

OFFICE OF THE SPECIAL COMMISSIONER (SYSTEMS)  
DEPARTMENT OF TRADE & TAXES : GOVT. OF NCT OF DELHI  
ROOM NO.305, VYAPAR BHAWAN, I.P.ESTATE, NEW DELHI-02

No. 1324

Dated:- 27/11/2013

To

Shri Virag Tiwari  
Secretary Sales Tax Bar Association

Sub:- Queries Regarding Returns

Sir,

Kindly refer to your letter dated 26/11/2013 on the subject cited above. The pointwise reply to the issues mentioned in your letter under reference is enclosed herewith.

Thanking you

Encl: As above

Yours faithfully,

  
( Dr. Mrinalini Darswal )  
Special Commissioner  
(Systems)

Copy to PA to Commissioner VAT

SR. NO	ISSUES	REPLY
1	If a dealer purchases second hand goods and sells the same, he is entitled to input tax credit under section 15(2) of DVAT Act, 2004. This input tax credit can be claimed at A3.9 of DVAT 16 but there is no column in 2A to record the purchase of such goods from where purchases automatically comes in DVAT-16. Such dealers are, therefore, not in position to file their returns. Hence, either the software be duly amended or such dealers should be allowed to file the return manually.	May be filed in the column purchase from unregistered dealer in 2A .For claim of ITC, fill column A 3.9 directly and it will not flow from 2A.
2	In annexure 2B attached with DV AT 16 there is a column to record "charges towards labour, services and other like charges in civil works contracts." However, in case dealer is works contractor other than civil works contractor there is no column to record his labour services under the like charges. Therefore, software for annexure 2B needs to be amended to record such transactions.	In case of other work contract, it may be filed in this column only. A separate column would be added for future returns.
3	In DVAT 16, 2 <sup>nd</sup> or 3 <sup>rd</sup> installment of balance tax credit on capital goods is to be recorded in A3.14 but to record this we have first to fill the column of 'increase in turnover'/'amount involved' and thereafter it automatically calculates increase in tax credit . Since the purchase of capital goods have already been recorded in the 1 <sup>st</sup> year of purchase. Therefore, no amount can be shown in the column 'increase in turnover'/'amount involved'. In such cases please clarify as to how dealer should file the return.	It has been already informed to the Bar on Nov. 14, 2013 in previous questionnaires (Issue no. 5 (h)).
4	It has been noticed in many cases that form DVAT 56, is not recording/picking up the correct figures from the returns which apparently shows some error in the software. Print out in respect of two cases was given to your goodself which were handed over by you to Mr. Raj with a direction to him to check up the same and inform to you. We shall appreciate if you can convey us that such errors have been rectified and software has been modified accordingly.	No such issues exist. Amount is given in column gets R 7.5 Tax credit carried forward from previous tax period.Mr. Raj may be further contacted if the issue is still unclear.
5	R 10, in Form 1 is to be filled separately for the year 2009-10 up to 30 <sup>th</sup> Nov, 2013 and for rest of the years up to 31 <sup>st</sup> Dec., 2013. In case the assessment for the said years in complete, then only the assessment order no. and date is to be filled up. Kindly clarify whether on uploading this form the returns which have already been filed are also revised or not and in such cases whether the dealer is to submit DVAT 56, again in the department for such revised return and if the dealer files 2009-10, 2010-11, 2011-102 and 2012-13. He has to submit such revised returns DVAT 56 every time. This does not appear a sound proposition. In this respect, the arrangement should be such that once the dealer has filed online R10 it should be taken as sufficient compliance as was done in case of stock 1 details without submission of revised DVAT 56.	Would lead to mismatch between R10 figures & Form 1 figures. Hence, revision is required in the interest of the dealers for proper reconciliation. DVAT 56 would accordingly need to be re-submitted. The dealer can avoid this by submitting R10 before Form 1, and then submitting one DVAT 56.
6	Further, Col. R.10 in Form 1 does not contain the columns to Central sales made against Form-I and Form-J. Your goodself, would	Being incorporated.

	appreciate that sales against the above said statutory forms are quite common and thus the system till date lacks the infirmity of furnishing such information / details.	
7	In Central Return Form 1, the system is automatically decreasing the turnover of goods sold returned under CST Act, For the previous tax periods but not older than six months and thus giving variation in figures in Col. TR4.2 (Central Turnover) of DVAT-16, and Col. R 4.3 (Central Turnover) of Form 1 and thus giving incorrect details of turnover for the tax period. Copy of return depicting such anomaly is enclosed for your reference.	Done as per Notification. This issue is already properly handled.
8	In case there are no interstate sales in 2009-10 or there are interstate sales without statutory forms on payment of full tax whether R10 is required to be filled with zero figures or not. Please clarify, if not filled with zero figures, it will not attract any penalty.	R 10 to be filed with zero figure for completion of return
9	A dealer transfers against 'F' form but some goods are returned against such transfers, the dealer needs to issue 'F' forms against such returns. Where to show such transactions in R11 so as to obtain 'F' Form.	Details as per utilization are to be given in R 11.
10	We requested your goodself on 19 <sup>th</sup> Nov, 2013 to extend the date of submission of AR-1, from 2 <sup>nd</sup> Dec, 2013 to 28 <sup>th</sup> Jan, 2014 for the reasons that number of audits have increased after your clarifications vide notification dated 14 <sup>th</sup> Nov, 2013. Further, 30 <sup>th</sup> Nov, 2013 is that last date for submission of Income tax returns in case of dealers having Specified Domestic Transactions (SDT's). Hence, the time available with the auditors and members of the Bar is too short to complete the audits in view of the facts that report is quite voluminous and this being the first year of VAT audit in AR-1, Your attention is drawn to the State of Maharashtra where the date for submission of such like report was extended upto 15 <sup>th</sup> April of next year in its first year of implementation.	The dates of compliances stay as per the existing notifications/ orders of the Department.

