

Summary of Notifications, Circulars from 16th April, 2016 to 15th May, 2016

CENTRAL EXCISE

1. Extension of Time Limit for registration and payment of Excise duty by Jewellers

CBEC vide *Circular No. 1021/9/2016-CX, Dated: March 21, 2016* provided for constitution of a Sub-Committee of the High Level Committee to Interact with Trade & Industry on Tax Laws, chaired by Dr. Ashok Lahiri to study the issues relating to the imposition of excise duty on jewellery including the issues related to compliance procedure for the excise duty, records to be maintained, operating procedures and any other issues that may be relevant..

In this regard, CBEC vide *Circular No. 1025/13/2016-CX, Dated: April 22, 2016* has provided that names of the committee members with a request that all associations may submit representations before the subcommittee in writing and the all India associations would need to state their cases in person.

Further CBEC vide *Circular No. 1026/14/2016-CX, Dated: April 23, 2016* has provided that now a jeweller may take central excise registration of an establishment upto 01.07.2016. However, it is to be noted that excise duty would be payable w.e.f from 1st March 2016 itself. Further, jewellers may make the payment of excise duty for the months of March, 2016; April, 2016 and May, 2016 along with the payment of excise duty for the month of June, 2016.

[Circular No. 1025/13/2016-CX, Dated: April 22, 2016 & Circular No. 1026/14/2016-CX, Dated: April 23, 2016]

2. Disposal of Call Book cases which have been decided by Courts or Board

CBEC has specified following category of cases which need to be transferred to Call book:

- i. Cases in which the department has gone in appeal to the appropriate authority,
- ii. Cases where injunction has been issued by Supreme Court/ High Court/ CEGAT, etc.
- iii. Cases where the board has specifically ordered the same to be kept pending and to be entered into the Call Book.
- iv. Cases referred to Settlement Commission.

In this regard, Central Government vide *Circular No. 1028/16/2016-CX, Dated: April 26, 2016* has provided that in respect of cases involving Central Excise duty, Customs duty and Service Tax the following cases will be taken out of Call Book and adjudicated where:-

- a) The issue involved has either been decided by Hon'ble Supreme Court or Hon'ble High Court and such order of the Hon'ble High Court has attained finality or,
- b) Board has issued new instruction or circular clarifying the issue involved, subsequent to issue of the order to transfer the case to the Call Book.

[*Circular No. 1028/16/2016-CX, Dated: April 26, 2016*]

3. Duties of Excise to include Infrastructure Cess for export purposes.

Central Government vide *Notification No. 26/2016- Central Excise (N.T), Dated: May 5, 2016* has provided that for export under bond without payment of duty (N. Nos. 42/2001-CE(NT) & 43/2001-CE(NT)), for export to countries other than Bhutan and rebate allowed therein (N. Nos. 19/2004-CE(NT) & 21/2004-CE(NT)), duties of excise would include **"Infrastructure Cess leviable under clause 159(1) of the Finance Bill, 2016"**

[*Notification No. 26/2016- Central Excise (N.T), Dated: May 5, 2016*]

CUSTOMS

4. Insistence on documents of registration where not required

Presently, importers were facing a problem regarding the clearance of products not specified under the Legal Metrology Act, 2009 as the Customs officers were insisting presentation of registration documents from importers on products which do not fall under the purview of the Legal Metrology Act, 2009 and rules made thereunder.

In this regard, Central Government vide *Instruction F. No. 401/69/ 2016-Cus III Dated: April 22, 2016* has advised its Custom Officers need not insist for such registration documents wherever it is not required.

[*Instruction F. No. 401/69/ 2016-Cus III Dated: April 22, 2016*]

5. Relaxation in Know Your Customer (KYC) norms

Central Government vide *Circular No. 7/2015-Customs, Dated: February 12, 2015* provided that only one identification/ document instead of minimum 2 documents for proof of identity' and 'proof of address' would be collected from individual

importer/exporter at the time of delivery/pick up of shipment in regards to fulfilment of KYC norms by authorised courier companies.

The aforesaid relaxation has given rise to a concern for authorised courier companies that many a times, individual importer/exporter possess proof of identity in the form of prescribed documents but the address mentioned in the document is not the address where the individual is staying. Individuals often find it difficult to produce present/current proof of address.

In this regard, Central Government vide *Circular No. 13/2016-CUS, Dated: April 26, 2016* has provided that in cases where the proof of present address is not available with the individual, the proof of identity collected at the time of delivery along with the address recorded for the delivery purpose by the courier companies would suffice for KYC verification. The courier company needs to keep a record of the address where the goods are delivered and the same would be treated as proof of address of the individual importer/exporter.

