



ABSTRACT

Commercial Taxes Department – Computerisation – Data entry work under rule 7 of the "Tamil Nadu VAT Rules 2007" – Form I particulars – Outsourcing the work – Orders – Issued.

COMMERCIAL TAXES AND REGISTRATION [A2] D2 DEPARTMENT

G.O. Ms. No.115

Dated : 19.11.2008

**திருவள்ளூர் ஆண்டு 2039,
கார்த்திகை 4**

Read :

1. G.O. Ms. No.23 Commercial Taxes & Registration Department dated 10.1.2007.
2. From the Principal Secretary / Commissioner of Commercial Taxes Department letter No.CC2/2468/2007 dated 28.9.2007.

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ORDER:

Under rule 7 of Tamil Nadu Value Added Tax Rules, the tax payers shall file return in FORM – I on or before 20th of the succeeding month to the assessment authority. These particulars have to be entered and processed in order to find out the false claims if any as input Tax credit availed by the dealers under Tamil Nadu VAT Act 2006. This data entry work is pending with Commissioner of Commercial Taxes for more than one year.

2. The Commissioner of Commercial Taxes has put forth the proposal that in view of the urgency and importance of the FORM – I particulars filed by two lakhs dealers, the data entry work may be outsourced through the ELCOT so that the entire pending data entry work in the assessment circles may be made upto-date. For the period from January 2007 to February 2008, the ITC adjusted for a huge sum of Rs.9586 Crores in all returns, have to be verified. If the ITC claims are not verified and the evasion thereto are not curbed in time, the Net revenue loss may be affected in future. Approximately, thousand returns are filed in each assessment circles.

3. The cost for outsourcing of data entry work through ELCOT is as detailed below:

The approximate records informed by the Department officials is as follows:

The period of pending records to be entered	: January 2007 to June 2008
Total number of Annexure (FORM I) records pending in each assessment circle for one month	: 25000 approximate
Total number of pending records in 323 assessment circles and for 18 months	: 14,53,50,000 (approximate Rounded to 15 Crores)

The Approximate cost will be as follows:

1. Data entry cost including Software and computer hiring charges	: 0.25 paise per record
2. Data Entry verification Cost	: 0.10 paise per record
.... Total cost	: 0.35 paise per record

Approximate cost for 15 Crore records – Rs.5.25 crores.

The cost of 0.35 paise per records includes computer charges, software, wiring, networking, data entry and verification.

(Printing at an extra cost of Rs.1.90 per page @ 20 records per page on back to pack printing).

4. In the meeting held with the Minister (Commercial Taxes) on 4.7.2008, it was agreed upon that the G.O. Ms. No.23, Commercial Taxes & Registration Department, dated 10.1.2007 in which orders have been issued for recruitment of 520 post of system operators by surrendering equal number of post of Junior Assistants and the connected supervisory post viz., 10 post of System Managers

may be cancelled in view of the objections by the Tamil Nadu Public Service Commission and the Service Associations. However, in order to cope up the huge pendency of the data entry related work with reference to Form – I details which has to be done urgently and in order to realize the real revenue potential, an urgent way out has to be resorted to get this data entry work done immediately. It was felt that it would be better to outsource this data entry work through ELCOT for a period of six months initially. Thereafter this work be reviewed.

5. After careful examination, the Government direct that the Data Entry Work relating to FORM-I particulars filed by the dealers under rule 7 of the Tamil Nadu Value Added Rules, 2007, shall be outsourced through ELCOT for a period of six months at a total cost of Rs.5.25 crores (Rupees five crores and twenty five lakhs only) in order to complete the backlog data entry work and ELCOT will call for open tender in consultation with Commissioner of Commercial Taxes and ELCOT will be given 5% at service charges. The Commissioner of Commercial Taxes has already been instructed in Government letter No.22271/A2/2007-4 dated 18.9.08 to initiate the preliminary work at his level.

6. Earlier orders for recruitment of 520 (Five hundred and twenty only) System Operators by surrendering equal number of post of Junior Assistants and the connected supervisory post viz. 10 (ten) post of System Managers ordered in G.O. Ms.No.23 Commercial Taxes & Registration Department, dated 10.1.2007 shall be treated as cancelled.

7. The Government, after care examination, accept the proposal of the Commissioner of Commercial Taxes and accordingly sanction an amount of Rs.5.25 crores (Rupees Five crore and twenty five lakhs only) for the pending Data Entry Work in the Assessment Circles made upto date through the ELCOT.

8. The expenditure will be debited in the following account.

2040-00 Taxes on Sales Trade etc. 001 Direction and Administration 1. Non-Plan AA Headquarters Establishment 33 payments for professional and Special service – 03 Special Service
(DP Code 2040-00-001-AA-3334.)

9. The Commissioner of Commercial Taxes is authorised the draw and disburse the amount to the ELCOT for making payment.

10. Necessary funds will be provided in RE / FMA 2008-09. The expenditure should be brought to the notice of the legislation by specific inclusion in the Supplementary Expenditure 2008-09. Necessary proposal for inclusion of

the expenditure in the Supplementary estimate 2008-09 should be sent to Fin (BG I) of the appropriate stage.

11. This order issues with the concurrence of the Finance Department vide its U.O. No.271/DS(Rc), dated 17.11.2008 in A.S.L. No.1247, dated 17.11.2008.

(By order of the Governor)

RAJEEV RANJAN,
SECRETARY TO GOVERNMENT.

To
The Principal Secretary / Commissioner of Commercial Taxes,
Chepauk, Chennai-5.
The Accountant General, Chennai-18.

Copy to:
The P & AR Department, Chennai-9.
The Finance (Rev/BG-II/B.Coord) Department, Chennai-9.
SF / SC.

// Forwarded / By order //

(D. IRUDAYA JOSEPH)
UNDER SECRETARY TO GOVERNMENT.