S. No.	Issues	Reply
1	In Form DVAT-17, if the dealer is not registered under Central Act and has opted 3% scheme, he is not required file Form 1 (Central Return) but software does not accept DVAT 17 without uploading Form 1. This is not in accordance with law. The same requires immediate correction. Dr. Darswal told us that this will take 3-4 months' time. In view of the same, you are requested that due date of filling of returns should be extended accordingly.	In process (likely to be completed and uploaded on 16.11.13).
2	We are enclosing prints of DVAT-56 (return verification Form). The software is generating same receipt No for dealers / clients of different wards. This is a gross error in the software. It needs immediate correction.	No such issue. Each & every DVAT 56 has unique Id.
3	A print of Form DVAT-16, filled on 11 <sup>th</sup> Nov, 2013 the software has generated DVAT-56 bearing date 08 <sup>th</sup> Nov, 2013. This again is a gross error of the system.	This error occurred in 16 cases due to NIC connectivity failure. Remedial action has been taken to avoid the recurrence.
4	A print of DVAT-56, enclosed shows that the Turnover printed is NIL although tax due & paid is Rs. 2973/-. This is despite the fact that in Form 2B turnover was filled up. Your help desk corrected this error by manually filling this figure in DVAT-17. This is not correct. It should have come from 2B automatically.	The corresponding field regarding 2B is not editable in DVAT -17. User cannot enter the values in DVAT - 17.It only comes from Annexure 2B.
5	We are enclosing print which reflects adjustments in output tax or tax credit sheet. The software is not reversing the ITC on stocks received back after job work from outside Delhi.	The data has been entered in wrong column in the attached print out.
a)	Annexure 1B- 1 <sup>st</sup> column - Total value of assets as per last year's audited balance sheet is to be given. What happens if in the case of any dealer the balance sheet is not audited? Whether this Annexure is to be filled or not.	Policy issue.
b)	In 2A- If a dealer purchased exempted/Tax free/ URD goods, how to reflect the same in 2A.	There is a single column in Return as well as Annexure 2A for exempted/Tax free. Respective columns given in Annexure 2A like "Purchase against Tax free (Exempted) goods for Purchase Tax free goods, Purchase against Unregistered dealer for URD goods.
c)	When we fill say 12 figures of tax decrease and, 1 figure of tax increase in 2C, then in DVAT-16, software shows all figures in tax increase only. (Kishore Ag.)	No such Issue.
d)	If a dealer has central sales returns, how to show the same in return Form-1 and how its tax is to be adjusted. (Lalit Chandok)	Dealer can enter the values in R 6 & R 7 where negative amount is allowed to enter.

e)	How to record central sale returns in the same quarter, from 2B figure is coming in R-6 instead of R-5. (Rakesh Gupta CA)	Turnover as per 2B comes in R4.3 .central sale return in the same quarter are to be mentioned in R5 & Net Central Turnover comes in R5.1.R6 contains details of deduction claimed.
f)	If assessment of a dealer has been completed for the year 2009-10, 2010-11 & 2012-13, and he has paid the tax also, then R-10 should not be required to be filled. Necessary clarification should be given for the same.	Policy issues
g)	Software is not properly reflecting the figures of R.6.9 & R. 6.10. Print enclosed. Even after writing figure these do not appear in Form-1. (Dinesh Gupta CA)	Design is correct.
h)	To claim ITC (3 <sup>rd</sup> installment) on capital goods, software is asking to write turnover for taking credit. Out of ITC of Rs. 3500/- claim already taken Rs.2333/- in 2011-12, 2012-13- how to fill figure in September 2013 return. ( D C Bansal CA)	Only Increase in ITC is to be given.
i)	When we adjust Central Liability in R7.6, then on updating Central figure is auto removed. (Manish Gupta & H L Gova)	It is showing after submitting or updating the records, but before updating or submission, it cannot show.
j)	In case of return of goods out of stock transfer against "F" Form, is to be issued as per view of the Department by the dealer, there is no column to show such requisition of 'F' Form 2A. (Rakesh Kumar)	Policy issue.
k)	No column In Form 1 For showing Debit/Credit note received on account of rate difference which may pertains to the same quarter or within 6 months.	Policy issue.
	<b>Other issue.</b>	
a)	In case of builders and landowner, where no consideration is receivable other than proportionate share in land, tax is payable on incorporation of goods. How to fill annexure 1A of DVAT 16 and in case it is left blank whether it will attract penalty.	Policy issue.
b)	How to show local sales of tax free goods in Annexure 2B or the same is to be filled in DVAT 16 at R5.7 manually.	It is the sum of Local sale against 0%.
c)	Whether R-10, is to be filled even if there is no inter-State sale or in case inter-State sales are without forms. In such cases, if this column is left blank or not filled up to 30-11-2013, or 31-12-2013. Would it attract any penalty?	Policy issue.
d)	There is no mechanism in the system for obtaining "C" forms in case of purchases made against "C" forms by a composition dealer opting for 6%.	In process.