

Circular No.15/2014
Q3/11740/2013

Office of the Principal Secretary/
Commissioner of Commercial
Taxes, Chepauk, Chennai – 5.

Dated 2.4.2014

**Thiru K. RAJARAMAN, I.A.S.,
Principal Secretary/Commissioner of
Commercial Taxes,
Chepauk, Chennai – 600 005.**

Sub : TNVAT Act – Field Audits and Surprise Inspections – Proposals evolved on such Field Audits and Surprise Inspections – Non-filing of declarations – Revenue involved – Certain instructions issued – Reg.

1. During the time of Field Audits and Surprise Inspections conducted on a dealer, it is noticed by the Audit/Inspecting officials in many cases that the dealers who are subjected to such Audit/Inspection have not submitted statutory declarations under the CST Act like Form-C, Form-F, Form-H, Form-E1 and Form-E2 for the transactions relating to the previous period. In such circumstances, when the proposals are evolved based on such Audit/Inspection, the revenue involved relating to non-filing of such declarations and consequential reversal of ITC credit is considered as part of the revenue detected by such audit/inspection and reported as such in the proposals as well as in the statistics.

2. The time limit for filing various declarations under the CST Act for claiming concessional rate and exemption is prescribed under the CST Act. As per the limitation prescribed under the CST Act, the dealers may file the declarations before final assessment and in some cases, even after final assessment. Therefore, the revenue involved in non-filing of declarations at the time of field audit/inspection may be reduced when the dealers file such declarations before the assessing authority. Hence, such revenue effect estimated for non-filing of declarations by Enforcement Wing officials is not

having any finality similar to short payment, failure to make ITC reversal and evasion of tax detected at the time of audit/inspection.

3. In view of the above facts and circumstances, all the Joint Commissioners(Enft.) are directed to show the revenue involved including the ITC reversal on account of non-filing of declarations under CST Act noticed at the time of audit/inspection separately in the proposals as well as in the statistics. Revised MIS formats including this change is being circulated separately.

The receipt of this circular may be acknowledged.

Sd/- K. Rajaraman
Principal Secretary/Commissioner
of Commercial Taxes

To

1. All the Joint Commissioners (CT) (Territorial and Enforcement), ISIC & MoU Cell.
2. All the Deputy Commissioners (Territorial and Enforcement)
3. All the Heads of Assessment Circles.

Copy to:

1. All the Additional Commissioners, O/o.PS/CCT, Chepauk, Chennai – 5.
2. The Joint Commissioner (Admin), O/o.PS/CCT, Chepauk, Chennai – 5.
3. The Deputy Commissioner (General Service), O/o.PS/CCT, Chepauk, Chennai – 5.
4. All the Joint Commissioners (CT), Deputy Commissioners (CT) & Assistant Commissioners(CT), O/o.PS/CCT, Chepauk, Chennai – 5.
5. The Joint Commissioner (Computer Systems), Chennai – 6 for uploading in the internet and intranet websites.
6. The Director, Commercial Taxes Staff Training Institute, Chennai – 6.
7. Stock File/Spare

/Forwarded by order/

Deputy Commissioner(SMR)