

THE BEST TAX ADMINISTRATION

## SCRUTINY MODULE—GENERAL SCRUTINY

VERSION-I

STATE GST DEPARTMENT

GOVT OF KERALA

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**Foreword:**

What is the objective of the Department? Why do we exist as tax officials? The answer to these questions is revenue collection. The next question comes to mind is who pays taxes? The answer is PEOPLE. The poorest of the poor and the well to do, all have to pay indirect taxes upon buying any goods and services. Do these people know that they pay taxes but the tax sits with the dealer and dealer is legally bound to remit the collected tax to Government treasury?

Why people without any question pay taxes. Because they feel and believe that the Government is having an exclusive department to have oversight over these issues 'the State Department of Goods and Services Tax'. They have faith in the officers of the Department. The officers are entrusted with the mandate by the Act to ensure that the collected tax reaches to Government treasury. This is our primary responsibility. All the tax authorities are accountable to these taxpaying people.

Out of our plethora of works, the most important work is scrutiny of the filed returns and later assessments, if there is short remittance of taxes. For scrutiny the officer have to go through multiple records and various data fields to do correlation. The process is very tedious and requires complete knowledge of laws and processes. Therefore, in order to bring in efficiency, an innovative SCRUTINY MODULE SOFTWARE is developed. This software is having algorithm as per the Laws and Rules. It is easy to operate. The way we do scrutiny, in the same flow the steps have been structured in the module. The officer needs to do data feeding in the blank fields and automatically the calculations are done and the output i.e. Turnover calculation and Tax figures are received. The data feeding is to be done from the statutory documents by keeping the copy of the same in the Assessment file. Based on the output, wherever needed further hearing is to be conducted and assessment can be finalized by giving full opportunity to the Dealers. This is the way the scrutiny and assessments will be completed as per the law.

In order to further facilitate this work, it was felt that the best practices in health sector to have Standard Operation Practices (SoP) to be introduced in the tax administration. With this thinking, this SoP for ScM for General Dealers is drafted. All officers may study the SoP and keep it handy while working on the Scrutiny Module for General dealers.

I have no doubts that we will succeed in doing the work professionally as planned and this will be a GOLD STANDARD for completing the VAT works with utmost efficiency. I urge all the officers to take efforts to mitigate the small problems then and there. You may study the module and give your suggestions to improve the system.

**Tinku Biswal,I.A.S**

**Commissioner**

## SOP for Book Verification

- Step 1 Intimation from HQ regarding allocation of cases to Assessing authorities
- Step 2 Sending notice to the dealer. Relevant books of accounts needed for verification shall be mentioned in the notice for hearing
- Step 3 (i) the dealer appears and produce the relevant books of accounts  
(ii) adjournment application filed by the dealer – Mention if adjourned.
- Step 4 If the dealer appears & produce books of accounts - enter the results of book verification in each respective boxes provided. Here there will be three possibilities (a) the dealer admits the offence in toto (b) the dealer admits the offence partly and (c) the dealer completely rebuts the offence
- Step 5 (a) If the dealer admits the offence in toto – enter the same and there will be no change in the amount from the amount mentioned in the pre assessment notice. The assessing authority enter the remarks as “accepted by the dealer” and enter the same amount as in Pre-assessment Notice.  
(b) If the dealer partly admits the offence – (and if the assessing authority agrees to the same) then, the proof for excluded portion of Turnover/Tax should be scanned and uploaded in the respective space provided , and the amount should be revised accordingly after entering the specific remarks of the assessing authority in the relevant box provided.

The screenshot displays a web application interface for the Kerala Commercial Tax Department. The main window is titled "HEARING LEVEL DETAILS OF DEEPA V P 9213". It features a "HEARING" modal window with a "Report" tab selected. The table below represents the data visible in the "Report" tab.

