



PROCEEDINGS OF THE PRL SECRETARY & COMMISSIONER
OF STATE GST DEPARTMENT,
GOVT OF KERALA, THIRUVANANTHAPURAM

Present: Dr. RAJAN KHOBRADE I.A.S.

Dated: 25th Feb 2018

Sub:- VAT Scrutiny- Guidelines for planning collection of Data - Reg

The Government has given instructions to complete the back log VAT works and ensure improved revenue performance. The Department has developed the SCRUTINY MODULE to do the scrutiny and assessments efficiently as per the law, without any errors.

In order to facilitate scrutiny and assessment the essential prerequisite is to update assessment files. All the Dealers are legally bound to submit the stipulated records/ returns/ forms/ information etc. The Dealers have not yet submitted these details even after lapse of 5 years. It is the duty of each assessing authority to ensure that statutory requirements are fulfilled by the respective assessies by continuous follow ups and after collection of requisite statutory documents complete the scrutiny and assessments in time bound manner.

In order to facilitate planning for collection of statutory data the following orders are issued.

ORDER No 1/Prl Secretary & Commissioner/ State GST Department

dated 25th Feb 2018

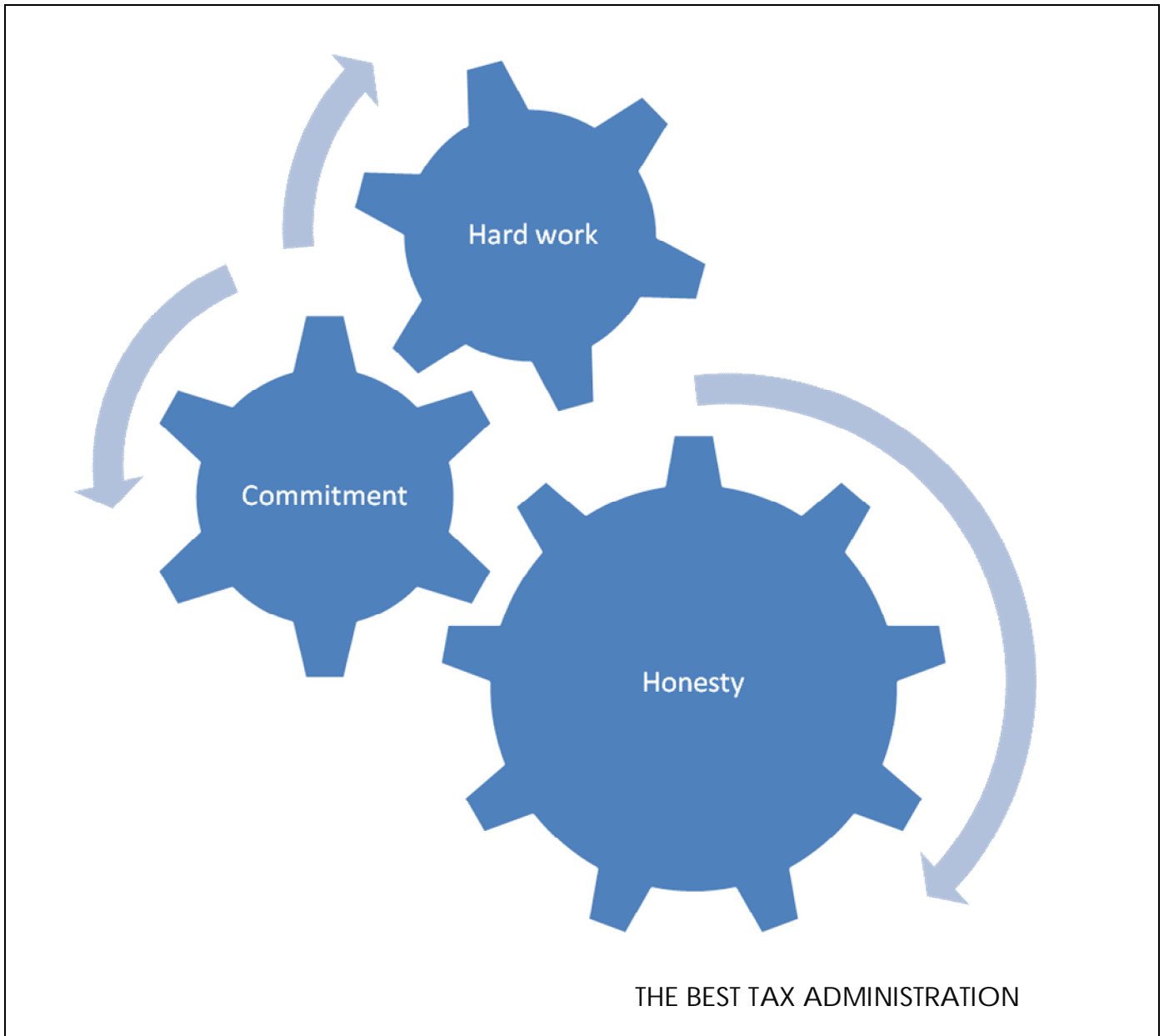
The detailed guidelines to plan data/ records/ forms, etc collection are attached in the Annexure I.

