

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

No.F.6(77)/P-I/VAT/2010/1495-1504

Dated: 14.07.2010

CIRCULAR NO. 08 OF 2010-11

Subject : Guidelines / instructions for scrutinizing the returns by Value Added Tax Officers / Assistant Value Added Tax Officers in wards / Operational circles.

Scrutiny of returns filed by the dealers, by the Value Added Tax authorities on regular basis is very important and essential to have a check on the activities of dealers, as under VAT regime the dealers are to be assessed on a self-assessment basis. On the other hand, it is also not feasible to scrutinize each and every return filed in the department, hence it is important that selection of returns for scrutinization is planned in a manner ensuring maximum justification of revenue.

2. It has been decided that the Value Added Tax Officers / Assistant Value Added Tax Officers Wards / Operational Circles will scrutinize the returns in the proforma already circulated to all the wards, (copy enclosed) after making a selection of dealers for the purpose, adhering to the following guidelines:-

- i) 100% scrutiny of returns for dealers with GTO more than Rs. Five Crores Each and every return filed by dealers having annual turnover/estimated turnover above Rs. Five Crores is to be scrutinized.
- ii) 50% scrutiny of returns for dealers with GTO ranging between Rs. Two Crores to Rs. Five Crores – Every alternate return should be scrutinized in case of a dealer having GTO ranging between Rs. Two Crores and Rs. Five Crores ensuring that half the returns filed by the dealer get scrutinized.
- iii) 25% scrutiny of returns for dealers with GTO ranging between Rs. One Crore to Rs. Two Crores – At least one fourth of the number of returns filed by each & every dealer having GTO ranging between Rs. One Crore to Rs. Two Crores are to be scrutinized.
- iv) 2% scrutiny of returns for dealers with GTO below Rs. One Crore – 2% of the number of the remaining returns, picked up at random, filed by dealers having GTO below Rs. One Crore are to be scrutinized.
- v) The contents of the Circular 15 of 2005-06 shall also be in operation.

3. Further, this has also been decided that the Zonal Addl. Commissioners / Joint commissioners will monitor the scrutiny of returns made by each ward officer and submit the report to the Commissioner in the every weekly officers meeting.

This issues with the approval of Commissioner, Value Added Tax.

(Naveen Katarya)
Value Added Tax Officer (Policy)

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Copy for information and necessary action to :-

1. PS to Commissioner, Value Added Tax, Department of Trade and Taxes, Vyapar Bhawan, I.P. Estate, New Delhi.
2. All Special Commissioners, Department of Trade and Taxes, Vyapar Bhawan, I.P. Estate, New Delhi.
3. All Addl. / Joint Commissioners, Department of Trade and Taxes, Vyapar Bhawan, I.P. Estate, New Delhi.
4. Joint Commissioner (PR/Adv.), Department of Trade and Taxes, Vyapar Bhawan, I.P. Estate, New Delhi.
5. All VATOs/AVATOs of all Wards of Operations through Zonal In-charges.
6. All VATOs/AVATOs, Front Office/CRC Cell/PR Branch/TPS/Legal Service Cell/CFC.
7. Manager (EDP), Department of Trade and Taxes, Vyapar Bhawan, I. P. Estate, New Delhi.
8. Assistant Director (R&S), R&S Branch, Department of Trade and Taxes, Vyapar Bhawan, I. P. Estate, New Delhi.
9. President, Sales Tax Bar Association (Regd.), Vyapar Bhawan, I.P. Estate, New Delhi
10. Guard File.

(Naveen Katarya)
Value Added Tax Officer (Policy)