

**GOVERNMENT OF NATIONAL CAPITAL TERRITORY OF DELHI
OFFICE OF THE COMMISSIONER, VALUE ADDED TAX
DEPARTMENT OF TRADE AND TAXES
BIKRIKAR BHAWAN, I.P. ESTATE, NEW DELHI**

No.F.III/59/CST/2005/Estt./2673-82

Dated : 24/4/06

CIRCULAR

**REORGANIZATION AND RELOCATION OF SELECTIVE UNITS
UNDER VAT REGIME**

Regular time barring assessments of the last year under the erstwhile Delhi Sales Tax Act, 1975 are completed and over on 31st March, 2006. Value Added Tax Act, 2004 already came into operation w.e.f. 01.04.2005. Transition phase is not completely over yet as remand cases, appeal cases and other statutory obligations under the erstwhile Delhi Sales Tax Act will continue to be dealt with.

With self-assessment becoming the basis of tax administration in a VAT regime, there is greater need to focus on tax payers customers and to build a customer-centric organization. The VAT system entails a new set of business process that drive the management and administration of the tax system. This calls for a new set of capabilities within the organization that manages a system including

- a system for the provision of effective tax payer advisory services to the tax payers
- an operation functions that track defaulters and initiates the necessary follow up action.
- core taxation activities such as collections, refunds and disputes settlements / objections, which may need to be streamlined with respect of new procedures.
- an audit function that identifies cases of noncompliance through a process of selective assessment of tax returns.
- a market intelligence function that monitors trade activity and identifies unregistered business that need to be registered under the system.

The reorganization and relocation issue was discussed on 12.04.2006 at 4.00 pm in the chamber of the Commissioner (T&T) wherein all the four Additional Commissioners and Joint Commissioner (Policy) participated. After the discussions, it was proposed to reorient / reorganize and strengthen / activate the Operations, Audit, Enforcement, Border Control and Key Customer Services Units at the present and to allocate the best resources out of available manpower and infrastructure. Reorganization / reorientation and their location unit wise was decided in the said meeting as below :-

1. Operations – The Operations functions is to envisage to undertake the critical day-to-day activities of the department such as verification of reports, updation and maintenance of returns filed, generation of notices, default assessments, debt management etc. Remanded cases of erstwhile DST Act and residual statutory functions are to be attended by the Operations Branch. Under the old system, there were 106 Wards comprising into 10 Zones.

New setup and Location / Relocation

It was decided to create 40 Operations Circles and correspondingly 04 Regions out of 106 Wards and 10 Zones. Each circle may be headed by a Value Added Tax Officer assisted by Assistant Value Added Tax Officer, 02 Clerks and 01 Steno and 01 Peon. 04 Regions may be supervised by 04 Deputy / Joint Commissioners.

In order to be more harmonious, administratively, well knit and to carve out space for other units such as Key Customer Services, Border Control, Audit etc. the existing Wards located in ‘A’ Wing of 6th to 10th floor will shift to ‘B’ & ‘C’ Wings of the same floors in the form of newly created Circles in the rooms / space identified by the respective Zonal in-charges.

Wards of Zone-II in the form of Circles will be located in ‘B’ & ‘C’ Wings on the 11th floor and Wards of Zone-III in the form of Circles will be located in ‘A’ Wing at the 11th floor.

The reorganization of 106 Wards / 10 Zones in 40 Circles / 04 Regions and their location / relocation was approved in the manner as indicated in the table below.

Table – 1

Existing Ward No.	Existing Zone No.	Circle No. given after clubbing / synchronizing	Region No. after clubbing / synchronizing	Circle made to be located in Room No.	Floor No.
1, 2, 3	I	1	I	406, 407	4 th
4, 5, 6, 7		2	I	404, 405	4 th
8, 9, 10, 11, 13	II	3	I	1112, 1113, 1114, 1117	11 th
12, 15, 16		4	I	1118, 1119	11 th
14, 17, 18		5	I	1115, 1116, 1120	11 th
19, 20, 21, 22, 23	III	6	I	1103, 1105, 1106	11 th
24, 25, 26		7	I	1107	11 th
27, 28, 29		8	I	1108, 1109	11 th
30, 31, 32, 33	IV	9	I	402, 411, 415	4 th
34, 35, 36, 37		10	I	409, 410, 412	4 th
38, 39, 40		11	I	413, 414	4 th
41, 43	V	12	II	504	5 th
44, 46		13	II	507, 510	5 th
45, 47		14	II	509	5 th
48, 49		15	II	512, 513	5 th
50, 51		16	II	514, 515	5 th
52, 56, 58	VI	17	II	608, 609	6 th
53, 57		18	II	610, 611	6 th
54, 60		19	II	613	6 th
55, 62		20	II	615	6 th
59, 61		21	II	614	6 th
63	VII	22	III	711, 712	7 th
64, 65		23	III	715	7 th
66, 67, 69		24	III	709, 710	7 th
68, 72, 73		25	III	711, 714	7 th
70, 71		26	III	713	7 th
74, 75, 76	VIII	27	III	810, 811, 812	8 th
78, 79		28	III	820, 821	8 th

77, 82		29	III	818	8 th
80, 81, 83		30	III	815, 816, 817	8 th
84		31	III	819	8 th
85, 86, 87	IX	32	IV	914	9 th
92, 93, 94		33	IV	912, 910	9 th
89, 90		34	IV	911, 913	9 th
88, 91, 95		35	IV	915	9 th
96, 97	X	36	IV	1010, 1012	10 th
98, 101		37	IV	1009, 1013	10 th
99, 100		38	IV	1008 + Annexe	10 th
102, 103, 104		39	IV	1011 + Annexe	10 th
105, 106		40	IV	1014	10 th

2. Audit – The Audit function would have a dual role – the strategic function of determining the cases to be audited and the operational functions of carrying out the audit. This activity would ensure the integrity of the system through a process of selective audit of tax payers.

