AP VALUE ADDED TAX
RULES – 2005

INDEX **Pg.No.**

NOTIFICATIONS BY GOVERNMENT
REVENUE DEPARTMENT

[CT.II]

FRAMING OF VALUE ADDED TAX RULES OF THE ANDHRA PRADESH VALUE ADDED TAX ACT, 2005 (ACT No.5 of 2005)
[G.O. Ms.No.394, Revenue (CT.II), 31st March, 2005.]

CHAPTER - I

In exercise of the powers conferred by Section 78 of the Andhra Pradesh Value Added Tax Act, 2005, the Governor of Andhra Pradesh hereby makes the following rules: -

RULES

1. These rules may be called the Andhra Pradesh Value Added Tax Rules, 2005.

2. i) Rules 1,2,(i),3,4,5,6,8,9,10 and 11 will come in to force with effect on and from the 31st January, 2005 and;

ii) The remaining Rules shall come into force with effect from 1st April, 2005.

3. Definitions.

In these rules, unless the context otherwise requires:

(a) 'authority prescribed' means the authority specified in Rule 59;

(b) 'Assistant Commercial Tax Officer' means any person appointed by the Deputy Commissioner by name or by virtue of his office to exercise the powers of an Assistant Commercial Tax Officer;

(c) 'capital goods' for the purpose of cancellation of registration shall mean, any plant and machinery including computer systems for the purpose of Rule 14 of these rules;

(d) 'calendar quarter' means a period of three months ending on the 31st March, 30th June, 30th September and the 31st December;

(e) 'exempted transaction' shall mean the transfer of goods outside the State by any VAT dealer otherwise than by way of sale;

(f) 'Form' means a form appended to these rules and includes electronic Form on the Commercial taxes department approved internet or intranet website to collect information.;

(The original clause (f) "'Form' means a form appended to these rules" was substituted by the G.O MS No 1725 Rev (CT-II) Dept, dated 25-11-2006 w.e.f 25-11-2006.)

(g) 'Government Treasury' means a treasury or sub-treasury of the State Government and includes any branch of any bank notified by the Government from time to time;

(h) 'Section' means a section of the Andhra Pradesh Value Added Tax Act 2005.

(i) 'tax fraction' means the fraction calculated in accordance with the formula;

r

r + 100

where 'r' is the rate of tax applicable to the taxable sale.

(j) 'the Act' means the Andhra Pradesh Value Added Tax Act 2005.

CHAPTER - II
REGISTRATION

4. Procedure for Registration

1) Every dealer liable or who opts to be registered under sub-sections (2) to (6) of Section 17, shall submit an application for VAT registration in form VAT 100 to the authority prescribed.

2) Every dealer not registered or not liable to be registered for VAT but liable to be registered under sub-section (7) of Section 17, shall submit an application for TOT registration in form TOT 001 to the authority prescribed.

3) Every dealer registered under the Andhra Pradesh General Sales Tax Act, 1957 whose taxable turnover exceeds rupees five lakhs for the period from 1st day of January 2004 to 31st day of December 2004, who is neither required to be registered for VAT nor opted to be registered for VAT shall be deemed to be registered under sub-section (8) of Section 17.

4) Every dealer who is allotted a Taxpayer Identification Number (TIN) under Rule 28 of Andhra Pradesh General Sales Tax Rules 1957 as on the 31st March, 2005 shall be deemed to be registered as VAT dealer if he is required to register as a VAT dealer under the provisions of the Act.

5) Where a dealer has more than one place of business within the State, he shall make a single application in respect of all such places specifying therein, one of such places as place of business for the purpose of registration and submit it to the authority prescribed.

6) Every dealer required to be registered under clause(c) of sub-section (5) of section 17 shall authorize in writing on Form VAT 129 a person residing in the State who shall be responsible for all the legal obligations of the dealer under the Act.

5. Time to apply for Registration

1) (a) Every dealer who is required to register under sub-section (2) of Section 17, shall apply for registration not later than fifteen days but not earlier than forty five days prior to the anticipated date of the first taxable sale.

(b) Every dealer who is required to register under sub-section (3) of Section 17 shall make an application by the 15th of the month subsequent to the month in which the liability to register for VAT arose.

(c) i) Every dealer who is required to register under sub-section (7) of Section 17 shall make an application for registration fifteen days prior to commencement of business, where his taxable turnover is estimated to exceed rupees five lakhs in the next twelve consecutive months.

ii) In the case of a dealer who is required to register under sub-section (7) of Section 17 when his taxable turnover for the preceding twelve months exceeded rupees five lakhs, the dealer shall make an application by the fifteenth of the month subsequent to the month in which the taxable turnover exceeded rupees five lakhs.

2) Every dealer who is required to register under sub-section (5) of Section 17 shall apply for registration fifteen days prior to the anticipated date of first taxable sale but not earlier than forty five days prior to the anticipated date of first taxable sale unless an application is made under sub rule (4).

3) Any dealer effecting sales of goods liable to tax under this Act may apply to register under clause (a) of sub-section (6) of Section 17 and such registration shall be subject to the conditions prescribed in rule 8.

4) Any dealer intending to effect sales of goods liable to tax under the Act may apply to register under clause (b) of sub-section (6) of Section 17 and such registration shall be subject to the conditions prescribed in Rule 9.

ILLUSTRATION OF TIME TO APPLY FOR REGISTRATION IS GIVEN BELOW:

Sl. No	**Rule**	**Section in the Act**	**Type of Registration**	**Time to apply**	**Example**
1	17(2)	5(1)(a)	New dealer commencing business	Apply not later than 15 days but not earlier than 45 days prior to the anticipated date of first taxable sale	- Expected date of taxable sale is 20.7.2005 Time to apply for VAT registration is between 5.6.2005 and 5.7.2005
2	17(3)	5(1)(b)	Running business (A TOT dealer or unregistered dealer)	Apply by the 15th of the month subsequent to the month in which the obligation / liability to register for VAT arose.	Liability to register for VAT arose on 31.8.2005. - Time to apply for VAT registration is on or before 15.09.2005. - Review the taxable turnover for the preceding 3 months at the end of each month
3	17(4)	4(4)	Dealers registered under APGST Act and allotted TIN.	No need to apply for fresh VAT registration	- Deemed registration for VAT for those dealers who are allotted TINs.

4	17(5)	5(2)	Dealers liable for VAT registration irrespective of taxable turnover	Apply for registration - not later than 15 days but not earlier than 45 days prior to making sales or transactions requiring VAT registration	- Expected date of transaction / first taxable sale 20.8.2005 - Time to apply is between 5.7.2005 and 5.8.2005
5	17(6)(a)	5(3)	Existing business effecting taxable sales & having no liability to register for VAT but opting to register for VAT.	Since it is a voluntary registration, dealers can apply when they require VAT registration.	-
6	17(6)(b)	5(4)	New business intending to effect taxable sales (start up business) and applying for VAT registration.	No time limit.	A dealer setting up a factory and anticipating first taxable sale after, say, 20 months can apply any time.
7	17(7)	5(1) (c)(i)	New business who has a reason to believe that his taxable turnover in a period of next twelve months will exceed Rs.5,00,000 and has no obligation for VAT registration	Apply for TOT registration 15 days prior to commencement of business.	- Expected date of commencement of business: 20.8.2005 - Time to apply for TOT registration is on or before 05.08.2005.
8	17(7)	5(1) (c)(ii)	Existing business which is neither registered for VAT nor for TOT	When taxable turnover for the preceding 12 months exceeded Rs.5,00,000 apply by 15th of the month subsequent to	- Taxable turnover for preceding 12 months exceeded Rs.5,00,000 on 31.7.2005 - Time to apply for

				the month in which the taxable turnover exceeded Rs.5 lakhs	-	TOT registration is 15.8.2005. Review the taxable turnover for the preceding 12 months at the end of each month.
9	17(8)	4(3)	Dealers registered under APGST Act 1957 and had taxable turnover exceeding Rs.5,00,000 but below Rs.40,00,000 for the period from 1.1.2004 to 31.12.2004	No need to apply for fresh TOT registration.	-	Deemed registration for TOT

6. Effective date of Registration

1) The VAT registration shall take effect,-

(a) from the first day of the month during which the first taxable sale is declared to be made in the case of registration under sub-section (2) of Section 17; or

(b) from the first day of the month subsequent to the month in which the requirement to apply for registration arose in the case of registration under sub-section (3) of Section 17; or

(c) from the date of commencement of the Act in the case of dealers liable for VAT registration under sub-section (4) of Section 17;

(d) from the first day of the month in which the dealer becomes liable for registration under sub-section (5) of Section 17; or

(e) in the case of a dealer in business opting for registration as a VAT dealer under clause(a) of sub-section (6) of Section 17,-

i) where the application is made, on or before the 15th of the month, the effective date will be the 1st day of the month following the month in which the application was made;

ii) where the application is made, after the 15th of the month, from the 1st day of the month following the month subsequent to the month in which the application was made;

(f) from the 1st day of the month in which the dealer applied for registration under clause(b) of sub-section (6) of Section 17;

2) In the case of registration under sub-section (7) of Section 17, the general registration for turnover tax shall take effect,-

(a) from the 1st day of the month during which business commenced in the case of a dealer starting business and who does not register for VAT, and who has no liability to register for VAT but whose estimated taxable turnover is more than rupees five lakhs for the following twelve consecutive months;

(b) from the first day of the month subsequent to the month in which the obligation to apply for general registration arose in the case of a dealer, whose taxable turnover exceeded rupees five lakhs in a period of twelve consecutive months

3) In the case of deemed registration under sub-section (8) of Section 17, the general registration shall take effect from the date of commencement of the Act.

ILLUSTRATIONS FOR EFFECTIVE DATE OF REGISTRATION (EDR) UNDER THIS RULE FOR APPLICATIONS RECEIVED IN TIME ARE GIVEN BELOW:

Sl. No.	Section in the Act	Rule	Type of registration	EDR	Example
1	17(2)	6(1)(a)	New dealer commencing business	From the first day of the month during which the first taxable sale is declared to be made.	- Declared date of taxable sale shown is 20.7.2005 - applied for VAT registration on 3.7.2005 - EDR is 1.7.2005
2	17(3)	6(1)(b)	Existing business. (A TOT dealer or unregistered dealer).	From the first day of the month subsequent to the month in which the liability to apply for registration arose.	- Liability for registration arose on 31.8.2005 - Applied for VAT registration on 11.9.2005 - EDR is 1.10.2005
3	17(4)	6(1)(c)	Dealers registered under APGST Act and having liability to	From 1.4.2005	- Dealers who are allotted Taxpayer Identification Numbers as on 31.03.2005

			register for VAT.		are deemed to be registered as VAT dealers. - EDR is 01.04.2005
4	17(5)	6(1)(d)	Dealers liable for VAT registration irrespective of taxable turnover	From the first day of the month in which the dealer has applied for VAT registration.	- Expected date of transaction / sale under the Act is on 20.08.2005 - Applied for VAT registration on 05.08.2005 - EDR is 01.08.2005
5	17(6)(a)	6(1)(e)	Voluntary registration of a existing business	From the first day of the month following the month in which application for registration is made on or before the 15th of the month.	- Applied for VAT registration on 10.08.2005 - EDR is 01.09.05
				From the first day of the month following the month subsequent to the month in which application for registration is made after 15th of month.	- Applied for VAT registration on 30.08.2005 - EDR is 01.10.2005.
6	17(6)(b)	6(1)(f)	New business intending to effect taxable sales (Start up business)	From the first day of the month in which the dealer has applied for registration.	- Dealer setting up business on 20.7.2005. - Applied for VAT registration on 03.09.2005 - EDR is 01.09.2005.
7	17(7)	6(2)(a)	New dealer commencing business and estimating his taxable turnover to exceed Rs.5,00,000 for the following	From the first day of the month during which business commenced.	- Business commenced on 20.08.2005. - EDR is 01.08.2005

			12 consecutive months and not having a liability for VAT registration.		
8	17(7) - Taxable	6(2)(b)	Existing business whose taxable turnover exceeds Rs.5,00,000 in a period of 12 consecutive months.	the month subsequent to the month in which the obligation to apply for general registration arose.	From the first day of Rs.5,00,000 exceeded on 31.7.2005. - Liability to apply for TOT registration i.e. on or before 15.8.2005 - EDR is 01.09.2005.
9	17(8)	6(3)	Deemed registration for TOT for existing registered dealers under APGST Act	From 1.4.2005	- EDR is 01.04.2005

7. Belated application for Registration

1) In the case of belated application for registration submitted after the time limit prescribed in Rule 5, registration shall take effect as below,-

(a) where the application was made in the month it was due or where it is established by the authority prescribed in the same month in which it was due, the effective date of registration will be the first of the next month;

(b) where the application or detection was made in the subsequent month following the month it was due, the effective date of registration will be first of the month the application or detection was made;

(c) where the application or detection was made in the months subsequent to those defined in (a) and (b) of this sub-rule, the effective date of registration will be first of the month in which the application or detection was made;

ILLUSTRATIONS FOR EFFECTIVE DATE OF REGISTRATION (EDR) UNDER THIS RULE FOR BELATED APPLICATIONS ARE GIVEN BELOW:

Sl. No.	Section in the Act	Rule	Type of registration	EDR	Example

1	17(10)	7(1)(a) 7(1)(b) 7(1)(c)	Belated application for registration for new dealers commencing business and liable for VAT or TOT registration and dealers liable for VAT registration irrespective of taxable turnover.	(i) Application or detection in the month in which the application is due - EDR will be the first day of the subsequent month. (ii) Application or detection in the following month - EDR will be first day of the month. (iii) Application or detection in the subsequent months - EDR will be first day of the month of application or detection.	i) Date of first taxable sale shown is 20.07.2005 - applied for VAT / TOT registration on 31.07.2005 - EDR is 1.08.2005 ii) date of taxable sale is 20.7.2005 - applied for VAT / TOT registration on 16.08.2005 - EDR is 1.08.2005 iii) date of first taxable sale is 20.7.2005 - applied for VAT / TOT registration on 15.10.2005 - EDR is 1.10.2005
2	17(10)	7(1)(a)	Belated application for registration for VAT or TOT by existing dealers exceeding registration threshold.	(i) Application or detection in the month in which the application was due - EDR will be first day of the subsequent month. (ii) Application or detection in the following month in which application was due - EDR will be first day of the month in	i) liability for VAT / TOT on 31.8.2005 - applied for VAT / TOT registration on 25.09.2005 - EDR is 1.10.2005 ii) liability for VAT / TOT on 31.8.2005 - applied for VAT / TOT registration on 10.10.2005 - EDR is 01.10.2005

8. Voluntary Registration

1) A VAT dealer registered under clause (a) of sub-section (6) of Section 17 shall fulfill the following requirements namely,-

(a) the dealer shall be making taxable sales;

(b) the dealer shall have a prominent place of business owned or leased in his name;

(c) the dealer shall have a bank account;

(d) the dealer shall not have any tax arrears outstanding under The Andhra Pradesh General Sales Tax Act, 1957 or The Central Sales Tax Act, 1956 or under the Act.