SI.No	Defect	Actual Amount	Changed Amount	Remarks	Existing Remarks
1	Bogus Interstate Sale	814325.09	814325.09	Bogus InterState Remarks for First Hearing of SREE VENKATESWARA AGENCIES	
2	Bogus Six Two purchase of Plywood	0	50000	Bogus Six Two Remarks for First Hearing of SREE VENKATESWARA AGENCIES	
3	Concessions/Exemptions	8939084.37	8939084.37		

The interface includes a "Submit" button at the bottom right of the modal window. The background shows the main application window with tabs for "Scheduled", "Reschedule", "Hearing Log", "Report", "Documents Produced", "Extra Findings", and "Tax Calculation".

- (c) If the dealer totally rejects the offence mentioned in the pre-assessment notice – (and if the assessing authority is satisfied) – then the proof for the

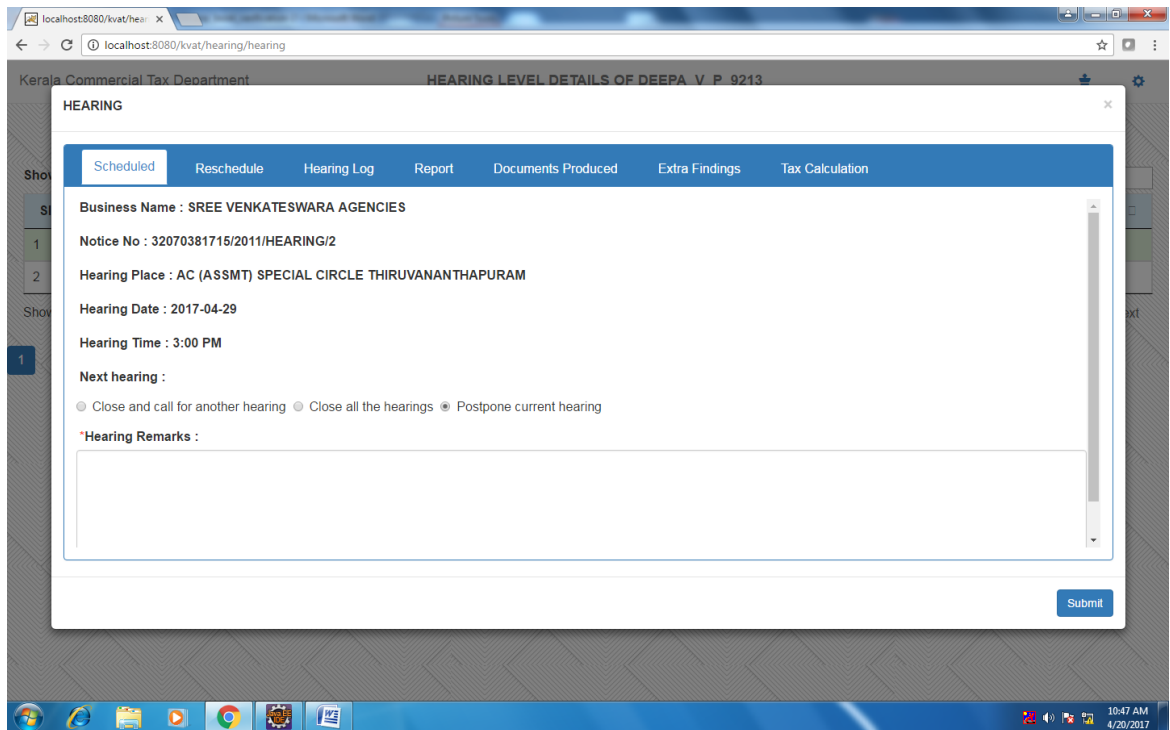
dealers claim shall be scanned and uploaded and the respective amount mentioned in the pre-assessment notice should be completely reduced to '0' with assessing authority's specific remarks.

