

Frequently Asked Questions

Q.1 What is Form T-2?

Ans. To minimize physical interaction between dealers and VAT Officials and for efficient administration of the Act, it is considered necessary that the 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. Form T-2 prescribed/notified by the Commissioner, Value Added Tax, Department of Trade and Taxes, requires 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 has to be submitted online.

VAT Department would preferably need to be informed about the inward consignments before goods enter Delhi by submitting online Form T2. The information can alternatively be summarily provided through SMS or Web based application from the registered mobile phone. However, in case of latter Form T-2 would need to be filed within 24 hours of receipt of goods. Goods should be disposed of after filing of Form T-2 only.

If a dealer claims that he is exempted from filing information in form T-2, Transporter would obtain a quarterly declaration from such dealers clearly mentioning their TIN in Delhi and a self-certificate that they are exempted from filing of information in form T-2. This should be carried each time the transporter is moving goods for such dealers.

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

Ans. Form T-2 is an endeavour to check loss of revenue which is caused to the exchequer by unscrupulous dealers 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 to honest dealers from unscrupulous dealers.

In the long run it would reduce the need for checking of all the vehicles at borders which in turn will save lot of time of the transporters and dealers. Statistical data generated will help in better tax planning. The Department would however reserve its right to undertake sample checking of some vehicles.

Q.3 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 plant's 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 also. Please clarify.

Ans. For movement by tank wagons, normal procedure of filing T-2 would apply. Further, Form T-2 has provision to record mode of transport and one of these modes would be transportation through pipelines. In case of supply through pipelines, the dealer may provide information in accordance with the billing cycle used by him to prepare his accounts.

Q.4 Various transporters collect the material from various branches/vendors in different States. The goods are then brought to 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 only the vehicle that finally brings goods into Delhi is required. The dealer should create a mechanism to get the vehicle number before the goods enter Delhi. The T-2 details can be filed in a summary manner through a web based mobile application / SMS and requisite details in Form T-2 can be submitted online subsequently within 24 hours of entry of goods into Delhi.

Q.5 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. No permission is required by the Transporters to enter Delhi. The Transporter is required to carry a receipt generated on furnishing of T-2 details online or carry with him the unique ID generated and received through SMS on submitting the details through mobile. If vehicle is intercepted then the transporter is required to furnish a copy of the T-2 to the intercepting team of the Trade & Taxes Department. If a dealer claims that he is exempted from filing information in form T-2, Transporter would obtain a quarterly declaration from such dealers clearly mentioning their TIN in Delhi and a self-certificate that they are exempted from filing of information in form T-2. This declaration should be carried by the transporter each time goods relating to that dealer are being transported. The consequences for not filing Form T-2 would lie on the dealer on whose behalf goods are brought into Delhi.

Q.6 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. Further,

- a) What is to be filled in the field '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 outside India by Air?**

Ans. Provision exists in Form T-2 to address such problems. Option to select Outside India has been included in the dropdown box for States. Option to indicate mode of transport i.e. by Road, Railways, Air Carrier, Pipelines, Internet, etc. has also been provided in the form. Vehicle number would be required only in cases of road transport. GR/RR/Airway Bill/Courier Receipt would be mandatory for transport by Road/Railways/Air/ Courier respectively in accordance with Form 7 & 8 of Carriage by Road Rules. In case of import by sea or air, vehicle number of the vehicle carrying the goods after custom clearance may be provided before the entry of goods in Delhi or movement of goods within Delhi if the Customs office is located in Delhi such as ICD Tughlakabad or IGIA.

Q.7 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 only 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.8 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. There has to be at least one T-2 Form to be filled per vehicle by each dealer whose goods are entering Delhi in a vehicle. Multiple T-2 Forms can be submitted in cases where the goods covered by same invoice enter Delhi in various vehicles and vice-versa. If multiple consignments of different dealers through different invoices enter Delhi, one T-2 Form for each invoice is required to be uploaded. Thus, there will be one T-2 Form per GR per vehicle per invoice.

Q.9 Can goods from NCR move without GR?

Ans.. Yes. In case the goods are being imported from the National Capital Region (NCR), as defined in NCR Planning Board Act of 1985, in goods vehicle owned by the supplier and where it is practically not possible to carry GR, then Form DVAT -32 would need to be filled and carried with the vehicle. Compliance with the provisions of the carriage of Goods by Road Act would also be required.