2) A VAT dealer registered under clause (a) of sub-section (6) of Section 17, shall,-

(a) maintain the full records and accounts required for VAT;

(b) file accurate and timely VAT returns and pay any tax due;

(c) remain registered for 24 months from effective date of registration.

3) Where VAT dealer registered under clause (a) of sub-section (6) of Section 17 fails to file timely tax returns and fails to pay any tax due and his taxable turnover remains under the limits specified in sub-sections (2) and (3) of Section 17, the authority prescribed shall cancel such registration after giving the VAT dealer the opportunity of being heard.

9. Start up Business:

1) A dealer intending to set up a business in taxable goods who does not anticipate making first taxable sale within the next three months and applying for VAT registration shall be treated as a start up business.

2) The dealer referred to in sub-rule (1) shall make an application on Form VAT 104 in addition to Form VAT 100 to the authority prescribed.

3) The dealer applying for registration as a start-up business under clause (b) of sub-section (6) of Section 17 may apply to be registered only for a period of twenty four months prior to making taxable sales.

4) The dealer registered as a start up business under clause (b) of sub-section (6) of Section 17 may claim a tax credit on each tax return for a maximum period of twenty four months prior to making taxable sales. The input tax claimed must be in respect of tax paid on inputs relating to the prospective taxable business activities. The credit shall be eligible for refund under the provisions of Section 38. The provisions of sub-section (1)(b) of Section 38 shall apply only from the tax period in which the first taxable sale was made.

5) The dealer registered as a start up business under clause(b) of sub-section (6) of Section 17 shall abide by all the requirements and obligations of a VAT dealer including the proper keeping of books of accounts and regular filing of returns.

6) A dealer shall cease to be registered under the provisions of clause (b) of sub-section (6) of Section 17 and shall become registered under the provisions of sub-section (1) of Section 17, when that dealer makes a taxable sale in the course of business

7) A dealer shall cease to be registered under the provisions clause (b) of sub-section (6) of Section 17 at the end of a twenty four months period from the date of registration if no taxable sale has been made. In such a case, the registration will be cancelled under the provision of Rule 12.

8) The Deputy Commissioner may at his discretion, where there are reasonable grounds, vary the conditions under sub rules (3), (4), (6) and (7) and may grant a further time upto twelve months for making the first taxable sale and to continue as start up business.

10. Issue of Certificates.

The authority prescribed shall issue,-

(a) a certificate of VAT registration on Form VAT 105; or

(b) in the case of a Start–up business, a notice on Form VAT 106 in addition to Form VAT 105;

(c) in the case of TOT dealer, a certificate of TOT registration on Form TOT 003.

11. Suo-moto registration and refusal to register.

1) The authority prescribed may register a dealer who, in the opinion of that authority, is liable to apply for registration as VAT dealer or a TOT dealer as the case may be, but has failed to do so. The dealer shall be provided with an opportunity to state his case before registration is effected. A registration under this sub-rule shall be issued on Form VAT 111 or on Form TOT 005, as the case may be.

2) Where the authority prescribed is not satisfied with the information furnished by the applicant and has reasons to believe that the applicant does not meet the requirements for registration as VAT dealer or TOT dealer he shall provide an opportunity specifying the reasons for refusal before passing any orders for refusal to issue registration. A notification under this rule shall be issued on Form VAT 103 or on Form TOT 017, as the case may be.

12. Certificate of Registration.

1) The certificate of VAT registration or TOT registration shall be displayed in a conspicuous place at the place of business mentioned in such certificate and a copy of such certificate shall be displayed in a conspicuous place at every other place of business within the State.

2) No certificate of registration issued shall be transferred.

3) Where the certificate of registration issued is lost, destroyed, defaced or mutilated a duplicate of the certificate shall be obtained from the authority prescribed.

13. Changes in Registration Details:

1) A dealer registered under Section 17 shall notify the authority prescribed in writing on Form VAT 112 or on Form TOT 051 as the case may be, within fourteen days,-

(a) of any change in the name, address, of the place of business or branches or discontinuation of the business;

(b) of a change in circumstances of the dealer which leads to cessation of business;

(c) of a change in business activities or in the nature of taxable sales being made or principal commodities traded.;

(d) of any changes in the constitution of the firm;

(e) of a change in bank account details;

(f) when a dealer commences or ceases to execute works contract for State Government or local authorities.

2) Where changes in the status of business occur an application shall be made for fresh registration.

3) (a) where a dealer intends to change his place of business from the jurisdiction of one authority to the jurisdiction of another authority in the State, he shall make an application on Form VAT 112 or on Form TOT 051 as the case may be, with full particulars relating to the change of address and the reasons for such change, to the authority prescribed.

(b) the authority prescribed receiving an application on Form VAT 112 or on Form TOT 051 as the case may be for a change of place of business shall, on approval of the application, remove such registration from the existing registration records. The registration file and the application shall be transferred to the authority prescribed in whose jurisdiction the proposed new place of business is sought to be established.

(c) The authority prescribed receiving the registration file shall add the details to the records of that authority, and issue a new certificate of VAT registration, with the existing TIN and in respect of a TOT dealer, a new General Registration Number shall be issued wherever necessary;

(d) the change in a place of business and a change in business activities shall not in itself, result in cancellation and fresh registration of a VAT dealer.

14. Procedure for Cancellation of VAT Registration.

1) Where a VAT dealer ceases to carry on business, that dealer or his legal representative shall apply to the authority prescribed for cancellation of registration within fourteen days of the closure of business.

2) Subject to sub-rule (3), a VAT dealer may apply in writing on Form VAT 121 to have his VAT registration cancelled if,-

(a) Omitted.

(Clause (a) is omitted by G.O MS No.503 dated 08-05-2009 w.e.f 01-05-2009. The original clause (a) reads as “with respect to the most recent period of three consecutive calendar months, the taxable turnover did not exceed rupees ten lakhs; and”)

(b) the taxable turnover for the previous twelve consecutive calendar months did not exceed rupees thirty lakhs.

3) In the case of a VAT dealer making taxable sales, who is registered under clause (a) of sub-section (6) of Section 17, an application under sub-rule (2) shall only be made after the expiration of twenty four months from the date of registration.

4) Every VAT dealer whose registration is cancelled under this rule shall pay back input tax credit availed in respect of all taxable goods on hand on the date of cancellation. In the case of capital goods on hand on which input tax credit has been received, the input tax to be paid back shall be based on the book value of such goods on that date:

Provided that in respect of transfer of a business to another VAT dealer, there shall be no requirement to repay the input tax credit availed on capital goods and other goods.

5) The authority prescribed may cancel the registration of a VAT dealer who has applied for cancellation under sub-rule (1) or sub-rule (2) if it is satisfied that there are valid reasons for such cancellation of registration. The cancellation shall be intimated on Form VAT 124.

6) The authority prescribed may cancel the registration of a VAT dealer who has not applied for cancellation of registration if the authority prescribed is satisfied that the dealer is not entitled for registration under Section 17 or found to be not complying with the provisions of the Act.

7) The authority prescribed shall intimate on Form VAT 123 to a VAT dealer when refusing to cancel the registration of the dealer under this rule within fourteen days of receipt of Form VAT 121.

8) The authority prescribed shall issue a notice on Form VAT 125 to a VAT dealer before compulsorily cancelling the registration.

9) The authority prescribed may cancel the registration of a VAT dealer registered under sub-section (6) of Section 17 where the VAT dealer—

(a) has no fixed place of abode or business; or

(b) has not kept proper accounting records relating to any business activity carried on by him; or

(c) has not submitted correct and complete tax returns;

10) The cancellation of registration shall take effect from the end of the tax period in which the registration is cancelled unless the authority prescribed orders the cancellation to take effect at an earlier date.

11) The cancellation of a registration of any VAT dealer shall not affect any liabilities under the Act or any requirement to comply with any provisions of the Act until the date of cancellation of registration.

12) Wherever any order of cancellation or refusal to cancel is made, the VAT dealer shall be given an opportunity of being heard.

15. Procedure for cancellation of TOT registration.

1) Where a TOT dealer ceases to carry on business, that TOT dealer or his legal representative shall apply to the authority prescribed on Form TOT 014 for cancellation of general registration within fourteen days of the closure of business.

2) A TOT dealer may apply for cancellation of his general registration at the end of any period of twelve consecutive months if his taxable turnover for that period does not exceed rupees three lakhs seventy five thousands (Rs.3,75,000/-).

3) The authority prescribed shall issue an order of cancellation of registration on Form TOT 015 to the TOT dealer who has applied for cancellation, if satisfied that there are valid reasons for such cancellation of registration.

4) The authority prescribed shall issue an order on form TOT 016 to a TOT dealer, when refusing to cancel the general registration number.

5) The authority prescribed shall issue a notice on Form TOT 013 to a TOT dealer before compulsorily canceling the general registration.

6) Cancellation of general registration shall take effect from the end of the month in which the general registration is cancelled, unless the authority prescribed orders the cancellation to take effect from an earlier date.

7) The cancellation of a registration of any TOT dealer shall not affect any liabilities under the Act or any requirement to comply with any provisions of the Act until the date of cancellation of registration.

8) Wherever any order of cancellation or refusal to cancel an application is made, the TOT dealer shall be given an opportunity of being heard.

CHAPTER – III

DETERMINATION OF TAXABLE TURNOVER AND CALCULATION OF TAX PAYABLE

16. Determination of Taxable Turnover.

1) Time of Sale:

(a) a VAT dealer selling taxable goods shall account for the VAT at the earliest of the date of delivery of the goods or the issue of tax invoice;

(b) input tax credit shall only be claimed on receipt of the tax invoice.

(2) The following amounts shall not be included for the purpose of determining the taxable turnover, namely,-

(a) all amounts allowed as discount provided such discount is allowed in accordance with the regular practice of the VAT dealer, or is in accordance with the terms of a contract or agreement entered into in a particular case and provided also that accounts show that the purchaser has paid only the sum originally charged less the discount;

(b) all amounts charged separately as interest or as finance charges in the case of a hire-purchase transaction or any system of payment by installments.

(c) All amounts, forming part of the sale price on account of any incentives, sanctioned or ordered specifically or in general by either the Government of Andhra Pradesh or the Government of India with a view to extend any specific benefit to the agricultural farmers, subject to the guidelines issued by the Commissioner thereof.
(Clause (C) is added by the G.O.Ms.No.1707, Revenue (CT-II), 21st November,, 2006 w.e.f 21-11-2006)

(d) Amount of additional trade margin of (12.5%) charged by the Andhra Pradesh Beverages Corporation Limited to pay as special privilege fee on the sale of IMFL in the state;
(The figures in the brackets are substituted for the figures (10%), by G.O MS No 1541 Rev(CT-II) dept, dated 18-12-2007 w.e.f 18-12-2007)

(e) Retailer's margin at the retail outlets run by APBCL.
(Clauses (d) and (e) are added by G.O MS No 174 Rev (CT-II) Dept dated 13-02-2007 w.e.f 1-04-2005 and 1-06-2006 respectively)

(3) An adjustment of sale price and VAT or any other tax can be made in relation to a taxable sale where,-

(a) the sale is cancelled;

(b) the nature of the sale has been fundamentally varied or altered; or

(c) the previously agreed consideration for the sale has been altered by agreement with the recipient, whether due to an offer of a discount or for any other reason; or

(d) the goods or part thereof have been returned to the seller within a period of twelve months from the date of sale and the dealer making the sale has accepted the return of the goods:

In the case of the events listed in clause (a) to (d) where a tax invoice or an invoice has not yet been issued, the sale price shall be adjusted in the tax invoice or in the invoice. Where a tax invoice or invoice has been issued, a credit or debit note shall be used to adjust the tax invoice or invoice in accordance with Rule 28.

(e) where any goods sold before 31.03.2005 are returned on or after 01.04.2005 and sales tax relief on closing stocks was already claimed by the buying VAT dealer, an amount equal to the purchase value of the goods and the sales tax credit claimed shall be deducted from the value of the input and the value of input tax in the tax period in which goods are returned by him provided credit note issued by the seller is on hand. The selling VAT dealer in such case may reduce his output value and output tax equal to the original sale value and the sales tax in the return for the tax period during which the goods have been returned.

(f) where ever any credit notes are to be issued for discounts or sales incentives by any VAT dealer to another VAT dealer after issuing tax invoice, the selling VAT dealer shall pass a credit note without disturbing the tax component on the price in the original tax invoice, so as to retain the quantum of input tax credit already claimed by the buying VAT dealer as well as not to disturb the tax already paid by the selling VAT dealer.

For example: if 100 TVs are sold @Rs.10, 000/- each, amounting to Rs.10,00,000/-, the original tax charged @ 12.5% is Rs.1,25,000/-. If the discount of 10% is offered subsequently based on fresh purchases, the selling dealer can pass on the benefit of Rs.1,00,000/- for the price with out disturbing the tax component of Rs.1,25,000/-. The buying dealer will not alter the input tax credit already claimed amounting to Rs.1.25,000/-. The selling VAT dealer will not claim reduction in output tax liability consequent to lowered price offered.

(Clause (f) was inserted by G.O MS No 2201 Rev (CT-II) Dept. Dt 29th December 2005 w.e.f 1-12-2005)

4) Where the output tax properly due in respect of the sale exceeds the output tax actually accounted for by the VAT dealer making the sale, the amount of the excess shall be regarded as tax charged by the VAT dealer in relation to a taxable sale made in the tax period in which the adjustment took place.

5) Where the output tax actually accounted for exceeds the output tax properly due in relation to that sale, the VAT dealer making the sale shall be eligible for an adjustment of excess amount of VAT in the tax period in which the adjustment took place:

Provided that no such adjustment shall be allowed where the sale has been made to a person who is not a VAT dealer unless the amount of the excess tax has been repaid by the VAT dealer to the recipient, whether in cash or as a credit against any amount owing by the recipient.

6) The provisions of sub-rule (1) to (5) shall *mutatis-mutandis* apply to TOT dealer.

7) In case of a VAT dealer specified in sub-section (9) of Section 4, forty percent (40%) of the total amount of consideration charged by such dealer shall be allowed as deduction and the balance of sixty percent (60%) of the total amount of consideration shall be the taxable turnover for the purpose of levy of tax by way of composition.

17. Treatment of works contracts:

1. Treatment of VAT dealer executing works contract

(a) In the case of contracts not covered by sub-rules 2, 3 and 4 of this Rule, the VAT dealer shall pay tax on the value of the goods at the time the goods are incorporated in the work at the rates applicable to the goods.

