

Govt. Announces Measures to Simplify VAT Regime in Delhi

The Delhi government on Saturday decided to simplify the VAT payment procedures for traders while announcing a series of initiatives for the business community.

Chief Minister Arvind Kejriwal made the announcements while interacting with various traders and markets organisations of the city at the Delhi Secretariat. "The government is working on a process to simplify the VAT procedure by putting effective and userfriendly systems in place. This will help the traders in paying their tax regularly and without any hassle and will also help the government in increasing its revenue without causing any inconvenience to traders," said Kejriwal.

The government has also decided to scrap Audit Report 1 (AR1) which was mandatory for traders with an annual turnover exceeding ` 10 crore to file. A government official said this separate procedure prescribed during the previous government by the VAT authorities was causing unnecessary hassles for the traders.

"This report was not only lengthy running into several pages, but also cumbersome to file," the official said.

Besides, the government also raised the ceiling limit of composition scheme from ` 50 lakh to ` 1 crore for availing a simplified VAT procedure by small dealers. "This means that traders with a turnover of ` 1 crore will now be eligible to get the benefit of a simplified procedure for calculating the VAT on goods sold by them. The simplified procedure allows small traders to pay one per cent tax on their turnover," explained the official.

The chief minister also assured the traders that the government would consider raising the ceiling to exempt small traders from VAT registration. Currently, traders with a turnover less than ` 20 lakh do not need to register with VAT authorities. Kejriwal also said the government intends to reduce human interface between VAT authorities and traders.

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