

**GOVERNMENT OF NATIONAL CAPITAL TERRITORY OF DELHI
DEPARTMENT OF TRADE AND TAXES
(POLICY BRANCH)**

F.3/432/GST/Policy/2023/1048-1053

Dated- 31.10.2023

INSTRUCTION

Sub:- Scrutiny of GST Returns for the FY 2017-18-reg.

1. With reference to above mentioned subject, Proper Officers have issued show cause notices (SCNs) for the year 2017-18. Sub-section (8) of Section 73 of Delhi Goods and Service Tax Act, 2017 (hereinafter referred to as "**DGST Act**" in short) provides a time period of 30 days for the taxpayers to file a reply/representation in response to said SCN. Further, Sub-section (4) of Section 75 of the DGST Act states that a personal hearing must be given before passing any adverse order.
2. It has been observed that in some cases SCNs have been issued fixing date of personal hearing before the expiry of 30 days. It is hereby clarified that personal hearings before filing any written reply/representation would not serve any useful purpose.
3. Also, in some cases, SCNs have been issued pointing out discrepancies on which notices in FORM GST ASMT-10 were already issued earlier and proceedings had also been completed by issuing information in Form GST ASMT-12 and in cases where audit proceeding has been completed. Hence, it would not be appropriate to adjudicate issues that have already been decided/dropped under Section 61 of the DGST Act or stand settled in audit proceedings.
4. In this regard, the following clarifications are issued for compliance by all concerned :-
 - I. Cases where notices have been issued even after completion of audit proceedings, SCNs need to be withdrawn after following the required course of action on audit report.
 - II. Cases where notices have been issued after completion of scrutiny of return proceedings, SCNs need to be withdrawn to the extent of subject matter or issues which have already been covered in previous proceeding, after due verifications and recording of reasons.
 - III. In cases of ITC reversal, Proper Officer shall make due verification of input used for making taxable/non-taxable supplies or input used for non-business or personal purposes or making exempt supply.

In cases of blocked credit where notices have been issued on the basis of HSN/SAC Codes OR cases where transactions have been made with cancelled taxpayers, Proper Officer shall examine relevant facts along

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with supporting records and take decision on case to case basis, in accordance with law.

- V. Proper Officer shall provide a personal hearing after filing of reply/representation by the taxpayer or after the expiry of period of 30 days, as the case may be. Moreover, before passing any adverse order, a personal hearing must be given to taxpayer in terms of Section 75(4).
 - VI. Proper Officer shall also duly record/document the proceedings of personal hearing.
 - VII. In cases where it comes/has been brought to the knowledge of Proper Officer that the notice is required to be withdrawn, the Proper Officer after recording reasons may, without any written submission of the taxpayer or any personal hearing, drop the proceedings on the basis of facts and contents of each case.
 - VIII. A taxpayer must be informed about dropping of proceeding without fail, wherever applicable.
5. All Proper Officers must strictly adhere to the legal provisions and relevant guidelines/circulars in this regard. Strict action will be taken for non-compliance. Moreover, it should be ensured that no harassment is caused to any taxpayer and due tax is received by the department.

This issues with approval of the Competent Authority.


(Karanjit Vadodaria)
Joint Commissioner (Policy)

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Dated: 31.10.2023

Copy for information and necessary action to:-

1. P.A to the Principal Commissioner, Department of Trade and Taxes, GNCT of Delhi, Vyapar Bhawan, I.P. Estate Delhi - 110002.
2. All the Spl./Addl./Joint Commissioner, Department of Trade and Taxes, GNCT of Delhi, Vyapar Bhawan, I.P. Estate Delhi - 110002.
3. All ward Incharges/Proper Officers, Department of Trade and Taxes, GNCT of Delhi, Vyapar Bhawan, I.P. Estate Delhi - 110002.
4. SSA (EDP), Department of Trade and Taxes, GNCT of Delhi, Vyapar Bhawan, I.P. Estate Delhi - 110002, for uploading on Department Website.
5. Guard file.


(Rita Kaushik)
Assistant Commissioner (Policy)