F A Qs

Q1. What is Form T-2.

Ans. Form T-2 has been prescribed/notified by the Commissioner, Value Added Tax, Department of Trade and Taxes, requiring the dealers to furnish details of invoices and goods receipt note in respect of goods purchased or received as stock transfer from outside Delhi. This form is to be submitted online.

Commissioner Value Added Tax, Department of Trade and Taxes is empowered to issue notifications for carrying out the purposes of Delhi Value Added Tax Act, 2004. The main object of Delhi Value Added Tax Act, 2004 is to levy and collect tax. Commissioner is to administer the Act and for better administration of the Act, it was considered necessary by the Commissioner that details of invoices and goods receipt note in respect of goods purchased or received as stock transfer from outside Delhi be sought from the dealers of Delhi online.

Q.1A Why Form T-2 has been prescribed/notified.

Ans. Form T-2 is an endeavour of the Department to check loss of revenue which is caused to the exchequer by unscrupulous dealers by bringing goods into Delhi and then not recording the said transactions in their stocks/books of accounts. Market intelligence reveals that such dealers sell such goods without charging VAT. This results in unfair competition with an honest dealer.

Form T-2 would thus help/benefit the honest dealers as the honest dealers would not face unfair competition from dealers referred to above.

In the long run it would reduce the need for checking of vehicles at borders which in turn will save lot of time of the transporters and dealers. Statistic generated will help in tax planning.

Q.2 What is the procedure to be followed by oil companies dealing in petroleum products for filing Form T-2?

Movement of natural gas is a continuous process starting from receipt of gas in pipeline network till the delivery of goods to customer who draws gas according to gas availability and plants requirement. Gas is transmitted through underground pipeline. It is not possible to demarcate the boundary of State of Delhi in the underground pipeline network. Other petroleum products move in tank wagons. Please clarify.

Ans. Form T-2 has been modified to indicate the mode of transport and one of these modes would be transportation through pipelines. The dealer may provide information in accordance with the billing cycle used by him to prepare his accounts.

Q.3 Various transporters collect the material from various branches/vendors in different States. The goods are then brought to a hub of the transporter. The transporter deploys another vehicle for different destination from the hub. In such cases it is not possible to have exact information about the vehicle number which brings goods into Delhi.

Ans. Vehicle number of the vehicle that finally brings goods into Delhi is required. In cases where such information is not available with the Delhi dealer reliance can be made initially on the facility of SMS.

Q4. What is required from the transporters? Whether the transporter would be allowed to bring the goods at his godown or would not be allowed to enter Delhi unless he obtains the permission of the Department for all consignments in his truck?

Ans. VAT Department should be informed about the inward consignments before entering of goods into Delhi. The dealers/transporters are subsequently free to move the goods to godown or shop as per their requirement. No permission is required by the Transporters to enter Delhi. The dealer on whose behalf goods are brought into Delhi faces the consequences of not filing Form T-2.

Q.5 Form T-2 is designed to capture details with regard to transport of goods into Delhi by road only. However, goods may also be received in Delhi through Railways/Air Cargo/Inland Courier. What is the procedure for such movements?

Form T-2 is not compatible for import details.

a) What is to be filled in window STATE where the supplier is out of India?
b) What is to be filled, in the field Transporters Details i.e. whether dispatch details from outside India are to be filled or dispatch details of local transporter from Seaport or Airport are to be uploaded?

c) How to upload the details if materials come to Delhi directly from ouside India by Air?

Ans. Some modifications have been made in the existing format of Form T-2 to address such problems. Option to select Outside India has been included in the window for State. Option to indicate mode of transport i.e. by Road, Railways, Air Carrier, Pipelines, Internet has also been provided in the form. Vehicle number would be mandatory only in cases of road transport. GR/RR/Courier Receipt/Airway Bill would be mandatory for transport by Road/Railways/Air/ Courier in accordance with Form 7 & 8 of Carriage by Road Rules.

Q.6 Where the goods are transported in Delhi by Rail, Form T-2 requires mention of RR number. After the goods are received at the rail head, goods are moved to warehouses of dealers in numerous trucks. What modus operandi is to be followed for movement of goods from rail head to its destination.

Ans. Form T-2 is required in respect of movement of goods into Delhi. RR number would suffice here. There is no requirement of any information being uploaded for the movement of goods within Delhi.

Q.7 How to upload the details if quantity of one invoice is dispatched in multiple vehicles or goods covered by multiple invoices enter Delhi in a single vehicle?