Sl.No	Defect	Actual Amount	Changed Amount	Remarks	Existing Remarks
1	Bogus Interstate Sale	814325.09	814325.09	Bogus InterState Remarks for First Hearing of SREE VENKATESWARA AGENCIES	
2	Bogus Six Two purchase of Plywood	0	50000	Bogus Six Two Remarks for First Hearing of SREE VENKATESWARA AGENCIES	
3	Concessions/Exemptions	8939084.37	0	Changed to Zero	

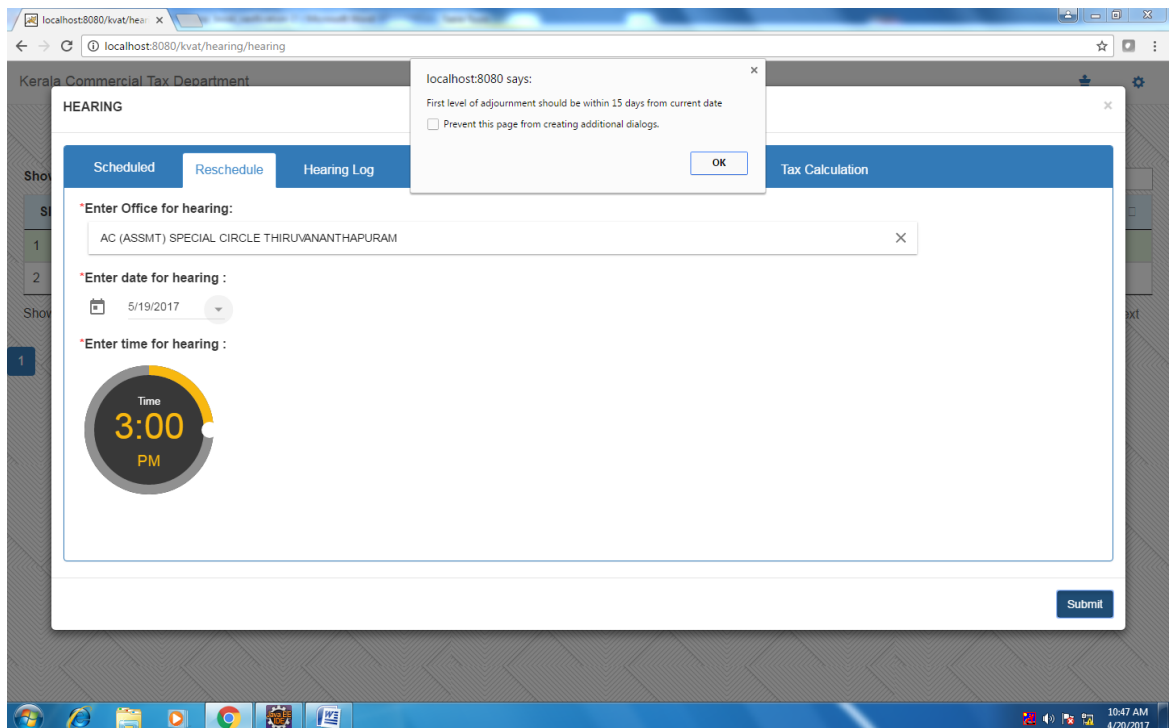
Submit

(The revised notice will contain the original amount and revised amounts in respective boxes under various heads. The findings of each hearing will be autopopulated on next hearing in the respective boxes. These can never be deleted or edited).

- Step 6 If the dealer puts application for adjournment :-
- it should be obtained through online.
  - for the first time, adjournment can be granted for 15 days
  - for the second time, adjournment can be granted for 7 days.
  - for the third time, adjournment can be granted for 7 days.
  - under any circumstances, adjournment shall not be granted for more than 3 times without the permission of the Commissioner of Commercial Taxes.



