



**Damania & Varaiya**  
Chartered Accountants

## VAT ALERT

### **Sub : Interest on late payment of VAT/ CST**

The Maharashtra Government have issued Notification dt. 5<sup>th</sup> November, 2015 by which they have revised & **increased** rate of interest payable on account of delay in payment of VAT & CST. Such revision in rate shall be effective from 1<sup>st</sup> December, 2015.

The following table gives revised rate of interest :

Sr. No. (1)	Period, liable for interest (2)	Rate of Interest (3)
1	Upto one month	One and a quarter per cent of the amount of such tax, for the month or for part thereof.
2	Upto three months	One and a quarter per cent of the amount of such tax, for the month or for part thereof for the first month of delay and one and a half per cent of the amount of such tax, for each month or for part thereof for delay beyond one month up to three months.
3	More than three months	One and a quarter per cent of the amount of such tax, for each month or for part thereof for the first month of delay, one and a half per cent of the amount of such tax, for each month or for part thereof for delay beyond one month upto three months and two per cent of the amount of such tax, for each month or for part thereof for the period delay beyond three months.

Please note that currently interest is payable generally @ 1.25% p.m.

In view of steep increase in rate of interest, you are advised to pay tax in time.

### **Damania & Varaiya**

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