

**Trade Circular No. 05/2011, dated 11.03.2011**

**Sub: Cases where dealers are not required to furnish returns in paper form before the appropriate authorities**

Under the existing provisions of law, dealers selected u/r 34A(1), u/r 34AA(1) and u/r 34AB(1) of the W.B.VAT Rules are required to furnish returns in Form 14/14D, Form 15 and Form 15R respectively all in paper form after transmission of data electronically for the return periods prescribed under relevant rules. By virtue of amendment made vide Notification No.315-F.T dated 25.02.2011, changes have been brought in. Furnishing of paper copy of return which was a must for all the dealers, so selected, has now been relaxed in some cases which is explained below. Relevant rules which have come within the fold of this amendment are rule 34A(3)(b), rule 34AA(3)(b) and rule 34Ab(3)(b) of the VAT Rules. Provisos have been added to these sub-rules laying down certain terms and conditions upon fulfillment of which, the furnishing of paper form of returns has been dispensed with. The concept of acknowledgment in form of Form 14e, Form 15e and Form 15Re has been introduced in the area of electronic filing of returns for the first time.

Cases and conditions are noted below :

A) Dealer who is selected for furnishing quarterly returns in Form 14 (not in Form 14D) electronically for the return period starting on or after 1<sup>st</sup> day of April, 2011, shall transmit the data electronically for each quarter first in the usual manner. Thereafter, he will furnish only the printout of the acknowledgement in Form 14e obtained from the website of the Directorate, duly signed by him, along with all other documents in support of payment of tax, interest and late fee. He does not have to furnish the paper form of return, provided some conditions are fulfilled. A selected dealer will come under the ambit of this special provision for a particular return period only when .-

- i) his turnover for the previous year or part thereof shall not exceed Rs.2 crores; and
- ii) during the return period in that particular year for which return is to be furnished, he will not execute any works contract in West Bengal; and
- iii) during that return period in that particular year he will not effect any central sale or export or high-sea sales;and
- iv) during that return period in that particular year he will not transfer any stock of goods to outside State;and
- v) during that return period in that particular year he will not import any goods in any way from outside West Bengal.

Now question may arise, what will happen when a dealer who has furnished only the printout of the acknowledgement for the first two quarters and is about to furnish the return for the third quarter and discovers that his turnover already exceeds Rs.2 crores in the current year, In all such cases and in all other disentitled cases, this dealer will automatically come out of such scheme for the rest of the year. The dealer will automatically disqualify himself when.-

- i) his turnover will exceed Rs.2crores on a date from the commencement of that particular year, or
- ii) his turnover exceeds Rs.50 lakhs for the return period for which return is likely to be submitted, or
- iii) he executes any works contract in that return period, or
- iv) he effects any central sale or export or high-sea sales in that return period, or

- v) he transfers his stock of goods to outside States in that return period, or in that return period, or
- vi) he imports any goods in any way from outside West Bengal.

The above provision also makes it abundantly clear that the Commissioner or the authority authorized by him is empowered to pass necessary order by virtue of which an eligible dealer shall have to furnish return in paper form for a return period or for all subsequent periods of a year along with printout of the acknowledgement and other required documents in spite of the fact that he has otherwise become eligible in all respects.

B) Dealer who is selected for furnishing quarterly returns in Form 15 electronically for the return period starting on or after 1<sup>st</sup> day of April, 2011, shall transmit the data electronically for each quarter first in the usual manner. Thereafter, he will furnish only the printout of the acknowledgement in Form 15e obtained from the website of the Directorate, duly signed by him, along with all other documents in support of payment of tax, interest and late fee. He does not have to furnish the paper form of return, provided some conditions are fulfilled. A selected dealer will come under the ambit of this special provision for a particular year only when .-

- i) his contractual transfer price for the previous year or part thereof shall not exceed Rs.25 lakhs; and
- ii) during the return period in that particular year for which return is to be furnished, his contractual transfer price shall not exceed Rs. 5 lakhs; and
- i) during that return period in that particular year he will not effect any central sale or export or high-sea sales; and
- ii) during that return period in that particular year he will not transfer any stock of goods to outside State; and
- iii) during that return period in that particular year he will not import any goods in any way from outside West Bengal.

It is therefore clear that dealers who are works contractors and are under the compounding scheme will only come under this scheme. Now question may arise, what will happen when a dealer who has furnished only the printout of the acknowledgement for the first two quarters and is about to furnish the return for the third quarter and discovers that his contractual transfer price already exceeds Rs.25 lakhs in the current year, In all such cases and in all other disentitled cases, this dealer will automatically come out of such scheme for the rest of the year. The dealer will automatically disqualify himself when.-

- i) his contractual transfer price will exceed Rs.25 lakhs on a date from the commencement of that particular year, or
- ii) his contractual transfer price exceeds Rs. 5 lakhs for the return period for which return is likely to be submitted, or
- iii) he effects any central sale or export or high-sea sales in that return period, or
- iv) he transfers his stock of goods to outside States in that return period, or in that return period. Or
- v) he imports any goods in any way from outside West Bengal.

The above provision also makes it abundantly clear that the Commissioner or the authority authorized by him is empowered to pass necessary order by virtue of which an eligible dealer shall have to furnish return in paper form for a return period or for all subsequent periods of a year along with printout of the acknowledgement and other required documents in spite of the fact that he has otherwise become eligible in all respects.

- C) This scheme is further extended to the dealers who are selected for furnishing annual returns (in Form 15R) electronically u/r 34AB(1). As per existing provision, these dealers are very much under compounding scheme and are opting to pay tax u/s 16(3) of the VAT Act. Unlike the dealers referred to in category (A) and category (B) above, these dealers are given blanket exemption from furnishing paper form of return for the return periods commencing on and from 1<sup>st</sup> day of April, 2010. The point that requires mentioning here is that in the first two categories, year commences from 1<sup>st</sup> day of April, 2011 whereas in this category the same starts from the 1<sup>st</sup> day of April, 2010.

Assessing authorities will please take note of it and bring it to the notice of the dealers under their control for their guidance.

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