



VALUE ADDED TAX

2005

GENERAL PROCEDURES

Training Manual - II

Prepared by



PROJECT MANAGEMENT TEAM
COMMERCIAL TAXES DEPARTMENT



ANDHRA PRADESH
COMMERCIAL TAXES DEPARTMENT

GENERAL PROCEDURES MANUAL - II

FOREWORD

State of Andhra Pradesh is one of the twenty States who made history by introducing VALUE ADDED TAX from 1st April 2005. The five-decade old system of first point sales tax has been replaced by a rational system that prevents cascading effect, checks evasion and augments tax revenues.

The essence of VAT is in providing set-off for the tax paid earlier, and this is given effect through the concept of input tax credit. The principles of input tax credit eligibility vary depending upon the complexity of business transactions. The basic simplification in VAT is that VAT liability will be self-assessed by the dealers themselves in terms of submission of returns upon setting of the tax credit. Every return filed by the dealer will be scrutinized expeditiously within prescribed time limit from the date of filing return. If any technical mistake is detected on scrutiny, the dealer will be required to pay the deficit appropriately. A refund to exporters and international organizations of the taxes paid by them is another important VAT functionality.

All these important VAT areas call for an efficient and an alert tax administration that is aided electronically by intelligent and robust software. The tax administration should be geared up to take up the challenges of return processing, refunds, and enforcement of VAT dealers and also of the parallel functioning of TOT dealers.

This training material called VAT GENERAL PROCEDURES is the second module in the series of training on AP VAT Act'2005. It contains the legal provisions, procedures and instructions relating to the return processing, input tax credit, refunds and other related issues. It is intended to serve as a guide and reference material for ensuring uniformity in application.

We hope the training material proves itself useful, prepared as it was with due care and diligence.

Date: 18th April, 2005

Commissioner (Commercial Taxes)

INDEX

Section	Description	Page No.
1	ADVISORY VISIT PROCEDURES	1
2	ADVISORY VISIT INSTRUCTIONS	1
2.1	Prior to the Visit	2
2.2	On the Visit	2
2.3	After the visit	3
3	LAW ON RETURNS AND PAYMENTS, VAT ACT 2005	4
3.1	Section 20 – Returns and self-assessment	4
4	RULES ON RETURNS AND PAYMENTS	4
4.1	Rule 23 – Tax returns	4
4.2	Rule 24 Tax payments	5
5	PROCEDURES FOR FILING VAT RETURNS AND PAYMENT OF THE VAT	6
5.1	Introduction	6
5.2	Procedures where Form VAT 200 are filed at the dealer service centre or e-seva centre	7
5.3	Procedures where Form VAT 200 are filed at the local tax office	7
5.4	Action to be taken after processing the Form VAT 200	8
6	INSTRUCTIONS FOR THE PROCESSING OF FORM VAT 200 (VAT RETURN)	9
6.1	Processing of Form VAT 200 payment returns	9
6.2	Processing of Form VAT 200 refund returns	10
6.3	Processing of Form VAT 200 nil and credit returns	10
7	COMPLETION OF FORM VAT 200	11
7.1	Main features of Form VAT 200	11
7.2	Details of the business	11
7.3	VAT accounting details	11
7.4	Purchase details	11
7.5	Sale details	13
7.6	Payment / Adjustment / Credit Details	14
8	INPUT TAX CREDIT	15
8.1	Section 13. Credit for input tax	15
9	RULE ON INPUT TAX CREDIT	16
9.1	Rule 20. Input tax credit.	16
9.2	VAT dealers following sub rule 3 of Rule 20	20
9.3	VAT dealers following sub rule 4 of Rule 20	21
9.4	VAT dealer following sub rule 5 of Rule 20	23
9.5	VAT dealer following sub rule 6 of Rule 20	24
9.6	VAT dealer following sub rule 7 of Rule 20	26
9.7	VAT dealer following sub rule 8 of Rule 20	27
9.8	VAT dealer following sub rule 9 of Rule 20	28
10	GENERAL CONDITIONS RELATING TO INPUT TAX CREDIT	30
11	CALCULATION OF ELIGIBLE INPUT TAX WHERE TAXABLE SALES AND OR EXEMPT SALES AND OR EXEMPT TRANSACTIONS ARE MADE	30

11.1	Categories of dealers	30
11.2	Procedure for claiming creditable input tax related to sales of exempt goods.	32
11.2.1	General provisions	32
11.2.2	VAT dealer buying and selling taxable goods in the same form:	33
11.2.3	VAT dealer where the value of taxable sales exceeds 95% value of total sales or where the value of taxable sales is 5% or less of the value of total sales:	33
11.2.4	A VAT dealer who can relate specific inputs to specific outputs:	33
11.2.5	Where a VAT dealer is making taxable sales and sales of exempt goods with common inputs:	34
11.2.6	Where a VAT dealer is making sales of taxable goods and exempt transactions of taxable goods:	34
11.2.7	Where a VAT dealer is making sales of taxable goods, exempt goods and exempt transactions of taxable goods:	34
11.2.8	Where a VAT dealer has opted to pay tax by way of composition or has exempted sub-contract turnover in special circumstances:	34
11.3	Instructions related to the control of claimable input tax where exempt sales or exempt transactions are made:	35
11.3.1	Processing Form VAT 200D	35
11.3.2	Processing Form VAT 200A	35
11.3.3	Processing Form VAT 200B	35
11.3.4	Processing Form VAT 200 E	36
11.3.5	Processing Form VAT 200 F	36
11.3.6	Special categories of VAT dealers selling exempt goods and making exempt transactions	36
11.3.7.	Input Tax Credit calculations incase of Transitional Relief (TR) during 1st year of implementation	38
12	LAW ON ADJUSTMENTS OF VAT TO BE PAID ON FORM VAT 200	38
12.1	Introduction:	38
12.2	Tax deducted at source	38
12.3	Tax collected at source	38
12.4	Incentive cases	38
12.4.1	[Law on incentive cases VAT Act 2005] – Section 69	38
12.4.2	Rule on tax incentive cases – Rule 67	39
12.4.3	Introduction	39
12.4.4	Treatment of deferment incentive cases under the VAT	39
12.4.5	Instructions for processing tax incentive cases	40
12.5	Claim for entry tax credit	40
12.5.1	Law on entry tax credit – Section 22 (5)	40
12.5.2	Rule on entry tax credit - Rule 24 (6)	
12.5.3	Instructions for processing entry tax credits	40
12.6	Offset of VAT credit against CST liability	41
12.6.1	Rule on offset of VAT credit against CST liability – Rule 35 Procedure for refunds	41
12.6.2	Instructions for processing claims for adjustment of VAT credit against CST tax liability	41
12.6.3	VAT dealer amendments to Form VAT 200	41
12.6.4	Instructions for processing VAT dealer amendments to Form VAT 200:	41
13	TOT LAW RELATED TO RETURN PROCESSING	42
14	RULES ON TOT RETURNS AND PAYMENTS	42
15	PROCEDURES FOR FILING TOT RETURNS AND PAYMENT OF TOT	42

15.1	Introduction	42
15.2	Procedures where TOT returns are filed at the dealer service centre or e-seva centre:	43
15.3	Procedures where TOT returns are filed at the local tax office	43
15.4	Action to be taken after processing the Form TOT 007	44
16	INSTRUCTIONS FOR THE PROCESSING OF FORM TOT 007 (TOT RETURN)	44
16.1	Processing of Form TOT 007 payment returns	44
16.2	Processing of Form TOT 007 nil returns	46
17	COMPLETION OF FORM TOT 007	46
18	LAW ON INTEREST AND PENALTIES RELATED TO RETURN FILING AND PAYMENT OF VAT AND TOT	46
19	PRINCIPLES OF THE IMPOSITION OF INTEREST AND PENALTIES RELATED TO RETURN FILING AND PAYMENT OF VAT AND TOT	47
20	PROCEDURES FOR THE IMPOSITION OF INTEREST	47
20.1	Conditions for levying interest:	47
21	PROCEDURES FOR THE IMPOSITION OF PENALTIES	48
21.1	Penalties to be imposed:	49
22	LAW ON ENFORCEMENT OF VAT RETURN-UNILATERAL ASSESSMENT	49
23	RULE ON ENFORCEMENT OF VAT RETURN-UNILATERAL ASSESSMENT	50
23.1	Rule 25. VAT assessment	50
24	PROCEDURES FOR VAT ENFORCEMENT	50
24.1	Introduction	50
24.2	Legal obligation of the VAT dealer:	51
24.3	Action to enforce return filing:	51
24.4	Actions to collect unpaid VAT, penalties and interest	52
24.5	Timescale for action to enforce VAT return filing and payment of VAT/penalties/interest	53
25	INSTRUCTIONS FOR VAT ENFORCEMENT	54
25.1	Enforcement of VAT return filing	54
25.2	Collection of unpaid VAT/ interest/ penalty	55
25.3	Calculation of unilateral assessment	57
25.3.1	VAT dealers who have not been registered for a twelve-month period and have not completed Form VAT 100:	57
25.3.2	VAT dealers who have not been registered for a twelve-month period but have completed Form VAT 100:	57
25.3.3	VAT dealers who have been registered for at least twelve months	58
26	PAYMENT OF ARREARS OF TAX, INTEREST AND PENALTY BY WAY OF INSTALMENTS	58
26.1	Law on payment by instalments	58
26.2	Rule on payment by instalments	58
26.3	General instructions	59
27	LAW ON TOT ENFORCEMENT	59
28	RULE ON TOT ENFORCEMENT	60
28.1	Rule 25	60

29	PROCEDURES FOR TOT ENFORCEMENT	60
29.1	Introduction	60
29.2	Legal obligation of the TOT dealer:	61
29.3	Action to enforce return filing:	61
29.4	Actions to collect unpaid TOT, penalties and interest:	61
29.5	Timescale for action to enforce TOT return filing and payment of TOT/ penalties/ interest	62
30	INSTRUCTIONS FOR TOT ENFORCEMENT	62
30.1	Enforcement of TOT return filing	62
30.2	Collection of unpaid TOT/ interest/ penalty	63
30.3	Calculation of TOT unilateral assessment	64
30.3.1	Where a TOT dealer was registered under the APGST Act 1957	64
30.3.2	Where the TOT dealer was not registered under the provisions of the APGST Act 1957 and has not filed TOT Forms 006 for the previous 12 months	64
30.3.3	Where the TOT dealer has been registered under the VAT Act for a period of 12 consecutive months	64
31	LAW ON REFUNDS	64
32	RULES ON REFUNDS	66
32.1	Rule 35 Procedure for refunds	66
33	GENERAL PROVISIONS RELATED TO REFUNDS	68
33.1	Conditions for applying for refunds	68
33.2	Provisions for claiming refunds:	69
33.3	Conditions for approval of refund claims:	69
33.4	CTD obligations regarding refund claims:	70
33.5	VAT dealer option	71
34	INSTRUCTIONS FOR PROCESSING VAT AND TOT REFUNDS	71
34.1	Processing VAT refund claims	71
34.2	Processing TOT refund claims	72
34.3	Processing other refund claims	72
34.4	Refunds to International organisations	73
35	LIABILITY TO TAX OF WORKS CONTRACTS UNDER THE VAT ACT	74
35.1	Law on liability to tax of works contracts under the VAT Act 2005-Section 4(7) of Act	74
35.2	Rule on liability to tax of works contracts under the VAT Act 2005	74
35.2.1	Rule 17 – Treatment of Works contracts	74
35.3	Tax deduction at source	79
35.4	The legal basis for taxation of works contracts	80
35.5	Tax collection/ deduction at source in respect of works contracts: Accounting for VAT where the works contract is not executed for a State Government or local authority or where the VAT dealer is not an apartment builder/ developer and the dealer opts for composition.	80
36	PURCHASE POINT TAX UNDER THE VAT ACT 2005	84
36.1	Law related to purchase point tax, sub-section 4 of Section 4:	84
36.2	Procedure when accounting for purchase point tax	84
37	TREATMENT OF AGRICULTURE UNDER THE PROVISIONS OF THE VAT ACT 2005	85

37.1	Law relating to agriculture	85
37.1.1	Chapter 1, Section 2, sub-section 6 – Definition of “business”	85
37.1.2	Chapter 1, Section 2, sub-section 10 – Definition of “dealer”	85
37.2	Liability to tax under the VAT Act 2005	85
38	LAW ON GOODS LISTED IN SCHEDULE VI TO THE VAT ACT 2005	86
38.1	Schedule VI: Goods subjected to tax at special rates	86
38.2	Section 2 (38) – Definition of taxable turnover	87
38.3	Section 4 (5) – Charging Section	87
38.4	Section 9 – Input tax credit for dealers for goods in Schedule VI	87
38.5	Section 13(1) – Credit for input tax	87
38.6	Section 17 (5) (d) – compulsory registration of first sellers of Schedule VI goods	88
39	CONDITIONS RELATED TO ACCOUNTING FOR TAX FOR GOODS LISTED IN SCHEDULE VI OF THE VAT ACT 2005	88
40	LAW ON CASUAL TRADERS	88
41	RULES ON CASUAL TRADERS	89
42	CONTROL OF CASUAL TRADERS	89
43	LAW ON AGENTS UNDER THE VAT ACT 2005	89
44	RULES OF AGENTS UNDER THE VAT ACT 2005	90
44.1	Rule 33- Records to be maintained by clearing/ forwarding agents	90
44.2	Rule 34 – Records to be maintained by agents acting on behalf of principals	90
45	GENERAL CONDITIONS RELATED TO THE OBLIGATIONS OF AGENTS UNDER THE VAT ACT 2005	91
45.1	Agents obligations:	91
45.2	Agent acting for a non-resident principal (principal)	92
45.3	Agents acting on behalf of resident principals	92
46	LAW ON TRANSFER OF A BUSINESS	92
47	RULE ON TRANSFER OF A BUSINESS	93
48	LAW ON TAXATION OF HOTELS UNDER THE VAT ACT 2005	93
48.1	Section 4 – Charging Section	93
48.2	Section 13 (5) – Input tax credit	93
49	RULE ON TAXATION OF HOTELS	94
49.1	Rule 16 (7) – Determination of taxable turnover	94
49.2	Rule 19 (5) – Calculation of VAT payable	94
50	GENERAL CONDITIONS RELATED TO THE OBLIGATIONS OF HOTELS UNDER THE VAT ACT 2005	94
50.1	Obligations of a hotel:	94
51	APPENDIX A	95
	Forms Relating to Manual - II	
52	APPENDIX B	212
52.1	Leaflets	

1 ADVISORY VISIT PROCEDURES

- 1) Advisory visits should be carried out on all new VAT registrations after the commencement of VAT. Dealers registered under the APGST 1957 migrating to VAT should not generally receive an advisory visit.
- 2) Advisory visits should be completed within two months of the date of registration.
- 3) Advisory visits on initial registration should normally be completed by the circle office.
- 4) The CTO should allocate advisory visits to the DCTO, except in the case of VAT dealers with a declared taxable turnover exceeding Rs.100 lakhs. The CTO should carry out advisory visits to these dealers.
- 5) The registration section should pass the VAT dealer file to the audit section. The audit section should create an advisory visit record (AVR). The receipt of the file should be recorded in the AVR.
- 6) The VAT dealer file should be checked for any queries related to the registration and any conditions imposed (i.e., start-up businesses, compulsory registrations, voluntary registrations, VAT dealers executing works contracts for Government departments, local authorities and other VAT dealers selling Schedule VI goods etc).
- 7) Advisory visits should all be completed within 1 day.
- 8) All actions required on the checklist should be completed; these are set out in the instructions.
- 9) The report of the Advisory Visit (Form VAT 303) and the summary of business activities (Form VAT 300) should be completed on return to the office. The reports should be checked by the CTO, any queries resolved with the visiting officer and Form VAT 303 certified by the CTO. The record of the visit should be made in the AVR.
- 10) Data collected on the visit should be recorded on the computer system.
- 11) The VAT dealer file should be returned to the registration section. Record in AVR.

2 ADVISORY VISIT INSTRUCTIONS

- 1) VAT Advisory visits perform a dual function:
 - a) In the first instance it can be confirmed that the VAT dealer is a genuine business and is correctly registered and that information recorded in the VAT dealer file from the registration application form is accurate. This information should provide the basis for the initial control of the VAT dealer.
 - b) Secondly, the Advisory Visit has proved to be the most effective method of VAT dealer education to achieve voluntary compliance. Time should be taken to explain VAT accounting requirements related to the VAT dealer's business activities, and the completion of the VAT return. The penalties that would be incurred for late filing of a return and late payment of VAT should be emphasized.
- 2) Advisory visit - Checklist

2.1 Prior to the Visit

- a) The VAT dealer file should be checked for address and telephone numbers. The VAT dealer should be contacted and an appointment made for an advisory visit. Ensure the appointment is with the registered VAT dealer in the case of a sole proprietor, and with a responsible person in all other cases. The accountant or other professional advisor of the VAT dealer may be present at the interview.
- b) Form VAT 304 should be delivered to the VAT dealer confirming the appointment.
- c) The information in the VAT dealer file (especially the information furnished on Form VAT 100) should be checked prior to the visit. Any queries and issues that need to be resolved on the visit should be noted.

2.2 On the Visit

- a) All particulars on Form VAT 100, and VAT 104 should be checked and confirmed. The signatory of the application Forms should acknowledge the signature.
- b) The certificate of incorporation for corporations and partnership agreements for partnerships should be checked. The composition of partnerships should be confirmed.
- c) **The date of expected or actual first taxable sale and the effective date of registration (EDR) should be established to confirm that the dealer had no obligation to be registered from an earlier date.** Where it is established that the dealer was liable to register prior to the date on which they were registered, action should be taken under the provisions in sections 11 and 12 of Chapter 10 of the VAT registration manual.
- d) Taxable turnover declarations on Form VAT 100 should be checked with reference to the VAT dealer's account and records.
- e) The declared value of exempt sales should be checked with reference to the VAT dealer's accounts and records. The exempt sale declaration should be checked to identify whether exempt sales of goods or exempt transactions are being made. Any branch transfer or consignment sales should be recorded.
- f) The eligibility for registration should be confirmed in the case of a voluntary registration.
- g) The registration record under the C.S.T. Act and any inter-state purchases and sales effected by the VAT dealer prior to advisory visit should be checked..
- h) The excess input tax declaration on Form VAT 100 should be checked and the eligibility confirmed.
- i) VAT registration certificate – the VAT dealer should be advised that the certificate must be displayed at the place of business, with copies displayed at any other business premises i.e. the branches.
- j) VAT Returns – the VAT dealer should be advised that monthly tax returns can be collected from the tax office or obtained from other sources, and that the return must be filed at that office or at designated places like e-seva counters by the 20th of the month following the period to which it related. Tax must also be paid by that date. **EMPHASIZE THE PENALTY FOR FAILURE TO COMPLY.**

- k) VAT accounting – The system in use by the VAT dealer must be recorded and the VAT accounting requirements and tax invoices must be explained. Leaflets 05A, 5B, 5C and any other leaflet related to the business activities should be given to the VAT dealer.
- l) Completion of VAT Return – The completion of the VAT Return should be explained in detail. A copy of the return marked ‘SPECIMEN’ with notes on completion related to the business of the VAT dealer and VAT leaflet 07 should be left with the VAT dealer.
- m) The particulars of the main business activity of the VAT dealer such as retailer, manufacturer, importer, works contractor, hotelier, distributor, exporter, etc. should be recorded.
- n) Explain in detail the VAT requirements of each business activity. Identify the main goods traded by the VAT dealer. Record sufficient information to establish the activity/commodity code for the VAT dealer.
- o) The VAT dealer’s queries should be dealt with, such as:
 - Liability of sales
 - Time tax has to be accounted for
 - Time tax payment is due
 - Refund claims - method and timescale, etc
 - Treatment of industrial incentives.
- p) The visiting officer should deal with transitional issues. The procedure for claiming a VAT tax credit for purchases in the 3 months prior to registration, for charging tax and the issue of tax invoices should be explained. The VAT liability of contracts existing prior to VAT registration should also be explained to the dealer.
- q) The value of stock and assets at the taxable person’s premises should be estimated. The VAT dealer should be asked for his estimate and this should be confirmed by asking to see the stock, assets and related purchase documents.
- r) Any additional information should be recorded regarding associated family businesses (related parties), revenue reliability, previous dealings with the Commercial Taxes Department, registration numbers with other Revenue Departments like Central Excise, Customs, etc.

2.3 After the visit

- a) Form VAT 300 and VAT 303 should be completed. The activity/commodity code should be confirmed or amended.
- b) The VAT rulings given should be recorded.
- c) The revenue reliability of a VAT dealer should be considered and an assessment based on:
 - The past revenue record of the VAT dealer with the CTD
 - The co-operation and overall credibility demonstrated by the VAT dealer on the advisory visit
 - An estimated value of assets of the business of the VAT dealer.
- d) For example – if the VAT dealer has a poor record of filing tax returns, paying tax due, is uncooperative on the advisory visit and has low value assets, he should be marked ‘POOR’. If he has a good tax payment record, good attitude at the advisory visit and his assets are of

reasonable value, he should be marked 'GOOD'. Anyone with one or two good points should be marked 'AVERAGE'.

- e) The reports and the VAT dealer folder should be passed to the CTO.
- f) The CTO should check off Forms VAT 300 and 303 against the officers weekly visiting record (Form VAT 304A)
- g) The CTO should select 20% of the visit reports for an in depth review.
- h) The VAT dealer file should be returned to the Registration Section. Record in AVR.

3 LAW ON RETURNS AND PAYMENTS, VAT ACT 2005

3.1 Section 20 – Returns and self-assessment

- 1) Every dealer registered under Section 17 of this Act, shall submit such return or returns, along with proof of payment of tax in such manner, within such time, and to such authority as may be prescribed.
- 2) If a return has been filed within the prescribed time and the return so filed is found to be in order, it shall be accepted as self-assessment subject to adjustment of any arithmetical error apparent on the face of the said return.
- 3) (a) Without prejudice to the powers of the authority prescribed, under sub-section (3) of Section 21, every return shall be subject to scrutiny to verify the correctness of calculation, application of correct rate of tax and input tax credit claimed therein and full payment of tax payable for such tax period.
(b) If any mistake is detected as a result of such scrutiny made as specified in clause (a), the authority prescribed shall issue a notice of demand in the prescribed form for any short payment of tax or for recovery of any excess input tax credit claimed.
- 4) Every dealer shall be deemed to have been assessed to tax based on the return filed by him, if no assessment is made within a period of four years from the date of filing of the return.

4 RULES ON RETURNS AND PAYMENTS

4.1 Rule 23 – Tax returns

- 1) A return to be filed by a VAT dealer under Section 20 of the Act shall be on form VAT 200 and it shall be filed within 20 days after the end of the tax period. The return shall be completed in duplicate and one copy with the proof of receipt shall be retained by VAT dealer;
- 2) A return to be filed by a TOT dealer under Section 20 of the Act shall be on form TOT 007 and it shall be filed within 30 days after the end of the calendar quarter.
- 3) In the case of a VAT dealer having more than one place of business all returns prescribed by these rules shall be submitted by the head office of the business in the State and shall include the total value of all taxable sales of all the branches in the State of such VAT dealer;
- 4) Where the registration of a VAT dealer or TOT dealer is cancelled, a final return on Form VAT 200C or TOT 007 as the case may be shall be filed within 15 days of the effective date of cancellation of registration;

- 5) If there is a change in the rate of tax during a tax period, a separate return in respect of each portion of the tax period showing the application of different rates of tax shall be furnished.
- 6)
 - a) If any VAT dealer having furnished a return on Form VAT 200 finds any omission or incorrect information therein, other than as a result of an inspection or receipt of any other information or evidence by the authority prescribed, he shall submit an application on Form VAT 213 within a period of six months from the end of the relevant tax period.
 - b) On receipt of Form VAT 213 in the case of an under-declaration, a Form VAT 307 shall be issued for the under-declared tax and the interest due on the late payment. In the case of an over-declaration Form VAT 308 shall be issued.
- 7)
 - a) In the case of a casual trader a declaration on Form CAT 001 shall be filed within 24 hours of his arrival in any place in the State before the authority prescribed indicating the nature of goods and their value in which he intends to deal and the period for which he intends to conduct his business.
 - b) The casual trader shall file a final declaration in Form CAT 002 before the authority prescribed on the last day on which he intends to leave the place along with payment of the tax due on the taxable turnover.
- 8) Every VAT dealer who claims input tax credit in respect of certain goods, as notified by the Commissioner of Commercial Taxes to be sensitive or any other VAT dealer as required by the Deputy Commissioner concerned shall submit a return in Form VAT 225 in addition to the return on Form VAT 200, containing the details of purchases made from other VAT dealers in the State for each tax period or for any other period as may be notified by the Commissioner of Commercial Taxes or as required by the Deputy Commissioner concerned.

4.2 Rule 24 Tax payments

- 1) In the case of a VAT dealer, the tax declared as due on Form VAT 200, shall be paid not later than 20 days after the end of the tax period.
- 2) In the case of a TOT dealer, the tax declared as due on Form TOT 007, shall be paid not later than 30 days after the end of the calendar quarter.
- 3) The return in Form VAT 200 or Form TOT 007 shall be accompanied by a receipt from Government treasury or a crossed demand draft or a crossed cheque drawn on the local bank in the State in favour of the authority prescribed. A local bank for this purpose shall be a bank located at the place of business declared for registration.
- 4) Where any VAT dealer or TOT dealer submits a Form VAT 200 or Form TOT 007 return without a receipt from Government treasury or demand draft or a cheque for the full amount of tax payable, the authority prescribed shall send a notice on Form VAT 202 or TOT 012 to the VAT dealer or TOT dealer for the tax under paid. Such notice shall be deemed to be an assessment cum demand notice and the VAT dealer or TOT dealer shall pay the sum specified in the notice within the time specified therein.
- 5) Where any dealer has been permitted to pay tax or any other amount by way of instalments, the following conditions shall apply:

- a) The dealer shall not default payment of any other taxes or any other amount due under the Act subsequent to the granting of instalments;
- b) In the event of any default, the order granting instalments shall become infructuous unless on application it is specifically restored by the Deputy Commissioner.
- c) Any other conditions as may be specified in the order.

5 PROCEDURES FOR FILING VAT RETURNS AND PAYMENT OF THE VAT

5.1 Introduction

- 1) General conditions regarding the filing of VAT returns:
 - Return in Form VAT 200 is due to be filed by the 20th of every month by every VAT dealer for the preceding month.
 - Where no transactions have taken place during the month a nil return must be filed. Box No.4 of VAT 200 should be completed in this case, together with any relevant boxes (ie., boxes 5, 22 & 24). Box 25 must always be completed.
 - Where box 12 of Form VAT 200 has been completed indicating exempt turnovers, the following additional Forms will be filed by different categories of the VAT dealers:

S.No.	Type of dealer	Additional Monthly Return	Annual Return in the month of March	Relevant Rule
1	Normal VAT dealer dealing in taxable goods	NIL	NIL	20 (3)
2	Value of taxable sales is either more than 95% or less than 5% of total value of sales for the tax period	NIL	Form VAT 200 B	20 (5)
3	VAT dealer buying and selling goods in the same form and using few common inputs for sales of taxable and exempt goods	Form VAT 200 D	Form VAT 200 B	20 (4)
4	VAT dealer dealing in exempt transactions and or exempt sales in addition to taxable sales	Form VAT 200 A	Form VAT 200 B	20 (6), 20(7), 20(8) and 20(9)
5	A VAT dealer under composition or a VAT dealer having exempted sub-contract turnover	Form VAT 200 E	Form VAT 200 F	20 (12)

- Penalties are prescribed for the failure to file Form VAT 200's by the due date and for the failure to pay the tax declared as due on that Form VAT 200 by the last day of the month in which it is due.
- Interest is also prescribed to be due for delayed payments at the rate of one percent per month for the period of delay.
- Where a VAT dealer has more than one place of business, all the business activities related to that VAT dealer must be included on the single Form VAT 200 due.

- If there is a change in a VAT rate during a tax period, separate VAT Form VAT 200's have to be filed for each part of the tax period with different tax rates.
- The Form VAT 200 must be accompanied by evidence of payment of the VAT where payment is declared to be due.
- Where the full amount of tax declared as due is not paid by the last day of the month, a notice of demand in Form VAT 202 should be issued for the underpaid amount. Along with Form VAT 202, a show cause notice proposing to levy penalty for failure to pay to tax shall be issued on Form VAT 203 A. An interest assessment should be levied on Form VAT 205 after the payment is made after the due date prescribed in Form VAT 202
- There are two systems for filing Form VAT 200's and payment of VAT:
 - i. Where a Dealer service centre or e-seva centre exists, it provides a facility for VAT dealers to file their Form VAT 200's and make payment of the tax due. VAT dealers are not obligated to use this facility and may continue to file their Form VAT 200's at the local tax office.
 - ii. VAT dealers not using this facility are required to file a Form VAT 200, together with evidence of payment, at their local tax office. The return can also be mailed to the local tax office.

5.2 Procedures where Form VAT 200 are filed at the dealer service centre or e-seva centre

- a) Where the Form VAT 200 and payment are received at the service centre, the centre should certify the date of receipt on both original and duplicate copies of Form VAT 200 and return the duplicate copy of the Form VAT 200 to the VAT dealer. An acknowledgement should be generated in the computer and issued to the dealer.
- b) The service centre should forward the Form VAT 200 and payment instrument to the nominated bank not later than the day following the date of receipt.
- c) The nominated bank should check the payment instrument against the declaration on Form VAT 200; record the amount of the payment made and process the payment instrument for collection of the funds.
- d) The tax office should visit the bank daily from the 20th to the end of the month and not less than every 3 days for the rest of the month to collect Form VAT 200's.
- e) The processing of Form VAT 200 should be completed in accordance with 5.4 below.
- f) A sub system should be created whereby the bank notifies the tax office, not less than weekly, of cleared payment documents and the amounts credited to the sales tax account and similarly, list un-cleared payment documents for collection by the tax office and subsequent collection action.
- g) The procedures to be followed in the local tax office are set out in 5.3 below.

5.3 Procedures where Form VAT 200 are filed at the local tax office

- a) Where the Form VAT 200 is filed in the local tax office, either payment should be made at authorised banks prior to the filing of the Form VAT 200 or the payment instruments like

cheques / DD shall be enclosed. The payment details should be entered in box 22 of Form VAT 200.

- b) On receipt of completed Form VAT 200 (in duplicate) at the local tax office, the receiving officer should take the following action:
 - i. Ensure that the tax period for which the Form VAT 200 is filed is completed correctly.
 - ii. Check that all the boxes on the Form VAT 200 are completed, no boxes left blank and “NIL” inserted where appropriate.
 - iii. Ensure that the tax due, credit or refund boxes have been completed.
 - iv. Record the date of receipt of the return, on both copies of the return.
- c) The computer acknowledgement and duplicate copy of Form VAT 200 should be returned to the VAT dealer.
- d) All the data on Form VAT 200 should then be processed and captured on the computer system. The system should generate a discrepancy list resulting from the automatic checks carried out by the software.
- e) Any discrepancies identified that cannot be resolved by the processing officer should be cleared by contact with the VAT dealer.
- f) All Form VAT 200's should be classified as follows
 - i. Refund returns
 - ii. Credit and nil returns
 - iii. Payment returns
- g) Refund Form VAT 200's should receive priority treatment and be passed for urgent verification as required.
- h) All Form VAT 200's with significant discrepancies should be passed for selection for an audit visit.
- i) Out of the payment returns processed, immediate action should be initiated for the returns filed with short payment.
- j) All other Form VAT 200's should be considered for audit under the procedures set out in the audit manual.

5.4 Action to be taken after processing the Form VAT 200

- a) A return processing section should generate a computer listing of all VAT dealers who have not filed a return by the 25th of each month, together with Form VAT 201 for each of the VAT dealers listed. The non-filers list and Form VAT 201 (in duplicate) should be forwarded to the dealers
- b) When returns are filed after the due date, the computer should generate Form VAT 205 specifying any interest due. The interest should be calculated on a daily basis at the rate of 1% per month from the date following the day the Form VAT 200 was due to be filed. Penalties should only be levied from the first day of the following month and a show cause notice shall be issued first.

- c) Where Form VAT 200's are received without full payment of the tax declared, the computer should generate Form VAT 202 and the same should be sent to the dealers.

6 INSTRUCTIONS FOR THE PROCESSING OF FORM VAT 200 (VAT RETURN)

6.1 Processing of Form VAT 200 payment returns

- 1) Payment Form VAT 200's received at dealer service centres and e-seva centres
 - a) After processing, such payment Form VAT 200 returns should be listed and filed pending receipt of confirmation of payment of funds by the authorised bank.
 - b) Where payment is confirmed, the Form VAT 200 should be dealt with in accordance with the procedures set out in section 5 above.
 - c) Where payment is not confirmed, the computer should generate Form VAT 202 and be passed to enforcement for collection action.
- 2) Processing of Form VAT 200 received at the local tax office
 - a) These Form VAT 200's should be accompanied by either:
 - i. Cheque
 - ii. Demand draft
 - iii. Bank certified challan
 - iv. Electronic fund transfer (EFT)
 - v. Cash payment (in exceptional cases)
 - b) The VAT dealer account should be debited with the amount of tax declared as due on Form VAT 200. The amount of tax certified as paid from the payment document should be credited to the VAT dealer account. Any balance outstanding should be dealt with as above by the issue of Form VAT 202.
 - c) The receipt provided to the VAT dealer will be the certification by the officer on the duplicate copy of Form VAT 200. Where cash payments are received in the tax office, the authorised officer should prepare a receipt in duplicate and issue the original to the VAT dealer.
- 3) Processing of payment instruments
 - a) Cheques and demand drafts
 - i. These instruments should be sent to the bank for clearance not later than the next working day following the date of receipt in the tax office.
 - ii. A computerised challan (in triplicate) should be prepared for each payment document and listed on a cheque register Form 550 prepared in duplicate. The cheque register should show details in each case of:
 1. Office serial number of transaction
 2. Type of instrument
 3. Cheque/ demand draft number and date
 4. Bank name and branch details
 5. VAT dealer name
 6. TIN

- 7. Tax amount paid
- 8. Type of tax (for example, VAT)
- iii. Each cheque register Form 550 should be allocated a control number. Original and duplicate copies should be forwarded with the challan and payment documents by hand to the bank. The bank should certify the original that the payment documents have been received and returned to the tax office.
- iv. After clearance of the payment instrument, the bank should retain one copy of the challan, certify the other two copies of the challan and return them to the tax office.
- v. The tax office should, on receipt of the certified challan, clear the payment of tax on the cheque register Form 550 and credit the VAT dealer account with the amount of payment received.
- vi. Notification of un-cleared cheques should be passed to enforcement section for collection action.
- vii. The cheque register, Form 550 should be reviewed by the CTO on a weekly basis. The CTO should record the inspection in the management records.
- b) Bank certified challan
 - i. On receipt of this payment instrument the amount should be credited to the VAT dealer account and the challan filed in the VAT dealer file.
- c) Electronic fund transfers (EFT)
 - i. On receipt of a notification of an EFT, the amount notified should be credited to the VAT dealer account.
- d) Cash payments
 - i. In the case of cash payments, the amount should be credited to the VAT dealer account when the authorised officer issues the receipt. One part of the challan returned by the bank as a receipt should be attached to the receipt book to clear that account and the other part filed in the VAT dealer file.
 - ii. **Cash received in the tax office must be lodged in the sales tax account at the bank not later than the next working day following the date of receipt.**

6.2 Processing of Form VAT 200 refund returns

After processing, Form VAT 200 refund returns should be passed to the audit section for consideration of an urgent audit visit and consequent processing of the refund claim.

6.3 Processing of Form VAT 200 nil and credit returns

Where such Form VAT 200 returns have a significant discrepancy query, they should be passed to audit for consideration of an urgent audit visit. All other Forms VAT 200 should be filed in the VAT dealer file.

7 COMPLETION OF FORM VAT 200

7.1 Main features of Form VAT 200

- a) There is only one VAT return for all businesses registered for VAT, this is known as the Form VAT 200.
- b) Explanatory notes on the completion on each box for Form VAT 200 are provided on the Form.
- c) A taxpayer publicity leaflet, VAT leaflet 07, has been prepared which provides detailed information on the completion of Form VAT 200.
- d) Form VAT 200 provides the basis for VAT accounting and VAT audit.
- e) Form VAT 200 allows for adjustment of tax collected at source, tax deducted at source, entry tax paid and tax incentive claims to be offset against the declared tax liability.
- f) The Form VAT 200 also allows for any excess credit declared to be adjusted against any outstanding CST liability for the tax period.

7.2 Details of the business

- 1) The processing of the Form VAT 200 in the computer software is initiated by the entry of the VAT TIN entered in Box 1. The VAT dealer will find this TIN on his Form VAT 105 (VAT certificate of registration).
- 2) The tax period to which the return relates should be entered in box 2 of Form VAT 200.
- 3) The name and address of the VAT registered entity as detailed on Form VAT 105 should be entered in box 3 of Form VAT 200.

7.3 VAT accounting details

- 1) Box 4 provides for a simple declaration where no purchases and no sales have occurred during the tax period. If this box is completed, boxes 6-22 can be left blank but any carry forward details in boxes 5 and 22A –25 should be completed.
- 2) Box 5: the amount to be declared in this box should be any input tax credit carried forward from the previous month in box 24 and 24B of the previous Form VAT 200.
- 3) Boxes 6-11: these are for declarations related to the purchases in the month.
- 4) Boxes 12-20: these are for declarations related to sales during the month.
- 5) Boxes 22 –22A: these are for tax payment and adjustment details.
- 6) Boxes 23 – 24: these are for refund and credit details.
 - (i) In points (3) and (4) above, boxes “A” captures the value of the purchases / sales, and boxes “B”, the tax.

7.4 Purchase details

- 1) All purchase values declared on Form VAT 200 should exclude the VAT.
- 2) Box 6: this box should include the value of the following purchases:

- 3) Purchases of exempt goods (goods listed in Schedule I).
 - a. Imports from outside the territory of India.
 - b. Purchases from outside the State.
 - c. Purchases from persons not registered for VAT or where the VAT dealer does not possess an original VAT tax invoice.
 - d. Where an adjustment of input tax has been made, the amount of input on which a credit can be claimed should be included, with the values, in this box.
- 4) Box 7: the purchase value of goods liable at the 4% tax rate should be entered in box A. The tax element related to those goods that can be claimed as an input tax credit should be entered in box B. Form VAT 200 A is to be submitted when there is an entry in box 12, this will provide basis of calculation of the claimable input tax credit. In the case of dealer under composition or having exempted sub-contract turnover, it will be Form VAT 200 E in place of Form VAT 200 A.
- 5) Box 8: the purchase value of goods liable at the 12.5% tax rate should be entered in box A. The tax element related to those goods that can be claimed as an input tax credit should be entered in box B. Form VAT 200A is to be submitted when there is an entry in box 12, this will provide basis of calculation of the claimable input tax credit. In the case of dealer under composition or having exempted sub-contract turnover, it will be Form VAT 200 E in place of Form VAT 200 A.
- 6) **Note: In the first year of the VAT the sales tax credit (transitional relief) that has been approved by the tax office on Form VAT 116 should be entered in box 8B for the tax periods August 2005 to January 2006. Where the VAT dealer has made exempt sales or exempt transactions in these tax periods, the sales tax credit (input tax in that month plus the transitional relief) that can be claimed has to be adjusted in accordance with the provisions in section 9 of this manual. Such adjustment has to be finalised in accordance with the calculation due at the end of the first twelve months the VAT has been in existence.**
- 7) Box 9: the purchase value of goods liable at the 1% tax rate should be entered in box A. The tax element related to those goods that can be claimed as an input tax credit should be entered in box B. Form VAT 200A is to be submitted when there is an entry in box 12, this will provide basis of calculation of the claimable input tax credit. In the case of dealer under composition or having exempted sub-contract turnover, it will be Form VAT 200 E in place of Form VAT 200 A.
- 8) Box 10: the value of goods liable to special rates specified in Schedule VI to the Act should be entered in this box. This value should be inclusive of any tax charged. No input tax credit can be claimed and there is no box 10B on Form VAT 200. The goods specified in Schedule VI are liquor, petrol, diesel and aviation motor spirit or aviation turbine fuel.
- 9) Box 11: this provides for a total of claimable input tax to be declared. It should include the total of boxes 5, 7B, 8B and 9B. This is the amount of eligible input tax credit for the VAT dealer in the tax period.
- 10) Boxes 9 and 10 are likely to be completed by a strictly limited number of VAT dealers.

- 11) The purchase details of goods finding mention in Rule 20 (2) i.e. negative list goods need not be declared by the VAT dealer in his return on Form VAT 200.

7.5 Sale details

- a. All sale values declared on Form VAT 200 should exclude the VAT.
- b. Box 12: this should contain the value of all exempt sales. This box should include the value of the following transactions:
 - i. Sales of exempt goods (goods listed in Schedule I).
 - ii. Exempt transactions such as branch transfers and consignment sales under the CST Act' 1956
 - iii. The turnover under composition.
 - iv. The exempted sub-contract turnover of a VAT dealer under Rule 17(2) (j)

Note: exempt sales of the transfer of a business should not be entered in this box and should not be included on the Form VAT 200.

- c. Box 13: the value of all international exports, sales in the course of export and sales to Special Economic Zones (SEZ) should be entered in this box.
- d. Box 14: the value of all other zero rated sales, for example inter-state sales, should be entered in this box.
- e. Box 15: the purchase value of goods on which VAT is payable should be entered in box A and the VAT due in box B. The goods liable to VAT on the purchase value are goods purchased in Andhra Pradesh without VAT being charged which are subsequently used as inputs for goods exempt from VAT or are subsequently transferred to another state on consignment or branch transfer or are used as inputs for goods which are disposed of otherwise than by way of sale in the State or dispatched outside the State otherwise than by way of sale in the course of inter-state trade and commerce or export out of the territory of India
- f. Box 16: the value of goods sold at the 4% rate should be entered in box A and the amount of VAT charged should be entered in Box B. In the case of a VAT dealer opting for composition under Section 4 (7) (c), the dealer should declare 50% of the consideration received in box A and the amount of VAT due in Box B. In the case of a VAT dealer opting for composition under Section 4 (7) (d), the dealer should declare 25% of the consideration received in box A and the amount of VAT due in Box B. Where input tax has been over-claimed and is to be adjusted by a calculation, in March, on Form VAT 200B the tax due is to be declared in this box.
- g. Box 17: the value of goods sold at the 12.5% rate should be entered in box A and the amount of VAT charged should be entered in Box B. Where input tax has been over-claimed and is to be adjusted by a calculation, in March, on Form VAT 200B the tax due is to be declared in this box.
- h. Box 18: this box is only for completion by VAT dealers making first point sales of goods listed in Schedule VI of the Act. A separate Form VAT 200 will be issued to such dealers who will be required to complete boxes 18A and 18B.

