

Office of the
Commissioner of Commercial Taxes
Telangana State :: Hyderabad

CCT's Ref No. A(1)/11/2014, Dt. 02-06-2015

Sub:- APVAT Act, 2005 – Section 13 – Input Tax Credit declared in the return in Form VAT 200 for May 2014 to be availed by the dealers in the return in Form VAT 200 for June 2014 – Certain process of adjustment of provisional gross 28 NCCF as on May, 2014 tax period – Issuance of certain instructions – Regarding.

- Ref:-
1. CCT's Ref No. A(1)/11/2014, Dt. 12-09-2014.
 2. Chief Secretary Govt. of Telangana D.O. Lr No. 48351/CT-II(1)/2013, Dt. 16-09-2014, addressed to Chief Secretary Govt. of A.P.
 3. CCT's Ref No. A(1)/11/2014, Dt. 29-09-2014 addressed to Prl. Secy. Rev (CT) Dept., Telangana State marking a copy to Commissioner (CT), A.P. State.
 4. Minutes of the Meeting held by the Prl. Secy. (CT.EX), Revenue Dept., Govt. of A.P. with the CCT, Telangana and the Spl. CCT, A.P. at 3.30 PM on 27-10-2014.
 5. CCT's Ref No. A(1)/11/2014, Dt. 29-10-2014 addressed to Prl. Secy. Rev (CT) Dept., Telangana State.
 6. Prl. Secy to Govt. Revenue Dept. Govt. of A.P. D.O. Lr No. 48351/CT-II(1)/2013, Dt. 24-04-2015 addressed to the Prl. Secy to Govt. Rev Dept. Telangana State.
 7. Govt. of Telangana Rev (CT-II) Dept. Memo No. 48351/CT-II(1)/2013, Dt. 11-05-2015.
 8. Meeting held on 26-05-2015 on Adjustment of Provisional Gross 28 NCCF by Officers of both Telangana State and Andhra Pradesh State in the Chambers of Addl. CCT(Policy).

The attention of all Officers noted at the address entry is invited to the subject and the references cited supra, wherein a meeting was conducted on 26-05-2015 with regard to "Adjustment of Provisional Gross 28 NCCF as on May, 2014 tax period".

The Government of Andhra Pradesh and Telangana after carefully examining the issue of Net Credit Carry Forward Adjustment have agreed for initial adjustment of NCCF by the two states **as per the agreed formula in the reference 4th cited.**

In view of the above, the following guidelines are issued for arriving Provisional Gross 28 NCCF :

- The amount of NCCF as per May 2014 tax period (Duly modified by the Revised return, if any) to be arrived by a backend process.
- The amount is known as "Provisional Gross '28' NCCF". It will be generated with 'Unique ID' by the system.

- The '28' NCCF shall be allowed provisionally without any field audit by the CTO/AC.
- The provisional Gross 28 NCCF will be displayed to the CTO and AC concerned login. They will intimate the same to the dealer by clicking 'Send intimation notice to dealer' button.
- Through a separate utility provided in the system, the dealer on his own
 - a) May reduce all collectable arrears accumulated prior to May, 2014.
 - b) May also reduce the amounts withheld by him on his own in the monthly returns between tax period June, 2014 to April, 2015.
 - c) May also reduce payable Audit / Assessment balances as not paid by the dealer of the above periods.
- The balance 'Provisional Net 28 NCCF' after dealer adjustments will be displayed in the CTO/AC login for approval.
- The CTO / AC concerned may approve the same or Reduce to the extent of dues to his knowledge.
- Then the 'Final Intimation Notice' will be generated by the system to the dealer.
- If objected on the Reduced 'Provisional Net 28 NCCF' the dealer may approach the concerned CTO / AC for redressal immediately within Seven days.
- If there is any dispute unresolved, in arriving the Provisional Net 28 NCCF, then the CTO / AC shall pass appropriate speaking orders on the dispute.
- The difference between 'Provisional Gross 28 NCCF' and 'Provisional Net 28 NCCF' arrived as per final intimation notice to the dealers, which was considered for adjustment towards Return tax dues / Audit arrears or any other arrears will be posted as payments towards respective dues by the system itself. This will ensure that VATIS arrears / Balances are eliminated from revenue report of the dealers.
- The "provisional Net '28' NCCF" may be availed for future tax periods through dealer login as payment adjustments without visiting circle office, until it gets exhausted.
- If for any reason the provisional Net 28 NCCF is not availed by the end of the March 2016, then the same would be quantified and refunded on conducting Refund audit as per the request of the dealer.
- If on such finalization of provisional Net 28 NCCF, it is noticed later that the dealer had over adjusted the provisional Gross 28 NCCF then

the same shall be collected by the assessing authority whenever audit is conducted.

- Whenever audit is conducted in future for NCCF claims, the above issue shall also be considered.
(Return claims + Provisional 28 NCCF) should be examined.
Provisional 28 NCCF status can always be tracked by Unique ID or TIN.
The above procedure shall be followed in both the States.
- In respect of the Credit Carry Forward relating to the dealers, registered in both the States, the dealers, who were originally registered in Telangana State, but have taken registration in the State of Andhra Pradesh also after bifurcation, should be allowed to avail the credit carry forward in the State of Telangana only.
- Similarly, the dealers, who were originally registered in the State of Andhra Pradesh, but have taken registration in the state of Telangana also after bifurcation, should be allowed to avail the credit carry forward in the State of Andhra Pradesh only.
- However it is also decided that the migrated dealers may be asked to claim NCCF in the state to which they have migrated after the appointed day. The new Assessing authority of the Migrated dealers should contact the concerned Assessing authority in the earlier State to ascertain for any arrears pending before allowing ITC to them.

If dealer does not respond to 'Initial intimation notice', then the Provisional Gross 28 NCCF will not be given credit until his response.

Therefore, all the Deputy Commissioners (CT) and Assessing Authorities are requested to treat this as most important item of work and report compliance at once.

Sd/- V. Anil Kumar
Commissioner (CT)

To

1. All the Deputy Commissioners (CT) in the State.
2. All the Assistant Commissioners.
3. All the Commercial Tax Officers.
4. All the Senior Officers in O/o CCT :T.S:
5. All the Appellate Deputy Commissioners in the State.
6. To S R before STAT, Telangana State, Hyderabad.

Copy to Commissioner of Commercial Taxes, A.P.