

No.CCT/12-19/2005-06/744  
Government of Goa,  
Office of the Commissioner of  
Commercial Taxes,  
Panaji-Goa.  
Dated: 20<sup>th</sup> August, 2005

**VAT CIRCULAR No. 8**

**No. CCT/12-19/2005-06/**

In order to ensure that uniformity is maintained and also the same procedure is followed in all the wards for processing of returns filed at the wards by the dealers the following guidelines are prescribed for use by the wards.

On receipt of return forms from the dealer, the guidelines as enclosed are to be strictly followed. This will ensure accountability and proper record keeping. It may also be ensured that all the details are entered in Returns Module before scrutiny of the return forms.

Separate scrutiny checklists for returns i.e. VAT III Form, VAT IV Form and VAT XXVI Forms has been prepared. The concerned officer after scrutiny of the above mentioned return forms has to sign the scrutiny checklist for each individual dealer and file it in the respective dealer file.

The detailed guidelines for scrutiny of the return forms has been prescribed which is being circulated to all concerned ward officers and staffs for compliance accordingly. A separate register also needs to be opened for returns filed in the ward as per the above mentioned guidelines.

To ensure that returns are filed by all dealers on time, after the last date of filing returns, a list of dealers who have not filed returns be generated and immediately a notice be sent to all such defaulting dealers.

All Commercial Tax Officers should also personally monitor the filing of returns for top 100 dealers of their respective Wards. Similarly they, should also monitor the returns filed by dealers who have opted for Goa Value Added Tax Deferment-cum-Net Present Value Compulsory Payment Scheme, 2005.

(Amit Yadav)  
Commissioner of Commercial Taxes

Encl.: as above

**CHECKLIST FOR VAT FORM IV**

TIN NO.

Name of Dealer:		Tick (√) or (x)
Sr. No	Item	
1	Check if the dealer is a composition dealer. To the total turnover in the previous return/returns who has been granted certificate of composition.	
2	Does the TIN matches with the dealer details in the Registration certificate?	
3	Check for the correct period of return?	
4	Is the turnover within the relevant limits? i.e. Rs. 40 lakhs ( Look out for the different types of dealers) reseller or notch. Check with register to the total turnover in the previous return / returns.	
5	Is the amount of composition tax calculated correctly? i.e. 1% or 3% or the total turnover	
6	Check the totals of the tax paid challans and ensure that it matches with the total shown on the return.	
7	Is the return signed properly?	

Name and Signature of persons  
Scrutinizing alongwith the date

**CHECKLIST FOR SCRUTINY OF QUARTERLY RETURNS FORM VAT III**

TIN NO.

Name of Dealer:		Tick (√) or (x)			
Sr. No	Item				
1	Is the correct name and TIN on the VAT return form(Form III)?				
2	If revised return , is the reference to the original return mentioned?				
3	Is the return filed in time and for the correct period?				
4	Are all the entries on the return form legible?				
5	Is the return signed?				
6	Are the VAT challans and copies of Central Sales Tax and Entry tax challans attached?				
7	Do the total of payments through challans tally with the figure mentioned on the return?				
	Is item 4C equal to Item 4A-4B?				
	Do the rates of output tax (mentioned in 4D) match with the relevant schedules? (Watch out for current notifications and consequent changes in the Schedules)				
	Is the calculation of total of output tax (4E) correct?				
	Item 6: Is it marked as 'ZERO' for the quarter of 1 <sup>st</sup> April 2005 to 30 <sup>th</sup> June 2005? If any amount is indicated , issue deficiency memo & disallow corresponding Input Tax Credit. Issue demand notice if output tax payable is payable.				
	Item 6: For the quarters of 1 <sup>st</sup> July , 2005 to 30 <sup>th</sup> September , 2005, check the following:  <div style="margin-left: 40px;">                     (i) Whether closing stock statement has been filed in the proper format and within prescribed time ( under Rule 8)?                       (ii) Whether correct rates have been taken when applying Input Tax Credit on closing stock ( lower of the current tax rate or the rate at which the goods had been bought?                       (iii) Credit taken for the quarter is less than or equal to half the input tax credit claimed in the                 </div>				

	<p>closing stock statement.</p> <p>(iv) If ITC on closing stock is to be disallowed issue deficiency memo &amp; reduce ITC claimed in VAT III form correspondingly.</p>				
13.	Item 7: Tally with previous tax period returns. If the figures do not tally, issue deficiency memo.				
14	Item 8 (Capital Goods): The item should read as ZERO or NIL, If any amount is claimed, issue deficiency memo & disallow ITC. The first claim of ITC on Capital Goods (i.e. 50%) purchased during 2005-06 will be admissible only in the return for the quarterly ending .30-6-2006,				
15	Item 13: Check whether any claim for stock transfer is made under item 4(B) (v). ITC to the extent of 4% on stock transfer by adding to item 12.				
16	<p>Other Items:</p> <p>Has the dealer attached the form of purchase of capital goods(form VAT XXX) This is to be verified with the return for the period 1<sup>st</sup> of April 2006 to 30<sup>th</sup> June 2006. For the quarter ending 30-9-2005 dealer who has to attach Form VAT XXXIII to the return for sale of industrial inputs (effective from 3- 8-2005)</p>				

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## **GUIDELINES IN RESPECT OF PROCESSING AND SCRUTINY OF RETURN**

### **FORMS.**

#### **I. FOR INWARD CLERK:**

- (1) Shall receive returns in duplicate out of which acknowledgement shall be given on the duplicate copy itself,
- (2) Incase the dealer fails to bring duplicate copy then a photocopy of return shall be taken at the office and the same shall be issued as duly acknowledged.
- (3) To have full control on the submission of returns, all the returns shall be serially numbered with date and entered into the return register, before they are sent to the Ward Officer.
- (4) Check all the enclosure particularly receipted copy of challans and make the clerk incharge to enter the return in the dealer's ledger.