The above dispensation for proof of address would be available only in respect of individuals for import of documents, gifts/samples/low value dutiable consignments upto the maximum CIF value limit of Rs. 50,000/-. As regards, documents for KYC verification in case of others (other than individual), the existing instructions will remain in force.

[Circular No. 13/2016-CUS, Dated: April 26, 2016]

6. Regarding vessels carrying exclusively coastal goods

Central Government vide *Notification No. 56/2016 - Customs (N.T.), Dated: April 27, 2016* has granted exemption to vessels carrying exclusively coastal goods from the following provisions of the Customs Act, 1962:

- a. Section 92: Entry of coastal goods
- b. Section 93: Coastal goods not to be loaded until bill relating thereto is passed, etc.
- c. Section 94: Clearance of coastal goods at destination
- d. Section 95: Master of a coasting vessel to carry an advice book
- e. Section 97: No coasting vessel to leave without written order
- f. Section 98(1): Sections 33, 34 and 36 to apply to coastal goods as they apply to imported goods or export goods.

Further, Central Government vide *Notification No. 57/2016-Customs (N.T.), Dated: April 27, 2016* has provided that for the vessels carrying exclusively coastal goods the following sections of the Customs Act, 1962 would apply:

- a. Section 30: Delivery of import manifest or import report
- b. Section 41: Delivery of export manifest or export report

However, it is important that the vessels carrying exclusively coastal goods must be operating from berths used by vessels carrying imported goods or export goods and a coastal manifest is delivered to the proper officer by the person-in-charge of such vessel or his agent prior to the arrival/ departure of the vessel in the specified format.

Since the present procedure governing the movement of coastal goods were restrictive there was a need to relax the procedure further so as to facilitate faster movement of the coastal goods, bringing down the transaction cost and also give fillip to the developmental activities in the coastal cities. Further, the cabotage restrictions have been relaxed to encourage movement of coastal goods. Vessels like RoRo (Roll on Roll off), PCC (Pure Car Carriers), Pure Car and Truck Carriers (PCTC), LNG vessels, Over-Dimensional Cargo or Project Cargo carriers etc are covered under the new relaxed policy guidelines for a period of five years i.e. up to 1st September 2020.

In this regard, *Circular No. 14/2016-Cus, Dated: April 27, 2016* has been issued to provide the relaxed procedure and the necessary legislative relaxation effected by the issuance of Notification Nos. 56/2016 - Customs (N.T.), & 57/2016-Customs (N.T.) Dated: April 27, 2016.

Salient features of this circular are:

- a. The arrival and departure coastal manifests needs to be prepared in duplicate. The original will be submitted to the proper officer and duplicate would be retained by the Master of the vessel or his agent. The arrival manifest is to be submitted before the arrival of the vessel and the departure manifest is to be submitted before the departure of the vessel.
- b. Vessels like RoRo (Roll on Roll off), PCC (Pure Car Carriers), Pure Car and Truck Carriers (PCTC), LNG vessels, Over-Dimensional Cargo or Project Cargo carriers etc. are covered under the new relaxed policy guidelines for a period of five years i.e. up to 1st September 2020.
- c. The revised procedure will apply to Indian vessels, Indian flag foreign vessels or foreign vessels eligible for cabotage relaxation vide *No. SR 14020/5/2009-MG/CS-Vol. VII dated 2.9.15* issued by the Ministry of Shipping. In the case of cabotage covered foreign vessels, the relaxation will be co-terminous with the said order of the Ministry of Shipping.
- d. The container carrying coastal goods will be clearly marked with the words "*For coastal Carriage Only*" on all sides. There will be no examination of the coastal goods, the container will be sealed with tamper proof one time bottle seal and then the same can be loaded on to the vessel.
- e. Non-containerised cargo will also be allowed to be loaded on to the vessel provided it is clearly marked on the packing '*For Coastal Carriage Only*' to make it easily identifiable.

- f. Random checks may be carried out by Preventive Officers (with prior approval of AC/ JC of preventive wing) to ensure that no export goods or imported goods are inadvertently or by intention loaded onto such coastal vessels.

