

A
PROJECT REPORT
ON
“A study of Value Added Tax”
AT
“Kirloskar Oil Engines Limited”
(Kirloskar Valve Plant)

Submitted to
University of _____.

As a fulfillment of M.B.A (Finance) course

20 -20

Under the guidance of

Prof. _____.

Submitted by

(_____)

(Institute Name)

ACKNOWLEDGEMENT

It is a great pleasure to me in acknowledging my deep sense of gratitude to all those who have helped me in completing this project successfully.

First of all I would like to thank _____ University for providing me an opportunity to undertake a project as a partial fulfillment of MBA degree.

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Finally, I would like to express my sincere thanks to my family, all the faculties, and friends who helped me in some or other way in making this project.

Place:

(NAME)

Date: / /

MBA-II

(Finance)

DECLARATION

This is to declare that I, _____, student of Management of Business Administration (20 -20), _____ have given original data and information to the best of my knowledge in the project report title “**A STUDY OF VALUE ADDED TAX**” under the guidance of our Director _____ and that, no part of this information has been used for any other assignment but for the partial fulfillment of the requirement towards the completion of the said course.

I have prepared this report independently and I have gathered all the relevant information personally. I have prepared this project for **M.B.A.** for the year **20 -20** .

I also agree in principal not to share the vital information with any other person outside the organization and will not submit the project report to any other university.

Place:

(Name)

Date: / /

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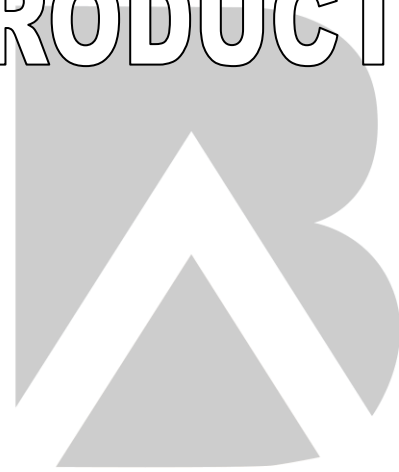
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INTRODUCTION



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1.1 OBJECT OF THE PROJECT

It is customary that under two years of full time course of MBA degree, a student has to undergo different training programmes so as to establish himself capable of managing at the place of his job. After completion of degree one of the programmed is preparation of the project report, which a student has to take in joining a specific organization of the choice for the specific period depending upon specialization he has opted for.

The aim behind is to let student to draw out differences and similarities between the theoretical knowledge with the actual job condition so they can be able to pursued and activate strategic decision making capabilities and establish themselves as capable managers tomorrow. This is to find out the correct analytical abilities projected by a student in the organization. It provides an opportunity to develop analytical skill.



1.2 SCOPE OF THE PROJECT

VAT will benefit everybody in long run. Under the old sales tax system, it has not been possible for the government to bring in transparency as regards incidence of tax or the quantum of tax payable on goods. whereas tax encourages voluntary compliance and thereby simplifies assessment procedure. With introduction of VAT the structure of tax has become simple and more transparent to improve tax compliance and to bring in revenue. VAT reduces the cascading effect of taxes and inflation as all stages of production and distribution are subject to tax.

As a result of this overall tax burden is rationalize and the price in general is stabilize which will help the general public to have the goods in reasonable prices and avoids speculative transactions. VAT system has already been introduced by the government of India in the form of central excise duty.

- To introduce state level VAT.
- To harmonize state level tax by implicating uniform floor rate.
- To discontinue the sales tax related industry incentive scheme.

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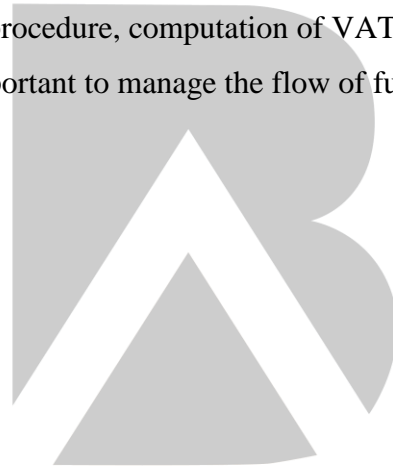
1.3 SELECTION OF THE TOPIC

A study of VAT is important in every industry who is liable to pay VAT.

VAT is payable monthly, quarterly or half yearly according to threshold limits.

Managing big amount of tax and paying it monthly is an important task for finance department.

Therefore study of procedure, computation of VAT and filing of return Within time is a important to manage the flow of funds.



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1.4 OBJECTIVES OF THE STUDY

The objectives to study the Value Added Tax are

- To study how VAT works.
- To study the procedure of VAT.
- To study the computation of VAT.
- To study the filing of returns.



1.5 RESEARCH METHODOLOGY

Methodology is the process of collecting the information which helps to find out the solution to the topic selected by the researcher. Whereas research helps to study and find out the techniques with proper process. It is a systematic way of presenting information.

In order to collect the required information for the project the following methods were adopted.

Primary Data

Discussion with finance Manager regarding process of VAT in the organization.
Collection of information related to VAT from taxation department of the organization.

Secondary Data

Secondary data is collected from

Value Added Tax – by Sales Tax Department

www.google.com

MVAT Act, 2002 – Mahendra Jain

www.vat.maharashtra.gov.in

1.6 LIMITATIONS OF THE STUDY

This project focuses only on certain factors which are important to discuss but they can not be discussed completely.

- 1 The study is done only in one organization so it does not provide any scope of comparison with the other organization.
- 2 The organizations do not disclose all the data which is an obstacle for the detail study.





PROFILE OF THE ORGANISATION

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Organization Profile

They are made up of 8 major group companies, who are players in major sectors like manufacturing, oil and gas, power, construction and mining, agriculture, industry and transport each led by the best engineering and managerial talent in India. In addition to engineering, They also have interests in civic utility systems and in Information Technology and communication. These 8 companies form the core of Kirloskar group. Each company is a renowned name in its own area of operation and is respected world wide for its services and products. For them manufacturing is just not limited to their factory premises and their products. It is also about world class service.

- Kirloskar Brothers Limited. (KBL)
- Kirloskar Ferrous Industries Limited. (KFIL)
- Kirloskar Middle East FZE. (KMEF)
- Kirloskar Oil Engines Limited. (KOEL)
- Kirloskar Pneumatic Company Limited. (KPCL)
- Kirloskar Proprietary Limited. (KPL)

They are also proud partners in joint ventures with companies as Copeland Limited. This is a joint venture between Kirloskar Brothers Limited, India's leading engineering company and Copeland Corporation of the USA, the world leader in air-conditioning and refrigeration compressors. Also Kirloskar Ebara and Toyota Kirloskar Motors are other prestigious joint ventures.

- Kirloskar Copeland Limited. (KCL)
- Kirloskar Ebara Pumps Limited. (KEPL)

Kirloskar Institute of Advanced Management Studies (KIAMS)

They take equal pride in shaping capable managers and dedicated human beings at Kirloskar Institute of Advanced Management Studies. It is our education center for imparting knowledge to the managers of tomorrow.