Valiadtion for 15 days



## After Submission

localhost:8080/kvat/hear... x

← → localhost:8080/kvat/hearing/hearing

Kerala Commercial Tax Department HEARING LEVEL DETAILS OF DEEPA V P 9213

HEARING

Scheduled Reschedule Hearing Log Report Documents Produced Extra Findings Tax Calculation

Business Name : SREE VENKATESWARA AGENCIES

Notice No : 32070381715/2011/ADJOURNMENT1/2

Hearing Place : AC (ASSMT) SPECIAL CIRCLE THIRUVANANTHAPURAM

Hearing Date : 2017-04-30

Hearing Time : 3:00 PM

Next hearing :

☐ Close and call for another hearing ☐ Close all the hearings ☐ Postpone current hearing

\*Hearing Remarks :

Submit

10:50 AM 4/20/2017

- Step 7 The dealer who has appeared and produced books of accounts, but due to time constraint , the verification of books of accounts cannot be completed in a day , then:-
- As far as possible the book verification should be completed in a single day itself
  - but in certain cases, if this is not possible ask the dealer to appear next day or a day which can be extended to a maximum of one week. If the nature of the proof is like that,its production /retrieval takes long time, then special permission of the CCT has to be obtained by the assessing authority before granting the time beyond one week. The assessing authority should also mention the list of books produced before him in first hearing, second hearing and so on.
- Step 8 If the dealer neither produces books of accounts nor files adjournment notice within the due date of hearing , the offences mentioned in pre- assessment notice shall be deemed to be correct and the order shall be passed by the assessing authority.
- Step 9 For every final order passed, the demand amount as per the order shall be entered in the demand notice. The final order along with the D/N shall be send to the dealer at his known e mail address, with copies marked to CCT & respective Deputy Commissioner.



localhost:8080/kvat/hear... x

localhost:8080/kvat/hearing/hearing

Kerala Commercial Tax Department

HEARING LEVEL DETAILS OF DEEPA V P 9213

**FINAL ORDER**

**Conclusion**

Balance Tax Due(in Rs): 451683.18

Tax Paid as per Chalan(in Rs): 12314

Excess tax paid as per return(in Rs): 23455

Interest payable(in Rs): 3423

**Documents Produced:**

- ☒ Cash Book
- ☒ Purchase Day Book
- ☒ Sales Day Book
- ☒ Stock register
- ☒ Purchase Returns Register

Submit

10:58 AM 4/20/2017

localhost:8080/kvat/hear... x

localhost:8080/kvat/hearing/hearing

Kerala Commercial Tax Department

HEARING LEVEL DETAILS OF DEEPA V P 9213

**FINAL ORDER**

**Conclusion**

Balance Tax Due(in Rs): 451683.18

Tax Paid as per Chalan(in Rs):

Excess tax paid as per return(in Rs):