[Notification Nos. 56/2016 - Customs (N.T.), & 57/2016-Customs (N.T.) Dated: April 27, 2016, Circular No. 14/2016-Cus, Dated: April 27, 2016]

7. Village Sachana, Ahmedabad notified for loading/ unloading of export/ imported goods

CBEC vide *Notification No. 59/2016-Customs (N.T.), Dated: April 27, 2016* has declared the following as Inland Container Depot in State of Haryana for the purpose mentioned against it:

S. No.	Place	Purpose
1.	"(xiii) Village Sachana, Viramgam, Ahmedabad. District	Unloading of imported goods and loading of export goods

[Notification No. 59/2016-Customs (N.T.), Dated: April 27, 2016]

VALUE ADDED TAX

TELANGANA VAT:

8. Mandatory raising of e-waybills by dealers of the 7 Divisions of Twin cities and R. R. District from 01.04.2016 onwards

The Telangana Government has clarified that e-waybills, which are to be carried by the transporter of the goods vehicle are mandatory for dealers of the 7 Divisions of Twin cities and R. R. District from 01.04.2016. In other words, use of manual waybills will not be permitted henceforth. Further, any stock of physical way bills lying with dealers of 7 Divisions of Twin cities and R. R. District will be treated as invalid. Further, such dealers are also directed to upload utilization of all manual waybill obtained till date.

[Circular-CCT's Ref No. Enft/D2/172/2010, dated 13th April, 2016]

9. Due date for payment of tax deduction in case of lease agreements

Sub-section (3E) has been inserted under Section 22 (due date for payment of tax) stating that the tax deducted by transferee on the lease consideration paid to the transferor shall be remitted to the State Government on the immediate next working day from the date of its collection.

[ACT No. 10 OF 2016]

HARYANA VAT:

10. Date for filing the return of the quarter ending 31.03.2016 extended upto 31.07.2016

The due date for filing online quarterly returns for the quarter ending 31.03.2016 has been extended from 30.04.2016 to 31.07.2016 due to the reservation agitation in the State in February, 2016. The return can be filed by the affected dealers who have lodged valid claim for compensation within the prescribed period before the appropriate authority for this purpose.

[ORDER dated 18th April, 2016]

MAHARASHTRA VAT:

11. Increase in the turnover limit for opting Retailers Composition Scheme & other provisions

The sales turnover limit for the eligibility of dealer to opt for Retailers Composition Scheme has been increased from Rs. 50 lakhs to Rs. 1 crores from 01.04.2016.

A dealer who has not opted for this composition scheme earlier but desires to opt shall upload an application in Form 4A on www.mahavat.gov.in on or before 30.04.2016. Further, a retailer who had already opted for this Scheme need not apply again. Furthermore, from 01.04.2016 the Retailer Composition Dealer shall file returns as per the provisions of rule applicable to any other non-composition dealer.

[Trade Circular No. 9T of 2016 dated 22nd April, 2016]

12. Amendments made to the Maharashtra Value Added Tax Act, 2002

The following amendments proposed by *Maharashtra Bill No. L. A. BILL No. XVIII of 2016* has received the assent of the Governor on 26th April 2016 and has made following modification in Maharashtra Value Added Tax Act, 2002:

Section 16 : Rejection / Cancellation of Registration Certificate

- The prescribed authority may pass a rejection order without giving an opportunity of being heard but after intimating the applicant, if the registration application is:
 - not complete or
 - documents required have not been uploaded on www.mahavat.gov.in or
 - documents are inconsistent or
 - prescribed conditions are not fulfilled

Further, if the applicant complies with all the discrepancies intimated within 30 days from the date of intimation of rejection order and if such compliance is

approved by the prescribed authority then the application so rejected, shall stand restored. However, the applicant shall be eligible to rectify the discrepancies only once.

- If any person has obtained registration by fraud or by misrepresentation of facts then the Commissioner may cancel the registration certificate with effect from such date as he may deem fit after giving a reasonable opportunity of being heard to the dealer.

Section 20 (Returns & Self-assessment)

A revised return for any omission or incorrect statement may be furnished at any time before a notice of assessment is served or before the expiry of a period prescribed for furnishing the audit report i.e. within 9 months and 15 days of the end of the year (earlier 10 Months) to which the report relates to, whichever is earlier.

Section 23 (Assessment)

Returns for the period commencing on or after 01.04.2012 and filed within the due date would be assessed on the basis of such return. Further if assessment order is not made within 4 years from the end of the year to which such returns relate then such returns shall be deemed to have been accepted.

An intimation of assessment proceeding shall be communicated to the dealer within 6 months before the date of expiry of the period of limitation for assessment. If the dealer agrees with the intimation and files the return or revised return along with full payment of tax and interest, then a confirmation order shall be passed and the assessment proceedings shall be deemed to have been closed.