KIRLOSKAR OIL ENGINES LTD. (KOEL)

Background

Kirloskar Oil Engines Ltd (KOEL) is a part of the century old Kirloskar group Promoted by S L Kirloskar. The group consists of 8 companies, which include Kirloskar Oil Engines Ltd. Established in 1946; Kirloskar Oil Engines manufactures a wide range of diesel engines from 3 hp to 800 hp and from 2400 hp to 11000 hp. The engines are branded as “Kirloskar”. With annual manufacturing volumes exceeding 200000 engines. Kirloskar engines are available in both air-cooled and liquid cooled versions. It has manufacturing facilities in Pune, Nasik, Ahmednagar and Phursungi

The main engine manufacturing plant is at Pune, and other manufacturing locations are Nasik, Ahmednagar, Rajkot, Indore and Kolhapur. Kirloskar engines are used as prime movers in industrial, agriculture, power generation as well as marine applications.

The company operates in 3 main sub-divisions, engines, auto components and others. Engines segment caters to the agriculture sector and industrial sector, whereas auto components segment, which comprises of engine bearing and valves, caters to the automobile sector. The company also entered into power generation business as a result of amalgamation with Kirloskar Power Supply Company.

The engine manufacturing facilities are continually upgraded and improved to ensure the requisite quality at competitive costs. Critical component like crankcases, crankshaft, gear casing, cylinder heads and connecting rods are manufactured in –house.

KOEL also manufactures for its exclusive use, special purpose machines to achieve critical degrees of precision that international specifications demand

Certification to Company

The prestigious ISO 9001 certification for quality management systems in 1992 and ISO 14001 certification for environmental management system in 1999 are proof of Kirloskar's commitment to quality and environment. KOEL is the first engine manufacturing company in India to be awarded the ISO 14001 certification.

At Kirloskar, they believe that the industry and the environment can, and must, coexist in a mutually beneficial way. Bringing this thought into practice is what has driven us to manufacture engines that are not only eco-friendly, but are also manufactured in an environment-friendly way.

REVISED VISION OF KOEL (2012)

Company level target

In the AM today, we agreed to the company level target as - Profit of Rs. 950 Cr. on Sales of Rs. 8,500 Cr. by 2012.

To attain the profit of Rs. 950 Cr.

COMPANY VISION 2012

We will become Globally Major Player in off – highway engines and power generation businesses by offering winning combinations of Quality, Cost and Delivery through innovation and unmatched service. Thus, we will strive to attain amongst top ten positions worldwide in selected engine businesses.

While pursuing the above, we will continue to enhance the value of engine bearing and valves business

COMPANY MISSION 2012

Profit of Rs. 950 Cr. on Sales of Rs. 8,525 Cr.

Achieve CII EXIM Business Excellence Score of 600+ points by Assessment Year 2012.

There are mainly four business units of Kirloskar Oil Engines Ltd.

- LEBG - Large engines business group
- MEBG - Medium engines business group
- SEBG - Small Engines Business Group
- ACBG – Auto Components Business Group

Valves Division – Nashik

BUSINESS AREAS

KOEL is the Acknowledged leader in Engines, Engine Bearings, Engine Valves and diesel generating sets.

These engines are the preferred choice when it comes to the powering agricultural machinery, marine application and equipment used by armed forces.

The diesel generating sets in the range of 2KVA to 6MW are preferred by the industries at large, households and the service sector comprising of Banks, Telecommunication establishments, commercial buildings, hotel and restaurants.

KOEL also offer generating sets over 1 MW that run on heavy fuel oils. Similarly, the engine bearings and engine valves are the chosen ones for OEM use in automobiles and other engines.

PRODUCT RANGE

- Diesel Engines
- Irrigation Pump Sets
- Diesel Generating Sets
- Engine Bearings
- Engine Valves



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BASICS

What is value added tax?

VAT is a multi-stage tax levied at each stage of the value addition chain, with a provision to allow input tax credit (ITC) on tax paid at an earlier stage, which can be appropriated against the VAT liability on subsequent sale.

VAT is intended to tax every stage of sale where some value is added to raw materials, but taxpayers will receive credit for tax already paid on procurement stages. Thus, VAT will be without the problem of double taxation as prevalent in the present tax laws.

Presently VAT is followed in over 160 countries. The proposed Indian model of VAT will be different from VAT as it exists in most parts of the world. In India, VAT will replace the existing state sales tax system.

One of the many reasons underlying the shift to VAT is to do away with the distortions in our existing tax structure that carve up the country into a large number of small markets rather than one big common market. In the present sales tax structure tax is not levied on all the stages of value addition or sales and distribution channel which means the margins of distributors/ dealers/ retailers et al are not subject to sales tax at present.

Thus, the present pricing structure needs to factor only the single-point levy component of sales tax and the margins of manufacturers and dealers/ retailers etc, are worked out accordingly.

Under the VAT regime, due to multi-point levy on the price including value additions at each and every resale, the margins of either the re-seller or the manufacturer would be reduced unless the ultimate price is increased.

Why vat is preferred over sales tax?

While theoretically the amount of revenue collected through VAT is equivalent to sales tax collections at a similar rate, in practice VAT is likely to generate more revenue for government than sales tax since it is administered on various stages on the production – distribution chain. With sales tax, if final sales are not covered by the tax system e.g. due to difficulty of covering all the retailers, particular commodities may not yield any tax. However, with VAT some revenue would have been collected through taxation of earlier transactions, even if final retailers evade the tax net.

There is also in-built pressure for compliance and auditing under VAT since it will be in the interest of all who pay taxes to ensure that their eligibility for tax credits can be demonstrated. VAT is also a fairer tax than sales tax as it minimizes or eliminates the problem of tax cascading, which often occurs with sales tax. These are facilitated by the fact that VAT operates through a credit system so that tax is only applied on value added at each stage in the production – distribution chain. At each intermediate stage credit will be given for taxes paid on purchases to set against taxes due on sales. Only at consumption stage where there are no further transactions will there be no tax credits. Lack of input credit facility in sales tax often results in tax on inputs becoming a cost to businesses which are often passed on to consumers. Sales tax is often applied again to the sales tax element of the cost, thus there is a problem of tax on tax. This is not the case with VAT, which makes it a neutral tax as it provides the least disturbance to patterns of production and the generation and use of income.

In addition, the audit trail that exists under the VAT system makes it a more effective tax in administration terms than sales tax as it helps with the verification of VAT amounts declared as due. This is made possible by the fact that one person's output is another's input. As with sales tax imports are treated

the same way as local goods while exports are zero-rated to avoid anti-export bias.

Notwithstanding the advantages mentioned above, it is worth noting that VAT is a considerably complex tax to administer compared with sales tax. It may be difficult to apply to small companies due to difficulties of record keeping and its coverage in agriculture and the services sector may be limited. To cover the high administration costs, VAT rates of 10-20 per cent are generally recommended. The equity impact of the relatively high rates have been a cause for concern as it is possible that the poor spend relatively high proportions of their incomes on goods subject to VAT. Thus the concept of zero VAT rate on some items has been introduced.

What is difference between VAT and CST?

Under the CST Act, the tax is collected at one stage of purchase or sale of goods. Therefore, the burden of the full tax bond is borne by only one dealer, either the first or the last dealer. However, under the VAT system, the tax burden would be shared by all the dealers from first to last. Then, such tax would be passed upon the final consumers.

Under the CST Act, the tax is levied at a single point. Under the VAT system, the retailers are not subject to tax except for the retail tax.