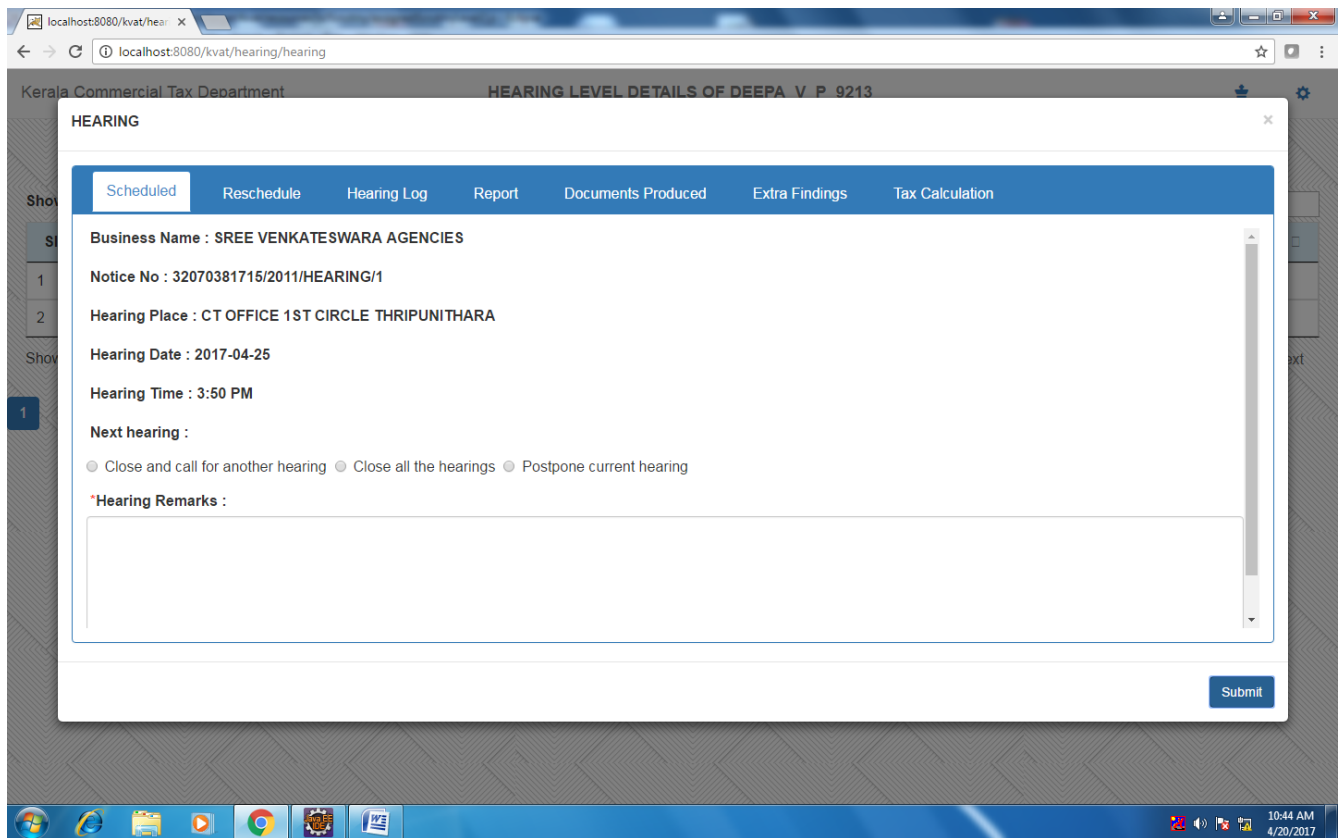
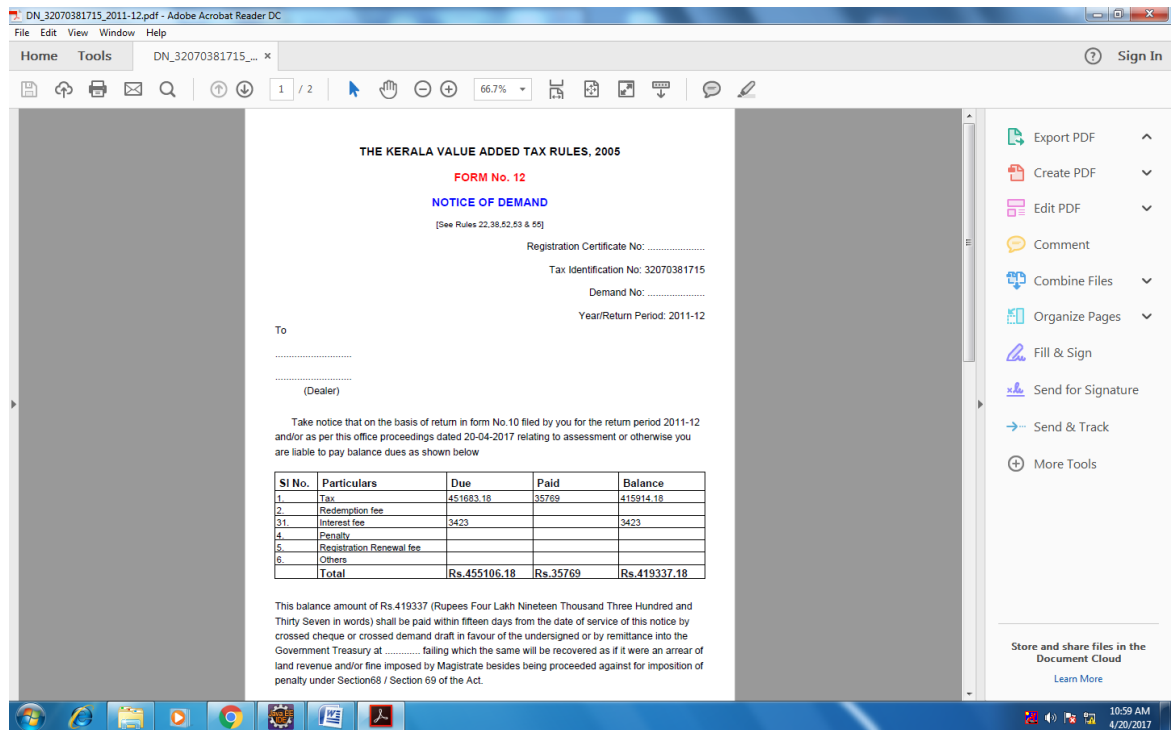
Interest payable(in Rs):