- i. Box 19: the value of goods sold at the 1% rate should be entered in box A and the amount of VAT charged should be entered in Box B. Where input tax has been over-claimed and is to be adjusted by a calculation, in March, on Form VAT 200B the tax due is to be declared in this box.
 - a) Boxes 18 and 19 are likely to be completed by a strictly limited number of VAT dealers.
- j. Box 20: this should be the total of the VAT charged in the tax period and due to be accounted for and should include boxes 15B, 16B, 17B and 19B. For dealers liable to pay tax on Schedule VI goods, it is the sum total of 15 B, 16 B, 17 B, 18 B and 19 B.

7.6 Payment / Adjustment / Credit Details

- 1) Box 21: where box 20 exceeds box 11, the balance that is the tax due to be paid should be entered in this box. If box 11 exceeds box 20, "NIL" should be entered in this box.
- 2) Box 22: tax payment details should be entered in this box. The amount of adjustment in box 22 (a) should be added to the payment made in the appropriate place provided.
- 3) Box 22 (a): this box is provided so that VAT dealers can make adjustment of the VAT due to be paid on this Form VAT 200. Where an adjustment is declared in box 22 (a), and the supporting VAT form is attached, such an adjustment should be made against any tax due for payment or where no tax is due for payment, added to the credit boxes on the return. The following categories are applicable:
 - a. VAT dealers executing works contracts on which tax is collected at source and deducted at source can adjust the tax due for payment on the return by the submission of Form VAT 501 and Form VAT 501 A respectively with Form VAT 200.
 - b. VAT dealers availing of incentives can adjust the tax due for payment on the Form VAT 200 by submission of Form VAT 502 with Form VAT 200.
 - c. VAT dealers who have paid entry tax or any other separate tax defined by the Government can adjust the tax due for payment on Form VAT 200 by submission of Form VAT 503 with Form VAT 200.
 - d. **Where the above Forms are not submitted or are invalid, the underpayment of VAT on Form VAT 200 should be recovered by collection action as defined in this manual.**
- 4) Box 23: this should be completed where a refund is claimed.
- 5) Box 24: this should be completed where a credit is to be carried forward to the next Form VAT 200 return.
 - a. **Note: where the value of box 11 exceeds the value of box 20 and, international exports have been declared in box 13 A and no adjustment against the tax liability under the CST Act 1956 is being made, a refund can be claimed in box 23 or the credit carried forward in box 24.**
 - b. **Initially, if no exports have been declared in box 13 A in a tax period, the credit has to be carried forward in box 24 until March 2007. Subsequently,**

where no exports are declared, any credit has to be carried forward to the following March tax period.

- 6) Box 24 (a): where a VAT dealer has a liability to pay tax under the CST Act 1956, the credit declared in box 24 can be adjusted to meet the liability under the CST Act. The declaration in box 24 (a) should be the amount of CST that the VAT dealer wishes to be paid from the VAT credit. The amount that would be entered in box 24 (a) cannot be more than the amount entered in box 24.
- 7) Box 24 (b): this should be the net amount of VAT to be carried forward to box 5 of the Form VAT 200 due for the next month where an adjustment has been made under Box 24 (a).
- 8) Box 25: this is where the VAT dealer makes his legal declaration by signing and dating the box to confirm that the information on Form VAT 200 is correct.
 - a. **Note: the Form VAT 200 should be presented, together with payment, on or before the 20th day of the following month mentioned in box 2.**

8 INPUT TAX CREDIT

8.1 Section 13. Credit for input tax

- 1) Subject to the conditions if any, prescribed, an input tax credit shall be allowed to the VAT dealer for the tax charged in respect of all purchases of taxable goods, made by that dealer during the tax period, if such goods are for use in the business of the VAT dealer. No input tax credit shall be allowed in respect of the tax paid on the purchase of goods specified in Schedule VI.
- 2) (a) A dealer registered as a VAT dealer on the date of commencement of the Act, shall be entitled to claim input tax credit for the sales tax paid under APGST Act, 1957 on the stocks held on the date of commencement of the Act subject to the conditions and in the manner as may be prescribed.

Provided that such goods should have been purchased from 01-04-2004 to 31-03-2005 and are goods eligible for input tax credit.
- (b) Subject to the conditions if any, prescribed, input tax credit shall be allowed to a VAT dealer on registering as VAT dealer if any input tax is paid or payable in respect of all purchases of taxable goods, where such goods are for use in the business as VAT dealer, provided the goods are in stock on the effective date of registration and such purchase occurred not more than three months prior to such date of registration.
- 3) A VAT dealer shall be entitled to claim, —
 - (a) Input tax credit under sub-section (1), on the date the goods are received by him, provided he is in possession of a tax invoice.
 - (b) Input tax credit or sales tax credit under sub-section (2), on the date of registration, provided he is in possession of documentary evidence therefor.
- 4) A VAT dealer shall not be entitled for input tax credit or sales tax credit in respect of the purchases of such taxable goods as may be prescribed.

- 5) No input tax credit shall be allowed on the following:
 - (a) Works contracts where the VAT dealer pays tax under the provisions of clauses (b), (c) and (d) of sub-section (7) of section 4 of this Act.
 - (b) Transfer of a business as a whole.
 - (c) Sales of exempted goods except when such goods are sold in the course of export or exported outside the territory of India.
 - (d) Exempt sale
 - (e) Transfer of exempted goods on consignment basis or to branches of the VAT dealer outside the State otherwise than by way of sale.
 - (f) Supply of goods by the VAT dealer as mentioned in sub-section (9) of Section 4.
- 6) The input tax credit for transfer of goods outside the state by any VAT dealer otherwise than by way of sale shall be allowed for the amount of tax in excess of 4%
- 7) Where any VAT dealer pays tax under clauses (a) of Sub-section (7) of section 4, the input tax credit shall be limited to 90% of the related input tax
- 8) Where goods purchased by a VAT dealer are partly for his business use and partly for other than his business use, the amount of the input tax credit shall be limited to the extent of input tax that relates to the goods used in his business.
- 9) A Turnover Tax dealer or a casual trader shall not be entitled to claim input tax credit.
- 10) Any dealer covered by Explanation III & IV of clause (10) of Section 2 shall not be eligible for input tax credit against or relatable to sale of un-serviceable goods or scrap, surplus, old, obsolete or discarded material or waste products whether by auction or otherwise.
- 11) Any VAT dealer who purchases any taxable goods from a dealer covered under sub-section (10) above shall be eligible for input tax credit, on production of documentary evidence that tax has been charged.

9 RULE ON INPUT TAX CREDIT

9.1 Rule 20. Input tax credit.

- 1) After the commencement of the Act, where any dealer gets registered as a VAT dealer or where the authority prescribed registers any dealer as a VAT dealer under Rule 11(1), such dealer shall be eligible for input tax credit as provided under sub-section (2) (b) of Section 13 of the Act. The claim shall be made on Form VAT 118 within 10 days from the date of receipt of VAT registration. The goods on which the input tax credit is claimed or allowed shall be available in stock on the effective date of VAT registration. The documentary evidence for such claim shall be on the basis of an invoice issued by a VAT dealer for the purchases made and the input tax credit allowed on Form VAT 119 shall be claimed on the first return to be submitted by such dealers. The prescribed authority shall issue such Form VAT 119 within 10 days of receipt of Form VAT 118.
- 2) The following shall be the items not eligible for input tax credit as specified in sub-section (4) of Section 13 of the Act:

- (a) All automobiles including commercial vehicles / two wheelers / three wheelers required to be registered under the Motor Vehicles Ordinance 1988 and including tyres and tubes, spare parts and accessories for the repair and maintenance thereof; unless the dealer is in the business of dealing in these goods.
- (b) Fuels used for automobiles or used for captive power generation or used in power plants.
- (c) Air conditioning units other than used in plant and laboratory, restaurants or eating establishments, unless the dealer is in the business of dealing in these goods.
- (d) Any goods purchased and used for personal consumption
- (e) Any goods purchased and provided free of charge as gifts otherwise than by way of business practice.
- (f) Any goods purchased and accounted for in the business but utilized for the purpose of providing facilities to employees including any residential accommodation.
- (g) Crude oil used for conversion or refining into petroleum products.
- (h) Natural Gas and coal used for power generation.
- (i) Any input used in construction or maintenance of any buildings including factory or office buildings, unless the dealer is in the business of executing works contract and has not opted for composition.
- (j) Earth moving equipment such as bulldozers, JCB's and poclairn etc. and parts and accessories thereof, unless the dealer is in the business of dealing in these goods
- (k) Generators and parts and accessories thereof used for captive generation unless the dealer is in the business of dealing in these goods.

When any goods mentioned above are subsequently sold without availing any input tax credit, no tax shall be levied and recovered from a VAT dealer having been denied the input tax credit at the time of purchase. Any VAT dealer having purchased items mentioned above shall maintain a separate account or record without including such purchases in the purchase of eligible inputs taxable at each rate.

Whenever a VAT dealer makes a claim for input tax credit for any tax period, the tax paid on the purchases of above goods shall be excluded for arriving the eligible input tax credit. This principle applies to all the sub-rules in this rule.

- 3) Where **all the sales** of a VAT dealer for that tax period **are taxable**, the whole of the input tax may be claimed as a credit excluding the tax paid on the purchase of any goods mentioned in sub-rule (2).
- 4) (a) Where any VAT dealer **buys and sells the goods in the same form**, the input tax credit can be claimed fully in respect of all the taxable goods purchased for every tax period excluding the tax paid on the purchase of any goods mentioned in sub-rule (2). Such VAT dealer is required to make a declaration in the Form VAT 200 D for every tax period along with tax return.

- (b) Where any common inputs like packing material are used commonly for sales of taxable and exempt goods (goods in Schedule I), the VAT dealer shall repay input tax related to exempt element of common inputs after making adjustment in the tax return for March by filing Form VAT 200B for the period of twelve months ending March. In the Form VAT 200B, the eligible input tax credit shall be calculated by applying formula

$$Ax \frac{B}{C}$$

Where _____

A is the total amount of input tax for common inputs for each tax rate excluding the tax paid on the purchase of any goods mentioned in sub-rule (2).

B is the sales turnover of taxable goods including zero-rated sales

C is the “total turnover” including sales of exempt goods.

- (c) This sub-rule is not applicable if the VAT dealer is making exempt transactions.
- 5) (a) Where the **value of taxable sales is 95% or more** of the total value for that tax period, the VAT dealer may claim credit for the full amount of input tax paid on purchases.
- (b) Where the **value of taxable sales is 5% or less** of the total value, the VAT dealer shall not be eligible to claim input tax credit for that tax period.
- (c) Such a VAT dealer covered under clause (a) and (b) above, shall make an adjustment in the month of March for the 12-month period ending with March on Form VAT 200 B. In the Form VAT 200B, the eligible input tax credit shall be calculated by applying formula $A \times B/C$. The excess input credit claimed shall be paid back or the balance input credit eligible can be claimed in the tax return for March.
- (d) This sub-rule is not applicable if the VAT dealer is making exempt transactions.
- 6) Where any VAT dealer is able to establish that **specific inputs are meant for specific output**, the input tax credit can be claimed separately for taxable goods. For the common inputs, such VAT dealer can claim input tax credit by applying the formula

$$A \times \frac{B}{C}$$

for the common inputs used for taxable goods, exempt goods (goods in Schedule I) and exempt transactions.

Provided the VAT dealer furnishes an additional return in Form VAT 200 A for each tax period for adjustment of input tax credit and also makes an adjustment for a period of 12 months ending March every year by filing a return in Form VAT 200 B.

- 7) Where a VAT dealer is making **taxable sales** and **sales of exempt goods** (goods in schedule I) for a tax period and inputs are common for both, the amount which can be claimed as input tax credit for the purchases of the goods at each tax rate shall

be calculated by the formula

$$A \times \frac{B}{C}$$

Provided the VAT dealer furnishes an additional return in Form VAT 200 A for each tax period for adjustment of input tax credit and also makes an adjustment for a period of 12 months ending March every year by filing a return in Form VAT 200 B.

- 8) (a) Where a VAT dealer is making **sales of taxable goods & also exempt transactions of taxable goods** in a tax period, for the purchases of goods taxed at 12.5%, the input tax to the extent of 8.5% portion can be fully claimed in the same tax period.
- (b) In respect of purchases of goods taxable at 1%, 4% and for the 4% tax portion in respect of goods taxable at 12.5%, the VAT dealer shall apply formula

$$A \times \frac{B}{C}$$

for each tax period.

Provided the VAT dealer furnishes an additional return in Form VAT 200 A for each tax period for adjustment of input tax credit and also makes an adjustment for a period of 12 months ending March every year by filing a return in Form VAT 200 B.

- 9) (a) Where a VAT dealer is making sales of **taxable goods, sales of exempt goods** (goods in Schedule I) **& also exempt transactions of taxable goods** in a tax period, for the purchases of goods taxed at 12.5%, the input tax to the extent of 8.5% portion can be fully claimed in the same tax period.
- (b) In respect of purchases of goods taxable at 1%, 4% and for the 4% tax portion in respect of goods taxable at 12.5%, the VAT dealer shall apply formula

$$A \times \frac{B}{C}$$

for each tax period.

Provided the VAT dealer furnishes an additional return in Form VAT 200 A for each tax period for adjustment of input tax credit and also makes an adjustment for a period of 12 months ending March every year by filing a return in Form VAT 200 B.

- 10) (a) In the case of a VAT dealer filing Form VAT 200B, the excess input credit claimed shall be paid back or the balance input credit eligible can be claimed in the tax return for March.
- (b) For the purpose of this rule, the words **A, B** and **C** in the formula

$$A \times \frac{B}{C}$$

shall carry the following meaning subject to clause (c) below ———

A is the total amount of input tax for common inputs for each tax rate for the tax period; excluding the tax paid on the purchase of any goods mentioned in sub-rule (2).

B is the “taxable turnover” as defined under the Act for the tax period, which shall include zero-rated sales of any goods – inter-state sales, exports and deemed exports.

C is the “total turnover” as defined under the Act.

Both the values of **B** and **C** shall not include-

- (i) Purchase price of goods taxable under Section 4(4) of the Act;
 - (ii) Transactions falling under Section 5(2) (import) and Section 6(2) (transit sales) of the CST Act, 1956; and
 - (iii) Value of transfer of a business as a whole.
- (c) Where a VAT dealer makes exempt transactions, for calculation of input tax credit in excess of input tax of 4% for 12.5% rate goods, “the value of B” shall include the value of the goods transferred outside the State otherwise than by way of sale (transactions falling under Section 6 A of CST Act’ 1956).
- (d) For the purpose of sub-rules from (4) to (9) of this rule, the value of A is the amount of input tax relating to common inputs for each tax rate, B is the taxable turnover and C is the total turnover. For the purpose of Form VAT 200 A, the values of A, B and C would be for that tax period whereas for the purpose of Form VAT 200B, the values of A, B and C would be the values for the period of 12 months ending March including March.
- (e) Any VAT dealer opting for any method of input tax credit calculation specified from sub-rule (5) to sub-rule (9) shall be required to be under only one method for 12-month period ending March. The method of adjustment to be made in the return for March shall be on the basis of latest option exercised by the dealer up to March.
- 11) The Deputy Commissioner concerned may impose any conditions or a particular method for a VAT dealer for the apportionment of input tax credit where the VAT dealer makes taxable sales, sales of exempt goods and or exempt transactions.
- 12) Where a VAT dealer opts to pay tax by way of composition or where a VAT dealer is exempt under Rule 17(2) (j) shall furnish Form VAT 200 E along with Form VAT 200 for each tax period. Such VAT dealers shall calculate for each tax period the eligible input tax credit by excluding the turnover or value relating to composition / exemption in Form VAT 200 E. In addition, the VAT dealer shall furnish an adjustment return in Form VAT 200 F for the month of March for a period of 12 months ending March making an adjustment of input tax credit in the Form VAT 200 F.

9.2 VAT dealers following sub rule 3 of Rule 20: (only taxable sales)

TYR, a VAT dealer is dealing in sales of Readymade garments and Footwear which are taxable at 4% % and 12.5% respectively under the provisions of the Act. TYR is not dealing in sales of

any exempt goods. TYR also purchases packing material and certain other goods required for business. The procedure for claiming input tax credit for a month is illustrated below:

PURCHASES (INPUT)			SALES (OUTPUT)	
RATE OF TAX	TURNOVER	VAT PAID	TURNOVER	VAT PAYABLE
4% Goods (Readymade garments & Packing material)	1,00,000	4,000	60,000	2,400
12.5% Goods (Footwear & other goods)	2,00,000	25,000	2,20,000	27,500
TOTAL INPUT TAX		29,000	TOTAL OUTPUT TAX	29,900

$$\begin{aligned}
 \text{VAT payable} &= \text{Output tax} - \text{Input tax} \\
 &= \text{Rs.29,900} - \text{Rs.29,000} \\
 &= \text{Rs.900}
 \end{aligned}$$

NOTE: No adjustments need to be carried since the dealer is dealing only in taxable goods.

9.3 VAT dealers following sub rule 4 of Rule 20: (Resellers of taxable goods and exempt goods)

TVK, a super market, registered for VAT is dealing in taxable goods (Soaps, Cosmetics, Food grains etc) and exempt goods (Sugar, milk, vegetables etc). TVK buys and sells these goods in the same form every month and also purchases packing material and other goods required for his business. For a tax period, TVK can claim input tax credit as under:

PURCHASES (INPUT)			SALES (OUTPUT)	
RATE OF TAX	TURNOVER	VAT PAID	TURNOVER	VAT PAYABLE
4% Goods	1,00,000	4,000	1,20,000	4,800
12.5% Goods	1,00,000	12,500	80,000	10,000
Exempt goods	50,000	NIL	40,000	NIL
4% goods like packing material used as common inputs for both taxable & exempt goods	10,000	400	NIL	NIL
12.5% goods used in business common for both taxable and exempt goods	20,000	2,500	NIL	NIL
TOTAL INPUT TAX		19,400	TOTAL OUTPUT TAX	14,800

$$\begin{aligned}
\text{VAT payable/Credit carried over} &= \text{Output tax} - \text{Input tax} \\
&= \text{Rs.14,800} - \text{Rs.19,400} \\
&= (+) \text{Rs.4,600} \\
&\quad \text{Credit carried over to next month.}
\end{aligned}$$

Since TVK has availed full input tax credit on common inputs in the monthly returns:

- (i) The VAT dealer should make declaration in the Form VAT 200D for each tax period indicating the details of sales of taxable goods and exempt goods and also details of common input tax and input tax paid on taxable goods meant for sale and input tax claimed in the monthly return. No adjustments need to be made for every tax period.
- (ii) The dealer is required to submit a return in Form 200B for March to repay input tax related to exempt element of common inputs after making adjustment of input tax credit for the period of twelve months ending March for each tax rate.

At the end of March, the turnovers relating to last 12 months are as under: (Adjustments to be made in Form VAT 200B)

1. Total taxable turnover for 12 months : Rs.50.00 Lakhs -B
2. Total sales of exempt goods for 12 months : Rs.10.00 Lakhs
3. Total turnover for 12 months : Rs.60.00 Lakhs -C
(Sl.No.1 + Sl.No.2)
4. Common input tax paid & claimed for 12 months on 4% goods : Rs. 4,800 -A for 4%
5. Common input tax paid & claimed for 12 months on 12.5% goods : Rs. 30,000 -A for 12.5%

Sl. No.	Description	4% rate of goods	12.5% rate goods
1.	Apply calculation	A x B/C <u>4800x50 lakhs</u> 60 lakhs	A x B/C <u>30000x50 lakhs</u> 60 lakhs
2.	Eligible input tax credit	4,000	25,000
3.	Input tax credit claimed in returns	4,800	30,000
4.	Balance payable	800	5,000
5.	Adustment	Pay this amount by including 4% output box (box 16) in Form VAT 200 for March	Pay this amount by including 12.5% output box (box 17) in Form VAT 200 for March

9.4 VAT dealer following sub rule 5 of Rule 20:

(Taxable goods & sales of exempt goods lesser values – Manufacturers or Resellers)

AMD, a rice miller, registered for VAT is engaged in converting Paddy into rice and selling the same along with other by-products. AMD is not having any consignment sales or branch transfers. For a tax period, AMD can claim input tax credit as under:

PURCHASES (INPUT)			SALES (OUTPUT)	
RATE OF TAX	TURNOVER	VAT PAID	TURNOVER	VAT PAYABLE
4% Goods (Paddy from other traders & gunnies)	1,00,000	4,000	1,50,000 (Rice, broken rice, bran)	6,000
12.5% Goods (Machinery items)	10,000	1,250	NIL	NIL
Exempt goods (Paddy husk)	NIL	NIL	1,000	NIL
TOTAL INPUT TAX		5,250	TOTAL OUTPUT TAX	6,000

$$\begin{aligned}\text{VAT payable} &= \text{Output tax} - \text{Input tax} \\ &= \text{Rs.6,000} - \text{Rs.5,250} \\ &= \text{Rs.750}\end{aligned}$$

Since the value of taxable goods is more than 95% of the total sale value, AMD can claim full amount of input tax credit. However, if the value of taxable sales is less than 5% of the total sale value, the VAT dealer should not claim input tax credit for that tax period.

Further, AMD is required to make an adjustment of input tax credit for each tax rate in the month of March for the 12 month period ending March on Form VAT 200B.

At the end of March, the turnovers relating to last 12 months are illustrated below: (Adjustments to be made on Form VAT 200B)

1. Total taxable turnover for 12 months : Rs.80.00 lakhs -B
2. Total sales of exempt goods for 12 months : Rs. 50,000
3. Total turnover for 12 months : Rs.80.50 lakhs -C
4. Input tax paid & claimed for 12 months on 4% rate goods : Rs. 48,000 -A for 4%
5. Input tax paid & claimed for 12 months on 12.5% rate goods : Rs. 15,000 -A for 12.5% goods

Sl. No.	Description	4% rate of goods	12.5% rate goods
1.	Apply calculation	A x B/C 48000x80 lakhs 80.50 lakhs	A x B/C 15000x80 lakhs 80.50 lakhs
2.	Eligible input tax credit	47,700	14,907
3.	Input tax credit claimed in returns	48,000	15,000
4.	Balance payable	300	93
5.	Adjustment	Pay this amount by including 4% output box (box 16) in Form VAT 200 for March	Pay this amount by including 12.5% output box (box 17) in Form VAT 200 for March

9.5 VAT dealer following sub rule 6 of Rule 20: (Specific inputs to specific outputs)

USL, a VAT dealer is engaged in manufacturing of various products. The dealer is manufacturing two separate products (product x and product y) wherein the dealer always makes taxable sales of product x and the product y is meant for both taxable sales and stock transfers. The dealer maintains separate records indicating specific inputs required for specific outputs. For a tax period, the method and procedure for arriving eligible input tax credit is illustrated below:

RATE OF TAX	PURCHASES (INPUT)		SALES (OUTPUT)	
	TURNOVER	VAT PAID	TURNOVER	VAT PAYABLE
4% Goods for taxable goods	2,00,000	8,000	1,50,000 (Product 'x')	6,000
4% goods common for taxable sales & exempt transactions	4,00,000	16,000	3,00,000 (Product 'x' & 'y')	12,000
12.5% goods specific to taxable sales	32,000	4,000	NIL	NIL
12.5% goods common for taxable sales and exempt transactions	40,000	5,000	NIL	NIL
Exempt transactions	NIL	NIL	1,50,000 (Product 'y')	NIL
TOTAL INPUT TAX		33,000	TOTAL OUTPUT TAX	18,000

USL is using specific inputs for specific taxable sales and certain common inputs meant for both taxable sales and exempt transactions. Hence, USL is eligible to claim full input tax credit for VAT paid on specific inputs for each tax period and for the VAT paid on common inputs, the eligible input tax credit should be arrived for each tax period by applying calculation A x B/C where;

- A = Common input tax for the tax period for each tax rate
B = Taxable turnover
C = Total turnover
(Including value of exempt transactions)

Sl. No	Description	4% rate	Description	12.5% rate
1	Common input tax paid in the tax period	16,000	Common input tax paid in the tax period	5,000
2	Apply calculation	$\frac{16000 \times 4.50 \text{ lakhs}}{6.00 \text{ lakhs}}$	8.5% portion (tax x 8.5/12.5)	3,400
3	Eligible input tax	12,000	4% portion $\left(\text{tax} \times \frac{4.5}{12.5} \right)$ Eligible input tax in 4% portion out of 12.5% rate paid. Eligible input tax credit for 12.5% rate related to common inputs	1,600 $\frac{1600 \times 4.50 \text{ lakhs}}{6.00 \text{ lakhs}} = \text{Rs. } 1200$ 3400 + 1200 = 4600

Eligible input tax credit for common inputs : Rs.12,000 (4%) + Rs.4600 (12.5%)
: Rs.16,600/-

Eligible input tax credit for Specific inputs : Rs.8,000 (4%) + Rs.4000 (12.5%)
: Rs.12,000/-

Total eligible input tax credit for the tax period : Rs.12,000 + Rs.16,600
: Rs.28,600

VAT payable /Credit carried over : Output tax – Input tax
: Rs.18,000 – Rs.28,600
: (+) 10,600 credit carried over to next period

- NOTE: 1) USL should submit Form VAT 200 A every month, making adjustment of input tax credit to arrive and claim eligible input tax credit for that tax period for each rate.
- 2) Further, USL should also carry out adjustment of input tax credit for each tax rate for a period of 12 months ending March and submit such details in Form VAT 200B.
- 3) Such adjustment shall be made as below:
- any excess claimed in the monthly VAT returns shall be paid back in the return for March by adding it to the appropriate box in the output column for each tax rate.
 - any balance credit eligible in the monthly returns shall be claimed in the return for March by adding it to the appropriate box in the input column for each tax rate.

9.6 VAT dealer following sub rule 7 of Rule 20:

(Manufacturing & selling taxable goods and exempt goods)

KHT, a dairy plant is registered for VAT and engaged in production and sales of both taxable goods and exempt goods. The procedure for claiming input tax credit for a month is shown below:

RATE OF TAX	PURCHASES (INPUT)		SALES (OUTPUT)	
	TURNOVER	VAT PAID	TURNOVER	VAT PAYABLE
4% rate goods common for taxable and exempted goods	2,00,000	8,000	1,00,000	4,000
12.5% rate common for both taxable and exempt goods	60,000	7,500	NIL	NIL
Exempt goods	5,00,000	NIL	7,00,000	NIL
TOTAL INPUT TAX		15,500	TOTAL OUTPUT TAX	4,000

$$\text{VAT payable} = \text{Output tax} - \text{Input tax (eligible)}$$

To arrive eligible input tax credit, the VAT dealer should make calculation A x B/C in Form VAT 200A for the tax period for each tax rate.

A = Input tax paid for each tax rate

B = Taxable turnover

C = Total turnover (Taxable turnover + turnover of sales of exempt goods)

Sl. No.	Description	4% rate of goods	12.5% rate goods	Total eligible
1.	Input tax paid in the tax period	8000	7500	NIL
2.	Apply calculation	$8000 \times \frac{100000}{800000}$	$7500 \times \frac{100000}{800000}$	NIL
3.	Eligible input tax	1000	938	1938

$$\begin{aligned} \text{VAT payable in the tax period} &: \text{Rs.4000} - \text{Rs.1938} \\ &: \text{Rs.2062} \end{aligned}$$

- NOTE: 1) KHT should submit Form VAT 200A every month, making adjustment of input tax credit to arrive and claim eligible input tax credit for that tax period.
- 2) Further, KHT should also carry out adjustment of input tax credit for each tax rate for a period of twelve months ending March and submit such details in Form VAT 200B

- 3) Such adjustment shall be made as below:
- any excess claimed in the monthly VAT returns shall be paid back in the return for March by adding it to the appropriate box in the output column for each tax rate.
 - any balance credit eligible in the monthly returns shall be claimed in the return for March by adding it to the appropriate box in the input column for each tax rate.

9.7 VAT dealer following sub rule 8 of Rule 20:

(Taxable goods & exempt transactions of taxable goods)

SKM, a VAT dealer is engaged in manufacture and sale of Cement. The dealer also despatches the goods on consignment basis to other States. There are no sales of exempt goods. For a tax period, the purchases and sales effected by the dealer are illustrated below indicating method and procedure to claim input tax credit.

PURCHASES (INPUT)			SALES (OUTPUT)	
RATE OF TAX	TURNOVER	VAT PAID	TURNOVER	VAT PAYABLE
4% goods	60.00 lakhs	2,40,000	NIL	NIL
12.5% goods	50.00 lakhs	6,25,000	500.00 lakhs	62,50,000
Exempt transactions	NIL	NIL	50.00 lakhs	NIL
TOTAL INPUT TAX		8,65,000	TOTAL OUTPUT TAX	62,50,000

Since the VAT dealer is using the inputs common for both taxable sales and exempt transactions, SKM should arrive at eligible input tax credit for each tax rate for the tax period to claim in the monthly return. For this purpose, SKM should calculate eligible input tax credit in Form VAT 200A for the tax period by applying $A \times B/C$, where;

- A = Input tax paid for each tax rate.
 B = Taxable turnover
 C = Total turnover (Taxable turnover + value of exempt transactions)

S.No	Description	4% rate	Description	12.5% rate
1	Input tax paid in the tax period	2,40,000	Input tax paid in the tax period	6,25,000
2	Apply calculation	$\frac{240000 \times 500.00 \text{ lakhs}}{550.00 \text{ lakhs}}$	8.5% portion (tax x 8.5/12.5)	4,25,000(*)
3	Eligible input tax	2,18,182	4% portion (tax 4.5%/12.5%) Apply calculation for 4% portion Eligible input tax in 12.5% rate	2,00,000 $\frac{200000 \times 500 \text{ lakhs}}{550 \text{ lakhs}} = \text{Rs.} 1,81,818$ 425000 + 181818 = 6,06,818

(*) Input tax to the extent of 8.5% portion can be fully claimed in the same tax period.

Total eligible input tax credit		
For the tax period	:	2,18,182 + 6,06,818
	:	Rs.8,25,000
VAT payable for the tax period	:	Output tax – Input tax (eligible)
	:	62,50,000 – 8,25,000
	:	54,25,000

- NOTE: 1) SKM should submit Form VAT 200A every month, making adjustment of input tax credit to arrive at and claim eligible Input tax credit for that tax period.
- 2) Further, SKM should also carry out adjustment of input tax credit for each tax rate for a period of 12 months ending March and submit such details in Form VAT 200B.
- 3) Such adjustment shall be made as below:
- any excess claimed in the monthly VAT returns shall be paid back in the return for March by adding it to the appropriate box in the output column for each tax rate.
 - any balance credit eligible in the monthly returns shall be claimed in the return for March by adding it to the appropriate box in the input column for each tax rate.

9.8 VAT dealer following sub rule 9 of Rule 20:

(Taxable sales, sales of exempt goods and exempt transactions of taxable goods)

IAK, a VAT dealer is engaged in manufacture of Cotton yarn and cloth. The dealer effects stock transfer of cotton yarn to other states besides making sales of Cotton yarn and exempt goods i.e., Cloth. The method and procedure to arrive at and claim eligible input tax for a tax period is illustrated below:

RATE OF TAX	PURCHASES (INPUT)		SALES (OUTPUT)	
	TURNOVER	VAT PAID	TURNOVER	VAT PAYABLE
4% Goods	100.00 lakhs	4,00,000	100.00 lakhs	4,00,000
12.5% Goods	8,00,000	1,00,000	NIL	NIL
Exempt goods	NIL	NIL	50.00 lakhs	NIL
Exempt transactions	NIL	NIL	50.00 lakhs (Stock transfers of cotton yarn)	NIL
TOTAL INPUT TAX		5,00,000	TOTAL OUTPUT TAX	4,00,000

IAK is using common inputs for sales of taxable goods, sales of exempt goods and for the values of exempt transactions. The dealer should arrive at eligible input tax credit for each tax rate for the tax period in Form 200A by applying A x B/C calculation, where;

$$\begin{aligned}
 A &= \text{Input tax paid for each tax rate} \\
 B &= \text{Taxable turnover} \\
 C &= \text{Total turnover (Taxable turnover + Sales of exempt} \\
 &\quad \text{Goods + value of exempt transactions)}
 \end{aligned}$$

Sl. No	Description	4% rate	Description	12.5% rate
1	Input tax paid in the tax period	4,00,000	Input tax paid in the tax period	1,00,000
2	Apply calculation	$\frac{400.000 \times 100 \text{ lakhs}}{200 \text{ lakhs}}$	8.5% portion (tax x 8.5/12.5)	68,000
3	Eligible input tax	2,00,000	4% portion (tax 4.5%/12.5%) Eligible input tax in 4% portion out of 12.5% rate paid – arrive by applying calculation Eligible input tax in 12.5% rate goods	32,000 $\frac{32000 \times 100 \text{ lakhs}}{200 \text{ lakhs}} = \text{Rs. } 16,000$ $68000 + 16000 = 84,000$

Total eligible input tax credit for the tax period : 2,00,000 + 84,000
: Rs.2,84,000

VAT payable for the tax period : Output tax – Input tax (eligible)
: 4,00,000 – 2,84,000
: Rs.1,16,000

- NOTE: 1) IAK should submit Form VAT 200A every month, making adjustment of input tax credit to arrive at and claim eligible input tax credit for that tax period for each rate.
- 2) Further, IAK should also carry out adjustment of input tax credit for each tax rate for a period of 12 months ending March and submit such details in Form VAT 200B.
- 3) Such adjustment shall be made as below:
- any excess claimed in the monthly VAT returns shall be paid back in the return for March by adding it to the appropriate box in the output column for each tax rate.
 - any balance credit eligible in the monthly returns shall be claimed in the return for March by adding it to the appropriate box in the input column for each tax rate.

10 GENERAL CONDITIONS RELATING TO INPUT TAX CREDIT

- 1) A dealer registered under the VAT Act at the commencement of the Act shall be entitled to claim sales tax credit subject to specific conditions. This credit provision is covered in the VAT registration manual. This credit is generally referred to as transitional relief or sales tax relief.
- 2) A dealer registering for VAT subsequent to the introduction of the Act shall be entitled to claim VAT credit for goods on hand at the date of registration which were purchased in the previous 3 months subject to specified conditions. This credit provision is covered in the VAT registration manual.
- 3) A VAT dealer must be in possession of an original invoice to claim a VAT credit.
- 4) No input tax credit can be claimed on the goods listed in sub rule 2 of Rule 20(2) except in such cases where the VAT dealer is in the business of dealing in such goods (NEGATIVE LIST GOODS).
- 5) No input tax credit can be claimed in the following cases:
 - a) VAT dealers executing works contracts or hoteliers who opt to pay VAT by way of composition.
 - b) Where a business is transferred as a whole and the conditions of Rule 36 are met.
 - c) Sales of exempted goods except when such goods are sold in the course of export, exported outside the territory of India or sold to a unit located in a SEZ.
- 6) Where goods are transferred outside the state by any VAT dealer otherwise than by way of sale, input tax credit allowed shall be for the amount of tax in excess of 4%.
- 7) Where a VAT dealer executing works contracts, and not opting for composition, pays VAT on the value of goods at the time of incorporation in a works contract, the input tax credit is limited to 90% of the input tax paid.
- 8) Where any dealer executing works contracts and paying tax on the value of the goods incorporated in the contract, fails to keep proper records and accounts, no input tax credit should be allowed.
- 9) Where goods purchased by a VAT dealer are used partly for taxable business and partly for other uses, input tax credit is limited to the input tax related to business use.
- 10) Neither a TOT dealer nor a casual trader is entitled to input tax credit.
- 11) VAT dealer who does sub-contract for a contractor who is executing works for government or local authority shall not be eligible to claim input tax credit on the inputs used in the execution of such sub-contract.

11 CALCULATION OF ELIGIBLE INPUT TAX WHERE TAXABLE SALES AND OR EXEMPT SALES AND OR EXEMPT TRANSACTIONS ARE MADE

11.1 Categories of dealers

- i. Where a VAT dealer's sales are fully taxable, total input tax can be claimed as a credit except for input tax related to the purchase of goods in the negative list.

- ii. Where a VAT dealer buys and sells taxable goods in the same form for resale, total input tax can be claimed as a credit relating to those goods and to common inputs, provided they are not in the negative list. Input tax related to common inputs has to be adjusted in March each year.
- iii. Where the total value of taxable sales is 95% or more of the total value of sales, total input tax can be reclaimed except for input tax for goods in the negative list.
Where the value of taxable of sales is 5% or less of the total value of sales, no input tax credit can be reclaimed.
In both cases above, an adjustment is required in March for the preceding 12-month period
- iv. Where a VAT dealer is able to establish that specific inputs relate to specific outputs, total input tax credit related to taxable sales can be claimed for goods not listed in the negative list. The input tax that can be claimed related to common inputs has to be calculated by apportionment.
- v. Where a VAT dealer is making taxable sales and sales of exempt goods and the inputs are common to both, the input tax that can be claimed related to common inputs has to be calculated by apportionment. Input tax related to goods in the negative list should be excluded from the calculation.
- vi. Where a VAT dealer is making sales of taxable goods and exempt transactions of taxable goods, the VAT dealer can reclaim the 8.5% portion of tax related to sales at 12.5% in full. With regard to goods taxable at 1%, 4% and the 4% tax portion in respect of goods taxable at 12.5%, the input tax claimable has to be calculated by apportionment. No input tax can be claimed related to goods in the negative list.
- vii. Where a VAT dealer is making sales of taxable goods, exempt goods and also exempt transactions of taxable goods the following procedures should be followed:
 - a) In the case of input tax related to goods purchased at the 12.5% rate, the 8.5% element of that tax has to be calculated by the formula, 8.5 divided by 12.5. This element of input tax can be reclaimed in full each month.
 - b) In respect of input tax related to goods taxable at 1%, 4% and for the 4% element related to goods taxable at 12.5%, the input tax which can be reclaimed, at each tax rate, should be calculated by the formula:

$$\frac{\text{(Value of taxable goods)}}{\text{(Value of taxable goods plus value of exempt goods plus value of exempt transactions)}}$$
 This element of input tax can be reclaimed each month
 - c) In the March tax period the VAT dealer has to carry out two adjustments as below:
 - i. For each tax rate the VAT dealer must total the input tax claimed for each month of the year. The value of taxable goods, exempt goods and exempt transactions should be totalled and the formula below applied to the total input tax at each tax rate:

$$\frac{\text{(Value of taxable goods)}}{\text{(Value of taxable goods plus value of exempt goods plus value of exempt transactions)}}$$

Where the total input tax claimed during the year exceeds the total input tax resulting from this calculation, the balance must be paid on the March Form VAT 200.

Where the total input tax claimed during the year is less than the total input tax resulting from this calculation, the balance can be claimed on the March Form VAT 200.

- ii. Where the VAT dealer has claimed input tax in full at 8.5% of the 12.5% tax rate for each month of the year, this input tax must be totalled and the following formula applied:

$$\frac{\text{(Value of taxable goods plus value of exempt transactions)}}{\text{(Value of taxable goods plus value of exempt goods plus value of exempt transactions)}}$$

The result of this calculation is the amount of input tax the VAT dealer is not eligible to claim and has to be paid on the March Form VAT 200.

11.2 Procedure for claiming creditable input tax related to sales of exempt goods.

11.2.1 General provisions

- i. Where a VAT dealer completes box 12 of Form VAT 200, a declaration on Forms VAT 200A or 200D must be filed with Form VAT 200. Where the VAT dealer is claiming creditable input tax based on calculations related to Form VAT 200, the basis of the claim must be declared on Form VAT 200 A. In other cases the VAT dealer only declares the content of box 12 of Form VAT 200 and the basis of the input tax claimed on Form VAT 200D.
- ii. The Form VAT 200 A will provide a declaration of the value of exempt sales of goods and exempt transactions included in box 12 of Form VAT 200.
- iii. The Form VAT 200 A declaration will also include details of the value and VAT paid on the following:
 - a. 4% rate purchases
 - b. 12.5 rate purchases
 - c. 1% rate purchases
- iv. Where the VAT dealer has **common inputs** and has declared exempt sales of goods, the calculation $A \times B$ divided by C should be made to arrive at a % for calculation of claimable input tax. Input tax related to goods in the negative list should be excluded.
- v. In the formula $A \times B$ divided by C (this calculation should be carried out for each rate of VAT):
- vi. A = the input tax charged on purchases, during the period in question, for each tax rate.
- vii. B = total value of taxable sales including zero-rate but not including the value of purchase point goods declared on Form VAT 200
- viii. C = the value of all sales declared on Form VAT 200 except the value of exempt transactions declared on Form VAT 200A and the value of purchase point goods declared on Form VAT 200.
- ix. The calculation above declared on Form VAT 200A should then be the amount of input tax claimable on Form VAT 200 and be entered in boxes 7B, 8B and 9B.

- x. Where Form VAT 200 A has been submitted in any tax period related to the calculation of claimable input tax on common inputs, the dealer must file Form VAT 200 B in March to carry out an adjustment for the preceding 12 months.
- xi. Where Form VAT 200 B has been filed for the March tax period, an adjustment of input tax should be made on the March tax return. The calculation on Form VAT 200 B should be checked against the declarations made on Forms VAT 200 A and 200 D. In the case where excess input tax credit has been claimed, the credit should be repaid. Where input tax has been underpaid for the year, the additional credit due should be claimed.
- xii. Where a VAT dealer has opted for any method of input tax calculation described above he shall be required to use that method until the March tax period.
- xiii. The DC may impose any conditions or a particular method for a VAT dealer to calculate input tax credit where that VAT dealer makes taxable and exempt sales and/ or exempt transactions.