#### **II. DATA ENTRY OPERATOR:**

- (1) The returns shall be segregated as under:
  - (i) Composition returns.
  - (ii) NPV returns.
  - (iii) 100% export oriented unit returns.
  - (iv) Regular VAT dealers.
    - (a) Output tax more than Rs. 1 lakh.
    - (b) Output tax less than Rs. 1 lakh.

And after segregation of details it has to be feeded on the computer

#### **III. SCRUTINY OF RETURNS BY EXECUTIVE STAFF NOT BELOW THE RANK OF COMMERCIAL TAX INSPECTOR.(CTO-ACTO-CTI)**

##### **CTO**

- (1) (i) All cases where Gross Turnover is above Rs. 1 crore and above.

##### **ACTO**

- (ii) All cases where Gross Turnover is above Rs. 50 lakh and below Rs. 1 crore.

##### **CTI**

- (iii) Whose Gross Turnover is below Rs. 50 lakh.
- (2) All Composition return will be scrutinized by CTI.
- (3) If returns are found with deficiency then deficiency memo is to be issued, immediately by C.T.O/ A.C.T.O.
- (4) The deficiency memo is to be sent either through personal service or UPC.
- (5) In case of short payment of tax then demand notice is to be issued with/without deficiency memo through personal service or UPC. The concerned clerk is to maintain copy in dealer's file.
- (6) On scrutiny returns are found to be correct then scrutiny checklist has to be filed in the file of concerned dealer.

**CHECKLIST FOR THE SCRUTINY OF THE REFUND APPLICATION VAT XXVI.**

TIN NO.

Name of Dealer:		Tick (√) or (x)
Sr. No	Item	
1	Check for the details of TIN and other details of the dealer.	
2	Flag the application and mark as ' URGENT' and make a date which is 80 days from the date of submission of application form.	
3	Take out and match with the corresponding VAT III form	
4	Check if the total export sales claimed tallies with the export sales in item 4B(4) of corresponding Form VAT III.	
5	Check for the details and match the details of sales with the Form I under CST ( Goa ) rules.	
6	Check for the details of purchases made.( To start with, you can have an inspection by the inspector to ensure that the input items are actually used in the manufacture of goods exported out of India.)	
7	Item 6 of application : Check for the calculation of tax. Check if the correct rate of tax has been charged on the inputs . Keep a watch for the relevant notifications.	
8	Check if the input tax credit claimed as refund is in proportion to the export sales. This has to be checked from VAT III. Also, make a preliminary enquiry about the input-output norms. This will help in determining , if the refund claimed is in proper proportion to the export sales.	
9	Check for the bank details of the dealer , wherein refund has to be credited.	
10	Check if any, previous applications are pending for refund. Check for the details of export as well as input tax credit from the previous applications . Ensure that there are no duplications or errors in the same.	

Name and Signature of persons  
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Commercial Tax Officer,  
Address:

Date:

To,  
Name of the dealer,  
Address :

**Sub: Deficiency in the quarterly return of sales**

Sir,

This is further to your quarterly return in Form VAT-III / IV for quarter ending \_\_\_\_\_ submitted on \_\_\_\_\_ .

The Department has reviewed your return and following deficiencies are noted:

1. TIN incorrectly recorded.
2. Deduction of sales under item (4)B not correctly computed.
3. Total ratewise taxable sales under (4)D do not agree with taxable turnover under (4)C.
4. Amount of output tax on taxable sales is not correctly calculated.
5. Input tax credit carried over from the previous tax period do not tally with what is disclosed in the return at Sr. No. 7
6. Claiming of sales of capital goods / industrial inputs not supported with declaration in Form – XXX/ XXXIII.
7. Entry tax paid under item(9) not supported with copies of challan in proof of payment thereof.
8. Claim for refund of ITC under item (10) not supported with application Form in VAT-XXVI.
9. The prescribed Annexure of details of exports not enclosed to Form VAT-XXVI.
10. The prescribed Annexure of details of purchases made within the state meant for export not included in Form VAT-XXVI.
11. Statement of Restrictive Tax Invoice in Form –III in respect NPV claim not enclosed.
12. The certificate in Form VAT –VII in proof of tax deduction at source by employer not enclosed.

13. Any other reason.

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You are required to clarify /rectify the above deficiencies within 15 days from the date of issue of this notice.

Alternatively , you may meet the undersigned between 10.00 am and 4 pm. on any working day before the last date mentioned above.

Yours faithfully

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Commercial Tax Officer