(b) In such a case the VAT dealer shall be eligible to claim input tax credit on ninety percent (90%) of the tax paid on the goods purchased other

than those specified in sub-rule (2) of Rule 20 and shall be eligible to issue a tax invoice.

c) Where a VAT dealer mentioned in clause (a) awards any part of the contract to a registered sub-contractor, no tax shall be payable on the consideration paid for the sub-contract.

(The Original clause "(c) If such VAT dealer awards any part of the contract to a sub-contractor, such sub-contractor shall issue a tax invoice to the contractor for the value of the goods at the time of incorporation in such sub-contract. The tax charged in the tax invoice issued by the sub-contractor shall be accounted by him in his returns" was substituted by G.O MS No 1116 Rev (CT-II) Dept dated 20-08-2007 w.ef 01-09-2006)

d) The value of the goods used in execution of work in the contract, declared by the contractor shall not be less than the purchase value and shall include seigniorage charges, blasting and breaking charges, crusher charges, loading, transport and unloading charges, stacking and distribution charges, expenditure incurred in relation to hot mix plant and transport of hot mix to the site and distribution charges.

e) Subject to clause (d) the following amounts are allowed as deductions from the total consideration received or receivable for arriving the value of the goods at the time of incorporation,-

i) Labour charges for execution of the works;

ii) Charges for planning, designing and architect's fees;

iii) Charges for obtaining on hire or otherwise machinery and tools used for the execution of the works contract;

iv) Cost of consumables such as water, electricity, fuel, etc., used in the execution of the works contract, the property in which is not transferred in the course of execution of a works contract;

v) Cost of establishment of the contractor to the extent it is relatable to supply of labour and services;

vi) Other similar expenses relatable to supply of labour and services;

vii) Profit earned by the contractor to the extent it is relatable to supply of labour and services;

vii) amounts paid to a sub contractor as consideration for the execution of works contract whether wholly or partly;

Provided that the contractor VAT dealer shall arrive at the value of goods at the time of incorporation, tax rate wise, from out of the taxable turnover arrived at as above, on prorata basis taking the ratio of value of goods liable to tax at different rates against the total value of purchases relating to such contract.

Provided further that, subject to the filing of returns and payment of tax as per clause (d), the VAT dealer shall pay the balance amount of tax arrived at by following this clause at the time of finalization of accounts relating to the particular work. Such additional taxable turnover and

taxes payable shall be declared in the return for the month in which accounts are finalized.

(Clause (viii) and the provisos were added by G.O MS No 1116 Rev (CT-II) Dept dated 20-08-2007 w.ef 01-09-2006)

f) Where tax has been deducted at source, the contractor VAT dealer shall obtain Form 501A with unique form ID from the Assist Commissioner / Commercial Tax Officer concerned and supply the same to the contractee. The contractee shall complete the Form 501A with required information and supply the same to the contractor within fifteen days after the end of the month in which the deduction is made. The contractor VAT dealer shall submit the Form 501A along with the tax return.

(The original clause "(f)Where tax has been deducted at source, the contractor VAT dealer shall submit Form VAT 501A after certification by the contractee. In case the contractor is unable to submit Form VAT 501A he shall pay the tax due." Was substituted by G.O MS No 1116 Rev (CT-II) Dept dated 20-08-2007 w.ef 01-09-2006)

g) Where the VAT dealer has not maintained the accounts to determine the correct value of the goods at the time of incorporation he shall pay tax at the rate of twelve and a half percent (12.5%) on the total consideration received or receivable subject to the deductions specified in the table below: In such cases the contractor VAT dealer shall not be eligible to claim input tax credit and shall not be eligible to issue tax invoices.

Standard Deductions for Works Contracts

Sl. No.	**Type of contract**	**Percentage of the total value eligible for deduction**
1	(a) Electrical Contracts.	
	(i) H.T. Transmission lines	Twenty percent
	(ii) Sub-station equipment	Fifteen percent
	(iii) Power house equipment and extensions	Fifteen percent
	(iv) 11 and 22 KV and L.T. distribution lines 12+5	Seventeen percent
	(v) All other electrical contracts	Twenty five percent
	(b) All structural contracts	Thirty five percent
2	Installation of plant and machinery	Fifteen percent
3	Fixing of marble slabs, polished granite stones and tiles (other than mosaic tiles)	Twenty five percent
4	Civil works like construction of buildings, bridges roads etc	Thirty percent
4(a).	Design, fabrication and installation of centralized Air-conditioning plant, Air Handling units, Refrigeration plants and any other Heating, Ventilating and Air Conditioning Systems.	Five percent

5	Fixing of sanitary fittings for plumbing, drainage and the like	Fifteen percent
6	Painting and polishing	Twenty percent
7	Laying of pipes	Twenty percent
8	Tyre re-treading	Forty percent
9	Dyeing and printing of textiles	Forty percent
10	Printing of reading material, cards, pamphlets, posters and office stationery	Forty percent
11	All other contracts	Thirty percent

(Sl.No 4 (a) of the table was inserted by G.O MS No. 503 Rev (CT-II) Dept, dated 08-05-2009 w.e.f 01-05-2009.)

h) Where any tax is deducted under sub section (3) of section 22 in respect of any dealer executing works contracts and work in whole or any part of such work is awarded to a registered sub contractor by him, the tax proportionate to the amounts paid as consideration to the sub-contractor out of the tax deducted by the contractee shall be transferred to the sub-contractor by issuing Form 501B to the registered subcontractor. The sub contractor shall file Form 501B to the authority prescribed along with the return in Form VAT 200.

(Clause (h) was added by G.O MS No 1116 Rev (CT-II) Dept dated 20-08-2007 w.ef 01-09-2006)

2. Treatment of works contracts executed for State Government or Local Authority under composition:

(a) Where a dealer executes any works contract exceeding a value of Rs. 5,00,000 (Rupees five lakhs only) awarded either by a State Government Department or Local Authority, he must register himself as a VAT dealer:

(b) The VAT dealer opting to pay tax by way of composition under clause (b) of sub-section (7) of Section 4 shall apply for composition in Form VAT 250, before commencement of execution, for each work or works or category of works he intends to do so and shall be liable to pay tax at the rate of four percent (4%) on the total value of the contract. A consolidated Form VAT 250 can be filed by the contractor for multiple works contracts of similar nature.

(c) Where tax deduction at source is made, the contractor VAT dealer shall obtain Form 501 with unique form ID from the Assistant Commissioner / Commercial Tax Officer concerned and supply the same to the contractree Government Department or Local Authority. The contractee Government Department or Local Authority shall

complete Form 501 supplied by the contractor indicating the TIN of the contractor,; the amount of tax deducted at source and details of the related contract and supply the same to the contractor within fifteen days from the end of the month in which the deduction of tax at source is made.

(d) The contractor VAT dealer shall declare on the VAT Form 200 the amount received or receivable and the tax due on that amount;

(e) The contractor shall submit Form 501 certified by the contractee together with Form VAT 200 for the month in which payments was received or receivable whichever is earlier. In case the contractor fails to submit the Form 501 along with the return, he shall pay the tax due on the return;

(f) Where the contractee Government Department or local authority fails to remit such tax deducted at source within fifteen days from the date of each payment made to the contractor the authority concerned shall be liable to pay interest for the delayed payment;

(g) In the case of the execution of any works contract for the State Government or local authority where the dealer has opted to pay tax by way of composition under clause (b) of sub-section (7) of Section 4, such VAT dealer shall not be eligible to claim input tax credit;

(h) Where a VAT dealer mentioned in clause (a) awards any part of the contract to a registered sub contractor, no tax shall be payable on the turnover relating to amounts paid to the sub-contractor as consideration for the execution of works contract whether wholly or partly;

(i) Where any tax is deducted under subsection (3) of section 22 in respect of any dealer executing works contracts and work in whole or any part of such work is awarded to a registered sub contractor by him the tax proportionate to the amounts paid as consideration to the registered sub-contractor out of the tax deducted by the contractee shall be transferred to the registered sub-contractor by issuing Form 501B to the registered sub-contractor The registered sub-contractor shall file Form 501B to the authority prescribed along with the return in Form VAT 200.

(j) Where tax is collectable at source as per sub-section (3-A) of section 22 of the Act, in case of a contractor who have opted for payment of tax by way of composition, tax @4% on the total value of the contract

shall be collected and remitted by the contractee within fifteen days from the date of each payment made to the contractor.

(Clause (j) was added by G.O MS No. 503 Rev (CT-II) Dept, dated 08-05-2009 w.e.f 01-05-2009.)

(Sub-rule (2) was substituted by G.O MS No 1116 Rev (CT-II) Dept dated 20-08-2007 w.ef 01-09-2006)

(The original Sub-rule reads as follows : (2. Treatment of Works Contracts executed for State Government or local authority:

a) Where a dealer executes any contract exceeding a value of Rs,5,00,000/- (Rupees five lakhs only) awarded by either a State Government department or a local authority he must register himself as a VAT dealer.

b) The VAT dealer opting to pay tax by way of composition under clause (b) of sub-section (7) of Section 4 shall apply for composition in Form VAT 250 and shall be liable to pay tax at the rate of four percent (4%) on the total value of the contract;

c) Such tax shall be collected by the contractee Government Department or local authority and remitted to the authority prescribed within fifteen days from the date of each payment made to the contractor;

d) The contractee Government Department or local authority shall complete Form VAT 501 supplied by the contractor indicating the TIN of the contractor, the amount of tax collected at source and details of the related contract. Such Form shall be provided to the contractor;

e) The contractor VAT dealer shall declare on the VAT Form 200 the amount received and the tax due on that amount;

f) The contractor shall submit Form VAT 501 certified by the contractee together with Form VAT 200 by the 20th of the month following the month in which payment was received;

g) Where the contractor submits the forms specified in sub-rule (f) no payment of tax related to the transaction is required to be made. In case where the forms are not submitted the contractor shall be liable to pay the tax due on the amount received;

h) Where the contractee Government Department or local authority fails to remit such tax collected at source within fifteen days of the date of payment to the contractor, the authority concerned shall be liable to pay penalty and interest for the delayed payment;

i) In the case of the execution of any works contract for the State Government or local authority where the dealer has opted to pay tax by way of composition under clause(b) of sub-section (7) of Section 4 such dealer shall not be eligible to claim input tax credit and shall not be eligible to issue tax invoices;

j) In the case of a contractor mentioned in clause (a), if any part of the contract is awarded to a sub-contractor, the sub-contractor shall be exempt from tax on the value of the sub-contract. The sub-contractor shall not be eligible to claim input tax credit on the inputs used in the execution of such sub-contract;

k) In the case of a contractor mentioned in clause (a) where any tax has been collected at source by the State Government or local authority under sub-section (3) of Section 22, no refund of such tax collected shall be allowed to the contractor;)

3. Treatment of works contracts (other than for State Government or Local Authority) under composition,-

a) Any VAT dealer who executes a contract and opts to pay tax as specified in clause (c) of sub-section (7) of Section 4 must register himself as a VAT dealer;

b) The VAT dealer mentioned in clause (a) above shall pay tax at the rate of four percent (4%) of the total consideration received or receivable *whichever is earlier*.

(The original Clause (b) "The VAT dealer shall pay tax at the rate of four percent (4%) of fifty percent (50%) of the total consideration received or receivable for the contract and the balance fifty percent (50%) of the total consideration received or receivable shall be allowed as deduction for the purpose of computation of taxable turnover" was substituted by the G.O.Ms.nO.1614, Revenue (CT.II), 31st August, 2005 w.e.f 31-8-2005)

(The phrase "Whichever is earlier" is added by G.O MS No 1116 Rev (CT-II) Dept dated 20-08-2007 w.ef 01-09-2006)

c) In the case where the VAT dealer opts for composition he shall, before commencing the execution of the work notify the prescribed authority on Form VAT 250 of the details including the value of the contract on which the option has been exercised. (….)

Provided that a consolidated Form VAT 250 can be filed by the contractor who undertakes multiple works contracts of similar nature.

(The proviso is added by G.O MS No 1116 Rev (CT-II) Dept dated 20-08-2007 w.ef 01-09-2006)

(The words "and when the VAT dealer opts to withdraw from composition, he shall notify the prescribed authority on Form VAT 250A." in the clause were omitted by G.O MS No. 503 Rev (CT-II) Dept, dated 08-05-2009 w.e.f 01-05-2009.)

d) On receipt of any payment related to the contract, the contractor VAT dealer shall calculate the tax due at four percent (4%) *(….) of the amount received and shall enter such details on Form VAT 200. The tax due shall be paid with the return Form VAT 200;

*(words "of fifty percent (50%)" are omitted by the G.O.Ms.nO.1614, Revenue (CT.II), 31st August, 2005 w.e.f 31-8-2005)

e) The contractor VAT dealer shall obtain Form 501 A with unique form ID from the Assistant Commissioner / Commercial Tax Officer concerned and supply the same to the contractee. The contractee shall complete Form 501 A supplied by the contractor indicating the TIN of the contractor, the amount of tax deducted at source and details of the related contract

(The original clause "(e) Where tax has been deducted at source the contractor VAT dealer shall submit Form VAT 501A after certification by the contractee. In case the contractor is unable to submit Form VAT 501A he shall pay the tax due;" was substituted by G.O MS No 1116 Rev (CT-II) Dept dated 20-08-2007 w.ef 01-09-2006)

f) The contractor VAT dealer shall not be eligible for input tax credit and shall not be eligible to issue tax invoices;

g) Where a VAT dealer mentioned in clause (a) awards any part of the contract to a registered sub-contractor, no tax shall be payable on the turnover relating to amounts paid to the sub-contractor as consideration.

