



# EXPORT PROMOTION COUNCIL FOR HANDICRAFTS

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## **EPCH ORGANIZED AN AWARENESS SEMINAR ON "DELHI VAT ACT 2004 AND CURRENT AMENDMENTS" AT NEW DELHI ON 21<sup>st</sup> DECEMBER, 2013 AT RAJIV GANDHI HANDICRAFTS BHAWAN, NEW DELHI**

The Export Promotion Council for Handicrafts (EPCH) organized an Awareness Seminar on Delhi VAT Act 2004 and Current Amendments 2013 at Rajiv Gandhi Handicrafts Bhawan, New Delhi. Mr. Deepak Bajoria, Chartered Accountant of M/s D K Bajoria & Associates, New Delhi made a detailed presentation on Delhi VAT Act, implications of Act and current amendments. Mr. Prince Malik, Member-COA-EPCH chaired the above seminar.

The objective of the seminar was to provide the required knowledge on Delhi VAT Act 2004 and latest amendments of Delhi Vat Act 2013. The speaker interacted with the participants wherein over 40 member exporters were present.

Mr. Bajoria broadly covered the segments of Delhi VAT Act 2004 which included Registration Procedure, Liability to Tax, Credit and Debit Note, Composition Scheme, Computation of Tax, Invoices, Accounts and Records, Returns and Self and Default Assessment and Audit etc.

Mr. Bajoria informed the participants that the Act appears to be the most liberal Value Added Tax (VAT) law in India and applies to all types of business segment including :- Importers, Exporters, wholesalers, retailers etc. It has simplified the registration procedures and provides for across the board input tax credit (with a few exceptions) for business transactions. The act provides for tax refunds for exporters (refund of tax paid on inputs used in the manufacture of goods exported). He stressed on the need of regular VAT Audit and elaborated on the need to adopt a Tax Mechanism for charging VAT.

Mr. Prince Malik, Member-COA also interacted with the participants and discussed the Delhi VAT Act in detail regarding the problem being faced by the member exporters. He assured the participants to take-up the matter with the concerned authorities.

After detailed deliberations, the following major questions were raised by the participants:-

### **Q 1. For an exporter while putting up an invoice, is TIN number necessary?**

Ans. Yes, TIN number is important while placing an invoice to an exporter, retailer, importer and wholesaler.

**Q2. Is there any rebate on VAT paid on the purchase of handicraft raw material?**

Ans. No, there is no such rebate on VAT paid on the purchase of raw material, for the production of handicraft products.

**Q3. If an unregistered party is giving two separate bills of raw material and labor, will TDS on VAT (WCT) be applicable?**

Ans. In such a case when the party is giving two separate bills, TDS on VAT (WCT) will not be applicable.

**Q4. Is VAT number necessary for an exporter?**

Ans. If an exporter has turnover less than Rs. 20 lacs then VAT number is not necessary but if turnover exceeds Rs. 20 lacs then VAT number becomes an obligation.

**Q5. In case of a buying agency, Is it necessary for having VAT number and paying of tax obligation?**

Ans. It is not necessary for the buying agency to have the VAT number and the payment of tax because buying agency is service provider and covered under the service Tax Act.

**Q6. Goods and Service Tax (GST) implication?**

Ans. Within a period of 3-6 months from the implication of GST, the problems related to filling for VAT be resolved.

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