11.2.2 VAT dealer buying and selling taxable goods in the same form:

- a. Form VAT 200 D declaration required.
- b. Full credit of input tax can be claimed related directly to the taxable goods and common inputs except in the case of negative list goods.
- c. Input tax related to common inputs has to be adjusted annually in the March tax period on Form VAT 200B and the input tax related to the exempt sales calculated by use of the formula $A \times B$ divided by C and repaid in the March Form VAT 200.

11.2.3 VAT dealer where the value of taxable sales exceeds 95% value of total sales or where the value of taxable sales is 5% or less of the value of total sales:

- i. Where the value of taxable sales in a tax period exceeds 95% of the value of the total sales, full input tax credit can be claimed except in the case of negative list goods.
- ii. Where the value of taxable sales in a tax period is 5% or less than the value of total sales, no input tax credit can be claimed.
- iii. In both the above cases, an adjustment of claimable input tax must be made in the March tax period on Form VAT 200 B by use of the formula $A \times B$ divided by C .
- iv. In both the above cases, the dealer need not file any additional return along with Form VAT 200 every month. He should only file Form VAT 200 B in the month of March.

12.2.4 A VAT dealer who can relate specific inputs to specific outputs:

- i. Where a VAT dealer can identify input tax paid on purchases related to taxable sales, full input tax credit can be claimed except in the case of negative list goods.
- ii. Where a VAT dealer can identify input tax paid on purchases related to the exempt sale of goods, no input tax credit can be claimed.
- iii. Where there are common inputs the VAT dealer can claim input tax credit by use of the formula $A \times B$ divided by C for each tax period. Form VAT 200A is to be completed and an adjustment made on Form VAT 200B in March for the preceding 12 months.

11.2.5 Where a VAT dealer is making taxable sales and sales of exempt goods with common inputs:

- i. The VAT dealer should apply the formula $A \times B$ divided by C to the input tax, related to each tax rate, to calculate the input tax credit to be claimed. No input tax can be claimed on goods in the negative list.
- ii. Form VAT 200A is to be completed for each tax period and an adjustment made on Form VAT 200B in March for the preceding 12 months.

11.2.6 Where a VAT dealer is making sales of taxable goods and exempt transactions of taxable goods:

- i. The VAT dealer can claim 8.5% of the input tax related to taxable sales at 12.5%. No input tax can be claimed on goods in the negative list.
- ii. With purchases of goods taxable at 1%, 4% and for the 4% tax portion of goods taxable at 12.5%, the VAT dealer should calculate input tax credit on the basis of the formula $A \times B$ divided by C for each tax period.
- iii. Form VAT 200A is to be completed for each tax period and an adjustment made on Form VAT 200B in March for the preceding 12 months.

11.2.7 Where a VAT dealer is making sales of taxable goods, exempt goods and exempt transactions of taxable goods:

- i. The VAT dealer can claim 8.5% of the input tax related to taxable sales at 12.5%. No input tax can be claimed on goods in the negative list.
- ii. With purchases of goods taxable at 1%, 4% and for the 4% tax portion of goods taxable at 12.5%, the VAT dealer should calculate input tax credit on the basis of the formula $A \times B$ divided by C for each tax period. No input tax can be claimed on goods in the negative list.
- iii. Form VAT 200A is to be completed for each tax period. In the March tax period, Form VAT 200B and an adjustment of claimable input tax under the bullet point above, and a separate adjustment related to the first bullet point above.

11.2.8 Where a VAT dealer has opted to pay tax by way of composition or has exempted sub-contract turnover in special circumstances:

- i. Form VAT 200 E declaration required in the tax period along with the monthly return in Form VAT 200
- ii. The total turnover of composition or turnover of exempt sub-contract should be declared in the box 12 of Form VAT 200.
- iii. No credit of input tax can be claimed related directly to composition or exempted sub-contract turnover. If the dealer has other contracts not covered by composition or exemption, then 90% of input tax credit can be claimed related to such works contract.
- iv. Input tax related to common inputs has to be adjusted annually in the March tax period on Form VAT 200 F and the input tax related to the exempt sales calculated by use of the formula $A \times B$ divided by C and repaid in the March Form VAT 200.

11.3 Instructions related to the control of claimable input tax where exempt sales or exempt transactions are made:

Where box 12 has been completed on Form VAT 200, the processing officer should check to identify whether Form VAT 200A or Form VAT 200D or Form VAT 200 E has been submitted.

11.3.1 Processing Form VAT 200D

- i. The declaration should be checked to see that the name and TIN of the VAT dealer are identical to those on Form VAT 200.
- ii. The declaration regarding the value of exempt sales and exempt transactions together with the total should be checked. The total should agree with the declaration on box 12 of Form VAT 200. Any discrepancy should be resolved with the VAT dealer.
- iii. The total input tax credit declared as claimed for the tax period on Form VAT 200D should be checked to boxes 7B, 8B and 9B.

11.3.2 Processing Form VAT 200A

- a. The declaration should be checked to see that the name and TIN of the VAT dealer are identical to those on Form VAT 200.
- b. The declaration regarding the value of exempt sales and exempt transactions together with the total should be checked. The total should agree with the declaration on box 12 of Form VAT 200. Any discrepancy should be resolved with the VAT dealer.
- c. Where the dealer has declared common inputs, the calculation of claimable input tax by the formula $A \times B$ divided by C should be checked against the value of declared exempt sales on Form VAT 200A and the total value of taxable sales declared on Form VAT 200.
- d. Where the VAT dealer is claiming input tax credit and exempt sales and exempt transactions have been declared in the same tax period, the calculation of the 4% and 8.5% portion of the 12.5% rate should be checked. Similarly the $A \times B$ divided by C calculation applied to input tax related to tax rates of 1%, 4% and the 4% of 12.5% should be checked.
- e. When checking the calculation of claimable input tax related to the 8.5% portion of the 12.5% rate, it should be noted that in the $A \times B$ divided by C formula, B is the total value of taxable sales plus exempt transactions. This calculation identifies the claimable input tax related to the 8.5% portion of the 12.5% rate.
- f. Where any inaccuracies are identified they should be resolved with the VAT dealer.

11.3.3 Processing Form VAT 200B

- a. This provides for a declaration of the input tax claimable related to the annual adjustment. If a VAT dealer has made a declaration in box 12 of Form VAT 200, in any of the preceding tax periods for the year in question, and Form VAT 200A indicates that exempt sales of goods have been made a declaration on Form VAT 200B is required. In the case of input tax related to common inputs declared on Form VAT 200D, Form VAT 200B must be completed to adjust the claim for input tax.
- b. The basis of the $A \times B$ divided by C for the 12 months should be checked to ensure the correct % is being applied. The value of A , B , C should be checked from the declarations made for the 12-month period. Any inaccuracies should be resolved with the VAT dealer.
- c. When checking the calculation of claimable input tax related to the 8.5% portion of the

12.5% rate, it should be noted that in the $A \times B$ divided by C formula, B is the total value of taxable sales plus exempt transactions. This calculation identifies the input tax, which has to be repaid related to the 8.5% portion of the 12.5% rate in respect of sale of exempt goods.

- d. Should the result of this calculation be an over-claim of input tax, the amount should be paid on the March Form VAT 200.
- e. Should the result of this calculation be an under-claim of input tax, the amount should be claimed on the March Form VAT 200.

11.3.4 Processing Form VAT 200 E

- a. The declaration should be checked to see that the name and TIN of the VAT dealer are identical to those on Form VAT 200.
- b. The declaration regarding the value of turnover under composition and other exempt turnovers together with the total should be checked. Any discrepancy should be resolved with the VAT dealer.
- c. Where the dealer has declared common inputs, the calculation of claimable input tax by the formula $A \times B$ divided by C should be checked against the value of declared exempt sales / turnover on Form VAT 200 E and the total value of taxable sales declared on Form VAT 200.

Note : Please note that “a” should represent only 90% of the value of common inputs as a works contractor is eligible to claim only 90% of the input tax credit.

11.3.5 Processing Form VAT 200 F

- a. This provides for a declaration of the input tax claimable related to the annual adjustment. If a VAT dealer has made a declaration in box 12 of Form VAT 200 in any of the preceding tax periods for the year in question, and Form VAT 200 E indicates that works contractor or a VAT dealer has opted for composition, a declaration on Form VAT 200 F is required. In the case of input tax related to common inputs declared on Form VAT 200E, Form VAT 200 F must be completed to adjust the claim for input tax.
- b. Should the result of this adjustment be an over-claim of input tax, the amount should be paid on the March Form VAT 200.
- c. Should the result of this calculation be an under-claim of input tax, the amount should be claimed on the March Form VAT 200

11.3.6 Special categories of VAT dealers selling exempt goods and making exempt transactions

- Where a VAT dealer has declared exempt sales in box 12 of Form VAT 200 and has not submitted Form VAT 200 A, an explanation should be sought. If the VAT dealer is a reseller and is only claiming input tax related to taxable goods purchased and sold in the same form, the claim should be accepted. In this case if a Form VAT 200B is filed in March for claiming input tax credit against common inputs action should be taken as in (iii) above.
- Where a VAT dealer can relate specific inputs to specific outputs, the input tax related to taxable sales can be claimed in full and none of the input tax related to exempt sales can be claimed. For common inputs the formula $A \times B$ divide by C has to be applied to arrive at the creditable input tax. In this situation the VAT dealer is required to file Form VAT 200 A for each tax period and the calculations on this form should be checked to ensure its accuracy.

When Form VAT 200B is filed in the March tax period, action should be taken as in (iii) above.

- Where a VAT dealer is making taxable sales and sales of exempt goods with common inputs the VAT dealer is required to file Form VAT 200A in each tax period. The formula $A \times B$ divided by C should be applied to all input tax to arrive at the claimable input tax on Form VAT 200. Calculations should be checked to ensure the accuracy of the claim. When Form VAT 200B is filed in the March tax period, action should be taken as in (iii) above.
- Where a VAT dealer is making sales of taxable goods and exempt transactions of taxable goods he is required to make a declaration on Form VAT 200A for each tax period. In the declaration he can claim input tax to the extent of 8.5% of tax related to goods liable to tax at 12.5%. This calculation should be made by applying the fraction 8.5% divided by 12.5% to arrive at the creditable input tax.
- In respect of purchases of goods taxable at 1%, 4% and for the 4% tax portion of goods taxable at 4%, the VAT dealer should apply the formula $A \times B$ divided by C to the input tax related to each tax rate. These calculations together with the 8.5% claimed above should be checked to ensure accuracy of the input tax claimed. When Form VAT 200B is filed in the March tax period, action should be taken as in (iii) above
- Where a VAT dealer is making sales of taxable goods, exempt goods and exempt transactions of taxable goods, the VAT dealer should make a declaration on Form VAT 200A for each tax period. In the declaration he can claim input tax to the extent of 8.5% of tax related to goods liable to tax at 12.5%. This calculation should be made by applying the fraction 8.5% divided by 12.5% to arrive at the creditable input tax.
- In respect of purchases of goods taxable at 1%, 4% and for the 4% tax portion of goods taxable at 4%, the VAT dealer should apply the formula $A \times B$ divided by C to the input tax related to each tax rate. These calculations together with the 8.5% claimed above should be checked to ensure accuracy of the input tax claimed.
- When in these circumstances, the VAT dealer completes Form VAT 200B in March of each year he has to complete two adjustments. The first adjustment relates to the calculation of deductible inputs related to the 1%, 4% and 4% portion of 12.5%. The normal 12-month adjustment has to be completed.
- For the second adjustment the VAT dealer must carry out a calculation based on the input tax claimed at 8.5%. Since the claim relates to exempt sales of goods and exempt transactions, the input tax related to the exempt sales of goods has to be calculated and refunded by the VAT dealer. The calculation is made by applying the formula:

Taxable value + value of exempt transactions

Total value

to the amount of input tax at 8.5% which has been claimed during the year. The result is the amount of input tax credit the VAT dealer is entitled to claim during the year related to sales at 12.5% rate and the balance which has been claimed in the tax periods has to be repaid on the March return. The calculation should be checked for accuracy related to the Forms VAT 200A filed during the preceding year, along with the adjustments of other $A \times B$ divide by C calculations for the tax periods for the preceding 12 months ended March.

11.3.7 Input Tax Credit calculations incase of Transitional Relief (TR) during 1st year of implementation:

- a) The Transitional Relief authorised on Form VAT 116 shall be claimed in six equal instalments from August 2005 onwards.
- b) The amount of Transitional Relief to be claimed shall be shown in box 8(B) of Tax Returns.
- c) Incase a dealer is making exempt transactions / exempt sales during a tax period, the amount of Transitional Relief shall be restricted by applying AxB/C formula and eligible claim in the month only shall be entered.
- d) This eligible claim of Transitional Relief shall be added to the eligible Input Tax Credit for the purchases @ 12.5%
- e) Please note that no corresponding purchase value should be shown against Transitional Relief claimed in box 8(B).

12 LAW ON ADJUSTMENTS OF VAT TO BE PAID ON FORM VAT 200

12.1 Introduction:

The following adjustments are provided for on Form VAT 200:

- i. Where tax is deducted at source
- ii. Where tax is collected at source
- iii. Where an eligibility certificate is held for an incentive
- iv. Where evidence of entry tax payment is held
- v. In cases where the VAT dealer wishes to offset a VAT credit against tax liability under the CST Act 1956.

12.2 Tax deducted at source

The procedure for tax deduction at source is dealt with at section 35 of this manual.

Where tax is deducted at source, details should be provided on Form VAT 501 A and that form submitted with the Form VAT 200. The amount declared as deducted at source should be entered in box 22 (a) on Form VAT 200.

12.3 Tax collected at source

The procedure for tax deduction at source is dealt with at section 35 of this manual.

Where tax is deducted at source, details should be provided on Form VAT 501 and that form submitted with the Form VAT 200. The amount declared as deducted at source should be entered in box 22(a) on Form VAT 200.

12.4 Incentive cases

12.4.1 [Law on incentive cases VAT Act 2005] – Section 69

- 1) Notwithstanding anything contained in this Act, any industrial unit availing a tax holiday or tax exemption on the date of commencement of this Act shall be treated as unit availing tax deferment.
- 2) The unit availing tax deferment as specified in sub-section (1) shall be eligible to issue tax invoices and to claim input tax credit subject to provisions of Section 13 of this Act.
- 3) The period of eligibility, the method of debiting eligibility amount, the repayment and any other benefits for all units availing tax deferment shall be in the manner prescribed.

12.4.2 Rule on tax incentive cases – Rule 67

- 1) Where any unit is availing a tax holiday on the date of commencement of the Act, it shall be treated as converted as the unit availing tax deferment. The balance period available as on 31-03-2005 to such units shall be doubled. The eligibility amount shall be the balance available to such unit as on 31-03-2005. Balance period means the difference of period between date of completion of eligibility shown in the certificate of eligibility and 1st April 2005.
- 2) The units already availing tax deferment prior to commencement of this Act shall continue to be eligible to avail the balance amount available as on 31-03-2005 and for the period as mentioned in the eligibility certificate.
- 3) The tax payable and to be claimed as deferment for each period shall be the net tax (i.e. output tax less input tax) which shall be debited to the eligibility amount. Wherever the input tax exceeds output tax for a tax period and the deferment unit made any export sales or sales in the course of exports in the same tax period, the unit shall carry forward such excess input tax upto the month of March every year and be eligible to claim refund in the tax return for the month of March every year.

Illustration:

CDL Industries was granted tax holiday for a period of 7 years from 10-10-1999 to 09-10-2006 for an amount of Rs.65,22,000/-As on 31-03-2005, the dealer has availed an amount of Rs.45,10,000/-.

The period originally available as on 01-04-2005 is 18 months & 9 days. As per the above sub-rule the dealer now is eligible to avail tax deferment for the balance amount of Rs.20,12,000/- for a period of 36 months and 18 days i.e. 01-04-2005 to 18-04-2008.

The amount of deferment availed for each month shall be paid at the end of fourteenth year i.e. the amount of tax deferred for the month of April 2005 shall be paid on or before 30th April 2019.

12.4.3 Introduction

- Prior to the introduction of VAT on 1 April 2005, two types of industrial incentive existed in the state. The first category was a tax holiday, which was limited to a monetary amount allocated to the dealer and to a seven-year period. The second category was a tax deferment, again, for a monetary amount limited to a period of 14 years. In this case the dealer had to commence paying the deferred tax from the 15th year onwards.
- From 1 April 2005 all tax holiday cases stand converted to tax deferment and the balance period available to the dealer for availment of incentive doubled. The eligibility amount was the balance outstanding on the agreement.

12.4.4 Treatment of deferment incentive cases under the VAT

- i. All dealers with a tax incentive are required to register for VAT from 1 April 2005, regardless of the level of taxable turnover.
- ii. Such dealers are required to meet all the obligations of a normal VAT registered dealer.
- iii. A Form VAT 200 has to be filed for each tax period.
- iv. The VAT dealer is eligible to issue tax invoices.

- v. The VAT dealer can claim a credit for VAT on purchases for the business under the normal conditions provided under the Act.
- vi. The net tax, output tax less input tax, declared on the Form VAT 502 does not have to be paid but will be payable from 15th year onwards.
- vii. The net tax shown on the Form VAT 502 will be debited from the eligibility amount appropriate to the VAT dealer.

12.4.5 Instructions for processing tax incentive cases

- i. Where the VAT dealer is in possession of an eligibility certificate and is claiming relief on Form VAT 200, Form VAT 502 has to be completed and filed with Form VAT 200. The amount of the incentive on which relief from payment of VAT is being claimed has to be entered on box 22(a) on Form VAT 200.
- ii. Where the VAT 200 has a credit balance, the VAT credit should be carried forward in the normal way.
- iii. Where the Form VAT 200 has a credit balance eligible for refund, the VAT dealer should not declare an incentive and the credit balance should be carried forward for refund at the end of March.
- iv. When processing Form VAT 200 the details of the eligibility amount supplied on Form VAT 502 should be checked against the tax incentive record held on the computer database.
- v. The amount of incentive authorised by the processing officer should be added to the record of incentive claimed to date by the VAT dealer.
- vi. Where Form VAT 200 includes sales of goods both eligible for the incentive and ineligible, the claim in Box 22(a) supported by Form VAT 502 should apply only to the eligible goods on the return. Consequently no tax will be due on the eligible goods but tax will be accounted for on the ineligible.

12.5 Claim for entry tax credit

12.5.1 Law on entry tax credit – Section 22 (5)

Where a VAT dealer paid entry tax on any goods under Andhra Pradesh Entry Tax on Motor Vehicles into Local Areas Act 1996 and Andhra Pradesh Tax on Entry of Goods into Local Areas Act 2001, such amount shall be adjusted against VAT payable provided the credit for input tax is not restricted under the provision of sub-section (4) of Section 13 of this Act.

12.5.2 Rule on entry tax credit - Rule 24 (6)

Where any VAT dealer has paid any entry tax and intends to adjust such amount against VAT payable by him as specified in sub section (5) of Section 22, he shall make a declaration on Form 503 and file along with Form VAT 200 for the Tax period.

12.5.3 Instructions for processing entry tax credits

- i. Where a VAT dealer possesses evidence of payment of entry tax, he should complete Form VAT 503 and enclose the form with Form VAT 200 and enter the amount in box 22(a) of Form VAT 200.

- ii. When processing Form VAT 200 the processing officer should confirm that the claim for credit of entry tax paid is valid.
- iii. The processing officer should confirm that the entry tax claim does not relate to negative list goods listed in Rule 20 (2).
- iv. If acceptable the amount claimed should either be deducted from the tax due to be paid on the Form VAT 200 or added to the tax refund/ credit claimed.
- v. Any discrepancies identified during processing should be dealt with in accordance with the provisions defined in Chapter 25 of this manual.

12.6 Offset of VAT credit against CST liability

12.6.1 Rule on offset of VAT credit against CST liability – Rule 35 Procedure for refunds

- (7) VAT dealers making sale of goods in the course of inter-state trade or commerce falling under Section 3 of the CST Act 1956 may adjust any excess credit available under the Act against any tax payable under the CST Act, 1956 for the same tax period.

12.6.2 Instructions for processing claims for adjustment of VAT credit against CST tax liability

- If the VAT dealer makes an entry in box 24(a) of Form VAT 200, such an entry should be checked against the VAT liability declared under the CST Act for that tax period.
- The adjustment is possible only if the VAT dealer makes an entry in box 14 A of Form VAT 200. If there is no entry in box 14 A, there cannot be any liability under the CST Act for the tax period.

12.6.3 VAT dealer amendments to Form VAT 200

Law on VAT dealer amendments to Form VAT 200

- 20** (1) Every dealer registered under Section 17 of this Act, shall submit such return or returns, along with proof of payment of tax in such manner, within such time, and to such authority as may be prescribed.

Rule on VAT dealer amendments to Form VAT 200

Rule 23 tax returns

- 6) (a) If any VAT dealer having furnished a return on Form VAT 200 finds any omission or incorrect information therein, other than as a result of an inspection or receipt of any other information or evidence by the authority prescribed, he shall submit an application on Form VAT 213 within a period of six months from the end of the relevant tax period.
- (b) On receipt of Form VAT 213 in the case of an under-declaration, a Form VAT 307 shall be issued for the under-declared tax and the interest due on the late payment. In the case of an over-declaration Form VAT 308 shall be issued.

12.6.4 Instructions for processing VAT dealer amendments to Form VAT 200:

- i. A VAT dealer wishing to amend a previous Form VAT 200 declaration should complete Form VAT 213. The following conditions apply:

- a. The declaration on Form VAT 213 must be made within a period of 6 months from the end of the relevant tax period.
- b. The declaration is not acceptable if notification of an audit has been sent to the VAT dealer or an audit commenced.
- c. Where a previous voluntary declaration has been received in the past 12 months, subsequent declarations should be referred for audit.
- ii. On receipt of Form VAT 213 the VAT dealer records should be scrutinised and:
- iii. If the declaration on Form VAT 213 is acceptable the form should be processed and the data captured.
- iv. In the case of an under-declaration Form VAT 307 should be issued for the tax and interest due on the delayed payment. No penalty is due in these circumstances.
- v. In the case of an over-declaration Form VAT 308 should be issued.

13 TOT LAW RELATED TO RETURN PROCESSING

The law related to the above is defined in Chapter 3 of this manual.

14 RULES ON TOT RETURNS AND PAYMENTS

The rules related to the above are defined in Chapter 4 of this manual

15 PROCEDURES FOR FILING TOT RETURNS AND PAYMENT OF TOT

15.1 Introduction

General conditions regarding the filing of TOT returns, Form TOT 007:

- a. Form TOT 007 are due to be filed by the end of the month following the end of the calendar quarter, for example, 30th April, 31st July, 31st October and 31st January.
- b. Where no transactions have taken place during the quarter a nil return must be filed.
- c. Penalties are prescribed for the failure to file TOT returns by the due date and for the failure to pay the tax declared as due on that return by the due date.
- d. Interest is also prescribed to be due for delayed payments.
- e. Where a TOT dealer has more than one place of business, all the business activities related to that TOT dealer must be included on the single Form TOT 007 due.
- f. If there is a change in a TOT rate during a tax period, separate TOT returns have to be filed for each part of the tax period with different tax rates.
- g. The Form TOT 007 must be accompanied by evidence of payment of the TOT where payment is declared to be due.
- h. Where the full amount of tax declared as due is not paid, an assessment should be issued for the underpaid amount together with any penalty that may be due. An interest assessment should be levied after the payment is made to clear the outstanding liability.
- i. There are two systems for filing Form TOT 007 and payment of TOT:
- j. Where a dealer service centre or e-seva centre exists, it provides a facility for TOT dealers

to file their Form TOT 007's and make payment of the tax due. TOT dealers are not obligated to use this facility and may continue to file their returns at the local tax office.

- k. TOT dealers not using this facility are required to file a Form TOT 007, together with evidence of payment, at their local tax office.

15.2 Procedures where TOT returns are filed at the dealer service centre or e-seva centre:

- a) Where the Form TOT 007 and payment are received at the dealer service centre or e-seva centre, the centre should certify the date of receipt on both original and duplicate copies of Form TOT 007. An acknowledgement should be issued through the computer and return the duplicate copy of the Form TOT 007 to the TOT dealer.
- b) The service centre should forward the return and payment instrument to the nominated bank not later than the day following the date of receipt.
- c) The nominated bank should check the payment instrument against the declaration on Form TOT 007 record the amount of the payment made and process the payment instrument for collection of the funds.
- d) The tax office should visit the bank daily from the 20th to the end of the appropriate month and not less than every 3 days for the rest of the month to collect Form TOT 007's.
- e) The processing of Form TOT 007 should be completed in accordance of section 16 set out below.
- f) A sub system should be created whereby the bank notifies the tax office, not less than weekly, of cleared payment documents and the amounts credited to the state bank account and similarly, list un-cleared payment documents for collection by the tax office and subsequent collection action.
- g) The procedures to be followed in the local tax office are set out in 15.3 below.

15.3 Procedures where TOT returns are filed at the local tax office

- Where the Form TOT 007 is filed in the local tax office, payment should be made at authorised banks prior to the filing of the return. The payment details should be entered in box 9 of Form TOT 007.
- On receipt of completed Form TOT 007 (in duplicate) at the local tax office, the receiving officer should take the following action:
 - i. Ensure that the tax period for which the Form TOT 007 is filed is completed correctly.
 - ii. Check that all the boxes on the Form TOT 007 are completed, no boxes left blank and "NIL" inserted where appropriate.
 - iii. Ensure that the tax due box has been completed.
 - iv. Record the date of receipt of the return, the amount of tax paid and the method of payment on both copies of the return.
- The computer acknowledgement and duplicate copy of Form TOT 007 should be returned to the TOT dealer.
- All the data on Form TOT 007 should then be processed and captured on the computer system.

- Any discrepancies identified that cannot be resolved by the processing officer should be cleared by contact with the TOT dealer.
- Any significant discrepancy identified should be resolved by contact with the TOT dealer.

15.4 Action to be taken after processing the Form TOT 007

- a) The ACTO should generate a computer listing of all TOT dealers who have not filed a return by the 25th of each appropriate month, together with Form TOT 008 for each of the TOT dealers listed. Action to enforce filing of the TOT return Form 007 should be taken by the ACTO.
- b) When returns are filed after the due date, the computer should generate Form TOT 011 specifying any interest or penalty due. The interest should be calculated on a daily basis at the rate of 1% per month from the date following the day the Form TOT 007 was due to be filed. Penalties should only be levied from the first day of the following month.
- c) Where Form TOT 007's are received without full payment of the tax declared, the computer should generate Form TOT 012 and follow up action should be taken by the ACTO.

16 INSTRUCTIONS FOR THE PROCESSING OF FORM TOT 007 (TOT RETURN)

16.1 Processing of Form TOT 007 payment returns

- a) Payment Form TOT 007's received at dealer service centres or e-seva centres
 - i. After processing, such payment Form TOT 007 returns should be listed and filed pending receipt of confirmation of payment of funds by the authorised bank.
 - ii. Where payment is confirmed the Form TOT 007 should be dealt with in accordance with the procedures set out in Chapter 15 above.
 - iii. Where payment is not confirmed, the computer should generate Form TOT 012 and the ACTO should take collection action.
- b) Processing of Form TOT 007 received at the local tax office
 - i. These Forms TOT 007's should be accompanied by either:
 1. Cheque
 2. Demand draft
 3. Bank certified challon
 4. Electronic fund transfer (EFT)
 5. Cash payment (in exceptional cases)
 - ii. The TOT dealer account should be debited with the amount of tax declared as due on Form TOT 007. The amount of tax certified as paid from the payment document should be credited to the TOT dealer account. Any balance outstanding should be dealt with as above by the issue of Form TOT 012.
 - iii. Where the TOT dealer account indicates a credit balance outstanding, no further action should be taken but the amount offset against any future TOT liability.
 - iv. The receipt provided to the TOT dealer will be the certification by the officer on the

duplicate copy of Form TOT 007. Where cash payments are received in the tax office, the authorised officer should prepare a receipt in duplicate and issue the original to the TOT dealer.

c) Processing of payment instruments

i. Cheques and demand drafts

1. These instruments should be sent to the bank for clearance not later than the next working day following the date of receipt in the tax office.
2. A computerised challon (in triplicate) should be prepared for each payment document and listed on a cheque register Form 550 prepared in duplicate. The cheque register should show details in each case of:
 - a. Office serial number of transaction
 - b. Type of instrument
 - c. Cheque/ demand draft number and date
 - d. Bank name and branch details
 - e. TOT dealer name
 - f. GRN
 - g. Tax amount paid
 - h. Type of tax (for example, TOT)
3. Each cheque register Form 550 should be allocated a control number. Original and duplicate copies should be forwarded with the challon and payment documents by hand to the bank. The bank should certify the original that the payment documents have been received and returned to the tax office.
4. After clearance of the payment instrument, the bank should retain one copy of the challon, certify the other two copies of the challon and return them to the tax office.
5. The tax office should, on receipt of the certified challon, clear the payment of tax on the cheque register Form 550 and credit the TOT dealer account with the amount of payment received.
6. Notification of un-cleared cheques should be dealt with by the ACTO.
7. The cheque register, Form 550 should be reviewed by the designated ACTO on a weekly basis. The DCTO should record the inspection in the management records.

ii. Bank certified challon

1. On receipt of this payment instrument the amount should be credited to the TOT dealer account and the challon filed in the TOT dealer file.

iii. Electronic fund transfers (EFT)

1. On receipt of a notification of an EFT, the amount notified should be credited to the TOT dealer account.

iv. Cash payments

1. In the case of cash payments, the amount should be credited to the TOT dealer account when the authorised officer issues the receipt. One part of the challan returned by the bank as a receipt should be attached to the receipt book to clear that account and the other part filed in the TOT dealer file.
2. **Cash received in the tax office must be lodged in the sales tax account at the bank not later than the next working day following the date of receipt.**

16.2 Processing of Form TOT 007 nil returns

Such returns should be filed in the TOT dealer file, however, when two consecutive nil returns are received, the ACTO should contact the TOT dealer to ascertain the reasons for the nil returns.

17 COMPLETION OF FORM TOT 007

The TOT return Form TOT 007 consists of ten boxes which provide for a declaration of taxable turnover, declaration of the tax due at 1%, any adjustments of tax that may be due, declarations of payment made and a legal declaration by the dealer. As to the accuracy of the return, explanatory notes are provided on the reverse of the document.

18 LAW ON INTEREST AND PENALTIES RELATED TO RETURN FILING AND PAYMENT OF VAT AND TOT

22 (2) If any dealer fails to pay the tax due on the basis of return submitted by him or fails to pay any tax assessed or penalty levied or any other amount due under this Act, within the time prescribed or specified there fore, he shall pay, in addition to the amount of such tax or penalty or any other amount, interest calculated at the rate of one percent per month for the period of delay from such prescribed or specified date for its payment. The interest in respect of part of a month shall be computed proportionately and for this purpose, a month shall mean a period of 30 days.

50 (1) Any VAT dealer, who fails to file a return where no tax is due, by the end of the month in which it was due, shall be liable to pay a penalty of Rs.2,500/- (Rupees two thousand five hundred only).

(2) Any dealer registered under sub-section (7) of Section 17 who fails to file a return where no tax is due shall be liable to pay a penalty of Rs.500/- (Rupees five hundred only).

(3) Where a dealer files a return, after the last day of the month in which it is due, he shall be liable to pay a penalty of fifteen percent of the tax due:

Provided that before levying penalty under this Section the authority prescribed shall give the dealer a reasonable opportunity of being heard.

51 (1) Where a dealer who files to pay tax due on the basis of the return submitted by him by the last day of the month in which it is due, he shall be liable to pay tax and a penalty of ten percent of the amount of tax due:

Provided that before levying such penalty the authority prescribed shall give the dealer a reasonable opportunity of being heard.

- (2) If the dealer pays the tax, penalty and interest under sub-section (1) and subsequently it is found that the tax is not due, then such tax, penalty and interest shall be refunded to that dealer.

19 PRINCIPLES OF THE IMPOSITION OF INTEREST AND PENALTIES RELATED TO RETURN FILING AND PAYMENT OF VAT AND TOT

- i. The imposition of interest and penalties provide for in the VAT Act 2005 is intended to enforce compliance with the legal requirements in that Act for both VAT and TOT dealers.
- ii. The interest rate and penalties are prescriptive in the Act. There are no upper or lower limits and no discretion is provided for when imposing the interest and penalties due.
- iii. The interest and penalties have been set at such a level, which should reduce non-compliance but are not too high to deter the imposition.
- iv. Interest is intended to compensate the State Government for the delayed receipt of the tax due. It has been set at a level that should ensure the CTD is not used as a commercial banking facility.
- v. The circumstances in which a penalty should be imposed is prescriptive in the law and is intended to mark the offence and encourage compliance.

20 PROCEDURES FOR THE IMPOSITION OF INTEREST

Interest must be levied in the following circumstances:

- Belated application for VAT or TOT registration (defined in the registration manual)
- Failure to file a return where tax is due
- Failure to pay the tax declared to be due on Forms VAT 200 or TOT 007
- Failure to pay a unilateral assessment by the due date as defined on that assessment. Where the dealer files a return in response to the unilateral assessment, interest must be assessed from the date the return is due to be filed.
- Voluntary declaration by VAT dealer on Form VAT 213.
- Where an instalment agreement is approved, interest must be calculated to provide an assessment related to the conditions of the agreement.
- Belated payment of tax assessed
- Belated payment of audit assessments (defined in the audit manual)

20.1 Conditions for levying interest:

- Interest should be levied on a daily basis currently at the rate of 1% based on the assumption that a month equates to 30 days.
- Failure to file a return where tax is due by the 20th of the subsequent month. Interest should

be levied from the 21st of that month on the net tax declared due on the return to the date of filing the return.

- Failure to pay the tax declared to be due on Forms VAT 200. Interest should be levied on the amount underpaid on the return from the 20th of the subsequent month when the payment was due to the date of receipt of the payment.
- Failure to pay the tax declared to be due on Form TOT 007. Interest should be levied on the amount underpaid on the return from the 1st of the month subsequent to the month in which the return is due.
- Delayed payment of unilateral assessment. If the assessment is paid after the defined date, interest is levied on the full amount from the date defined to the date of receipt.
- Instalment orders. Interest has to be calculated related to the delay incurred on the date of each payment defined in the order and added to the total amount due under the order.
- Where payment of a penalty is delayed, interest should be levied from the date specified for the payment of the penalty in the order to the date of receipt of the payment.

21 PROCEDURES FOR THE IMPOSITION OF PENALTIES

Penalties must be imposed in the following circumstances:

- Failure to apply for VAT registration (covered in the registration manual)
- Failure to apply for TOT registration (covered in the registration manual)
- Failure to notify any change in registration circumstances (covered in the registration manual)
- Failure to file a Form VAT 200 where no tax is due by the end of the month in which it was due.
- Failure to file Form TOT 007 by the due date.
- Failure to pay the tax due on the basis of the return, VAT or TOT, submitted by him by the last day of the month on which it is due.
- Where a unilateral assessment is made for the failure to file a return (covered in section 24 of this manual)
- Where a unilateral assessment is withdrawn on the filing of the return due.
- Where a dealer has under-declared tax (covered in the audit manual)
- Failure to use or misuse of a TIN or GRN
- Collection of tax by an un-registered person
- Excess collection of tax
- A VAT dealer who fails to issue a tax invoice
- Issue of a false tax invoice by a VAT dealer
- Failure to maintain prescribed records (covered in audit manual)
- Charging tax in respect of a sale or purchase of any goods not liable to tax or charging tax at an incorrect rate (covered in audit manual)

21.1 Penalties to be imposed:

- Failure to file a Form VAT 200 by the end of the month the return was due. A penalty of 15% of the tax declared as due should be imposed.
- Failure to file a Form VAT 200 where no tax is due by the end of the month in which it was due. A penalty of Rs.2500 should be imposed.
- Failure to file a Form TOT 007 by the end of the month the return was due. A penalty of 15% of the tax declared as due should be imposed.
- Failure to file a Form TOT 007 where no tax is due by the end of the month in which it was due. A penalty of Rs.500 should be imposed.
- Failure to pay the tax due on the basis of the return, VAT or TOT, submitted by him by the last day of the month on which it is due. A penalty of 10% of the tax declared as due should be imposed.
- Where a unilateral assessment is withdrawn on the filing of the return due. Where the return is filed after the last day of the month in which the return was due to be filed a penalty of 15% of the tax declared as due should be imposed.
- Misuse of a TIN or GRN. A penalty of Rs. 1000 should be imposed for each offence.
- Collection of tax by an un-registered person. The tax collected should be forfeited and a penalty equal to the amount of the tax collected should be imposed.
- A VAT dealer who fails to issue a tax invoice. A penalty of Rs. 5000 or 100% of the tax due, whichever is lower, should be imposed for each offence.
- Issue of a false tax invoice by a VAT dealer. A penalty of 200% of the tax shown on the false invoice shall be imposed.
- Under-declaration of tax – Penalty of 10 percent of the under-declared tax if the under-declared tax is less than the ten percent of the tax due and such under declaration is not wilful
- Under-declaration of tax – Penalty of 25 percent of the under-declared tax if the under-declared tax is more than the ten percent of the tax due and such under declaration is not wilful
- Under-declaration of tax – Penalty of 100 percent of the under-declared tax and if such under-declaration is wilful

22 LAW ON – ENFORCEMENT OF VAT RETURN – UNILATERAL ASSESSMENT

- 21 (1) Where a VAT dealer or TOT dealer fails to file a return in respect of any tax period within the prescribed time, the authority prescribed shall assess the dealer for the said period for such default in the manner prescribed.
- (2) If a VAT dealer or TOT dealer submits a return along with evidence for full payment of tax, subsequent to the prescribed time the assessment made under sub-section (1) shall be withdrawn without prejudice to any interest or penalty leviable.

23 RULE ON ENFORCEMENT OF VAT RETURN – UNILATERAL ASSESSMENT

23.1 Rule 25. VAT assessment

- 1) Where a VAT dealer fails to file a VAT return as prescribed under Section 20 of the Act, the authority prescribed shall assess unilaterally the tax payable. He shall serve upon the VAT dealer a notice of the tax assessed and the penalty due on form VAT 204. The VAT dealer shall pay the sum within the time and the manner specified on the form or files the return outstanding. If the return is filed the unilateral assessment shall be withdrawn, without prejudice to the penalty under Section - 50 (3) of the Act and interest due for late payment.
- 2) (a) A VAT unilateral assessment shall be calculated by totalling the tax declared on the tax returns or paid by way of assessment over the previous twelve months. This amount shall be divided by twelve to provide an average liability for the previous twelve months. The average shall be compared with the tax due declared on the last return filed and the higher figure used for calculating the assessment. A penalty of 50% of that sum shall be levied.
 - (b) In the case of a VAT dealer who has not been registered for a period of twelve months, the amount declared in box 16(b) of Form VAT 100 shall be divided by twelve to provide the basis for the calculation of the average taxable turnover. The standard rate of tax shall be applied to this figure to calculate the tax liability. A penalty of 50% of that sum shall be levied. In the case of a deemed registration under sub-rule (4) of Rule 4, the total turnover declared on Form VAT 100 shall be divided by twelve to provide the basis for the calculation of taxable turnover.
 - (c) Where a credit return is filed in the previous twelve months with the claim of credit carried forward in any tax period, the credit carried forward shall not be included in the calculation. Where a refund return is filed in the previous twelve months with the claim of refund in any tax period, the refund amount shall be deducted from the total tax declared on the returns for calculation of taxable turnover.
 - (d) Where in the previous twelve months, all the returns are credit or refund returns, or a credit balance is calculated no unilateral assessment shall be made.

24 PROCEDURES FOR VAT ENFORCEMENT

24.1 Introduction

- i. There are two components in VAT enforcement:
 1. Enforcement of return filing
 2. Collection of declared but unpaid VAT
- ii. Enforcement of return filing relies on the use of a unilateral assessment; the objective of a unilateral assessment is to force the VAT dealer to file the return legally due.
 1. If the VAT dealer responds by filing the return, unilateral assessment should be withdrawn.
 2. While unilateral assessment is withdrawn, the penalty proceedings shall be initiated under Section 50 (3) for failure to file return and pay taxes by the end of the month.

The penalty leviable is 15 % of the tax due and the procedure is to issue first a show cause in Form VAT 203 A and later confirm the penalty on Form VAT 203.

3. If the unilateral assessment is paid, no further action should be taken. However, the dealer file should be sent for consideration of audit action.
- iii. Collection of unpaid VAT arises from:
 1. Non-payment of VAT declared on a VAT return –either short payment or no payment
 2. Non-payment of unilateral assessment
 3. Non-payment of other assessments, for example audit.
 4. Non-payment of any other notification of VAT penalty or interest due but not paid.
- iv. The powers available for collection within the Law include:
 1. Collection from banks by the issue of garnishee order
 2. Collection from third parties
 3. Distraint upon movable goods including the use of temporary official possession.
 4. Sale of such goods at auction to recover unpaid VAT, penalties or interest
 5. Attachment of immovable properties
 6. Legal action (civil recovery)
- v. VAT penalties and interest due under the VAT Act 2005 are defined in Law as a preferential claim, for example a first claim on a property of a VAT dealer.
- vi. The monitoring of VAT debt levels should take place in all circles and divisions. A debt management unit (DMU) in all divisional offices will be responsible for the recovery of significant VAT debts. CTD headquarters should monitor, at monthly intervals, debt levels in every division.

24.2 Legal obligation of the VAT dealer:

- To file a VAT return, Form VAT 200, by the 20th day of the following month.
- To pay tax due, if any, by the 20th day of the following month.
- To pay tax due on the due date specified on any assessment.
- To pay penalties or interest demanded by the due date specified.

24.3 Action to enforce return filing:

- Generate non-filers list by the 25th of the month the return was due.
- Prepare Form VAT 201 in duplicate.
- Issue original Form VAT 201 to the VAT dealer and file the duplicate in the VAT dealers file.
- If the VAT dealer files the return, record receipt in the VAT register record and issue Form VAT 205 to demand payment of interest due. If the interest demand is paid, action complete. If unpaid, follow the tax collection procedures.