Ans. Multiple Forms T-2 can be submitted in cases where the goods covered by same invoice enter Delhi in various vehicles and vice-versa. In other words one Form T-2 is to be filled for each vehicle. If multiple consignments of different dealers through different invoices are entering Delhi, Form T-2 for each invoice is required to be uploaded.

Q.8 Can goods from NCR move without GR?

Ans. The goods carrier has to move the goods with valid GR prescribed under DVAT and Carriage of Goods by Road Act.

Q.9. Invoices are prepared indicating basic rate per unit for each item and the Central Excise Duty and Central Sales Tax is applied on gross sale value as per basic sale rate. The portal of the Department of Trade and Taxes requires the gross value including Central Excise Duty and CST. This requires a lot of calculations. It makes uphill task to submit online information in Form T-2. Is it necessary to upload item wise details or commodity wise details can be uploaded? What is the requirement of

Form T-2 if there are number of small items for spare parts etc.? In such a case can we file total quantity, total amount and average rate?

Ans. The dealers may give either item wise details indicating amount for each rate of tax or he may give commodity wise details and total amount of that tax rate. Option is available to inform either unit wise details or total value of each commodity. It means that if four kinds of watches of different brands/prices have been purchased then entry of all watches can be can be made in one row instead of giving unit price of each brand. Total value will be sufficient. Department Software has been suitably modified for this purpose.

Q.10 Purchases from nearby places reach Delhi within an hour or two and very often due to entry restrictions at night. That does not leave the dealer with sufficient time to submit Form T-2 online particularly when the data to be submitted is bulky?

Ans. Facility to populate the data regarding invoice and commodity details in draft mode and then saving the same is available. Vehicle number can be inserted just before submission. However, as an alternative it has been provided that in such cases number of vehicle can be sent through SMS from the registered mobile number for a TIN. Basic information viz. rate of tax of the commodity, total value and vehicle number will need to be submitted through SMS. One SMS has to be filed for one rate of tax.

Such dealers will have to file online information in Form T-2 within 24 hours of goods entering Delhi. This information will be used to facilitate the SMS sent.

Q.11 Information/details in Form T-2 are required to be filled in by the Delhi dealers before entering of goods in Delhi. This would be done on the basis of information provided by the supplier of goods. When the dealer receives the goods, there may be certain mismatches which may occur due to various reasons. How would the details/information be corrected and amended in the system? Similarly in certain cases Form T-2 may be required to be cancelled. What is the procedure?

Ans. The dealer will have an option to submit another Form T-2 or modify the draft T-2. If required, in such cases, the dealers may be required to justify this with the help of supporting documents and accounts.

Q.12 Where the goods are brought into Delhi or rejected and not returned to the supplier for which dealer would not issue 'C' Form. How would the data of T-2 be reconciled with requirement of 'C' Form?

Ans. Form T-2 is to be filed for inward movement of goods and not for outward movement. The rejection/goods returned would be explained by the Delhi dealer with the help of relevant documents and accounts. Out of sales made by the Delhi dealer, if some goods are returned/come back into Delhi, the same would be required to be reported in Form T-2. If required, supporting documents may have to be produced.

Q.13 What is the value of goods in cases of import of goods from outside the country? Is it including import duty or without duty?

Ans. Details including all duties are to be provided. The information should be akin to DVAT-30.

Q.14 When should the data be furnished in Form T-2? Whether it should be furnished at the time goods move from other States or when goods are on borders of Delhi or when the goods are received in the godown?

Ans. The dealers are required to fill Form T-2 any time before the vehicle/goods enter into Delhi.

Q.15 Form T-2 requires information of registered office address and material is often received at the warehouse. There is no provision for mentioning separate address.

Ans. Form T-2 intends to capture details of goods entering into Delhi. If the goods are accounted for by a Delhi dealer and required information uploaded then at whichever premises these goods are received, it can be taken care of by the dealer in his books of accounts.

Q.16 The value of goods is computed automatically by the system. In number of cases this does not match with the total invoice amount as required to be mentioned at the top of Form T-2 on account of rounding off etc.

Ans. There is a provision for entering the total value of the commodity taxable at one rate of tax. Option is available to inform either unit wise details or total value of each commodity. Department Software has been suitably modified for this purpose.

Q.17 Are the dealers required to submit Form T-2 even in cases where inter-State purchases or Stock transfer is not to be supported by on the strength of Form C/F/H since the goods are exempted from Tax in State of dispatch?

