

OFFICE OF THE COMMISSIONER OF COMMERCIAL TAXES, ORISSA,

C U T T A C K .

No. 9829 /CT
IX(I) 12 / 2009

Dated. 20-05-2009

CIRCULAR

Sub: - Restructuring of work in Circle Offices

The introduction of VAT in 2005-06 envisages function based structure to achieve specialization, efficiency and transparency in tax administration. However, territorial-oriented ward system of the earlier OST era has continued to operate in circle offices. The old systems of record keeping and work distribution are yet to be changed. It has led to tax payers' dissatisfaction with the standard of service. Besides, there remains confusion and lack of clarity among the staff regarding their job responsibility. In the meanwhile, far reaching changes have also been made by decentralizing many functions from the Range to the Circle, recruitment of a large number of ACTOs and redefining the job responsibilities of ACTOs. After wide consultations, it is now resolved to implement function based administration in line with objectives of VAT in the following manner:-

Function-1: Registration under all ACTs
Persons responsible: ACCT / CTO , ACTO(Registration), Registration Clerk(RCL)
Work Flow: <ul style="list-style-type: none">• The Registration Clerk(RCL) to receive the application and issue a computer generated receipt to the applicant forthwith• RCL to put up the application in file to the ACCT / CTO• ACCT / CTO to entrust the pre- registration enquiry to the CTO / ACTO (Registration) through Registration Module• The CTO / ACTO (R) submits the enquiry report to the ACCT /

CTO.

- The ACCT / CTO disposes the application and returns the file to the Registration Clerk.
- The Registration Module is updated and R.C./ Rejection order is prepared and issued
- The RCL keeps the record in the Registration Records Unit (RRU).

Function-2: Returns under all Acts/Returns Scrutiny under VAT Act

Persons Responsible: ACCT / CTO, ACTO (Return Scrutiny), Return Clerk(RTCL)

Work flow:

- Normally the Returns Clerk (RTCL) / ACTO (Return Scrutiny) receives the returns and after initial scrutiny issues to the dealer a computer generated receipt (in the Rush Period, a larger team of ACTOs will be engaged)
- ACTO/RTCL to detach the DDs/ Cheques, enter them in the Bank Draft Register, deposit in the Bank and also maintain the Progressive Collection Register (PCR).
- ACTOs to receive the return, do initial scrutiny, detach the Chalan/DD/Bank draft and hand over to RCL.
- RCL to pass on the Returns to the DEOs for data entry.
- On completion of data entry, the paper Returns are marked with a stamp "Data Entry Done" with date and signature of the DEO concerned. The Paper Returns then are handed over to RTCL for placing the returns in the concerned individual file of every dealer.
- ACTO (RS) to validate the data with reference to the hard copy and also use Return Scrutiny module.
- After system based scrutiny is done, ACTO (RS) click the button of "**Return Entry Complete**" in order to avoid any manipulation.
- ACTO (RS) to put a stamp on the paper Return 'Scrutinized' with his/her date and signature.

- In case, discrepancy is noticed, ACTO (RS) to prepare computer generated notices and discrepancy reports and put up before the ACCT / CTO in the concerned file.
- ACCT / CTO to take appropriate action on the discrepancy report.
- Notices to dealers to reconcile mistakes/short payment of tax to be issued by the RTCL and records are kept in the Returns Records Unit (RTRU)
- ACTO (RS) to generate the list of non-filers and place the list before the ACCT/CTO with proposals for provisional assessment/ notices in Form VAT-205 for failure to file return. To also generate notices from the system and place before the ACCT/CTO to be issued.
- Notices to dealers to be got issued by the RTCL and the files are kept in the Returns Records Room (RTRU).
- ACCT/CTO to monitor the follow up action

Function-3: Tax Audits

Persons Responsible: JCCT,ACCT,CTO,ACTO(Audit and Investigation), Audit Clerk (AUCL)

Work flow:

- JCCT to constitute the audit teams as per the OVAT rules based on the list of TIN dealers selected for tax audit during a year from the Commissioner. JCCT to allot the dealer to audit teams and approve the audit programme.
- The Head of the audit team to get AUCL to prepare system based notices & to get them issued to dealers based on date-wise tax audit visits.
- Audit team to conduct tax audit.
- The Head of the audit team submits Audit Visit Report (AVR) within

seven days of completion of the audit to ACCT & in case of LTU; the AVR is to be submitted to the JCCT.