- If the VAT dealer fails to file the return by the end of the month, a unilateral assessment Form VAT 204 should be prepared.
- The original of Form VAT 204 should be issued to the VAT dealer by the first of the next month and the duplicate filed in the VAT dealers file.
- If the VAT dealer files the required return, record receipt in the VAT register record and issue Form VAT 205 to demand payment of interest due.
- Issue show cause notice in Form VAT 203 A proposing to levy penalty for failure to file return and pay taxes in time. Confirm penalty on Form VAT 203 on receipt of response.
- If the penalty and interest demand is paid, action is complete. If unpaid, follow the tax collection procedures.
- If the VAT dealer fails to file Form VAT 200 and fails to pay the unilateral assessment demanded on Form VAT 204, the file should be passed for collection action in accordance with collection of unpaid tax procedures set out below.

24.4 Actions to collect unpaid VAT, penalties and interest

1. Unpaid VAT, penalties and interest can result from the following:
 - i. Failure to pay the full amount of VAT due on the VAT return
 - ii. Failure to pay a unilateral assessment demanded on Form VAT 204
 - iii. Failure to pay an assessed amount on Form VAT 305
 - iv. Failure to pay interest and/ or penalty demanded on Form VAT 205 / Form VAT 203
2. Where VAT is unpaid on Form VAT 200 declaration, a demand notice in Form VAT 202 should be issued for the short payment by the first of the following month by enforcement section/ DMU.
3. In addition to Form VAT 202, a show notice in Form VAT 203 A for penalty should be prepared and issued to the VAT dealer.
4. Once the response is received for penalty show cause notice, confirm the penalty on Form VAT 203.
5. If the VAT due is paid within the time specified in the demand notice, the action is complete in respect of tax. Interest notice in Form VAT 205 should be prepared for the period of delay and issued to the VAT dealer. If the penalty is paid within the time specified in Form VAT 203, the action is complete in respect of penalty.
6. Where any VAT / penalty / interest remains unpaid by the 25th of the following month, Form VAT 206 should be issued to banks/ third parties to demand payment of the outstanding amounts. The original Form VAT 206 should be issued to the bank/ third parties and the duplicate filed in the VAT dealer file. The CTO should decide which bank accounts should receive demands.
7. Outstanding debts exceeding Rs.25,000/- should be handed over to the DMU at the divisional office for action as follows. Debts below this level are to be processed as follows within the circle office.

8. If the arrears are paid, consideration should be given as to whether further interest should be charged. If further interest is due, Form VAT 205 should be issued. On payment the case should be closed.
9. If the arrears are not paid in response to Form VAT 206, the dealer should be visited after a further 10 days and the officer should;
10. Identify debtors from the VAT dealer's books of account.
11. Record details of stock on hand for attachment.
12. Record any other details, which would assist the CTD in collection of the arrears, for example details of ownership of a moveable property.
13. If debtors are identified who have not received a demand on Form VAT 206, Form VAT 206 should be issued for collection of the arrears.
14. If no debtors are identified the VAT dealer should be visited after the 21st of the month and issued with Form VAT 209 listing goods which should be taken into official custody pending settlement of the debt within 10 days.
15. If no debtors are identified and the arrears remain unpaid after ten days of the issue of Form VAT 206, the enforcement section/ DMU should initiate action for recovery by attaching immovable properties as laid down in the AP Recovery Act 1864.

24.5 Timescale for action to enforce VAT return filing and payment of VAT/ penalties / interest

S.No	Due date	Event/ action required
1	20 th of the month	Return and tax payment due
2	25 th of the month	Issue notification Form VAT 201
3	1 st of the following month	Issue Form VAT 204 (unilateral assessment)
4	1 st of the following month	Issue Form VAT 202 demand for payment – short payment cases
5	1 st of the following month	Issue show cause notice for Penalty on Form VAT 203 A – short payment cases
6	11 th of the following month	Issue notification Form VAT 203 for demand of penalty – short payment cases
7	15 th of the following month	Issue notice of interest in Form VAT 205 for delay after payment of tax demanded in Form VAT 202
8	25 th of the following month	Issue Form VAT 206 to concerned bank/ third parties/ taxable persons
9	3 rd of the succeeding month	DMU should visit the VAT dealer. Issue Form VAT 209 listing goods to be taken into custody
10	10 th of the succeeding month	DMU should remove goods for sale at auction
11	10 th of the succeeding month	DMU should commence attachment action on immovable properties

- Note:**
1. In cases where enforcement section is attempting the collection of unpaid amounts and the amount outstanding exceeds Rs. 25,000, where collection action has not been successful in response to Forms VAT 206, cases should be referred to the DMU located at divisional office.
 2. Any request from the VAT dealer, at any stage of the recovery procedure, for time to pay or instalment facilities should be referred to the DC with a recommendation for acceptance or otherwise.
 3. Action under this procedure should be completed within two months from the date on which the debt was identified.

25 INSTRUCTIONS FOR VAT ENFORCEMENT

25.1 Enforcement of VAT return filing

1. Enforcement section should receive a computer listing of non-filers together with Forms VAT 201 prepared in duplicate on the 25th of the month.
2. An enforcement section record (ESR) should be created from the listing.
3. Original Forms VAT 201 should be issued on receipt and the date of issue recorded in the ESR. Duplicate Form VAT 201 should be filed in the VAT dealer file.
4. If the return is received after the due date, in response to Form VAT 201, any interest due should be calculated and Form VAT 205 prepared. The original should be issued to the VAT dealer. The duplicate should be passed, with the return and the VAT dealer file, to return processing section for processing of the Form VAT 200 and to update the VAT dealer account with both Forms VAT 200 and 205 details. The duplicate Form VAT 205 should be filed in the VAT dealer file. Record in ESR.
5. If the return is received after the due date, but before the end of the month, there is no penalty leviable. The interest for delayed period is payable by the dealer.
6. If the interest demanded on Form VAT 205 is paid, the case should be closed, if no payment is received by the due date the case should be passed for recovery action. Record in ESR.
7. If the return is not received by the end of the month, a unilateral assessment on Form VAT 204 should be prepared in duplicate. Instructions regarding the calculation of the unilateral assessment are provided in section 3 of this chapter. The original of Form VAT 204 should be issued to the VAT dealer, the VAT dealer account updated and the duplicate copy of Form VAT 204 filed in the dealer file. Record in ESR.
8. If the return is received, Form VAT 205 should be prepared in duplicate for the interest - due. The original should be issued to the VAT dealer, the VAT dealer account updated and the duplicate filed in the VAT dealer file. Record in ESR.
9. In addition to the interest on Form VAT 205, a show cause notice on Form VAT 203 A proposing to levy penalty should be prepared in duplicate and the original should be issued to the VAT dealer.
10. If the interest/ demanded on Form VAT 205 is paid, the case should be closed. If no

payment is received by the due date the case should be passed for recovery action. Record in ESR.

11. If response is received / or not received within the time specified, the notification for penalty demand shall be prepared on Form VAT 203, and the original should be issued to the VAT dealer.
12. If the penalty demanded on Form VAT 203 is paid, the case should be closed. If no payment is received by the due date the case should be passed for recovery action. Record in ESR.
13. If the unilateral assessment issued on Form VAT 204 is paid, it should be recorded in the ESR, the VAT dealer account updated and the VAT dealer file sent to audit section for consideration of an early visit. Record in ESR.
14. If no return is received and the amount assessed on Form VAT 204 is not paid within ten days after issue, the case should be passed for collection action under paragraph 25.2 of this section. Record in ESR.

25.2 Collection of unpaid VAT/ interest/ penalty

- i. Advices of outstanding unpaid VAT/ interest/ penalty will be received in enforcement from:
 1. Non-payment of VAT due on a return
 2. Non-payment of a unilateral assessment on Form VAT 204 when a return has not been filed
 3. Non-payment of assessments made on Form VAT 305
 4. Non-payment of interest/ penalties notified on Form VAT 205 and Form VAT 203 respectively but not paid.
 5. Any other notifications of VAT/ interest/ penalties not paid.
- ii. A separate computerised record should be set up to monitor the collection of unpaid amounts – enforcement section collection record (ESCR).
- iii. **Outstanding debts exceeding Rs. 25,000/- should be handed over to the DMU at the divisional office for action as follows. Debts below this level are to be processed as follows within the circle office. The DMU should set up an ESCR record.**
- iv. In case of non-payment of VAT declared on Form VAT 200, a demand for payment on Form VAT 202 should be issued on receipt of notification from return processing section. Form VAT 202 should be prepared in duplicate, the original issued to the VAT dealer and the duplicate filed in the VAT dealer file. Record in ESCR.
- v. Along with the Form VAT 200, a notice in Form VAT 203 A proposing to levy penalty should be prepared and issued to the VAT dealer. Record in ESCR.
- vi. If the payment in response to Form VAT 202 is received within fifteen days of date of issue, any interest due should be calculated and Form VAT 205 prepared in duplicate. The original Form VAT 205 should be issued to the VAT dealer, the VAT dealer account updated and the duplicate filed in the VAT dealer file. Record in ESCR.

- vii. If the response to Form VAT 203 A is received within 10 days of issue or no response is, the notification for penalty in Form VAT 203 should be prepared and issued to the VAT dealer.
- viii. If the payment of the interest/ demanded on Form VAT 205 is received, the receipt should be recorded on the VAT dealer account and the case closed. If the payment is not received, recovery action should continue. Record in ESCR.
- ix. Where VAT dealers fail to respond to outstanding amounts due on Forms VAT 204, 305 or any other notifications of amounts due, the VAT dealer should be contacted and warned that recovery action is due to be taken. Record in ESCR.
- x. If the payment is not received within fifteen days of the date of issue of Form VAT 202 or the date of contact with the VAT dealer, Form VAT 206 should be prepared in duplicate. The original of the form should be issued to banks/ third parties including state or Government departments requesting payment of the VAT, and any other amounts, due to the CTD. The duplicate should be filed in the VAT dealer file. Record in ESCR.
- xi. If the payment is received, the VAT dealer account should be updated and no further action should be taken. Record in ESCR.
- xii. When payment of tax/ interest/ penalty has not been made and the VAT dealer makes application to pay the arrears by instalment at any time during the recovery process, the application should be dealt with using the procedures regarding payment by instalments as defined in section 24. Such an arrangement can only be approved by the DC. Record in ESCR.
- xiii. If the payment is not received within seven days of the issue of Form VAT 206 and an application to make payment by instalments has not been received, cases being dealt with by enforcement section where the amount outstanding exceeds Rs. 5,000 should be passed to the DMU. Record in ESCR.
- xiv. The DMU should visit the VAT dealer, identify any third party debtors and note the details for Form VAT 206 to be issued and, at the same time, prepare Form VAT 209 in duplicate listing the goods that CTD intend to take into official custody. The goods to be taken into custody should be easily saleable and of sufficient value to meet the VAT/ interest/ penalty outstanding and all the costs related to a forced sale. The original Form VAT 209 should be issue to the VAT dealer notifying him that the goods listed are in the custody of the CTD until the outstanding dues are paid. The VAT dealer's attention should be drawn to the warning on Form VAT 209 that removal or sale of the goods will constitute an offence. The VAT dealer should be further notified that unless he pays the outstanding amounts within ten days of the issue of Form VAT 209, the goods listed would be removed and sold to settle the debt. The VAT dealer should be required to sign duplicate copy of Form VAT 209 to indicate he understands and accepts the conditions imposed. Record in ESCR.
- xv. If no movable goods are available the DMU should identify any immovable goods that could be suitable for attachment by the CTD for subsequent sale to recover the due debt under the VAT Act 2005 under the provisions of the AP Revenue Recovery Act 1864.

- xvi. If payment is received, the VAT dealer account should be updated, and the VAT dealer should be notified that the goods taken into custody by the CTD are now released and no further action is required. Record in ESCR.
- xvii. If payment is not received, the goods taken into custody should be removed and sold at public auction. The amount received for the goods should be allocated to clear VAT/ interest and penalty outstanding and any excess amount returned to the VAT dealer. Record in ESCR.
- xviii. If there are no movable goods for seizure or the tax debt cannot be cleared by the proposed sale of available seized moveable goods, action should commence for the attachment of immovable property under the provisions of the AP Recovery Act 1864. Record in ESCR.
- xix. Section 27 of the VAT Act 2005 provides for the provisional attachment of property in cases where a significant demand for VAT is likely to be raised as a result of an audit, assessment or investigation. DMU should initiate this action when so directed by the Commissioner.
- xx. In cases where the DMU, after following all the listed procedures, is unable to recover the amounts outstanding, a report should be made to the DC setting out the amounts outstanding recorded under VAT, interest and penalty. Record in ESCR.
- xxi. Monthly reports should be made by each division of amounts of VAT, Interest and penalties outstanding together with cumulative totals since the commencement of VAT. Such reports must be forwarded to CTD headquarters not later than the 10th day of the month following the end of the month when the returns were due.

25.3 Calculation of unilateral assessment

25.3.1 VAT dealers who have not been registered for a twelve-month period and have not completed Form VAT 100:

- a) The total turnover declared on Form VAT 150A or Form VAT 151 A should be taken as the base for calculating the assessment. The amount declared should be divided by twelve to provide a monthly gross turnover figure. The standard rate of VAT (12.5%) should be applied to this figure to give an expected monthly VAT liability.
- b) The figure calculated under a) should be compared to the highest net tax due declared by the dealer in any period in the previous twelve months. The larger of these two figures should then be used to calculate the unilateral assessment.
- c) The figure calculated under b) should be used as the basis for the addition of a 50% penalty which then comprises the unilateral assessment.

25.3.2 VAT dealers who have not been registered for a twelve-month period but have completed Form VAT 100:

- a) The anticipated taxable turnover declared in box 16b of Form VAT 100 for the next twelve months should be taken as the base for calculating the assessment. The amount declared should be divided by twelve to provide a monthly taxable turnover figure. The standard rate of VAT (12.5%) should be applied to this figure to give an expected monthly VAT liability.

- b) The figure calculated under a) should be compared to the highest net tax due declared by the dealer in any period in the previous twelve months. The larger of these two figures should then be used to calculate the unilateral assessment.
- c) The figure calculated under b) should be used as the basis for the addition of a 50% penalty which then comprises the unilateral assessment.

25.3.3 VAT dealers who have been registered for at least twelve months

- a) In these cases the total net tax declared on all returns and paid by way of assessment in the previous twelve months should be divided by twelve to obtain an average monthly net tax due. This figure should be checked against the net tax declared in the last tax period in which a return has been filed or an assessment paid and the higher figure of the two shall be taken as the net tax liability.
- b) The figure calculated under a) should be used as the basis for the addition of a 50% penalty which then comprises the unilateral assessment.
 - In cases where there is an excess credit declared on a tax return in the previous twelve months, this figure should be ignored.
 - Where a refund return has been filed in the previous twelve months, the amount claimed, as a refund should be deducted from the total tax due arrived at for calculating the unilateral assessment.

26 PAYMENT OF ARREARS OF TAX, INTEREST AND PENALTY BY WAY OF INSTALMENTS

26.1 Law on payment by instalments

- 22 (6) (a) The Deputy Commissioner, on an application made by a VAT dealer or any other dealer, permit the payment of any tax, penalty or other amount due under this Act in such instalments within such intervals and subject to such conditions, as he may specify in the said order, having regard to the circumstances of the each case;
- (b) Where such payment in instalments is permitted, the dealer shall pay in addition to such tax, penalty, instalment or other amount, interest at the rate of one percent per month for the amount for the period from the date specified for its payment on the instalments so permitted.

26.2 Rule on payment by instalments

- 24 (5) Where any dealer has been permitted to pay tax or any other amount by way of instalments, the following conditions shall apply:
- a) The dealer shall not default payment of any other taxes or any other amount due under the Act subsequent to the granting of instalments.
 - b) In the event of any default, the order granting instalments shall become infructuous unless it is specifically restored by the Deputy Commissioner.
 - c) Any other conditions as may be specified in the order.

26.3 General instructions

- i. Where a VAT or TOT dealer has failed to make the payments of tax, interest and penalties due, he may apply to clear such arrears by way of payment by instalment.
- ii. In such cases an application should be required on Form VAT 207 which provides for the circumstances surrounding the application to be declared.
- iii. Such an application should be vetted by the CTO/ AC LTO, the particulars confirmed and a recommendation regarding acceptance provided on the form.
- iv. The Form VAT 207 should be submitted to the DC who should consider the circumstances when deciding whether to authorise the application.
- v. Where the application is to be approved, Form VAT 208 should be prepared and the following conditions imposed:
 - a. The number of instalments should not exceed twelve
 - b. The agreement is conditional on all current liabilities being met by the due date and timely submission of VAT/TOT returns
 - c. The penalty and interest due in the arrears must be included in the instalment agreement
 - d. The agreement will be cancelled should any instalment or current tax liability not be paid by the due date.
- vi. Where the DC approves the agreement, Form VAT 208 should be prepared in triplicate. The original and duplicate forwarded to the VAT dealer, the triplicate filed in the VAT file. The VAT dealer should be required to sign and return the duplicate copy to signify acceptance of the conditions of the agreement.
- vii. On receipt of the acceptance, the circle office/ LTU should set up an instalment control record (ICR) and arrange for this record to be monitored on a monthly basis.
- viii. If the conditions of the agreement are breached the arrangement should be immediately cancelled and the debt returned for enforcement action. Unless the agreement is restored by the DC.
- ix. Where the DC refuses the application, the VAT/TOT dealer should be notified on Form VAT 210 and this rejection can be subject to appeal.

27 LAW ON TOT ENFORCEMENT

21. (1) Where a VAT dealer or TOT dealer fails to file a return in respect of any tax period within the prescribed time, the authority prescribed shall assess the dealer for the said period for such default in the manner prescribed.
- (2) If a VAT dealer or TOT dealer submits a return along with evidence for full payment of tax, subsequent to the prescribed time the assessment made under sub-section (1) shall be withdrawn without prejudice to any interest or penalty leviable.

28 RULE ON TOT ENFORCEMENT

28.1 Rule 25

- 3) Where a TOT dealer fails to file a return as prescribed under Section 20 of the Act, the authority prescribed shall assess the tax payable unilaterally. He shall serve upon the TOT dealer a notice of the tax assessed and a notice of the penalty due on form TOT 010. The TOT dealer shall pay the sum within the time and manner specified on the form or file the return outstanding. If the return is filed the unilateral assessment shall be withdrawn without prejudice to the penalty under Section 54 (3) and interest due for late payment.
- 4) (a) A TOT unilateral assessment shall be calculated by totalling the tax declared on TOT returns or demanded and / or paid by way of assessment for the previous twelve months. This sum shall be divided by four to provide an average quarterly TOT liability. A penalty of 50% of that sum shall be levied.
 - (b) In the case of a TOT dealer who has not been registered for a period of twelve months the amount declared in box 14 of Form TOT 001 shall be divided by four to provide the average taxable turnover. The turnover tax rate shall be applied to this figure to calculate the TOT liability. A penalty of 50% of that sum shall be levied.
 - (c) In the case of a TOT dealer registered under the provisions of sub-section 8 of Section 17 of the Act, the gross turnover declared for the year ending 31 of March 2005 under the APGST Act 1957 shall be divided by four to provide the average taxable turnover for the purposes of this rule.

29 PROCEDURES FOR TOT ENFORCEMENT

29.1 Introduction

1. There are two components in TOT enforcement:
 - i. Enforcement of return filing
 - ii. Collection of declared but unpaid TOT
2. Enforcement of return filing relies on the use of a unilateral assessment; the objective of a unilateral assessment is to force the TOT dealer to file the return legally due.
 - i. If the TOT dealer responds by filing the return, the unilateral assessment should be withdrawn.
 - ii. If the unilateral assessment is paid, no further action should be taken.
3. Collection of unpaid TOT arises from:
 - i. Non-payment of TOT declared on Form TOT 007
 - ii. Non-payment of unilateral assessment on Form TOT 010
 - iii. Non-payment of assessments on Form TOT 025, for example audit.
 - iv. Non-payment of any other notification of TOT penalty or interest due but not paid.
4. In cases where arrears of TOT/interest/ penalty exceed Rs. 5000 in the previous twelve consecutive months, the case should be forwarded to enforcement section for recovery action.

29.2 Legal obligation of the TOT dealer:

1. To file a TOT return, Form TOT 007, within 30 days after the end of the calendar quarter.
2. To pay tax due, if any, within 30 days after the end of the calendar quarter.
3. To pay tax due on the due date specified on any assessment.
4. To pay penalties or interest demanded by the due date specified.

29.3 Action to enforce return filing:

- i. Generate non-filers list on the first day of the month following the month Form TOT 007 was due to be filed.
- ii. Prepare Form TOT 008 in duplicate.
- iii. Issue original Form TOT 008 to the TOT dealer and file the duplicate in the TOT dealer file.
- iv. If the TOT dealer files the return, record receipt in the TOT register record and issue Form TOT 011 to demand payment of interest due.
- v. Issue Form TOT 009A for proposing to levy penalty for failure to file return and pay taxes in time.
- vi. On receipt of response or non-receipt of a response, confirm penalty on Form TOT 009 and issue to the dealer.
- vii. If the penalty and interest demand is paid, action is complete. If unpaid, follow the tax collection procedures set out below.
- viii. If the TOT dealer fails to file the return by the end of the month, a unilateral assessment Form TOT 010 should be prepared.
- ix. The original of Form TOT 010 should be issued to the TOT dealer by the 15th day of the next month and the duplicate filed in the TOT dealer file.
- x. If the TOT dealer files the required return, record receipt in the TOT register record and issue Form TOT 011 to demand payment of interest due. Issue Form TOT 009A for proposing to levy penalty for failure to file return in time. Confirm penalty on Form TOT 009 and issue to the dealer. If the penalty and interest demand is paid, action is complete. If unpaid, follow the tax collection procedures set out below.
- xi. If the TOT dealer fails to file Form TOT 007 and fails to pay the unilateral assessment demanded on Form TOT 010, the file should be dealt with in accordance with collection of unpaid tax procedures set out below.

29.4 Actions to collect unpaid TOT, penalties and interest:

- i. Unpaid TOT, penalties and interest can result from the following:
 - a. Failure to pay the full amount of TOT due on the Form TOT 007
 - b. Failure to pay a unilateral assessment demanded on Form TOT 010
 - c. Failure to pay an assessed amount on Form TOT 012
 - d. Failure to pay interest demanded on Form TOT 011

- e. Failure to pay penalty demanded on Form TOT 009
- ii. **Outstanding debts exceeding Rs. 5,000/- in any period of 12 consecutive months should be handed over to the VAT enforcement section for recovery action.**
- iii. In the case of action being taken to recover unpaid TOT, the procedures outlined for the collection of VAT should be followed and the following forms may be used to cover collection of TOT.
- iv. TOT 061 – Notice to recover TOT due from Third party
- v. TOT 062 – Application for instalments
- vi. TOT 063 – Approval of instalments / Refusal of Instalments
- vii. TOT 064 – Notice for seizure of goods
- viii. TOT 065 – Order of release of seizure of goods
- ix. The procedure to recover dues by attachment of immovable properties under AP Revenue Recovery Act is same for both VAT and TOT dealers.

29.5 Timescale for action to enforce TOT return filing and payment of TOT/ penalties/ interest

S.No	Due date	Event/ action required
1	1 st August, 1 st November, 1 st February, 1 st May	Issue notice Form TOT 008 to non-filers within 5 days
2	15 days after issue of Form TOT 008	Issue unilateral assessment, Form TOT 010
3	After receipt of return and tax due	Issue show cause notice for penalty on Form TOT 009A Issue demand notice for interest on Form TOT 011
4	10 days after the date of issue of Form TOT 009A	Confirm penalty by issuing Form TOT 009.
3	15 days after issue of Form TOT 010, if the cumulative amount of TOT outstanding exceeds Rs.5000 in the previous 12 consecutive months.	Pass the cases to VAT enforcement section for recovery action

30 INSTRUCTIONS FOR TOT ENFORCEMENT

30.1 Enforcement of TOT return filing

1. The ACTO should prepare a computer listing of all TOT dealers who have not filed Form TOT 007 within thirty days of the end of the quarter for which the Form TOT 007 is being filed. Forms TOT 008 should be generated for all such TOT dealers.

2. A TOT enforcement record (TOTER) should be created from this listing.
3. TOT 008 should be prepared in duplicate, the original issued to the TOT dealer within five days and the duplicate file in the TOT dealer file. Record in TOTER.
4. If the return is received after the due date, in response to Form TOT 008, any interest due should be calculated and Form TOT 011 prepared. The original should be issued to the TOT dealer, the duplicate filed in the TOT dealer file and Form TOT 007 processed. The TOT dealer account should be updated. Record in TOTER.
5. A notice in Form TOT 009A for proposal to levy penalty for failure to file return and pay tax in time shall be prepared and issued to the TOT dealer.
6. After receipt/ non-receipt of response from the dealer, a Form TOT 009 shall be prepared and issued to the dealer for demand of penalty.
7. If the interest demanded on Form TOT 011 is paid, the case should be closed, if no payment is received the arrears should be noted in the TOT dealer record. Record in TOTER.
8. If the Form TOT 007 is not received within 15 days of the issue of Form TOT 008, a unilateral assessment on Form TOT 010 should be prepared in duplicate. Instructions regarding the calculation of the unilateral assessment are provided in paragraph 3 of this chapter. The original of Form TOT 010 should be issued to the TOT dealer, the TOT dealer account updated and the duplicate copy of Form TOT 010 filed in the TOT dealer file. Record in TOTER.
9. If the return is received, Form TOT 011 should be prepared in duplicate for the interest due. The original should be issued to the TOT dealer, the TOT dealer account updated and the duplicate filed in the TOT dealer file. Record in TOTER.
10. A notice in Form TOT 009A for proposal to levy penalty for failure to file return and pay tax in time shall be prepared and issued to the dealer. After receipt/ non-receipt of response from the dealer, a Form TOT 009 shall be prepared and issued to the dealer for demand of penalty.
11. If the interest/penalty demanded on Form TOT 011 and Form TOT 009 respectively is paid, the case should be closed, if no payment is received by the due date the arrears should be noted in the TOT dealer record. Record in TOTER.
12. If the unilateral assessment issued on Form TOT 010 is paid, it should be recorded in the TOT dealer account. Record in TOTER.
13. If no return is received and the amount assessed on Form TOT 010 is not paid within thirty days after issue, the unpaid unilateral assessment should be added to the record of TOT arrears maintained for the TOT dealer. Record in TOTER.

30.2 Collection of unpaid TOT/ interest/ penalty

1. Outstanding unpaid TOT/ interest/ penalty will accrue from:
 - i. Non-payment of TOT due on a Form TOT 007
 - ii. Non-payment of a unilateral assessment on Form TOT 010 when a return has not been filed

- iii. Non-payment of assessments made on Form TOT 025 and TOT 025.
 - iv. Non-payment of interest/ penalties notified on Form TOT 011 but not paid.
 - v. Any other notifications of TOT/ interest/ penalties not paid.
2. A separate computerised record should be set up to monitor the arrears of unpaid amounts related to TOT (TOTCR).
 3. The ACTO should monitor the TOTCR record at the end of every month and where the debt exceeds Rs. 5000/- for any period of twelve consecutive months, the TOT dealer file should be referred to VAT enforcement for collection of the debt. Record in TOTCR.
 4. VAT enforcement should follow the procedures described above.
 5. Where the debt is collected by enforcement section, the TOT dealer file should be returned to the ACTO for onward control action.
 6. Where the debt cannot be collected, the ACTO should continue to advise VAT enforcement of accumulated arrears of tax on a quarterly basis.

30.3 Calculation of TOT unilateral assessment

30.3.1 Where a TOT dealer was registered under the APGST Act 1957

The gross turnover declared for the year ending 31 March 2005 should be divided by 4 to provide an average taxable turnover for the purpose of calculating a unilateral assessment. The TOT due at the rate of 1% should be calculated, a 50% penalty added and this comprises the unilateral assessment.

30.3.2 Where the TOT dealer was not registered under the provisions of the APGST Act 1957 and has not filed TOT Forms 006 for the previous 12 months

The unilateral assessment should be calculated by taking one quarter of the estimated annual taxable turnover of the business declared at box 13 of Form TOT 001. Calculate the TOT liability at 1% of that figure and add 50% penalty and this comprises the unilateral assessment.

30.3.3 Where the TOT dealer has been registered under the VAT Act for a period of 12 consecutive months

The unilateral assessment should be calculated by totalling the tax declared on the Forms TOT 007 filed for the previous 12 consecutive months and/ or tax paid by assessment for the previous 12 consecutive months. This sum should be divided by 4 to provide an average quarterly TOT liability. A penalty of 50% of that sum should be added to produce the unilateral assessment.

31 LAW ON REFUNDS

- 38 (1) (a) A VAT dealer effecting sales falling under sub-sections (1) or (3) of section 5 and sub-section (6) of Section 8 of Central Sales Tax Act 1956 in any tax period shall be eligible for refund of tax, if the input tax credit exceeds the amount of tax payable, subject to the condition that the exports have been made outside the territory of India. The excess of tax shall be refunded within a period of ninety

days on a claim made on a VAT return prescribed to the authority prescribed subject to the provisions of this Act and the rules made there under;

- (b) In all other cases, the VAT dealer may make a claim for refund of any excess credit available at the end of second year after the commencement of this Act and thereafter in the return to be filed for the month of March every year if registered as a VAT dealer for a minimum period of twelve months or in the event of cancellation of registration. The excess of input tax credit claimed as refund shall be refunded within ninety days of the date of receipt of the claim.
 - (c) The claim for refund under this Section shall be made on the VAT return in the form prescribed.
 - (d) A VAT dealer, who has paid tax in excess of the amount due for a tax period, may claim a credit in the next tax return.
- (2) Where a VAT dealer claiming a refund is required by authority prescribed to provide accounts or records to substantiate the claim but fails to do so in a manner satisfactory to the authority prescribed within seven days of issue of notice, the time period specified in subsection (1) for making the refund shall not apply.
 - (3) Where a claim of a VAT dealer is not accepted either in full or in part, the authority prescribed, shall send a notice in writing, to the VAT dealer.
 - (4) A VAT dealer aggrieved by the decision under sub-section (3) may file an appeal as prescribed in this Act.
 - (5) The tax paid under this Act on the purchases made by specialized agencies of the UNITED NATIONS ORGANISATION and Consulates or Embassies of any country located in the State, or International Crop Research Institute for Semi Aid Tropics, Hyderabad shall be refunded in such manner as may be prescribed.
 - (6) Where the authority prescribed fails to make a refund within the time specified under sub-section (1) the amount of refund shall carry simple interest at the rate of one percent per month on the amount of the refund for the period of delay.
 - (7) A TOT dealer shall be eligible to adjust any excess tax paid by him in the subsequent returns or may claim refund at the time of cancellation of registration in the manner prescribed.
- 39 (1) Where the authority prescribed is required to refund an amount of tax to a VAT dealer or TOT dealer or any other dealer as a result of;
- (a) a decision under Section 31; or
 - (b) a decision of the Appellate Tribunal under Section 33; or
 - (c) a decision of the High Court under Section 35;
- such refund shall be made within a period of ninety days from the date of the receipt of the order.
- (2) Where refund is not made within the stipulated time, as mentioned in sub-section (1) the amount of refund shall carry interest at the rate of one percent per month for the

period of delay. The interest in respect of part of a month shall be computed proportionately and for this purpose, a month shall mean a period of 30 days.

- 40 (1) The Commissioner or the authority prescribed shall have the power to adjust any amount due to be refunded against any tax, penalty and interest outstanding against a VAT dealer or a TOT dealer or any other dealer.
- (2) Where an order giving rise to a refund is the subject matter of an appeal or further proceeding, or where any other proceeding is pending, and the authority prescribed is of the opinion that the grant of the refund is likely to adversely affect the revenue, the authority prescribed may, with the previous approval of the Deputy Commissioner, withhold the refund till such time as the Deputy Commissioner may determine.
- (3) Where any demand of tax or penalty or both is disputed by a VAT dealer or TOT dealer before any appellate authority or Sales Tax Appellate Tribunal or High Court and the demand becomes finally due either partly or fully an interest at the rate of one percent per month shall be charged from the date such tax or penalty was originally due.

32 RULES ON REFUNDS

32.1 Rule 35 Procedure for refunds

- 1) The claim for refund shall be made by a VAT dealer on Form VAT 200 and Form TOT 030 by a TOT dealer.
- 2) Any VAT dealer who claims any refund of VAT or a TOT dealer who claims refund of excess TOT shall not be eligible for any refund unless all the returns due have been filed and the taxes due have been paid.
- 3) The authority prescribed shall have the powers to adjust any amount due to be refunded against any taxes, penalty and interest outstanding under the Act against such VAT dealer or such TOT dealer.
- 4) The authority prescribed shall not refund any VAT where taxes, penalty, interest or any other amount is outstanding against such VAT dealer under the APGST Act 1957 and or under CST Act 1956.
- 5) Subject to the conditions specified in sub-section (1) of Section 38 of the Act, a VAT dealer shall be eligible to claim a refund for the tax period in which sales falling within the scope of clauses (b) & (c) of Section 8 of the Act have been made and in other cases or at the end of second year after commencement of the Act and thereafter in the return to be filed for month of March or in the event of cancellation of registration.
- 6) a) In the case of sales falling within the scope of sub section (1) of Section 5 of CST Act 1956, the VAT dealer shall be in possession of the following documents:
 - Copy of contract or order from a foreign buyer
 - Copy of the customs clearance certificate
 - Copy of the invoice issued to the foreign purchaser
 - Transport documentation i.e. Bill of Lading, Airway Bill, or a similar document.

- Evidence of payment or evidence of letter of credit from the foreign purchaser.
 - b) In the case of sales falling within the scope of sub-section (3) of Section 5 of CST Act 1956, the VAT dealer shall be in position of the following documents:
 - Declaration in Form 'H'
 - Purchase order from exporter
 - Evidence of export in the form of transport documentation i.e. bill of lading, air waybill or a similar document.
- 7) A VAT dealer making sale of goods in the course of inter-state trade or commerce falling under Section 3 of the CST Act 1956 may adjust any excess credit available under the Act against any tax payable under the CST Act, 1956 for the same tax period.
- 8) a) Where the VAT dealer makes a claim under Section 38 of the Act, such refund shall be made within a period of ninety days of the date the return was due or the date the return is filed whichever is later.
- b) Where the VAT dealer fails to produce accounts or records required by the authority prescribed within seven days or date of issue of the notice, the time limit defined in above clause (a) shall not apply.
- c) Where the VAT dealer has produced accounts or records within the prescribed time limit, interest shall be payable at the rate of one percent (1%) per month from the date after the expiry of the ninety days till the date of actual refund.
- The interest in respect of part of month shall be computed proportionately and for this purpose, month shall mean a period of 30 days.
- 9) a) Where any refund is due to VAT dealer under Section 39 of the Act, a notice in Form VAT 351 shall be issued by the authority prescribed proposing either adjustment of such refund against any taxes, interest, penalty and any amount due under the Act outstanding against such dealer or notifying the refund within 15 days of date of receipt of the order specified in Section 39 of the Act.
- b) The VAT dealer on receipt of such Form shall confirm the claim of refund within 15 days of receipt by returning Form VAT 352
- c) On receipt of confirmation, from the VAT dealer, the authority prescribed shall either adjust or refund as the case may be.
- d) The stipulated time of 90 days under Section 39 of the Act shall include the period of process specified under clauses (a), (b) and (c) above.
- e) Where the refund is not made within the stipulated time, the interest shall be payable at the rate of one percent (1%) per month from the date after the expiry of the ninety days till the date of actual refund.
- The interest in respect of part of month shall be computed proportionately and for this purpose, month shall mean a period of 30 days.
- 10) a) Where any turnover tax has been levied and collected under the Act in respect of sale inside the State of any declared goods specified in Section 14 of CST Act 1956 and

such goods are subsequently sold by a VAT dealer in the course of inter-State trade or commerce, the turnover tax so levied and collected shall be refunded to such VAT dealer in manner and subject to the conditions specified in clauses (b) to (e) of this sub-rule.

Provided that the refund shall not be made unless the tax payable under the CST Act is paid.

- b) The refund of tax referred to in clause (a) shall be made to the VAT dealer who effected the first sale in the course of the inter-State trade or commerce
- c) Every application for refund under this rule shall be filed by the VAT dealer claiming refund in Form VAT 360 before the prescribed authority having jurisdiction over his place of business within a period of 90 days from the date of payment of the tax due under the Central Sales Tax Act, 1956 in respect of declared goods specified under clause (a) above

(Provided that the prescribed authority may condone for reasons to be recorded in writing, any delay in filing of such application)

- d) The burden of proving that a VAT dealer is entitled to a refund under this rules shall be with the VAT dealer claiming such refund.
- e) The prescribed authority shall after making such enquiry as he considers necessary, refund without interest the turnover tax levied and collected within 90 days from the date of receipt of application in Form VAT 360.

Provided that the prescribed authority shall first adjust the amount of refund towards tax, penalty, interest or any arrear due from the VAT dealer for any tax period and then refund the balance if any.

- 11) The claim for refund under sub-section (3) of Section 15 of the Act shall be made on Form 510 along with the copies of invoices.

The refund in such cases shall be made within a period of 45 days from the date of claim

- 12) The claim for refund under sub-section (5) of Section 38 of the Act shall be made on Form 510 A, along with the copies of invoices, within 15 days from the end of the month during which the goods are purchased, to the Commissioner or to any other officer in Commissioner's office authorised by the Commissioner.

The refund in such cases shall be made within a period of 45 days from the date of claim.

33 GENERAL PROVISIONS RELATED TO REFUNDS

33.1 Conditions for applying for refunds

A VAT dealer may **make** a refund claim in the following circumstances:

- a. In any tax period where there is an excess credit and international exports have been declared in box 13 of Form VAT 200.
- b. In the tax period of March 2007, where an excess credit is declared providing the dealer has been registered for VAT for a period of twelve months. Subsequently a VAT dealer may

claim a refund in any March tax period where there is a refund provided he has been registered for a period of twelve months.

- c. On cancellation of VAT registration where an excess credit is declared on the final return.
- d. Where a dealer is due a refund of tax as a result of a decision of an Appellate authority, or the High Court.
- e. Where a VAT dealer has paid TOT on declared goods specified under the CST Act 1956, and such goods are subsequently sold in the course of inter-state trade.
- f. A TOT dealer may **make** a claim for refund where a credit is declared on his final return on cancellation of the TOT registration.
- g. An organisation defined in the VAT Act 2005, currently specialised agencies on United Nations Organisation (UNO), consulates or embassies of any country located in the state or the international crop research institute for semi-aid tropics-Hyderabad (ICRISAT), may claim a refund of VAT on any purchases

33.2 Provisions for claiming refunds:

- i. A VAT dealer shall make a claim for refund on Form VAT 200.
- ii. A TOT dealer shall make a claim for refund on Form TOT 030
- iii. An organisation prescribed under section 38(5) of the VAT Act 2005, shall make a claim on Form VAT510 A.
- iv. Where a refund is due to a VAT dealer as a result of a decision of the Appellate authority / Tribunal / High Court, a notice in Form VAT 351 shall be issued by the authority prescribed proposing adjustment of such refund against any tax, interest, penalty and any other amount due.
- v. The VAT dealer, on receipt of Form VAT 351, shall confirm the claim of refund within fifteen days of receipt by returning Form VAT 352.
- vi. A claim by a VAT dealer for refund of TOT in respect of declared goods sold in the course of inter-state trade shall be made on Form VAT 360.

33.3 Conditions for approval of refund claims:

- i. Where a VAT dealer is making a refund claim on the basis of exports or sales in the course of export, the evidence to support the claim for zero-rating is defined in the Rules and audit manual. Failure to produce the required evidence would result in refusal of the claim for zero-rating and thus make the refund claim invalid.
- ii. Where a VAT dealer makes sales of goods at the zero-rate in the course of inter-state trade or commerce, this does not alone satisfy the refund claim provisions. The conditions defined in 1) above must be fulfilled.
- iii. The VAT or TOT dealer must have filed all returns due and paid all outstanding tax liabilities on return declarations, assessments and demands for interest and penalty and any other outstanding liabilities due to the CTD. However, in certain cases CTD has discretion to consider refund claims and offset defined liabilities against such claims.

- iv. The VAT or TOT dealer must produce the documentation prescribed in the Rules to the Act to support any claim for refund.
- v. Where taxes, penalty, interest or any other amount is outstanding against a VAT dealer under the APGST Act 1957 and/ or the CST Act 1956, no refund shall be made.

33.4 CTD obligations regarding refund claims:

- i. The CTD is required to pay claims for refund, where the conditions are met by the dealer, within ninety days of the date the return was due or the date the return was filed, whichever is later. Where the VAT dealer fails to produce accounts or records required by CTD within 7 days of the issue of a notice, this time limit will not apply.
- ii. Where the VAT dealer has produced the accounts or records within the time limit defined and the refund is not paid within ninety days, interest is payable at the rate of 1% per month from the date after the expiry of the ninety days to the date of actual refund. The interest in respect of part of a month shall be computed on a daily basis and for this purpose a month shall mean a period of thirty days.
- iii. CTD should adjust any amount due to be refunded against any taxes, penalty and interest outstanding to CTD. Any balance owing to the dealer should be refunded accordingly.
- iv. Where any refund is due to a VAT dealer as a result of a decision of the Appellate authority or the High Court.
- v. Form VAT 351 should be issued by the CTD. This Form should propose either to adjust any such refund against taxes, interest and penalty or any other amount due under the VAT Act 2005, or notifying details of the refund. Such a notification should be issued within 15 days of the receipt of the order from the Appellate authority or the High Court.
- vi. The VAT dealer on receipt of Form VAT351 should confirm acceptance of the adjustment or refund within 15 days of receipt by returning Form VAT352
- vii. On receipt of confirmation by the VAT dealer, the CTD should either adjust or refund as appropriate.
- viii. The stipulated time for making the refund of 90 days should include the processes set out above. If the 90 days period is exceeded, interest is payable after the expiry of 90 days to the date of actual refund. The rate of interest payable is 1% per month and the daily rate should be computed apportionately on the basis of a month consisting of thirty days.
- ix. Where an international organisation, as prescribed in section 38 (5) of the VAT Act 2005, submits a refund claim on Form VAT510 A together with any supporting documentation required, such a claim should be refunded in whole or part within thirty days of the receipt of the claim.
- x. Where a VAT dealer claim a refund of TOT in respect of declared goods sold in the course of inter-state trade, the claim for refund should be made on Form VAT 360 within a period of 90 days from the date of payment of tax due under the CST Act 1956. In such a case the VAT dealer has to prove he is entitled to such a refund and the CTD should make any necessary enquiries and make the refund within 90 days of receipt of Form VAT 360. CTD should first adjust the amount of any refund towards any arrears of tax penalty and interest and refund the balance, if any.

