

**GOVERNMENT OF NCT OF DELHI
DEPARTMENT OF TRADE & TAXES
VYAPAR BHAWAN, NEW DELHI-110002**

No. F 7 (420) Policy / VAT / 2012 / PF / 309-315

Date: 19-7-2012

CIRCULAR - 7

The Department of Trade and Taxes has made it mandatory for all monthly return filing dealers to file Annexure 2A and 2B online, before filing their DVAT and CST returns with effect from Tax period August, 2011 onwards. Subsequently, online filing of Annexure 2A and 2B was made mandatory for quarterly return filing dealers, with effect from Tax period Third Quarter 2011-12 onwards.

Thereafter, a "Mismatch Report", showing discrepancies between the data submitted by purchasing dealers and corresponding data submitted by the respective selling dealers, was introduced on the dealer login page on the website of the department. This report also displayed the apparent tax liability and apparent penalty implications on account of such mismatch in data. This report was hosted on the website to educate the dealers about potential revenue implications of submitting wrong or incomplete data in Annexure 2A and 2B.

The Department framed default assessment of Monthly return filing dealers for the Tax period April, 2012 on the basis of mismatch in transactions made by Monthly return filing dealers with other Monthly return filing dealers. Notices of default assessment and assessment of penalty were issued to approximately 5000 dealers in this exercise. Thereafter, several dealers revised their 2A and 2B data and as a result, the number and quantum of mismatch transactions was substantially reduced. Since this was the first assessment based on 2A-2B data mismatch, and with a view to avoid inconvenience to dealers, cases where the last date for payment of additional tax and penalty was approaching, were reviewed suo-motu by the Assessing Authority concerned.

Based on the analysis of the data relating to 2A and 2B mismatch and its subsequent revision, all registered dealers are advised to keep the following points in mind while filing online 2A and 2B:-

1. TIN of the purchasing/selling dealers should be carefully and correctly entered. Even a single wrong digit in the TIN may result in transaction being mismatched and ITC claimed by the purchasing dealers being disallowed.
2. Complete purchase and sale data should be entered in Annexure 2A and 2B. Incomplete data will result in discrepancies between the data filed in 2A 2B and DVAT/CST returns. Such cases are likely to be taken up for default assessment shortly.

3. Some dealers have filed only 2B data online, without filing 2A and DVAT/CST returns, to ensure reconciliation of data filed by their purchasing dealers. The Department perceives this to be an intentional fraud and is considering filing of criminal case under relevant sections of IPC. However, the department considers it prudent to advise all such dealers to complete their 2A and Return in a weeks' time, before filing First Information Report with the Police Authorities.

Rajendra
10/7/12

(Rajendra Kumar)

Commissioner, Value Added Tax

Copy to :-

1. All Special / Addl./ Joint Commissioners, Department of Trade and Taxes.
2. All Zonal Incharges, Department of Trade & Taxes – *with the request to kindly arrange to give wide publicity to this Circular amongst various Trade Associations under their jurisdiction.*
3. Deputy Director (Policy), Department of Trade and Taxes.
4. Programmer (EDP), Department of Trade and Taxes- *to upload the circular on the web site of the Department.*
5. President/Secretary, Sales Tax Bar Association (Regd.), Vyapar Bhawan, I.P. Estate, New Delhi.
6. All VATOs / AVATOs, Department of Trade and Taxes – *through internal mail system.*
7. Guard File.

T.C. Sharma

(T.C. Sharma)

Value Added Tax Officer (Policy)