(The amended clause "(g) Where the contractor VAT dealer awards any portion of his contract to a sub-contractor, such contractor shall not be eligible for any deduction relating to the value of the sub-contract". was substituted by G.O MS No 1116 Rev (CT-II) Dept dated 20-08-2007 w.ef 01-09-2006)

*(the words "The sub-contractor if he is a VAT dealer, in such a case may either opt for composition under clause(c) of sub-section (7) of Section 4, or pay tax under clause (a) of sub-section (7) of Section 4;" are omitted by the G.O.Ms.nO.1614, Revenue (CT.II), 31st August, 2005 w.e.f 31-8-2005)

h) Omitted

(The original clause "(h) In case of a contractor mentioned in clause (a) above, where any tax is deducted under sub-section (4) of the Section 22, no refund of such tax deducted shall be allowed to the contractor;" was omitted by G.O.Ms.nO.1614, Revenue (CT.II), 31st August, 2005 w.e.f 31-8-2005)

i) Where the contractee fails to remit such tax deducted at source within fifteen days of the date of payment to the contactor the person authorized to make payment and to deduct tax shall be liable to pay interest for the delayed payment;

j) Where any tax is deducted under sub-section (3) of section 22 in respect of any dealer executing works contracts and work in whole or any part of such work in whole or any part of such work is awarded to a registered sub-contractor by him, the tax proportionate to the amounts paid as consideration to the registered subcontractor out of the tax deducted by the contractee shall be transferred to the registered subcontractor by issuing Form 501B to the registered subcontractor. The registered sub- contractor shall file Form 501B to the authority prescribed along with the return in Form Vat 200"

(Original Clause "(i) Where the contractee fails to remit such tax deducted at source within fifteen days of the date of payment to the contractor, the authority concerned shall be liable to pay penalty and interest for the delayed payment." Was substituted by G.O.Ms.nO.1614, Revenue (CT.II), 31st August, 2005 w.e.f 31-8-2005)

(Clause (j) was added by G.O.Ms.nO.1614, Revenue (CT.II), 31st August, 2005 w.e.f 31-8-2005)

4. Treatment of Apartment Builders and Developers under composition,-

a) Where a dealer executes a contract for construction and selling of residential apartments, houses, buildings or commercial complexes and opts to pay tax by way of composition under clause (d) of sub section (7) of Section 4, he must register himself as a VAT dealer;

b) The VAT dealer shall notify the prescribed authority on Form VAT 250, of his intention to avail composition for all works specified in clause (a) above, under taken by him;

c) Omitted.

(The clause (c) was omitted by omitted by G.O MS No. 503 Rev (CT-II) Dept, dated 08-05-2009 w.e.f 01-05-2009. The original clause reads as "When the VAT dealer opts to withdraw from composition, he shall notify the prescribed authority on Form VAT 250A ;")

d) The VAT dealer shall have to pay tax by way of composition at the rate of four percent (4%) on twenty five percent (25%) of the total consideration received or receivable towards cost of land as well as construction or the market value fixed for the purposes of stamp duty, whichever is higher and the balance seventy five percent (75%) of the total consideration received or receivable shall be allowed as deduction for the purpose of computation of taxable turnover;

(The clause (d) was substituted by omitted by G.O MS No. 503 Rev (CT-II) Dept, dated 08-05-2009 w.e.f 01-05-2009.The VAT dealer shall have to pay tax by way of composition at the rate of four percent (4%) on twenty five percent (25%) of the total consideration received or receivable or the market value fixed for the purposes of stamp duty, whichever is higher and the balance seventy five percent (75%) of the total consideration received or receivable shall be allowed as deduction for the purpose of computation of taxable turnover;)

e) On receipt of any payment related to the contract, the contractor VAT dealer shall calculate the tax due at four percent (4%) of twenty five percent (25%) of the amount received and shall enter such details on Form VAT 200. The tax due shall be paid with the return Form VAT 200;

f) The contractor VAT dealer shall not be eligible for input tax credit and shall not be eligible to issue tax invoices;

g) Where the contractor VAT dealer specified in clause (f) above, awards any portion of his contract to a sub-contractor, such contractor shall not be eligible for any deduction relating to the value of the sub-contract. *(….)

*(The words "The sub-contractor if he is a VAT dealer, in such a case may either opt for composition under clause (d) of sub-section (7) of Section 4, or pay tax under clause (a) of sub-section (7) of Section 4." are omitted by the G.O.Ms.nO.1614, Revenue (CT.II), 31st August, 2005 w.e.f 31-8-2005)

h) Where any dealer mentioned in clause (a) opted for composition and paid any tax under the provisions of APGST Act 1957, before 30.04.2005, there shall be no further liability in respect of the built up area for which tax has already been paid under APGST Act, provided the sale deed is executed in respect of such built up area before 30.09.2005.

i) The VAT dealer mentioned in clause (a) above shall pay an amount equivalent to one percent (1%) of the total consideration received or

receivable or the market value fixed for the purpose of stamp duty, whichever is higher. This payment shall be made by way of a demand draft obtained in favour of the Commercial Tax Officer or Asst. Commissioner concerned and the instrument is to be presented at the time of registration of the property to the Sub-Registrar, who is registering the property, duly furnishing his TIN (Tax payer Index Number) and the full postal address of the CTO/Asst. Commissioner concerned on the reverse of the D.D. The Sub-Registrar shall then send the same to the CTO/Asst. Commissioner concerned every week.

*(clause (i) was added by the G.O.Ms.No.1614, Revenue (CT.II), 31st August, 2005 w.e.f 31-8-2005)

5. a) Where the contractor is a TOT dealer as specified in clause(e) of sub-section (7) of Section 4, he shall pay tax at the rate of one percent (1%) on the value of the goods at the time of their incorporation in the execution of the contract.

b) Where the TOT dealer has not maintained the accounts to determine the correct value of the goods at the time of incorporation he shall pay tax at the rate of one percent (1%) on the total consideration received or receivable subject to the following deductions;

i) Labour charges for execution of the works;

ii) Charges for planning, designing and architect's fees;

iii) Charges for obtaining on hire or otherwise machinery and tools used for the execution of the works contract;

iv) Cost of consumables such as water, electricity, fuel, etc., used in the execution of the works contract, the property in which is not transferred in the course of execution of a works contract;

v) Cost of establishment of the contractor to the extent it is relatable to supply of labour and services;

vi) Other similar expenses relatable to supply of labour and services;

vii) Profit earned by the contractor to the extent it is relatable to supply of labour and services;

c) Omitted.

(The original clause "(c)Where any tax is collected or deducted at source under sub-section (3) or (4) of Section 22, such tax collected or deducted shall not be refunded to the contractor TOT dealer;" was omitted by G.O.Ms.nO.1614, Revenue (CT.II), 31st August, 2005 w.e.f 31-8-2005)

18 Tax deduction at source

1. a) The tax deduction at source shall be in general at the rate of either 4% or 2% as prescribed in sub clause (1) or (ii) respectively of clause (b) below and it shall be based on adoption of 70% of the total consideration payable for the execution of works contract as taxable turnover unless an application has been made by the dealer to the

Assistant Commissioner or Commercial Tax Officer concerned for specific quantification or provisional assessment to determine the correct amount of taxable turnover for a specific contract or agreement.,

(The original clause (a) "Where a works contract is awarded to a VAT dealer by any contractee other than Government or local authority, the tax shall be deducted from the payment made to the contractor at the rate of * (….) *four percent* of the amount paid or payable to the contractor at the time of each payment as specified in sub-section (4) of Section 22;" is substituted by the G.O MS NO 88 Rev(CT-II) Dept dated 27-01-2007 w.e.f 01-09-2006)

*(the words "two percent" were substituted by the G.O.Ms.nO.1614, Revenue (CT.II), 31st August, and 2005 w.e.f 31-8-2005)

b) The rate of tax for the purpose of tax deduction at source shall be as prescribed below:-

(I) All categories of contracts not falling in sub-clauses (ii) mentioned below	4% of 70% of the amount payable as consideration for the execution of work
(II) Contracts for laying or repairing or roads and contracts for canal digging, lining and repairing.	2% of 70% of the amount payable as consideration for the execution of work;

bb) The contractee shall complete Form VAT 501A supplied by the contractor indicating the TIN, the amount of tax deducted and details of the related contract. The Contractor, VAT dealer shall send the Form VAT 501A to the authority prescribed together with proof of payment within fifteen days from the date of each payment made to the contractor.

(The clause (b) is substituted by the G.O MS NO 88 Rev(CT-II) Dept dated 27-01-2007 w.e.f 01-09-2006)

c) Where the VAT dealer has opted to pay tax by way of composition, he shall declare on the Form VAT 200 the value of the amount received and the tax due. The amount of tax deducted by the Contractee should be declared on Form VAT 501A and any balance of tax payable shall be paid by the contractor. In the case where the amount of TDS exceeds the liability the prescribed authority shall issue a notification for a credit to be claimed on the Form VAT 200.

d) Where the VAT dealer pays tax on the value of the goods incorporated in the contract he shall declare on Form VAT 200 the value of the goods and tax due on the goods incorporated in the contract. The appropriate adjustment for the tax deducted by the Contractee shall be carried out as in clause (c);

e) Where any tax is deducted under sub section (3) in respect of any dealer executing works contracts and work in whole or any part of such work is awarded to a sub contractor by him, the tax proportionate to the amounts paid as consideration to the subcontractor out of the tax deducted by the contractee shall be transferred to the subcontractor by issuing Form 501B

to the subcontractor. The sub contractor shall file Form 501B to the authority prescribed along with the return in Form VAT 200;"

f) The application to be made for quantification or provisional assessment to determine the taxable turnover shall be in form 501 C and the order to be passed by Assistant Commissioner or the Commercial Tax Officer concerned shall be in Form 501 D. The order shall be deemed to have been passed by accepting the claim at the end of sixty days from the date of receipt of Form 501 C.

(Clauses (e) and (f) are inserted by the G.O MS NO 88 Rev(CT-II) Dept dated 27-01-2007 w.e.f 01-09-2006)

2. Any amount or any sum deducted in accordance with the provisions of sub section (3) of Section 22 and paid to the State Government shall be treated as a payment of tax on behalf of the dealer executing the works contract and credit shall be given to the said dealer for the period for which amount was so deducted on production of the certificate furnished by the contractee under this rule.

(Sub-rule (2) is inserted by the G.O MS NO 88 Rev(CT-II) Dept dated 27-01-2007 w.e.f 01-09-2006)

3. (a) Where tax is collectable at source as per sub-section (3A) of section 22 of the Act, tax @4% on the total value of the contract shall be collected and remitted by the contractee within fifteen days from the date of each payment made to the contractor.

(b) Where tax, collected at source as above, is in excess of the liability of the contractor, who have not opted for payment of tax by way of composition, such amount of tax, collected in excess of the liability shall be deemed to have been payable by the contractor and shall be liable to be forfeited.

(Sub-rule (3) was added by G.O MS No. 503 Rev (CT-II) Dept, dated 08-05-2009 w.e.f 01-05-2009

19. Calculation of VAT Payable.

1) Subject to sub-rule 2, the tax payable on a taxable sale is calculated by applying the rate of VAT specified in the Act to the sale price of the transaction;

2) Where the sale price is to be determined under sub-section (2) of Section 11, the VAT payable shall be calculated by the formula (T x R), where T is the consideration received for the taxable sale and R is the tax fraction. The consideration minus the VAT calculated by the above formula is the sale price;

3) The tax payable by a VAT dealer for a tax period shall be calculated by the formula, X-Y where X is a total of the VAT payable in respect of all taxable sales made by the VAT dealer during the tax period, and Y is the total input tax credit the VAT dealer is eligible to claim in the tax period under the Act.

4) Where any dealer gets himself registered for VAT under sub-section (3) of Section 17, within the time prescribed, the liability for VAT shall be from the effective date of registration,-

5) Omitted

(Sub –rule (5) was omitted by the G.O.Ms.nO.1614, Revenue (CT.II), 31st August, 2005 w.e.f 31-8-2005)

(The original sub –rule (5) reads as following;

a) Any VAT dealer opting to pay tax by way of composition under sub-section (9) of Section 4, shall apply for composition on Form VAT 250 to the prescribed authority.

b) Such dealer shall be liable to pay tax at the rate of twelve and half percent (12.5%) on sixty percent (60%) of the total amount of consideration charged, from the first day of the month in which the application for composition is made. The liability to tax shall continue till the end of the month in which the application for withdrawal of composition is received.)

20. Input Tax Credit.

1) After the commencement of the Act, where any dealer gets registered as a VAT dealer or where the authority prescribed registers any dealer as a VAT dealer under Rule 11 (1), such dealer shall be eligible for input tax credit as provided under sub-section (2)(b) of Section 13. The claim shall be made on Form VAT 118 within 10 days from the date of receipt of VAT registration. The goods on which the input tax credit is claimed or allowed shall be available in stock on the effective date of VAT registration. The documentary evidence for such claim shall be on the basis of a tax invoice issued by a VAT dealer for the purchases made and the input tax credit allowed on Form VAT 119 shall be claimed on the first return to be submitted by such dealers. The prescribed authority shall issue such Form VAT 119 within 10 days of receipt of Form VAT 118.

2) The following shall be the items not eligible for input tax credit as specified in sub-section (4) of Section 13,-

a) all automobiles including commercial vehicles / two wheelers / three wheelers required to be registered under the Motor Vehicles Act 1988 and including tyres and tubes, spare parts and accessories for the repair and maintenance thereof; unless the dealer is in the business of dealing in these goods.

b) fuels used for automobiles or used for captive power generation or used in power plants;

c) air conditioning units other than used in plant and laboratory, restaurants or eating establishments, unless the dealer is in the business of dealing in these goods.

d) any goods purchased and used for personal consumption.

e) any goods purchased and provided free of charge as gifts otherwise than by way of business practice.

f) any goods purchased and accounted for in the business but utilized for the purpose of providing facilities to employees including any residential accommodation.

g) crude oil used for conversion or refining into petroleum products;

h) Natural gas, naptha and coal unless the dealer is in the business of dealing in these goods."

(Clause (h) natural gas and coal used for power generation" was substituted by GOMS No 2201 Dt 29th Dec 2005 w.e.f 1-4-2005)

i) any input used in construction or maintenance of any buildings including factory or office buildings, unless the dealer is in the business of executing works contracts and has not opted for composition.

j) earth moving equipment such as bulldozers, JCB's, and poclain etc., and parts and accessories thereof unless the dealer is in the business of dealing in these goods;

k) generators and parts and accessories thereof used for captive generation unless the dealer is in the business of dealing in these goods.

l) rice purchased by Food Corporation of India from VAT dealers or farmers or farmers clubs or associations of farmers in the State.

(Originally clause " (l) any goods (except kerosene) purchased or procured for supply through Public Distribution System (PDS)-As a result of this restriction on in put tax credit for the goods (except kerosene) purchased for the purpose of Public Distribution System (PDS), the corresponding sales will not be liable to any tax. Accordingly the Food Corporation of India or Andhra Pradesh State Civil Supplies Corporation Limited will be liable to pay tax only, if their sales are first sales. They will not be liable to pay any tax on the sales of goods (except kerosene) purchased from local Value Added Tax Dealers and they will also be not eligible to claim any input tax credit for such purchases. Fair Price Shops are acting as agents on behalf of the State Government i.e., a resident principal. As such, fair price shops do not have any liability to register under Andhra Pradesh Value Added Tax Act, 2005 and to pay any tax. However, if the fair price shops are dealing in any other goods not supplied through Public Distribution System, they will be liable to register under Andhra Pradesh Value Added Tax Act, 2005 depending on their turn over of such goods and will have to pay tax accordingly." was added by G.O.Ms.No.1452, Revenue (CT.II), 26th July, 2005 w.e.f 1-4-2005)

(The original clause (l) was substituted by the G.O MS No.1675 Dated: 23rd September, 2005 w.e.f 1-4-2005)

m) rice purchased by Andhra Pradesh State Civil Supplies Corporation Ltd., from the Depots of Food Corporation of India, in Andhra Pradesh or from any other VAT dealer in the State.