33.5 VAT dealer option

It should be noted that it may not be to the VAT dealer's advantage to claim a refund of an excess credit even when the conditions of claiming a refund are met. In cases where the VAT dealer is likely to have a VAT payment liability in the following tax periods, the dealer will benefit from offsetting the credit against his future liability. The benefit would be obtained within a 30-day period as opposed to the possible 90 days before a refund is received.

34 INSTRUCTIONS FOR PROCESSING VAT AND TOT REFUNDS

34.1 Processing VAT refund claims

- i. Forms VAT 200 where a claim for refund of excess credit has been made should be identified at the time of return processing. Checks should be imposed to ensure that the conditions for eligibility for a refund claim have been met.
- ii. Where the conditions are met, the Form VAT 200 together with the VAT dealer file should be passed to the refund unit in the audit section.
- iii. Where the conditions are not met the VAT dealer should be advised on Form VAT355 that his claim for refund is not acceptable and the excess credit should be carried forward to the next period and entered in box 5 of the next Form VAT 200 to be filed. Where previous Form VAT 200's are outstanding, the VAT dealer should be advised on Form VAT 355 that his claim for refund can only be met if he files the outstanding return(s) and pays any tax due.
- iv. The refund unit should list the claims received and set up a refund record (RR).
- v. The record should contain full details related to the claim and provision for the later of the date the return was due or the date of filing to be recorded. The date of demand for the production of documents, the date of audit visit, if any, the date of approval/ rejection of claim and the date of authorisation of the amount to be refunded should be provided. The last date for payment of the claim, providing the VAT dealer meets his obligations, should be highlighted in the record. If the VAT dealer fails to meet his obligations, the deadline for payment of the refund should be cancelled.
- vi. The refund unit should follow the directions in the audit manual to decide whether an audit visit is appropriate. Generally, refund claims above Rs. 5000 should only be audited where significant risks are identified, all other first claims should receive an audit visit, and other claims should be assessed for risk on the basis of the information in the VAT dealer file to decide whether a VAT audit is required. Record in RR.
- vii. The CTO should authorise the acceptance of all claims where a decision is taken not to complete an audit visit. In such cases the claim should be forwarded for further action as follows. Record in RR.
- viii. Where an audit is to be completed, the instructions set out in the audit manual should be followed and the claim either accepted or adjusted by the use of Forms VAT 305 A and 305. On completion of the process, the amount to be refunded should be certified on Form VAT 301. Record in RR.

- ix. The CTO should certify Form VAT 301 to state the amount due for refund is acceptable and where the refund does not exceed Rs. 10,000, prepare a refund voucher on Form 500. Form VAT 355, the refund advice, should be prepared in duplicate, the original forwarded to the VAT dealer together with the refund voucher and the duplicate filed in the VAT dealer file. The VAT dealer account should be updated. Record in RR.
- x. Where the amount of refund exceeds Rs. 10,000 but does not exceed Rs. 5 lakhs, Form VAT355A should be prepared in duplicate by the CTO and both copies submitted to the DC for authorisation. Record in RR.
- xi. The authorisation/ rejection should be recorded by the DC on Form VAT 355A and returned to the CTO for action as defined in ix above. The duplicate should be filed in the VAT dealer file. Record in RR.
- xii. Where the amount of refund exceeds Rs. 5 lakhs, Form VAT 355A should be prepared in duplicate by the CTO and both copies submitted to the DC for onward submission to the Commissioner for authorisation. Record in RR.
- xiii. The authorisation/ rejection should be recorded by the Commissioner on Form VAT 355A and returned to the CTO, through the DC, for action as defined in ix above. The duplicate should be filed in the VAT dealer file. Record in RR.
- xiv. In the case of LTU's, the AC should complete the action defined above to be taken by the CTO. After authorisation, the documents should be passed to the circle office for preparation of the refund voucher. The CTO will arrange for issue of the refund voucher.
- xv. **The objective should be to complete audit action, within the refund unit, within a period of 60 days from date of receipt of the claim to enable any refund to be made within the legal time limit.**
- xvi. In cases where a refund is delayed beyond the 90 days, Form VAT 356 should be prepared together with an additional refund voucher to make payment of the interest due.
- xvii. **The RR must be checked weekly by the officer in charge to ensure refunds are made within the timescales prescribed in the law.**

34.2 Processing TOT refund claims

- i. The ACTO should identify TOT refund claims on cancellation of TOT registration and be satisfied that the claim is acceptable. Before obtaining CTO authority to make the refund on Form TOT 030
- ii. Audit visits should only be completed where refund claims exceed Rs.3000.
- iii. The CTO should follow the procedures set out in section 1) in issuing the appropriate refund voucher. The notification of refund advice in Form TOT 035 shall be sent along with refund voucher in Form 500.
- iv. A record of TOT refund claims should be maintained under TOTRR.

34.3 Processing other refund claims

- i. Refunds resulting from a decision of the Appellate authority or High Court should be dealt with by the CTO/ AC LTU as follows:

- ii. On receipt of a decision from the Appellate Authority (AA) or High Court (HC) where a refund results from that decision, a record should be set up to be known as Appellate refund record (ARR)
- iii. The record should include details of the decision, date the decision was received, amount of refund due and the date the refund has to be completed, 90 days from receipt of the date of decision.
- iv. The VAT dealer should be advised on Form VAT 351 of the amount of refund due together with a proposal to adjust such refund in whole or part against any taxes, interest or penalty outstanding, or to make refund in part of full. Such a notification must be issued within 15 days of receipt of the order. Record in ARR.
- v. The VAT dealer should notify acceptance of the proposal within 15 days of receipt by returning Form VAT352. On receipt of Form VAT 352, Record in ARR.
- vi. Action should be completed in accordance with the acceptance by the VAT dealer on Form VAT352. Where a refund is appropriate this should be made as defined in section 1) of this chapter.

34.4 Refunds to International organisations

- i. Claims from these organisations should be made on a monthly basis, no claim should be made for refund of an amount of tax no less than Rs. 3000.
- ii. Claims should be made on Form VAT 510 A and should be submitted to the designated authority in CTD headquarters.
- iii. The claim should be checked for accuracy and acceptability and after approval by the designated officer, a refund voucher, Form 500 together with the appropriate advice, Form 511 Should be issued.
- iv. In cases where the refund cannot be approved, Form VAT 511 should be issued specifying the reasons why the refund cannot be made.
- v. These cases should receive urgent treatment and be dealt within ten days of the receipt of the claim. An audit should not be attempted in any circumstance.
- vi. If the claim is suspected of being fraudulent the facts should be reported to the nominated DC. No further action should be taken unless directed by the DC.

TYPE OF REFUND – DEALER	Application	Notification of refund advice/reduction/rejection	Refund voucher
VAT dealer – normal refund	Form VAT 200	Form VAT 355	Form 500
TOT dealer – refund	Form TOT 030	Form TOT 035	Form 500
Refund arising out of appeal	Form VAT 351 Form VAT 352	Form VAT 355	Form 500
VAT dealer –refund of TOT	Form VAT 360	Form VAT 355	Form 500
International organisations – refund under Section 38 (5)	Form 510 A	Form 511	Form 500
Refund under Section 15 (3)	Form 510	Form 511	Form 500
Notification of interest advise			From VAT 356
Authorisation from DC /CCT			Form VAT 355A

35 LIABILITY TO TAX OF WORKS CONTRACTS UNDER THE VAT ACT

35.1 Law on liability to tax of works contracts under the VAT Act 2005 – Section 4 (7) of Act

Notwithstanding anything contained in this Act; -

- (a) Every dealer executing works contracts shall pay tax on the value of goods at the time of incorporation of such goods in the works executed at the rates applicable to the goods under the Act:

Provided that where accounts are not maintained to determine the correct value of goods at the time of incorporation, such dealer shall pay tax at the rate of 12.5% on the total consideration received or receivable subject to such deductions as may be prescribed;

- (b) Any dealer executing any works contracts for the Government or local authority may opt to pay tax by way of composition at the rate of 4% on the total value of the contract executed for the Government or local authority and in such cases, the tax at 4% shall be collected at source by such contractee and remitted to Government in such manner as may be prescribed.
- (c) Any dealer executing works contracts other than for Government or local authority may opt to pay tax by way of composition at the rate of 4% of fifty percent (50%) of the total consideration received or receivable for any specific contract subject to such conditions as may be prescribed;
- (d) Any dealer engaged in construction and selling of residential apartments, houses, buildings or commercial complexes may opt to pay tax by way of composition at the rate of 4% of twenty five percent (25%) of the consideration received or receivable or the market value fixed for the purpose of stamp duty whichever is higher subject to such conditions as may be prescribed;
- (e) Any dealer who is liable to be registered for TOT and executing any works contracts shall pay tax at the rate of 1% on total value of the goods at the time of incorporation of the goods used;

Provided that where accounts are not maintained to determine the correct value of the goods at the time of incorporation, such dealers shall pay tax at the rate of 1% on the total consideration received or receivable subject to such deductions as may be prescribed.

35.2 Rule on liability to tax of works contracts under the VAT Act 2005

35.2.1 Rule 17 – Treatment of Works contracts

1. a) Treatment of VAT dealer executing works contract

In the case of contracts not covered by sub-rule 2, 3 & 4 of this rule, the VAT dealer shall pay tax on the value of the goods at the time the goods are incorporated in the work at the rates applicable to the goods.

- b) In such a case, the VAT dealer shall be eligible to claim input tax credit on ninety percent (90%) of the tax paid on the goods purchased other than those specified in the negative list under sub-rule (2) of Rule 20 and shall be eligible to issue a tax invoice.

- c) If such VAT dealer awards any part of the contract to a sub-contractor, such sub-contractor shall issue a tax invoice to the contractor for the value of the goods at the time of incorporation in such sub-contract. The tax charged in the tax invoice issued by the sub-contractor shall be accounted by him in his returns.
- d) The value of the goods used in execution of work in the contract, declared by the contractor shall not be less than the purchase value and shall include seigniorage charges, blasting and breaking charges, crusher charges, loading, transport and unloading charges, stacking and distribution charges, expenditure incurred in relation to hot mix plant and transport of hot mix to the site and distribution charges.
- e) Subject to clause (d) above, the following amounts are allowed as deductions from the total consideration received or receivable for arriving the value of the goods at the time of incorporation.
 - i) Labour charges for execution of the works;
 - ii) Charges for planning, designing and architect's fees;
 - iii) Charges for obtaining on hire or otherwise machinery and tools used for the execution of the works contract;
 - iv) Cost of consumables such as water, electricity, fuel, etc., used in the execution of the works contract, the property in which is not transferred in the course of execution of a works contract;
 - v) Cost of establishment of the contractor to the extent it is relatable to supply of labour and services;
 - vi) Other similar expenses relatable to supply of labour and services;
 - vii) Profit earned by the contractor to the extent it is relatable to supply of labour and services;
- f) Where tax has been deducted at source, Form VAT 501A shall be submitted by the contractor after certification by the contractee. In the case that the contractor is unable to submit Form VAT 501A he shall pay the tax due.
- g) Where the VAT dealer has not maintained the accounts to determine the correct value of the goods at the time of incorporation he shall pay tax at the rate of twelve and a half percent (12.5%) on the total consideration received or receivable subject to the deductions specified in the table below: In such cases the contractor VAT dealer shall not be eligible to claim input tax credit and shall not be eligible to issue tax invoices.

Standard Deductions for Works Contracts

Sl. No.	Type of contract	Percentage of the total value eligible for deduction
1	(a) Electrical Contracts. (i) H.T. Transmission lines (ii) Sub-station equipment (iii) Power house equipment and extension (iv) 11 and 22 KV and L.T. distribution lines 12+5 (v) All other electrical contracts (b) All structural contracts	Twenty percent Fifteen percent Fifteen percent Seventeen percent Twenty five percent Thirty five percent
2	Installation of plant and machinery	Fifteen percent
3	Fixing of marble slabs, polished granite stones and tiles (other than mosaic tiles)	Twenty five percent
4	Civil works like construction of buildings, bridges roads etc	Thirty percent
5	Fixing of sanitary fittings for plumbing, drainage and the like	Fifteen percent
6	Painting and polishing	Twenty percent
7	Laying of pipes	Twenty percent
8	Tyre re-treading	Forty percent
9	Dyeing and printing of textiles	Forty percent
10	Printing of reading material, cards, pamphlets, posters and office stationery	Forty percent
11	All other contracts	Thirty percent

2. Treatment of Works Contracts executed for State Government or local authority:

- a) Where a dealer executes any contract exceeding a value of Rupees five lakhs (Rs.5 lakhs) awarded by either a State Government department or a local authority he must register himself as a VAT dealer.
- b) The VAT dealer opting to pay tax by way of composition under clause (b) sub-section (7) of Section 4 shall apply for composition in Form 250 and shall be liable to pay tax at the rate of four percent (4%) on the total value of the contract.
- c) Such tax shall be collected by the contractee Government Department or local authority and remitted to the authority prescribed within 15 days from the date of each payment made to the contractor.
- d) The contractee Govt. Department or local authority shall complete Form VAT 501

supplied by the contractor indicating the TIN of the contractor, the amount of tax collected at source and details of the related contract. Such Form shall be provided to the contractor.

- e) The contractor – VAT dealer shall declare on the VAT Form 200 the value of the amount received on VAT Form 200 and the tax due on that amount.
 - f) The contractor shall submit the VAT Form 501 certified by the contractee and VAT Form 501 together with Form VAT 200 by the 20th of the month following the month in which payment is received.
 - g) Where the contractor submits the forms specified in sub-rule (f), no payment of tax related to the transaction is required to be made. In case where the forms are not submitted the contractor shall be liable to pay the tax due on the amount received.
 - h) Where the contractee Govt. department or local authority fails to remit such tax collected at source within 15 days of the date of payment to the contractor, the department shall be liable to penalty and interest for the delayed payment.
 - i) In the case of the execution of any works contract for the State Government or local authority where the dealer has opted to pay tax by way of composition under clause (b) of sub-section (7) of Section 4 of the Act such dealer shall not be eligible to claim input tax credit and shall not be eligible to issue tax invoices.
 - j) In case of a contractor mentioned in clause (a) above, if any part of the contract is awarded to a sub-contractor, the sub-contractor shall be exempt from tax on such value of the sub-contract. The sub-contractor shall not be eligible to claim input tax credit on the inputs used in the execution of such sub-contract.
 - k) In case of a contractor mentioned in clause (a), where any tax has been collected at source by the State Government or local authority under sub-section (3) of Section 22 of the Act, no refund of such tax collected shall be allowed to the contractor;
3. a) Treatment of works contracts(other than for State Government or Local Authority) under composition:
- Any VAT dealer who executes a contract and opts to pay tax as specified in clause (c) of sub-section (7) of Section 4 must register himself as a VAT dealer;
- b) Such VAT dealer shall pay tax at the rate of four percent (4%) of fifty percent (50%) of the total consideration received or receivable for the contract and the balance fifty percent (50%) of the total consideration received or receivable shall be allowed as deduction for the purpose of computation of taxable turnover.
 - c) In the case where the VAT dealer opts for composition he shall, before commencing the execution of the work notify the prescribed authority on Form VAT 250 of the details including the value of the contract on which the option has been exercised and when the VAT dealer opts to withdraw from composition, he shall notify the prescribed authority on Form VAT 250 A;
 - d) On receipt of any payment related to the contract, the contractor VAT dealer shall calculate the tax due at four percent (4%) of fifty percent (50%) of the amount received

and shall enter such details on Form VAT 200. The tax due shall be paid with the return Form VAT 200.

- e) Where tax has been deducted at source Form VAT 501A shall be submitted by the contractor after certification by the contractee. In case the contractor is unable to submit Form VAT 501A he shall pay the tax due.
 - f) Where the contractor VAT dealer opts for composition he shall not be eligible for input tax credit and shall not be eligible to issue tax invoices.
 - g) Where the contractor VAT dealer awards any portion of his contract to a sub-contractor, such contractor shall not be eligible for any deduction relating to the value of the sub-contract. The sub-contractor if he is a VAT dealer, in such cases can either opt for composition under clause (c) of sub-section (7) of Section 4 of the Act, or pay tax under clause (a) of sub-section (7) of Section 4 of the Act.
 - h) In case of a contractor mentioned in clause (a) above, where any tax is deducted under sub-section (4) of Section 22 of the Act, no refund of such tax deducted shall be allowed to the contractor.
 - i) Where the contractor fails to remit such tax deducted at source within fifteen days of the date of payment to the contractor, the authority concerned shall be liable to pay penalty and interest for the delayed payment.
- 4) Treatment of Apartment Builders and Developers under composition
- a) Where a dealer executes a contract for construction and selling of residential apartments, houses, buildings or commercial complexes and opts to pay tax by way of composition under clause (d) of sub-section (7) of Section 4 of the Act, he must register as a VAT dealer.
 - b) The VAT dealer shall notify the prescribed authority on Form VAT 250, of his intention to avail composition for all works specified in clause (a) above, undertaken by him.
 - c) When such VAT dealer opts to withdraw from composition, he shall notify the prescribed authority on Form VAT 250A.
 - d) The VAT dealer shall have to pay tax by way of composition tax at the rate of four percent (4%) on twenty five percent (25%) of the total consideration received or receivable or the market value fixed for the purposes of stamp duty, whichever is higher and the balance seventy five percent (75%) of the total consideration received or receivable shall be allowed as deduction for the purpose of computation of taxable turnover.
 - e) On receipt of any payment related to the contract, the contractor VAT dealer shall calculate the tax due at four percent (4%) of twenty-five (25%) of the amount received and shall enter such details on Form VAT 200. The tax due shall be paid with the return Form VAT 200.
 - f) Where the contractor VAT dealer opts for composition he shall not be eligible for input tax credit and shall not be eligible to issue tax invoices.

- g) Where the contractor VAT dealer specified in clause (f) above, awards any portion of his contract to a sub-contractor, such contractor shall not be eligible for any deduction relating to the value of the sub-contract. The sub-contractor if he is a VAT dealer, in such a case can either opt for composition under clause (d) of sub-section (7) of Section 4 of the Act, or pay tax under clause (a) of sub-section (7) of Section 4 of the Act.
 - h) Where any dealer mentioned in clause (a) opted for composition and paid any tax under the provisions of APGST Act 1957, before 31-03-2005, there shall be no further liability in respect of the built up area for which tax has already been paid under APGST Act, provided the sale deed is executed in respect of such built up area before 30-09-2005.
5. a) Where the contractor is a TOT dealer as specified in clause (e) of sub-section (7) of Section 4 of the Act, he shall pay tax at the rate of one percent (1%) on the value of the goods at the time of their incorporation at the time of execution of the contract.
- b) Where the TOT dealer has not maintained the accounts to determine the correct value of the goods at the time of incorporation he shall pay tax at the rate of one percent (1%) on the total consideration received or receivable subject to the following deductions;
- i) Labour charges for execution of the works;
 - ii) Charges for planning, designing and architect's fees;
 - iii) Charges for obtaining on hire or otherwise machinery and tools used for the execution of the works contract;
 - iv) Cost of consumables such as water, electricity, fuel, etc., used in the execution of the works contract, the property in which is not transferred in the course of execution of a works contract;
 - v) Cost of establishment of the contractor to the extent it is relatable to supply of labour and services;
 - vi) Other similar expenses relatable to supply of labour and services;
 - vii) Profit earned by the contractor to the extent it is relatable to supply of labour and services;
- c) Where any tax is collected or deducted at source under sub-section (3) or (4) of Section 22 of the Act, such tax collected or deducted shall not be refunded to the contractor TOT dealer.

35.3 Tax deduction at source

- 1. a) Where a works contract is awarded to a VAT dealer by any contractee other than Government or local authority, the tax shall be deducted from the payment made to the contractor at the rate of two percent (2%) of the amount paid or payable to the contractor at the time of each payment as specified in sub-section 4 of Section 22 of the Act.

- b) The contractee shall complete Form VAT 501A supplied by the contractor indicating the TIN, the amount of tax deducted and details of the related contracts. The contractor, VAT dealer shall send the Form VAT 501A to the authority prescribed together with proof of payment by the contractor within 15 days from the date of each payment made to the contractor.
- c) Where the VAT dealer has opted to pay tax by way of composition, he shall declare on the Form VAT 200 the value of the amount received and the tax due. The amount of tax deducted by the contractee should be declared on Form VAT 501A and any balance of tax payable shall be paid by the contractor. In case where the amount of TDS exceeds the liability the prescribed authority shall issue a notification for a credit to be claimed on the VAT return Form 200.
- d) Where the VAT dealer pays tax on the value of the goods incorporated in the contract he shall declare on Form VAT 200 the value of the goods and tax due on the goods incorporated in the contract. The appropriate adjustment for the tax deducted by the contractee shall be carried out as in clause (c).

35.4 The legal basis for taxation of works contracts

The following provisions govern the taxation of works contracts under this Act:

- i. **‘Works Contract’** includes any agreement for carrying out for cash or for deferred payment or for any other valuable consideration, the building construction, manufacture, processing, fabrication, erection, installation, laying, fitting out, improvement, modification, repair or commissioning of any movable or immovable property;
- ii. **Taxable turnover**, in the context of a works contract is the value of the goods supplied in executing a works contract.
- iii. **Registration liability**, is as follows:
 - iv. Where the taxable turnover exceeds Rs. 10 lakhs in any period of three consecutive months or Rs. 40 lakhs in any period of 12 consecutive months, **VAT registration is required.**
 - v. Where the taxable turnover exceeds Rs. 5 lakhs in 12 consecutive months and the dealer does not have an obligation to register for VAT, **TOT registration is required.**
 - vi. Where the taxable turnover does not exceed Rs. 5 lakhs in 12 consecutive months and the dealer does not have an obligation to register for VAT, no registration required, no tax due.
 - vii. Where the dealer executes a works contract of a value exceeding Rs. 5 lakhs for State Government or local authorities, **compulsory VAT registration is mandatory.**
 - viii. Where the dealer executes a works contract and opts to pay tax by way of composition, **compulsory VAT registration is mandatory.**

35.5 Tax collection/ deduction at source in respect of works contracts:

- i. Where a dealer executes a works contract for state Government or a local authority, tax at a rate of 4% shall be collected from the amount payable to him. The contractee shall remit such amount to the CTD.

- ii. In case of a VAT dealer executing works contract for a company or a statutory body or an undertaking or an institution other than Government or local authority irrespective of the quantum of value of the contract or for any other dealer or a firm where the value of the contract exceeds Rs.10,00,000/- (Rupees ten lakhs only), a tax at the rate of 2% shall be deducted from the amount payable to him and such contractee deducting tax at source shall remit such amount in the manner as may be prescribed.
- iii. The contractor shall supply the contractee with Form VAT 501A, detailing the TIN of the contractor and the contractee shall certify Form VAT 501A with the amount of tax deducted and details of the related contract(s).
- iv. The contractor shall submit Form VAT 501A with Form VAT 200 as evidence of the tax deducted at source and such amount can be deducted from any tax due to be paid by the contractor on Form VAT 200.
- v. The contractee is required to make payment of the tax deducted to the CTD within 15 days from the date of each payment made to the contractor.
- vi. The VAT dealer contractor who has opted to pay tax by way of composition shall declare at box 16, on Form VAT 200, the fifty percent (50%) of the value on which the tax composition is being paid and the tax due.
- vii. The amount of TDS should be declared at box 22 (a) of Form VAT 200 where Form VAT 501A is submitted and any balance of tax due paid by the contractor.
- viii. Where the VAT dealer pays tax on the value of the goods incorporated in the contract, he should declare the value and the tax due on the goods in the appropriate boxes, on Form VAT 200, related to the tax liability of the goods.
- ix. In any case where the amount of TDS exceeds the amount of tax due on the Form VAT 200, the dealer can carry forward the credit in box 24 of the same return.
- x. Where a works contract is awarded to a TOT dealer, no tax shall be deducted at source.

Accounting for VAT in respect of works contracts where the dealer does not opt for composition and the works contract is not executed for a State Government or local authority:

- i. The VAT dealer shall pay tax on the value of the goods at the time of incorporation in the work at the rates applicable to goods.
- ii. The VAT dealer shall be eligible to claim 90% of the tax paid on the goods purchased as input tax credit, providing such goods are not in the negative list under sub rule 2 of Rule 20.
- iii. The VAT dealer shall be eligible to issue a tax invoice.
- iv. If the VAT dealer awards any part of the contract to a sub-contractor, and such sub-contractor if registered for VAT, shall issue a tax invoice to the contractor for the value of the goods at the time of incorporation in such sub-contract. The main contractor is entitled to claim input tax of 90% of the tax charged by the sub-contractor provided the goods are not in the negative list. The tax charged on the tax invoice issued by the sub-contractor must be accounted for on his Form VAT 200.

- v. The value of the goods used in execution of work in the contract declared by the contractor shall not be less than the purchase value and shall include the list of charges defined in sub rule 1(d) of Rule 17. The amounts which can be allowed as deduction for the total consideration received or receivable for arriving at the value of goods at the time of incorporation are listed in sub rule 1(e) of Rule 17.
- vi. Where tax has been deducted at source, Form VAT 501A has to be certified by the contractee and submitted with Form VAT 200 so that the contractor does not have to pay the tax. Where the contractor is unable to submit a certified Form VAT 501A, he has to pay the tax due.
- vii. Where the VAT dealer does not maintain the accounts to determine the correct value of the goods at time of incorporation, he has to pay tax at the rate of 12.5% on the total consideration received or receivable subject to the deductions defined in sub-rule 1(g) of Rule 17. In such cases the contractor VAT dealer shall not be eligible to claim input tax credit or issue tax invoices.

Accounting for VAT where the works contract is executed for a State Government or local authority and the dealer opts for composition:

- i. Where the contract exceeds a value of Rs. 5 lakhs the dealer must register as a VAT dealer regardless of the level of his taxable turnover.
- ii. Where VAT is accounted for by way of composition, tax shall be due at the rate of 4% on the total value of the contract.
- iii. Such tax shall be collected by the contractee, Government department or local authority and remitted to the CTD within 15 days of date of payment to the contractor. The contractee, Government department or local authority shall complete Form VAT 501 supplied by the contractor indicating the TIN of the contractor and declare the amount of tax collected at source and details of the related contract.
- iv. The contractor VAT dealer shall declare on box 16 of Form VAT 200 the amount received and the tax due on that amount.
- v. The contractor shall submit Form VAT 501 certified by the contractee together with Form VAT 200 by the 20th of the month following the month in which the payment is received.
- vi. Where the contractor submits the forms specified above, no payment of tax related to the transaction is required to be made. Where the forms are not submitted the contractor shall be liable to pay the tax due on the amount received.
- vii. Where the contractor, Government department or local authority fails to remit the tax collected at source within 15 days of the date of payment to the contractor, he department/ local authority shall be liable to penalty/ interest.
- viii. Where the VAT dealer has opted to pay tax by way of composition, the dealer shall not be eligible to claim input tax credit and shall not be eligible to issue tax invoices.
- ix. Where a contractor awards any part of the contract to a sub-contractor, the sub-contractor shall be exempt from tax for the value of the sub-contract. The sub-contractor shall not be eligible to claim input tax on the inputs used in the execution of such sub-contract.

Accounting for VAT where the works contract is not executed for a State Government or local authority or where the VAT dealer is not an apartment builder/ developer and the dealer opts for composition.

- i. Compulsory VAT registration
- ii. The VAT dealer shall pay tax at the rate of four percent (4%) of fifty percent (50%) of the total consideration received or receivable for the contract. The value to be taken as taxable turnover shall be the 50% value of the contract on which tax is levied.
- iii. Where the VAT dealer opts for composition, before commencement of execution of the work, he shall notify the CTD on Form VAT 250 of the details including the value of the contract on which the option has been exercised.
- iv. On receipt of any payment related to the contract, the contractor VAT dealer shall calculate the tax due at four percent (4%) of fifty percent (50%) of the amount received. Such details shall be entered at box 16 of Form VAT 200 and the tax due paid with Form VAT 200.
- v. Where tax has been deducted at source, Form VAT 501A shall be submitted by the contractor after certification by the contractee. In the any case where the contractor is unable to submit a certified Form VAT 501A, the contractor shall pay the tax due.
- vi. Where the contractor VAT dealer opts for composition, he shall not be eligible to claim input tax credit and shall not be eligible to issue tax invoices.
- vii. Where the contractor VAT dealer who has opted for composition awards any portion of his contract to a sub-contractor, the VAT dealer contractor cannot reduce his tax liability by deducting the value of the sub-contract from the value of the main contract on which his VAT liability is based. In such cases the sub-contractor can either opt for composition or account for tax as provided for in section (iii) of this chapter.

Accounting for VAT where the VAT dealer is an apartment builder/ developer and the dealer opts for composition

- i. Compulsory registration
- ii. Where a dealer executes the contract for the construction and selling of residential apartments, houses, buildings or commercial complexes and opts to pay tax by way of composition, he must register as a VAT dealer regardless of taxable turnover.
- iii. Where the VAT dealer opts for composition he must notify CTD on Form VAT 250 of his intention to account for tax by way of composition for all the work specified above.
- iv. Where such a VAT dealer opts to withdraw from composition he must notify CTD on Form VAT 250A.
- v. On receipt of any payment related to the contract, the contractor VAT dealer shall calculate the tax due at four percent (4%) of twenty five percent (25%) of the amount received, or the market value fixed for the purpose of stamp duty. The value to be taken for calculation of VAT shall be the higher of the 2 amounts. The value to be taken as taxable turnover shall be the 25% value of the contract on which tax is levied.

- vi. On receipt of any payment related to the contract, the VAT dealer shall calculate the tax due at four percent (4%) of twenty five percent (25%) of the amount received. The value and tax due shall be entered at box 16 of Form VAT 200.
- vii. Where the contractor VAT dealer opts for composition, he shall not be eligible for input tax credit and he shall not be eligible to issue tax invoices.
- viii. Where the contractor VAT dealer who has opted for composition awards any portion of his contract to a sub-contractor, the VAT dealer contractor cannot reduce his tax liability by deducting the value of the sub-contract from the value of the main contract on which his VAT liability is based. In such cases the sub-contractor can either opt for composition or account for tax as provided for in section (iii) of this chapter.

Accounting for tax in cases not covered in (iii)-(vi) above:

- i. Where the contractor is a TOT dealer, tax should be paid at 1% of the value of the goods at the time of their incorporation in the execution of the contract.
- ii. Where the TOT dealer has not maintained the accounts to determine the correct value of the goods at time of incorporation, tax shall be paid at the rate of 1% on the total consideration received or receivable. The deductions listed in sub-rule 5(b) of Rule 17 can be made against the total consideration in establishing the value on which the rate of one percent (1%) has to be applied.

36 PURCHASE POINT TAX UNDER THE VAT ACT 2005

36.1 Law related to purchase point tax, sub-section 4 of Section 4:

- 4 Every VAT dealer, who in the course of his business purchases any taxable goods from a person or a dealer not registered as a VAT dealer or from a VAT dealer in circumstances in which no tax is payable by the selling VAT dealer, shall be liable to pay tax at the rate of four percent (4%) on the purchase price of such goods, if after such purchase, the goods are –
- (i) used as inputs for goods which are exempt from tax under this Act; or
 - (ii) used as inputs for goods, which are disposed of otherwise than by way of sale in the State or dispatched outside the State otherwise than by way of sale in the course of inter-State trade and commerce or export out of the territory of India; or
 - (iii) disposed of otherwise than by way of consumption or by way of sale either within the State or in the course of interstate trade or commerce or export out of the territory of India.

Provided that in respect of purchases of goods specified in Schedule III, the VAT dealer shall be liable to pay tax at the rate specified in that Schedule;

36.2 Procedure when accounting for purchase point tax

- i. Where a VAT dealer purchases taxable goods from a non-VAT registered person or from a VAT dealer where no VAT is charged, a separate record should be maintained of such purchases if the VAT dealer considers such purchases could be used as follows:

- ii. Inputs for goods that are exempt from tax under this Act.
- iii. Used as inputs for goods, which are disposed of otherwise than by sale in the state or by way of sale in the course of inter-state trade or by international export.
- iv. Disposed of otherwise than by way of consumption or by way of sale either within in the state or by way of sale in the course of inter-state trade or by international export.
- v. The record should define price of the goods, price paid at time of purchase, date of purchase and details of the person supplying the goods.
- vi. The record should provide details of the sale or disposal of the goods.
- vii. The rate of tax to be applied to the purchase point value shall be four percent (4%) rate as defined for the sale of goods excepting goods listed in Schedule III in the state on the date of such purchase. The rate of tax to be applied shall be one percent (1%) for the goods listed in Schedule III.
- viii. The VAT dealer should account for purchase point tax in box 15 of Form VAT 200. Purchase point tax liability will be controlled through the system of VAT audit.
- ix. No input tax credit can be claimed on the purchase point tax paid the VAT dealer.

37 TREATMENT OF AGRICULTURE UNDER THE PROVISIONS OF THE VAT ACT 2005.

37.1 Law relating to agriculture

37.1.1 Chapter 1, section 2, sub-section 6 – Definition of “business”

Explanation: - For the purpose of this clause —

- (i) the activities of raising of manmade forests or rearing of seedlings or plants shall be deemed to be business;
- (ii) any transaction of sale or purchase of capital goods pertaining to such trade, commerce manufacture, adventure or concern shall be deemed to be business;
- (iii) a sale by a person whether by himself or through an agent of agricultural or horticultural produce grown by himself or grown on any land whether as owner or tenant in a form not different from the one in which it was produced, save mere cleaning, grading or sorting does not constitute business;

37.1.2 Chapter 1, section 2, sub-section 10 – Definition of “dealer”

Explanation II: Where a grower of agricultural or horticultural produce sells such produce grown by himself on any land in which he has an interest whether as owner, usufructuary mortgagee, tenant or otherwise, in a form different from the one in which it was produced after subjecting it to any physical, chemical or any process other than mere cleaning, grading or sorting, he shall be deemed to be a dealer for the purpose of this ordinance;

37.2 Liability to tax under the VAT Act 2005

The liability to tax of the sale of agricultural produce is as follows:

- i. Farmers are not regarded as in business if they are selling their own agricultural produce. Such sales are outside the scope of VAT.
- ii. Farmers who both process and sell their agricultural goods are liable to pay tax on such goods. The value of such goods has to be treated as taxable turnover and will decide whether registration under the Act is required. Examples of processing are:
 - a. Conversion of paddy to rice
 - b. Oil-seeds to vegetable oil
- iii. The agricultural goods exempt under the VAT Act 2005 are listed in schedule I of the Act. No tax has to be paid on such goods, neither should the value of such goods be included in the taxable turnover of the farmer or any other dealer
- iv. Where the value of taxable sales including zero rated sales of goods outside the state and outside the territory of India exceeds Rs. 10 lakhs in any period of three consecutive months or Rs. 40 lakhs in any period of twelve consecutive months, the farmer must register for VAT and account for VAT on the taxable sales.
- v. Where the value of taxable sales including zero-rated sales of goods outside the state and outside the territory of India exceeds Rs. 5 lakhs or is expected to exceed Rs. 5 lakhs in any period of twelve consecutive months, the farmer must register for TOT and account for TOT at the rate of 1% for those sales.
- vi. Where a VAT dealer purchases agricultural produce and transfers the produce outside the state without making a sale, the transfer of such goods is liable to tax on the purchase point value at the time of transfer at the rate specified in the Act at the time of the purchase.
- vii. Persons other than farmers who are VAT dealers and in the business of buying or selling agricultural produce, whether processed or unprocessed, are liable to account for tax under the APVAT Act 2005 unless the goods are exempted under that Act.

38 LAW ON GOODS LISTED IN SCHEDULE VI TO THE VAT ACT 2005

38.1 Schedule VI: Goods subjected to tax at special rates

Item No.	Description	Point of levy	Rate of tax
1	All liquors bottled and packed as per the provisions of the A.P. Excise Act, 1968 (including imported liquor) but excluding toddy and arrack.	At the point of first sale in the State.	70%
2	Petrol	At the point of first sale in the State	32.55%
3	Aviation motor spirit and any other motor spirit.	At the point of first sale in the State	32.55%
4	Aviation turbine fuel	At the point of first sale in the State	32.55%
5	Diesel Oil	At the point of first sale in the State	21.33%

Explanation – I: For the purpose of item (1) when any distillery or brewery or any dealer sells liquor to the Andhra Pradesh Beverages Corporation Limited, or Canteen Stores Department, the sale by the Andhra Pradesh Beverages Corporation Limited or Canteen Stores Department shall be deemed to be the first sale.

Explanation – II: For the purpose if item (1) sale of liquor by any distillery or brewery or any dealer to Andhra Pradesh Beverages Corporation Limited or Canteen Stores Department shall be exempt from tax under this Act.

Explanation – III: For the purpose of items 2,3,4 and 5 a sale by one oil company to another oil company shall not be deemed to be the first sale in the State. Accordingly any sale by one oil company to any other person (not being an oil company) shall be deemed to be the first sale in the State.

Note: The expression ‘oil company’ in this explanation means:

- (a) Hindustan Petroleum Corporation Limited
- (b) Indian Oil Corporation Limited
- (c) Bharat Petroleum Corporation Limited
- (d) Indo-Burma Petroleum Company Limited
- (e) Chennai Petroleum Corporation Limited and
- (f) Reliance Industries
- (g) Reliance Petro Marketing Private Ltd
- (h) Reliance Petroleum Private Ltd.,
- (i) Oil Natural Gas Commission
- (j) Such other oil company as the Government may, from time to time, by notification in the Gazette specify in this behalf.

38.2 Section 2 (38) – Definition of taxable turnover

Explanation-II: The sale price relating to second and subsequent sale of goods specified in Schedule VI shall not form part of taxable turnover;

38.3 Section 4 (5) – Charging Section

“Every dealer shall pay tax on the sale price of goods specified in Schedule VI at the special rates and at the point of levy specified therein;”

38.4 Section 9 – Input tax credit for dealers for goods in Schedule VI

“Every dealer, who is liable to pay tax on the sale of goods specified in Schedule VI, shall be eligible for input tax credit subject to the conditions in Section 13 of the Act and in the manner prescribed.”

38.5 Section 13(1) – Credit for input tax

“Subject to the conditions if any, prescribed, an input tax credit shall be allowed to the VAT

dealer for the tax charged in respect of all purchases of taxable goods, made by that dealer during the tax period, if such goods are for use in the business of the VAT dealer. No input tax credit shall be allowed in respect of the tax paid on the purchase of goods specified in Schedule VI.”

38.6 Section 17 (5) (d) – compulsory registration of first sellers of schedule VI goods

“every dealer liable to pay tax on goods listed in Schedule VI”

39 CONDITIONS RELATED TO ACCOUNTING FOR TAX FOR GOODS LISTED IN SCHEDULE VI OF THE VAT ACT 2005

- i. Such goods are liable to tax at the special rate defined in the Act at the first point of sale in the state. This first point of sale is defined in the schedule in the case of deemed first sales.
- ii. No input tax credit is allowable on goods listed in the schedule, purchased for resale by the first seller.
- iii. The first seller / deemed first seller cannot issue tax invoices related to the first sale of goods in Schedule VI and subsequent sellers of the products are not able to claim input tax credit and have no liability to output tax.
- iv. First sellers of goods covered under this schedule are eligible to claim input tax credit on business purchases related to the business subject to the normal conditions related to input tax under the Act.
- v. Special Form of VAT 200 is being provided for the limited number of first sellers to account for their tax liability.
- vi. This category of dealers can issue tax invoices for the goods other than those mentioned in Schedule VI. For example, oil companies can issue tax invoices for sales of lubricants.

40 LAW ON CASUAL TRADERS

Section 2 (7) – Definition

‘Casual trader’ means a person who, whether as principal, agent or in any other capacity, carries on occasional transactions of a business nature involving the buying, selling, or distribution of goods in the State, whether for cash or for deferred payment, or for commission, remuneration or other valuable consideration;

Section 4(6) – Charging Section

“Every casual trader who sells goods within the State and any dealer covered under Explanation III and IV of clause (10) of Section 2 shall pay tax on the sale price of such goods at the rates specified in the respective Schedules.”

Section 13 (9) – Input tax credit

“A Turnover Tax dealer or a casual trader shall not be entitled to claim input tax credit.”

Section 17 (1) – Registration

“Every dealer other than a casual trader shall be liable to be registered in accordance with the provisions of the Act.”

41 RULES ON CASUAL TRADERS

Rule 23 (7) tax returns

- a) In the case a casual trader commences business in the state, a declaration on Form CAT001 shall be filed within 24 hours of arrival in any place in the State before the authority prescribed indicating the nature of goods and their value which he intends to deal in and the period for which he intends to conduct his business.
- b) The casual trader shall file a final declaration in Form CAT 002 before the authority prescribed, on the last day on which he intends to leave the place along with payment of the tax due on the taxable turnover.

42 CONTROL OF CASUAL TRADERS

- i. The control of casual traders is delegated to the designated DCTO in the circle office.
- ii. The obligation is on the casual trader visiting the state to complete a declaration on Form CAT 001 and file it at the local office within 24 hours of arrival in the state.
- iii. Before leaving the state the casual trader should submit a final declaration on CAT 002 along with payment of the tax due on the taxable turnover. The rate of tax to be applied should be the rate defined in the VAT Act 2005.
- iv. A record should be maintained of all Form CAT 001's received and where Form CAT 002 is not received for a casual trader, enquiries should be made to ascertain the whereabouts of the trader.

