

GOVERNMENT OF NATIONAL CAPITAL TERRITORY OF DELHI
DEPARTMENT OF TRADE & TAXES
(POLICY BRANCH)
VYAPAR BHAWAN, I.P. ESTATE, NEW DELHI - 110002.

No.F. 3 (480)/Policy-VAT/2014/782-86

Dated:10.10.2018

CIRCULAR NO. 07 OF 2018-19

Subject: Regarding Assessment of cases of mismatch of Annexure 2A-2B under DVAT Act/Rules in respect of Financial Year 2014-15 & onwards.

The Office of the Principal Accountant General (Audit), Delhi has conducted an audit of the records of Financial Years 2014-15, 2015-16 and 2016-17, specially focusing on "Input Tax Credit claimed in VAT by the dealers". The Principal Auditor General (Audit), Delhi Office has provided a copy of draft paragraph titled as "Input Tax Credit in VAT", wherein following audit findings are highlighted:-

- 1) Excess brought forward of Input Tax Credit.
- 2) Irregular claim of Input Tax Credit.
- 3) ITC against purchases from un-registered dealers.
- 4) ITC against purchases from dealers registered under Composition Scheme.
- 5) ITC against mismatch of purchases and sales.
- 6) Excess claim of ITC by inflating purchases.
- 7) ITC against purchases from dealers who had not shown any corresponding sales.
- 8) ITC against purchases from dealers who had not filed any return.

2. A letter No. IAC/J/Misc/2017-18/200-204, dated 31.08.2018 was issued by Sr. Accounts Officer (Audit), Department of Trade & Taxes to all Zonal Incharges with a copy of the above said Draft Audit Paragraph under consideration for inclusion in the Audit Report of CAG of India for the year ended 31st March, 2018 with request to issue directions to all Ward Incharges to take immediate necessary action including making Assessments in accordance with the provisions of DVAT Act and Rules and to send the ATR.

3. In this regard, Assessing Authorities/Ward Incharges are further advised to examine the cases of mismatch of Annexure 2A-2B of all dealers, under their jurisdiction, including the cases already referred to by the Audit team,



in respect of Financial Years 2014-15, 2015-16 and onwards and to take further necessary action as per DVAT Act and Rules, including making Assessments of tax, interest and penalty under Section 32 and 33 of DVAT Act by following due process of law. The 2A-2B mismatch reports are made available on DVAT Portal under the link "Mismatch Reports" by the System Branch for the assistance of the Assessing Authorities.

4. All Assessing Authorities are also advised to take note of the provisions of Section 34 with regard to the limitation period of four years while making Assessment or Re-assessment, to ensure that due proceedings are undertaken within the limitation period.
5. All Zonal Incharges are advised to monitor the progress of work of all the Assessing Authorities under their jurisdiction.
6. This issues with the prior approval of the Commissioner (VAT), Delhi.


(Rajesh Goyal)

Additional Commissioner (Policy)

Nu.F. 3 (480)/Policy-VAT/2014/782-86

Dated: 10.10.2018

Copy for information and necessary action to:

1. All Spl./Addl./Joint Commissioners, Department of Trade & Taxes, GNCT of Delhi, Vyapar Bhawan, I.P. Estate, New Delhi - 110002.
2. Programmer (EDP), Department of Trade & Taxes, GNCT of Delhi, Vyapar Bhawan, I.P. Estate, New Delhi - 110002.
3. All Assistant Commissioners/VATOs, Department of Trade & Taxes, GNCT of Delhi, Vyapar Bhawan, I.P. Estate, New Delhi - 110002 through Zones.
4. P.S. to the Commissioner, VAT, Department of Trade & Taxes, GNCT of Delhi, Vyapar Bhawan, I.P. Estate, New Delhi - 110002.
5. Guard File.


(Catherine Mathai)
Asstt. Commissioner (Policy)