Section 26 (Appeals)

An appeal can also be preferred against the order of Advance Ruling Authority.

A new **Section 28A (Determination of tax liability as per fair market price)** has been inserted by providing that during the course of any proceedings if any transaction is entered for a sale price which is below the fair market price (FMP) so as to pay less tax, then the Commissioner shall determine the tax liability as per the FMP while passing an order in such cases.

Section 31 (Deduction of tax at source)

It has been provided to transfer the credit of TDS by the contractor to the subcontractor for the TDS deducted by principal on payment made to a contractor. Further, the employer awarding the contract shall be liable to obtain registration for TDS & such TDS return shall be filed by him. No registration is required to be obtained by an employer if he is already registered under the Act. Penalty upto the amount of tax deductible may be imposed for not obtaining such registration. A further penalty of upto Rs. 5,000 may be imposed for failure to submit the return. The employer may also furnish a revised return on or before the expiry of a period of 9 months from the end of the year to which the return relates.

Section 55 (Advance Ruling)

This section has been substituted with the following:

- The Commissioner or the ARA shall make an advance ruling within 90 days from the date of acceptance of the application for the questions prescribed.
- Application may be withdrawn within 30 days from the date of its submission.
- No application shall be accepted where the question raised in the application:
 - is already pending before the Tribunal/ Bombay High Court/ Supreme Court or
 - involves a transaction which is designed apparently for the avoidance of tax.
- The acceptance of the application shall be communicated within 30 days from the date of submission.
- The Advance Ruling (AR) shall be binding on all the officers, appellate authority or on the ARA/ Commissioner for similarly situated persons.
- The AR shall not affect the liability of the applicant or of any other person similarly situated in respects of any sale or purchase affected prior to the Advance Ruling.
- The appeal / rectification against the AR order can be filed within 30 days.

Section 70 (Power to collect statistics)

A sub-section (3) has been inserted stating that any person who fails to furnish information shall be liable to a penalty of a sum not exceeding Rs. 1 lakh and in case of continuing default for a period beyond 2 months then a further penalty of Rs. 1,000 for every day.

Section 56 (Determination of disputed questions) has been deleted.

[MAHARASHTRA ACT No. XV OF 2016]

13. Amendments made to Maharashtra Value Added Tax Rules, 2005

Following amendments have been made in the Maharashtra Value Added Tax Rules, 2005 which is effective from 01.04.2016:

Rule 8 (Application for registration of dealers liable to tax)

Any dealer liable to pay tax shall (including voluntary registration) submit a registration application electronically on www.mahavat.gov.in in Form 101 along with Form 105 (to be submitted electronically) declaring the name of manager of business or authorized person and PAN. Hitherto only Form 101 was required to be submitted.

As such, every application for registration shall be made electronically (even where passport photo is to be affixed). Further, a proof of having current account in bank & PAN is not required to be submitted to the registering authority while making such application.

Rule 17 (Submission of Returns)

It has been provided that return forms will be available on www.mahavat.gov.in in the electronic form only i.e. no hard copies of the same can be obtained from Department.

A dealer who is holding Certificate of Entitlement under the Package Scheme of Incentives except the Power Generation Promotion Policy, 1998, and if he is liable to file return then he shall file Form 231 (normal return) in addition to the return in Form 234 (return for dealers holding certificate of entitlement).

From 01.04.2016 returns are to be submitted electronically on the website.

- Sub-rule (4A) has been inserted stating that for the period commencing from 01.04.2016, a monthly return is to be filed within 21 days by the registered dealers if during the previous year his-
 - tax liability had exceeded Rs. 10 lakhs or,
 - refund had exceeded Rs. 1 crore.
- Other registered dealers shall file a quarterly return within 21 days.
- Dealers who have not opted for the composition scheme and are not required to file Audit Report shall file the return along with other details of the entire year in Annexures appended to Form 704 (Audit Report).

Rule 17A (Electronic Filing)

Any Document submitted electronically on the www.mahavat.gov.in shall be deemed to have been submitted to the registering authority unless expressly provided for submission.