Under the CST Act, general and specific exemptions are granted on certain goods while VAT does not permit such exemptions. Under the CST law, concessional rates are provided on certain taxes. The VAT regime will do away with such concessions as it would provide the full credit on the tax that has been paid earlier.

Under VAT law, first, the dealer pays tax on the sale or purchase of goods. The subsequent dealer pays tax on the portion of the value added upon such goods. Thus, the tax burden is shared equally by the last dealer.

Who gains?

State and Central governments gain in terms of revenue. VAT has in-built incentives for tax compliance — only by collecting taxes and remitting them to the government can a seller claim the offset that is due to him on his purchases. Everyone has an incentive to buy only from registered dealers — purchases from others will not provide the benefit of credit for the taxes paid at the time of purchase. This transparency and in-built incentive for compliance would increase revenues. Industry and trade gain from transparency and reduced need to interact with the tax personnel. For those who have been complying with taxes, VAT would be a boon that reduces the cost of the product to the consumer and boosts competitiveness. VAT would be major blow for tax evaders, both manufacturers who evade excise duty payments and traders who evade sales-tax.

What'll be the tax burden?

The overall tax burden will be rationalized as it'll be shared by all dealers, and prices, in general, will fall. Moreover, VAT will replace the existing system of inspection by a system of built-in self-assessment by traders and manufacturers. The tax structure will become simple and more transparent and tax compliance will improve significantly. It will also be simpler and offer easy computation and easy compliance. VAT will prevent cascading effect through input rebate and help avoid distortions in trade and economy by ensuring uniform tax rates.

Who pays?

All dealers registered under VAT and all dealers with an annual turnover of more than Rs.5 lakh will have to register. Dealers with turnovers less than Rs.5 lakh may register voluntarily.

How to pay?

VAT will be paid along with monthly returns. Credit will be given within the same month for entire VAT paid within the state on purchase of inputs and goods. Credit thus accumulated over any month will be utilized to deduct from the tax collected by the dealer during that month. If the tax credit exceeds the tax collected during a month on sale within the state, the excess credit will be carried forward to the next month.

Rates

- 4% of items consisting mainly of raw materials used in the manufacturing process, IT products and some goods of common consumption.
- 12.5% for all goods unless they are listed under the other rates.
- Food grains including pulses, milk, vegetables and books are not subject to VAT
- 1% for gold, silver, precious metals, stones and their jewellery.
- 20% for liquor the exception to these rates is for the sale of motor spirits which have special tax rates subject to floor rate of 20%.

Impact of VAT on Inflation

In considering the introduction of VAT, countries are often concerned that it would cause an inflationary spiral. However there is no evidence to suggest that this is true. A survey of OECD countries that introduced VAT indicated that VAT had little or no effect on prices. In cases where there was an effect it was a one time effect that simply shifted the trend line of the consumer price index (CPI). To guard against any unforeseen price effects the authorities may consider a tighter monetary policy stance at the introduction of VAT.

Impact of VAT on economic growth

Economic growth can be facilitated through investment by both government and the private sector. Savings by both parties are required in order to finance investment in a non-inflationary manner. Compared to other broadly based taxes such as income tax VAT is neutral with respect to choices on whether to consume now or save for future consumption. Although VAT reduces the absolute return on saving it does not reduce the net rate of return on saving. Income tax reduces the net rate of return as both the amount saved as well as the return on that saving are subject to tax. In this regard VAT may be said to be a superior tax in promoting economic growth than income tax. Since VAT does not influence investment decisions on firms, by increasing their costs, its effects on investment can be said to be neutral.

Features of VAT

- Uniform Rates in the VAT system, certain commodities are exempted from tax. The taxable commodities are listed in the respective schedule with the rates. VAT proposes to keep these rates uniform in all the states so the goods sold or purchased across the country would suffer the same tax rate.
- No concession to new industries Tax Concessions to new industries is done away with in the new VAT system. This was done as it creates discrepancy in investment decision. Under the new VAT system, the tax would be fair and equitable to all.
- Adjustment of the tax paid on the goods purchased from the tax payable on the goods of sale All the tax, paid on the goods purchased within the state, would be adjusted against the tax, payable on the sale, whether within the state or in the course of interstate. In case of export, the tax, paid on purchase outside India, would be refunded. In case of the branch transfer or consignment of sale outside the state, no refund would be provided.
- Collection of tax by seller/dealer at each stage. The seller/dealer would collect the tax on the full price of the goods sold and shows separately in the sell invoice issued by him
- VAT is not cascading or additive though the tax on the goods sold is collected at each stage, it is not cascading or additive because the net effect would be as follows: - the tax, previously paid on the sale of goods, would be fully adjusted. It will be like levying tax on goods, sold in the last state or at retail stage.

Advantages of VAT

Simplification.

Under the CST Act, there are 8 types of tax rates- 1%, 2%, 4%, 8%, 10%, 12%, 20% and 25%. However, under the present VAT system, there would only be 2 types of taxes 4% on declared goods and 10-12% on RNR. This will eliminate any disputes that relate to rates of tax and classification of goods as this is the most usual cause of litigation. It also helps to determine the relevant stage of the tax. This is necessary as the CST Act stipulates that the tax levies at the first stage or the last stage differ. Consequently, the question of which stage of tax it falls under becomes another reason for litigation. Under the VAT system, tax would be levied at each stage of the goods of sale or purchase.

Adjustment of tax paid on purchased goods.

Under the present system, the tax paid on the manufactured goods would be adjusted against the tax payable on the manufactured goods. Such adjustment is conditional as such goods must either be manufactured or sold. VAT is free from such conditions.

Further such adjustment of the purchased goods would depend on the amount of tax that is payable. VAT would not have such restrictions. CST would not have the provisions on refund or carry over upon such goods except in case of export goods or goods, manufactured out of the country or sale to registered dealer. Similarly, on interstate sale on tax-paid goods, no refund would be admissible.

Transparency.

The tax that is levied at the first stage on the goods or sale or purchase is not transparent. This is because the amount of tax, which the goods have suffered, is not known at the subsequent stage. In the VAT system, the amount of tax would be known at each and every stage of goods of sale or purchase.

Fair and Equitable.

VAT introduces the uniform tax rates across the state so that unfair advantages cannot be taken while levying the tax.

Procedure of simplification.

Procedures, relating to filing of returns, payment of tax, furnishing declaration and assessment are simplified under the VAT system so as to minimize any interface between the tax payer and the tax collector.

Minimize the Discretion.

The VAT system proposes to minimize the discretion with the assessing officer so that every person is treated alike. For example, there would be no discretion involved in the imposition of penalty, late filing of returns, non-filing of returns, late payment of tax or non payment of tax or in case of tax evasion. Such system would be free from all these harassment

Computerization.

The VAT proposes computerization which would focus on the tax evaders by generating Exception Report. In a large number of cases, no processing or scrutiny of returns would be required as it would free the tax compliant dealers from all the harassment which is a part of assessment. The management information system, which would form a part of integral computerization, would make the tax department more efficient and responsive.

3.1 Introduction

Background

Maharashtra is one of the 21 States which have introduced the Value Added Tax (VAT) system of taxation from 1st April 2005. With the introduction of VAT, the Sales Tax Department has moved to a globally recognized sales taxation system that has been adopted by more than 130 countries.