(Clause (m) was added by the G.O MS No.1675 Dated: 23rd September, 2005 w.e.f 1-4-2005

n) refrigerators, coolers and deep freezers purchased by Soft Drink Manufacturers not for use in their manufacturing premises.

o) any goods purchased and used as inputs in job work

p) PDS Kerosene purchased by wholesale dealers for the purpose of supplying to Fair Price Shops.

(Clauses (n),(o) and (p) were added by G.O MS No 2201 dt 29th Dec 2005 w.e.f 1-4-2005)

(q) Furnace Oil, LSHS and other similar fuels, used in the furnaces and boilers of the factories or manufacturing or processing units.

(Clause (q) was added by G.O MS No. 503 Rev (CT-II) Dept, dated 08-05-2009 w.e.f 01-05-2009

When any goods mentioned above are subsequently sold without availing any input tax credit, no tax shall be levied and recovered from a VAT dealer having been denied the input tax credit at the time of purchase. Any VAT dealer having purchased items mentioned above shall maintain a separate account or record without including such purchases in the purchase of eligible inputs taxable at each rate.

Whenever a VAT dealer makes a claim for input tax credit for any tax period, the tax paid on the purchases of above goods shall be excluded for arriving the eligible input tax credit. This principle applies to all the sub rules in this rule.

3) Where all the sales of a VAT dealer for that tax period are taxable, the whole of the input tax may be claimed as a credit excluding the tax paid on the purchase of any goods mentioned in sub-rule(2).

3-a) Where any VAT dealer pays tax at the rate of twelve and half percent (12.5%) on the sale consideration of a used or a second hand vehicle already registered in the State under the Motor Vehicles Act, 1988, he shall be eligible for notional input tax credit at the rate of twelve and half percent (12.5%) on the purchase price actually paid supported by documentary evidence. Such notional input tax credit shall not exceed the output tax payable on the sale of used or second hand vehicle by the VAT dealer.

(Sub- rule (3-a) was added by the G.O.Ms.nO.1614, Revenue (CT.II), 31st August, 2005 w.e.f 31-8-2005)

4) a) Where any VAT dealer buys and sells the goods in the same form, the input tax credit can be claimed fully in respect of all the taxable goods purchased for every tax period excluding the tax paid on the purchase of any goods mentioned in sub rule (2). Such VAT dealer is required to make a declaration in the Form VAT 200D for every tax period along with tax return.

b) Where any common inputs like packing material are used commonly for sales of taxable and exempt goods (goods in Schedule I), the VAT dealer shall repay input tax related to exempt element of common inputs after making adjustment in the tax return for March by filing Form VAT 200B for the period of twelve months ending March. In Form VAT 200B, the eligible input tax credit shall be calculated by applying formula

$$A \times \frac{B}{C}$$

Where———

A is the total amount of input tax for common inputs for each tax rate excluding the tax paid on the purchase of any goods mentioned in sub-rule (2).

B is the sales turnover of taxable goods including zero-rated sales

C is the "total turnover" including sales of exempt goods

c) This sub rule is not applicable if the VAT dealer is making exempt transactions.

5) a) Where the value of taxable sales is 95% or more of the total value for that tax period, the VAT dealer may claim credit for the full amount of input tax paid on purchases

b) Where the value of taxable sales is 5% or less of the total value, the VAT dealer shall not be eligible to claim input tax credit for that tax period;

c) Such a VAT dealer covered under clause (a) and (b) above, shall make an adjustment in the month of March for the 12 month period ending with March on Form VAT 200B. In the Form VAT 200B, the eligible input tax credit shall be calculated by applying formula A x B/C. The excess input credit claimed shall be paid back or the balance input credit eligible can be claimed in the tax return for March.

d) This sub rule is not applicable if the VAT dealer is making exempt transactions

6) Where any VAT dealer is able to establish that specific inputs are meant for specific output, the input tax credit can be claimed separately for taxable goods. For the common inputs, such VAT dealer can claim input tax credit by applying the formula

$$A \times \frac{B}{C}$$

for the common inputs used for taxable goods, exempt goods (goods in Schedule I) and exempt transactions:

Provided the VAT dealer furnishes an additional return in Form VAT 200A for each tax period for adjustment of input tax credit and also makes an adjustment for a period of 12 months ending March every year by filing a return in Form VAT 200B.

7) Where a VAT dealer is making taxable sales and sales of exempt goods (goods in schedule I) for a tax period and inputs are common for both, the amount which can be claimed as input tax credit for the purchases of the goods at each tax rate shall be calculated by the formula

$$A \times \frac{B}{C}$$

Provided the VAT dealer furnishes an additional return in Form VAT 200A for each tax period for adjustment of input tax credit and also makes an

adjustment for a period of 12 months ending March every year by filing a return in Form VAT 200B.

8) a) Where a VAT dealer is making sales of taxable goods and also exempt transactions of taxable goods in a tax period, for the purchases of goods taxed at 12.5%, the input tax to the extent of 8.5% portion can be fully claimed in the same tax period;

b) In respect of purchases of goods taxable at 1%, 4% and for the 4% tax portion in respect of goods taxable at 12.5%, the VAT dealer shall apply formula

$$A \times \frac{B}{C}$$

for each tax period:

Provided the VAT dealer furnishes an additional return in Form VAT 200A for each tax period for adjustment of input tax credit and also makes an adjustment for a period of 12 months ending March every year by filing a return in Form VAT 200B.

9) a) Where a VAT dealer is making sales of taxable goods, exempt sales (goods in Schedule I) and also exempt transaction of taxable goods in a tax period, for the purchases of goods taxed at 12.5%, the input tax to the extent of 8.5% portion can be provisionally fully claimed in the same tax period;

b) In respect of purchases of goods taxable at 1%, 4% and for the 4% tax portion in respect of goods taxable at 12.5%, the VAT dealer shall apply formula

$$A \times \frac{B}{C}$$

for each tax period:

Provided the VAT dealer furnishes an additional return in Form VAT 200A for each tax period for adjustment of input tax credit and also makes an adjustment for a period of 12 months ending Mach every year by filing a return in Form VAT 200B.

10) a) In the case of a VAT dealer filing Form VAT 200B, the excess input credit claimed including 8.5% provisionally claimed for sales of exempt goods shall be paid back or the balance input credit eligible can be claimed in the tax return for March;

b) For the purpose of this rule, the words A,B and C in the formula

$$A \times \frac{B}{C}$$

shall carry the following meaning subject to clause (c) below —-

A is the total amount of input tax for common inputs for each tax rate for the tax period; excluding the tax paid on the purchases of any goods mentioned in sub-rule(2);

B is the "taxable turnover" as defined under the Act for the tax period, which shall include zero rated sales of any goods – inter state sales, exports and deemed exports.

C is the "total turnover" as defined under the Act.

Both the values of B and C shall not include –

(i) purchase price of goods taxable under Section 4(4) of the Act;

(ii) transactions falling under Section 5 (2), (import) Section 6 (2) of the CST Act, 1965

(iii) value of transfer of business as a whole;

c) Where a VAT dealer makes exempt transactions for the calculation of input tax credit in excess of input tax of 4% for 12.5% rate goods, "the value of B" shall include the value of the goods transferred outside the State otherwise than by way of sale (transaction falling under Section 6(a) of CST Act 1956).

d) For the purpose of sub-rules from (4) to (9) of this Rule, the value of A is the amount of input tax relating to common inputs for each tax rate, B is the taxable turnover and C is the total turnover. For the purpose of Form VAT 200A, the value of A, B and C would be for that tax period whereas for the purpose of Form VAT 200B, the values of A, B and C would be the values for the period of 12 months ending March including March

e) Any VAT dealer opting for any method of input tax credit calculation specified from sub-rule (5) to sub-rule (9) shall be required to be under only one method for 12 month period ending March. The method of adjustment to be made in the return for March shall be on the basis of latest option exercised by the dealer upto March.

11) The Deputy Commissioner concerned may impose any conditions or a particular method for a VAT dealer for the apportionment of input tax credit where the VAT dealer makes taxable and exempt sales and or exempt transactions.

12) Where a VAT dealer opts to pay tax by way of composition or where a VAT dealer is exempt under Rule 17(2) (j), such dealer shall furnish Form VAT 200E along with Form VAT 200 for each tax period. Such VAT dealers shall calculate for each tax period the eligible input tax credit by excluding the turnover or value relating to composition/exemption in Form VAT 200E. In addition the VAT dealer shall furnish an adjustment return in Form VAT 200F for the month of March for a period of 12 months ending March making an adjustment of input tax credit in the Form VAT 200F.

ILLUSTRATIONS FOR RULE 20

1. <u>VAT dealers following sub-rule(3) of Rule 20:</u>

(only taxable sales)

TYR, a VAT dealer is dealing in sales of Readymade garments and Footwear which are taxable at 4% % and 12.5% respectively under the provisions of the Act. TYR is not dealing in sales of any exempt goods. TYR also purchases packing material and certain other goods required for business. The procedure for claiming input tax credit for a month is illustrated below:

	PURCHASES (INPUT)		**SALES (OUTPUT)**	
RATE OF TAX	**TURNOVER**	**VAT PAID**	**TURNOVER**	**VAT PAYABLE**
4% Goods (Readymade garments & Packing material)	1,00,000	4,000	60,000	2,400
12.5% Goods (Footwear & other goods)	2,00,000	25,000	2,20,000	27,500
TOTAL INPUT TAX	**29,000**		**TOTAL OUTPUT TAX**	**29,900**

VAT payable = Output tax – Input tax

= Rs.29,900 – Rs.29,000

= Rs.900

NOTE: No adjustments need to be carried since the dealer is dealing only in taxable goods.

2. <u>VAT dealers following sub-rule(4) of Rule 20:</u>

(Resellers of taxable goods and exempt goods)

TVK, a super market, registered for VAT is dealing in taxable goods (Soaps, Cosmetics, Food grains etc) and exempt goods (Sugar, milk, vegetables etc). TVK buys and sells these goods in the same form every month and also purchases packing material and other goods required for his business. For a tax period, TVK can claim input tax credit as under:

	PURCHASES (INPUT)		**SALES (OUTPUT)**	
RATE OF TAX	**TURNOVER**	**VAT PAID**	**TURNOVER**	**VAT PAYABLE**
4% Goods	1,00,000	4,000	1,20,000	4,800
12.5% Goods	1,00,000	12,500	80,000	10,000
Exempt goods	50,000	NIL	40,000	NIL
4% goods like packing material used as common inputs for both taxable & exempt goods	10,000	400	NIL	NIL

12.5% goods used in business common for both taxable and exempt goods	20,000	2,500	NIL	NIL

TOTAL INPUT TAX	**19,400**	**TOTAL OUTPUT TAX**	**14,800**

VAT payable/Credit carried over = Output tax – Input tax

= Rs.14,800 – Rs.19,400

= (+) Rs.4,600

Credit carried over to next month.

Since TVK has availed full input tax credit on common inputs in the monthly returns:

(i) the VAT dealer should make declaration in the Form VAT 200D for each tax period indicating the details of sales of taxable goods and exempt goods and also details of common input tax and input tax paid on taxable goods meant for sale and input tax claimed in the monthly return. No adjustments need to be made for every tax period.

(ii) the dealer is required to submit a return in Form 200B for March to repay input tax related to exempt element of common inputs after making adjustment of input tax credit for the period of twelve months ending March for each tax rate.

At the end of March, the turnovers relating to last 12 months are as under: (Adjustments to be made in Form VAT 200B)

1. Total taxable turnover for 12 months : Rs.50,00,000 -B
2. Total sales of exempt goods for 12 months :Rs.10,00,000
3. Total turnover for 12 months (Sl.No.1 + Sl.No.2) : Rs.60,00,000 -C
4. Common input tax paid & claimed for 12 months on 4% goods : Rs. 4,800-A for 4%
5. Common input tax paid & claimed for 12 months on 12.5% goods : Rs. 30,000-A for 12.5%

Sl. No.	**Description**	**4% rate of goods**	**12.5% rate goods**
1.	Apply calculation	A x B/C 4,800 x 50,00,000 60,00,000	A x B/C 30,000 x 50,00,000 60,00,000
2.	Eligible input tax credit	4,000	25,000
3.	Input tax credit claimed in returns	4,800	30,000
4.	Balance payable	800	5,000

5.	Adjustment	Pay this amount by including 4% output box in Form VAT 200 for March	Pay this amount by including 12.5% output box in Form VAT 200 for March

3. VAT dealer following sub-rule(5) of Rule 20:

(Taxable goods & sales of exempt goods lesser values – Manufacturers or Resellers)

AMD, a rice miller, registered for VAT is engaged in converting Paddy into rice and selling the same along with other byeproducts. AMD is not having any consignment sales or branch transfers. For a tax period, AMD can claim input tax credit as under:

	PURCHASES (INPUT)		**SALES (OUTPUT)**	
RATE OF TAX	**TURNOVER**	**VAT PAID**	**TURNOVER**	**VAT PAYABLE**
4% Goods (Paddy from other traders & gunnies)	1,00,000	4,000	1,50,000 (Rice, broken rice, bran)	6,000
12.5% Goods (Machinery items)	10,000	1,250	NIL	NIL
Exempt goods (Paddy husk)	NIL	NIL	1,000	NIL
TOTAL INPUT TAX	**5,250**		**TOTAL OUTPUT TAX**	**6,000**

VAT payable = Output tax – Input tax
= Rs.6,000 – Rs.5,250
= Rs.750

Since the value of taxable goods is more than 95% of the total sale value, AMD can claim full amount of input tax credit. However, if the value of taxable sales is less than 5% of the total sale value, the VAT dealer should not claim input tax credit for that tax period.

Further, AMD is required to make an adjustment of input tax credit for each tax rate in the month of March for the 12 month period ending March on Form VAT 200B.