Ans. Yes. In all cases where goods are brought into Delhi, the dealer is required to submit T-2 irrespective of taxability. However, as a concession, for the time being, the department will not insist for T-2 for the goods exempted in Delhi provided the information of bringing goods into Delhi is furnished through SMS.

Q.18 Are the dealers required to submit T-2 where goods entering Delhi do not form part of stock of the dealer e.g. Stationery items for self consumption of the dealer, promotional materials purchased by dealers, items received from Vendor as free replacement against defective goods etc.

Ans. Every registered dealer is required to submit T-2 for all goods entering Delhi irrespective of the usage of goods. Still as a concession, the submission of T-2 will not be required if the value of goods is less than or equal to Rs 25,000/-. In such cases only an SMS would suffice.

Q.19 Whether submission of Form T-2 is required for goods imported by a dealer/factory of U.P. but goods are custom cleared at Delhi i.e. import is via Delhi, since the goods would enter Delhi, move in Delhi and then go out of Delhi to an address mentioned in invoice of Foreign Seller.

Ans. Form T-2 is applicable for goods brought into Delhi by a dealer of Delhi. In the cases of the nature being discussed, a Transit Form will be required to be filled. Details about such movements would be intimated separately.

Q.20 A dealer of Delhi dealing in tax free/exempted goods (e.g. books) and not registered with the Department of Trade and Taxes but brings taxable goods (like CDS etc.) into Delhi. Is he required to submit Form T-2?

Ans. Only registered dealers of Delhi are required to submit Form T-2. The matter for unregistered dealers is being considered separately. It may please be noted that the goods brought for self-consumption upto the value of Rs 25,000/- are not required to submit Form T-2.

Q.21 Whether farmers are required to submit Form T-2?

Ans. Form T-2 is to be submitted by registered dealers only and that too if the goods are of the value of more than Rs 25,000/-. If the farmer is bringing goods for delivering it to dealer of Delhi, the said dealer would be required to submit Form T-2. If the farmer intends to sell the goods himself, he would become a dealer requiring registration. Such a farmer would be required to abide by the provisions of the Delhi Value Added Tax Act, 2004.

Q.22 What is the position of submission of Form T-2 in cases where supplier or the buyer does not have a facility of internet?

Ans. Submission of Form T-2 is mandatory for all registered dealers. A desk top computer is now quite cheap. Further seller/buyer can use the service of their Accountant or near and dear ones to submit the information online. In cases of urgency reliance can always be placed on SMS.

Q.23 What will happen if the purchasing dealer does not have exact amount of the goods being brought into Delhi as the requisite information is not available with the buying dealer?

Ans. Buyer is required to obtain information from the seller about his purchase only before the goods enter into Delhi. After receiving the information he is required to follow the procedure. The submission of Form T-2 is mandatory.

Q.24 If the purchasing dealer of Delhi requests the selling dealer to fill in Form T-2 on his behalf, then dealer of Delhi needs to share his user ID and

Password with the seller. Both these items have secret code, sharing it with others will defeat the secrecy?

Ans. The Department will allow multiple IDs to be created by the dealers. Purchasing dealer of Delhi can create some ID and provide them to the supplier who can upload the details in Form T-2 at their end, on behalf of the buyer.

The multiple IDs may be distinct from their standard ID normally used for filing of returns and paying tax. This way the confidentiality would in no way be compromised. Dealers of Delhi would be able to create and close such IDs in any number by themselves.

The dealer, however, would be responsible for any misuse of such IDs. It is, therefore, suggested that the purchasing dealer himself furnishes the required information.

Q.24A. What is the position of Form T-2 where transactions are of the nature of E-1/E-2?

Ans. The dealer, whose goods finally enter into Delhi shall be liable to submit Form T-2. However, if the transaction completed by endorsing GR/RR etc.

from Delhi for which dealer of Delhi would require a 'C' form, the necessary information should be provided.

Q.25 What is the position of submission of Form T-2 in cases where the term of the sale is FOR and supplier is not providing details of transporter, vehicle number etc.

Ans. Delhi buyers must seek details from the supplier through phone or SMS. There is no reason as to why the supplier would not make the information available to allow the buyer to comply with requirement of law.

Q.26 Our experience suggests that on number of occasions website of the Department is not accessible due to technical reasons like site under maintenance or network/connectivity issues. What would be the alternative in such cases especially when goods are coming from nearby areas where transit time is very less?

Ans. The Department will ensure that the website works Department works without technical failure. The hardware would built in enough redundancy to cover occasional failure. However in cases of emergency, dealers may opt for SMS.