

**SUBJECT NO. 22**

**Sub:- Accounts Wings – Hon'ble High court passed orders in ITTA No.590/2012, 591/2012 & W.P.No.5657/2013 – Payment of Rs.50 Crores to the I.T – Department – Submitted for perusal and ratification – Reg.**

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**AGENDA NOTE:-**

The Hon'ble High Court passed orders in ITTA No.590/2012, 591/2012 & W.P. No.5657/2013, dated 12.02.2014. In all the 3 orders the High Court has ordered that the VUDA will pay further sum of Rs.50.00 Crores on or before dated 15.03.2014 without prejudice to the rights and the contentions of the parties and their clients are restrained from transferring alienating the fixed assets and the properties till the disposal of the proceedings save in usual course of business.

While sending the 3 individual orders passed by the Hon'ble High Court in ITTA No.590 & 591/2013 and WP.NO.5657of 2013. Sri A.V.Raghuram, Advocate in his letter dt.6-2-2014 has informed that there is some error in the order as it gives an impression that Rs.50.00 Crores is to be payable in respect of each matter and they are taking steps for rectification of such order and also informed that our Senior Advocate and Standing Council for I.T Department has suggested that the VUDA may pay Rs.50.00 Crores for A.Y. 2008-09 and they would not press other orders. Sri. A.V.Raghuram, Advocate has suggested that VUDA can make arrangements for payment of Rs.50.00 Crores for the A.Y. 2008-09 and in the mean while, they will move the high court for rectification of the orders as per the procedure.

In this connection it is submitted that for the A.Y. 2008-09, the VUDA has remitted 25% of outstanding demand i.e. Rs.77.48 Crores to the I.T. Department as per the interim orders of the ITAT, dated 13.04.2012 against the tax demand of Rs.309.92 Crores (Principal amount excluding interest). The ITAT in its final order dated 09.11.2012 has directed the VUDA to furnish documents which bring out the intention of the government in categorization of government lands in 2 categories and offer its explanation in that regard and the IT department is directed to decide the issue in accordance with the law. The IT Department has re-assessed the I.T Return for the A.Y 2008-09 without receiving Government Orders. The VUDA has also filed W.P. No.5657/2013 in Hon'ble High Court against the reassessment order dated 22.02.2013 issued by the Asst. Commissioner of Income Tax, Visakhapatnam

for the A.Y. 2008-09. Subsequently the Government issued clarification vide G.O.Ms.No.199, dated 20.04.2013. The interim orders of the Hon'ble High Court issued in ITTA No.590 of 2012 and W.P. No.5657/2013 relates to the same A.Y. 2008-09.

It is further submitted that the VUDA has filed two appeals in the Hon'ble High Court in ITTA No.590/2012 against the common order passed by the ITAT, Visakhapatnam Bench in ITA No.76/2012 for the A.Y. 2008-09 dt.9-11-2012. And in ITTA No.591/2012 against the common order passed by the ITTA, Visakhapatnam Bench in ITA No.77/2012 for the A.Y. 2009-10 dt.09.11.2012.

The IT demand for the A.Y. 2009-10 of Rs.26.19 Crores was already remitted to IT Department i.e.,Rs.3.00 Crores remitted by VUDA and the balance of Rs.23.19 Crores was withdrawn by the IT Department from VUDA funds (which were under attachment) in IOB, VUDA Branch. Hence no amount is to be paid to the Income Tax Department for the Assessment Year 2009-10.

The Miscellaneous petition praying the Hon'ble High Court to recall its orders dated.12.02.2014 passed in ITTA No.590/2012 & ITTA No.591/2012 and pass such other orders as the Hon'ble High Court deems fit and proper in the interest of justice were filed before the Hon'ble High Court on 08.03.2014 and revised orders are awaited.

In view of the above as per the orders of the Hon'ble High Court in ITTA No.590/2012 dated 12.02.2014, the amount of Rs.50.00 Crores has been paid to the I.T Department by withdrawing the Flexis in IOB. The matter is placed before the VUDA Board for perusal and ratification of the action of Vice Chairman, VUDA taken as stated above.

Sl. No.	Subject No.	Subject	Resolutions
19	18	Engg – VUDA - Status of IT enabled administration in the organization – status note – Request for continuation - Draft subject placed before Board for approval – Reg.	<ul style="list-style-type: none"> <li>• The activities of the AU team are perused</li> <li>• The online services being provided are to be strictly implemented duly improving and updating, as they have increased the efficiency and transparency;</li> <li>• AMC for a year, as proposed is agreed.</li> </ul>
20	19	Engg – VUDA – Development of Park in Pedagantyada Layout Phase-II, Gandhi Nagar, VUDA Colony - Draft subject placed before VUDA Board for perusal and ratification – Reg.	Agreed to take up the park work.
21	20	VUDA –Accounts – Approval of Budget proposals for the year 2014-2015 along with Revised Budget Estimate for 2013-2014- Reg.	Budget proposals for the FY 2014-15 are perused and agreed.
22	21	VUDA –Accounts – Compilation of Annual Accounts of VUDA gfor the year 2012-13 by Sri T.L.N. Bharathi & Co., Visakhapatnam – Approval – Reg.	The compiled Annual Accounts for the FY 2012-13 are perused and agreed.
23	22	Accounts wings – Hon'ble High court passed orders in ITTA No. 590/2012, 591/2012 & W.P. No. 5657/2013- Payment of Rs. 50.00 Crores to the I.T. – Department – Submitted for perusal and ratification – Reg.	Ratified the action of paying the IT as per Court orders.

  