New setup and Location / Relocation

It was decided to strengthen the Audit Unit having VATOs, AVATOs, VATIs & staff and Accounts Officers as per the availability.

Likewise it was decided to strengthen the existing Internal Audit Unit by posting the optimum number of VATOs, AVATOs, VATIs, Accounts Officers and the supporting staff depending upon the staff strength.

It was suggested to locate Audit Unit in ‘A’ & ‘B’ Wings at 12th floor in the rooms / space to be vacated by the existing Zone-III Wards.

It was further suggested that the Internal Audit and AGCR Audit Units will be located in ‘A’ wing at 10th floor to be vacated by the existing Wards of Zone-X.

3. Enforcement Unit – There already exists an Enforcement Branch located at 2nd floor is having 09 VATOs, 10 AVATOs and the staff below.

New setup and Location / Relocation

In the new system, it was decided to strengthen the existing Unit and to post the adequate number of VATOs, AVATOs, VATIs and the supporting staff.

Presently, the Enforcement Branch functions from 2nd floor. It was decided to locate the strengthen Enforcement Unit in ‘A’ Wing at 6th floor.

4. Border Control Unit – To start with a Border Control Unit was established to operate in the new system but with skeleton staff due to staff constraint.

New setup and Location / Relocation

It was considered that to have effective control of goods being transferred in / out of Delhi the strengthening of the Border Control Unit is essential by giving it an independent identity. During the course of discussion, it was decided to post the adequate number of VATOs, AVATOs and VATIs along with the supporting staff.

As regards the location of the Border control Unit, it was suggested to keep the same at 2nd floor in the space to be vacated by the existing Enforcement Branch.

5. Key Customer Services – It was deliberated that good tax payers need to be given a better treatment. Therefore, the primary roles of the Key Customer Services should be to provide tax advisory services and to be the single point contact for such tax payers regarding the activities of registration, filing of returns, default & penalty assessments, issuance of statutory forms and auditing of their accounts, etc. The nature of Key Customer Services is high volume and tax oriented.

On an experimental basis a Key Dealer Unit was established in the old system and which was renamed as Key Customer Services Unit when the new VAT regime came into operation on 01.04.2005. In the said Unit, cases of the dealers who pay tax more than rupees fifty lacs a year (base year 2003-04) are being dealt with.

New setup and Location / Relocation

In order to enlarge the base of close monitoring and proper realization of the revenue two models, one on the basis of quantum of tax paid in a year as in the case of the existing Key Customer Services and another on the basis of total turnover in a year (base year 2003-04) were presented. After deliberating on both the models, it was decided to create three more Key Customer Services Units consisting of the dealers whose turnover is found more than rupees five crores in a year (base year 2004-05) and who file monthly returns. Works Contracts dealers whose cases were transferred to Special Zone during the year 2005 will also be dealt with in one of the newly three proposed KCS Units irrespective of their annual turnover and periodicity of filing of returns.

Resultantly, it was decided to continue the functioning of the existing Key Customer Services on the tax range basis in the existing manner / pattern. However, this unit will be renamed as KCS-I.

The aforesaid unit shall continue to function from the existing space at 13th floor.

The remaining three Key Customer Services Units will be created wherein the cases of the dealers whose turnover is more than rupees five crores in a year (base year 2004-05) and who file monthly returns plus about 330 Works Contracts dealers already transferred to the Special Zone in the year 2005 irrespective of their turnover and periodicity of filing of returns will be dealt in these three Units.

Establishment of three Units commodity wise, the number of dealers and the space for location of each Unit was decided as indicated in the table below.

Table –2

S. No.	Name of the Unit	Group of Commodity	Location	
			Wing	Floor
1	KCS-II	(a) Cement, Marble, Granite, Sanitary goods, Timber, Furniture, Paints etc. (b) Works Contract dealers already transferred to Special Zone. (c) Electrical and electronic goods, Computer hardware and software, Telecom equipments etc.	‘A’	9 th
2	KCS-III	(a) Motor vehicle, their parts, accessories etc. (b) Medicine, Toiletries, Cosmetics etc. (c) Cooked food, Kirana, Cereal & Pulses, Liquor etc. (d) Paper & Board	‘A’	8 th
3	KCS-IV	Petroleum products, Readymade Garments, Jewellery, & Misc. items.	‘A’	7 th

The shifting / location of the aforesaid units in the proposed rooms / spaces as per Tables 1, 2 and paras above will come into operation with effect from 01.05.2006. The exercise of shifting, location and relocation in the rooms / spaces as indicated in the tables above will be started immediately by the Officers & Staff of the existing Wards and Units concerned under the close supervision and monitoring of the present Zonal Deputy / Joint Commissioners and this exercise shall be completed by 30.04.2006.

During the intervening period the EDP shall generate the list of the aforesaid dealers whose cases are to be transferred to the newly created three Key Customer Services Units.

(S.S. Rathor)
Joint Commissioner (Admn.)

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Dated : 24/4/06

Copy to :-

1. The Secretary to Minister of Finance, GNCT of Delhi.
2. PS to Principal Secretary, GNCT of Delhi.
3. PS to Commissioner, Delhi VAT, GNCT of Delhi.
4. All Addl. Commissioners.
5. All JCs/DCs.
6. All Ward Officers.
7. All Branch Officers.
8. Accounts Officer.
9. Guard File.
10. Delhi Sales Tax Bar Association.

(S.S. Rathor)
Joint Commissioner (Admn.)