

Full day workshop @ WIRC
dated 15/06/2013

CA KIRAN G. GARKAR



Agenda

- Recent changes in the MVAT Act
- Controversies/issues under the Act



Recent Amendments

- Changes effective from 1/5/2013
- Changes effective from 1/4/2013
- Changes effective from 1/4/2005

Recent Amendments

- 2(15A) & 2(17A)
 - Motor Spirits & Petroleum products

- Revised returns: Section 20(4)
 - Clauses b & c
 - ‘single revised return for the year’

Recent Amendments

- Sec. 20(6): Late fee
 - Proviso to exempt whole or part of fees

- Sec. 23(1): Unilateral assessment
 - Procedural change

Recent Amendments

- Sec. 32A
 - Notice to pay ‘accepted dues’ as per MVAT Audit report
 - Proviso: No recovery of dues below Rs.100 under Sec. 32 or 32A

- Sec. 41(5): ‘Wine’ included in class of liquor for this section.

Recent Amendments

- Sec. 50(2):
 - Carry forward of refund up to Rs. 5 lakhs
 - Allowed for immediately succeeding year

- Refund: 4 lakhs (March 13)
 - C/fd to 13-14
 - Net Dues for 13-14 Rs.3 lakhs
 - Whether 1 lakh can be c/fd to 14-15?

Recent Amendments

- Sec.51: Refund priority list
 - Holders of identification certificate issued to Mega units as per 2001/2007 PSI
 - Having more than 50% of turnover as OMS

- Appearance before sales tax authorities
 - Company secretary

Recent Amendments

- ❑ Commodity taxation: Important changes
- ❑ A-34: ‘milk containing any ingredients (other than milk fat, milk powder or as the case may be solid non-fat) and sold under a brand name’
- ❑ Wef 01/04/2005
- ❑ To overcome > Greater Mumbai Milk Scheme[SA 1123 of 2006 dated 09/01/2012]

Commodity taxation: Important changes

- A-2: Aids & implements used by handicapped persons
 - Braille watches included
- A-27A: hand pumps used for pumping water
 - C-42 'Hand pump, parts and fittings' deleted
 - Unintentional fallout for 'parts and fittings'
- A-62: water meters sold to local bodies

Commodity taxation: Important changes

- Various exempted items > Paddy, Rice, Wheat, Papad, Gur, Coconut, Wet dates etc.
- Tea in leaf or powder form including instant tea
 - Extended for one year up to 31/03/2014
- Automated implantable cardiac defibrillators (AICD) > C-107(8)

Commodity taxation: Important changes

- B-1: Articles of gold ,silver with or W/o precious stones
- B-2 : Precious metals like gold, silver, platinum, alloys etc
- Rate increased to 1.1% for 2013-14
- Incl. Goods & tools made from diamond, gold, silver etc> new entry C-53A

Commodity taxation: Important changes

- C-3: All types of bricks
 - Paver blocks excluded
- C-29: Drugs and medicines
 - Products capable of being used as cosmetics & shampoos excluded
- Tobacco related goods
 - Beedi 12.5%
 - Cigar & cigarettes 25%

Commodity taxation: Important changes

- C-107(11)(g) deleted
 - Powders, tablets, cubes, crystals and other solids or liquids from which non alcoholic beverages and soups are prepared
 - Applicable rate 12.5%

- Interstate sales of furnishing fabrics
 - EXEMPTED

Commodity taxation: Important changes

- Fabrics for Industrial use: 5%
- C-101(a)
 - 5901/5902 & 5903 of Central Excise tariff
- C-101(b)
 - 5907 of Central Excise tariff
 - Textile fabrics and articles of a kind suitable for industrial use, other than cotton & man made fabrics

Recent Amendments

- Rule 55B inserted (Wef 15/10/2011)
 - Developers and units in processing area of SEZ

- Set off available for leasing of motor vehicles
 - Rule 54(a)
 - Not available wef 1/5/2013

- Works Contract TDS e-return > Form 424

Controversies/issues under the Act

- Service tax: whether forms part of sale price?
 - Explanation to sale price
 - Sujata Painters: DDQ dt.20/1/2012
 - Composition scheme:
Nikhil Comforts: SA30/2010 dt.31/3/12

Controversies/issues under the Act

- Notes appended to notifications
 - Stand of the Department
 - Scratch Guard Pvt. Ltd.> DDQ dt.9/11/10
 - Liner bags(C-I-93) & Garbage bags (C-II-93)
Shalimar Pack [App. 184/03 dated 31/8/06]
 - 040510 00 Desi Loni/2304: Soya flour
 - 9306: Bombs, grenades, missiles etc. when supplied to ordnance factories of Govt. of India

Controversies/issues under the Act

- Taxation of ‘furnishing fabrics’
 - Last point of taxation

- Section 48(5) interpretation
 - Suspicious dealers list

- Assessments for 05-06 & 08-09
 - Refund due but 23(5) orders

Controversies/issues under the Act

- Concept of ‘Single revised return’
 - Calculation of interest for Form 704?
 - Levy of Interest is substantive law
 - Pure Drinks (New Delhi) Limited: WP(C) 1638/1994
DT. 21/3/13

Thank you!

Thank you!

Thank you!

Thank you!

Thank you!