At the end of March, the turnovers relating to last 12 months are illustrated below: (Adjustments to be made on Form VAT 200B)

1. Total taxable turnover for 12 months : Rs.80,00,000 - B
2. Total sales of exempt goods for 12 " : Rs. 50,000
3. Total turnover for 12 months : Rs.80,50,000 -C
4. Input tax paid & claimed for 12 months on 4% rate goods : Rs. 48,000 -A for 4%
5. Input tax paid & claimed for 12 months on 12.5% rate goods : Rs. 15,000 -A for 12.5% goods

Sl. No.	Description	4% rate of goods	12.5% rate goods
1.	Apply calculation	A x B/C 48,000 x 80,00,000 80,50,000	A x B/C 15,000 x 80,00,000 80,50,000
2.	Eligible input tax credit	47,700	14,907
3.	Input tax credit claimed in returns	48,000	15,000
4.	Balance payable	300	93
5.	Adjustment	Pay this amount by including 4% output box in Form VAT 200 for March	Pay this amount by including 12.5% output box in Form VAT 200 for March

4. <u>VAT dealer following sub-rule(6) of Rule 20:</u>

(Specific inputs to specific outputs)

USL, a VAT dealer is engaged in manufacturing of various products. The dealer is manufacturing two separate products (product **x** and product **y**) wherein the dealer always makes taxable sales of product **x** and the product **y** is meant for both taxable sales and stock transfers. The dealer maintains separate records indicating specific inputs required for specific outputs. For a tax period, the method and procedure for arriving eligible input tax credit is illustrated below:

	PURCHASES (INPUT)		**SALES (OUTPUT)**	
RATE OF TAX PAYABLE	**TURNOVER**	**VAT PAID**	**TURNOVER**	**VAT**
4% Goods for taxable goods	2,00,000	8,000	1,50,000 (Product ‘x’)	6,000
4% goods common for taxable sales & exempt transactions	4,00,000	16,000	3,00,000 (Product ’x’ and ‘y’)	12,000
12.5% goods specific to taxable sales	32,000	4,000	NIL	NIL
12.5% goods common for taxable sales and exempt transactions	40,000	5,000	NIL	NIL
Exempt transactions	NIL	NIL	1,50,000 (Product ‘y’)	NIL
TOTAL INPUT TAX	**33,000**		**TOTAL OUTPUT TAX**	**18,000**

USL is using specific inputs for specific taxable sales and certain common inputs meant for both taxable sales and exempt transactions. Hence, USL is eligible to claim full input tax credit for VAT paid on specific inputs for each tax period and for the VAT paid on common inputs, the eligible input tax credit should be arrived for each tax period by applying calculation A x B/C where ;

A = Common input tax for the tax period for each tax rate

B = Taxable turnover

C = Total turnover

(Including value of exempt transactions)

Sl. No	Description	4% rate	Description	12.5% rate
1	Common input tax paid in the tax period	16,000	Common input tax paid in the tax period	5,000
2	Apply calculation	16,000 x 4,50,000 / 6,00,000	8.5% portion (tax x 8.5/12.5	3,400
3	Eligible input tax	12,000	4% portion (tax 4.5%/12.5%)	1,600
			Eligible input tax in 4% portion out of 12.5% rate paid.	1,600 x 4,50,000 / 6,00,000 = Rs.1,200
			Eligible input tax credit for 12.5% rate related to common inputs	3,400 + 1200 = 4600

Eligible input tax credit for Specific inputs : Rs.8,000 (4%) + Rs.4,000 (12.5%)
: Rs.12,000/-

Total eligible input tax credit for the tax period : Rs.12,000 + Rs.16,600
: Rs.28,600

VAT payable /Credit carried over : Output tax – Input tax
: Rs.18,000 – Rs.28,600
:(+) 10,600 credit carried over to next period

NOTE: I) USL should submit Form VAT 200 A every month, making adjustment of input tax credit to arrive and claim eligible input tax credit for that tax period for each rate.

2) Further, USL should also carry out adjustment of input tax credit for each tax rate for a period of 12 months ending March and submit such details in Form VAT 200B.

3) Such adjustment shall be made as below:

a) any excess claimed in the monthly VAT returns shall be paid back in the return for March by adding it to the appropriate box in the output column for each tax rate.

b) any balance credit eligible in the monthly returns shall be claimed is the return for March by adding it to the appropriate box in the input column for each tax rate.

5. <u>VAT dealer following sub-rule (7) of Rule 20:</u>

(Manufacturing & selling taxable goods and exempt goods)

KHT, a dairy plant is registered for VAT and engaged in production and sales of both taxable goods and exempt goods. The procedure for claiming input tax credit for a month is shown below:

	PURCHASES (INPUT)		SALES (OUTPUT)	
RATE OF TAX	TURNOVER	VAT PAID	TURNOVER	VAT PAYABLE
4% rate goods common for taxable and exempted goods	2,00,000	8,000	1,00,000	4,000
12.5% rate common for both taxable and exempt goods	60,000	7,500	NIL	NIL
Exempt goods	5,00,000	NIL	7,00,000	NIL
TOTAL INPUT TAX	**15,500**		**TOTAL OUTPUT TAX**	**4,000**

VAT payable = Output tax – Input tax (eligible)

To arrive eligible input tax credit, the VAT dealer should make calculation A x B/C in Form VAT 200A for the tax period for each tax rate.

A = Input tax paid for each tax rate

B = Taxable turnover

C = Total turnover (Taxable turnover + turnover of sales of exempt goods)

Sl. No.	**Description**	**4% rate of goods**	**12.5% rate goods**	**Total eligible**
1.	Input tax paid in the tax period	8000	7500	NIL
2.	Apply calculation	8,000 x1,00,000 / 8,00,000	7,500 x 1,00,000 / 8,00,000	NIL
3.	Eligible input tax	1000	938	1938

VAT payable in the tax period : Rs.4,000 – Rs.1,938

: Rs.2,062

NOTE: 1) KHT should submit Form VAT 200A every month, making adjustment of input tax credit to arrive and claim eligible input tax credit for that tax period.

2) Further, KHT should also carry out adjustment of input tax credit for each tax rate for a period of twelve months ending March and submit such details in Form VAT 200B

3) Such adjustment shall be made as below:

   a) any excess claimed in the monthly VAT returns shall be paid back in the return for March by adding it to the appropriate box in the output column for each tax rate.

   b) any balance credit eligible in the monthly returns shall be claimed is the return for March by adding it to the appropriate box in the input column for each tax rate.

6. <u>VAT dealer following sub-rule(8) of Rule 20:</u>

(Taxable goods & exempt transactions of taxable goods)

SKM, a VAT dealer is engaged in manufacture and sale of Cement. The dealer also despatches the goods on consignment basis to other States. There are no sales of exempt goods. For a tax period, the purchases and sales effected by the dealer are illustrated below indicating method and procedure to claim input tax credit.

	PURCHASES (INPUT)		**SALES (OUTPUT)**	
RATE OF TAX	**TURNOVER**	**VAT PAID**	**TURNOVER**	**VAT PAYABLE**
4% goods	60,00,000	2,40,000	NIL	NIL
12.5% goods	50,00,000	6,25,000	5,00,00,000	62,50,000
Exempt transactions	NIL	NIL	50,00,000	NIL
TOTAL INPUT TAX	**8,65,000**		**TOTAL OUTPUT TAX**	**62,50,000**

Since the VAT dealer is using the inputs common for both taxable sales and exempt transactions, SKM should arrive at eligible input tax credit for each tax rate for the tax period to claim in the monthly return. For this purpose, SKM should calculate eligible input tax credit in Form VAT 200A for the tax period by applying A x B/C, where ;

A = Input tax paid for each tax rate.

B = Taxable turnover

C = Total turnover

(Taxable turnover + value of exempt transactions)

Sl. No	**Description**	**4% rate**	**Description**	**12.5% rate**
1	Input tax paid in the tax period	2,40,000	Input tax paid in the tax period	6,25,000
2	Apply calculation	4,25,000(*****)	<u>2,40,000 x 5,00,00,000</u> 5,50,00,000	8.5% portion (tax x 8.5/12.5

3	Eligible input tax 2,00,000		2,18,182	4%	portion	(tax
			4.5%/12.5%) Apply calculation for 4% portion Eligible input tax in 12.5% rate	2,00,000 x 5,00,00,000 / 5,50,00,000 = Rs.1,81,818 4,25,000 + 1,81,818 = 6,06,818		

(*****) Input tax to the extent of 8.5% portion can be fully claimed in the same tax period.

Sl. No	**Description**	**4% rate**	**Description**	**12.5% rate**
1	Input tax paid in the tax period	2,40,000	Input tax paid in the tax period	6,25,000
2	Apply calculation 4,25,000(*****)	5,50,00,000	2,40,000 x 5,00,00,000 (tax x 8.5/12.5	8.5% portion
3	Eligible input tax 2,00,000		2,18,182	4% portion (tax
			4.5%/12.5%) Apply calculation for 4% portion Eligible input tax in 12.5% rate	2,00,000 x 5,00,00,000 / 5,50,00,000 = Rs.1,81,818 4,25,000 + 1,81,818 = 6,06,818

(*****) Input tax to the extent of 8.5% portion can be fully claimed in the same tax period.

7. <u>VAT dealer following sub-rule(9) of Rule 20:</u>

(Taxable sales, sales of exempt goods and exempt transactions of taxable goods)

IAK, a VAT dealer is engaged in manufacture of Cotton yarn and cloth. The dealer effects stock transfer of cotton yarn to other states besides making sales of Cotton yarn and exempt goods i.e., Cloth. The method and procedure to arrive at and claim eligible input tax for a tax period is illustrated below:

	PURCHASES (INPUT)		SALES (OUTPUT)	
RATE OF TAX	TURNOVER	VAT PAID	TURNOVER	VAT PAYABLE
4% Goods	1,00,00,000	4,00,000	1,00,00,000	4,00,000
12.5% Goods	8,00,000	1,00,000	NIL	NIL
Exempt goods	NIL	NIL	50,00,000	NIL
Exempt transactions	NIL	NIL	50,00,000 (Stock transfers of cotton yarn)	NIL
TOTAL			**TOTAL**	

INPUT TAX 5,00,000 **OUTPUT TAX 4,00,000**

IAK is using common inputs for sales of taxable goods, sales of exempt goods and for the values of exempt transactions. IAK should arrive at eligible input tax credit for each tax rate for the tax period in Form 200A by applying A x B/C calculation, where;

A = Input tax paid for each tax rate

B = Taxable turnover

C = Total turnover (Taxable turnover + Sales of exempt Goods + value of exempt transactions)

Sl. No	Description	4% rate	Description	12.5% rate
1	Input tax paid in the tax period	4,00,000	Input tax paid in the tax period	1,00,000
2	Apply calculation	2,00,00,000	4,00,000 x 1,00,00,000 (tax x 8.5/12.5	8.5% portion 68,000
3	Eligible input tax		2,00,000 (tax 4.5%/12.5%)	4% portion 32,000
			Eligible input tax in 4% portion out of 12.5% rate paid – arrive by applying calculation	32,000 x 1,00,00,000 / 2,00,00,000 = Rs.16,000
			Eligible input tax in 12.5% rate goods	68,000 + 16,000 = 84,000

Total eligible input tax credit for the tax period : 2,00,000 + 84,000
: Rs.2,84,000

VAT payable for the tax period :Output tax – Input tax (eligible)
: 4,00,000 – 2,84,000
: Rs.1,16,000

NOTE: 1) IAK should submit Form VAT 200A every month, making adjustment of input tax credit to arrive at and claim eligible input tax credit for that tax period for each rate.

2) Further, IAK should also carry out adjustment of input tax credit for each tax rate for a period of 12 months ending March and submit such details in Form VAT 200B.

3) Such adjustment shall be made as below:

a) any excess claimed in the monthly VAT returns shall be paid back in the return for March by adding it to the appropriate box in the output column for each tax rate.

b) any balance credit eligible in the monthly returns shall be claimed is the return for

March by adding it to the appropriate box in the input column for each tax rate.

21. Calculation of Turnover Tax payable (TOT).

a) The TOT payable by a TOT dealer shall be calculated by applying the rate of TOT to the taxable turnover.

b) In cases where the taxable turnover of a dealer exceeds five lakh rupees in the preceding twelve months and he registers for TOT within the prescribed time, the liability for TOT shall be from the effective date of registration.

22. Calculation of VAT Payable on sales of goods predominantly to non-VAT dealers and consumers.

1) A VAT dealer selling goods liable to VAT shall maintain the records and calculate VAT payable in the following manner namely:-

a) a separate record of all goods received, which are exempt or liable to VAT at any rate other than the standard rate;

b) in the case of sales predominantly to non-VAT dealers and consumers, a daily record of the gross receipts of goods taxable at each tax rate and the value of exempt goods sold.

c) the VAT due for payment shall be calculated by applying the tax fraction to the aggregate of daily gross receipts for the month at each tax rate. The total value of taxable sales for each tax rate shall be calculated by deducting the tax from the aggregate of daily gross receipts for each month.

d) copies of any tax invoices issued to VAT dealers.

CHAPTER – IV

RETURNS, PAYMENTS & ASSESSMENTS

23. Tax Returns

1) A return to be filed by a VAT dealer under Section 20 shall be on form VAT 200 and it shall be filed within 20 days after the end of the tax period. The return shall be completed in duplicate and one copy with the proof of receipt shall be retained by VAT dealer;

Provided that the return for the month of March shall be filed on or before 7th April

(Proviso to sub rule (1) was added by G.O Ms No 317 Rev (CT-II) Dept dated 14-03-2006 w.e.f 14-03-2006.)

(Proviso to sub rule (1) was omitted by G.O Ms No 395 Rev (CT-II) Dept dated 30-03-2007 w.e.f 14-03-2006.)

2) A return to be filed by a TOT dealer under Section 20 shall be on form TOT 007 and it shall be filed within 30 days after the end of the calendar quarter;

3) In the case of a VAT dealer having more than one place of business all returns prescribed by these rules shall be submitted by the head office of the

business in the State and shall include the total value of all sales of all the branches in the State of such VAT dealer;

4) Where the registration of a VAT dealer or TOT dealer is cancelled, a final return on Form VAT 200C or TOT 007 as the case may be shall be filed within fifteen days of the effective date of cancellation of registration;

5) If there is a change in the rate of tax during a tax period, a separate return in respect of each portion of the tax period showing the application of different rates of tax shall be furnished;

6) a) If any VAT dealer having furnished a return on Form VAT 200 finds any omission or incorrect information therein, other than as a result of an inspection or receipt of any other information or evidence by the authority prescribed, he shall submit an application on Form VAT 213 within a period of six months from the end of the relevant tax period.

b) On receipt of Form VAT 213 in the case of an under-declaration, a Form VAT 307 shall be issued for the under-declared tax and the interest due on the late payment. In the case of an over-declaration Form VAT 308 shall be issued

7) a) In the case of casual trader a declaration on Form CAT001 shall be filed within twenty four hours of his arrival in any place in the State before the authority prescribed indicating the nature of goods and their value in which he intends to deal and the period for which he intends to conduct his business.

b) The casual trader shall file a final declaration in Form CAT 002 before the authority prescribed on the last day on which he intends to leave the place along with payment of the tax due on the taxable turnover.