Dy Commissioners and Assessing authority may plan other actions they deem fit to collect the details for scrutiny and assessment, as per the VAT Act.


Commissioner

To:

**All Joint Commissioners,
All Dy Commissioners of the district,
Dy Commissioner Internal Audit,
C Section,
PR Cell
Stock file**



How to do – data gathering for the scrutiny and assessment

STATE GST DEPARTMENT

GOVT OF KERALA

Introduction:

The State GST Department has introduced 'Scrutiny module' to do the scrutiny and assessment efficiently.

Dealers are expected to file all records and information as per the KVAT Act and Rules. It is noticed that many of them have not filed the documents and information with the Assessing authorities. Therefore, at the district level and individual officer level drive may be taken to ensure that all required data and documents are submitted by the Dealer.

In order to facilitate the following actions shall be taken up-

At the State level

1. Public notice informing all to file the statutory documents/ records and information.
2. Awareness campaign, to get the details , over radio and press .
3. From head quarter it will be explored to give sms and emails to all the registered dealers to file the statutory records/ information.

At district level –

1. Dy Commissioner may give advertisement locally or on local TV channel scroll informing all to submit the data/ statutory documents/ records in time.
2. Dy Commissioner shall do planning exercise in consultation with the respective Assessing authorities.
3. All assessing authorities shall identify the Dealers who have not yet filed the statutory documents / data/ information/ records/ Forms etc.
4. If there are cases in which all the required records/ documents / forms etc have been filed, the respective Assessing authority shall proceed with the scrutiny and assessment in the 'Scrutiny Module'.
5. The cases where the documents/ data/ information/ records/ forms etc not filed, they shall send individual notices to all. They may fix a day and send notice to submit preferably at one go or in batches of dealers depending upon the number of dealers who have not filed the documents in that particular seat. Dy Commissioner may give support to

plan these activities properly. The planning should be done in such a way that majority cases details are gathered in shortest possible time.

6. Most of the Dy Commissioners and Assessing authorities have the experience of election duty. Use the experience to plan collection of data/ records/ forms etc properly.
7. Such collection meetings may be done on fixed time/ fixed day basis in a Circle and in the district for the convenience of dealers.
8. This will ensure the timely submission of statutory forms/ records/ data/ information filing before the respective authorities.
9. The authorities shall plan the scrutiny and assessment of the cases in which data is collected. As such, the scrutiny will not take any time. Hundreds of cases can be done in a day.
10. Therefore, the most important thing for us to ensure is the timely collection of statutory documents/ information/ records/ forms etc.
11. It must be noted that Dealer has already taken ample time, as many cases the submission is pending for the last 4-5 years. However, specific opportunity may be again given now and the record of notices may be kept in the assessing files.
12. If any Dealer in spite of repeated efforts is not submitting the details, we may send a team of officers with a prior intimation to the Dealer for collection of data. After taking all these efforts if few dealers are not submitting the data in such cases keep all the copies of notices in the assessment files and as per the KVAT Act take further actions of completion of scrutiny and assessment based on the available information. While drafting the pre assessment notices and order all these aspects may be mentioned very clearly. Even the paper advertisement informing all the Dealers to submit the statutory forms / records will come handy to impress upon any Appellate authority that ample opportunity has already been given and earnest efforts were taken for collecting the statutory records from the Businesses/ dealers/ sellers.
13. Shortly heavy duty scanners will be provided to all the Circles. Therefore, all the notices and submitted documents copies may be uploaded at the relevant sections provided for the purpose.
14. These are guidelines, at local level. Dy Commissioner and Assessing authorities may take various actions to get the filings done.

15. As we are now focussing on two categories of Dealers, the following specific instructions with respect to GOLD and WORKS CONTRACT dealers may be ensured