43 LAW ON AGENTS UNDER THE VAT ACT 2005

Section 2 (10) – Definition

'Dealer' means any person who carries on the business of buying, selling, supplying or distributing goods or delivering goods on hire purchase or on any system of payment by instalments, or carries on or executes any works contract involving supply or use of material directly or otherwise, whether for cash or for deferred payment, or for commission, remuneration or other valuable consideration, and includes, INTER ALIA,

- (f) a commission agent, a broker, a delcredere agent, an auctioneer or any other mercantile agent, by whatever name called, who carries on the business of buying, selling, supplying or distributing goods on behalf of any principal;

Explanation I: Every person who acts as an 'agent of a non-resident dealer', that is, as an agent on behalf of a dealer residing outside the State, and buys, sells, supplies or distributes goods in the State or acts on behalf of such dealer as,

- (i) a mercantile agent as defined in the Sale of Goods Act, 1930, or
- (ii) an agent for handling goods or documents of title relating to goods, or
- (iii) an agent for the collection or the payment of the sale price of goods or as a guarantor for such collection or payment and every local branch of a firm or company situated outside the State; shall be deemed to be a dealer for the purpose of the Act;

Section 17(5) (e)

Notwithstanding anything contained in sub-sections (2), (3) and (4), the following classes of dealers shall be liable to be registered as VAT dealers irrespective of their taxable turnover namely,—

- (a) every commission agent, broker, delcredere agent, auctioneer or any other mercantile agent by whatever name called, who carries on the business of buying, selling, supplying or distributing goods on behalf of any non resident principal;

44 RULES OF AGENTS UNDER THE VAT ACT 2005

44.1 Rule 33- Records to be maintained by clearing/ forwarding agents

- 1) When the goods are transported after clearance from a seaport, on behalf of a dealer not registered under the Act, the clearing or forwarding agent, as the case may be, notwithstanding that such agent is not a dealer registered under the Act or any other person in charge of the goods vehicle or boat, who, on behalf of such agent or importer transports the goods from the seaport shall carry with him the following documents in respect of the goods carried in the goods vehicle or boat, namely: -

- (a) A trip sheet, or log book, as the case may be;
- (b) A Delivery Note in Form 602
- (c) Copy of the foreign seller's invoice with the copy of bill of entry; and
- (d) Letter from the importer or clearing or forwarding agent to the consignee, specifically mentioning the description, quantity and value of the goods imported

Provided that, in case, goods are imported by a dealer, registered under the Act it is sufficient, if the goods are accompanied by a waybill in Form X or Form 600 instead of Delivery Note in Form 602.

- 2) All clearing or forwarding agents / importers from outside the State of Andhra Pradesh shall obtain the required number of Delivery Notes in Form 602 from the Commercial Tax Officer, having jurisdiction over the seaport, by producing evidence of import of goods, including nature of goods, quantity and value of goods.
- 3) All clearing or forwarding agents at sea ports shall furnish information relating to consignments cleared by them during the previous month to the Commercial Tax Officer, having jurisdiction over the seaport, so as to reach him on or before the tenth day of the succeeding month.

44.2 Rule 34 – Records to be maintained by agents acting on behalf of principals

- 1) Any person acting as a selling agent on behalf of agriculturist principal or any other dealer not registered as a VAT dealer or as a TOT dealer shall be required to maintain records on Form 521 containing the full particulars of names and addresses of agriculturist principals, names and addresses of buying dealers with TIN / GRN, name and quantity of the commodity sold, the date of sale, value of sale etc.
- 2) i. Any person acting as a buying agent or a selling agent on behalf of resident principals

other than agriculturist's principals shall be required to maintain the records on Form 522 containing the details of name and address of resident principal, TIN / GRN, commodity purchased / sold, date of purchase / sale, value of the goods, tax invoice / invoice number issued / received on behalf of principal etc.

- ii. Every Resident Principal registered under the Act who is carrying on the business of selling / buying any of the goods taxable under the Act, through his agent, shall issue a declaration to such agent in Form 522A.
- iii. Where any Resident Principal registered under the Act is selling any goods through his agent, he shall issue Form 522A to his agent (i) supplying his own invoices for issue to the customer (ii) authorizing the agent to issue the agent's invoices on his behalf with the seal and stamp of the principal. In either case a copy of the invoice shall be transferred to the principal within (10) days of issue, to enable the principal to account for the tax in the tax return.
- iv. Every buying agent acting on behalf of resident principal registered under the Act may obtain tax invoices or commercial invoices from the supplying dealer and pass these on to the principal within (10) days to enable the principal to account for the purchases in his tax return.

Wherever the supplier is not registered under the Act, the buying agent may furnish a statement to his principal showing the particulars of the transaction.

- 3) Every person acting as an agent on behalf of non-resident principal shall issue tax invoices/ invoices on his behalf and shall be required to maintain the records on Form 523 containing the details like name and address of the non-resident principal, registration number of non-resident principal in the State, name and quantity of the commodity purchased / sold, value of the goods sold/purchased, date of sale / purchase, particulars of transportation to his principal, tax invoice number issued / received etc.
- 4) Every cotton ginning mill shall maintain the following registers in the prescribed form:
 - (a) Register of kapas ginned and lint dispatched on Form 524.
 - (b) Register of stocks on Form 525.

45 GENERAL CONDITIONS RELATED TO THE OBLIGATIONS OF AGENTS UNDER THE VAT ACT 2005

45.1 Agents obligations:

- i. A non-resident principal is required to register as a VAT dealer when conducting business in the state of AP. In such a situation the law requires he appoint an agent in the state to conduct business on his behalf.
- ii. An agent making purchase/ sales of taxable goods related to his own business should register in accordance with the taxable turnover defined in the Act.
- iii. An agent acting on behalf of a resident principal/ agriculturalist principal is under no obligation to register in respect of those activities unless his purchases/ sales of taxable goods in respect of his own business require registration based on the taxable turnover.

45.2 Agent acting for a non-resident principal (principal)

- i. An agent acting for a principal has the same legal obligations as agent as if he were the VAT principal and must be in possession of a legal authority/ agreement to act on behalf of the principal:
- ii. He must fulfil the registration obligations of the principal
- iii. Must account for VAT for all purchase/ sales made on behalf of the principal and file the appropriate Form VAT 200 and pay tax declared as due.
- iv. Can issue/ receive tax invoices on behalf of a principal
- v. Required to maintain accounts and records as prescribed in the VAT rules on behalf of a principal
- vi. Must provide the required facilities for VAT audit
- vii. Any failure to comply with any of the legal obligations of the Act, which result in the imposition of interest/ penalty, or any other arrears are the direct responsibility of the agent.

45.3 Agents acting on behalf of resident principals

- i. Issue and receipt of tax invoices:
- ii. A resident principal can authorise the agent to issue and receive invoices bearing the TIN of the VAT registered principal.
- iii. Conversely, the resident principal can authorise the agent to receive tax invoices issued in relation to purchases for the agents business.
- iv. In both cases the purchase/ sale invoices should be forwarded to the VAT registered principal within 10 days.
- v. The agent of the resident principals has no liability to pay tax for the taxable sales made by the resident principal.
- vi. The agent for the resident principal cannot claim input tax credit related to the purchases by the resident principal.

46 LAW ON TRANSFER OF A BUSINESS

Section 13 (1) –Input tax credit

Subject to the conditions if any, prescribed, an input tax credit shall be allowed to the VAT dealer for the tax charged in respect of all purchases of taxable goods, made by that dealer during the tax period, if such goods are for use in the business of the VAT dealer. No input tax credit shall be allowed in respect of the tax paid on the purchase of goods specified in Schedule VI.

Section 13 (5)

“No input tax credit shall be allowed on the following:

- (b) transfer of a business as a whole”

47 RULE ON TRANSFER OF A BUSINESS

Rule 36 Conditions for transfer of a business.

The transfer of a business from one VAT dealer to another VAT dealer is exempt from VAT subject to the following conditions, namely:

- (a) The business must be transferred as an ongoing concern and continue trading under the new ownership.
- (b) The VAT dealer transferring the business shall notify the authority prescribed of the transfer of the business within 10 days of the date of the transfer.
- (c) The VAT dealer transferring the business shall seek cancellation of his registration, if appropriate and shall comply with the provisions of Section 17 of the Act and Rule 14 of these Rules.
- (d) The VAT dealer acquiring the business shall account for tax on the stock and assets acquired, at the time of their sale.
- (e) The VAT dealer acquiring the business shall retain all the tax records related to that business for a period of not less than 6 years after the end of the year in which the business was acquired under sub-section (4) of Section 42 of the Act after the end of the year in which the business was acquired

48 LAW ON TAXATION OF HOTELS UNDER THE VAT ACT 2005

48.1 Section 4 – Charging Section

Sub-Section (2)

Every dealer who has not opted for registration as a VAT dealer and who is registered or liable to be registered for TOT or whose taxable turnover in a period of twelve (12) consecutive months exceeds Rs. 5,00,000/- (Rupees five lakhs only) but does not exceed Rs. 40,00,000/- (Rupees forty lakhs only) shall pay tax at the rate of one percent (1%) on the taxable turnover in such manner as may be prescribed.

Sub-Section (3)

Every VAT dealer shall pay tax on every sale of goods taxable under this Act on the sale price at the rates specified in the Schedules III, IV and V, subject to the provisions of Section 13.

Sub-Section (9)

Every VAT dealer running any restaurant, eating house, or hotel by whatever name called, who supplies, by way of or as part of any service or in any other manner whatsoever of goods, being food or any other article for human consumption or drink other than liquor and whether or not such goods have suffered tax under this Act, where such supply or service is for cash, deferred payment or other valuable consideration, may opt to pay tax by way of composition at the rate of twelve and half percent (12.5%) on sixty percent (60%) of the total amount charged by the said VAT dealer for such supply.

48.2 Section 13 (5) – Input tax credit

No input tax credit shall be allowed on the supply of goods by the VAT dealer as mentioned in sub-section (9) of Section 4.

49 RULE ON TAXATION OF HOTELS

49.1 Rule 16 (7) – Determination of taxable turnover

In case of a VAT dealer specified in sub-section (9) of Section 4, forty percent (40%) of the total amount of consideration charged by such dealer shall be allowed as deduction and the balance of sixty percent (60%) of the total amount of consideration shall be the taxable turnover for the purpose of levy of tax by way of composition.

49.2 Rule 19 (5) – Calculation of VAT payable

- (a) Any VAT dealer opting to pay tax by way of composition under sub-section (9) of Section 4, shall apply for composition on Form VAT 250 to the prescribed authority;
- (b) Such dealer shall be liable to pay tax at the rate of twelve and half percent (12.5%) on sixty percent (60%) of the total amount of consideration charged, from the first day of the month in which the application for composition is made. The liability to tax shall continue till the end of the month in which the application for withdrawal of composition is received.

50 GENERAL CONDITIONS RELATED TO THE OBLIGATIONS OF HOTELS UNDER THE VAT ACT 2005

50.1 Obligations of a hotel:

- i. A hotel is required to register as a VAT dealer when he meets the obligations of a VAT registration.
- ii. A hotel registered as a TOT dealer is required to pay tax at the rate of 1% on its sales. The hotel is not eligible for any input tax credit.
- iii. A hotel whose taxable turnover is less than Rs.5 lakhs in 12 consecutive months need not register.
- iv. A hotel registered as a VAT dealer is eligible for input tax credit on its business purchases. The hotel shall collect tax at the rate of 12.5% on its sales.
- v. A hotel opting for composition of tax under sub-section (9) of Section 4 shall pay tax at the rate of 12.5% on sixty percent (60%) of its total consideration. The remaining 40% is allowed deduction. In effect, the hotelier under composition can collect tax at the rate of 7.5% on his total consideration.
- vi. Any hotel serving or supplying liquor is not eligible for composition under sub-section (9) of Section 4.
- vii. The VAT dealer opting for composition shall make an application in Form VAT 250 to the prescribed authority.
- viii. If the hotelier under composition wants to opt out of the composition, he shall make an application on Form VAT 250 A to the prescribed authority.

APPENDIX A
FORMS RELATING TO MANUAL - II



INDEX

S.No.	FORM No.	DESCRIPTION	
1	Form TOT 001	Application for TOT Registration	101
2	Form TOT 001A	Addresses of additional places of Business / Branches / Godowns in Andhra Pradesh	103
3	Form TOT 001B	Particulars of Partners / Directors / Persons responsible (Authorised) for the business	105
4	Form TOT 007	Quarterly return for Turnover Tax	107
5	Form TOT 008	Notice for failure to file a return for Turnover Tax	109
6	Form TOT 009A	Notice for penalty to a TOT Dealer / Others	110
7	Form TOT 009	Notification and Demand for penalty to a TOT Dealer / Others	111
8	Form TOT 011	Demand of Penal Interest to a TOT Dealer / Others	112
9	Form TOT 012	Demand for Unpaid Turnover Tax	113
10	Form TOT 013	Notice of Compulsary Cancellation of TOT Registration	114
11	Form TOT 014	Application for Cancellation of TOT Registration	115
12	Form TOT 015	Notice of Cancellation of TOT Registration	116
13	Form TOT 017	Refusal of Registration for Turnover Tax	117
14	Form TOT 025	Assesment of Turnover Tax	118
15	Form TOT 025A	Notice of Assesment of Turnover Tax	120
16	Form TOT 030	Claim for Refund by TOT Dealer	121
17	Form TOT 035	Notification of Advise/Reduction/Refusal of refund to a TOT Dealer / Other	123
18	Form TOT 035A	Approval of refund claim by Commissioner/Dy.Commissioner to a TOT Dealer / Others	124
19	Form TOT 036	Payment of Interest by Commercial Taxes Department to a TOT Dealer / Others	125
20	Form TOT 061	Demand for payment of Amount outstanding against a TOT dealer/ Others from the Bank / Third Party	126
21	Form TOT 062	Application of a TOT Dealer / Others for payment of amount outstanding by instalments	127

22	Form TOT 063	Approval/refusal of payment of amount outstanding by instalments to a TOT Dealer / Others	128
23	Form TOT 064	Notification of Seizure of the goods (to a TOT Dealer / Others)	129
24	Form TOT 065	Notification of release of Seized goods (to a TOT Dealer/Others)	131
25	Form VAT 100	Application for VAT Registration	133
26	Form VAT 100A	Addresses of additional places of Business / Branches / Godowns in Andhra Pradesh	136
27	Form VAT 100B	Particulars of Partners / Directors / Persons responsible (Authorised) for the business	138
28	Form VAT 101	Notification of VAT Registration	140
29	Form VAT 104	Application for VAT Registration as a Startup Business prior to making Taxable Sales	141
30	Form VAT 105	VAT Registration Certificate	142
31	Form VAT 118	Claim for Credit of VAT Paid on Goods in Stock at the time of VAT Registration	143
32	Form VAT 119	Notification of VAT Credit	145
33	Form VAT 150A	Declaration of Turnover for the year 2004 (VAT dealer)	146
34	Form VAT 151A	Declaration of Turnover for the year 2004	147
35	Form VAT 200	Monthly Return for Value Added Tax	148
36	Form VAT 200A	Annexure to Monthly VAT Return for Adjustment of Input Tax Credit	151
37	Form VAT 200B	Annexure to VAT Return for the month of March for the 12-month period ending March for adjustment of Input Tax Credit	152
38	Form VAT 200C	Final Return on Cancellation of VAT Registration	154
39	Form VAT 200D	Declaration by a VAT Dealer showing Break up of Sales and Input Tax	157
40	Form VAT 200E	Annexure to Monthly VAT Return for Adjustment of Input Tax Credit (Works Contract)	158
41	Form VAT 200F	Annexure to VAT Return for the month of March for the 12-month period ending March for adjustment of Input Tax Credit (Works Contract)	159

42	Form VAT 201	Notification of failure to file VAT return	161
43	Form VAT 202	Demand for unpaid Value Added Tax	162
44	Form VAT 203A	Notice for penalty to a VAT dealer	163
45	Form VAT 203	Notification and Demand for penalty to a VAT dealer	164
46	Form VAT 204	Unilateral Assessment for failure to file a VAT Return	165
47	Form VAT 205	Demand for Penal Interest to a VAT dealer	166
48	Form VAT 206	Demand for payment of amount outstanding of a VAT dealer from the Bank/Third Party	167
49	Form VAT 207	Application of a VAT dealer for payment of amount outstanding by instalments	168
50	Form VAT 208	Approval/Refusal of payment of amount outstanding by instalments to a VAT dealer	169
51	Form VAT 209	Notification of Seizure of the goods (of a VAT dealer)	170
52	Form VAT 210	Notification of release of Seized goods (of a VAT dealer)	172
53	Form VAT 213	Application For Under / Over Declaration of Value Added Tax	174
54	Form VAT 225	Annexure to Monthly VAT Return (Notified special category of goods)	175
55	Form VAT 250	Application opting for Payment of Tax by way of Composition	176
56	Form VAT 250A	Application for withdrawal for Payment of Tax by way of Composition	177
57	Form VAT 300	Summery of business activities and records	178
58	Form VAT 301	VAT Audit Visit Report	180
59	Form VAT 302	Miscellaneous Visit Report	182
60	Form VAT 303	Advisory Visit Report	183
61	Form VAT 304	Notification of Advisory/Audit Visit to a VAT dealer	184
62	Form VAT 304A	VAT Visiting Officer Weekly Programme	185
63	Form VAT 305	Assesment of Value Added Tax	187
64	Form VAT 305A	Notice of Assesment of Value Added Tax	189
65	Form VAT 307	Notice of Under Declaration of Value Added Tax	191

66	Form VAT 308	Notice of Over Declaration of Value Added Tax	192
67	Form VAT 351	Notice of Claim for Refund by a VAT Dealer	193
68	Form VAT 352	Confirmation of the Claim of Refund	194
69	Form VAT 355	Notification of Advise/Reduction/Refusal of refund to a VAT dealer	195
70	Form VAT 355A	Approval of Refund claim by the Commissioner/ Dy.Commissioner to a VAT dealer	196
71	Form VAT 356	Payment of Penal Interest by Commercial Taxes Department to a VAT dealer	197
72	Form VAT 360	Application for Claim of Refund for the Tax paid on Sales or Purchases of Goods specified under Section 4(2)	198
73	Form 500	Refund Voucher	199
74	Form 501	Certificate of Tax Collection at Source	200
75	Form 501A	Certificate of Tax Deduction at Source	201
76	Form 502	Declaration of a VAT dealer availing Industrial Incentives	202
77	Form 503	Declaration of a VAT dealer for adjustment of Entry Tax / Other Tax	203
78	Form 510	Application for Refund of Tax under Section 15(3)	204
79	Form 510A	Application for Refund of Tax to Agencies of U.N.O., ICRISAT Etc.	205
80	Form 511	Notification of Advise/Reduction/Refusal of Refund applied under Section 15 (3) / by agencies of UNO, ICRISAT, etc.	206
81	Form 512	Approval of refund claim by Commissioner / Dy.Commissioner to the persons applied as per Govt. notification under section 15(3)/ purchases made by agencies of UNO, ICRISAT, etc.	207
82	Form 513	Payment of Penal Interest by Commercial Taxes Department on refund to the persons applied as per Govt. notification under Section 15(3)/purchases made by agencies of UNO, ICRISAT, etc.	208
83	Form 550	Cheque Register	209
84	Form CAT 001	Intimation by Casual Trader	210
85	Form CAT 002	Final Return by a Casual Trader	211

**APPLICATION FOR GENERAL REGISTRATION
FOR TURNOVER TAX (TOT)**

FORM TOT 001

[See Rule 4(2)]

Submit in duplicate
Read notes before completing this form
Use separate sheets where space is not sufficient.

Affix Passport Size
Photo of Sole
Proprietor. In case of
Partnership firm/
Companies/others
Affix photos of
persons responsible
on 001B

To
The Asst. Commercial Tax Officer,

_____ Circle.

01 Name of the dealer: APGST No. if any:		
02 Address of Place of business:	Door No: Locality District Phone No: Email :	Street Town/City Pin Code Fax No: Website URL:
03 Occupancy Status of the business premises: Owned/Rented/Leased/Rent-free/Others		
04 Status of business: (Mark “ ✓ “ where applicable) Sole Proprietorship <input type="checkbox"/> Partnership <input type="checkbox"/> Private Limited Company <input type="checkbox"/> Public Limited Company <input type="checkbox"/> Govt. Enterprise <input type="checkbox"/> Others (Specify) <input type="text"/>		
05 Name & Residential address of the person responsible for business :	Name : Father's/Husband's Name: Date of Birth: Door No. Locality District Phone No Email:	Street Town/City Pin Code Fax No.
06 Nature of Principal business activities:		
07 Principal Commodities traded:		
08 Bank Account Details: <u>Bank Name</u> : <u>Branch & Code</u> <u>Account No.</u> 1. 2.		

09	Income Tax Permanent Account Number: (PAN)	
10	Addresses of additional places of business / Branches /Godowns in A.P. Use form 001A	
11	Particulars of Partners/Directors/ Responsible person of the business: Use Form 001B	
12	Taxable Turnover of your business for the last 12 consecutive months :	
13	Estimated taxable turnover of your business for next 12 consecutive months :	
14	Date on which taxable turnover for 12 consecutive months exceeded Rs.5 lakhs	
15	Registration Number (if any under Profession Tax Act)	

Declaration:

<p>I _____ S/o _____ Status _____ of the above enterprise hereby declare that the particulars given are true and correct to the best of my knowledge and belief. I undertake to notify immediately to the registering authority of any change in any of the above particulars.</p> <p>Signature with Stamp. Date of application.</p>	
--	--

FOR OFFICE USE ONLY	
16	Date of receipt of application:
17	Effective date of registration:
18	Date of certification by Registering Authority:
19	Date of refusal of registration by Registering Authority:
20	GENERAL REGISTRATION NUMBER:

**ADDRESSES OF ADDITIONAL PLACES OF BUSINESS /
BRANCHES /GODOWNS IN ANDHRA PRADESH**

FORM TOT 001A

Name of the Dealer :

- 1) Fill in the addresses of Additional Places of Business/Branches/Godowns in the spaces provided for.
- 2) Strike off Additional Places of Business/Branches/Godowns whichever is not applicable.

ADDITIONAL PLACE OF BUSINESS/BRANCH/GODOWN

01 Address _____ _____
Pin Code No: _____ Telephone No: _____
Signature _____ Date _____

ADDITIONAL PLACE OF BUSINESS/BRANCH/GODOWN

02 Address _____ _____
Pin Code No: _____ Telephone No: _____
Signature _____ Date _____

ADDITIONAL PLACE OF BUSINESS/BRANCH/GODOWN

03 Address _____ _____
Pin Code No: _____ Telephone No: _____
Signature _____ Date _____

ADDITIONAL PLACE OF BUSINESS/BRANCH/GODOWN

04 Address _____ _____
Pin Code No: _____ Telephone No: _____
Signature _____ Date _____

ADDITIONAL PLACE OF BUSINESS/BRANCH/GODOWN

05 Address _____	

Pin Code No: _____	Telephone No: _____
Signature _____	Date _____

ADDITIONAL PLACE OF BUSINESS/BRANCH/GODOWN

06 Address _____	

Pin Code No: _____	Telephone No: _____
Signature _____	Date _____

**PARTICULARS OF PARTNERS/DIRECTORS/
PERSONS RESPONSIBLE (AUTHORISED)
FOR THE BUSINESS**

FORM TOT 001B

Affix Passport size
Photo of
Partner/Director/
Person
Responsible

Name of the Dealer :

- 1) Fill in the details for each Partner/Director/Responsible Person separately in the boxes provided for. Please use BLOCK LETTERS and write clearly.
- 2) Strike off Partners/Directors/Responsible Persons whichever is not applicable.

PARTNERS/DIRECTORS/ PERSONS RESPONSIBLE DETAILS

1.	Full Name	
2.	Father's/Husband's Name	
3	Date of Birth	
4	Extent of interest in business(Partnership firm) / Official Designation and date of joining in the present capacity (in case of Directors in Limited Companies)/Status & function of Person Responsible (Authorised) for the business.	
5	Other business interests in the State (Please specify)	
6	Other business interests outside the State (Pl. specify)	
7	Present Residential Address: Telephone No: e-mail:	
8	Permanent Address: Telephone No.	
9	Income Tax Permanent Account Number (PAN)	

Signature

Date:

Affix Passport size
Photo of
Partner/Director/
Person
Responsible

PARTNERS/DIRECTORS/ PERSONS RESPONSIBLE DETAILS

1.	Full Name	
2.	Father's/Husband's Name	
3	Date of Birth	
4	Extent of interest in business(Partnership firm) / Official Designation and date of joining in the present capacity (in case of Directors in Limited Companies)/Status & function of Person Responsible (Authorised) for the business.	
5	Other business interests in the State (Please specify)	
6	Other business interests outside the State (Pl. specify)	
7	Present Residential Address: Telephone No: e-mail:	
8	Permanent Address: Telephone No.	
9	Income Tax Permanent Account Number (PAN)	

Signature

Date:

RETURN OF TURNOVER TAX (QUARTERLY)

(Please read the notes on the reverse of the form)

(See Rule 23)

FORM TOT 007

01. Tax Office Address: _____ _____ _____	02 GRN _____ _____ _____ _____
---	--

Period covered by Return

03. From	To
04. Name :	
Address:	
05. Taxable Turnover for the period mentioned at Sl.No: 03 above	
06. Turnover tax @ 1%	
07. Adjustments, if any, with details:	
08. Payment to be made	

09. Details of payment:

Challan /Instrument No.	Date	Bank/Treasury	Branch Code	Amount

10. Declaration

Name _____ S/o / D/o _____
 being (title) _____ of the above enterprise
 do hereby declare that the information given on this document is true and correct.
 Signature & Stamp _____ Date of declaration _____

Please Note:

This return shall be filed quarterly along with tax due on or before end of the month following the quarter ending June, September, December and March of every year.

FOR OFFICE USE ONLY:

Amount of TOT paid Rs. _____ Date of Receipt _____

Instrument of payment.

Signature of Receiving Officer with stamp.

NOTES FOR COMPLETION OF FORM

- Box 01. Write the office address of your Tax office.
- Box 02. Insert your General Registration Number as mentioned on your Notification of General Registration.
- Box 03. Enter the period in months covered for the calendar quarter.
- Box 04. Enter the name and address as shown on your Notification of General Registration.
- Box 05. Enter the taxable turnover of your business for the period. Your taxable turnover is the value of your sales excluding sales which are exempt under the APVAT Act, 2005.
- Box 06. Enter the tax due for the period at 1% of the taxable turnover.
- Box 07. Enter if any adjustments are there like advance payments already made, etc., and enter the details
- Box 08. Enter the balance of tax due for the period that is due for payment.
- Box 09. Enter the payment details.
- Box 10. Enter the name of the person with status and sign the declaration with date.

GOVERNMENT OF ANDHRA PRADESH
COMMERCIAL TAXES DEPARTMENT

FORM TOT 008

NOTICE FOR FAILURE TO FILE TURNOVER TAX RETURN

01. Tax Office Address: _____ _____ _____	Date			Month			Year		
	_____			_____			_____		
	02	GRN	_____	_____	_____	_____	_____	_____	

03. Name : _____
Address: _____

The Tax Office records indicate that the TOT return and payment due for the Quarter ending _____ due to be filed by _____ has not been received.

If you have already filed the return along with payment you should intimate to the Tax Office without delay otherwise you will be charged penalty and penal interest, and proceeding are taken for prosecution for failure to file the return.

You are reminded that the APVAT Act 2005 provides that failure to file a return can result on to pay a penalty of Rs.500/- (Rupees Five Hundred only) where no tax is due and shall on be punished with imprisonment for a term which may extend to three months or with fine or both.

In all cases where a TOT return is not filed by _____ a penalty of 10% of amount of tax unpaid will be due and interest will be charged at the rate of 1% per month for each day that the payment is delayed.

YOU SHOULD CONTACT THE TAX OFFICE WITHOUT DELAY.

DEPUTY COMMERCIAL TAX OFFICER,

CIRCLE,

DIVISION.

Note:- Complete in duplicate

GOVERNMENT OF ANDHRA PRADESH
COMMERCIAL TAXES DEPARTMENT

FORM TOT 009A

NOTICE FOR PENALTY TO A TOT DEALER / OTHERS

01. Tax Office Address:

Date Month Year

--	--	--

02	GRN			
----	-----	--	--	--

 / OTHERS

03. Name : _____

Address: _____

Tax Office records indicate that you have committed the following offence which is punishable under the provisions of AP VAT Act 2005.

.....

.....

.....

Accordingly it is proposed that you are liable to pay Rs. _____ as penalty at ____% on tax of Rs. _____ which was due.

Therefore, you are requested to pay the above penalty or file reply within 10 days from the date of this notice failing which the above proposed penalty will be confirmed without any further notice in the matter.

Signature of the Officer
Designation, Stamp & Seal

Note:- Complete in duplicate

NOTIFICATION AND DEMAND FOR PENALTY
TO A TOT DEALER / OTHERS

01. Tax Office Address: _____

Date Month Year

--	--	--

02	GRN				/OTHERS
----	-----	--	--	--	---------

03. Name : _____
Address: _____

Tax Office records indicate that you have been given a penalty notice in Form TOT 009A
Dated _____ for committing the following offences:

.....
.....

- * You have not responded to the Penalty notice.
- * You have replied to the Penalty notice on _____ and your objections were examined and considered as follows:

.....
.....
.....

In view of the above, the proposal for levy of penalty is confirmed and accordingly you are requested to pay an amount of Rs. _____ (Rupees _____) towards penalty within 15 days of receipt of this order.

YOU ARE REMINDED THAT THE APVAT ACT 2005 EMPOWERS THE TAX DEPARTMENT TO CONFISCATE AND SELL YOUR GOODS TO RECOVER AMOUNT OUTSTANDING.

You have the right to appeal against this order.

**Signature of the Officer,
Designation, Stamp & Seal**

(* Strike off which is not applicable)

Note:- Complete in duplicate.

GOVERNMENT OF ANDHRA PRADESH
COMMERCIAL TAXES DEPARTMENT

FORM TOT 011

DEMAND OF PENAL INTEREST TO A TOT DEALER / OTHER

01. Tax Office Address: _____ _____ _____	Date	Month	Year		
	_____	_____	_____		
	02	GRN	_____	_____	_____

03. Name : _____
Address: _____

Tax Office records indicates that the Return / Tax on assessment / others is due by _____ but it was received on _____

The tax declared as due on the * TOT return/assessment/others was Rs. _____

Period of Delay _____

Penal interest due on Rs. _____ @ 1% is Rs. _____

You are requested to pay the above amount towards the Penal interest within 15 days of receipt of this order.

YOU ARE REMINDED THAT THE APVAT ACT 2005 EMPOWERS THE TAX DEPARTMENT TO SEIZE, CONFISCATE AND SELL YOUR GOODS TO RECOVER THE AMOUNT OUTSTANDING.

**Signature of the Officer,
Designation, Stamp & Seal**

(* Strike off which is not applicable)

Note:- Complete in duplicate.

GOVERNMENT OF ANDHRA PRADESH
COMMERCIAL TAXES DEPARTMENT

FORM TOT 012

DEMAND FOR UNPAID TURNOVER TAX

[See Rule 24(4)]

01. Tax Office Address: _____ _____ _____
--

Date	Month	Year

GRN			
-----	--	--	--

02. Name : _____
Address: _____

Tax Office record indicates that TOT that was due on the following dates remains unpaid.

DATE DUE ASSESSMENT/RETURN AMOUNT OUTSTANDING

You are requested to pay the above amount outstanding with in 15 days from the date of this notification.

You are reminded that any amounts of tax outstanding after the legal date for payment shall be liable to a penalty of ____ percent of the amount of the late payment and interest will be charged at the rate of 1% per month for each day that the payment is delayed.

YOU ARE REMINDED THAT THE APVAT ACT 2005 EMPOWERS THE TAX DEPARTMENT TO CONFISCATE AND SELL YOUR GOODS TO RECOVER THE UNPAID TOT.

You have the right to appeal against this decision.

**DY. COMMERCIAL TAX OFFICER,
_____ CIRCLE**

Note: - Complete in duplicate.

GOVERNMENT OF ANDHRA PRADESH
COMMERCIAL TAXES DEPARTMENT

FORM TOT 013

NOTICE OF COMPULSORY CANCELLATION OF TOT REGISTRATION

[See Rule 15(5)]

01. Tax Office Address: _____ _____

Date Month Year

--	--	--

GRN			
-----	--	--	--

02. Name : _____
Address: _____

I have to advise you that it is proposed to cancel your TOT registration with effect from _____ because (Strike off which is not applicable/Tick appropriate boxes)

- * You have no fixed place of abode or business.
- * You are not, in the opinion of the CT Department, a fit and proper person to be registered for TOT.
- * Specify any other reasons _____
- * **You are required to file a final TOT return in form TOT 007 for the period ending _____ and pay the TOT due.**

You are requested to file your written objections, if any along with documentary evidence within 10 days of date of the notice failing which the proposal as stated above will be confirmed without any further notice in the matter.

**ASST. COMMERCIAL TAX OFFICER,
TOT REGISTERING AUTHORITY,
_____ CIRCLE**

**APPLICATION FOR CANCELLATION OF
TOT REGISTRATION**

[See Rule 15 (1)]

FORM TOT 014

01. Tax Office Address:

Date	Month	Year
GRN		

02. Name : _____
Address: _____

I apply to cancel my TOT registration from
Reason(s) for the cancellation of registration:

04	Date:
----	-------

i) My business closed on:

05	Date:
----	-------

ii) My taxable turnover for the last twelve consecutive months is less than Rs.3,75,000/-

iii) My taxable turnover for the last 12 consecutive months has crossed Rs.40,00,000/-

iv) My taxable turnover for the last three consecutive months has crossed Rs.10,00,000/-

v) I require CST registration for my business and intend to also apply for VAT registration
Specify any other reason.

10. Declaration

I _____ (Name) _____ Being (Title) _____ of the above enterprise do hereby declare that the information given in this form is true and correct and I apply for the cancellation of my registration.	Date	Month	Year
Signature & Stamp..... Date of declaration			

FOR OFFICE USE ONLY

Date application received

07	
----	--

Check arrears of TOT

Confirmation from Return Processing Section – Tax Arrears.....

Final Return Received..... YES/NO

Date of cancellation

08	
----	--

RECEIVING OFFICER	ASST. COMMERCIAL TAX OFFICER
-------------------	------------------------------

GOVERNMENT OF ANDHRA PRADESH
COMMERCIAL TAXES DEPARTMENT

FORM TOT 015

NOTICE OF CANCELLATION OF TOT REGISTRATION

[See Rule 15(3)]

01. Tax Office Address: _____ _____ _____	Date			Month		Year	
	02	GRN					

03. Name : _____
Address: _____

It is confirmed that your TOT registration has been cancelled with effect from _____ You are reminded that should your taxable turnover exceed the registration threshold limits in the future, you must apply for registration.

**ASST. COMMERCIAL TAX OFFICER,
TOT REGISTERING AUTHORITY,
_____ CIRCLE**

REFUSAL OF REGISTRATION FOR TURNOVER TAX

[See Rule 11(2)]

01. Tax Office Address:

Date Month Year

--	--	--

02	GRN				
----	-----	--	--	--	--

02. Name : _____
Address: _____

I acknowledge your application for Registration for Turnover Tax under APVAT Act' 2005.
On scrutiny of your application, it is noticed that you are not entitled for General Registration
for the following reasons _____

Accordingly, I refuse to register you under APVAT Act 2005.

You have the right to appeal against this order within 30 days of date of receipt of this order.

**ASST. COMMERCIAL TAX OFFICER,
TOT REGISTERING AUTHORITY,
_____ CIRCLE.**

GOVERNMENT OF ANDHRA PRADESH
COMMERCIAL TAXES DEPARTMENT

FORM TOT 025

ASSESSMENT OF TURNOVER TAX

[See Rule 25(6)]

01. Tax Office Address:	Date			Month		Year	
	02	GRN					

03. Name :	_____
Address:	_____

Following examination of your records on _____ and the issue of Form TOT 025A on _____ the correct amount of TOT under the provisions of AP VAT Act 2005 has been established as follows.

*This has resulted from : -

1. Your agreement at the time of visit on _____
2. After consideration of your reply received in this office on _____
3. Your failure to respond to the notice issued on Form TOT 025 A on _____

The total amount payable by you is explained below:

Period (Quarter ending)	Particulars of tax	Tax declared / net credit claimed	Tax Found to be due/ net credit due	Tax Over declared Due to dealer	Tax under declared Due to Tax Department	Penalty%	Interest @ 1% of..... month(s)	Total Due to Tax Department

Total amount due to Tax Department

--

Explanation for the above proposals:

* **A** The amount of _____ shall be paid within 30 days of receipt of this order. Failure to make the payment will result in recovery proceedings under the AP VAT Act 2005.

* **B** Your refund claim is reduced to _____ and this amount will be refunded to you.

THE PAYMENT OF THE AMOUNT SPECIFIED AT 'A' ABOVE MUST BE MADE TOGETHER WITH DUPLICATE COPY OF THIS ORDER AND PAYMENT BOXES ON THAT COPY COMPLETED.

An appeal against this order can be filed before the Appellate Deputy Commissioner within 30 days of receipt of this order.

DY. COMMERCIAL TAX OFFICER,
_____ **CIRCLE.**

ON DUPLICATE COPY OF THE ORDER

Payment details:

Challan/ Instrument No.	Date	Bank / Treasury	Branch Code	Amount

Complete in duplicate.

*Delete as appropriate

GOVERNMENT OF ANDHRA PRADESH
 COMMERCIAL TAXES DEPARTMENT
NOTICE OF ASSESSMENT OF TURNOVER TAX
 [See Rule 25(6)]

FORM TOT 025A

01. Tax Office Address: _____		Date	Month	Year	
	02	GRN			

03. Name : _____
Address: _____

Examination of your records on _____ has shown that the correct amounts of Turnover Tax have not been declared in the TOT returns listed below. Under the provisions of APVAT Act 2005 the following tax amounts are proposed to be assessed for the tax periods shown below.

Period (Quarter ending)	Particulars of tax	Tax declared / net credit claimed	Tax Found to be due/ net credit due	Tax Over declared Due to dealer	Tax under declared Due to Tax Department	Penalty%	Interest @ 1% of..... month(s)	Total Due to Tax Department

Total amount due to Tax Department

Explanation for the above proposals:
 If you have any objections to the assessment proposed above, you are requested to file written objections along with documentary evidence if any, within 7 days of date of this notice failing which orders will be passed without any further notice in the matter.

DY. COMMERCIAL TAX OFFICER,
 _____ **CIRCLE**

Complete in duplicate.

CLAIM FOR REFUND BY TOT DEALER

[See Rule 35(1)]

FORM TOT 030

01. Tax Office Address:

Date Month Year

--	--	--

02	GRN				
----	-----	--	--	--	--

03. Name : _____

Address: _____

I / We _____ claimant(s) of refund
do hereby declare that the refund is sought:

(Tick whichever is applicable)

1) in pursuance of an order of assessment

- i. Number and date of order of assessment
- ii. Date of notice of final assessment and refund order
- iii. Amount of refund order.

2) in pursuance of an order passed in appeal or revision

- i. Number and date of order of the appellate or revisional authority.
- ii. Date of revised notice of final assessment and refund order
- iii. Amount of refund due.

3) on cancellation of registration

Declaration:

I (Name)_____ Status (Title) _____ of the above business hereby declare that the information given in this form is true and correct. Signature of the claimant Signature of the authorised Representative if any. _____ Date of declaration _____

VERIFICATION

I / We _____ claimant(s) of refund
do hereby declare that what is stated herein is true to the best of my / our knowledge and
belief. Verified today the ____ day of _____ 200

Signature of the claimant

Signature of the authorised representative if any.

GOVERNMENT OF ANDHRA PRADESH
COMMERCIAL TAXES DEPARTMENT

FORM TOT 035

**NOTIFICATION OF ADVICE / REDUCTION / REFUSAL OF
REFUND TO A TOT DEALER / OTHERS**

01. Tax Office Address:

Date	Month	Year
_____	_____	_____

02	GRN	_____	_____	_____	/OTHERS
----	-----	-------	-------	-------	---------

03. Name : _____
Address: _____

You have filed an application on Form TOT 030, Dated _____ for an amount of Rs. _____ (Rupees _____) as Refund from the Commercial Taxes Department in pursuance of * Order of Assessment / Revision / Appeal / Cancellation of Registration/others.

On scrutiny of your application:

- * The refund claim has been accepted
- * The refund amount is restricted to Rs. _____ (Rupees _____) for the reasons
- * The refund claim is rejected for the reasons

Now I am herewith enclosing a refund Voucher No: _____ Dated _____ for an amount of Rs. _____ (Rupees _____) being an amount of refund made by the Commercial Taxes Department.

**Signature of the Officer
Designation Stamp & Seal**

(* Strike off which is not applicable)
Note:- Complete in duplicate.

GOVERNMENT OF ANDHRA PRADESH
COMMERCIAL TAXES DEPARTMENT

FORM TOT 035A

**APPROVAL OF REFUND CLAIM BY COMMISSIONER /
DY. COMMISSIONER TO TOT DEALERS / OTHERS**

01. Tax Office Address:

Date Month Year

--	--	--

02	GRN				/OTHERS
----	-----	--	--	--	---------

03. Name : _____
Address: _____

The above dealer filed an application on * Form TOT 030 Dated _____ for an amount of Rs. _____ (Rupees _____) as Refund from the Commercial Taxes Department in pursuance of Order of Assessment / Revision / Appeal / Cancellation of Registration/others.

As the refund amount is Rs. _____ which is more than Rs. _____ approval may be given for sanction of refund to the above dealer.

**Signature of the Officer
Designation Stamp & Seal**

(* Strike off which is not applicable)

Note:- Complete in triplicate.