8) Every VAT dealer who claims input tax credit in respect of certain goods or any specific category of VAT dealers, as notified by the Commissioner or any other VAT dealer as required by the Deputy Commissioner concerned shall submit a return in Form VAT 225 in addition to the return on Form VAT 200, containing the details of purchases made from other VAT dealers in the State for each tax period or for any other period as may be notified by the Commissioner or as required by the Deputy Commissioner concerned.

9) Every VAT dealer and TOT dealer, other than casual traders may also file all the returns prescribed under sub rules (1), (2), (3), (4), and (5) clause (a) of sub rule (6) above in e-Seva centers on payment of user charges @ Rs.50/- (Rupees fifty only) for each such return. The return shall be filed in duplicate and one copy with the proof of receipt given by e-Seva center shall be retained by VAT or TOT dealers. Out of the user charges of Rs.50/- (Rupees fifty only) collected, on each return by the e-Seva center, the e-Seva center shall retain Rs.10/- (Rupees ten) and Rs.10/- (Rupees ten) will be parked with APTSL and the remaining Rs.30/- (Rupees thirty) shall be remitted in to the head of Account under VAT user charges of Commercial Taxes Department.

9) Omitted.

(The two sub rules (9) were added by the G.O MS No 1624 Rev (CT-II) Dept, dated 06-11-2006 w.e.f 06-11-2006)

(Sub-rule (9) is omitted by G.O MS No. 503 Rev (CT-II) Dept, dated 08-05-2009 w.e.f 01-05-2009. The original Sub-rule (9) reads as "All the returns, prescribed under sub rule (1) to (8) of this rule may also be filed electronically through electronic filing system to be created for the purpose.)

10) Every VAT dealer or a TOT dealer shall file an additional quarterly return for the quarters ending March, June, September and December containing the details of sales & purchases of taxable goods made within the state in Forms TOT 060A, TOT 060B, VAT 226A, VAT 226B, VAT 227A, VAT 227B and VAT 228A, as applicable to them within 30 days from the end of the quarter.

(11) The Commissioner may by notification exclude any dealer or any category of dealers from submitting the returns as prescribed in sub-rule (10) above. The Commissioner may also notify the method of filing the quarterly returns prescribed.

(The sub rules (10) and (11) were added by the G.O MS No 517Rev (CT-II) Dept, dated 23-04-2007 w.e.f 01-04-2007)

(12) All the returns prescribed under sub-rules (1) to (8) and (10) of this Rule may also be filed electronically through electronic filing system to be created for the purpose.

(13) Every Department of the State and Central government shall submit a return in Form VAT 230 with all the information, required therein, for each month. The return for each month shall reach the assessing authority of the area, in which the principal place of business is located, on or before 20th day of the succeeding month. The return shall be submitted by the officer of the Department, duly authorized in this behalf by the Head of the Department, concerned. Along with the return, he shall also pay the tax due, if any, as per the return, through cheque, demand draft, pay order or Government treasury challan.

(The sub-rule (12) and (13) were added by by G.O MS No. 503 Rev (CT-II) Dept, dated 08-05-2009 w.e.f 01-05-2009.)

24. Tax Payment

1) In the case of a VAT dealer, the tax declared as due on Form VAT- 200, shall be paid not later than fifteen days after the end of the tax period if the payment is by way of cheque and not later than twenty days after the end of the tax period if the payment is by way of demand draft or bankers cheque or by way of remittance into the Treasury *or by electronic funds transfer (EFT).*

Provided that the tax declared as due for the month of March shall be paid on or before 7th April.

(The original Sub rule "(1) In the case of a VAT dealer, the tax declared as due on Form VAT 200, shall be paid not later than twenty days after the end of the tax period is substituted by GO MS No 1614 dt 31st Aug 2005 w.e.f 31-8-2005)

(The words in italics are added by GO MS No 2201 dt 29th Dec 2005, w.e.f 1-12-2005)

(Proviso to sub rule (1) was added by G.O Ms No 317 Rev (CT-II) Dept dated 14-03-2006 w.e.f 14-03-2006.)

(Proviso to sub rule (1) was omitted by G.O Ms No 395 Rev (CT-II) Dept dated 30-03-2007 w.e.f 14-03-2006.)

2) In the case of a TOT dealer, the tax declared as due on Form TOT 007, shall be paid not later than thirty days after the end of the calendar quarter.

3) The return in Form VAT 200 or Form TOT 007 shall be accompanied by a receipt from Government treasury or a crossed demand draft or a crossed cheque drawn on the local bank in the State in favour of the authority prescribed. A local bank for this purpose shall be a bank located at the place of business declared for registration.

4) Where any VAT dealer or TOT dealer submits a Form VAT 200 or Form TOT 007 without a receipt from Government treasury or demand draft or a cheque for the full amount of tax payable, the authority prescribed shall send a notice on Form VAT 202 or TOT 012 to the VAT dealer or to the TOT dealer for the tax under paid. Such notice shall be deemed to be an assessment cum demand notice and the VAT dealer or TOT dealer shall pay the sum specified in the notice within the time specified therein.

5) Where any dealer has been permitted to pay tax or any other amount by way of instalments, the following conditions shall apply:

   a) The dealer shall not default payment of any other taxes or any other amount due under the Act subsequent to the granting of instalments.

   b) In the event of any default, the order granting instalments shall become infructuous unless on application it is specifically restored by the Deputy Commissioner.

   c) Any other conditions as may be specified in the order.

6) Where any VAT dealer has paid any Entry Tax and intends to adjust such amount against VAT payable by him as specified in sub-section (5) of Section 22, he shall make a declaration on Form 503 and file alongwith Form VAT 200 for the Tax period.

25. Assessments

1) Where a VAT dealer fails to file a VAT return as prescribed under Section 20, the authority prescribed shall assess unilaterally the tax payable. The authority prescribed shall serve upon the VAT dealer a notice of the tax assessed and the penalty due on form VAT 204. The VAT dealer shall pay the sum within the time and the manner specified on the form or shall file the return outstanding. If the return is filed the unilateral assessment shall be withdrawn, without prejudice to the penalty under sub-section (3) of Section 50 and interest due for late payment.

2) a) A VAT unilateral assessment shall be made by totaling the tax declared on the tax returns or paid by way of assessment during the previous twelve months and by dividing the amount by twelve to arrive at an average monthly liability for the previous twelve months. The average shall be compared with the tax due declared on the last return filed. The higher figure of the two shall be used for arriving the tax for the purpose of assessment. A penalty of fifty percent (50%) of that sum shall be levied.

b) In the case of a VAT dealer who has not been registered for a period of twelve months, the amount declared in box 16(b) of Form VAT 100 shall be divided by twelve to provide the basis for the calculation of the average taxable turnover. The standard rate of tax shall be applied to this amount to calculate the tax liability. A penalty of fifty percent (50%) of that sum shall be levied. In the case of a deemed registration under sub-rule (4) of Rule 4, the total turnover declared on Form VAT 100 shall be divided by twelve to provide the basis for the calculation of the taxable turnover.

c) Where a credit return is filed in the previous twelve months with the claim of credit carried forward in any tax period, the credit carried forward shall be ignored for the calculation. Where a return is filed in the previous twelve months with the claim of refund in any tax period, the refund amount shall be deducted from the total tax declared on the returns for calculation of the taxable turnover under clause (a) or (b).

d) Where in the previous twelve months, credit or refund is claimed in all the returns or a credit balance is arrived at, no unilateral assessment shall be made.

3) Where a TOT dealer fails to file a return as prescribed under Section 20, the authority prescribed shall assess the tax payable unilaterally. The authority shall serve upon the TOT dealer a notice of the tax assessed and a notice of the penalty due on form TOT 010. The TOT dealer shall pay the sum within the time and manner specified on the form or file the return outstanding. If the return is filed the unilateral assessment shall be withdrawn without prejudice to the penalty under sub-section (3) of Section 50 and interest due for late payment.

4) a) A TOT unilateral assessment shall be calculated by totalling the tax declared on TOT returns or demanded and or paid by way of assessment for the previous twelve months. This sum shall be divided by four to provide an average quarterly TOT liability. A penalty of fifty percent (50%) of that sum shall be levied;

b) In the case of a TOT dealer who has not been registered for a period of twelve months the amount declared in box fourteen of Form TOT 001 shall be divided by four to arrive at the average taxable turnover. The turnover tax rate shall be applied to this amount to calculate the TOT liability. A penalty of fifty percent (50%) of that sum shall be levied;

c) In the case of a TOT dealer registered under the provisions of sub-section (8) of Section 17, the gross turnover declared for the year ending 31 of March 2005 under the Andhra Pradesh General Sales Tax, 1957 shall be divided by four to arrive at the average taxable turnover for the purposes of this rule.

5) Where any VAT return filed by the VAT dealer appears to the authority prescribed to be incorrect or incomplete that authority prescribed shall assess the tax payable to the best of his judgment on Form VAT 305 after affording a reasonable opportunity to the dealer in Form VAT 305 A. He shall serve upon the VAT dealer an order of the tax assessed, the penalty and interest due on form VAT 305. The VAT dealer shall pay the sum within the time and manner specified on the notice.

6) Where any TOT return filed by the TOT dealer appears to the authority prescribed to be incorrect or incomplete that authority shall assess the tax payable to the best of his judgment on From TOT 025 after affording a reasonable opportunity to the dealer on Form TOT 025A. He shall serve upon the TOT dealer an order of the tax assessed, the penalty levied and interest due on Form TOT 025. The TOT dealer shall pay the sum within the time and manner specified on the notice.

7) Where a dealer receives any amount due to price variations, which have not been included in the return filed for that tax period, he shall include the additional amount received and tax calculated at the rate applicable in the return to be filed in the period in which the additional amounts are received.

8) a) For the purpose of Section 53, the tax underdeclared in respect of input tax means the excess of input tax claimed over and above the input tax actually entitled to be claimed in the return for a particular tax period

b) The tax underdeclared in respect of output tax means the difference between output tax actually chargeable and the output tax declared in the return for a particular tax period

c) In respect of a TOT dealer the tax underdeclared means the difference between the tax declared on Form TOT 007 and the tax actually due by the dealer for the period.

9) Where any sales tax credit claimed under Rule 37 is found to be in excess of the amount actually entitled, such amount shall be recovered along with interest by assessing the VAT dealer.

Illustration:

a) VKM, a VAT dealer filed a return for tax period declaring input tax as Rs.10000/- and output tax as Rs.5000/- and the net excess tax of Rs.5000/- was carried over to the next tax period. On verification by the authority prescribed after 6 months, the eligible input tax credit is found to be Rs.8000/-. There was no variation in output tax. The tax under declared in respect of input tax is Rs.2000/- (Rs.10000 – Rs.8000)/-. The percentage of under declaration of tax is twenty five percent (25%) (2000X100/8000).

Accordingly under declared tax of Rs.2000/- along with penalty of Rs.500/- i.e. twenty five percent (25%) and interest at the rate of 1% for the period i.e. six months of delay is payable.

b) NKC, a VAT dealer filing a return declared input tax as Rs.23000/- and out put tax as Rs.77000/- and net tax of Rs.54000/- was paid along with return. On verification by the authority prescribed after four months it was found that there is no variation in the eligible input tax declared in the return. However, the output tax chargeable for that tax period was found to be Rs.80,000/- as against the declared out put tax of Rs.77,000/-. The tax under declared in respect of out put tax is Rs.3000/- (i.e. Rs.80000-Rs.77000). The percentage of under declaration is 3.8% (3000X100/80000). Now the dealer is liable to pay the under declared tax of Rs.3000/- along with penalty of Rs.300/- i.e. 10% and interest at the rate of 1% for the delayed period of 4 months.

CHAPTER – V

TAX INVOICES, CREDIT AND DEBIT NOTES

26. Invoices

1) The invoices, bills or cash memoranda issued by any dealer other than a retail dealer shall be serially numbered for each year and in the case of a dealer other than a retail dealer, each of such invoice, bill or cash memorandum issued shall contain the following particulars:

   (a) The full name, style and address of the business of the dealer making the sale;

   (b) The Taxpayer Identification Number (TIN) or the General Regi

   (c) stration Number (GRN) of the dealer making the sale;

   (c) The full name, style and address of the business of the buying dealer and General Registration Number (GRN), if registered as a TOT dealer.

   Provided that where the purchaser is a consumer, the invoice, bill or cash memoranda need not contain the full name and address of such purchaser.

   (d) The date on which the invoice is issued;

   (e) The description of the goods supplied;

   (f) The quantity or volume of the goods sold;

   (g) The total sale price

Explanation: For the purpose of this sub rule, a retail dealer is a dealer whether registered as a VAT dealer or as a TOT dealer making sales predominantly to consumers i.e. more than ninety percent (90%) of the total sales.

2) Notwithstanding anything contained in sub-rule (1) the gate pass cum invoice which a dealer registered under the Central Excise Act 1944, (Central Act 1 of 1944) or under the rules made thereunder is obliged to issue shall be deemed to have been issued under this Act provided such gate pass cum invoice contains all the particulars mentioned in clauses (a) to (g) of sub-rule (1).

Explanation: For the purpose of this sub-rule, any gate pass cum invoice issued for the removal of goods other than by way of sale shall not be deemed to be an invoice for the purpose of sub-rule (1).

27. Tax Invoices.

1) A tax invoice specified in Section 14 shall contain the following particulars namely,-
   (a) The words "Tax Invoice" written in a prominent place.
   (b) Commercial name, address, place of business and TIN of the VAT dealer making a sale.
   (c) Commercial name, address, place of business and TIN of the VAT dealer making the purchase.
   (d) The serial number of the invoice (printed or computer generated) and date on which invoice is issued.
   (e) The date of delivery of the goods.
   (f) The description of the goods supplied.
   (g) The quantity or volume of the goods sold.
   (h) The rate of tax for each category of goods.
   (i) The total value of the goods sold and tax related thereto, or the VAT inclusive value of the goods sold and the statement that VAT is included in the value at the appropriate rate.

2) An invoice issued under sub-rule (2) of Rule 26 shall be deemed to be a tax invoice provided such invoice contains all the particulars specified in sub-rule (1).

3) A VAT dealer who has not received a tax invoice may require the VAT dealer, who has supplied the goods, to provide a tax invoice in respect of the sale.

4) Input tax credit shall be claimed only against an original tax invoice.

5) The VAT dealer making a taxable sale shall retain one copy of the tax invoice.

6) Where a purchasing VAT dealer loses the original tax invoice, the seller shall provide a copy clearly marked " copy in lieu of lost tax invoice" containing the following certificate.

   " I hereby declare that this is the duplicate of the tax invoice bearing No._____, dated ____ Issued to ____bearing TIN____."
   Date: Signature:

7) A request for a tax invoice under sub-rule (6) of this Rule shall be made within thirty days after the date of the sale.

