Value Added Tax System of taxation of sale of goods envisages to deposit tax on value addition of the goods after availing set-off of the tax paid on earlier stage. It is a multipoint tax and tax invoice issued by the seller serves as the basic document for availing input tax credit. The dealer claims ITC while filing return of a tax period. Sale and purchase details are filed along-with return in the form of Annexure 2A & 2B. In the present system the sale and purchase details of the dealers are matched for authenticity of the claims.

2. The return revision period of a financial year is one year after the end of a financial year i.e. upto 31st March of the following Financial Year. While revising return, sometimes, the seller revises the matched transactions also either inadvertently or maliciously which causes a mismatch in ITC at buyer’s end and leads to avoidable difficulties.

3. To mitigate the difficulties, it has now been decided that matched transaction of a tax period would be hard coded meaning thereby that after the filling of return such transactions would be unaffected by revision of return. In this way, buyer would not be burdened with unnecessary mismatches, caused due to revision of return by selling dealers, in respect of already matched entries.

4. It may also happen in some rare cases that both buyer and seller might have committed a mistake in reporting the transaction. In such cases it is further decided that the buyer can approach the Assessing Authority of his ward with a communication from the selling dealer admitting the mistake. This would facilitate the buyer who wants to revise his 2A to reopen the particular hard coded transactions. The Assessing Authority, after checking and verifying the transactions, would take a decision for allowing both the dealers to revise the respective entries. The entries so reopened can be revised by both seller and buyer resulting in revision of the return within the period prescribed under section 28 of the DVAT Act.

This issues with the approval of the Competent Authority.

(R.K. Mishra)
Special Commissioner (Policy)
Copy forwarded for information and necessary action to:

1. All Spl./Addl./Joint Commissioners, Department of Trade and Taxes, GNCT of Delhi, Vyapar Bhawan, I.P.Estate, New Delhi-02.
2. Dy. Director (Policy), Department of Trade and Taxes, GNCT of Delhi, Vyapar Bhawan, I.P.Estate, New Delhi-02.
3. Joint Director (IT), Department of Trade and Taxes, GNCT of Delhi, Vyapar Bhawan, I.P.Estate, New Delhi-02 for uploading the circular on the website of the department.
4. The President/General Secretary, Sales Tax Bar Association (Regd.), Vyapar Bhawan, I.P.Estate, New Delhi.
5. All Assistant Commissioners/AVATOs Department of Trade and Taxes, GNCT of Delhi, Vyapar Bhawan, I.P.Estate, New Delhi-02.
6. PS to the Commissioner, VAT Department of Trade and Taxes, GNCT of Delhi Vyapar-Bhawan, I.P.Estate, New Delhi-02.
7. Guard File.

\[\text{Dated: 1-9-15}\]

(Rajesh Bhatia)
Assistant Commissioner (Policy)