<u>SUMMERY OF IMPORTANT CENTRAL SALES TAX & DVAT PROVISIONS</u>

1. Registration requirement

<u>Compulsory registration:</u>

- turnover exceed Rs 20 Lac in the current year (in Delhi VAT Act)
- Any inter state sale
- Any inter state purchases for resale within the state

<u>Voluntary Registration</u>:

- An assessee can apply for voluntary registration even if his turnover is less than prescribed limit.

2. Type of Invoice in VAT:

<u>Tax Invoice:</u>

- Tax invoice can be issued only by a registered dealer
- Tax invoice can be issued only in respect of taxable items
- Tax invoice can not be issued by:
  a) a dealer specified in fifth schedule
  b) a dealer who elect to pay tax under the composition scheme
  c) a dealer for making sales in the course of inter state trade or commerce or export

- Tax invoice shall be prepared in duplicate

<u>Retail Invoice:</u>

- Retail invoice can be issued by every dealer
- Retail invoice is used for making sales in the course of inter-state trade or commerce
- Retail invoice is to be issued for every transaction for which tax invoice has not been issued
- Retail invoice should be prepared in duplicate

3. Due date under DVAT:

W.e.f. 01.04.2013

Particulars	Period	Time limit
Payment of Tax	Monthly (irrespective of the turnover)	Payment of tax- within 21 days from the closing of the month
Filing of return	Quarterly (irrespective of the turnover)	File return electronically- 25 days of the end of the quarter Hard copy of the same- 28 days of the end of the quarter

4. Rates of Taxes under DVAT:

S. No	Goods specified in	Rate
1	Ist Schedule	NIL

2	IInd Schedule	1%
3	IIIrd Schedule	5%
4	IVth Schedule	20%
5	Goods not specified in any schedule	12.5%
6	Doods involved in the execution of work contracts except printing works contract	12.5%

5. Rate of Tax under Central Sales Tax Act:

Declared Goods as specified under section 14 of CST Act:

Rate of tax under DVAT	With 'C" Form	Without 'C" Form
0%	0%	0%
1%	1%	1%
5%	2%	5%

Goods other than Declared Goods:

Rate of tax under DVAT	With 'C" Form	Without 'C" Form
0%	0%	0%
1%	1%	1%
5%	2%	5%
12.5%	2%	12.5%
20%	2%	20%

6. Input Tax Credit:

Eligible Dealer	Registered Dealer
Condition for availing the tax credit	Dealer should be in possession of tax invoice at the time of claiming the tax credit
Eligible Purchases	a) Purchase made during the tax period used b) Purchase of capital goods
Ineligible Purchases	a) Purchase from an unregistered dealer b) Purchases from a dealer who has opted for composition scheme c) Purchases made for incorporating into the structure of a building owned by the person
Eligible amount of Input tax credit	a) Input tax paid /payable on eligible purchases. b) In case of capital Goods- take equal 1/3 tax credit in three year
Reversal of Tax credit	Input tax is to be proportionately reversed for: a) Goods used for the purpose other than sale b) Goods lost or destroyed c) Transfer of capital assets

7. Registration Procedure under DVAT & CST

The following documents are required for the registration under DVAT & CST:

1. Form No DVAT -4

2. Form A (for CST)
3. Particulars of Directors or partners and their PAN
4. Proof of ownership of property by Proprietor/ Managing Partner/ Director
5. Copies of rent agreements if any
6. Copy of PAN
7. NOC from Landlord
8. List of Director/Partners & their identity proof & PAN & 2 photographs of each
9. Board resolution in case of company
10. First Purchase bill
11. First Sale Bill
12. GR/Courier/freight bill (proof of sending goods)
13. Bank Statement
14. Surety- Dealer Surety or Bank Guarantee (upto Rs 1 Lac for DVAT)
15. Copy of Telephone Bill/ Electricity Bill
16. Non Judicial Stamp Paper/ Court fee for Rs 500/-, Rs 25/-
17. Power of Attorney on Rs 50/- stamp paper

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