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CERTAIN AMENDMENTS IN MVAT ACT, 2002

1.0 Background

Maharashtra VAT Department has issued the Notification No VAT. 1515/ CR-81/Taxation-1 dated 5 November 2015 for increase in Interest Rate for delay of VAT payment with effect from 1 December 2015. Further, Maharashtra VAT Department has issued Trade Circular No. 17T of 2015 dated 7 November 2015 for physical submission of statement of Submission and acknowledgement of Audit Report in Form 704 for the Financial Year 2014-15. These amendments are captured in our newsflash.

2.0 Amendments in Maharashtra Value Added Tax Act, 2002 ('MVAT Act, 2002')

2.1 The rates of interest for delay in VAT / CST Payments in the state of Maharashtra shall be as specified in the table below

Sr. No.	Period	Existing Rate upto 30 November 2015	Rate of Interest with effect from 1 December 2015
1	Up to One month of Delay	1.25% per month or a part thereof	1.25% of the amount of such tax, for the month or for part thereof.
2	Up to Three months of Delay		1.25% of the amount of such tax, for the month or for part thereof for the first month of delay and 1.5% of the amount of such tax, for each month or for part thereof for delay beyond one month up to three months.
3	More than Three months of Delay		1.25% of the amount of such tax, for each month or for part thereof for the first month of delay, 1.5% of the amount of such tax, for each month or for part thereof for delay beyond one month upto three months and 2% of the amount of such tax, for each month or for part thereof for the period of delay beyond three months

2.2 The last date for submission of audit report under section 61 of the MVAT Act 2002, for the period 2014-15 is 15 January 2016. After uploading their audit reports for the period 2014-15, the dealers shall submit the following documents

- i. The statement of submission of Audit Report in the prescribed format. The statement of submission should be duly certified with signature, stamp, seal of the dealer with date, and
- ii. The copy of Acknowledgement generated after uploading of audit Report in Form-704, duly certified with Signature, stamp, Seal of the Dealer and Auditor, with date.

The last date for submission of above documents is 25 January 2016.

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This newsflash is general in nature. In this newsflash, we have summarised MVAT notification No VAT. 1515/ CR-81/Taxation-1 and Trade circular No. 17T of 2015. It may be noted that nothing contained in this newsflash should be regarded as our opinion and facts of each case will need to be analyzed to ascertain applicability or otherwise of the respective circulars and notifications and appropriate professional advice should be sought for applicability of legal provisions based on specific facts. We are not responsible for any liability arising from any statements or errors contained in this newsflash.