



## **Abstract**

Commercial Taxes Department – Computerization - Implementing total solution for e-Governance in Commercial Taxes Department - Administrative sanction and financial sanction for the year 2011-2012 and constitution of Empowered Committee to monitor the implementation of the project – Orders – Issued.

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### **Commercial Taxes and Registration (D1)Department**

**G.O (Ms).No.13**

**Dated: 18.01.2012**

தை-4,

திருவள்ளூர் ஆண்டு 2043

Read:

1. G.O (Ms).No.82, Commercial Taxes and Registration (D1) Department, dated 12.07.2011.
2. From the Principal Secretary/ Commissioner of Commercial Taxes, D.O.Letter No.CC4/737/ 2009, dated 22.07.2011.
3. Government letter No.10320/D1/2011-1, Commercial Taxes and Registration Department, dated 09.08.2011.
4. From the Principal Secretary/Commissioner of Commercial Taxes, D.O Letter No.CC4/556/ 2010, dated 13.09.2011.
5. From the Principal Secretary/Commissioner of Commercial Taxes D.O. Letter No.CC4/556/2010, dated 27.09.2011.

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### **ORDER:**

The Commercial Taxes Department has been identified as a thrust area for e-governance by the Government. In Budget Speech during August 2011, the Government have announced that the software and hardware systems in the Commercial Taxes Department would be upgraded completely and an end-to-end automation would be provided. This will improve the service quality in tax administration substantially and result in greater revenue mobilization, and arrest tax evasion.

2. The Principal Secretary/ Commissioner of Commercial Taxes in his letters read above has stated that at present a basic level of computerization only has been done in Commercial Taxes Department and the present system has not been designed for scalability and adhoc enhancements have been made without a detailed umbrella study.

3. To overcome these disadvantages and to move to a more holistic approach towards e-Governance focusing on process reengineering, citizen centricity and control on tax evasion

with the help of technology, the Commercial Taxes Department has embarked upon its next phase of e-Governance and has appointed M/s.Accenture as Project Consultant in the initial stages of implementation to support the Department in conceptualizing and implementing an end-to-end computerization.

4. The Principal Secretary / Commissioner of Commercial Taxes has sent a Detailed Project Report for total computerization in Commercial Taxes Department at a cost of Rs.230,95,98,822/- which includes the retro-funding of Rs.9,09,00,000/- sanctioned in the Government Order first read above. He has further stated that the project would help in system aided scrutiny and risk based audits, greater G2G (Government to Government) collaboration brought about by integration with Banks, Treasury, other State Tax Administrations, Income Tax department etc., simplification and streamlining of the procedures of the department so that the staff can spend their time on core activities. The project would also provide enhanced MIS and reporting capabilities for smarter decision making, thereby helping in arresting tax evasion and resulting in greater revenue mobilization.

5. The project is proposed to be implemented within a period of 14 months and the Implementation Model would be based on a Build-Own-Operate-Transfer model in which the Implementation Partner is responsible for design, implementation, ownership, operation and maintenance of system for the period of contract (Five years) and would work with the Department and take care of all the aspects like hardware supply and upgradation, networking and software solutions. For the purpose of selecting an Implementation Partner, the department will follow an open tender procedure where competitive bids would be invited from reputed companies into the business of System Integration.

6. In view of the long term advantages of the project, the Principal Secretary/ Commissioner of Commercial Taxes has requested the Government to consider the Detailed Project Report submitted now and to grant administrative sanction for Rs.230,95,98,822/- (Rupees two hundred and thirty crore, ninety five lakhs, ninety eight thousand, eight hundred and twenty two only) including the retro funding of Rs.9,09,00,000 (Rupees Nine crores and nine lakhs only) already sanctioned in the Government Order first read above and requested the Government that the detailed Project Report may be sent to Government of India for additional funding under the Mission Mode Project. The Principal Secretary/ Commissioner of Commercial Taxes has furnished Capital expenditure and the recurring expenditure for the five year period as detailed below:-

<b>Cost Estimates</b>	
<b>One –Time Cost</b>	<b>Estimated Project Cost (₹)</b>
Total Capital expenditure	93,39,60,794
<b>Recurring Cost</b>	<b>Estimated Project Cost (₹)</b>
Year 1 (2011-2012)	23,30,33,600
Year 2 (2012-2013)	23,72,02,100
Year 3 (2013-2014)	24,17,87,450
Year 4 (2014-2015)	28,35,83,302
Year 5 (2015-2016)	28,91,31,576
<b>Total</b>	<b>221,86,98,822</b>

7. The Principal Secretary/ Commissioner of Commercial Taxes has also requested the Government to constitute Tender Inviting and Scrutiny Committee, committee to approve the Request for Qualification (RFQ), Request for Proposal (RFP), other accompanying bid documents and processing/scrutinizing of the bids and the Tender Accepting Authority.

