

VAT

70. VAT rates of various commodities in Delhi, which are less than the rates suggested by the Empowered Committee of State Finance Ministers, are termed as deviations. A number of deviations have been done in the past. On account of these deviations we have incurred losses in our revenue collection as well as reduced compensation from the Central government. I propose to remove such deviations on items / commodities and levy VAT as follows :

From exempted (0%) to 5%

1. Compressed natural gas (CNG) for use in transport sector
2. Rassi, Ban & Newar
3. Bio inputs like Fertilizers and Micro-nutrients and plant growth promotors
4. Kerosene stoves, lanterns and petromax and their spares
5. Embroidery and zari items

From exempted (0%) to 12.5%.

1. Motion Picture distribution when treated as right to use goods
2. Plastic scrap/ glass scrap.

From 5% to 12.5%

1. All other scraps
2. Dry fruits and kesar and magaj of all kind
3. Desi Ghee
4. Household plastic items
5. Plastic and tin containers including barrels
6. Wood and timber and plywood and laminated boards
7. Fitting for doors and windows and furniture
8. Wire mesh and metal mesh
9. Paintbrushes
10. Tractor tyres and tubes
11. Cocoa and coffee including coffee beans
12. Invertors

13. All Utensils and cutlery items (including Pressure cookers / Pans) except those made of precious metals

14. Fertilizers, pesticides, weedicides, insecticides, herbicides, rodenticides and plant growth regulators (other than those covered in First Schedule)

15. Glucose D

16. Locks

17. Weights and Measures

18. Fibre Board and particle board

19. Tea

From 12.5% to 20%

Diesel

It may also be added that Goods and Service Tax (GST) is likely to be introduced from next financial year and the GST envisages minimum number of exemptions.

Therefore, removal of deviations would be a step in that direction. It is expected that removal of these deviations will bring additional revenue of approximately Rs.850 crores. However, in order to ensure that these measures do not impact cost of living of common man I intend to continue concessions on following items :

1. Kirana Items except dry fruits, kesar and magaj of all kind
2. Foodgrains, Atta, Maida, Suji
3. Amla, Harad, Bahera, Shikakai, Supari, Ratanjot, Khusak, Pudina
4. Hawan Samagri and Incense Sticks
5. Unbranded goli and toffee
6. Midday Meal supplied by agencies approved by the Delhi Govt. and Local Bodies to schools
7. Jute and all kind of jute products including natural dyes and bleached, diversified, plain and laminated jute products
8. School Bags with MRP upto Rs.300/-
9. Tricycles meant for use by persons with disability
10. Blood filters
11. Compact Fluorescent Lamp and electronic choke

12. Natural Gas and R-LNG (Re-gassified Liquid Natural Gas) sold to power generation companies owned by Government of NCT of Delhi for generation of power meant for sale in Delhi)

13. Piped Natural Gas

71. To tap luxury segment, I propose to increase VAT on writing instruments costing above Rs.1,000/-from present 5% to 12.5%, watches above Rs.5,000/-from 12.5% to 20%, Mobile Phones and all mobile accessories above Rs.10,000/-from 5% to 12.5%, readymade garments above Rs.5,000/-from 5% to 12.5%. This measure is likely to generate approximately Rs.100 crores as additional revenue.

72. I propose to enhance VAT on aerated drinks from 12.5% to 20% as a measure to generate additional revenue to the tune of Rs.10 crores.

73. To give relief to Thalesemia patients we have already exempted "Desferrioxamine", "Deferiprone" and Blood Filters (Lucocytes Filter) used for treatment of Thalassemix. I also propose to exempt new Oral Iron Chelator Defarasirox by including it in the First Schedule of the Act.

74. Government of Delhi has constituted the Delhi Dispute Resolution Society with the objective to establish institutionalized mechanism of alternate dispute resolution. I propose to frame a mechanism of mediation to resolve disputes of Sales Tax / Value Added Tax cases by appropriately amending the DVAT Act, 2004.

Subsidy

75. Speaker Sir, you may recall that Government of India enhanced the price of domestic LPG by Rs.50/-in June, 2008. To lessen the burden on consumers, Government of Delhi decided to provide a subsidy of Rs.40/-on domestic LPG cylinder (14.2 Kg.). Due to this, Government of Delhi is bearing a burden of approximately Rs.160/-to Rs.170 crores per annum. However, as the prices of LPG have been reduced by the Central Government in 2009, therefore, I propose to withdraw this subsidy.

Stamp & Registration

76. The registration fee charged on various documents under Indian Registration Act, as applicable to Delhi, is meager. The maximum registration fees is Rs.100/-in NCT of Delhi. It is proposed to bring it at more realistic level by raising maximum registration fee to Rs.500/-and registration fees in other slabs will also be enhanced proportionately. It is likely to generate additional revenue of Rs.6 crores.

77. Sir, I commend the budget for the consideration of the House.