

From

Excise and Taxation Commissioner,
Haryana, Chandigarh.

To

1. All the Jt. Excise and Taxation Commissioners (R)
2. All the Dy. Excise and Taxation Commissioners (ST)

In the State of Haryana.

Memo No. 1815 /ST-6
Chandigarh dated the 17.11.05.

Subject: Assessment of VAT cases for the year 2003-04.

Memo.

A review of disposal of VAT cases for the year 2003-04 has shown that more than 40,000 cases, which have not been selected for scrutiny and are to be deemed assessed before 30.11.2005, are still pending with the assessing authorities. It has been observed that in most of these cases annual return in form VAT-R2 is not available on record/has not been filed or there are minor discrepancies in the quarterly returns like non mentioning of TIN in the list of purchase or sale of goods etc.

2. The matter of disposal of these cases was discussed with the officers at the head quarter and JETC (Range) and (Appeals) on 16-11-05. It was felt that 2003-04 being the first year of VAT implementation in the State and the concept of annual VAT return was introduced for the first time in law, coupled with the fact that the cases of non filing of annual return could not be taken up well in time, the annual return was not filed/could not be obtained in the aforesaid cases. However, the general view was that in cases of low turnover, say below Rs. 40 lakh (where there is no statutory requirement of audit under the Income Tax Act), the annual return will not affect materially the deemed assessment under VAT if the quarterly returns are on record and are otherwise in order. It should be possible for the assessing authorities to examine the returns and taking into account history of the case, to accept them as deemed assessed.

Therefore, it will be advisable to take up such cases (with annual turnover for 2003-04 up to Rs.40 lakh) for assessment on the basis of the quarterly returns and finalize their assessment before 30-11-05. Such cases should also not be held up for minor discrepancies like non mentioning of TIN in lists accompanying the returns etc. Only in such cases out of these, a notice in form VAT-N2 for scrutiny should be issued where the assessing authority has on record definite material justifying scrutiny assessment i.e. material indicating definite evasion of tax/definite concealment/suppression of turnover/incorrect or excess claim of input tax.

3. These guidelines be circulated to all the assessing authorities working under your jurisdiction and be discussed with them for compliance. The object is to dispose of routine cases (all except those selected for scrutiny and cases of annual turnover above 40 lacs where annual return in form VAT-R2 has not been filed or there is material discrepancies in the returns) before 30-11-05 and a compliance be sent to this office as per the statement prescribed for the purpose.

4. These instructions will be followed for disposal of cases for the year 2003-04 only and will apply mutatis mutandis to cases under CST Act for 2003-04.

Addl. Excise and Taxation Commissioner (T)
for Excise and Taxation Commissioner,
Haryana, Chandigarh.

Endst. No. 1816/ST-6, Chandigarh dated the 17.11.05.

A copy is forwarded to the following

1. All the officers at the head quarter.
2. Jt. Excise and Taxation Commissioners (A).
3. PS/ETC

for information.

Addl. Excise and Taxation Commissioner (T)
for Excise and Taxation Commissioner,
Haryana, Chandigarh.