8. The Government after careful consideration, accord administrative sanction for implementation of the Total Computerization Project in Commercial Taxes Department as envisaged in the Detailed Project Report at a cost of Rs.230,95,98,822/- (Rupees two hundred and thirty crores, ninety five lakhs, ninety eight thousand, eight hundred and twenty two only) and release a sum of Rs.116,69,94,394/- (Rupees One hundred and sixteen crore, sixty nine lakhs, ninety four thousand, three hundred and ninety four only) which includes capital expenditure (Rs.93,39,60,794/-) and recurring cost for the first year i.e.2011-2012 (Rs.23,30,33,600/-) and authorizes the recurring expenditure for the subsequent years as follows:

<b>Recurring Cost</b>	<b>Estimated Project Cost (₹)</b>
Year 2 (2012-2013)	23,72,02,100
Year 3 (2013-2014)	24,17,87,450
Year 4 (2014-2015)	28,35,83,302
Year 5 (2015-2016)	28,91,31,576
Total	105,17,04,428

9. For regular monitoring of the implementation of the project, the Government constitutes an Empowered Committee under the Chairmanship of the Chief Secretary to Government with the following members to monitor the implementation of the project:

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|--|-------------------|
| 1. Principal Secretary (Finance)                             | - Member          |
| 2. Secretary (Information Technology)                        | - Member          |
| 3. Secretary (Commercial Taxes and Registration)             | - Member          |
| 4. Principal Secretary/ Commissioner of Commercial Taxes     | - Member          |
| 5. Joint Commissioner (Computer Systems),<br>O/o the PS/CCT. | - Member-Convener |

This Empower Committee will also act as Tender Accepting Authority. The Joint Commissioner (Computer Systems) shall be the Tender Inviting Authority. The Principal Secretary/ Commissioner of Commercial Taxes will approve the tender documents and also appoint a Tender Scrutiny Committee.

10. The expenditure sanctioned in paragraph 8 above shall be debited to the following head of account:-

**“ 2040 – 00- Taxes on Sales, Trade etc.,- 001 – Direction and Administration - Schemes in the Eleventh Five Year Plan – II State Plan – JB Special Initiatives E-Governance in Commercial Taxes Department 33 – Payments for Professional and Special Services 03 - Special Service ” (D.P Code 2040 00 001 JB 3333)**

11. The expenditure sanctioned in paragraph 8 above constitutes an item of "New Service" for which the approval of the Legislature will be obtained in due course. Pending approval of the Legislature, the expenditure will be initially met by drawal of an advance from the Contingency Fund and orders in this regard will be issued by the Government in Finance (BG-I) Department, separately. The Principal Secretary/ Commissioner of Commercial Taxes is requested to send necessary proposals to the Government in Finance (BG-I) Department, in the prescribed format along with a copy of this order for sanction of an advance required for the current year from the Contingency Fund of the State. He is also requested to send a draft explanatory note, indicating the total cost of the scheme, the cost that would be required for the implementation during the financial year etc. to Government in Finance (BG-I) department for inclusion of the expenditure in the Supplementary Estimates 2011-2012, at an appropriate time.

12. This order issues with the concurrence of Finance Department vide its U.O.No.20/DS(KS)/Revenue/2012, dated 18.01.2012 with ASL No.1486 (One thousand four hundred and eighty six).

(BY ORDER OF THE GOVERNOR)

SUNIL PALIWAL  
SECRETARY TO GOVERNMENT

To

The Principal Secretary/ Commissioner of Commercial Taxes, Chennai-5.  
The Chief Secretary to Government, Secretariat, Chennai-9.  
The Principal Secretary to Government, Finance Department, Chennai-9.  
The Secretary to Government, Information Technology Department, Chennai-9.  
The Secretary to Government, Commercial Taxes and Registration Department, Chennai-9.  
The Joint Commissioner (Computer Systems), O/o the PS/CCT, Chennai-5.  
The Principal Accountant General, Chennai-600018.  
The Accountant General(A&E), Chennai-600018.  
The Accountant General (Civil Audit), Chennai-600018.  
The Pay and Account Officer (East), Egmore, Chennai-600008.

**Copy to:-**

The Secretary-I, II & III to Hon'ble Chief Minister, Secretariat, Chennai-9.  
The Senior Personal Assistant to Minister (Finance), Secretariat, Chennai-9.  
The Senior Personal Assistant to Minister (Commercial Taxes & Registration, Law, Courts & Prisons), Chennai-9.  
The Finance (Revenue/BG-I/BG-II/Ways and Means), Secretariat, Chennai-9.  
The Under Secretary to Government of India, State Taxes Section, Department of Revenue, Ministry of Finance, Government of India, New Delhi.  
Stock file /Spare Copies.

// FORWARDED / BY ORDER //

SECTION OFFICER