On scrutiny of the application:

- * The refund claim has been accepted
- * The refund amount is restricted to Rs. _____ (Rupees _____) for the reasons
- * The refund claim is rejected for the reasons

Commissioner / Dy. Commissioner

GOVERNMENT OF ANDHRA PRADESH
COMMERCIAL TAXES DEPARTMENT

FORM TOT 036

**PAYMENT OF INTEREST BY COMMERCIAL TAXES DEPARTMENT
TO TOT DEALER / OTHERS**

01. Tax Office Address:

Date Month Year

--	--	--

02 | GRN | | | | /OTHERS

03. Name : _____
Address: _____

The above dealer filed an application on Form TOT 030 Dated _____ for an amount of Rs. _____ (Rupees _____) as Refund from the Commercial Taxes Department in pursuance of Order of Assessment / Revision / Appeal / Cancellation of Registration / others which has been accepted on Form TOT 035 and not been paid as on date _____ which attracts penal interest.

Now I am herewith enclosing a refund Voucher No: _____ Dated _____ for an amount of Rs. _____ (Rupees _____) being an amount towards penal interest made by the Commercial Taxes Department.

**Signature of the Officer
Designation Stamp & Seal**

(* Strike off which is not applicable)
Note:- Complete in duplicate.

GOVERNMENT OF ANDHRA PRADESH
COMMERCIAL TAXES DEPARTMENT

FORM TOT 061

**DEMAND FOR PAYMENT OF AMOUNT OUTSTANDING AGAINST A TOT
DEALER / OTHERS FROM THE BANK / THIRD PARTY**

Tax Office Address: _____ _____ _____
--

Date Month Year

--	--	--

*To The Manager,Branch,
--

*To Name of the Dealer / Person Address

The dealer M/s _____

GRN /OTHERS has to pay the following amount outstanding to

the Commercial Taxes Department

Tax Rs. _____

Penalty Rs. _____

Penal Interest Rs. _____

Total Rs. _____

In accordance with the provisions of Section 29 of the APVAT Act 2005 (*abstract enclosed*), You are requested to make the payment of amount outstanding

- * from the account of the above said Firm / Dealer
- * the amount you are due to pay to the above said Firm / Dealer.

You are requested to pay the above amount outstanding within 7 days from the date of receipt of this notice.

**Signature of the Officer,
Designation, Stamp & Seal**

(*Strike off which is not applicable)

Note:- Complete in Triplicate.

GOVERNMENT OF ANDHRA PRADESH
COMMERCIAL TAXES DEPARTMENT

FORM TOT 062

**APPLICATION OF TOT DEALER/ OTHERS FOR PAYMENT OF
AMOUNT OUTSTANDING BY INSTALMENTS**

01. Tax Office Address:

Date Month Year
____ ____ ____

02 GRN ____ ____ ____ /OTHERS

03. Name : _____
Address: _____

I/ we have to pay the following amount outstanding to the Commercial Taxes Department as on _____

Tax	Rs.	_____
Penalty	Rs.	_____
Penal Interest	Rs.	_____
TOTAL	Rs.	_____

Now I/we am unable to pay the above amount outstanding at one time for the reasons given below:

.....
.....
.....

Therefore I request you to sanction me approval to pay the above amount outstanding in _____ number of instalments.

**Signature &
Status**

GOVERNMENT OF ANDHRA PRADESH
COMMERCIAL TAXES DEPARTMENT

FORM TOT 063

**APPROVAL / REFUSAL OF PAYMENT OF AMOUNT OUTSTANDING BY
INSTALLMENTS TO A TOT DEALER / OTHERS**

01. Tax Office Address: _____ _____ _____	Date			Month	Year
	02	GRN			/OTHERS
03. Name : _____					
Address: _____					

You have requested on Form TOT 062 Dated _____ for payment of amount outstanding by installments which consists the following:

Tax ..	Rs.	_____
Penalty	Rs.	_____
Penal Interest.	Rs.	_____
Total:	Rs.	_____

* I am to notify you that approval has been given for this amount outstanding to be paid by 6 / 12 installments and each installment along with interest @ ___% should be paid for an amount of Rs. _____ (Rupees _____) by _____ of the each month.

The approval of this arrangement is conditional upon all current tax dues being paid by the due date.

If you fail to pay any installment or any current tax due by the due date this approval will be suspended and action taken forthwith to recover the tax and any dues outstanding.

* I am refusing to sanction approval for a payment of amount outstanding for the reasons :

.....
.....

Therefore you are requested to pay the above amount outstanding without any delay.

YOU ARE REMINDED THAT THE APVAT ACT 2005 EMPOWERS THE TAX DEPARTMENT TO CONFISCATE AND SELL YOUR GOODS TO RECOVER THE AMOUNT OUTSTANDING.

Copy to Commercial Taxes Officer,
_____ Circle,

Deputy Commissioner.
_____ Division

(* Strike off which is not applicable)

Note:- Complete in triplicate.

GOVERNMENT OF ANDHRA PRADESH
COMMERCIAL TAXES DEPARTMENT

FORM TOT 064

NOTIFICATION OF SEIZURE OF THE GOODS
(TOT DEALER / OTHERS)

01. Tax Office Address: _____ _____ _____	Date			Month	Year
	02	GRN			
	/OTHERS				
03. Name : _____					
Address: _____					

You are requested to pay an amount outstanding which consists the following:

Tax ..	Rs.
Penalty	Rs.
Penal Interest.	Rs.
Total:	Rs.

and you were :

- 1) Notified on Form TOT 010 Dated _____ for payment of Rs. _____ as tax for non filing of TOT Return
- 2) Notified on Form TOT 009 Dated _____ for payment of Rs. _____ as penalty.
- 3) Notified on Form TOT 011 Dated _____ for payment of Rs. _____ as Penal Interest
- 4) Notified on Form TOT 012 Dated _____ for payment of Rs. _____ as un paid Turnover Tax.
- 5) Notified on Form TOT 061 Dated _____ for payment of Rs. _____ from Bank / Third Party
- 6) Notified on Form TOT 063 Dated _____ for payment of Rs. _____ that your application for sanction of installments has been rejected

You have failed to pay the amount outstanding in spite of reminders issued to you as listed above.

In these circumstances, I am to notify you that the **goods listed in the following table** have been seized and removed for sale.

Therefore, you are requested to pay the amount outstanding within 7 days from the date of this notification otherwise auction will be conducted for the listed goods seized.

List of goods Seized:

Sl.No.	Description	Quantity of goods	Approx. Value of Goods	Remarks
1				
2				
3				
4				
5				
6				
7				
8				
9				
10				

**Signature of the officer,
Designation Stamp & Seal**

Note:- Complete in duplicate.

GOVERNMENT OF ANDHRA PRADESH
COMMERCIAL TAXES DEPARTMENT

FORM TOT 065

NOTIFICATION OF RELEASE OF SEIZED GOODS
(TOT DEALER / OTHERS)

01. Tax Office Address:

Date Month Year

--	--	--

02	GRN				/OTHERS
----	-----	--	--	--	---------

03. Name : _____
Address: _____

You have to pay the following amount outstanding to the Commercial Taxes Department.
You were notified on Form TOT 064 Dated _____ that the goods listed on this form had been seized by the Commercial Tax Department Office.

The amount outstanding consists of:

Tax ..	Rs.
Penalty	Rs.
Penal Interest	Rs.
Others	Rs.

Total: _____
Rs. _____

The above amount outstanding has been paid by you through Cheque / DD / Challan No: _____ Dated _____.

Now I am to notify that on payment of the above amount outstanding; the **goods listed on the Reverse of this form** are released from the custody of the Commercial Taxes Department.

List of goods Seized:

Sl.No.	Description	Quantity of goods	Approx. Value of Goods	Remarks
1				
2				
3				
4				
5				
6				
7				
8				
9				
10				

**Signature of the officer,
Designation Stamp & Seal**

Note:- Complete in duplicate.

APPLICATION FOR VAT REGISTRATION

[See Rule 4 (1)]

FORM VAT 100

Submit in duplicate

Use separate sheet where space is not sufficient.

To
The Commercial Tax Officer,
VAT Registering Authority,
_____ Circle.

Affix Passport Size
Photo of
Sole Proprietor.
In case Partnership
firm/Companies/others
Affix photos of
responsible persons
on VAT 100B

01. Name of the business to be registered:		
02. Address of Place of business:	Door No:	Street
	Locality	Town/City
	District	Pin Code
	Phone No:	Fax No:
	Email:	Website/URL:

03. Occupancy Status: Owned/Rented/Leased/Rent-free/Others

04. Name & Address of the Owner of business (Residential Address of the Person responsible ie., Managing Partner /Managing Director for business).	Name:	
	Date of Birth:	
	Door No.	Street
	Locality	Town/City
	District	Pin Code
	Phone No	Fax No.
	Email:	

05. Status of business: (Mark “ ✓ “ where applicable)

Sole Proprietorship	<input type="checkbox"/>	Partnership	<input type="checkbox"/>	Private Limited Co.,	<input type="checkbox"/>
Public Ltd Company	<input type="checkbox"/>	Govt. Enterprise	<input type="checkbox"/>	Others (Specify)	<input type="checkbox"/>

06. Nature of Principal business activities:

07. Principal Commodities traded:

08. Bank Account Details:

<u>Bank Name :</u>	<u>Branch & Code</u>	<u>Account No.</u>
1.		
2.		
3.		

09. Income Tax Permanent Account Number: (PAN)			
10. Address of additional places of business/ Branches/Godowns (including those outside A.P): Use form VAT 100A			
11. Particulars of owner/Partners/Directors etc.,: Use Form VAT 100B			
12. Language in which books are written:			
13. Are your accounts computerized:	YES	<input type="checkbox"/>	NO <input type="checkbox"/>
14. Date of first taxable sale	Date	Month	Year
15. Turnovers of taxable sales of goods including zero rate in: a) The last 3 months: Rs. b) The last 12 months: Rs.			
16. Anticipated turnovers of taxable sales of goods including zero rate in: a) The next 3 months Rs. b) The next 12 months Rs.			
17. Anticipated Turnover of exempted sales of goods and transactions in the next 12 months:			
18. Are you applying for voluntary registration:	YES	<input type="checkbox"/>	NO <input type="checkbox"/>
19. Are you applying for registration as Start up Business:	YES	<input type="checkbox"/>	NO <input type="checkbox"/>
20. Indicate your GRN Number, if any: Have you applied for CST Registration	YES	<input type="checkbox"/>	NO <input type="checkbox"/>
21. Registration Number (if any Under Profession Tax Act:)			
22. Do you expect your input tax to regularly exceed your output tax? If yes Why ?	YES	<input type="checkbox"/>	NO <input type="checkbox"/>
23. Are you applying for registration in response to a notice by the Tax Officer ? If yes, indicate the Notice number.	YES	<input type="checkbox"/>	NO <input type="checkbox"/>
24. Any other relevant information like are you availing Tax incentives ? If so write details.			
Declaration: I _____ S/o _____ Status _____ of the above enterprise hereby declare that the particulars given are correct and true to the best of my knowledge and belief. I undertake to notify immediately to the registering authority in the Commercial Taxes Department of change in any of the above particulars.			
Date of application		Signature with Stamp	

FOR OFFICE USE ONLY

25. Date of receipt of application	
26. Activity/Commodity Code	
27. Exempt Indicator	
28. Voluntary Registration Indicator	
29. Start up Business Indicator	
30. CST Indicator	
31. Refund Indicator	
32. Works contract Indicator.	
33. Suo motu Registration Indicator.	
34. Special Rates – Schedule – VI goods Indicator	
35. Tax Incentives Indicator	
36. Date of issue of Registration Certificate	
37. Effective date of Registration	
38. Date of refusal of Registration	
39. Taxpayer Identification Number (TIN):	

Processing Authority

Name

Designation

Registering Authority

Name

Designation

IMPORTANT:

- a) Copy of Proof of Identity of the sole proprietor / managing partner / managing director/ responsible person for the business like copy of passport, voter Identity card, Proof of bank account, Credit Card, Ration Card, Driving license etc., must be enclosed.
- b) Please fill in and enclose Form VAT 100A and 100B if found necessary.

25 to 39 : For office use only.

**ADDRESSES OF ADDITIONAL PLACES OF
BUSINESS /BRANCHES /GODOWNS
IN ANDHRA PRADESH**

FORM VAT 100A

Name of the business : _____

01 Address _____ _____	
Pin Code _____	Telephone <input style="width: 100px;" type="text"/>
Signature _____	Date _____

02 Address _____ _____	
Pin Code _____	Telephone <input style="width: 100px;" type="text"/>
Signature _____	Date _____

03 Address _____ _____	
Pin Code _____	Telephone <input style="width: 100px;" type="text"/>
Signature _____	Date _____

Note:- Please see overleaf to fill in the details for Addresses of Branch/Godowns located outside Andhra Pradesh.

**ADDRESSES OF BRANCHES/GODOWNS LOCATED
OUTSIDE ANDHRA PRADESH**

01 State _____	
Address _____ _____	
Pin Code _____	Telephone <input style="width: 100px; height: 20px;" type="text"/>
R.C. Number under State Act:	
R.C. Number under C.S.T. Act:	
Signature _____	Date _____

02 State _____	
Address _____ _____	
Pin Code _____	Telephone <input style="width: 100px; height: 20px;" type="text"/>
R.C. Number under State Act:	
R.C. Number under C.S.T. Act:	
Signature _____	Date _____

03 State _____	
Address _____ _____	
Pin Code _____	Telephone <input style="width: 100px; height: 20px;" type="text"/>
R.C. Number under State Act:	
R.C. Number under C.S.T. Act:	
Signature _____	Date _____

**PARTICULARS OF PARTNERS/DIRECTORS/
PERSONS RESPONSIBLE (AUTHORISED)
FOR THE BUSINESS**

FORM VAT 100B

Name of the Business :

- 1) Fill in the details for each Partner/Director/Responsible Person separately in the boxes provided for. Please use BLOCK LETTERS and write clearly.
- 2) Strike off Partners/Directors/Responsible Persons whichever is not applicable.

Affix Passport size
Photo of
Partner/Director/
Person
Responsible

PARTNERS/DIRECTORS/ PERSONS RESPONSIBLE DETAILS

1. Full Name	
2. Father's/Husband's Name	
3. Date of Birth	
4. Extent of interest in business (Partnership firm) / Official Designation and date of joining in the present capacity (in case of Directors in Limited Companies) / Status & function of Person Responsible (Authorised) for the business.	
5. Other business interests in the State (Please specify)	
6. Other business interests outside the State (Pl. specify)	
7. Present Residential Address: Telephone No: e-mail:	
8. Permanent Address: Telephone No	
9. Income Tax Permanent Account Number (PAN)	

Date:

Signature & Status

Affix Passport size
Photo of
Partner/Director/
Person
Responsible

PARTNERS/DIRECTORS/ PERSONS RESPONSIBLE DETAILS

1. Full Name	
2. Father's/Husband's Name	
3. Date of Birth	
4. Extent of interest in business (Partnership firm) / Official Designation and date of joining in the present capacity (in case of Directors in Limited Companies) / Status & function of Person Responsible (Authorised) for the business.	
5. Other business interests in the State (Please specify)	
6. Other business interests outside the State (Pl. specify)	
7. Present Residential Address: Telephone No: e-mail:	
8. Permanent Address: Telephone No	
9. Income Tax Permanent Account Number (PAN)	

Date:

Signature & Status

GOVERNMENT OF ANDHRA PRADESH
COMMERCIAL TAXES DEPARTMENT

FORM VAT 101

NOTIFICATION OF VAT REGISTRATION

01. Tax Office Address:

Date Month Year

--	--	--

02. Name : _____

Address: _____

Receipt of your application for registration dated.....is acknowledged

I am to notify you that your VAT TIN No. is

You must use this number when you issue VAT invoices, on all documents related to VAT and in all correspondence with the Commercial Taxes Department.

Your application has been accepted. Please find enclosed your VAT Certificate of Registration.

You should know that your registration for VAT is effective from _____.

From that date you must charge VAT on all your taxable sales, and provide a VAT tax invoice to those of your customers who are registered as VAT dealers.

If you have been charged VAT on goods including capital goods and assets which are in stock on _____ you should apply to this office for a form so that you can claim a VAT credit in your first return.

**COMMERCIAL TAX OFFICER,
VAT REGISTERING AUTHORITY,
_____ CIRCLE.**

- Encl: 1. Form VAT 105.
2. Leaflets 01,02 & 05.

**APPLICATION FOR VAT REGISTRATION AS A START
UP BUSINESS PRIOR TO MAKING TAXABLE SALES**

FORM VAT 104

[See Rule 9 (2)]

Complete in duplicate.
Use separate paper where space is not sufficient

01 Name of business to be registered	
02 Date on which business was created	
03 Status of business	
04 Planned business activities	
05 Provide projected date of commencement of trading	
06 Declare the amount of any VAT paid prior to this application	

07 DECLARATION:

I apply for VAT registration as a new business prior to making taxable sales.
I understand that if I am registered for VAT, I must abide by all the duties and obligations of a VAT registered dealer, including the duty to keep proper books of accounts and file returns by the due dates. I accept that I can only remain VAT registered as a new business not making taxable sales for a period NOT EXCEEDING TWENTY FOUR MONTHS from the date of VAT registration.
Name of person making this declaration: _____
Status of the person in the business: _____
Signature: _____ Date of declaration: _____

FOR OFFICE USE

Processing Authority Name and Signature	Registering Authority Name and Signature
--	---

VALUE ADDED TAX REGISTRATION CERTIFICATE

[See Rule 10 (a)]

I hereby certify that _____

Whose place of business is situated at:

is registered with VAT Registration Number with effect from _____ day of _____ 200

Pursuant to and in accordance with the APVAT Act, 2005. The additional place of business/
branch/godown is situated at:

Given under my hand at _____ on the _____ day of _____ 200 .

Your local Tax office is:

TIN										
-----	--	--	--	--	--	--	--	--	--	--

* You are also registered under CST Act and the above VAT TIN must be quoted on all
your inter-state transactions.

**COMMERCIAL TAX OFFICER,
VAT REGISTERING AUTHORITY,
_____ CIRCLE.**

To
M/s. _____

NOTE: The above Tax Payer Identification Number (TIN) must appear on all:

- Your Tax Invoices / invoices
- Correspondence with the C.T.Department.
- Your Tax returns.

You must conspicuously display this Certificate in your business premises. Separate Copy
of Certificate for each additional place of * business/branch/godown is enclosed. Please
check if the above details are correct.

(* Strike off if not applicable.)

09 DECLARATION

I.....status.....of the above business hereby declare that the information given in this claim is true and correct.

Signature & Stamp..... Date of declaration Date Month Year

--	--	--

FOR OFFICE USE ONLY

Date of claim received	10		<u>Received by:</u> Name:..... Rank:.....
Date of advisory / control visit	11		Signature:
Result of visit	12		<u>Checked by:</u> Name:..... Rank:.....
Amount of credit authorized	13		Signature
Date of VAT 119 issued to VAT dealer	14		<u>Authorized by:</u> Name:..... Rank:.....
Date of VAT 120 issued to VAT dealer	15		Signature
Refusing claim			

Note: There are severe penalties for making a false declaration. This claim must be filed at the tax office within 10 days from your date of notification of registration.

GOVERNMENT OF ANDHRA PRADESH
COMMERCIAL TAXES DEPARTMENT

FORM VAT 150A

DECLARATION OF TURNOVER FOR YEAR 2004. (VAT DEALER)

01. Tax Office Address:

02.	TIN																		
-----	-----	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

03. Name : _____

Address: _____

I declare that my total turnover for the twelve months period ending 31st December 2004 was Rs. _____ (Rupees _____).

The changes in the Form VAT 100 given earlier are as follows:

Name of the Business :

Address (including branches if any) :

Any other information :

I, _____ S/o / W/o _____
being (title) _____ of the above enterprise do hereby declare
that this information is true and correct.

Date of Declaration:

Date	Month	Year

Signature & Stamp

DECLARATION
OF TURNOVER FOR YEAR 2004

FORM VAT 151A

01. Name : _____
Address: _____

02. Tax Office Address:

I declare that my total turnover for the twelve months period ending 31st December 2004 was Rs. _____, and that I am not required / required to * register for VAT / * TOT / *or wish to register voluntarily for VAT .

I, _____ S/o / D/o _____ being (title) _____ of the above enterprise do hereby declare that this information is true and correct.

Date of Declaration.

Date	Month	Year

Signature & Stamp

* Strike off which is not applicable.

MONTHLY RETURN FOR VALUE ADDED TAX
(See Rule 23(1))

FORM VAT 200

01 TIN										02 Period covered by this Return									
										From	DD	MM	YY	To	DD	MM	YY		

03. Name of Enterprises: _____
 Address: _____
 Fax No. _____ Phone No. _____

If you have made no purchases and no sales, cross this box.

04	
----	--

If you have no entry for a box, insert "NIL". Do not leave any box blank unless you cross box 04.

Input tax credit from previous month

05	
----	--

 (Box 24 or 24 (b) of your previous tax return)

PURCHASES IN THE MONTH (INPUT)		value excluding VAT (A)	VAT claimed (B)
6	Exempt or non-creditable Purchases	Rs.	
7	4% Rate Purchases	Rs.	Rs.
8	12.5% Rate Purchases	Rs.	Rs.
9	1% Rate Purchases	Rs.	Rs.
10	Special Rate Purchases	Rs.	
11	Total Amount of input tax (5+7(B)+8(B)+9(B))		Rs.

SALES IN THE MONTH (OUTPUT)		value excluding VAT (A)	VAT due (B)
12	Exempt Sales	Rs.	
13	Zero Rate Sales – International Exports	Rs.	
14	Zero Rate Sales – Others (CST Sales)	Rs.	
15	Tax Due on Purchase of goods	Rs.	Rs.
16	4% Rate Sales	Rs.	Rs.
17	12.5% Rate Sales	Rs.	Rs.
18	Special Rate Sales		
19	1% Rate Sales	Rs.	Rs.
20	Total amount of output tax (15(B)+16(B)+17(B) + 19(B))		Rs.

21 If total of box 20 exceeds box 11 pay this amount

Rs.

22. Payment / Adjustment Details:

Details	Challan / Instrument No.	Date	Bank/ Treasury	Branch Code	Amount
Payment Details:					
Adjustment (Give Details in 22(a))					
Total					

22(a). Adjustment Details:

Nature of Adjustment	Details	Amount

If total of box 11 exceeds total of box 20 (or the payment and adjustment in boxes 22 and 22(a) put together exceed the tax due in box 21) and you have declared exports in box 13(A) and not adjusting the excess amount against tax liability if any under the CST Act, you can claim a refund in box 23 or carry a credit forward in box 24.

If you have declared no exports in box 13(A) you must carry the credit forward in box 24, unless you have carried forward a tax credit and not adjusting the excess amount against the tax liability if any under the CST Act.

Refund

23	Rs.	
----	-----	--

 Credit carried forward

24	Rs.	
----	-----	--

24(a) If you want to adjust the excess amount against the liability under the CST Act please fill in boxes

24(a)	Rs.	
-------	-----	--

24(a) and 24(b) Tax due under the CST Act and adjusted against the excess amount in box 24.

24(b)	Rs.	
-------	-----	--

24(b) Net credit carried forward

Declaration:

25. Name.....being (title) of the above enterprise do hereby declare that the information given in this return is true and correct.

Signature & Stamp..... Date of declaration

Please Note:

- 1) This return and payment must be presented on or before 20th day of the following month mentioned in box 02.
- 2) In case the payment is made by a challan in the bank, please enclose a copy of the same.
- 3) You will be, as per provisions of the APVAT Act 2005, subject to penalties if you:
 - Fail to file the VAT return at the Local Tax Office even if it is a nil return.
 - Make a late payment of tax
 - Make a false declaration.

FOR OFFICIAL USE ONLY:

Date of Receipt:

Amount of Tax Paid Rs.

Mode of Payment:

Signature of Receiving Officer
With Stamp

**ANNEXURE TO MONTHLY VAT RETURN
FOR ADJUSTMENT OF INPUT TAX CREDIT**

FORM VAT 200A

(See Rules 20(6), (7), (8)(b), (9)(b))

This Form is to be filled up by VAT dealer having any of the following transactions -

- a) Sales of exempt goods (goods mentioned in Schedule I);
- b) Stock transfers / consignment sales.

01 TIN										02 Period covered by this Return							
										From	DD	MM	YY	To	DD	MM	YY

(i) Details of Turnovers in the tax period

- 03 Amount of taxable sales -Sum of boxes –
13A, 14A, 16A, 17A & 19A of VAT 200 Rs.
- 04 Amount of sales of exempt goods in the period Rs.
- 05 Amount of exempt transactions in the period Rs.

(ii) Details of Input tax paid, input tax credit claimed in the tax period

	Inputs	VAT paid on specific inputs (x)	VAT Paid on common inputs	ITC eligible on common inputs (y)	Total ITC claimed (x)+(y)
06	1% rate purchases	Rs.	Rs.		Rs.
07	4% rate purchases	Rs.	Rs.		Rs.
08	12.5% rate	Rs.	Rs.		Rs.
	(4% portion) – 4/12.5 x value*				
	(8.5%portion)– 8.5/12.5x value*				

* APPORTION 12.5% INTO 4 AND 8.5 PORTIONS ONLY IF YOU HAVE EXEMPT TRANSACTIONS

1.Note: To claim eligible input tax credit (ITC eligible) for tax rates of 1%, 4% and 4% portion of 12.5%, the following calculation is to be made:

$$A \times \frac{B}{C} \text{ where } A \text{ is value of common input for each tax rate}$$

B is value in box (03)
C is the sum of box (03), (04) and box (05)

2.Note: Where there are no exempt transactions in the tax period, apply the above formula for entire 12.5% for arriving at ITC eligibility.

3.Note: Where exempt transactions are made in the tax period, total 8.5% portion of 12.5% can be taken as ITC.

Date:

Signature of Dealer

**ANNEXURE TO VAT RETURN FOR THE MONTH
OF MARCH FOR THE 12 - MONTH PERIOD**

FORM VAT 200B

ENDING MARCH FOR ADJUSTMENT OF INPUT TAX CREDIT

(See Rules 20(4)(b), (5)(c), (6), (7), (8)(b), (9)(b))

This Form is to be filled up by VAT dealer having any of the following transactions, -

- a) Sales of exempt goods (goods mentioned in Schedule I);
- b) Stock transfers / consignment sales.

01										02							
TIN										Period covered by this Return							
										From	DD	MM	YY	To	DD	MM	YY

(i) Details of Turnovers in the 12-month period

- 03 Amount of taxable sales -Sum of boxes –
13A, 14A, 16A, 17A & 19A of VAT 200 Rs.
- 04 Amount of sales of exempt goods in the 12-month period Rs.
- 05 Amount of exempt transactions in the period in the 12-month Rs.

(ii) Details of Input tax paid, eligible input tax credit for the 12-month period

	Inputs	VAT paid on specific inputs (x)	VAT Paid on common inputs	ITC eligible on common inputs (y)	Total eligible ITC (x)+(y)
06	1% rate purchases	Rs.	Rs.	Rs.	
07	4% rate purchases	Rs.	Rs.	Rs.	
08	12.5% rate	Rs.	Rs.	Rs.	
	(4% portion) – 4/12.5 x value*				
	(8.5%portion)– 8.5/12.5x value*				

*** APPORTION 12.5% INTO 4 AND 8.5 PORTIONS ONLY IF YOU HAVE EXEMPT TRANSACTIONS**

1.Note: To claim eligible input tax credit (ITC eligible) for tax rates of 1%, 4% and 4% portion of 12.5%, the following calculation is to be made:

$$A \times \frac{B}{C} \text{ where } \begin{array}{l} A \text{ is value of common input for each tax rate} \\ B \text{ is value in box (03)} \\ C \text{ is the sum of box (03), (04) and box (05)} \end{array}$$

2.Note: Where there are no exempt transactions in the tax period, apply the above formula for entire 12.5% for arriving at ITC eligibility.

3.Note: To claim eligible input tax credit (ITC eligible) for tax rates of 8.5% portion of 12.5%, the following calculation is to be made:

$$A \times \frac{B}{C} \text{ where } \begin{array}{l} A \text{ is value of common input for each tax rate} \\ B \text{ is sum in box (03) and (05)} \\ C \text{ is the sum of box (03), (04) and box (05)} \end{array}$$

(iii) Excess or balance Input tax credit for each tax rate payable or eligible for the 12-month period ending March

(1)	Common inputs (2)	ITC claimed in the 12 monthly returns (3)	ITC eligible as per (ii) (4)	Difference between (3) and (4) Excess (+) / Balance (-) (5)
09	1% rate purchases	Rs.	Rs.	Rs.
10	4% rate purchases	Rs.	Rs.	Rs.
11	12.5% rate purchases	Rs.	Rs.	Rs.

1. Any excess credit claimed in the monthly returns shall be paid back in the return for March by adding it to the appropriate box in the output column for the tax rate.
2. Any balance credit eligible in the monthly returns shall be claimed in the return for March by adding it to the appropriate box in the input column for the tax rate.

Date:

Signature of Dealer

**FINAL RETURN ON CANCELLATION OF
VAT REGISTRATION**

FORM VAT 200C

[See Rule 23 (4)]

01 TIN										02 Period covered by this Return									
										From	DD	MM	YY	To	DD	MM	YY		

03. Name of Enterprises: _____

Address: _____

Fax No. _____ Phone No. _____

If you have made no purchases and no sales, cross this box.

04	
----	--

If you have no entry for a box, insert "NIL". Do not leave any box blank unless you cross box 04.

Input tax credit from previous month (Box 24 or 24 (b) of your previous tax return)

05	
----	--

**PURCHASES IN THE MONTH
(INPUT)**

**value excluding VAT
(A)**

**VAT claimed
(B)**

6	Exempt or non-creditable Purchases	Rs.	
7	4% Rate Purchases	Rs.	Rs.
8	12.5% Rate Purchases	Rs.	Rs.
9	1% Rate Purchases	Rs.	Rs.
10	Special Rate Purchases	Rs.	
11	Total Amount of input tax (5+7(B)+8(B)+9(B))		Rs.

**SALES IN THE MONTH
(OUTPUT)**

value excluding VAT (A) VAT due (B)

12	Exempt Sales	Rs.	
13	Zero Rate Sales – International Exports	Rs.	
14	Zero Rate Sales – Others (CST Sales)	Rs.	
15	Tax Due on Purchase of goods	Rs.	Rs.
16	4% Rate Sales	Rs.	Rs.
17	12.5% Rate Sales	Rs.	Rs.
18	Special Rate Sales	Rs.	Rs.
19	1% Rate Sales	Rs.	Rs.
20	Total amount of output tax (15(B)+16(B)+ 17(B) + 19(B))		Rs.
21	If total of box 20 exceeds box 11 pay this amount		Rs.

22. Payment / Adjustment Details:

Details	Challan/ Instrument No.	Date	Bank/ Treasury	Branch Code	Amount
Payment Details:					
Adjustment (Give Details in 22(a))					
Total					

22(a). Adjustment Details:

Nature of Adjustment	Details	Amount

If total of box 11 exceeds total of box 20 (or the payment and adjustment in boxes 22 and 22(a) put together exceeds the tax due in box 21) and you have declared exports in box 13(A) and not adjusting the excess amount against tax liability if any under the CST Act, you can claim a refund in box 23 or carry a credit forward in box 24.

If you have declared no exports in box 13(A) you must carry the credit forward in box 24, unless you have carried forward a tax credit and not adjusting the excess amount against the tax liability if any under the CST Act.

Refund	23	Rs.		Credit carried forward	24	Rs.	
--------	----	-----	--	------------------------	----	-----	--

24(a) If you want to adjust the excess amount against the liability under the CST Act please fill in boxes 24(a) and 24(b) Tax due under the CST Act and adjusted against the excess amount in box 24.

24(a)	Rs.	
-------	-----	--

24(b)	Rs.	
-------	-----	--

24(b) Net credit carried forward

Declaration:	
25. Name.....being (title) of the above enterprise do hereby declare that the information given in this return is true and correct.	
Signature & Stamp.....	Date of declaration

Please Note:

- 1) This return and payment must be presented on or before 20th day of the following month mentioned in box 02.
- 2) In case the payment is made by a challan in the bank, please enclose a copy of the same.
- 3) You will be, as per provisions of the APVAT Act 2005, subject to penalties if you:
 - Fail to file the VAT return at the Local Tax Office even if it is a nil return.
 - Make a late payment of tax, - Make a false declaration.

FOR OFFICIAL USE ONLY:	Date of Receipt:
Amount of Tax Paid Rs.	
Mode of Payment:	Signature of Receiving Officer With Stamp

**DECLARATION BY A VAT DEALER SHOWING
BREAK-UP OF SALES AND INPUT TAX**

FORM VAT 200D

(See Rule 20(4)(a))

This Form is to be filled up by VAT dealer having any of the following transactions, -

- a) Sales of exempt goods (goods mentioned in Schedule I);
- b) Stock transfers / consignment sales.

01 TIN										02 Period covered by this Return							
										From	DD	MM	YY	To	DD	MM	YY

(i) Details of Turnovers in the Tax period

- 03 Amount of taxable sales -Sum of boxes –
13A, 14A, 16A, 17A & 19A of VAT 200 Rs.
- 04 Amount of sales of exempt goods in the Tax period Rs.
- 05 Amount of exempt transactions in the Tax period Rs.

(ii) Details of Input tax paid and claimed in the tax period

	Inputs	VAT paid on specific inputs (x)	VAT Paid on common inputs (y)	Total eligible ITC (x)+(y)
06	1% rate purchases	Rs.	Rs.	Rs.
07	4% rate purchases	Rs.	Rs.	Rs.
08	12.5% rate	Rs.	Rs.	Rs.

Date:

Signature of Dealer

**ANNEXURE TO MONTHLY VAT RETURN FOR
ADJUSTMENT OF INPUT TAX CREDIT**

FORM VAT 200E

[See Rule 20(12)]

This Form is to be filled up by VAT dealer having the following transactions, -

- a) Sales of exempt goods (goods mentioned in Schedule I);
- b) Stock transfers / consignment sales.
- c) Turnover under composition
- d) Exempt turnover of sub-contract under Rule 17(2)(j)

01	TIN									02 Period covered by this Form							
										From	DD	MM	YY	To	DD	MM	YY

(i) Details of Turnovers in the tax period

03	Amount of taxable sales -Sum of boxes – 13A, 14A, 16A, 17A & 19A of VAT 200 (for box 16A, exclude turnover under composition)	Rs.
04	Amount of sales of exempt goods in the period	Rs.
05	Amount of exempt transactions in the period	Rs.
06	Total turnover under composition	Rs.
07	Exempt turnover of sub-contract under Rule 17(2)(j)	Rs.

(ii) Details of Input tax paid, input tax credit claimed in the tax period

	Inputs	VAT paid on specific inputs (x)	VAT Paid on common inputs	ITC eligible on common inputs(y)	Total ITC claimed (x)+(y)
08	1% rate purchases	Rs.	Rs.		Rs.
09	4% rate purchases	Rs.	Rs.		Rs.
10	12.5% rate (4% portion) – 4/12.5 x value* (8.5%portion)–8.5/12.5x value	Rs.	Rs.		Rs.

*APPORTION 12.5% INTO 4 AND 8.5 PORTIONS ONLY IF YOU HAVE EXEMPT TRANSACTIONS

1.Note: To claim eligible input tax credit (ITC eligible) for tax rates of 1%, 4% and 4% portion of 12.5%, the following calculation is to be made:

$$A \times \frac{B}{C} \text{ where } A \text{ is value of common input for each tax rate}$$

C B is value in box (03)

C is the sum of box (03), (04), (05),(06) and (07)

2.Note: Where there are no exempt transactions in the tax period, apply the above formula for entire 12.5% for arriving at ITC eligible.

3.Note: Where exempt transactions are made in the tax period, total 8.5% portion of 12.5% can be taken as ITC.

Date:

Signature of Dealer

**ANNEXURE TO VAT RETURN FOR THE MONTH OF
MARCH FOR THE 12 - MONTH PERIOD ENDING MARCH
FOR ADJUSTMENT OF INPUT TAX CREDIT**

[See Rule 20(12)]

FORM VAT 200F

This Form is to be filled up by VAT dealer having the following transactions, -

- a) Sales of exempt goods (goods mentioned in Schedule I);
- b) Stock transfers / consignment sales.
- c) Turnover under composition
- d) Exempt turnover of sub-contract under Rule 17(2)(j)

01	TIN									02 Period covered by this Form							
										From	DD	MM	YY	To	DD	MM	YY

(i) Details of Turnovers in the 12-month period

03	Amount of taxable sales -Sum of boxes – 13A, 14A, 16A, 17A & 19A of VAT 200(for box 16A exclude turnover under composition)	Rs.
04	Amount of sales of exempt goods in the 12-month period	Rs.
05	Amount of exempt transactions in the period in the 12-month	Rs.
06	Total turnover under composition	Rs.
07	Exempt turnover of sub-contract under Rule 17(2)(j)	Rs.

(ii) Details of Input tax paid, input tax credit claimed in the tax period

	Inputs	VAT paid on specific inputs (x)	VAT Paid on common inputs	ITC eligible on common inputs(y)	Total ITC claimed (x)+(y)
08	1% rate purchases	Rs.	Rs.		Rs.
09	4% rate purchases	Rs.	Rs.		Rs.
10	12.5% rate (4% portion) – 4/12.5 x value* (8.5%portion)–8.5/12.5x value	Rs.	Rs.		Rs.

*** APPORTION 12.5% INTO 4 AND 8.5 PORTIONS ONLY IF YOU HAVE EXEMPT TRANSACTIONS**

1.Note: To claim eligible input tax credit (ITC eligible) for tax rates of 1%, 4% and 4% portion of 12.5%, the following calculation is to be made:

$A \times \frac{B}{C}$ where A is value of common input for each tax rate

C B is value in box (03)

C is the sum of box (03), (04) , (05), (06) and (07)

2.Note: Where there are no exempt transactions in the tax period, apply the above formula for entire 12.5% for arriving at ITC eligible.

3.Note: To claim eligible input tax credit (ITC eligible) for tax rates of 8.5% portion of 12.5%, the following calculation is to be made:

$$A \times \frac{B}{C} \text{ where } A \text{ is value of common input for each tax rate}$$

B is sum in box (03) and (05)

C is the sum of box (03), (04), (05), (06) and (07)

(iii) Excess or balance Input tax credit for each tax rate payable or eligible for the 12-month period ending March

(1)	Common inputs (2)	ITC claimed in the 12 monthly returns (3)	ITC eligible as per (ii) (4)	Difference between (3) and (4) Excess (+) / Balance (-)
11	1% rate purchases	Rs.	Rs.	Rs.
12	4% rate purchases	Rs.	Rs.	Rs.
13	12.5% rate purchases	Rs.	Rs.	Rs.

1. Any excess credit claimed in the monthly returns shall be paid back in the return for March by adding it to the appropriate box in the out put column for the tax rate.
2. Any balance credit eligible in the monthly returns shall be claimed in the return for March by adding it to the appropriate box in the input column for the tax rate.

Date:

Signature of Dealer

GOVERNMENT OF ANDHRA PRADESH
COMMERCIAL TAXES DEPARTMENT

FORM VAT 201

NOTIFICATION OF FAILURE TO FILE VAT RETURN

01. Tax Office Address:

Date Month Year
____ ____ ____

02. TIN | | | | | | | | | | | | | | | |

03. Name : _____
Address: _____

The Tax Office records indicate that the VAT return for the month of _____ due to be filed **not later** than 20th of _____ has not been received.

If you have already filed the return you should intimate to the Tax Office without delay otherwise you will be charged penalty and penal interest, and proceedings are taken for prosecution for failure to file the return.

You are reminded that the AP VAT Act 2005 provides that the failure to file a return can result on to pay a penalty of Rs.2,500/- (Rupees Two Thousand Five Hundred only) where no tax is due, and shall on conviction be punished with imprisonment for a term which may extend to three months or with fine or with both.

In all cases where a VAT return is not filed in time, a penalty of 15 percent of the amount of unpaid tax will be levied, and penal interest will be charged at the rate of 1% per month for each day that the payment is delayed.

You should contact the Tax Office above without delay.

COMMERCIAL TAX OFFICER,
_____ **CIRCLE**

Note:- Complete in duplicate.

GOVERNMENT OF ANDHRA PRADESH
COMMERCIAL TAXES DEPARTMENT

FORM VAT 202

DEMAND FOR UNPAID VALUE ADDED TAX

[See Rule 24 (4)]

01. Tax Office Address:

Date Month Year

--	--	--

02	TIN																		
----	-----	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

03. Name : _____

Address: _____

Tax Office record indicates that VAT which was due on the following dates remains unpaid.

DATE DUE ASSESSMENT/RETURN AMOUNT OUTSTANDING

You are requested to pay the above amount outstanding with in 15 days from the date of this notification.

You are reminded that any amounts of tax outstanding after the due date for payment shall be liable to a penalty of 10 percent of the amount and interest will also be charged at the rate of 1% per month for each day the payment is delayed.

YOU ARE REMINDED THAT THE APVAT ACT 2005 EMPOWERS THE TAX DEPARTMENT TO CONFISCATE AND SELL YOUR GOODS TO RECOVER UNPAID TAX.

COMMERCIAL TAX OFFICER,
_____ **CIRCLE**

Note:- Complete in duplicate.

GOVERNMENT OF ANDHRA PRADESH
COMMERCIAL TAXES DEPARTMENT

FORM VAT 203A

NOTICE FOR PENALTY TO A VAT DEALER

01. Tax Office Address:

Date Month Year

--	--	--

02	TIN																		
----	-----	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

03. Name : _____
Address: _____

Tax Office records indicate that you have committed the following offence which is punishable under the provisions of AP VAT Act 2005.

.....
.....

Accordingly it is proposed that you are liable to pay Rs. _____ as penalty at ____% on tax of Rs. _____ which was due.

Therefore, you are requested to pay the above penalty or file reply within 10 days from the date of this notice failing which the above proposed penalty will be confirmed without any further notice in the matter.

Commercial Tax Officer,

Circle.

Division.

