

From  
The Excise and Taxation Commissioner,  
Haryana, Chandigarh.

To  
(1) All Joint Excise and Taxation Commissioners (Range), and  
(2) All Deputy Excise and Taxation Commissioners (ST),  
in the State of Haryana.

Memo No. 743 /S.T-6  
Chandigarh, dated the 8.5.07

Subject: - **Instructions for assessment of cases under the Haryana Value Added Tax Act, 2003 and Central Sales Tax Act 1956 for assessment year 2005-06**

Ref: This office memo No. 472/S.T-6 Chandigarh dated the 4.4.2007.

Memo

Please refer to para 2.1 and 2.2 of the instructions issued vide memo under reference.

2. In para 2.1, it was mentioned that randomly selected cases for scrutiny have been uploaded on the website of the Department. It was further stated that other criteria for selection of cases for scrutiny will be intimated after the report of the committee constituted for the purpose is discussed with the officers at the head office. In para 2.2, it was mentioned that list of cases of VAT dealers selected for scrutiny will be prepared in Annexure -1A and format of Annexure -1A will be communicated alongwith criteria for selection of cases of VAT dealers for scrutiny.

3. The report of the committee has since been discussed with the officers at the headquarter and it has been decided that the cases falling under the following criteria will be selected for scrutiny: -

<b>Category</b>	<b>Description</b>
I	Cases of industrial units availing any tax concession till such units are subject to relevant provisions in the 1975 rules.
II	Gross turnover exceeding Rs. 500 lacs in the year
III	Claim of sale made in the course of interstate trade and commerce or in the course of export out of territory of India or in the course of import into the territory of India together with the value of goods exported out of state, exceeding Rs. 50 lacs in the year.
IV	Claim of refund exceeding Rs.3 lac in the year.

V Claim of input tax exceeding Rs. 10 lacs in the year.

VI Mismatch in sale, purchase or consignment of goods.

VII Exception cases in which ratio between purchases and sales or between input tax and output tax or between stocks and sales is way out of the general trend in the trade or industry.

*In the absence of availability of verified computerised data in respect of the return period 2005-06, it has been decided that this will cover such cases where the circle officer feels that there is a major noticeable discrepancy on record. Such cases will be recommended to the Head Office through the DETCs, for taking up in scrutiny, giving justification for the same, for uploading on the website.*

VIII Cases based on definite intelligence about evasion of tax.

*Where bogus input tax is involved, cases of sellers as well of buyers shall be covered under this criterion.*

IX Cases of following trades meeting the criteria mentioned here under: -

- (i) *Dealers engaged in trading of iron and steel having gross turnover more than Rs. 100 lacs in the year.*
- (ii) *All stone crushers.*
- (iii) *All quarry contractors, mine lease holders whose lease amounts are or exceed Rs. 30 lac in the year.*
- (iv) *Processing houses engaged in dyeing and printing of textile, garment and thread/yarn.*
- (v) *Manufacturers and traders of all types of furniture having turn over more than Rs.20 lacs but less than Rs.40 lacs in the year.*
- (vi) *All dealers engaged in sale and purchase of ply board and flush doors.*
- (vii) *Dealers engaged in manufacture and sale of wooden articles i.e. doors, frames, wardrobes and modular kitchens, having turn over in excess of Rs. 50 lacs in the year.*
- (viii) *Manufacturers of vegetable oil including solvent extraction plants, and oil seed traders, claiming input tax exceeding Rs. 2 lacs in the year.*
- (ix) *Cotton ginning & processing mills and cotton traders, claiming input tax exceeding Rs. 2 lac in the year.*

- (x) *Dealers belonging to categories for whom lump sum is admissible, except retailers, who have not opted for lump sum.*

X Cases of cancellation of registration certificates.

XI Cases in which the dealer fails to complete the returns in material particulars after being given an opportunity for the same.

*Assessing authorities should get the returns completed through notices to the dealers concerned. However if the circle officer arrives at a conclusion that a dealer is avoiding to complete the returns, S(he) shall recommend its name to the DETC for including in the list of cases to be taken up in scrutiny, who shall, if S(he) is satisfied, forward the list of such cases to the head quarter for uploading.*

4. List of cases of VAT dealers selected for scrutiny will be prepared by the circle officers in the format as per Annexure -1A enclosed with this letter. Format for communicating list of cases of VAT dealers selected for scrutiny to the head office for uploading on the website shall also be as per Annexure -1A.

5. These instructions be circulated to all the circle officers working under your jurisdiction and be discussed with them for compliance. Any lapse will be viewed seriously.

6. Please acknowledge the receipt of the letter.

(R.C. Mittal)  
Addl. Excise and Taxation Commissioner (T)  
for Excise and Taxation Commissioner,  
Haryana, Chandigarh.

