

No.C1-36320/10/CT

Office of the Commissioner
Commercial Taxes
Thiruvananthapuram
Dated 01-03-2011.

CIRCULAR No: 04/ 2011

Sub:- Advance Tax Remittance at offices - Need for adherence to prudential norms – reg.

Ref:- Circular No.4/2010.

KVATIS facilitate two types of Advance Tax payments. One mode is online Payment by the dealer and second mode is updating payment details from CTD Offices. Several mistakes were detected in updating payment details in Check posts, Assessment Circles and Intelligence wing. Following are the major instances noticed.

1. Instances of multiple credits against single payment and the dealers may willfully utilize the ineligible credit.
2. Delay in entering Advance Tax payment details in time to KVATIS.
3. Allowing ineligible / false AT payment credits to dealers.
4. Updating AT Payment in KVATIS using bogus Chalan particulars.

It is noticed that due vigilance and care are not being exercised in the offices in handling the advance tax module in KVATIS. It should be remembered that false credits means revenue leakage and as such all prudential norms and safeguards of handling money in a Government Department has to be observed during this procedure. The roles in KVATIS, provided to each designation of officers are to be strictly implemented. Instances have been noticed, where the employees are not keeping the secrecy of their passwords. Such casual and negligent handling of passwords would pave way for the perpetuation of frauds. Hence, such instances would be dealt with seriously as the same may put public revenue at risk.

The employees are reminded once again on the importance and function of passwords. Passwords are used for authentication to prove identity or giving access to KVATIS module. The passwords should be kept secret from those not allowed to access the application / job role. It should be remembered, in case of unauthorized activities, responsibilities shall be fixed based on the activity log of the user accounts in the application.

In the light of the above, the following instructions are issued for strict compliance:

- 1) e-Payment of Advance Tax is mandatory from 07-03-2011 onwards. No Officer shall receive Advance Tax payment in Cash thereafter. All pending advance tax payment details should be entered in KVATIS on or before 6.3.2011. Thereafter, this facility will not be accessible to offices.
- 2) KVATIS already have the facility for making e-payment of Advance Tax in e-Consignment declaration.
- 3) Those dealers, who are consigning goods through any check posts, not using e-consignment, should remit advance tax through online. After making payment, respective utilization can be done from the assessment circle or Check Post based on the invoice produced by the dealer. If the amount is utilized from assessment circle, a system generated certificate signed by the respective authority affixing office seal shall be issued and the same to be carried with the consignment.
- 4) The dealers who are consigning goods through newly opened port at Vallarpadom (IGCT) can remit advance tax through online. After making payment respective utilization can be done from the assessment circle or from any intelligence office based on the invoice produced by the dealer. After entering the utilization details in KVATIS, a system generated certificate signed by the respective authority affixing office seal shall be issued and same to be carried with the consignment.
- 5) If any Advance tax is to be realized by Intelligence wing during en-route vehicle checking, dealers should be directed to make e-Payment. After making e-payment, the respective amount should be utilized from KVATIS by the intelligence office itself. In case if there is any difficulty for making utilization from intelligence office, dealer may be directed to utilize the amount from respective assessment circle and a system generated certificate is to be produced before the respective authority.
- 6) All advance tax payments effected in KVATIS from CTD offices up to 7.3.2011 should be verified with respective chalans on or before 30.4.2011. If any payments are not supported with triplicate chalan, appropriate actions should be taken to regularize the payment account. Assessing Authorities shall also maintain a register showing details of payments not supported with challan and the same to be verified by the IAC & DC.
- 7) Meanwhile after verification, if any advance tax payment details are to be deleted from the KVATIS, the assessing authority shall furnish a report to respective IAC / DC who in turn forward the same to ITMC with remarks for deleting the entries from KVATIS with the following details:

- i) TIN
 - ii) Application ID of the payment.
 - iii) Amount
 - iv) Date of payment.
- 8) Assessing authorities should also conduct detailed verification of advance tax utilization details in KVATIS. If any duplication of utilization is noticed, the Assessing Authority shall change the status of return as defective and insist the dealer to revise the return. Once the return status becomes *revised initiated*, the duplicate utilization entry can be removed by the Assessing Authority itself.
- 9) All assessing authorities shall furnish a month-wise certificate from November 2009 to 6.3.2011 to concerned Deputy Commissioner's to the effect that all advance tax payments made from assessment circle/check post/intelligence wing (except online payment) have been updated in KVATIS application and physically verified with the chalan and found correct.
- 10) Deputy Commissioners shall ensure that the advance tax payment verification is satisfactorily completed in all assessment circles and shall furnish a month wise certificate to the Commissioner along with the monthly diary for the month of May, 2011 and this will be reviewed in the monthly conference.

COMMISSIONER