Note:- Complete in duplicate

GOVERNMENT OF ANDHRA PRADESH
COMMERCIAL TAXES DEPARTMENT

FORM VAT 203

NOTIFICATION AND DEMAND FOR PENALTY TO A VAT DEALER

01. Tax Office Address:

Date Month Year

--	--	--

02	TIN																		
----	-----	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

03. Name : _____

Address: _____

Tax Office records indicate that you have been given a penalty notice in Form VAT 203A
Dated _____ for committing the following offences:

-
-
- * You have not responded to the Penalty notice.
 - * You have replied to the Penalty notice on _____ and your objections examined and considered as follows :

.....

.....

In view of the above, the proposal for levy of penalty is confirmed and accordingly you are requested to pay an amount of Rs. _____ (Rupees _____) towards penalty within 15 days of receipt of this order.

YOU ARE REMINDED THAT THE APVAT ACT 2005 EMPOWERS THE TAX DEPARTMENT TO CONFISCATE AND SELL YOUR GOODS TO RECOVER AMOUNT OUTSTANDING.

You have the right to appeal against this order.

Commercial Tax Officer,

Circle.

Division.

(* Strike off which is not applicable)
Note:- Complete in duplicate.

UNILATERAL ASSESSMENT FOR FAILURE TO FILE A VAT RETURN

(See Rule 25(1))

01. Tax Office Address:

Date Month Year

--	--	--

02	TIN																		
----	-----	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

03. Name : _____

Address: _____

There is no record of the receipt in the Tax Department of a VAT Return for the period of _____ due by _____

The Tax Office has accordingly unilaterally assessed the tax payable by you for this period as Rs. _____ In addition the law requires that you pay 50% of this amount as a penalty which is Rs. _____

Total tax due is Rs. _____

This amount must be paid by _____ unless you file the tax Return that is due and pay the tax declared on the return. If you file the outstanding return at the Tax Office and pay the tax due by _____ this unilateral assessment will be withdrawn.

IF YOU HAVE FILED A RETURN AND PAID THE TAX DUE YOU SHOULD NOTIFY THE TAX OFFICE WITHOUT DELAY.

Failure to make payment of this unilateral assessment will result in recovery measures being taken as provided for in the AP VAT Act 2005.

DO NOT ADJUST ANY FUTURE VAT RETURN TO ACCOUNT FOR THE TAX SHOWN ON THIS NOTICE OF ASSESSMENT.

COMMERCIAL TAX OFFICER,

CIRCLE,

DIVISION.

Note:- Complete in duplicate.

GOVERNMENT OF ANDHRA PRADESH
COMMERCIAL TAXES DEPARTMENT

FORM VAT 206

**DEMAND FOR PAYMENT OF AMOUNT OUTSTANDING OF A VAT
DEALER FROM THE BANK / THIRD PARTY**

Tax Office Address:

Date Month Year
____ ____ ____

*To
The Manager,
.....Branch,
.....

*To
Name of the Dealer / Person
Address
.....

The dealer M/s _____

TIN										
-----	--	--	--	--	--	--	--	--	--	--

has to pay the following amount

outstanding to the Commercial Taxes Department

Tax Rs. _____
Penalty Rs. _____
Penal Interest Rs. _____
Total Rs. _____

In accordance with the provisions of Section 29 of the APVAT Act 2005 (**abstract enclosed**), You are requested to make the payment of amount outstanding

- * from the account of the above said Firm / Dealer
- * the amount you are due to pay to the above said Firm / Dealer.

You are requested to pay the above amount outstanding within 7 days from the date of receipt of this notice.

**Signature of the Officer,
Designation, Stamp & Seal**

(*Strike off which is not applicable)
Note:- Complete in Triplicate.

**APPLICATION OF A VAT DEALER FOR PAYMENT OF
 AMOUNT OUTSTANDING BY INSTALMENTS**

01. Tax Office Address:

Date	Month	Year

02	TIN													
----	-----	--	--	--	--	--	--	--	--	--	--	--	--	--

03. Name : _____
 Address: _____

I/we have to pay the following amount outstanding to the Commercial Taxes Department.

Tax	Rs.
Penalty	Rs.
Interest	Rs.
TOTAL	Rs.

Now I/we am/are unable to pay the above amount outstanding at one time for the reasons given below:

.....

Therefore I request you to sanction me approval to pay the above amount outstanding in _____ number of instalments.

**Signature &
 Status**

GOVERNMENT OF ANDHRA PRADESH
COMMERCIAL TAXES DEPARTMENT

FORM VAT 208

**APPROVAL / REFUSAL OF PAYMENT OF AMOUNT OUTSTANDING BY
INSTALLMENTS TO A VAT DEALER**

01. Tax Office Address: _____ _____ _____	Date	Month	Year
03. Name : _____			
Address: _____			

You have requested on Form VAT 207 Dated _____ for payment of amount outstanding by installments which consists the following:

Tax ..	Rs.	
Penalty	Rs.	
Penal Interest.	Rs.	
Total:	Rs.	

* I am to notify you that approval has been given for this amount outstanding to be paid by 6 / 12 installments and each installment along with interest @ ___% should be paid for an amount of Rs. _____ (Rupees _____) by _____ of the each month.

The approval of this arrangement is conditional upon all current tax dues being paid by the due date.

If you fail to pay any installment or any current tax due by the due date this approval will be suspended and action taken forthwith to recover the tax and any dues outstanding.

* I am refusing to sanction approval for a payment of amount outstanding for the reasons :
.....

Therefore you are requested to pay the above amount outstanding without any delay.

YOU ARE REMINDED THAT THE APVAT ACT 2005 EMPOWERS THE TAX DEPARTMENT TO CONFISCATE AND SELL YOUR GOODS TO RECOVER THE AMOUNT OUTSTANDING.

Copy to Commercial Tax Office
_____ Circle

Deputy Commissioner.
_____ Division

(* Strike off which is not applicable)

Note:- Complete in triplicate.

GOVERNMENT OF ANDHRA PRADESH
COMMERCIAL TAXES DEPARTMENT

FORM VAT 209

NOTIFICATION OF SEIZURE OF THE GOODS (OF A VAT DEALER)

01. Tax Office Address:

Date Month Year

--	--	--

02	TIN																		
----	-----	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

03. Name : _____

Address: _____

You are requested to pay an amount outstanding which consists the following:

Tax ..	Rs.	_____
Penalty	Rs.	_____
Penal Interest.	Rs.	_____
Total:	Rs.	_____

and you were :

- 1) Notified on Form VAT 202 Dated _____ for payment of Rs. _____ as un paid VAT
- 2) Notified on Form VAT 203 Dated _____ for payment of Rs. _____ as penalty.
- 3) Notified on Form VAT 204 Dated _____ for payment of Rs. _____ as tax for non filing of VAT Return
- 4) Notified on Form VAT 205 Dated _____ for payment of Rs. _____ as Penal Interest
- 5) Notified on Form VAT 206 Dated _____ for payment of Rs. _____ from Bank / Third Party
- 6) Notified on Form VAT 208 Dated _____ for payment of Rs. _____ that your application for sanction of installments has been rejected

You have failed to pay the amount outstand inspite of reminders issued to you as listed above.

In these circumstances, I am to notify you that the **goods listed in the following table** have been seized and removed for sale.

Therefore, you are requested to pay the amount outstanding within 7 days from the date of this notification otherwise auction will be conducted for the listed goods seized.

List of goods Seized:

Sl.No.	Description of goods	Quantity	Approx. Value of Goods	Remarks
1				
2				
3				
4				
5				
6				
7				
8				
9				
10				

**Signature of the officer,
Designation Stamp & Seal**

Note:- Complete in duplicate.

GOVERNMENT OF ANDHRA PRADESH
COMMERCIAL TAXES DEPARTMENT

FORM VAT 210

NOTIFICATION OF RELEASE OF SEIZED GOODS (OF A VAT DEALER)

01. Tax Office Address:

Date Month Year

--	--	--

02	TIN																		
----	-----	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

03. Name : _____

Address: _____

You have to pay the following amount outstanding to the Commercial Taxes Department.

You were notified on Form VAT 209 Dated _____ that the goods listed on this form had been seized by the Commercial Tax Department Office.

The amount outstanding consists of:

Tax	Rs.	_____
Penalty	Rs.	_____
Penal Interest	Rs.	_____
Others	Rs.	_____
Total:	Rs.	_____

The above amount outstanding has been paid by you through Cheque / DD /Challan No: _____ Dated _____.

Now I am to notify that on payment of the above amount outstanding; the **goods listed on the Reverse of this form** are released from the custody of the Commercial Taxes Department.

Details of goods Seized:

Sl.No.	Description of goods	Quantity	Approx. Value of Goods	Remarks
1				
2				
3				
4				
5				
6				
7				
8				
9				
10				

**Signature of the officer,
Designation Stamp & Seal**

Note:- Complete in duplicate.

**APPLICATION FOR UNDER / OVER
DECLARATION OF VALUE ADDED TAX**

FORM VAT 213

[See Rule 23(6)(a)]

01. Tax Office Address:

Date Month Year

--	--	--

02	TIN																		
----	-----	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

03. Name : _____

Address: _____

Examination of my records has shown that the correct amount of Value Added Tax in the return for tax period _____ was * under declared / over-declared. Please find a true and correct summary of my monthly Return as below. The errors were caused by _____

Tax Period	Input Tax declared	Output Tax declared	Input Tax found to be correct	Output Tax found to be correct	Tax Under / Over - declared	Total Amount Payable / Creditable

I (Name) _____ being (Title _____) of the above business do hereby declare that the information given on this form is true and correct.

Signature/Stamp _____ Date of Declaration _____

PLEASE DO NOT ADJUST ANY FUTURE RETURN FOR THE TAX SHOWN ON THIS FORM.

Complete in Duplicate.

**Signature &
Status**

* Strike off which ever is not applicable

ANNEXURE TO MONTHLY VAT RETURN

[See Rule 23(8)]

FORM VAT 225

**Return to be filled by VAT Dealers for special category of goods notified
by the Commissioner of Commercial Taxes / required by the
Dy.Commissioner(CT) concerned**

01. Tax Office Address:

Date Month Year

--	--	--

02	TIN																		
----	-----	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

03. Name : _____

Address: _____

04. Period from _____ to _____

05 **Purchases in the period** **Value**

Sl. No	Name of the Dealer from whom purchased	TIN No	Invoice No	Date	Commodity	Purchase Value

Signature of VAT Dealer / Authorised person and status

**APPLICATION OPTING FOR PAYMENT OF TAX
BY WAY OF COMPOSITION**

FORM VAT 250

[See Rules 17(2)(b), 17(3)(c), 17(4)(b) & 19(5)]

01. Tax Office Address: _____ _____ _____
--

Date Month Year

--	--	--

02	TIN																		
----	-----	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

03. Name : _____
Address: _____

I / we carrying on business as a*works contractor /as a hotelier do hereby apply to pay sales tax by way of composition.

- * i) At the rate of 4% on the total value of the contract executed for the Government or local Authority subject to such conditions as may be prescribed.
- * ii) At the rate of 4% on 50% of the total consideration received or receivable for the contract other than State Government and local authorities subject to such conditions as may be prescribed.
- * iii) At the rate of 4% on 25% of the consideration received or receivable or the market value fixed for the purpose of stamp duty whichever is higher, for the contract of constructing and selling of residential apartments, houses, buildings or commercial complexes subject to such conditions as may be prescribed.
- * iv) At the rate of 12.5% on 60% of the total consideration charged for food and drink to such conditions as may be prescribed.

The details of contracts for which composition is opted for are given below:

Sl.No.	Name & Address of the Contractee	Nature of Contract	Date of Contract	Full value of the Contract

**Signature of the Dealer,
Stamp and Seal**

(* Strike off whichever is not applicable)

**APPLICATION FOR WITHDRAWAL FOR PAYMENT
OF TAX BY WAY OF COMPOSITION**

[Rules 17(3)(c),17(4)(c) & 19(5)]

FORM VAT 250A

01. Tax Office Address: _____ _____ _____
--

Date	Month	Year

02	TIN																		
----	-----	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

03. Name : _____ Address: _____ _____ _____
--

I/We carrying on business as works contractor * involving contract to other than Government and local authorities / construction and selling of residential apartments, houses, buildings or commercial complexes etc., / hotelier, have opted for composition scheme for payment of tax vide my application in Form VAT 250 Dated _____ and am/are accordingly paying the taxes regularly.

I/ we intend to withdraw the option of composition with effect from _____ (last day of the month) which may please be accepted.

From _____ (First day of the month) onwards I/ we shall be accounting the VAT taxes due under the provisions of Section ____ of APVAT Act 2005.

**Signature of the Dealer,
Stamp and Seal**

(* Strike off whichever is not applicable)

SUMMARY OF BUSINESS ACTIVITIES AND RECORDS

Name of VAT dealer TIN:.....

1. Authorised Person to contact (and status) _____
Telephone number(s) _____
Location of premises _____
2. Effective date of registration _____
3. Accountant (if any) _____
Address _____
Telephone number _____
4. Financial year ends _____
5. Address of principal place of business _____
6. Other business address _____
7. Main business activity _____
8. Subsidiary business activities _____
(provide approximate % of turnover of each activity)
9. Importer (International) YES/NO _____ % OF INPUTS _____
Brief description of imports _____
10. Purchases from other States YES/NO _____ % OF INPUTS _____
Brief description of PURCHASES: _____
11. Exporter YES/NO _____ % OF OUTPUTS _____
Brief description of Exports _____
12. Sales to other States YES/NO _____ % OF OUTPUTS _____
Brief description of Inter-State Sales _____
13. Branch transfer/consignment sales to other states YES/NO _____ % OF OUTPUTS _____
Brief Description of Branch Transfer/Consignment sales _____

14. Description of Principal outputs (Ex: Departmental Stores) _____
 1% Rate _____
 4% Rate _____
 12.5% Rate _____
 Zero-Rated - International Exports _____
 Zero Rated – Inter State Sale _____
 Exempted goods/transactions _____
15. Principal inputs _____
 1% Rate _____
 4% Rate _____
 12.5% Rate _____
 Exempt goods: _____
16. Accounting Method.
 Invoice accounting/Cash accounting for consumers.
17. Current Accounting Records – Describe overleaf the books and records used by business.
 Highlight those used for accounting for VAT. Identify records where the VAT account or VAT calculations are maintained

Date.....	Recorded by:	Officer Name.....	Signature.....
	Checked by:	Officer Name.....	Signature.....
Updated		Officer Name.....	Signature.....
		Officer Name.....	Signature.....
		Officer Name.....	Signature.....

VALUE ADDED TAX AUDIT VISIT REPORT

1. Name of VAT Dealer _____
2. TIN _____
3. Address(es) visited _____
4. Person(s) interviewed _____
5. Date and time of visit Date from _____ to _____

Summary of Trading activities and Record (Form VAT 300) – Updated and signed _____

Basic Checks (Tick when completed)

- i. Inspected VAT Registration Certificate
- ii. Checked VAT Return Filing Record
- iii. Checked VAT Payment Record
- iv. Compared VAT A/c to Official Summary

v. Record Tax periods checked _____

Details of control checks out. Note the records examined, periods that the checks were applied to, and any discrepancies found.

Record Calculation of under declaration and assessments issued.

Agreement from the VAT Dealer:

The calculation of under declaration of VAT in any records against VAT return submitted for the period from _____ to _____ is understood and I accept to pay the VAT due along with the penalty and interest as calculated by the audit officer.

Date:

Signature

**Post Visit Action:
Recommendation for further audit action (with reasons)**

Form VAT _____ / Form VAT _____ Prepared _____ Amount _____
Date _____ Under-declaration Classification Code(s) _____ Noted in
Computer Record.

Officer's Name _____ Officer's Signature _____

Check by Senior Officer

Report reviewed _____ Approved/Amended
Signature _____ Head of Audit Unit

Form VAT _____ / Form VAT _____ Approved Amount _____

Date forwarded to head of VAT Unit for issue _____

Date Issued _____ Head of VAT Unit _____ Signature _____

MISCELLANEOUS VISIT REPORT

Registered VAT Dealer _____

TIN

--	--	--	--	--	--	--	--	--	--

Address visited _____

Person(s) interviewed _____

Date and time of visit _____

Result of visit (Record essential details of checks completed)

Date: _____

Officer's Name: _____

Officer's Signature: _____

ADVISORY VISIT REPORT

1. VAT Certificate TIN Number _____
 2. Name of the VAT dealer _____
 3. Address visited _____
 4. Person(s) interviewed _____
 5. Date and time of visit _____ from _____ to _____
 6. Registration Application checked _____
 7. Registration Certificate checked _____
 8. Return filing and tax payment procedures explained _____
 9. VAT taxable person accounting system _____
 10. Particular legal provisions specifically related to the business _____

 11. Explanation of VAT return completion provided _____
 12. Particulars of VAT features _____
 13. VAT rulings given _____
 14. Transitional issues _____
 15. Estimated value of stock on hand _____
 16. Estimated value of assets on hand _____
 17. ASSESSMENT OF REVENUE RELIABILITY

POOR	
------	--

AVERAGE	
---------	--

GOOD	
------	--
- Officer: Name _____ Rank _____ Signature _____
- Senior Officers : Name _____ Signature _____
- Checked by Head of Section : Name _____ Signature _____

NOTIFICATION OF ADVISORY / AUDIT VISIT TO A VAT DEALER

01. Tax Office Address:

Date Month Year

--	--	--

02	TIN																		
----	-----	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

03. Name : _____
Address: _____

This is to notify that an advisory / audit will be held on _____.

You should produce all your VAT records and business accounts on that date.

If the date prescribed in this notification is not convenient, you should contact this office without delay, with your convenient appointment date and it should not be beyond 7 days to the date fixed above.

**Signature of the Officer,
Designation Stamp Seal**

GOVERNMENT OF ANDHRA PRADESH
 COMMERCIAL TAXES DEPARTMENT

FORM VAT 304A

VAT VISITING OFFICER WEEKLY PROGRAMME

MONDAY	VAT Dealers Name	TIN	Address	Telephone No.

Date :				
Time :				
TUESDAY	VAT Dealers Name	TIN	Address	Telephone No.

Date :				
Time :				
WEDNESDAY	VAT Dealers Name	TIN	Address	Telephone No.

Date :				
Time :				

GOVERNMENT OF ANDHRA PRADESH
COMMERCIAL TAXES DEPARTMENT

FORM VAT 305

ASSESSMENT OF VALUE ADDED TAX

[See Rule 25(5)]

01. Tax Office Address:

Date Month Year

--	--	--

02	TIN																		
----	-----	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

03. Name : _____

Address: _____

Upon examination of your records on ____ and the issue of Form VAT 305A on ____ the correct amount of VAT under the provisions of AP VAT Act 2005 has been determined as follows.

* This has resulted from : -

1. Your agreement at the time of visit on _____
2. After consideration of your reply received in this office on _____
3. Your failure to respond to the notice issued on Form VAT 305 A on _____

The total amount payable by you is explained below:

Tax Period	Particulars (input tax / output tax)	Tax declared/ net credit / Or Refund Claimed	Tax Found to be due/ net credit/ Or Refund due	Tax Over declared Due to dealer	Tax under declared Due to Tax Department	Penalty%	Interest @ 1% of .. month(s)	Total Due to Tax Department

Total amount due to Tax Department

--

Complete in duplicate.

*Delete as appropriate

Explanation for the above proposals:

***A** The amount of _____ shall be paid within 30 days of receipt of this order. Failure to make the payment will result in recovery proceedings under the AP VAT Act 2005.

***B** Your refund claim is reduced to _____ and this amount will be refunded to you.

THE PROOF OF PAYMENT OF THE AMOUNT SPECIFIED AT 'A' ABOVE TOGETHER WITH DUPLICATE COPY OF THIS ORDER AND PAYMENT BOXES COMPLETED SHALL BE SUBMITTED WITHIN THE SPECIFIED TIME LIMIT.

An appeal against this order can be filed before the Appellate Deputy Commissioner within 30 days of receipt of this order.

COMMERCIAL TAX OFFICER,

_____ **CIRCLE.**

ON DUPLICATE COPY OF THE ORDER

Payment details:

Challan/Instrument No.	Date	Bank / Treasury	Branch Code	Amount

Explanation for the above proposals:

If you have any objections to the assessment proposed above, you are requested to file written objections along with documentary evidence if any, within 7 days of date of this notice failing which orders will be passed without any further notice in the matter.

**COMMERCIAL TAX OFFICER,
_____CIRCLE.**

**NOTICE OF UNDER DECLARATION OF
VALUE ADDED TAX**

FORM VAT 307

[See Rule 23 (6)(b)]

01. Tax Office Address:

Date Month Year

--	--	--

02	TIN																		
----	-----	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

03. Name : _____

Address: _____

On examination of your application on Form VAT 213 Dated _____ it is noticed that you have under declared the VAT. The same is now considered and interest payable by you on such under declared tax is calculated as shown below:

Tax Period	Tax Declared on returns	Tax found to be correct as per your application	Tax Under-declared	Interest @ 1% per month
Total				

The amount under-declared shall be paid along with interest calculated within 30 days of receipt of this notice.
Failure to make payment will result in recovery proceedings under the AP VAT Act 2005.

**COMMERCIAL TAX OFFICER,
_____ CIRCLE.**

NOTICE OF OVER-DECLARATION OF VALUE ADDED TAX

[See Rule 23 (6)(b)]

01. Tax Office Address:

Date Month Year

--	--	--

02	TIN																		
----	-----	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

03. Name : _____

Address: _____

On examination of your application on Form VAT 213 Dated _____ it is noticed that you have over declared VAT due. The same is now considered and allowed to claim as credit as following:

Tax Period	Input Tax declared	Output Tax declared	Input Tax found to be correct	Output Tax found to be correct	Tax Under / Over declared	Total Amount Payable / Creditable

You are requested to adjust the amount of credit due in the next VAT return due to be filed after the receipt of this notice.

COMMERCIAL TAX OFFICER,
_____ **CIRCLE.**

GOVERNMENT OF ANDHRA PRADESH
COMMERCIAL TAXES DEPARTMENT

FORM VAT 351

NOTICE OF CLAIM FOR REFUND BY A VAT DEALER.

(See Rule 35(9) (a))

01. Tax Office Address:

Date Month Year

--	--	--

02	TIN																		
----	-----	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

03. Name : _____
Address: _____

It is to inform you that an amount of Rs. _____ (Rupees _____) has been due from the department as refund in pursuance of order of assessment / order passed in appeal or revision.

The above refund has been adjusted towards tax / penalty / interest for an amount of Rs. _____ (Rupees _____)

The total / balance amount of refund of Rs. _____ (Rupees _____ only) is due from the department.

Therefore you are requested to confirm the above claim of refund within 15 days from the date of this notice in Form VAT 352

**Signature of the Officer
Designation, Stamp & Seal**

CONFIRMATION OF THE CLAIM OF REFUND

(See Rule 35(9) (b))

FORM VAT 352

01. Tax Office Address:

Date Month Year

--	--	--

02	TIN																		
----	-----	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

Ref: Notice for claim of refund in Form VAT 351 Dated _____

I have received the notice cited in the reference and confirm that:

* The total Refund amount Rs. _____ (Rupees _____
_____ only) is due from the department.

* After adjustment of Rs. _____ (Rupees _____
_____ only) towards tax / penalty / interest the balance amount
Rs. _____ (Rupees _____ only) is due from the department.

(* Delete which is not appropriate)

**Signature of the Officer
Designation, Stamp & Seal**

GOVERNMENT OF ANDHRA PRADESH
COMMERCIAL TAXES DEPARTMENT

FORM VAT 355

**NOTIFICATION OF ADVICE / REDUCTION /
REFUSAL OF REFUND TO A VAT DEALER**

01. Tax Office Address:

Date Month Year
____ ____ ____

02	TIN																		
----	-----	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

03. Name : _____
Address: _____

You have filed an application on Form VAT 200 / Form VAT 360, Dated _____ for an amount of Rs. _____ (Rupees _____)

As Refund from the Commercial Taxes Department in pursuance of * excess input tax credit / tax paid on sales or purchases of goods specified in sub-section (2) of Section 4.

On scrutiny of your application:

- * The refund claim has been accepted
- * The refund amount is restricted to Rs. _____ (Rupees _____) for the reasons
.....
- * The refund claim is rejected for the reasons
-

A notice was issued on Form VAT 351 Dated _____ from the Commercial Taxes Department as refund for Rs. _____ (Rupees _____) in pursuance of the * Order of Assessment / Revision / Appeal which is confirmed by you on Form VAT 352 Dated _____

Now I am herewith enclosing a refund Voucher No: _____ Dated _____ for an amount of Rs. _____ (Rupees _____) being an amount of refund made by the Commercial Taxes Department.

**Signature of the Officer
Designation Stamp & Seal**

(* Strike off which is not applicable)
Note:- Complete in duplicate.

**APPROVAL OF REFUND CLAIM BY COMMISSIONER /
DY. COMMISSIONER TO A VAT DEALER**

01. Tax Office Address: _____ _____ _____	Date	Month	Year								

03. Name :	_____
Address:	_____

The above dealer filed an application on Form VAT 200 / Form VAT 360, Dated _____ for an amount of Rs. _____ (Rupees _____) as Refund from the Commercial Taxes Department in pursuance of * excess input tax credit / tax paid on sales or purchases of goods specified in sub-section (2) of Section 4.

* Confirmation is given by the above dealer as refund for an amount of Rs. _____ on Form VAT 352 in pursuance of the Assessment / Revision / Appeal.

As the refund amount is Rs. _____ which is more than Rs. _____ *approval may be given / may be forwarded to the Commissioner for sanction of refund to the above dealer.

**Signature of the Officer
Designation Stamp & Seal**

(* Strike off which is not applicable)
Note:- Complete in triplicate.

On scrutiny of the application:

- * The refund claim has been accepted
- * The refund amount is restricted to Rs. _____ (Rupees _____) for the reasons
.....
- * The refund claim is rejected for the reasons
.....

Commissioner / Dy. Commissioner

GOVERNMENT OF ANDHRA PRADESH
COMMERCIAL TAXES DEPARTMENT

FORM VAT 356

**PAYMENT OF PENAL INTEREST BY COMMERCIAL
TAXES DEPARTMENT TO A VAT DEALER**

01. Tax Office Address: _____ _____ _____	Date	Month	Year
	02 TIN _____		
03. Name : _____			
Address: _____			

*You have filed an application on Form VAT 200 / Form VAT 360, Dated _____ for an amount of Rs. _____ (Rupees _____)

as Refund from the Commercial Taxes Department in pursuance of excess input tax credit / tax paid on sales or purchases of goods specified in sub-section (2) of Section 4, which has been accepted on Form VAT 355 and not been paid as on date _____ which attracts penal interest.

* Confirmation is given by the dealer on Form VAT 352 for an amount of Rs. _____ (Rupees _____) as refund in pursuance of the Order of Assessment / Revision / Appeal which has been accepted on Form VAT 355 and not been paid as on date _____ which attracts penal interest

Now I am herewith enclosing a refund Voucher No: _____ Dated _____ for an amount of Rs. _____ (Rupees _____) being an amount towards penal interest made by the Commercial Taxes Department.

**Signature of the Officer
Designation Stamp & Seal**

(* Strike off which is not applicable)
Note:- Complete in duplicate.

**APPLICATION FOR CLAIM OF REFUND
FOR THE TAX PAID ON SALES OR PURCHASES
OF GOODS SPECIFIED UNDER SECTION 4(2)**

FORM VAT 360

[See Rule 35(10) (c) & (e)]

01. Tax Office Address:

Date Month Year

--	--	--

02	TIN																	
----	-----	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

03. Name : _____

Address: _____

I/We request that under the provisions of Rule 35(10) of the Andhra Pradesh Value Added Act, 2005, I/We may be granted refund of the tax paid under the Act in respect of goods, the particulars of which are given in the Schedule below:-

04	Serial Number	
05	Name and address of the dealer who paid tax under Section 4(2) of the Act	
06	GRN of the dealer	
07	Date of sale of goods by the dealer who paid the tax under Section 4(2) of the Act	
08	Description of the goods and Quantity	
09	Amount of tax paid	Rs.
10	Date of commencement of inter-State movement or the date of inter-State sale	
11	Amount for which the applicant sold the goods	Rs.
12	Challan number and date of remittance of Central Sales Tax paid in respect of the goods	

Place:
Date:

**Signature
Status & Relationship to the dealer**

<p style="text-align: center;">REFUND VOUCHER FORM 500</p> <p style="text-align: center;">COMMERCIAL TAXES COUNTER FOIL REFUNDS</p> <p>BOOK No: VOUCHER No:</p> <p>HEADOFFICE_____ DIVISION_____</p> <p>CIRCLE:_____ DISTRICT_____</p> <p>Counter foil for the refund of _____ Tax / Penalty / Interest / Others (Tick (✓) which is applicable)</p> <p>Refund payable to _____</p> <p>Refund sanctioned in pursuance of excess input tax credit / Assessment / Appeal / Revision / Purchases made by agencies of UNO/ Government. Notification / On cancellation Registration. etc.,_____</p> <p>Date of sanction Order _____</p> <p>Amount of Refund Rs. _____ (Rupees _____)</p> <p>Particulars of amount (Tax / Penalty / Interest / Others) and date of collections according to the office record.</p> <p>.....</p> <p>.....</p> <p>.....</p> <p>.....</p> <p>Initials of Issuing Authority:</p> <p>Signature of the recipient on the voucher</p> <p>Date of encashment in the Treasury</p>	<p style="text-align: center;">REFUND VOUCHER FORM 500</p> <p style="text-align: center;">COMMERCIAL TAXES FOIL REFUNDS</p> <p>BOOK No: VOUCHER No:</p> <p>HEAD OFFICE:_____ DIVISION_____</p> <p>CIRCLE_____ DISTRICT_____</p> <p>Order for refund of _____ Tax / Penalty / Interest / Others</p> <p>Payable at the Treasury within Three months of the date of issue.</p> <p>To The Treasury Officer _____</p> <ol style="list-style-type: none"> 1. Certified that, with reference to this office record in pursuance of _____ (excess input tax credit / Assessment / Appeal/Revision Purchases made by agencies of UNO/Govt. Notification / On cancellation of Registration etc., ___ Sanction Order No: _____ Dated _____ a refund of Rs. _____ (Rupees _____) is due to _____ 2. Certified that the Tax / Penalty / Interest / Others _____ which this refund is given has been credited in the Treasury. 3. Certified that no refund order regarding the sum now in question has been previously been granted and this order has been entered in the Original file of this office record under my signature. <p>Please pay to _____ the sum of Rs. _____ (Rupees _____) on account of the above refund.</p> <p>Date _____ Signature of the Officer, Place: _____ Designation, Stamp & Seal</p> <hr/> <p>Receipt payment Pay Rs.only. Received payment Claimant's Signature</p>
---	---

CERTIFICATE OF TAX COLLECTION AT SOURCE

FORM 501

[See Rule 17(2)(d) & (2)(f)]

01. Tax Office Address:

Date Month Year

--	--	--

02. TIN																			
---------	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

03. Name : _____

Address: _____

I / We _____ certify that a sum of Rs. _____

was collected being the amount payable by M/s. _____

towards Value Added Tax collected at the rate of 4% on the total value of the contract and the amount has been paid to the sales tax (Major Head 040) credit of Government of Andhra Pradesh.

04.	Date of the Contract / supply order	
05.	Nature of Contract / Supply order	
06.	Full Value of Contract / Supply order	
07.	Bill No. / Voucher Cash Memo and Date	
08.	Amount paid in the bill and Date of payment	
09.	Amount of Value Added Tax Collected @ 4% of Col.8 above	
10.	Remittance Particulars to the Government.	

**Signature of the Officer /Person responsible for
Collection of amount / remittance to Commercial
Taxes Department with Seal**

CERTIFICATE OF TAX DEDUCTION AT SOURCE

[See Rules 17(1)(f), 17(3)(e) & 18(1)(b)]

FORM 501A

01. Tax Office Address:

Date Month Year

--	--	--

02.	TIN																		
-----	-----	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

03. Name : _____

Address: _____

I / We _____ certify that a sum of Rs. _____ was collected being the amount payable by M/s. _____ towards Value Added Tax deducted at the rate of 2% on the total value of the contract and the amount has been / will be paid to the sales tax (Major Head 040) credit of Government of Andhra Pradesh.

04.	Date of the Contract / supply order	
05.	Nature of Contract / Supply order	
06.	Full Value of Contract / Supply order	
07.	Bill No. / Voucher Cash Memo	
08.	During the month / year	
09.	Amount of Value Added Tax deducted	
10.	Remittance Particulars	

**Signature of the Officer / Person responsible
for deduction of amount / remittance to
Commercial Taxes Department with Seal**

**DECLARATION OF A VAT DEALER AVAILING
INDUSTRIAL INCENTIVES**

FORM 502

[See Rule 67(4)]

01. Tax Office Address:

Date Month Year

--	--	--

02.	TIN																		
-----	-----	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

03. Name : _____

Address: _____

04.	Tax period	from		to
-----	------------	------	--	----

05.	Details of Industrial Incentives eligibility certificate:
-----	---

06. Details of availment:

Total amount of eligibility	Incentives availed up to last month	Incentive availed in this month	Balance	Remarks
1.	2.	3.	4.	5.

07. Declaration

Name _____ S/o / D/o _____ being

(title) _____ of the above enterprise do hereby declare that the information given on this document is true and correct.

Date of declaration _____ Signature & Stamp _____

**DECLARATION OF A VAT DEALER FOR
ADJUSTMENT OF ENTRY TAX / OTHER TAX**

FORM 503

[See Rule 24(6)]

01. Tax Office Address: _____ _____ _____	Date	Month	Year																					
	<table border="1" style="width:100%; height: 20px;"> <tr> <td style="width:33%;"></td> <td style="width:33%;"></td> <td style="width:33%;"></td> </tr> </table>																							
	02. TIN	<table border="1" style="width:100%; height: 20px;"> <tr> <td style="width:5%;"></td> <td style="width:5%;"></td> <td style="width:5%;"></td> <td style="width:5%;"></td> <td style="width:5%;"></td> <td style="width:5%;"></td> <td style="width:5%;"></td> <td style="width:5%;"></td> <td style="width:5%;"></td> <td style="width:5%;"></td> <td style="width:5%;"></td> <td style="width:5%;"></td> <td style="width:5%;"></td> <td style="width:5%;"></td> <td style="width:5%;"></td> <td style="width:5%;"></td> <td style="width:5%;"></td> <td style="width:5%;"></td> <td style="width:5%;"></td> <td style="width:5%;"></td> </tr> </table>																						

03. Name : _____ Address: _____ _____ _____
--

04.	Nature of adjustment _____ Entry Tax <input type="checkbox"/> others <input type="checkbox"/> (Please Mark '✓' on the appropriate Box)
-----	---

05. Details of Payment:

Sl. No.	Commodity	Purchase Invoice No.& Date	Amount of Entry Tax Paid	Payment mode Ch/DD/Cr. & Date	Tax period for which to be adjusted	Remarks

06. Declaration Name _____ S/o / D/o _____ being (title) _____ of the above enterprise do hereby declare that the information given on this document is true and correct. Date of declaration _____ Signature & Stamp _____

**APPLICATION FOR REFUND OF TAX UNDER
SECTION 15(3)**

FORM 510

[See Rule 35(11)]

01. Tax Office Address:

Date Month Year

--	--	--	--	--

02. Name : _____

Address: _____

We have purchased the following goods in Andhra Pradesh during the period _____

SN _o	Name of the Dealer from whom purchased	TIN / GRN	Address	Invoice No. & Date	Commodity	Quantity	Rate of Tax Charged	Value of the Goods	VAT / TOT Paid	Remarks
Total tax claimed as Refund										

Therefore, we request you that the tax paid on the above purchases may be given as refund as per the provisions of the AP VAT Act 2005.

**Signature of Authorised Officer,
Name & Status. Officer Stamp**

**APPLICATION FOR REFUND OF TAX TO AGENCIES
OF U.N.O., ICRISAT ETC.,**

[See Rule 35(12)]

FORM 510A

01. Tax Office Address: _____ _____ _____
--

Date	Month	Year

02. Name : _____
Address: _____

We have purchased the following goods in Andhra Pradesh during the period _____

SN _o	Name of the Dealer from whom purchased	TIN / GRN	Address	Invoice No. & Date	Commodity	Quantity	Rate of Tax Charged	Value of the Goods	VAT / TOT Paid	Remarks
Total tax claimed as Refund										

Therefore, we request you that the tax paid on the above purchases may be given as refund as per the provisions of the AP VAT Act 2005.

**Signature of Authorised Officer,
Name & Status. Officer Stamp**

**NOTIFICATION OF ADVICE / REDUCTION / REFUSAL OF REFUND
APPLIED UNDER SECTION 15(3)/BY AGENCIES OF UNO, ICRISAT, ETC.**

01. Tax Office Address:

Date Month Year

--	--	--

02. Name :

Address:

You have filed an application on Form 510 / Form 510A Dated _____ for an amount of Rs. _____ (Rupees _____) as Refund from the Commercial Taxes Department under the provisions of sub-section (3) of Section 15 / subsection (5) of Section 38 of AP VAT Act 2005.

On scrutiny of your application:

- * The refund claim has been accepted
- * The refund amount is restricted to Rs. _____ (Rupees _____) for the reasons
.....
- * The refund claim is rejected for the reasons
.....

Now I am herewith enclosing a refund Voucher No: _____ Dated _____ for an amount of Rs. _____ (Rupees _____) being an amount of refund made by the Commercial Taxes Department.

**Signature of the Officer
Designation Stamp & Seal**

(* Strike off which is not applicable)

Note:- Complete in duplicate.

**APPROVAL OF REFUND CLAIM BY COMMISSIONER /
 DY.COMMISSIONER TO THE PERSONS APPLIED AS PER GOVT.
 NOTIFICATION UNDER SECTION 15 (3) / PURCHASES MADE BY
 AGENCIES OF U.N.O., ICRISAT ETC.,**

01. Tax Office Address:

Date	Month	Year

02. Name : _____

Address: _____

The above dealer filed an application on *Form 510 / Form 510A Dated _____ for an amount of Rs. _____ (Rupees _____) as Refund from the Commercial Taxes Department in pursuance of * Notification given by the Government / purchases made by the agencies of U.N.O., ICRISAT, etc. As the refund amount is Rs. _____ which is more than Rs. _____ *approval may be given / may be forwarded to the Commissioner for sanction of refund to the above dealer.

**Signature of the Officer
 Designation Stamp & Seal**

(* Strike off which is not applicable)
 Note:- Complete in triplicate.

- On scrutiny of the application:
- * The refund claim has been accepted
 - * The refund amount is restricted to Rs. _____ (Rupees _____) for the reasons

 - * The refund claim is rejected for the reasons

Commissioner / Dy. Commissioner

GOVERNMENT OF ANDHRA PRADESH
COMMERCIAL TAXES DEPARTMENT

FORM 513

PAYMENT OF PENAL INTEREST BY COMMERCIAL TAXES
DEPARTMENT ON REFUND TO THE PERSONS APPLIED AS PER GOVT.
NOTIFICATION UNDER SECTION 15 (3) / PURCHASES MADE BY
AGENCIES OF U.N.O., ICRISAT ETC.,

01. Tax Office Address:

Date Month Year

--	--	--

02. Name : _____

Address: _____

The above dealer filed an application on *Form 510 / Form 510A Dated _____ for an amount of Rs. _____ (Rupees _____) as Refund from the Commercial Taxes Department in pursuance of * Notification given by the Government / purchases made by the agencies of U.N.O., ICRISAT, etc., which has been accepted on Form 511 and not been paid as on date _____ which attracts the penal interest.

Now I am herewith enclosing a refund Voucher No. _____ Dated _____ for an amount of Rs. _____ (Rupees _____) being an amount towards penal interest made by the Commercial Taxes Department.

Signature of the Officer
Designation Stamp & Seal

(* Strike off which is not applicable)

Note:- Complete in duplicate.

INTIMATION BY CASUAL TRADER

[See Rule 23(7) (a)]

FORM CAT 001

Tax Office Address: _____ _____ _____
--

Date	Month	Year
_____	_____	_____

I intend to conduct sale of goods as a casual trader as per the following details:

1. Name and Address
2. Venue where sale is proposed to be conducted.
3. Duration of Sale
4. Nature of Goods.
5. Sale value of goods brought for sale.
6. Estimated Sales Turnover.
7. Tax due on the estimated sale at prescribed rate.

I enclose herewith a payment of Rs. _____ (Rupees _____
_____) Vide _____

being the 50% of the estimated tax on the goods proposed to be sold.

<p><u>DECLARATION:</u></p> <p>I _____ S/o _____ state that the information furnished herein is true & correct to the best of my knowledge and belief. I further undertake to file a final declaration of my total sales and pay the due tax in full along with form CAT 002.</p> <p style="text-align: right;">Signature</p>

FINAL RETURN BY A CASUAL TRADER

[See Rule 23(7) (b)]

FORM CAT 002

01. Tax Office Address: _____ _____ _____
--

02	Period	from		to	
----	--------	------	--	----	--

03. Name : _____ Address : _____ _____
--

04. Goods sold taxable at:

Sl.No	Rate of Tax	Turnover	Tax Due
a)	1%		
b)	4%		
c)	Standard		
	Total :		

05 Tax paid along with Form CAT 001 Rs. _____

06 Balance.. .. Rs. _____

07 Mode of payment

<p><u>DECLARATION:</u> I _____ S/o _____ state that the information furnished herein is true and correct to the best of my knowledge and belief.</p> <p align="right">Signature</p>
--

52 APPENDIX B

52.1 LEAFLETS

<u>Leaflet Number</u>	<u>Leaflet Name</u>
04A	What can I claim as credit of input tax
04B	What can I claim as credit of input tax if I make branch transfers or consignment sales
04C	What can I claim as credit of input tax if I make sales of exempt goods
04D	What can I claim as credit of input tax if I making branch transfers/ consignment sales, sales of exempt goods in addition to taxable sales
05A	Accounts and records for VAT dealers
05B	Accounts and records for VAT dealers making branch transfers
05C	Accounts and records for VAT dealers making sales of exempt goods
07	Completing a VAT return
09	VAT refunds
10	Industrial incentives and VAT
13	Transfer of a business
14	Agents and principals
15	Purchase tax
18	Special rates
21	Treatment of works contract
22	Treatment of Agricultural commodities
23	Negative list
24	Exports