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**Office of Prl Secretary & Commissioner**  
**Kerala Goods and Services Taxes Department,**  
**Govt of Kerala, Thiruvananthapuram**

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**No No CT/2969/2018-C1**

**Dated 20<sup>th</sup> April 2018**

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**CIRCULAR No 7/2018**

**Sub:- KVAT Act 2003- Scrutiny and Assessment – Reg.**

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The Government has set up revenue target with 20% growth rate for the financial year 2018-19. The revenue target achievement is possible only by taking strategic actions in the field. In order to facilitate the same, many innovative measures have been taken by the department.

One of the innovative and unique initiatives is development of Scrutiny Module (**ScM**) to facilitate scrutiny and assessments by the Assessing Authorities. The Department has already issued Scrutiny Module Circular for Gold 4/2018 dated 26<sup>th</sup> Feb 2018 and the Proceedings dated 26<sup>th</sup> Feb 2018 detailing how to co-ordinate collection of the data to complete scrutiny and assessments efficiently. These documents are available on website [www.keralataxes.gov.in](http://www.keralataxes.gov.in) We have also conducted meetings with System Administrators and oriented them to ensure that computer systems and module is functional at all places. By this time officers have already initiated actions with respect to data collection

for Gold and Works Contract scrutiny and the field functionaries are taking further follow up actions.

After verifying the works done, there are some critical gaps noticed.

1. The officers are not uploading the documents based on which the data feeding is done.
2. The officers have not uploaded draft pre assessment notices/draft final orders/ final orders.
3. The draft notices are not as per the usual format of notice as per the format prescribed in KVAT Rules.

Therefore, all Dy Commissioners and supervisory IACs are instructed to take up the following actions

1. Dy Commissioner and supervisory officers shall ensure that statutory documents from where the respective data figures are taken for calculation etc are uploaded properly.
2. They shall ensure uploading of 'pre assessment notice', ' draft final order' and final order.
3. Dy Commissioner must verify and correct the notice format. Scrutiny and Assessment is a statutory work and it should be completed as per the KVAT Act. Use of new terminology creates confusion that should be avoided. Instead regular language as in use so far to be continued.
4. You may refer to the proceedings regarding data gathering and also circular on Gold scrutiny. It is clearly mentioned that first at the officer level identify the records/ statutory documents submitted by the Dealers and update dealer's year wise files. Only for the missing records the notices to be sent. However, it is noted that many officers without doing any ground work have resorted to issue notices to all the dealers for submitting all the

records. Dy Commissioner must ensure that desk review is done and assessment files are kept properly and only for the missing statutory records the notices for the submission of the documents are sent.

5. With respect to Works contract we may follow the instructions issued in the Circular and following may be noted –
  - a. Desk review to upkeep Assessment files and identifying the missing statutory records.
  - b. Give notice to get missing statutory records/ documents
  - c. Issue notice for the first year based on the submitted documents and scrutiny through module. While issuing notice for the first year due attention may be given to the issue of liability certificate.
  - d. Based on Dealers adducing evidence books of accounts for the first year, the cascading effect of liability certificate in subsequent years to be decided appropriately.
  - e. In this way complete the scrutiny for all years in a time series and issue draft pre assessment notice for all years and in cases of compounding works contract revised compounding order notice to be issued.
  - f. Conduct hearing. After conducting hearing issue final order if there is no change. If there is any change based on evidence adduced in hearing, issue draft final order for approval by Approving authority and accordingly take further actions.

6. Scrutiny and assessment is a quasi judicial function and all officers shall do the works as per the KVAT Act and Rules.

  
PrI Secretary & Commissioner

**Copy to –**

All Jt Commissioners

All Dy Commissioners of the district

Dy Commissioner Internal Audit

C Section

ITMC – to upload the circular in web site

Stock file.