Q.10 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.. Is it necessary to upload item wise details or commodity wise details would be sufficient? 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 made in one row instead of giving unit price of each brand. Total value will be sufficient.. The procedure is illustrated in the following example:

SAMPLE INVOICE

Item	Quantity(pc)	Rate(Rs/pc)	Value(Rs)
Watches	10	1000	10,000
Watches	15	600	9,000
Watches	10	20,000	200,000
Watches	12	15,000	180,000
Total			399,000
Gross Amount:			399,000

Less Discount @10%	39,900
Balance:	3,59,100
Add Excise Duty @ 12%: Rs.43,092/-	
Add surcharge @ 3% of Excise Duty:	1,293
Total:	4,03,485
Add CST @ 2%:	8,070
Grand Total:	4,11,555

For the purpose of filing T2

Value of 25 watches taxable @ 12.5% = $403485 \times 19000 / 399000 = \text{Rs.}19214/-$

Value of 22 watches taxable @ 20% = $403485 \times 380000 / 399000 = \text{Rs.}384271/-$

Entry in form T2

Item	Qty	Unit	Rate	Value (Rs.)
Watches Taxable@ 12.5%	25	pieces		19214/-
Watches Taxable@ 20%	22	pieces		384271/-

Q.11 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. The T-2 details can be alternatively submitted in a summary manner through a web based application / SMS and requisite details in Form T-2 can be submitted subsequently within 24 hours of entry of goods in Delhi.

Q.12 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 T-2 Form giving reference to the Unique ID against already filed T-2 Form within 24 hours of receipt of goods into Delhi. The revised details should match with those contained in GR/RR/Airway Receipt/Courier Receipt. The reason for revision would also need to be indicated. If required, in such cases, the dealers may be required to justify this with the help of supporting documents and accounts.

Q.13 Where the goods are brought into Delhi after being rejected by buyer and 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.14 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.15 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.16 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. The TIN of the dealer is sufficient. The dealer should have duly informed the details of principal and all other places of business in Delhi to the Department.

Q.17 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.18 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 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 exempted goods i.e. those listed in the First Schedule of the DVAT Act.

Q.19 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.

Q.20 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.

Q.21 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. However, for interstate trading all dealers are required to mandatorily register with the Department.

Q.22 Whether farmers are required to submit Form T-2?

Ans. T-2 Form is to be submitted by registered dealers only. If the farmer is bringing non-exempt goods for delivering it to dealer of Delhi, the said dealer will 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.23 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 even an internet cafe to submit the information online. Mobile based SMS and web application can also be resorted to for submitting details. Purchaser can even request the selling dealer to submit T-2 on his behalf.

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 has allowed for creation of multiple User IDs by the Delhi dealers. Purchasing dealer of Delhi can create some User ID and provide it 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 will not be compromised. Dealers of Delhi will be able to create and close such IDs in any number by themselves. The Delhi dealer, however, would be responsible for any wrong uploading of data, misuse of such IDs, etc. It is, therefore, advisable that the purchasing dealer itself furnishes the required information.

Q.25 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 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.26 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. Needs further discussion, if goods do not enter Delhi, and endorsed by Delhi dealer to other state dealer

Q.27 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 E-mail, phone or SMS. There is no reason as to why the supplier will not make the information available if the buyer demands it to comply with requirement of law.

Q.28 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 can handle all such works without technical failure. The hardware capacity has been augmented after allowing for redundancy beyond the peak load with reasonable back up to cover occasional failure. Information can also be submitted initially through a mobile application or web based application.

Q 29 Whether Form T-2 would be required to be filled up during transportation goods from airport / custom clearing centres (ICDs etc) to their distribution centres?

Ans. Goods transported from airport /custom clearing centre to hub/distribution centres can be exempted from T-2 for the first leg of transportation if the dealer concerned provides a list of all such hubs/distribution centres along with an undertaking that the goods will be moved from the hub/distribution centre after filing form T-2 only. In other cases, filing of T-2 is necessary before entry of goods into Delhi from custom clearance centres.

Q 30. Is it mandatory to disclose the mobile number of foreign dealer from whom the goods have been imported.

Ans. In case of imports, it is optional to fill the mobile number of the foreign supplier. In such case, the dealer has to provide the email of the foreign supplier.

Q.31. How to file Form T-2 in case the goods are imported by Air and lying at airport or in case where the goods are moving out from ICD.

Ans. In such cases, the dealer has to fill the registration number of the vehicle in which the goods will move after the clearance is obtained from Customs. However, the details of the invoice number of foreign supplier has to be provided in the usual manner.

Q 32. Whether form T2 can be filed in respect of goods which are being delivered on the basis of the Challan.

Ans. No. Form T2 cannot be filed on the basis of the interstate movement of goods on the basis of the challan. The dealer has to mention the invoice number of goods purchased. In case, some of the goods are to be returned to the seller, the buyer in Delhi shall return the goods and would account for them on the basis of credit/debit note.

Q 33. How to factor transit change of vehicle or driver once the form is filled.

Ans. In such a case, the dealer has the option to file the revised T 2 form.