The design of Maharashtra State VAT is generally guided by the best international practices with regard to legal framework, as well as operating procedures. Another key factor in preparation of the design of State level VAT is the national consensus on certain issues. The consensus has been arrived at through the discussions in the Empowered Committee of State Finance Ministers on implementation of State level VAT.

On 1st April 2005, VAT replaced the single point sales tax. Single point sales tax had a number of disadvantages, primarily that of double taxation. VAT is a modern and progressive taxation system that avoids double taxation. In addition to offering the possibility of a set-off of tax paid on purchases,

VAT has other advantages for both business and government.

- It eliminates cascading impact of double taxation and promotes economic efficiency.
- It is primarily a self-policing, self-assessment system with more trust put on dealers.
- It provides the potential for a stronger manufacturing base and more competitive export pricing.
- It is invoice based, and as a result it offers a better financial system with less scope for error.
- It has an improved control, mechanism resulting in better compliance.
- It widens the, tax base and promotes equity.

VAT in Maharashtra is levied under a legislation known as the Maharashtra Value Added Tax Act (MVAT Act), supported by Maharashtra Value Added Tax Rules (MVAT Rules). VAT is levied on sale of goods including intangible goods.

The meaning of “goods” for VAT purposes

“Goods” means every kind of moveable property including goods of incorporeal and intangible nature but there are some exclusion, such as newspapers, actionable claims, money, shares and securities and lottery tickets. Businesses engaged in the buying and selling of goods within the scope of the VAT law are referred to as dealers.

The meaning of 'sale' for VAT purposes

A transaction of sale can be a:

- Normal sale of goods;
- Sale of goods under hire-purchase system;
- Deemed sale of goods used or supplied in the course of execution of works contract;
- Deemed sale of goods given on lease.

The rate of tax applicable to the goods sold under various classes of sales is uniform. However, in respect of normal sales of goods and deemed sales of goods under works contract and specified deemed sale of goods given on lease, the Act provides for an optional method for discharging tax liability by way of composition. Being so, the tax liability has to be determined with reference to the option exercised by the dealer for discharging tax liability.

Businesses covered by VAT

The VAT system embraces all businesses in the production and supply chain, from manufacture through to retail. VAT is collected at each stage in the chain when value is added to goods. It applies to all businesses, including importers, exporters, manufacturers, distributors, wholesalers, retailers, works contractors.

3.2 Registration under VAT

Rules for registration

If a dealer's annual turnover exceeds the below mentioned threshold, then it must register with the local office of the Sales Tax Department.

Category	Annual Turnover of Sales	Turnover of sales or purchase of taxable goods not less than	Fees payable on registration
Importer	1,00,000	10,000	100
Others	5,00,000	10,000	100

Figures in rs..

If the dealer's turnover is less than the above threshold, then they are not liable to collect and pay VAT. However, if a dealer wishes to avail the benefits of being a registered dealer, then they may apply for voluntary registration by paying a fee of Rs.5,000/ -.

Benefits of being a registered dealer

As a registered dealer, they are entitled to:

- collect VAT on the sales;
- claim set-off of tax (input tax credit) paid on purchases;
- Issue tax invoices and, be competitive.

Effective date of registration

The effective date of registration, that is, the date from which a dealer may charge VAT on sales; will depend on the date they first become liable to pay VAT. This date will be determined as follows:

a) New businesses:

If a dealer is not registered because their annual turnover is less than the threshold; their liability to account for VAT starts from the date they cross the threshold.

b) Existing businesses:

If a dealer took over an existing business that is registered for VAT, then they will be liable to pay tax on sales from the date they took over the business.

c) Voluntary registration:

If a dealer is registered on a voluntary basis, then he will be liable to account for VAT from the date shown on the certificate of registration.

d) Late registration:

If a dealer's turnover has exceeded the appropriate threshold but they have applied late for registration, then he can charge VAT on his sales only after they are registered, i.e., from the date shown on the certificate of registration.

Further, having crossed the threshold, it is an offence to be engaged in business as a dealer without a certificate of registration

Certificate of registration

- 1 A dealer should prominently display the certificate and hologram, or a copy of the certificate and hologram, at each place where they carry on their business.
- 2 If a dealer has more than one place of business, then Sales Tax Office will provide them, upon their request, one copy of the certificate of registration and hologram for each additional place of business.

- 3 If a dealer loses his / her certificate of registration or hologram, or it is accidentally destroyed or defaced, then they may obtain a duplicate copy of the certificate of hologram from their sales tax office.
- 4 The certificate of registration and hologram is personal to the dealer to whom it is issued and is non-transferable.

Changes to business circumstances

If, following dealer register, there are any amendments to the details they can be reported while applying for registration, it must be done within 60 days of the change, inform us in writing.

Where the amendment involves a:

- change in the name of the business;
- change in the constitution of the business without dissolution of the firm;
- change in the trustees of a Trust;
- change in the guardianship of a ward;
- change in the Karta of a Hindu Undivided Family;
- conversion of Private limited Company to a Public limited Company;
- change in the place of business;
- addition of new place of business;
- formation of a partnership with regard to the business,
- an application made by a dealer for insolvency or liquidation of their business;
- an application made against dealer's business for insolvency or liquidation;
- opening or closing of a bank account;

A dealer will not need to make a fresh application for registration. However, the communication to the Registering Authority concerned should be made within sixty days of the change or occurrence of the event.

Cancellation of registration

A dealer will be liable to pay VAT while their registration is effective. If however, their turnover falls below the threshold, he may choose to apply for cancellation of his registration. However, he should continue to collect and pay VAT in the normal way until his registration is formally cancelled. Alternatively, they may be allowed the registration to continue.

If a dealer:

- 1 discontinue the business;
- 2 dispose of or sell or transfer the business;

A dealer must inform the Sales Tax Department within 30 days of the event. In case of disposal or sale of business, their successor will need to apply for a fresh registration certificate.

For cancellation of registration a dealer should submit form 103 which is available with the local sales tax office. It can also be downloaded from the website www.vat.maharashtra.gov.in

If the Sales Tax Department cancels the dealer's registration, they must return the Certificate of Registration.

The cancellation of their certificate does not affect their liability to pay any tax, interest or penalties in respect of any period prior to the date of cancellation of their registration.

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The obligations of a registered dealer

Following are the registration, which dealer's are obliged to:

- Display prominently their certificate of registration and hologram in their place of business, and a copy of the certificate and hologram in each of the other places where they carry on their business;
- Inform their sales tax office of any changes in the details previously reported to the sales tax office;
- Collect VAT on all sales at appropriate rates;
- Calculate the tax due and submit correct, complete and self consistent returns and pay the amount of tax due on or before the due dates;
- Issue tax invoice / bill or cash memorandum to all customers;
- Maintain adequate records and retain them for a period of five years from the end of the tax year to which they relate;
- Extend co-operation to the officers of the Sales Tax Department at dealer's business premises and provide all assistance to them to discharge their duties.

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3.3 Explaining VAT

How VAT works

When a dealer sell goods, the sale price is made up of two elements; the selling price of the goods and the tax on the sale. The tax is payable to the State Government.

The tax payable on sales is to be calculated on the selling price. The tax paid on purchases supported by a, valid tax invoice is generally available as set-off (input tax credit) while discharging the tax liability on sales.