Endst. No. /ST-6, dated.

A copy is forwarded to ?

- (i) All Additional Excise and Taxation Commissioners,
- (ii) All Joint Excise and Taxation Commissioners (Appeals),
- (iii) All Deputy Excise and Taxation Commissioners (Excise), in the State,
- (iv) All other Officers in the Head office,  
for information and necessary action; and
- (v) PA/ETC for kind information of the Excise and Taxation Commissioner, Haryana, Chandigarh.

(R.C. Mittal)  
Addl. Excise and Taxation Commissioner (T)  
for Excise and Taxation Commissioner,  
Haryana, Chandigarh.

**Annexure-IA**

**List of cases of VAT dealer for 2005-06 selected for scrutiny in respect of District**

---

I Cases of industrial units availing any **tax concession** under clause (d) of sub-section (2) of section 61 till such units are subject to the relevant provisions in the 1975 Rules;

S.No.	Name of the dealer	TIN	Circle Number	Entitlement certificate/revised entitlement certificate No.	Period of benefit

II **Gross turnover exceeding five hundred lac rupees in the year;**

S.No.	Name of the dealer	TIN	Circle Number	Gross Turnover

III. Claim of sales made in the course of **inter-State trade** and commerce or in the course of export of goods **out of the territory of India** or in the course of import of goods **into the territory of India** together with value of goods **exported out of State** exceeding **fifty lac rupees** in the year;

S.No.	Name of the dealer	TIN	Circle Number	Sum total of transactions of quarterly returns covered by the criteria

IV Claim of **refund** exceeding **three lac rupees** in the year;

S.No.	Name of the dealer	TIN	Circle Number	Amount of refund claimed including provisional refund

V Claim of **input tax** exceeding **ten lac rupees** in the year;

S.No.	Name of the dealer	TIN	Circle Number	Amount of input tax claimed as per VAT-R2

VI **Mismatch** in sale, purchase or consignment of goods.

S.No.	Name of the dealer	TIN	Circle Number	Value of transactions not matched

VII **Exception cases** in which ratio between purchases and sales or between input tax and output tax or between stocks and sales is way out of the general trend in the trade or industry.

S.No.	Name of the dealer	EAC	TIN	Circle Number	Ratio of input/output or sale/stock

VIII Cases based on **definite intelligence** about evasion of tax.

S.No.	Name of the dealer	TIN	Circle Number	Brief description

IX (i) Dealers engaged in trading of **iron and steel** having gross turnover more than **Rs. 100 lac** in the year.

S.No.	Name of the dealer	TIN	Circle Number	Gross turnover

IX (ii) **All stone crushers.**

S.No.	Name of the dealer	TIN	Circle Number	Gross turnover

IX (iii) All **quarry contractors, mine lease** holders whose lease amounts are or exceed Rs. 30 lac. in the year

S.No.	Name of the dealer	TIN	Circle Number	Lease amount

IX (iv) **Processing houses** engaged in dyeing and printing of textile, garment and thread/yarn.

S.No.	Name of the dealer	TIN

IX (v) Manufacturers and traders of all types of **furniture** having turn over more than **Rs.20 lac but less than Rs.40 lac.** in the year

S.No.	Name of the dealer	TIN	Circle Number	Gross Turnover

IX (vi) All dealers engaged in sale and purchase of **ply board and flush doors.**

S.No.	Name of the dealer	TIN	Circle Number	Gross turnover

IX(vii) Dealers engaged in manufacture and sale of wooden articles i.e. **doors, frames, wardrobes** and modular kitchens, having turn over in excess of Rs. 50 lac in the year

S.No.	Name of the dealer	TIN	Circle Number	Gross turnover

IX (viii) Manufacturers of **vegetable oil** including solvent extraction plants, and oil seed traders claiming input tax credit exceeding Rs. **2 lac** in the year.

S.No.	Name of the dealer	TIN	Circle Number	Input tax claimed

IX (ix) **Cotton ginning** & processing mills and cotton traders claiming input tax credit exceeding **Rs. 2 lac** in the year.

S.No.	Name of the dealer	TIN	Circle Number	Input tax claimed

IX (x) *Dealers belonging to categories for whom lump sum is admissible, except retailers, who have not opted for lump sum*

S.No.	Name of the dealer	TIN	Circle Number	Trade	GTO

X **Non-completion of returns** after being given an opportunity.

S.No.	Name of the dealer	TIN	Circle Number	Gross turnover

Note: - The figure of Gross turnover should be taken as shown in column 2A of VAT-R2. In case the same has not been filed, the sum total of GTO shown in four quarterly returns shall be mentioned. Same procedure may be followed for other figures also.