2018.

Mr. Rishab Singla, Advocate for respondents in
VATAP-247-2019.

Mr. Shivam Malik, Advocate for respondents in
VATAP-239-2019.

LISA GILL.J (Oral)

1. At request and with consent of learned counsel for parties, all the aforementioned appeals filed by Revenue/Department are taken up together for consideration and adjudication as learned counsel for parties are *ad idem* that the sole question of law, which arises in these appeals is

“Whether interest on tax demand is leviable only from the date of original revisional order or for any period prior thereto?”

2. Admittedly, in all all these matters question involves is of interest on the additional demand which was created by the revisional authority. It is the case of assesseees that interest on such demand cannot be leviable from any period prior to passing of the revisional orders. It has been held by learned Tribunal that question of interest on the additional tax demand would be relatable to the original revisional order.

3. Learned counsel for parties are *ad idem* that in view of the present factual scenario and the question involved, there is no requirement of narration of details of each and every appeal as such. Details of the

assessment orders/revisional orders and orders passed by learned Tribunal in each of the appeals are however reproduced as under:-

Sr. No.	VATAP No.	Order of Assessing Authoirty	Order of Revisional Authority	Order of Tribunal	Order of review
1.	VATAP-369-2019	15.02.2011	17.12.2013	13.02.2019	06.09.2019
2.	VATAP-305-2019	12.04.2012	08.04.2015	20.12.2017	
3.	VATAP-366-2019	24.05.2011	20.08.2014	21.08.2017	
4.	VATAP-286-2019	12.04.2012	08.04.2015	20.12.2017	
5.	VATAP-283-2018	08.02.2012	24.12.2013	01.09.2017	
6.	VATAP-253-2018	09.01.2012	30.12.2014	31.10.2017	
7.	VATAP-247-2019	31.03.2015	03.02.2016	27.02.2019	
8.	VATAP-247-2018	15.12.2009	03.11.2012	29.08.2017	
9.	VATAP-239-2019	15.11.2013	19.08.2015	14.02.2019	
10.	VATAP-213-2018	18.11.2014	12.08.2015	23.01.2018	
11.	VATAP-214-2018	18.03.2014	12.08.2015	23.01.2018	
12.	VATAP-211-2018	18.11.2013	12.08.2015	23.01.2018	
13.	VATAP-181-2019	31.03.2014	18.08.2015	23.05.2018	
14.	VATAP-180-2019	09.4.2012	08.10.2015	14.12.2017	
15.	VATAP-129-2019	26.03.2010	14.12.2010	22.12.2017	

4. Learned counsel for appellant-department submits that learned Tribunal has incorrectly held that interest on tax demand is leviable only from the date of revisional order and not for the period prior thereto. An incorrect observation has been made by learned Tribunal that above said is the settled principle as consistently held by this Court as well. Learned counsel for appellant vehemently argues that this is factually incorrect inasmuch as this High Court in its decision dated 27.04.2023 in

VATAP-129-2017 titled 'Excise and Taxation Commissioner, Panchkula Vs. M/s Balaji Motors, Hisar and another' has held as under:-

*“12. The judgment referred to by learned counsel for the respondents in **United Riceland Limited and another vs. State of Haryana and others (1997) 104 STC 362 (Pun)**, and **Chaudhary Tractor Company, Tohana, District Sirsa vs. State of Haryana (2007) 30 PHT 659 (P&H)** would not be applicable as these cases deal with the provision of demand of interest under Section 25(3) of the Haryana General Sales Tax Act, 1973. Even the judgment of the Hon'ble Supreme Court in **Ghasi Lal's case** (supra) cannot be applied in the present case as the present case deals with the provisions of Haryana VAT Act, 2003. The relevant provision of 14(6) is as under:-*

“If any dealer fails to make payment of tax in accordance with the provisions of this Act and the rules made thereunder, he shall be liable to pay in addition to the tax payable by him, simple interest at one per cent per month if the payment is made within ninety days from the last date specified for the payment of tax, but if the default continues thereafter, he shall be liable to pay interest at two per cent per month for the whole of the period from the last date specified for the payment of tax to the date he makes the payment:

PROVIDED that the interest leviable under this Act shall not exceed the amount of tax or penalty on the non-payment or late payment of tax on which such interest is charged.”

13. The above said provision makes it abundantly clear that simple interest at one per cent per month is to be charged if the payment is made within ninety days from the last date specified for the payment of tax and two per cent per month for the whole of the period he makes the payment beyond ninety days. If the tax is not paid as per the Act, the assessee is liable to pay tax alongwith the interest as per provisions of Section 14(6) of the HVAT Act.

14. The judgment referred to by learned counsel for the

appellant in M/s. Faridabad Fabricators (P) Ltd., Faridabad vs. State of Haryana, is directly applicable to the facts of the present case. The assessee was required to pay the tax payable in accordance with the provisions of Section 14 of the HVAT Act and the Rules framed thereunder. Non-payment of tax according to the provision of the Act will certainly amount to failure to make payment of tax which renders the assessee liable to pay interest also as provided in Section 14(6). The liability to pay interest would be from the date the tax was supposed to be deposited by the assessee.

15. Keeping in view the above, the instant appeal is allowed and the order dated 03.02.2017 passed by Haryana Tax Tribunal (respondent No. 2) is modified that the interest on the additional demand is leviable from the date of filing of the return. A direction is given to the Assessing Authority to recalculate the interest on the additional demand.”

5. It is informed that this decision dated 27.04.2023 in VATAP-129-2017 has attained finality.

6. At this stage, we take note of the fact as brought to our notice by learned counsel for appellants that assessee(s) have since long deposited the additional demand as raised and it is only the question of interest which remains. It is apparent that rationale for provisions under Section 14(6) of HVAT Act is that said additional tax as determined at the time of revision has always been due right from the date on which liability arose. Matter is squarely covered in favour of appellant in terms of Division Bench decision in **M/s Balaji Motor's** case (supra), which is stated to have attained finality. Nothing to the contrary has emerged.

7. Learned counsel for respondents present before us are unable to deny the position as above.

8. Keeping in view the facts and circumstances, as above, the question of law as framed, is decided in favour of appellant-revenue and against the respondents. Accordingly, impugned order(s) passed by learned Tribunal to the extent it is held that interest on additional tax as determined by Revisional Authority is due from date of said order(s), are set aside.

9. No other argument has been addressed.

10. All the above said 15 appeals are, accordingly, allowed, as above.

11. Pending misc. applications, if any, are disposed of accordingly.

(LISA GILL)
JUDGE

14.10.2025
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(MEENAKSHI I. MEHTA)
JUDGE

Whether speaking/reasoned:	Yes/No
Whether Reportable:	Yes/No