GOLD SCRUTINY

1. Identify total number of Gold compounding dealers in the district.
2. Identify the total number of Gold compounding dealers in every Circle
3. Identify the total number of Gold compounding dealers in every SEAT in every Circle.
4. Identify the Dealers who have already submitted the statutory forms/ records, etc and the dealers who have not yet submitted.
5. At every Seat the number may not be huge. It may vary from 4-5 to 25-30 depending upon the concentration.
6. Each officer may have Case specific date wise plan of collection of details can be done.
7. Eg. If at any seat say there are 30 Dealers. We may plan to give notices to all the dealers at one go. And do the preparation of receipt of all the data. There is a possibility that all may come. There is also possibility that some of them may not come. This way we may plan mop up rounds and ensure that all submit the data/ records / forms etc. Some officers may decide instead of giving 30 dealers notices to come on the same day. They may plan to split it in two lots. However, they will have to conduct the mop round of absentees properly.
8. This way, at every seat there will be some cases in which data is received and some other cases mop up round is needed.
9. Wherever data / records received completely such cases scrutiny and assessment to be completed.
10. All Dy Commissioners and Assessing authorities may note that the Dealers have already taken more than five years to submit all these records therefore it can not be never ending exercise. All Assessing authorities may ensure that the Dealer responds and submits the statutory documents.
11. Documents to be prepared for Gold scrutiny are –
 - a. Returns
 - b. Audited Statement
 - c. Profit and Loss account and Balance sheet
 - d. Closing stock inventory

- e. OR/CR files (If any)
- f. Any other as Officer may deem fit as per the VAT Act.

12. At officers level the Report can be as follows –

District:

Circle :

Seat:

Total number of files (Yearwise) :

Files in which data is available :

Files in which data is not available :

Action plan for collection of data

Sl No	Name of Dealer with TIN	Date of hearing to submit the data	Complete Data/ records/ forms submitted Yes or No	Adjournment sought	Next date of hearing.	Remarks

- 13. Once this statement is ready of a particular officer, based on the information from all the officers, district plan will be ready.
- 14. Dy Commissioner may intervene in the situation where some dealers are not submitting the data in time.
- 15. If meticulously planned exercise is put to practice then Gold Dealers data can be gathered in the next 15 to 20 days without any problems and scrutiny of all Gold Dealers can be completed.

WORKS CONTRACT

1. Identify total number of Works Contract dealers (10 B) in the district.
2. Identify the total number of WC dealers in every Circle
3. Identify the total number of WC dealers in every SEAT in every Circle.
4. Identify the Dealers who have already submitted the statutory forms/ records, etc and the dealers who have not yet submitted.
5. Each officer may have Case specific date wise plan of collection of details can be done.
6. Eg. If at any seat say there are 100 Dealers. We may plan to give notices to all the dealers at one go. And do the preparation of receipt of all the data. There is a possibility that all may come. There is also possibility that some of them may not come. This way we may plan mop up rounds and ensure that all submit the data/ records / forms etc.
Some officers may decide instead of giving all 100 dealers notices to come on the same day. They may plan to split it in two lots. However, they will have to conduct the mop round of absentees properly.
7. This way, at every seat there will be some cases in which data is received and some other cases mop up round is needed.
8. Wherever data / records received completely , such cases scrutiny and assessment to be completed.
9. All Dy Commissioners and Assessing authorities may note that the Dealers have already taken more than five years to submit all these records therefore it can not be never ending exercise. All Assessing authorities may ensure that the Dealer responds and submits the statutory documents.
10. Documents to be prepared for Works Contract scrutiny are mentioned in Circular 13 . The details are again reproduced here –
 - i. Form No 20 H in the case of amount given to Sub Contractor
 - ii. Trading and profit and loss account

- iii. Copy of labour contract or proof of SEZ in the case of zero rated works
- iv. Form No 20 F , if availed TDS credit
- v. From No 20 E, if paid amount to sub contractors without collecting TDS
- vi. Summary statement of purchases
- vii. Audited statement (Form No 13, 13 A)
- viii. Closing stock inventory
- ix. Proof of payment of TDS if any
- x. Income tax return and Tax audit report (if Dealer is willing to submit)
- xi. Annual returns
- xii. Financial statements like manufacturing, trading, profit and loss account and balance sheet
- xiii. Copies of works contract agreement
- xiv. Form 43
- xv. Form 10 C

Other documents to be kept ready in files by the Assessing authorities are -

- xvi. Any other report of data mining, internal audit team, economic intelligence wing, CAG audit, O&M inspection
- xvii. Copies of appellate orders and orders passed on the basis of Appellate orders
- xviii. Replies filed in respect of Data mining cases, internal audit paras, CAG audit, Economic intelligence wing and O&M inspection notes

Any other as the Officer may deem fit as per the KVAT Act.

11. At officers level the Report can be as follows –

District:

Circle :

Seat:

Total number of files (Yearwise) :

Files in which data is available :

Files in which data is not available :

Action plan for collection of data

Sl No	Name of Dealer with TIN	Date of hearing to submit the data	Complete Data/ records/ forms submitted Yes or No	Adjournment sought	Next date of hearing.	Remarks

12. Once this statement is ready of a particular officer, based on the information from all the officers, district plan will be ready.

13. Dy Commissioner may intervene in the situation where some dealers are not submitting the data in time.

14. If meticulously planned exercise is put to practice then WC Dealers data can be gathered in the next 1 month without any problems and scrutiny and assessment of all WC Dealers can be done subsequently.


Pri Secretary & Commissioner