**Documents Produced:**

- ☐ Cash Book
- ☐ Purchase Day Book
- ☐ Sales Day Book
- ☐ Stock register
- ☐ Purchase Returns Register

Submit

10:57 AM 4/20/2017



localhost:8080/kvat/hear X

localhost:8080/kvat/hearing/hearing

Kerala Commercial Tax Department

HEARING LEVEL DETAILS OF DEEPA V P 9213

### HEARING

Scheduled Next Hearing Hearing Log Report Documents Produced Extra Findings Tax Calculation

\*Enter Office for hearing:

AC (ASSMT) SPECIAL CIRCLE THIRUVANANTHAPURAM

\*Enter date for hearing :

4/29/2017

\*Enter time for hearing :

Time  
3:00  
PM

Submit

localhost:8080/kvat/hear X

localhost:8080/kvat/hearing/hearing

Kerala Commercial Tax Department

HEARING LEVEL DETAILS OF DEEPA V P 9213

### HEARING

Scheduled Reschedule Hearing Log Report Documents Produced Extra Findings Tax Calculation

☒ Cash Book

☒ Purchase Day Book

☒ Sales Day Book

☒ Stock register

☒ Purchase Returns Register

☐ Sales Returns Register

☐ Bank Accounts

☐ Audited Profit and Loss account

☐ Audited Balance Sheet (with schedules and comments/Reports forming part of Balance Sheet).

☐ Register containing details of Debit Notes/Credit Notes issued.

☐ Proof in support of exemptions/concessions claimed.

☐ Used Manual delivery Notes .

☐ Copies of Contract Agreements .

☐ Invoices/Bills/Receipts/Vouchers etc.

☐ Any other relevant records (Specify)

Submit

localhost:8080/kvat/hear...

localhost:8080/kvat/hearing/hearing

Keraja Commercial Tax Department

HEARING LEVEL DETAILS OF DEEPA V P 9213

HEARING

Scheduled

Next Hearing

Hearing Log

Report

Documents Produced

Extra Findings

Tax Calculation

Sl.No	Defect	Description	Value
1	Defect 1	Description for Defect 1	3000

Delete Row

Add Row

Other Defects tax bifurcation success!!!

Submit

localhost:8080/kvat/hearing/hearing#tab6primary

localhost:8080/kvat/hear...

localhost:8080/kvat/hearing/hearing

Keraja Commercial Tax Department

HEARING LEVEL DETAILS OF DEEPA V P 9213

HEARING

Scheduled

Reschedule

Hearing Log

Report

Documents Produced

Extra Findings

Tax Calculation

Sl.No	Defect	Value	Remarks
1	Bogus Interstate Sale	814325.09	Hover over me
	Turnover Desc	Tax Rate	Turnover Amount
	Enter description	12	500000
	Enter description	9	314325
2	Bogus Six Two purchase of Plywood	50000	Hover over me
	Turnover Desc	Tax Rate	Turnover Amount
	Enter description	12	50000
3	Concessions/Exemptions	0	Hover over me
4	Excess ITC	311847.84	

Sales Suppression tax bifurcation success!!!

