

Delhi VAT officers to play cop

Govt Cites Act To Appoint Investigative Officers Who Will File Chargesheets

The Delhi government's VAT department has for the first time invoked its investigative powers equivalent to those of a police station, as laid out in the Delhi VAT Act 2004, to probe criminal offences and file chargesheets in court. Three officers from the department have been asked to carry out these probes. The move follows alleged inaction by police in filing FIRs based on complaints referred to them by the department.

The police, however, rubbished the claim and said all complaints were investigated on 'merit'. The VAT Amendment Bill 2015, passed by the Delhi assembly in December and referred by LG to the home ministry, further seeks to strengthen the investigative powers of the department and also set up special courts to deal with matters linked to tax evasion and fraudulent transactions by dealers and companies. The fate of the bill, however, is dependent on the Centre.

With the financial year coming to a close and the VAT department focussed on plugging loopholes to prevent tax evasion, the appointment of investigative officers will create deterrence and also instill fear among violators, it is felt. The department is planning to write to police commissioner B S Bassi, pointing out specific cases. According to sources, there are around six recent instances of alleged inaction by the police on complaints for filing FIRs, the sources said. It has been pointed out that the Delhi Value Added Tax Act 2004 (as on March 2014) clearly lays down the powers of investigation available. The decision is based on section 89 and Section 92 of the Act. While section 89 elaborates on the list of what defines criminal offences under DVAT Act, section 92 is the enabling provision that empowers the VAT commissioner to appoint investigative officers to probe these offences. Section 92 reads: "1) Subject to such conditions as may be prescribed, the commissioner may authorise either generally or in respect of a particular case or class of cases any officer or person subordinate to him to investigate all or any of the offences punishable under this Act. 2) Every officer or person so authorised shall, in the conduct of such investigation, exercise the powers conferred by the code of criminal procedure, 1973 (2 of 1974) upon an officer in charge of a police station for the investigation of a cognizable offence."

Some of the criminal offences that can attract serious punishment, including imprisonment, under section 89 include cases of an unregistered dealer falsely representing that he is or was a registered dealer at the time when he sold or bought goods; found to be knowingly keeping a false account; found to have issued to any person a false invoice, bill, cash-memorandum, voucher or any other document which he knows or has reason to believe to be fake. Action is to be taken against anyone who "knowingly furnishes a false return or produces before the commissioner a false bill, cash-memorandum, voucher, declaration, certificate, tax invoice for claiming deduction on tax credit or produces false accounts, registers or documents or knowingly furnishes false information." Anyone who willfully attempts to evade payment of tax, penalty or interest or all of them is also a violator under this Act.

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