

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

No. F.3(409)/GST/Policy/2021/1054-1058

Dated: 04/03/2022

To,

- (i) All Special/Additional/Joint Commissioners
- (ii) All Ward Incharges

Subject- Issuance of SCNs in time bound manner- regarding.

The Instruction No. 02/2021-22/GST-Investigational regarding issuance of SCNs in time bound manner issued by the Central Board of Indirect Taxes was circulated vide policy branch letter No. F.3 (409)/GST/Policy/2021/883-841 dated 30.11.2021.

2. The last date for filing the Annual Returns for the FYs of 2017-18, 2018-19 & 2019-20 is already over as per details below-

Sr. No.	Period	Last date to file Annual Return
1	2017-18	05 th & 7 th February, 2020 (Notification no. 06/2020- Central Tax dated 03.02.2020)
2	2018-19	31 st December, 2020 (Notification no. 80/2020- Central Tax dated 28.10.2020)
3	2019-20	31 st March, 2021 (Notification no. 04/2021- Central Tax) dated 28.02.2021

3. Sub-section (2) & sub-section (10) of the Section 73 of the Delhi Goods & Services (DGST) Act, 2017 states that:

(2) The proper officer shall issue the notice under sub-section (1) at least three months prior to the time limit specified in sub-section (10) for issuance for order.

(10) The proper officer shall issue the order under sub-section (9) within three years from the due date for furnishing of annual return for the financial year to which the tax not paid or short paid or input tax credit wrongly availed or utilized relates to or within three years from the date of erroneous refund.

4. Section 73 of DGST Act, 2017 provides that the adjudication order will be issued within three years from the due date of filing of annual return for the year to which the discrepancy is noticed. The section also provides that the show cause notices is required to be issued at least three months prior to the time limit.

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5. As per sub-section (2) & sub-section (10) of the Section 74 of the Delhi Goods & Services Act, 2017:


(2) The proper officer shall issue the notice under sub-section (1) at least six months prior to the time limit specified in sub-section (10) for issuance of order.

(10) The proper officer shall issue the order under sub-section (9) within a period of five years from the due date for furnishing of annual return for the financial year to which the tax not paid or short paid or input tax credit wrongly availed or utilized relates to or within five years from the date of erroneous refund.

6. Further, Section 74 of DGST Act, 2017 provides that in cases of tax not paid or short paid or erroneously refunded or input tax credit wrongly availed or utilized, for reasons of fraud or willful mis-statement or suppression of facts, the adjudication order will be issued within five years from the due date of filing of annual return for the year to which the discrepancy is noticed. Further, the show cause notice is required to be issued at least six months prior to the time limit.

7. In view of the legal provisions as above if the SCNs are issued in close proximity of the end dates/last dates, it may leave very little time with the adjudicating authority to pass orders within stipulated period mentioned in sub-section (10) of Section 73/ Section 74.

8. In view of the above position, all ward-in-charges are encouraged to issue SCNs in all such cases above it is deemed necessary, as per Section 73 and Section 74 of the Delhi Goods and Services Act, 2017. Further, all the zonal-in-charges are requested to take stock of the cases which warrant issuance of SCNs and take appropriate action to ensure completion of the proceedings in a time bound manner.

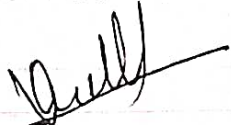

(ANAND KUMAR TIWARI)
SPECIAL COMMISSIONER (POLICY)

Dated: / /2022

No. F.3(409)/GST/Policy/2021/

Copy forwarded for information and necessary action to:

1. Joint Director (IT), Department of Trade & Taxes, GNCT of Delhi, Vyapar Bhawan I.P. Estate, New Delhi-02 for uploading the circular on the website of the department.
2. PS to the Commissioner, VAT Department of Trade & Taxes, GNCT of Delhi, Vyapar Bhawan I.P. Estate, New Delhi-02.
3. Guard File.


(VIVEK MITTAL)
ASSISTANT COMMISSIONER (POLICY)