

OFFICE OF THE SPECIAL COMMISSIONER (POLICY & REFUNDS)
DEPARTMENT OF TRADE AND TAXES
ROOM NO.304, 3rd FLOOR, VYAPAR BHAWAN,
I.P. ESTATE, NEW DELHI-110002.

NO.F.3(378)/Policy/VAT/2015/ 264-270

Dated: 10th June, 2015

CIRCULAR NO.12 OF 2015-16

SUB : INSTRUCTIONS REGARDING PROCESSING OF REFUND

Your kind attention is invited to the Circular No.6 of 2014-15 issued by the Special Commissioner (Policy) vide Circular No.F.3(378)/Policy/VAT/2013/238-244 dated 04.08.2014 (copy enclosed) wherein the legal provisions and rule position relating to refund claims to be passed by the department as per the DVAT Act, 2004 and DVAT Rules, 2005 were described in detail. The basic concept of the refund was also dealt in detail. However, it is felt that some practical aspects relating to day-to-day processing of the refunds need to be further reiterated.

The refund is a vital activity in VAT regime. The claim for the refund is made by the dealer in the return filed by the dealer and hence the return itself becomes the application for refund. As per the DVAT Act and DVAT Rules, refund has to be given to the applicant within a period of 60 days from the date of application. However, wherein the Value Added Tax Officer is of the view that he needs some information/document from the dealer for satisfying himself about the amount and genuinity of the refund he may seek the information and the documents by sending a notice under Section 59(2) of the DVAT Act, 2004. Therefore, either the refund should be disbursed within two months of filing of application/return or the notice u/s 59(2) for seeking more information is to be issued within the prescribed time. There can be no other situation. There are also provisions in the Act for payment of interest to the dealer in case of delay of disbursement of refund. Thus, the VATO concerned is squarely responsible for taking one of the actions as mentioned above.

It has been observed from the files sent to the Special Commissioner (Refund) for approval of refund above Rs.10 lacs that there is no uniformity and pattern in examination of the file. Many times officers, while sending the file to the Special Commissioner (Refund), put their notings in such a way that suggests that they have deliberately attempted not to make categorical recommendations in favour or against the case, the language used is evasive of owning the responsibility. All officers in the chain have to perform their duties and also own the responsibilities for anything which they ought to do.

In view of the above, following certificates are required to be recorded by the concerned officer in noting side of the file:

Certificate by Value Added Tax Inspector (VATI)

It is hereby certified that the transporters have been found functioning on field visit. All the GRs have been verified. Transportation charges have been received by the transporters from dealers in authorized mode of payment.

Value Added Tax Inspector (VATI)

Certificate by Ward In-Charge

It is certified that all the ITCs are duly and adequately matched with the corresponding VAT payments. All the requisite information available in the computer data base relating to this refund case has been thoroughly examined and verified in the light of the DVAT Act 2004, DVAT Rules 2005, CST Act 1956, CST (Delhi) Rules 2005 and CST (Registration & Turnover) Rules 1957 and all the guidelines and circulars issued time to time under these Acts and Rules and also in the light of audit para-CAG/Internal raised by the audit in the past relating to refund cases. The proposal for release of refund amount to Rs..... is in order. Therefore, after being fully satisfied, I hereby propose and recommend that the competent authority may be requested for approval of refund amount to the tune of Rs..... for the period..... in favour of M/s.....

VATO/AVATO/WARD INCHARGE

Certificate by Zonal Accounts Officer (Refund)

Seen the proposal of Ward In-Charge and it has been found that the Ward In-Charge has earlier examined and verified all the requisite documents and the information available in the computer system related to this refund case. I have also examined the proposal thoroughly in the light of the DVAT Act 2004, DVAT Rules 2005, CST Act 1956, CST (Delhi) Rules 2005 and CST (Registration & Turnover) Rules 1957 and all the guidelines and circulars issued time to time under these Acts and Rules and also in the light of CAG/ internal audit para raised in respect of refund cases. The proposal for release of refund amount to the tune of Rs..... is in order. Therefore, after being fully satisfied, I hereby propose and recommend that the competent authority may be requested for approval of refund amount to the tune of Rs.....for the period..... in favour of M/s..... .

Z.A.O.

Certificate by Zonal Incharge

Proposal submitted by the Ward In-Charge duly examined and verified and re-examined and re-verified by Z.A.O. has been seen and found in order. Therefore, I recommend to approve the above refund.

Zonal Incharge

**(S.S. Kanawat)
Spl. Commissioner (Policy & Refunds)**

All Assessing Authorities

NO.F.3(378)/Policy/VAT/2015/264-270

Dated: 10th June, 2015.

Copy forwarded for information and necessary action to:

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

ASSISTANT COMMISSIONER (POLICY)