- ACCT to allocate the assessment of audit visit report to the assessing authority in the circle. In case of LTU, the JCCT will allocate.
- **At every stage Audit Module of VATIS will be used.**

Function-4: Assessment under all Acts (except Prof Tax) & compliance to orders of appeal/ revision authorities including sending of LCRs

Persons Responsible: JCCT/DCCT/ACCT,CTO, Assessment Clerk (ASCL)

Work flow:

- The DCCT/JCCT to assess LTU dealers based on AVRs as per the allocation done by the JCCT.
- ACCT / CTO to assess dealers as per powers given.
- ACCT to allocate assessment to CTO and himself. The officer involved in Tax audit of a particular dealer shall not assess the same dealer.
- The Assessment Clerk (ASCL) to get the notices (in case of Audit Assessment, along with the AVR) prepared, put up the file to the CTO/ACCT/DCCT/JCCT and issued.
- ASCL to take follow up action and also will be the custodian of records.
- ASCL to maintain forward dairy.
- After assessment is completed and demand notice issued, the assessment clerk to put up for collection proceeding in appropriate cases
- The assessing officer to ensure up to-date recording of the Demand Collection Register (DCR) and the DCR to be in the custody of the ASCL.
- Head Clerk to ensure that orders of appeal/revision authorities are complied with, LCR sent in relevant cases.
- CTO/ASCL to see that proposals for suo motu revisions made to appropriate authority. ASCL to do follow up action.

Function-5: Collection of current Demand Under All Acts (except

professional Tax)
Persons Responsible: ACCT / CTO / Assessment Clerk (ASCL)
<p>Work flow:</p> <ul style="list-style-type: none"> • The collection record will be opened by the assessment clerk basing on service of demand notice and assessment order and entries in the DCR. • In case of LTU the range office shall issue the extracts of the DCR and copy of the assessment orders to the Circle to initiate the collection proceeding. • ASCL to be the custodian of assessment records. • ACCT / CTO to issue a requisition to the TRO in Form 1, if the demand is not collected within the due period subject to orders of the higher forums. Normally, if there is no stay, requisition to TRO should be made not later than six months from the due date.
Function-6: Tax Recovery Unit under all Acts (except Profession Tax)
Persons Responsible: ACCT /CTO /ACTO(Tax Recovery) / Tax Recovery Clerk (TRCL)
<p>Work flow:</p> <ul style="list-style-type: none"> • Tax Recovery Unit to be headed by one ACCT/CTO. • ACTO (Tax Recovery) to assist CTO/ACCT. • Tax Recovery Clerk (TRCL) to maintain the records. • After receipt of the requisition in form 1, the TRO to issue a notice in Form 2 to the certificate debtor and initiate further proceedings for recovery. • All requisition received from Assessment Authority must be entered in a register/ Tax Recovery Module for proper monitoring. • Tax Recovery Module under VATIS needs to be used at every stage (Training for this will be organized by Headquarters).
Function-7: Management of Statutory Forms and Waybills (including waybills received from the Check gates)

Persons Responsible: ACCT/CTO,ACTO(Forms and Waybills),Forms and Waybills Clerk (FWCL)

Work flow:

- ACCT/CTO to receive the forms from the Head Office and keep in the custody of ACTO (F & W) duly designated by the ACCT.
- FWCL to receive the application along with the utilization statement of the forms from the dealer and issue him a computer generated receipt.
- FWCL to put up the file of the dealer forthwith to the ACTO (F & W) along with the application of the dealer for scrutiny
- ACTO (F & W) to verify the utilization statements, and put up the file to the ACCT/CTO designated.
- ACCT/CTO to examine the observations and if he orders for issue of Statutory Forms, the ACTO (F & W) designated for forms will release the forms
- Details of the issue and utilization for the issue of forms to be entered into the computer by DEO immediately.
- FWCL to ensure entry of issue particulars through DEO / by self before issue. FWCL also to see that 'Data Entry Done' stamp is put on the utilization statement.
- The nodal officer to supervise and ensure entry of data on utilization.