Rule 18 (Special provision for first and last return in certain cases and for dealers under the Package Scheme of Incentives)

- A sub-rule (1A) has been inserted stating that where a dealer who obtains registration on or after 01.04.2016 and -
 - has not applied for registration within 30 days of the prescribed limit of turnover, then for the unregistered period the dealer is required to file the return from the first day of sales liable to VAT or purchases made till the date he obtains Registration Certificate. Thereafter, for the registered period the first return will be filed from the date of effect of registration.
 - has applied for registration within the above time limit then the first return shall be for the month in which he makes sale liable to VAT or for which he can avail credit of the taxes paid on his purchases. Thereafter, he shall file the returns from the date of obtaining registration certificate.
- In case of registration cancellation w.e.f. 01.04.2016, the Annexure in Form 704 is required to be filed with the other details for entire year or for the part of the year.
- A sub-rule (3A) has been inserted stating that w.e.f. 01.04.2016-
 - A dealer to whom Certificate of Entitlement (excluding the Certificate of Entitlement granted under the Power Generation Promotion Policy, 1998) has been granted then he shall also file a return for the period starting from the first day of the quarter/ month till the day he obtains the certificate. Further, if

the dealer has executed any works contract or has transferred the right to use any goods or has part of the business under composition, then he shall file a monthly return in Form 233 in addition to Form 234.

- The last return shall be filed for the period starting from 1st day of the month till the date on which certificate ceases. The next return will be for the period from the date on which such certificate ceases till the end of the month.
- For the immediately succeeding year the dealer will file return according to sub-rule (4A) of Rule 17 as mentioned above.
- The above provisions shall also apply to a dealer to whom a Certificate of Entitlement has been granted by way of deferment of payment of tax.

Rule 45 (Method of Payment)

From 01.04.2016 a dealer may electronically get a copy of the acknowledgement of the payment made.

[Notification No. VAT.1516/CR-52/Taxation-1.- dated 22nd April, 2016]

14. Settlement of Arrears in Dispute

Following are the salient feature of the scheme for settlement of arrears in dispute:

- **Time limit for making application-** For statutory orders passed on or before 31.03.2012, an application in Form-I to be submitted on or before 30.09.2016.
- **Conditions-** The applicant who desires to avail of the benefit shall first withdraw the appeal, or proceeding. Further, the application shall be accompanied by copy of statutory order, stay order granted, order of withdrawal of the appeal, challans showing payment of the requisite amount & amount of undisputed arrears.
- **Procedural aspect-**
 - On receipt of the application the designated officer shall verify the contents of the said application as well as requisite proof;
 - If the application is defective then within 7 days from the receipt, a defect notice in Form-II will be issued.
 - If the applicant within 15 days has complied with the defect notice and makes the payment, if any, then a settlement order shall be passed within 30 days.
 - If the applicant fails to comply with the defects then after providing the opportunity of hearing, a rejection order may be passed within 30 days from the last date provided for compliance.
- **Settlement order can be revoked, if an applicant has obtained benefits of settlement** by suppressing material information or furnishing false information, or if any concealment of any particulars is found during search & seizure proceedings.

[Trade Circular No. 10T of 2016 dated 3rd May, 2016]

15. Amendment to the Maharashtra Value Added Tax Rules, 2002

The Maharashtra Government vide *Notification No. VAT-1516/C.R. 64/Taxation-1.- dated 29th April, 2016* has amended the following rules of Maharashtra Value Added Tax Rules, 2005; The major highlights of the changes are as follows :

Rule 11 (Cancellation of registration application)

The effective date of cancellation of registration in case of fraud & misrepresentation shall be the date Commissioner deems fit after making inquiry.

Rule 40 (Tax deduction at source)

- Every employer deducting tax at source shall file a return in e-Form 424 within 21 days from the end of the month in which tax is so remitted into the Government Treasury (tax amount to be remitted within 21 days from end of the month during for which tax is so deducted). Hitherto this return was required to be filed within 3 months of the end of the year to which the return relates.
- Clause 1(e) has been inserted to provide that the principal contractor who desires to transfer the credit to the sub-contractor shall file a return in e-Form 424A & issue a certificate in e-Form 402A to the sub-contractor for transferring such credit. Such principal contractor shall maintain a separate account in e-Form 404 A for each year containing details of credit so transferred.
- Where the Commissioner after conducting enquiry is satisfied that the contract is not a works contract, may grant the certificate in e-Form 411.

Rule 40A (Tax collection at source)

Every authority or agency issuing a tax collection certificate shall submit a return in e-FORM 423 within 21 days from the end of the month in which amount of sales tax is so collected. Earlier the return was to be filed within 3 months of the end of the year to which the return relates.

