

ANTI-TAX EVASION MEASURES

In order to reduce and prevent the tax evasion by fraudulent dealers, the CT Organisation carries out surprise visits / inspections without prior intimation to the concerned dealers. This action is usually taken after receipt of intelligence from various sources and intelligence wings of the organization.

Inspection & Search of Premises [Powers u/s 73 of OVAT Act]

1. Inspection through visits is done without notice-73(4).
2. Substantially different from Audit visits.
3. Books of accounts can be verified and seize records for reasons to be recorded in writing.
4. Records can be retained for up to 6 months. Maximum Retention - 2 years with CCT's permission .Dealers to keep all accounts ready for inspection at all reasonable times
5. Penalty for non production: Rs.5,000/- [as provided u/s 61(5)]
6. Excess goods liable for seizure [u/s 74(11)].Penalty can be levied for possession thereof. Penalty equal to **5(five) times of tax or 20% of the value of goods, whichever is higher**
7. Seized goods to be released on payment.
8. While recording reasons for seizure, time of inspection/interception, date and place of occurrence are to be noted. Seizure list to be prepared and signed by dealer or **any person on his behalf.** Issue of receipt at the spot is mandatory [u/s 73(6)], even if statement is refused .
9. To avoid hardships to the assessee and safeguard interests of revenue, cases, where seizures have been made in course of searches, should be finalized expeditiously.