Example

The following example shows how the VAT works through the chain from manufacturer to retailer.

Company A buys iron ore and other consumables and manufactures stainless steel utensils; **Partnership firm B** buys the utensils in bulk from **Company A** and polishes them; **shopkeeper C** buys some of the utensils and purchases packing, material from **vendor D**, packages them and sells the packed utensils for the public.

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(The sale and purchase figures shown in the example are excluding tax)

Particulars	Amount (Rs.)	VAT @ 4% (Rs.)
Company A		
Cost of iron and consumables	50,000	2000
Sales of unpolished stainless steel utensils	1,50,000	
Value added	1,00,000	
Company A is liable to pay VAT on Rs.1,50,000/- @ 4%	6000	
Less Set Off	(2000)	
Net VAT amount to pay with the Return (Note: Tax invoice issued by Company A will show sale price as Rs.1,50,000/- tax as Rs.6,000/-. Therefore, the total invoice value will be Rs.1,56,000/-)		4000
Partnership B		
Purchases unpolished stainless steel utensils.	1,50,000	
Sales polished stainless steel utensils	1,80,000	
Value added	30,000	
Partnership B is liable to pay VAT on Rs.1,80,000 at 4%	7,200	
But can claim set off of tax paid on purchases	(6,000)	
Net VAT amount to pay with the Return		1200
Shopkeeper C		
Purchases polished stainless steel utensils	1,80,000	
Packing material	5,000	
Total Purchases	1,85,000	
Sales	2,25,000	

Value added	40,000	
Shopkeeper C is liable to pay VAT on Rs.2,25,000 @ 4%	9,000	
Set off of tax paid on purchases (Rs.7,200 + Rs.200 of packing material)	7,400	
Net VAT amount to pay with the Return		1,600
Vendor D		
Tax paid costs	Nil	
Sales	5,000	
Value Added	5,000	
Vendor D is liable to pay VAT on Rs.5,000 @ 4%		200
The VAT due on the value added through the chain, i.e., 4% on Rs.2,25,000 is :		9,000

The State Government received the tax in stages. The payments of tax were as follows:

Particulars	Amount (Rs.)
Suppliers of Company A	2,000
Company A	4,000
Partnership B	1,200
Shopkeeper C	1,600
Vendor D	200
Total	9,000

Thus, through a chain of tax on sale price and set off on purchase price, the cascading impact of tax is totally eliminated.

Since set-off of tax on purchases is given only on purchases from registered dealers where tax is collected separately, dealer's purchases from unregistered dealers, imports, inter-state purchases and purchases from registered dealers without separate tax collection are not entitled to set-off..

In practice, the tax is finally borne by the ultimate consumer, who is not a registered dealer, in this case, people who buy utensils from the shopkeeper C.



Rates of value added tax

There are two main rates of VAT 4% and 12.5%. The goods are grouped into five schedules as under:

Schedule	Rate of tax	Illustrative Items
A	0%	Vegetables, milk, eggs, bread
B	1%	Precious metals and precious stones and their jewelry
C	4%	Packaging Material Etc.
D	Specified by Dept.	Motor Spirit, High Speed diesel, Lubricants.
E	12.5%	Other than items specified in schedules A, B, C & D.

Difference between tax free goods and exempt sales

It is sometimes confusing to have goods that are tax free and sales that are exempt. Both result in no VAT being charged, so what is the difference?

Tax free goods do not attract tax at any stage of sale or in any type of transaction, whereas, exempted sales are certain types of transactions, viz., export sales which are exempt from tax.

Composition schemes

Certain dealers may find it difficult to keep detailed records for claiming set-off. For such dealers, a simpler and optional method of accounting for VAT has been introduced. This method is the composition scheme. It may be noted that

composition scheme is not meant to be a tax concession scheme but only a simplification of tax calculation and payment system.

Tax payable by dealers opting for composition in lieu of VAT

The following classes of **DEALERS** eligible for option to pay tax under composition:

- Resellers selling at retail, i.e., to consumers,
- Restaurants, eating houses, hotel (excluding hotels having gradation of 'Four Star' and above), refreshment rooms, boarding establishments, clubs and caterers,
- Bakers,
- Dealers in second-hand passenger motor vehicles and
- Works contractors
- Dealers engaged in the business of providing mandap, pandal, shamiana.

Accordingly, if the dealer has opted for payment of tax liability under composition, the tax liability has to be determined in terms of the guidelines given in the relevant Notification in this regard. Apart from the terms and conditions governing each of the composition schemes, the Notification explains the methodology for computation of turnover liable to tax and the rate of composition payable.

A dealer can opt for the composition option at the beginning of the financial year and has to continue to be a composition dealer at least till the end of that financial year. If dealer wishes to switch, over to normal VAT, he can do so only at the beginning of the next financial year. However, a new dealer can opt for composition at the time of registration.

In respect of works contract, the contractor can choose to discharge tax liability under composition option. Moreover, such an option can be exercised by the contractor on contract to contract basis.



3.4 Calculating tax liability

In, order to calculate how much tax a dealer has to pay, he must, first determine his turnover of sales and turnover of purchases. The second stage is to ascertain the amount of tax due for payment.

Calculating turnover of sales and purchases

The turnover of sales is the total of the amounts received or receivable (excluding VAT charged separately) in respect, of the sale of goods, less the amount refunded to a purchaser in respect of goods returned, within six months of the date of the sale.

Similarly, the turnover of purchases is the total of the amounts paid or payable (excluding VAT charged separately) in respect of the purchase of goods less (the amounts repaid to dealer in respect of goods they return, within six months of the date of purchase.

Credit notes and debit notes.

If the sale price, or the purchase price, of any goods is varied and either a credit note or a debit note is issued, then the credit note or the debit note, as the case may be, should

- 1 Show separately, the tax and the price.
- 2 Be accounted for in the period in which the appropriate entries are made in their books of accounts.

Special cases

Auctioneers

If dealer is an auctioneer, then they must include in their turnover, the price of the goods they auction for their principal.

Hotels

There are special rules for hotels and other establishments that provide boarding and lodging for an inclusive amount.

The rules provide a formula to enable them to calculate their turnover of sales for meals (food and beverages) which they provide.

The supply of food in a restaurant also includes an element of service. But the full amount charged is the sale price for the purposes of calculating turnover and tax.

Works contracts

VAT applies only to the sale of goods. Supply of services is not liable to VAT. Works contracts are deemed sales where both, goods and services are provided in a transaction and cannot be separated.

A works contract may involve the creation of immovable property, e.g. a house, a factory or a bridge. Some other examples of works contracts are photography, repairs & maintenance etc.

To calculate the amount a dealer should include it in their turnover of sales, so that they may deduct it from the total contract price, the

- Costs of labour and service charges.
- Amount paid to sub-contractors.
- Charges for planning and designing, and any architect's fees.
- Hiring charges for machinery and tools.
- Cost of consumables, such as, water, gas and electricity.
- Dealer's administrative costs relating to labour and services and any other similar expenses.
- Any profit element that relates to the supply of labour and services.

Alternatively, in lieu of the deductions as above, a dealer may choose to discharge the liability arising on works contracts by referring to the table prescribed in the rules.