Rule 63 (Application under Advance Ruling)

This rule has been substituted with the following:

- The application for advance ruling shall be made in e-Form 703 along with the prescribed fees (non-refundable) on the following questions, whether:
 - a person, society, club or association or any firm or any branch or department of any firm, is a dealer or
 - a person or dealer is required to be registered or
 - any activity done to any goods amounts to manufacture or
 - any transaction is a sale or purchase & if yes then what shall be the sale price or the purchase price or
 - any person or dealer is liable to pay tax or if tax is payable then at what rate or

- set-off can be claimed on any particular transaction and if it can be claimed then what are the conditions and restrictions.
- The concerned officer shall submit a report to the Commissioner or the Advance Ruling Authority in e-Form 703A. Further, the communication regarding acceptance of the application shall be in Form 703B.
- The notice for giving reasonable opportunity of being heard before making rectification of order shall be in e-Form 703C. The date fixed for compliance shall not be earlier than 15 days from the date of service.
- The application for rectification of mistake shall be made in e-Form 703D.
- The notice for calling the record of any Advance Ruling issued shall be in Form 703E.

Rule 73 (Fees)

A fee of Rs. 2,000 (earlier Rs. 500) is payable while making an application under Advance Ruling.

[Notification No. VAT-1516/C.R. 64/Taxation-1.- dated 29th April, 2016]

16. Proof of permanent place of residence is required for the purpose of Registration

Due to the hurdles faced by the businessman in providing one of the documents mentioned in table below as a proof permanent place of residence (in applicant's name), the Maharashtra Government has provided relaxation by directing that any of the two documents listed under the table may be provided as a proof of place of residence.

Earlier it was mandatory to submit 1 out the following as a proof of place of residence	Now any 2 out of the following may be submitted
Latest paid electricity bill	Ration card
Co-operative Society share certificate	Valid Indian Passport
Latest Society Maintenance Bill	Driving license
Property card or latest receipt of property tax of Municipal Corporation / Council / Gram Panchayat	Election photo identity card
Consent letter from family member (owner/co-owners of premises) along with copy of documents showing signature of consenter/s, proof of ownership of consenter/s and signature proof of consenter/s	Aadhaar Card
	Latest paid electricity bill
	Co-operative Society share certificate

	Latest Society Maintenance Bill
	Property card or latest receipt of property tax of Municipal Corporation / Council / Gram Panchayat
	Consent letter from family member (owner/co-owners of premises) along with copy of documents showing signature of consentor/s, proof of ownership of consentor/s and signature proof of consentor/s
	Latest copy of MTNL/BSNL landline bill
	First page of Passbook of Saving Bank Account or Certificate showing the address of the applicant issued by the manager of any Nationalized Bank
	Latest copy of bill of domestic gas connection

[Trade Circular No. 15T of 2016 dated 9th May, 2016]

17. Unique ID in the form of Tax Identification Number

The Maharashtra Government has clarified that scheme of Unique TIN is also applicable to PTRC under The Maharashtra State Tax on Professions, Trades, Callings and Employments Act, 1975 and to the Maharashtra Purchase Tax on Sugarcane Act, 1962 along with other statutes like VAT, CST, Luxury Tax Acts, and Maharashtra Tax on the Entry of Goods into Local Areas Act, having format of the TIN for PTRC as '27ab0010216P' and for SCPT as '27ab0010216S' respectively, where 27 is State Census Code, 'ab' is check digit & 0010216 is serial number.

[Trade Circular No. 16T of 2016 dated 9th May, 2016]

18. Designation of Wednesday as Taxpayers' Day

The Maharashtra Government has designated Wednesday (2 pm to 5 pm) as Taxpayers' Day wherein Zonal/ Divisional/ Unit heads of all offices will meet the taxpayers/ other stakeholders in their chambers without any prior appointment to address their grievances relating to Sales Tax expeditiously. Further, it is declared that Service Cell Meeting of all dealers and their representatives will be held on first Saturday of third month of even quarter (i.e. June, September, December and March) at all the divisional levels.

[Trade Circular No. 17T of 2016 dated 9th May, 2016]

RAJASTHAN VAT:

19. Security to be furnished in the form of cash through e-GRAS

The Rajasthan Government has made it possible for furnishing of security deposit by way of electronic payment through e-GRAS wherever it was required to be furnished in cash.

