

GOVERNMENT OF HARYANA

Subject: Instructions/guidelines for scrutiny assessment for A.Y. 2004-05.

Detailed instructions/guidelines for scrutiny assessment for assessment year 2003-04 were issued vide memo No.457/ST-6, dated 14-3-06. Copy of these instructions is placed below at flag A. Though the same were issued in the context of assessment year 2003-04 the same had applicability, with minor adjustments, to assessment for any other period also including for assessment of scrutiny cases of assessment year 2004-05. These contained guidelines in respect of the following points: -

- a) The initial steps including those for verification of payment of tax in time and placing on file the statutory record and proper assimilation of the available information etc. Getting the information/documents completed when the dealers initially appears.
- b) Hints for suspecting tax evasion like non-accounting of goods, fictitious accounting of goods with a view to passing input tax credit; and steps to be taken regarding verification of movement of goods, proof of payment of tax at earlier of the stages etc.
- c) Some of the methods commonly used for evasion of tax.
- d) Hints about the examination of different accounts, ratios, tax invoices etc.
- e) Steps to be taken for cross-verification of input tax including those for different accounts of trade.
- f) Cross-verification with accounts books of transactions recorded in challan forms ST-38/VAT D-3.
- g) Examining admissibility of input tax.
- h) Use of goods, purchased at concessional rate of tax, for authorized purpose.
- i) Purchases from fictitious sources to claim input tax passing of speaking order-discussing reasons for disallowing any claims some other points.
- j) Keeping proper record of the test checks and verifications performed and of day-to-day proceedings.
- k) Checking of the points mentioned in checklist, completion thereof and making it a permanent part of assessment record.

The instructions/guidelines may be reiterated.

2. Time schedule for disposal of cases

As per section 15(3) of the HVAT Act limitation for making assessment in a case is three years from the close of the year to which the assessment relates. Thus assessment orders in the cases for the year **2004-05** can be passed only up to 31-3-2008. To avoid last month pressure of cases becoming time barred the circle officers should pass assessment orders well in time and in any case **before 31-12-07** and serve a copy of the orders **by 15-1-2008**.

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If agreed this schedule may be conveyed.

3. Monitoring of assessment work by JETC (R)/ DETC (ST)

As regular assessment is taken up only in select cases it was stressed in the above referred instructions that these cases are thoroughly examined and tax evasion/avoidance if any brought to surface and dealt with appropriately. Reports however suggest that sufficient efforts are not being made for examination of such cases. The assessing authorities may be asked to ensure that the assessment cases selected for scrutiny are thoroughly examined in the light of these guidelines.

In order to monitor the quality of assessment orders and to guide the assessing authorities to achieve better quality of assessment a monitoring system may be introduced wherein the DETC (ST) shall examine in every quarter at least five assessment cases decided by each of the assessing authorities working under him. The JETCs shall similarly examine, in every quarter, atleast two assessment cases decided by each of the assessing authorities working in the districts under his jurisdiction. A list of such examined cases shall be sent every month, by 10th following close of the month.

If agreed DFA of the instructions may kindly be seen for approval of ETC.

(D.K. Airon)
JETC (T)
7.2.07

AETC (T)

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