

GOVERNMENT OF NATIONAL CAPITAL TERRITORY OF DELHI
DEPARTMENT OF TRADE AND TAXES (Policy Branch)
VYAPAR BHAWAN, I.P. ESTATE, NEW DELHI-110 002

No. F. 7/433/Policy-II/VAT/2012/935-942

Date:-03-12-2012

CIRCULAR No....23.....OF 2012-13

Sub: Framing of Default Assessment Orders

Detailed instructions/clarifications have been issued on framing of assessment under Central Sales Tax Act, 1956 vide Circular No. 13 of 2007-08 dated 30.01.2008, Circular No. 15 of 2006-07 dated 30.03.2007 and Circular No. 2 of 2011-12 dated 09.06.2011 so that uniform procedure is adopted by all Assessing Authorities while framing such assessments. These circulars are available on the Department's website.

2. The Authorities are required to frame assessment under Section 9(2) of CST Act, 1956 as soon as the last date for submission of Central Statutory forms through DVAT-51 expires. However, it has been observed that many dealers have not filed all their Statutory Declaration Forms. Accordingly, it has been decided to undertake default assessment in all cases for the year 2008-09 (for tax periods that are not yet time-barred), 2009-10 and 2010-11, where deficiency of forms exists. The default assessments for one dealer should be taken up together for all these years. This process needs to be completed by 31st January, 2013 and hence inordinate adjournments may not be allowed. Saturday will remain a working day during this period.

3. In cases where no apparent discrepancies exist and statutory forms are complete, the information under Section 59 of the Delhi Value Added Tax Act, 2004 may not be asked and in such cases no assessment order need to be passed. Only reconciliation should be done by the Assessing Authorities at their level.

4. Nevertheless, in cases, where notices under Section 59 of DVAT Act are issued, the assessing authorities should allow inter-state concessional sales, including branch transfers, E-I/E-II sales, exports, penultimate exports, imports, high-sea sales etc. claims and other exemptions only after examining relevant documents. If necessary, related documents, including stock and trading account, and registration certificate of purchasing dealers may also be called to check the compliance with pre-requisites for use of such forms/declarations. The assessing authorities should explicitly record findings in default assessment order.

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5. While taking up a case for default assessment due to deficiency of statutory forms, other aspects such as scrutiny of Balance Sheet (for dealer having GTO \geq Rs. 40 lakh), timely payment of tax under DVAT Act and CST Act and filing of returns, appropriate tax credit claim on local purchases, adjustment of tax credit, reversal of tax credit on transfer of goods after local purchase, tally of return version with balance sheet, etc. may also be looked into.

6. It will be personal responsibility of the concerned assessing authority to ensure that no case is left unassessed where deficiency of statutory forms exist.

(Prashant Goyal)
Commissioner (VAT)

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Copy to :

1. All Special/ Addl/Joint Commissioners, Department of Trade and Taxes
2. Addl. Commissioner (System), Trade & Taxes – *to ensure that Department intranet, including application software is available 24X7 to Assessing Authorities to complete their work, if required, even on holidays.*
3. All Zonal Incharges, Department of Trade & Taxes
4. Deputy Director (Policy), Department of Trade and Taxes.
5. All VATOs / AVATOs, Department of Trade and Taxes – *through internal mail system.*
6. Programmer (EDP), Department of Trade and Taxes- *to upload the circular on the web site of the Department.*
7. President/Secretary, Sales Tax Bar Association (Regd.), Vyapar Bhawan, I.P.Estate, New Delhi.
8. Guard File.

(T.C. Sharma)
VATO (Policy)