Submit

localhost:8080/kvat/hear... x

localhost:8080/kvat/hearing/hearing

Kerala Commercial Tax Department

### HEARING LEVEL DETAILS OF DEEPA V P. 9213

**HEARING**

Scheduled
Next Hearing
**Hearing Log**
Report
Documents Produced
Extra Findings
Tax Calculation

Sl.No	Hearing Place	Hearing Date	Status	Remarks	Notices
1	CT OFFICE 1ST CIRCLE THIRIPUNITHARA	25-04-2017 3:50 PM	Active hearing	Pending	<a href="#">Download</a>

Other Defects tax bifurcation success!!!

Submit

10:46 AM 4/20/2017

localhost:8080/kvat/hear... x

localhost:8080/kvat/hearing/hearing

Kerala Commercial Tax Department

### HEARING LEVEL DETAILS OF DEEPA V P. 9213

**HEARING**

Scheduled
Next Hearing
**Hearing Log**
Report
Documents Produced
Extra Findings
Tax Calculation

Sl.No	Hearing Place	Hearing Date	Status	Remarks	Notices
1	CT OFFICE 1ST CIRCLE THIRIPUNITHARA	25-04-2017 3:50 PM	Active hearing	Pending	<a href="#">Download</a>

Other Defects tax bifurcation success!!!

Submit

10:46 AM 4/20/2017

localhost:8080 says:  
Successfully Updated  
☐ Prevent this page from creating additional dialogs.  
OK

localhost:8080/kvat/hear... x

localhost:8080/kvat/hearing/hearing

Kerala Commercial Tax Department

HEARING LEVEL DETAILS OF DEEPA V P 9213

HEARING

Scheduled Reschedule **Hearing Log** Report Documents Produced Extra Findings Tax Calculation

Sl.No	Hearing Place	Hearing Date	Status	Remarks	Notices
1	CT OFFICE 1ST CIRCLE THRIPIUNTHARA	25-04-2017 3:50 PM	Hearing done and Proceeded for further hearing	Hearing Remarks	<a href="#">Download</a>
2	AC (ASSMT) SPECIAL CIRCLE THIRUVANANTHAPURAM	29-04-2017 3:00 PM	Active hearing	Pending	<a href="#">Download</a>

Submit

10:46 AM  
4/20/2017

localhost:8080/kvat/hear... x

localhost:8080/kvat/hearing/hearing

Kerala Commercial Tax Department

HEARING LEVEL DETAILS OF DEEPA V P 9213

HEARING

Last Hearing **Hearing Log** Report Documents Produced Extra Findings Tax Calculation

Business Name : SREE VENKATESWARA AGENCIES

Notice No : 32070381715/2011/ADJOURNMENT1/2

Hearing Place : AC (ASSMT) SPECIAL CIRCLE THIRUVANANTHAPURAM

Hearing Date : 2017-04-30

Hearing Time : 3:00 PM

\*Hearing Remarks :

Hearing Over

11:00 AM  
4/20/2017

localhost:8080/kvat/hear... x

localhost:8080/kvat/hearing/hearing

Kerala Commercial Tax Department

HEARING LEVEL DETAILS OF DEEPA V P 9213

### HEARING

Last Hearing    Hearing Log    Report    Documents Produced    Extra Findings    Tax Calculation

**Business Name :** SREE VENKATESWARA AGENCIES

**Notice No :** 32070381715/2011/ADJOURNMENT1/2

**Hearing Place :** AC (ASSMT) SPECIAL CIRCLE THIRUVANANTHAPURAM

**Hearing Date :** 2017-04-30

**Hearing Time :** 3:00 PM

**\*Hearing Remarks :**

Hearing Over

11:00 AM  
4/20/2017