[Notification No. F. 16(115) VAT/Tax/CCT/2016-17/152 dated 22nd April, 2016]

20. Criteria for selection of cases for Post Registration Verification process

The Rajasthan Government has provided the criteria for selection of cases for enquiry to be made within 48 hours of issuance of registration certificate. The enquiry will be made if the Risk Weightage crosses the value of 110:

Sl. No.	Cases-	Points for Yes	Points for No
1.	If the dealer is a Non-Resident Dealer or if the Partner address belongs to is outside the state of Rajasthan (ignore in case of Public Limited Company)	100	0
2.	If dealer was registered earlier in VAT or he has specified the details of his closed business	50	0
3.	If more than one business running at the same business place	50	0
4.	If difference between Date of Commencement of Business and Date from which liable to registered <ul style="list-style-type: none">• Upto 6 months - 10 points• More than 6 months and less than 1 year - 20 points• More than 1 year - 50 points		
5.	In case of Cash/NSC/Bank Guarantee/Surety <ul style="list-style-type: none">• Cash - 50 points• NSC-50 points• Bank Guarantee - 0 point• Surety - 0 point		

Maximum Risk Weightage = 300

Minimum Risk Weightage = 10

[Notification No. F. 16(115) VAT/Tax/CCT/2016-17/159 Dated: 22nd April, 2016]

21. Cancellation of wrongly generated Declaration Form/Certificates

Assessing authorities may cancel CST declaration forms beyond 6 months from the date of generation after approval of the Deputy Commissioner (Administration) having jurisdiction. The detailed process is as follows:-

- Assessing Authority shall enter the date of application in "Cancel CST Forms" & if the cancellation is within 6 months then the system will allow such cancellation.
- A manual application for permission to cancel CST declaration Forms after 6 months shall be submitted to the Deputy Commissioner (Administration) which will be processed manually.
- If the date of cancellation application is beyond 6 months then the system shall not allow the Assessing Authority to cancel CST forms until the order number and order date of the Deputy Commissioner (Administration) has been entered allowing the dealer for submission of cancellation application of CST forms.

[Circular No. 1/2016-17 No. F.16 (97)/Tax/CCT/14-15/183-184 dated 26th April, 2016]

22. Procedure for post registration verification

The Rajasthan Government has provided the verification procedure to be followed, after granting registration which is as follows :

- The dealer will be intimated about the concerned inspecting officer through SMS and e-mail.
- The Officer shall visit the principle place of business of the dealer to verify the facts and statements (e.g. place of business mentioned, additional places of business, liable to register on a prior date, principal place is owned/ rented/ leased, etc.) & the registration documents uploaded with the application for registration.
- The officer conducting verification shall submit the inspection report online on RajVISTA within 48 hours (2 working days) which would be available to view by the dealer in his profile section of website.

[Clarification No. F.16 (4)/Tax/CCT/2006/276 dated 29th April, 2016]

23. Process of application for new-registration

Following is the process for filing application for new registration:

- The dealer shall apply in "New Registration Application" provided under the head "e-Registration (New TIN)" on www.rajtax.gov.in . For reference, a hand book is also provided under the head "New Registration Application".
- Upload digital photograph along with scanned copy of required documents with Application in Form VAT-01.
- Form shall be digitally signed and security deposit shall be furnished in cash by e-Payment through e-GRAS. If the application in Form VAT-01 is not digitally signed, then signed Acknowledgement of the said Form has to be submitted within 15 days of submission of online application. Further, if the security deposit is not furnished in cash, then the dealer shall have to submit a security bond or bank guarantee or NSC.

[Circular No. 02/2016-7 F.16 (95)/Tax/CCT/14-15/201 dated 26th April, 2016]

24. Process for filing of Online Memorandum for Appeal to Appellate Authority

Following is the process to submit online Memorandum for Appeal (Form VAT-27):

- A registered dealer may file an appeal online in Form VAT-27 only after successful login on www.rajtax.gov.in (link: <http://rajtax.gov.in/vatweb/Appeal.do?dispatch-loadappealForm>). An unregistered dealer will use the link named "application for appeal by unregistered dealer" provided under e-Services.
- Where a dealer is also filing application for stay of demand recovery then he shall have to select "yes" provided in Form VAT-27 itself. Further, he may himself select location of his Appellate Authority provided in the "Appellant location" field.
- It is not mandatory to upload supporting documents along with the form of appeal. However, the documents uploaded should not exceed 5MB of size.
- After filing of the online appeal, a hard copy along with all the necessary documents has also to be submitted to the concerned appeal office. After submission, an acknowledgement shall be issued.
- An SMS will be sent to appellant & his representative on admission/ rejection of Memorandum of Appeal.
- The appellant may know the status of his appeal under the head "Track status for Appeal" provided under important activities & may also view / download the cause list provided in the field "cause list for appeal" under e-services.