Cross-checking of waybills received from checkgates

- FWCL to sort the waybills received from the check gates and put the waybills in the respective waybill files of the dealers and to place the file of the dealer before the ACTO (F&W).
- ACTO (FW) to cross-verify the details furnished in the utilization statement of waybills with the waybill data as entered in the check gates and received through system in respect of a dealer, and report discrepancy, if noticed any to the concerned CTO for taking appropriate action.
- ACTO (F & W) to also cross-verify the waybills received from the

check gates with the triplicate/quadruplicate copy of the waybills submitted by the dealer and report discrepancy, if noticed any to the concerned STO for taking appropriate action.

Function-8:TDS

Persons Responsible: CTO /ACCT, ACTO (RS) Return Clerk (RTCL)

Work flow:

- A list of deducting authorities with telephone numbers will be maintained by the ACTO (RS).
- Particulars in VAT-605A to be ensured from deducting authorities by ACTO (RS).
- Such information should be maintained by Return clerk (RTCL) in a guard file. The details of TDS data to be entered in the computer against individual dealers.(VATIS)
- In case of default show case notice/ penal action shall be initiated against deducting authorities by ACCT/CTO
- The RTCL shall prepare the notices and shall be the custodian of the TDS files.

Function-9:Profession tax

a)Segment-I (Govt organizations i.e. Central & state)

b)Segment-II (Non Govt organizations i.e. Banks, LIC, PSUs, Educational institutions, Nursing Homes, etc)

c) Segment-III (Registered dealers under VAT Act)

d)Segment-IV(Individual professionals)

Persons Responsible: CTO /ACTO (Prof Tax)

Prof Tax Clerk (PTCL)

Work flow:

- One CTO shall be in charge of the unit.
- ACTO (Prof Tax) s depending on the work load shall be entrusted with monitoring of collection, demand and further proceeding under the Act

segment wise.

- A data base on professional Tax shall be created and kept in the computer for proper monitoring

Function-10:Clearance certificate

Persons Responsible: ACCT,CTO, Head Clerk

Work flow:

- Head clerk receives the application for clearance certificate and issues a receipt for the application.
- The Head Clerk will verify from the VATIS about the submission of returns and payment of tax, and will verify from the DCR about the outstanding demand and will put up the file to the ACCT for issue of certificate.
- The clerk issues the certificate, on approval under acknowledgement

Function-11: Other functions such as Establishment, Budget & Account, AG Audit, Statistics and Miscellaneous

Persons Responsible: ACCT, Head Clerk, Establishment, Accounts and Budget Clerk (EABCL), Statistics and Miscellaneous Clerk (SMCL),Diary, Issue and Dispatch Clerk(DIDCL)

- Establishment, Accounts and Budget Clerk(EABCL) shall deal all establishment related works including personal claims of the employees, service records, compliance to the AG Audit, Accounts and Budget.
- Establishment and miscellaneous clerk to be in charge of issue, receipt and diary.
- SMCL to do statistics related work, assembly questions and coordination.
- DIDCL to do diary, issue, dispatch work.
- Head Clerk will oversee the above functions and will assist CTO/ACCT.

The allocation of function to different persons as above is only indicative. Depending on work load and availability of staff, two or more persons can be deployed for a particular function or one or more functions can be assigned to one person by the ACCT.

The Assistant Commissioner of Commercial Taxes shall also allocate supervision of different functions to the Commercial Tax Officers of the Circle..

**Sd/-
(T. K. Pandey)
Commissioner of Commercial Taxes,
Orissa, Cuttack**