Notifications, Circulars and Orders issued by DVAT Department

1) That the department has issued a Notification No. 364-375 dated 01/07/2015 stating that “Minimum invoice value per purchase should be Rs.19,000/- and above” w.e.f. 01/06/2015, for claiming refunds by the Embassy of Portugal.

2) That the department has issued a Circular No. 14 dated 09/07/2015 invited comments from the stakeholders on mismatch verification report 2A & 2B. As per the Circular the department proposed to block the matching entries of annexure 2A & 2B and once match & blocked then these entries could not be revised under any circumstances. For un-match entries, department proposed to take declaration from the buyer and seller and on the basis of declaration, they have to revise their return within current tax period for the mismatched occurring during previous tax period. In case of failure to file revised return, they won’t be able to proceeds for unloading current tax period return on the portal and mismatch assessment shall be finalized on the basis of data available on server on quarterly basis.

3) The Delhi Government issued a Notification No. 117-126 dated 14/07/2015, and passed the DVAT (Second Amendment) Act, 2015 and amended the following provisions

i) Section 4 is amended and government is empowered to levy DVAT up to 30% on the items listed in the Fourth Schedule of the DVAT Act.

ii) Section 8 and Section 10 are amended and as per the amended provisions now Post sales discounts / incentives through Debit notes / credit notes are not subject to Adjustment to output tax / input tax by the seller or the buyer but still we have to make adjustment to output tax / input tax in case of Goods Returned and Goods rejected.

iii) Section 22(7) omitted and now No need to file Registration Certificates in case of cancellation of RC

iv) Section 38 amended and now Surety can be filed within 45 days if required by the Authorities in Refund cases.

v) Penalties under Section 86 of the DVAT Act,2004 are amended as unde

<table>
<thead>
<tr>
<th>No.</th>
<th>Section</th>
<th>Nature of default</th>
<th>period</th>
<th>Old penalty</th>
<th>Now Penalty</th>
<th>Maximum Penalty</th>
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<td>1</td>
<td>86(5)</td>
<td>Delay in filing Amendment Application</td>
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<td>500/-</td>
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<td>Delay in filing RC cancellation Application</td>
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<td>86(9)</td>
<td>Delay in filing due Return</td>
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4) The fourth Schedule is amended and numerous items are charged to DVAT 20% such as Petroleum Products, Liquor, Country liquor, Narcotics, Molasses, Rectified spirit, Lottery Tickets, Brake Fluids, Tobacco and Gutka products, aerated Drinks, watches costing above Rs. Five thousands.

5) The Government has issued a Notification No. 536 dated 15/07/2015 stated that DVAT (Second Amendment) Act, 2015 shall come into effects from 15/07/2015.

6) The Government has issued a Notification No. 547 dated 15/07/2015 and substituted entries at S. No. 1 related to petroleum products taxable @20%. Also inserted entry No. 12 for Petrol (Motor Spirit) taxable @25% and entry no. 13 Diesel (HSD/SLO/LDO) taxable @ 16.6% in the fourth schedule of DVAT Act and tax rate would be effective from 16/07/2015.

7) The Department has issued a Circular No. 15 dated 21/07/2015 and extended the due date of filing of online return in EC-II and EC-III for the quarter ending June-2015 up to 30/09/2015.

8) The Department has issued a Circular No. 16 dated 27/07/2015 and extended the due date of filing of online return in DVAT-16, DVAT-17 and DVAT-48 for the quarter ending June-2015 up to 04/08/2015.

9) The Delhi Government issued a Notification No. 599 dated 31/07/2015, and amended the third schedule and substituted entry no. 6 and 120 and also inserted entry no. 169, reads as under
   a) Entry No. 6, All utensils and cutlery made of metals (including pressure cookers/pans) excepts those made of precious metals.
   b) Entry No. 120, Wax of all kinds not covered by any other entry of any schedule.
   c) Entry No. 169, wood and Timber.

Now the aforesaid items listed in third schedules are taxable @5% w.e.f. 01/08/2015.

Compiled by – Shri Suresh Aggarwal, Advocate