If the dealer finds that it is too complicated to calculate the deductions, then they may opt for a composition scheme for any works contract.

Sales and purchases not liable to tax under VAT

The VAT law specifically excludes from value added tax all imports, exports and inter-state transactions. These transactions are covered by the CST Act. Similarly, transactions that take place outside Maharashtra are not within the scope of MVAT Act.

Point of levy in certain cases

Hire purchase

Where there is a hire purchase agreement or an agreement for sale by installments, the date of the sale is deemed to be the date of the delivery of goods. This is despite the fact that legal ownership of the goods only passes to the buyer after payment of the final installment.

If the hire-purchase agreement specifies the interest component then in calculating the sales price, dealer should disregard the interest component included in the agreement.

Calculating the amount of VAT due on sales

Dealer should also make some adjustments to the total turnover of sales to arrive at the amount on which tax is due.

From the total sales one should deduct

- The total of exports and inter-State sales.
- The total of sales of goods that are tax free, and
- Branch / consignment transfers to locations in Maharashtra as well as other States.
- The tax collected.

To calculate the tax due, dealer should start allocating their turnover of sales in the return period (net of the above deductions) to the rates of tax they have been charged. They should also ensure that the correct tax rates are applied. The information should be readily available from their records. This gives the total of sales tax due.

Calculating the turnover of purchases

Records will provide the total figure, but they may not have paid VAT on all their purchases. They must now deduct the total value of

- Imports from out of India.
- Inter-State purchases.
- Purchases of tax free goods.
- Direct purchases from exempted units under the Package Scheme of Incentives.
- Consignment transfers, and
- Local purchased from unregistered dealers.
- Local purchases from registered dealers not supported by tax invoice.
- The resulting figure represents purchases against tax invoices from registered dealers.

Set off not available

There are various items on which set-off is not available such as, goods of incorporeal or intangible character other than those specified, passenger motor vehicles, motor spirits, crude oil, building material used for construction etc.

Set off is not available on purchase against 'C' form. when dealer purchase taxable goods from OMS dealer at that time VAT on such goods is not liable for set off. In this case, VAT cost gets added in purchase cost. VAT amount is totally business loss. To avoid this loss dealer collects 'C' form from other party. After issuing 'C' form CST will be charge at 3%.

Conditions for claiming set off

A dealer can claim set off only for VAT paid on purchase if they have a valid tax invoice for that transaction and they had maintain account of purchases showing the specified details.

Tax payable

The amount of set-off admissible can be adjusted against tax payable. The amount of net tax payable is the total of sales tax collected on sales less the set-off available.

Refund cases

If the amount of set-off admissible during the period is more than the amount of tax payable, then dealer's return would reflect a balance refundable to the dealer.

The amount of set-off can be more than the tax payable for a variety of reasons, such as

- Inputs are taxable at higher rate as compared with the rate of tax on output.
- Outputs are tax-free goods while inputs carry tax.
- Outputs are export sales.
- Outputs are CST sales which are taxable at the concessional rate of CST.
- Manufactured goods or trading goods are transferred to branches outside the State or are sent on consignment transfers.

Apart from part of the admissible set-off which can remain unutilized, excess credit can be on account of:

- 1 unutilized portion of tax deducted at source or
- 2 refund payment order or
- 3 Ad-hoc payment made is more than tax payable.

Whatever may be the reason for credit in excess of tax due and payable during a tax period, dealers are eligible to claim refund of such excess credit.

Refund to other dealers

Other dealers are not eligible to get refund in each of the return filed. They are required to carry forward excess credit to the next return within the same financial year and claim refund of excess credit in the return for the period ending March.

The dealer claiming refund in March return has to make refund application in Form 501. The application has to be filed with the Refund Section. Normally, refund would be granted within six months of the end of the year to which the return relates. However, refund would be granted within six months to the new dealer's at the end of the year succeeding the said year.

Audit of refund claims

The refund granted to dealer would be subject to audit by the Refund Audit Section. The audit may be taken up before granting the refund or after the refund is granted. Normally, refunds made against Bank Guarantee would be taken up for audit after the refund has been granted. During the course of the audit, the audit team will check dealer's eligibility to claim refund and the correctness of the amount of refund claimed by them.

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3.5 Filing a return and paying the tax

VAT is a self-assessment system and dealer's are expected to make self - assessment for a given tax period and declare their VAT liability by filing returns. The returns have to be filed in the prescribed form and by the specified dates. Further, they are also required to pay the tax due as per the return filed.

In Maharashtra, return form is return-cum-chalan. As such, filing of returns along-with payment of tax on or before the due date at the notified bank would be considered as sufficient compliance. However, where any amount of tax including interest or penalty is due as per a fresh or revised return, then they should first pay such amount in Government Treasury and file the return in the local office of Sales Tax Department along with a self attested copy of the chalan. If no payment is due or a refund is claimed as per the return, they are also required to file the return in the local office of the Sales Tax Department.

A dealer can refer to the instructions given in the form before filling the return.

Please ensure that the return for a tax period covers all the transactions of sales, purchases, branch transfers received, branch transfers made etc. Further, they must ensure that all the columns of the return are duly filled in and are clearly legible. If a particular column is not relevant, please do not leave it blank but mention "not applicable". The return filed by them must be correct, complete and self-consistent.

Time schedule for filing returns

Periodicity of filing returns is as follows

- 1 Retailers who have opted for composition should file six-monthly returns.
- 2 Newly registered dealers should file quarterly returns until the end of the year in which they first register.
- 3 All package scheme dealers should file quarterly returns.

All other dealers should file returns as given below

- o Dealers whose tax liability in the previous year was less than Rs.1,00,000 or whose entitlement for refund was less than Rs.10,00,000 should file six-monthly returns.
- o Dealers whose tax liability in the previous year was more than Rs.10,00,000 or whose entitlement for refund was more than Rs.10,00,000 should file monthly returns.
- o All other dealers should file quarterly returns.

Filing and payment dates for return-cum-chalan are as follows

Return frequency	Filing/ payment date
Monthly	21 days from the end of return period
Quarterly	21 days from the end of return period
Six Monthly	21 days from the end of return period

Scrutiny of returns filed

The return filed by the dealer should be correct, complete, and self-consistent in every respect. The Sales Tax Office will check the return to ensure that there are no obvious errors in consistencies or contradictions in calculations. If this check reveals discrepancies, then the dealer's will be advised and invited to submit a fresh return. The department will issue this defect notice within four months of receiving their return. Then they should file their fresh return within 30 days of the notice. If they fail to do so, it will be deemed not to have filed the return within the time allowed, and will so liable to a penalty charge.

At the same time, as the department issues the defect notice, dealers will be sent a 'show cause' notice, explaining that a penalty may be imposed.

Offences relating to filing of returns and payment of tax

The following are the offences liable for interest / penalty / prosecution etc.

- Short- payment / non- payment of tax due
- Failure to file returns
- Delay in filing returns
- Knowingly furnishing false returns
- Filing of incorrect or incomplete or inconsistent returns

Failure to file a return

If dealer's fails to file a return within the time allowed, then they are committing an offence and, in addition to any tax and interest that may be due, which is liable to a penalty.

