Product or Goods Sale in India

Definition of Goods:-

Means every kind of movable property other than actionable claim and money; includes stock and share, growing crops, grass and things attached to or farming part of the land which are agreed to be served before sale or under contract of sale.

Applicability:-

VAT is applicable to all person or persons who buys or sells goods in the State whether for commission, remuneration or otherwise in the course of their business or in connection with or incidental to or consequential to engagement in such business. The term includes a Broker, Commission Agent, Auctioneer, Public Charitable Trusts, Clubs, Association of Persons, Port Trusts, Railways, Insurance & Financial Corporations, Transport Corporations, Local authorities, Shipping and Construction Companies, Airlines, Advertising Agencies and also any corporation, company, body or authority, which is owned, constituted or for business of trade, commerce or manufacture

Goods/product sold in India

Sold within Maharashtra (State)

Value Added Tax applicable

VAT Collected on our Sales

Less (-) VAT paid on our purchase

Difference of above (if Positive) then paid to State Government if negative then same it can be carry forward.

Ex. If VAT Collected is Rs. 100 on Sale and VAT paid is Rs 80 than difference of above i.e. Rs 20 required paying State Government and if VAT collected is Rs. 80 and VAT paid is Rs 100 then balance amount 20 Rupees amount can be carry forward.

Sold / purchase out of Maharashtra (State) but, within India

Central sale Tax applicable

CST paid on purchase is not available for set off against VAT payable / CST Payable. Only VAT paid on purchase is available for set off against C.S.T payable

Ex. C.S.T. Collected on sale of service is Rs 100, VAT on purchase is Rs 40, C.S.T on Purchase is Rs 40 then only VAT on purchase can be set against CST on Sale of Service not

Goods/product Sold outside

VAT on foreign sale are not required to collect (Exports are treated as zero-rated. Thus no VAT tax is payable on export of goods out of India.