[Circular No. 03/2016-17 F.16 (95)/Tax/CCT/14-15/210 dated 26th April, 2016]

25. Procedure to generate online template for Form VAT-72

It has been already provided that a dealer who claims partial or full exemption from tax payment on sale of goods to another dealer in the State shall furnish a duly filled declaration in e-Form-72 obtained from the purchasing dealer. Now, the following procedure has been provided for generating the same:

- The purchasing dealer shall download the template and fill in the necessary details for generation of Form VAT-72. He shall duly sign the Form and will give it to the selling dealer.
- Selling/Purchasing dealer may claim exemption from tax payment by submitting the Form generated to his assessing authority.

[Circular No. 05/2016-17 F.16 (95)/Tax/CCT/14-15/397 dated 7th May, 2016]

CHHATTISGARH VAT:

26. Exemption from payment of tax for dealers under Electronics, IT and ITeS Investment Policy

The Chhattisgarh Government has exempted the following dealers from the **entire amount of tax payment** subject to restrictions and conditions specified in the below table:

Class of Dealers	Period for Exemption	Restrictions & Conditions
Dealer establishing units in the State under the Electronics, IT and ITeS Investment Policy of Chhattisgarh, 2014-19.	For a period of 5 years from the date of commencement of commercial production or up to the date of coming into force of GST in the State, whichever is earlier.	All provisions of the Electronics, IT and ITeS Investment Policy of Chhattisgarh, 2014-19.

[Notification No. F-10-14/2016/CT/V (50) dated 13th April, 2016]

ANDHRA PRADSH VAT:

27. Tenders for Government Authorities will not include the tax element until its finalization

Government Departments/ PSUs and other Government Bodies are directed to exclude the tax element from the prices quoted by the bidders in the tenders for procurement of goods. After the tenders are finalized, the goods will be supplied at the quoted price after including the tax separately i.e. VAT rate or CST rate, as the case may be. If the supplier is registered under the APVAT then tax may be deducted while making payment of bill and remit it to the Commercial Taxes Department.

[Notification G.O.MS.No. 170 dated 26th April, 2016]

DELHI VAT:

28. Delhi 2016-17 Budget Highlights

Following are the proposals made in the Budget 2016-17:

- A Scheme called 'Bill Banwao Inaam Pao' has been proposed in the bill. Under this scheme, consumers effecting purchases can send the snapshot of retail bill / invoice to the Department through a mobile application for verification of sale / purchase transactions and compliance. Further, 1% of the entries will be shortlisted for granting awards and prize money thereby incentivizing the participation of consumers.
- A unique Reward scheme has also been proposed to acknowledge and encourage market associations and trade associations. Such associations will get 10% of the revenue generated over and above the target set for the year.

Besides this, top 10 performing market association will get cash reward of Rs.5 lakh each. The award money will be utilized for overall improvement of the market and maintenance of public conveniences, beautification, repairs, etc.

29. Display of Registration Certificate at principal place of business

Delhi Government has directed ACs/ward incharges to ensure that all the registered dealers have prominently displayed the registration certificate at their principal place of business and a certified copy at all other places of business in Delhi. Further, the dealer shall also prominently display his TIN and ward number outside the main entrance of all places of business in Delhi.

[Circular No. 4 of 2016-17 F.3(667)/Policy/VAT/2016/200-205 dated 10th May, 2016]

GOA VAT:

30. Goa 2016-17 Budget Highlights

Following proposals have been made by Budget 2016-17:

- While preferring Second Appeal the appellant has to deposit an amount of 50% of the disputed dues but no such money is collected for filing first appeal. Therefore, it has been proposed to provide a deposit of 10% of the disputed dues in First Appeal.
- As the State moves towards the GST regime, it is proposed to notify a scheme to adjust and refund, excess ITC, in varying proportions during the forthcoming years for settlement of disputes and refund of excess Input Tax Credit (ITC) under Goa VAT Act, 2005.
- Presently excess of ITC against tax liability is not allowed to be refunded and provided for carry forward of the excess ITC. Therefore it has been proposed to provide for refunds and expeditious disposal of refund cases upon submission of all details and documentation required.
- It has been proposed to formulate a scheme for new units or start-ups or those who are in expansion, including existing units, in order to provide incentives based upon their capital investment, employment generation and procurement of raw materials locally.

KERALA VAT:

31. Photographs need to be affixed on physical copy of Certificate

KVATIS already provides an e-platform to the dealers for registration, renewal of registration on payment of fee, e-Payment etc. Since electronic records are available evidencing renewal of registration but the dealers who needs a fresh physical copy are insisted to affix the photographs in the certificate.

[CIRCULAR NO.4/2016 C1/10178/16/CT dated 29th April, 2016]