As no return has been filed by them, a unilateral assessment without giving them a notice will be made. This unilateral assessment order is non-appealable. However, they can get this assessment order cancelled only by filing the return and paying the tax and interest due as per the return. For this purpose they should file application in Form 304 and submit to Returns Branch.

Paying the tax due

All the dealer's or the person must file their return and should pay the tax due, in a bank that is authorized to accept the return. If they are required to file a revised return, and the tax due exceeds the amount which they had paid when submitted earlier form, then they should pay the balance amount which is due now.

The bank will give them an acknowledgement of the receipt of their return and payment. If there is any doubt that where to file the return and pay the tax due, then can ask to their local sales tax office.

Revised return

Subsequent to filing the return, in case dealer notices any error or omission, then they can file a revised return before expiry of eight months from the end of the financial year to which the return relates or before a notice for assessment is served, whichever is earlier. Such return should be accompanied by payment of tax and interest, if any. In case the return filed by them is a revised return, then they should indicate it on the return form in the space provided for the same.

The various types of returns and their description have been summarized as under

Type Of Return	Description
Original	The return filed by the dealer originally along with the payment in the bank.
Fresh	The return filed by the dealer after the department issues a defect notice.
Revised	The return filed by them to correct any error or omission.

Filing of returns in special cases

The first return for the newly registered dealer is for the period up to the end of the quarter containing the date of its registration.

Example 1

The turnover exceeds the threshold on 1st November. Then they should apply for registration, which is granted on 30th November and the date of effect is 1st November. The first return is for the quarter ended 31st December covering the period 1st, April to 31st December; and the second return is for the quarter ending following 31st March.

Example 2

If turnover exceeds the threshold on 1st November. But dealer apply late for registration i.e. on 10th December, and the registration is granted on 10th December, then the date of effect registration is 10th December i.e., Date of application. The first return is due for the quarter ending on 31st December (covering the period 10th December to 31st December).

Filing of return in case of cancellation of registration

Dealer's registration may be cancelled if they discontinue, transfer or sell the business. They may also choose to cancel their registration if their turnover falls below the threshold limit.

Example

If dealer's file the returns quarterly and their, last return was for the quarter ending 30th September. If a dealer closes the business on 15th November, then their final return will be for, the period 1st October to 15th November. The return should be filed within one month, that is, before 15th December.

Filing multiple returns

Dealers are required to file a single return at its principal place of business for all its businesses or places of business. If they desire to file separate returns for separate places / divisions, then they must apply for **Form 211** for permission to file multiple returns. Dealer should ensure that correct, complete and self-consistent returns are filed at all the locations in the State.

3.6 Recovery, Offences and Penalties

Recovery of unpaid tax

VAT is a self-assessed tax. In order to operate effectively, the self-assessment system relies on the expectation that every dealer will deal with his tax matters promptly and honestly.

But there will be occasions when a dealer does not pay the tax that is due. And so, there is a system designed to recover unpaid tax and to deter dealers from trying to avoid paying tax.

The self-assessment return requires the dealer to pay the tax due at the time of submission of the return. If this dealer does not pay the tax that he has declared, or if only pays a part of the tax due, interest is payable in addition to the tax due.

Attachment of Bank Account

Where any tax, interest or penalties remain unpaid, the department may issue an attachment notice to the dealer's bank and to his debtors. If necessary, officials of the Sales Tax Department may call for the records from the defaulting dealer to examine and obtain the necessary details.

Offences

The principal offences, each of which has been referred to in the text of this guide, are as follows: -

If a person -

- Poses as a registered dealer when they not registered.
- Files a false return.
- Keeps false account of the value of goods bought or sold.
- Produces false accounts, registers or documents or provides false information.
- Issues any document (including bills, cash memoranda, vouchers or any other certificate or declaration) which the dealer knows or has reason to believe is false.

He may be liable for criminal proceedings including imposition of fine

In addition, dealer is committing an offence and if he fails to

- Register when his turnover exceeds the, threshold.
- Provides information about changes to his business.
- Declares the name of the manager.
- Provides to Sales Tax Department the PAN allotted to the business.
- Files a return.
- Get his accounts audited, when required.
- Keeps proper accounts, when required to do so by the Sales Tax authorities because the existing records are inadequate.
- Produce his accounts for inspection, when required
- Issues a tax invoice, bill or cash memorandum.

In these circumstances, the dealer may be prosecuted and a fine may also be imposed.

There are two other events that may also give rise to a penalty. If the dealer:

- 1 Transfers any assets of his business with the intention of not paying tax, or
- 2 Fails to respond to a notice requiring him to provide statistical information.

Dealer will be liable to a fine and may also face prosecution.

Financial penalties or fines

There are various financial penalties, each depending on the nature of the offence

Non Tax Related Penalties

If the dealer fails to file a return, within the time allowed, the penalty is Rs.2,000/-

If dealer files the return late but before any penalty proceedings have started, the penalty will be reduced to Rs1,000/-.

If the dealer's return is not correct, complete and self-consistent, the penalty is Rs1,000/-, but this is without prejudice to any other penalties that may be imposed.

If, after the issue of summons, the dealer fails to attend any proceedings or to produce books of account, registers or documents, the Tribunal or the Sales Tax authorities may impose a fine, not exceeding Rs.5,000/-.

Most other offences attract a penalty of Rs.1,000/- although there is also a provision for some offences to attract a penalty of Rs.2,000/- plus a continuing daily penalty of Rs.100/-

Payment of Penalty or Fine

As a result of proceedings, such as audit, investigation, assessment etc., Sales Tax Authority may issue a demand notice containing details of tax, interest and penalties, if any, that are imposed.

The dealer should pay the amount due within 30 days of the date of the order. Dealer should make the payment using Form 210 through the bank where he normally files his return.



VAT Computation

June-08

		VAT
A	OPENING SET OFF	77672
B	PURCHASE (Inc Excise Duty)	
	Amount	
	Raw Material 4 %	3685854
	Raw Material 12.50%	762423
	Raw Material 12.50% (Return)	(48320)
	Conumable 4 %	237021
	Conumable 12.5 %	244999
	Packeing Material 4%	999347
	Raw Material OMS	1207420
	Consumable OMS	251871
	A + B	394449
C	SALES (Inc Excise Duty)	
	Finished Product 12.5 %	3455734
	Finished Product 12.5 % (RETURN)	(72530)
	Finished Product 4 %	1179056
	Finished Product 4 % (RETURN)	(77930)
	C	466946
	BALANCE Payable	A + B - C
		-72497

VAT Computation

July-08

		VAT
A	OPENING SET OFF	0
B	PURCHASE (Inc Excise Duty)	Amount
	Raw Material 4 %	3835854
	Raw Material 12.50%	897423
	Raw Material 12.50% (Return)	(62346)
	Consumable 4 %	423521
	Consumable 12.5 %	369999
	Packing Material 4%	1121847
	Raw Material OMS	1243220
	Consumable OMS	288271
	A + B	365884
C	SALES (Inc Excise Duty)	
	Finished Product 12.5 %	2055734
	Finished Product 12.5 % (RETURN)	(84345)
	Finished Product 4 %	1055056
	Finished Product 4 % (RETURN)	(64350)
	C	286052
	BALANCE Receivable	A + B - C
		79832



FILING OF RETURN

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CONCLUSION

As far as VAT is concerned it has been designed on Value Added System, The word itself says Value Added Tax means wherever Value addition is their VAT implications exist.

In India VAT is designed by different States. It is a tool which has been used by the Government for the Economic Growth of the Nation. Since, VAT is replace for the old sales tax System lot of areas of Trade are benefited.

As per Set off Rules the person will get credit only when Tax is charged on the Bill Separately. Then only purchaser may claim Set Off, so everyone is Stressing on the First Bill and which cause to reduction in the Black Transactions which was massively done by the Trader in INDIA in the Past.

For the Different kinds of Dealer, number of services is provided and Incentives system Like PSI & CQB are helping tools for the Trade development as well as Industrial development.

Last but not least VAT Audit is made mandatory for the dealers with some specifications to remove the un-recorded Transactions U/S 61 of MVAT Act.2002 which is useful for Revenue Dept.

RECOMMENDATIONS

VAT is designed in such manner so that will be easily understandable for everyone; still there are areas in which Government should look after.

- VAT is new for the People so they are not so much aware about this, awareness camps are required.
- VAT is combined for Entry Tax, Motor Spirit Tax, Works Contract Tax, so details about such provisions are to be cleared.
- Service Tax and VAT are getting in conflicts in some stages so for it concern, the step is declared by our finance minister about introduction of GST in INDIA from financial Year 2010-11.
- Staff of the VAT department needs to be trained for computer and new emerging technologies.
- E-filing is mandatory for the Specified Dealers which is to be mandatory for every one.
- There should be proper link between Income Tax Dept, Vat Dept and Excise Dept. as well.
- Hike in fuel prices are caused to Inflation so VAT Tax on such items needs to be charge in such manner which will help to reduce the Inflation.

Opinions and views are Like Wrist Watches; every body's shows different time. So whatever I expressed here are personal views and opinions on the basis on my short study about The Subject VAT with due respect to the Statute.

ANNEXTURE

Form No	Form Name
Form 101	Application for Registration under section 16 of The Maharashtra Value Added Tax Act, 2002
Amend Form 101	Application for Registration under section 16 of The Maharashtra Value Added Tax Act, 2002
Form 102	Certificate of Registration
Form 103	Application for cancellation of Registration Certificate
Form 104	Application for certified copy of the extract from the list of registered dealers under sub section(7) of section 16 of The Maharashtra Value Added Tax Act, 2002
Form 105	Declaration / Revised declaration under Section 19 of the Maharashtra Value Added Tax Act, 2002
Form 106	Declaration under sub-section(2) of Section 19 of the Maharashtra Value Added Tax Act, 2002
Form 107	Application for revalidation of BST registration certificate under Bombay Sales Tax Act, 1959. to continue under MVAT Act 2002.
Form 107A	Application for administrative relief for cases covered under section 22(8) of BST Act, 1959
Form 107B	Application for revalidation in cases of wrong cancellation of RC under section 22(8) of BST Act, 1959

Form No	Form Name
New Form 231Chalan	Return-cum-challan of tax payable by a dealer under M.V.A.T.Act, 2002
New Form 232 (Manual)	Return-cum-challan of tax payable by a dealer under M.V.A.T.Act, 2002
New Form 232 Chalan	Return-cum-challan of tax payable by a dealer under M.V.A.T.Act, 2002
New Form 233 (Manual)	Return-cum-challan of tax payable by a dealer under M.V.A.T.Act, 2002
New Form 233 Chalan	Return-cum-challan of tax payable by a dealer under M.V.A.T.Act, 2002
New Form 234 (Manual)	Return-cum-challan of tax payable by a dealer under M.V.A.T.Act, 2002
New Form 234 Chalan	Return-cum-challan of tax payable by a dealer under M.V.A.T.Act, 2002
New Form 235 (Manual)	Return-cum-challan of tax payable by a dealer under M.V.A.T.Act, 2002
New Form 235 Chalan	Return-cum-challan of tax payable by a dealer under M.V.A.T.Act, 2002
Form 301	Notice under Sub- section (2),(3) or (4)of section 23 of the Maharashtra Value Added Tax Act,2002

Form No	Form Name
Form 302	Notice under sub-section (5) of section 23 of the Maharashtra Value Added Tax Act, 2002
Form 303	Assessment Order
Form 304	Application for cancellation of Assessment Order under sub-section (1) of section 23 of the Maharashtra Value Added Tax Act, 2002
Form 305	Application for the issuance of direction to assessing authority under sub-section (9) of section 23 of the Maharashtra Value Added Tax Act, 2002
Form 306	Notice under the proviso of sub-section (1) of section 24 of the Maharashtra Value Added Tax Act, 2002
Form 307	Application for the rectification of mistake under sub-section (1) of section 24 of the Maharashtra Value Added Tax Act, 2002
Form 308	Stay Order under sub-section (1) of section 24 of the Maharashtra Value Added Tax act, 2002
Form 309	Notice to a person when it is proposed to pass an Order, which affects him adversely under section 25 of the Maharashtra Value Added Tax Act, 2002
Form 310	Appeal against an order of assessment, interest, penalty or fine under section 26 of the Maharashtra Value Added Tax Act, 2002
Form 311	Application for grant of stay against order of assessment, penalty, interest or fine under section 26 of the Maharashtra Value Added Tax Act, 2002

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Form No	Form Name
Form 312	Admission memo-cum-stay order under section 26 of the Maharashtra Value Added Tax Act, 2002
Form 313	Application by senior citizen for the disposal of appeal on priority under sub-section (7) of section 26 of the Maharashtra Value Added Tax Act, 2002
Form 314	Application for the purpose of proviso to sub-section (1) of section 33 of the Maharashtra Value Added Tax Act, 2002
Form 315	Notice under Sub- section (6) of section 23 of the Maharashtra Value Added Tax Act,2002
New Form 316	Application under sub-section(11)of section 23 for cancellation of assessment order Passed under sub-section(2),(3)or(4) of section 23 of the Maharashtra Value Added Tax Act, 2002
New Form 317	Order of cancellation of assessment order under sub-section (11) of section 23 of the Maharashtra Value added Tax Act2002,
New Form 318	Notice under Sub- section (1) of section 33 of the Maharashtra Value Added Tax Act,2002
Form 401	Application for allotment of sales Tax Deduction Account Number under sub-section (8) of section 31 of the Maharashtra Value Added Tax Act, 2002
Form 402	Certificate of tax deduction at source to be given to the dealer under sub-section (7) of section 31 of the Maharashtra Value Added Tax Act, 2002
Form 403	Yearly Statement of the tax deducted at source, to be sent to prescribed Authority under sub-section (10) of section 31 of the Maharashtra Value Added Tax Act, 2002

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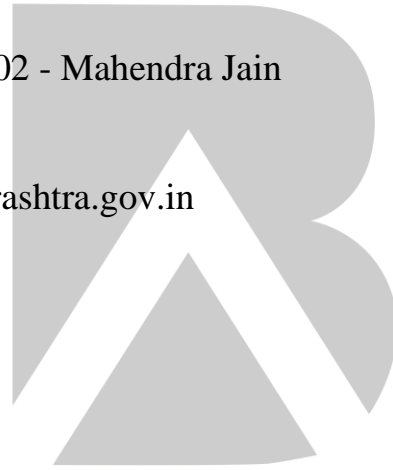
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