8) A VAT dealer who receives a request under sub-rule (6) of this Rule shall comply with the request within fourteen days after receiving that request.

28. Credit Notes and Debit Notes.

1) Where a tax invoice has been issued and the amount shown as tax charged in that tax invoice exceeds the tax liable in respect of the sale, the VAT dealer making the sale shall issue to the buyer a credit note and containing the particulars prescribed specified in sub-rule (4) of this rule.

2) Where a tax invoice has been issued and the tax liable in respect of the sale is more than the amount shown as tax charged in that invoice the VAT dealer making the sale shall issue to the buyer a debit note and containing the particulars specified in sub-rule (5).

3) a) Credit notes and debit notes in respect of goods returned after sales or purchases shall be issued only when the goods have been returned within a period of twelve months from the date of sale.

   b) Credit notes and debit notes in respect of any annual discounts and any price adjustments shall be issued as and when the accounts are settled between the seller and the buyer provided the settlement is made within the twelve months from the end of the year and the discounts or price adjustments are supported by proper documentary evidence.

4) Credit Notes shall contain the following particulars namely;-

   a) the words “credit note” in a prominent place.

   b) the commercial name, address, place of business and the Taxpayer identification number of the VAT dealer making the sale.

   c) the commercial name, address, place of business and the Tax payer identification number of the buying VAT dealer.

   d) the date on which the credit note was issued;

   e) the rate of tax;

   f) the sale price shown on the tax invoice, the revised amount of the sale price, the difference between the two amounts and the tax charged that relates to that difference;

   g) a brief explanation of the circumstances giving rise to the issuing of the credit note; and

   h) information sufficient to identify the taxable sale to which the credit note relates.

   i) proof of transport of the goods in respect of sales returns like LR. or RR.

5) Debit Notes: The debit note shall contain the following particulars namely;-

   a) the words ‘debit note’ in a prominent place

b) the commercial name, address, place of business and the tax identification number of the VAT dealer making the sale;

c) the commercial name, address, place of business and the taxpayer identification number of the buying VAT dealer.

d) the date on which the debit note was issued;

e) the rate of tax;

f) the sale price shown on the tax invoice, the revised amount of the sale price, the difference between the two amounts and the tax charged that relates to that difference;

g) a brief explanation of the circumstances giving rise to the issuing of the debit note;

h) information sufficient to identify the taxable sale to which the debit note relates; and

i) proof of transport of the goods in respect of sales returns like LR or RR.

CHAPTER – VI
MAINTENANCE OF BOOKS OF ACCOUNT

29. Records to be maintained by VAT dealer

1) Every VAT dealer shall keep and maintain a true and correct account of his business transactions in any of the languages specified in the Eighth Schedule to the Constitution or in the English language.

2) The VAT dealer shall maintain wherever applicable, the following records, namely;-

a) a VAT monthly account specifying total output tax, total input tax and net tax payable or the tax credit due for refund or carry forward.

b) purchase records, showing details of all purchases on which tax has been charged and eligible for input tax credit, purchases with VAT charged but not eligible for input tax credit under sub-rule(2) of Rule 20 and all purchases made without charge of tax. Original tax invoices for purchases on which tax has been charged, and invoices for purchases made without charge of VAT shall all be retained in date order.

c) sales records showing separately all sales made liable to different tax rates, Zero-rated sales and exempt sales. Copies of tax invoices related to taxable sales and invoices related to exempt sales shall all be retained in date and numerical order.

d) credit notes and debit notes issued and received shall all be retained in date and numerical order.

e) record of all zero-rated export of goods together with copies of customs clearance certificates, invoices issued to the foreign purchasers, transport documentation in the case of export of goods, certificates in

Form H prescribed under the Central Sales Tax Act, 1956 orders or contracts for or with the foreign purchaser, and evidence of payment by bank transfer through a bank or by a letter of credit payable by a bank.

f) record of inter-State sales and inter-State transfer supported by C forms, F forms prescribed under the Central Sales Tax Act, 1956, Waybills and stock transfer vouchers.

g) cash records maintained by retailers namely cash books, petty cash vouchers, and other account records including copy receipts or cash register machine rolls detailing the daily takings.

h) records of entry tax payment:

i) records of tax collection at source and tax deduction at source.

j) records of details of availment of tax holiday / deferment.

k) records of adjustment of VAT credit against liabilities under the Central Sales Tax Act, 1956.

l) records of calculation of purchase point tax liability under sub-section (4) of Section 4.

m) computer records, where available.

n) details of input tax calculations where the VAT dealer is making both taxable and exempt sales.

o) Documents, records, and claim forms for all transitional relief claims of tax credit for sales tax and claims for VAT credit on first registration for VAT.

p) stock records and any manufacturing records.

q) Order records, delivery notes and way bills

r) appointment and job books.

s) annual accounts including trading, profit and loss accounts, the balance sheet.

t) Bank records, including statements, cheque book counter foils and pay-in-slips.

u) copy of customs clearance certificates.

3) All records specified in sub-rule 2 of this Rule shall be retained for a period of six years and made available for inspection by the authority prescribed.

4) Every VAT dealer who keeps and maintains the accounts in a language other than English shall adopt international numerals in the maintenance of such accounts.

5) A VAT dealer making sales predominantly to non-VAT dealers and consumers and who does not separately record every sale, shall maintain a daily record of gross receipts for sales taxable at each tax rate and exempt sales.

30. Records to be maintained by TOT dealer.

1) Every dealer registered under sub-sections (7) or (8) of Section 17 shall keep and maintain a true and correct account in any of the languages specified in the Eighth Schedule to the Constitution or in the English language.

2) TOT dealer shall maintain in particular, the following records, namely;-

   a) the value of the goods produced, manufactured, bought and sold by him;

   b) the names and addresses of the dealers from whom goods were purchased, supported by bill or delivery note issued by the seller and duly signed and dated;

   c) the daybook, ledgers and cash-book, bill books and account books which shall be serially numbered for each year and

   d) the sale bills, invoices, delivery notes, credit notes or debit notes and way bills which shall bear a printed serial number and be written in duplicate, triplicate or quadruplicate, as the case may be of which the dealer shall retain one copy thereof.

3) Any dealer who keeps and maintains his accounts under sub-rules (1) and (2), in any language other than English, shall adopt international numerals in the maintenance of such accounts.

31. Records to be maintained by a dealer executing works contracts:

1) Every dealer executing works contract shall keep separate accounts for each contract specifying the particulars of the names and addresses of the persons for whom he has executed works contracts

2) Every dealer executing works contract and opting to pay tax by way of composition shall maintain records of

   a) payments received from the contractee.

   b) records of entry on Form VAT 200

   c) records of tax collection at source or tax deduction at source made from the payments received on the works contracts.

3) Every dealer executing works contract and not opting to pay tax by way of composition shall keep the following records; namely;-

   a) the particulars of goods procured by way of purchase or otherwise for the execution of works contract;

   b) the particulars of goods to be used or used in the execution of each works contract;

   c) the details of payment received in respect of each works contract

   d) the details of:

      i) labour charges for works executed;

      ii) amount paid to sub-contractor for labour and services

      iii) charges for planning, designing and architect's fees;

      iv) charges for obtaining on hire or otherwise machinery and tools used for the execution of the works contract;

v) cost of consumables such as water, electricity, fuel etc., used in the execution of the works contract the property in which is not transferred in the course of execution of a works contract;

vi) cost of establishment of the contractor to the extent it is relatable to supply of labour and services;

vii) other similar expenses relatable to supply of labour and services;

viii) profit earned by the contractor to the extent it is relatable to supply of labour and services;

ix) all amounts for which goods exempted under Schedule I are transferred in execution of works contract;

x) turnover of goods involved in the execution of works contract which are transferred in the course of inter-State trade or commerce under Section 3 of the Central Sales Tax Act, 1956 or transferred outside the State under Section 4 or transferred in the course of import or export under Section 5 of the said Act.

32. Records to be maintained by cold storage plants:

1) Every owner or other person in charge of a cold storage ***or warehouse or godown or any other such place by whatever name called, where goods are generally stored*** in the State shall keep and maintain a true and correct account in the register in Form 520 showing the stocks of goods entrusted for storage.

Explanation: 'Cold Storage' means an air-conditioned building in which low temperature is maintained to preserve the quality of the goods stored.

2) Every such person shall file a detailed statement in Form 515 relating to the goods stored by persons other than registered dealers and farmers before the Commercial Tax Officer, having jurisdiction over the cold storage ***or warehouse or godown or any other such place*** on or before the fifteenth of every month showing the name and quantity of goods received for storage during the previous month.

3) Every such person shall also obtain and keep on record a certificate issued by the Village Secretary to the effect that the farmer who has stored his produce in the cold storage ***or warehouse or godown or any other such place*** is a genuine farmer and that the produce is from his own land or in the land taken by him on lease. On each of such certificates, every such person shall note the serial number of the relevant entry in the register in Form 520 immediately after making entries in the said register.

4) The Commercial Tax Officer having jurisdiction over the cold storage or any other officer authorized by the concerned Deputy Commissioner shall have powers of inspection of Cold Storages ***or warehouse or godown or any other such place.***

(The words in bold italics in this Rule are inserted by G.O MS No 1624 Rev (CT-II) Dept, dated 06-11-2006 w.e.f 06-11-2006)

33. Records to be maintained by clearing / forwarding agents:

1) When the goods are transported after clearance from a seaport, on behalf of a dealer not registered under the Act, the clearing or forwarding agent, as the case may be, notwithstanding that such agent is not a dealer registered under the Act or any other person in charge of the goods vehicle or vessel, who, on behalf of such agent or importer transports the goods from the seaport shall carry with him the following documents in respect of the goods carried in the goods vehicle or vessel, namely: -

a) a trip sheet, or log book, as the case may be;

b) a Delivery Note in Form 602

c) copy of the foreign seller's invoice with the copy of bill of entry; and;

d) letter from the importer or clearing or forwarding agent to the consignee, specifically mentioning the description, quantity and value of the goods imported:

Provided that, in case, goods are imported by a dealer, registered under the Act it is sufficient, if the goods are accompanied by a way bill in Form X or Form 600 instead of Delivery Note in Form 602.

(2) A clearing or forwarding agent / importer from outside the State of Andhra Pradesh shall obtain the required number of Delivery Notes in Form 602 from the Commercial Tax Officer, having jurisdiction over the seaport, by producing evidence of import of goods, including nature of goods, quantity and value of goods.

(3) A clearing or forwarding agent at a sea port shall furnish information relating to consignments cleared by him during the previous month to the Commercial Tax Officer, having jurisdiction over the seaport, so as to reach him on or before the tenth day of the succeeding month.

34. Records to be maintained by agents acting on behalf of principals:

1) Any person acting as a selling agent on behalf of agriculturist principal or any other dealer not registered as a VAT dealer or as a TOT dealer shall be required to maintain records on Form 521 containing the full particulars of names and addresses of agriculturist principals, names and addresses of buying dealers with TIN / GRN, name and quantity of the commodity sold, the date of sale, value of sale etc.

2) a) Any person acting as a buying agent or as a selling agent on behalf of resident principals other than agriculturist's principals shall maintain records on Form 522 containing the details of name and address of resident principal, TIN / GRN, name and quantity of commodity purchased or sold, date of purchase or sale, value of the goods, tax invoice or invoice number issued or received on behalf of principal etc.

Provided that the selling agent on behalf of a resident principal shall furnish a declaration to the principal in Form 522B prescribed, when the goods received from such principal are transferred outside the State otherwise than by way of sale under Section 6A of Central Sales Tax Act, 1956, containing the details of good received from the principal and the details of goods transferred outside the State along with the copies of statutory forms received.

(The proviso to Clause (a) of Sub-rule (2) was added by G.O MS No 597 dated 02-05-2007 w.e.f 01-04-2005.)

b) Every resident principal registered under the Act who is carrying on the business of selling or buying any of the goods taxable under the Act, through his agent, shall issue a declaration to such agent in Form 522A.

c) Every dealer, being the principal and claiming exemption on his turnover under clause (b) of sub-section (10) of section 4 shall be in possession, for every tax period, a declaration in form 522C obtained from the registered dealer who, on his behalf as an Agent, sold the taxable goods relating to such turnover and such selling agent shall issue the declaration to his principal within ten days from the end of the month in which such goods were sold.

(Clause (c) was substituted by G.O MS No. 503 Rev (CT-II) dept, dated 08-05-2009 w.e.f 01-05-2009. The original clause (c) reads as "Every resident principal registered under the Act and selling any goods through his agent shall issue a declaration on Form 522A to his agent;

i) supplying his own invoices for issue to the customer

ii) authorizing the agent to issue the agent's invoices on his behalf with the seal and stamp of the principal.

In either case a copy of the invoice shall be transferred to the principal within ten days of issue, to enable the principal to account for the tax in the tax return.)

d) Every dealer, being the principal and claiming deduction of input tax on goods, purchased by any other registered dealer on his behalf as a buying Agent, shall be in possession, for every tax period, a declaration in Form 522D, duly obtained from such buying agent, together with the tax invoices in original, relating to such purchases, and such buying agent shall issue the declaration and furnish the tax invoices to his principal with ten days from the end of the month in which such goods were purchased.

(Clause (d) was substituted by G.O MS No. 503 Rev (CT-II) dept, dated 08-05-2009 w.e.f 01-05-2009. The original clause (d) reads as "Every buying agent acting on behalf of resident principal registered under the Act, may obtain tax invoices or commercial invoices from the supplying dealer and pass these on to the principal within ten (10) days to enable the principal to account for the purchases in his tax return.

Where the supplier is not registered under the Act, the buying agent may furnish a statement to his principal showing the particulars of the transaction.")

3) Every person acting as an agent on behalf of non-resident principal shall issue tax invoices or invoices on behalf of the principal and shall maintain the records on Form 523 containing the details like name and address of the non-resident principal, registration number of non-resident principal in the State, name and quantity of the commodity purchased or sold, value of the goods sold or purchased, date of sale or purchase, particulars of transportation to his principal tax, invoice number issued or received etc.

4) Every cotton ginning mill shall maintain in the prescribed form the following records, namely;-

a) Register of kapas ginned and lint dispatched on Form 524.

b) Register of stocks on Form 525.

CHAPTER – VII

REFUNDS

35. Procedure for Refunds.

1 The claim for refund shall be made by a VAT dealer on Form VAT 200 by a TOT dealer on Form TOT 030.

2 Any VAT dealer who claims any refund of VAT or a TOT dealer who claims refund of excess TOT shall not be eligible for any refund unless all the returns due have been filed and the taxes due have been paid.

3 The authority prescribed shall have the powers to adjust any amount to be refunded against any taxes, penalty and interest outstanding under the Act against such VAT dealer or such TOT dealer.

4 The authority prescribed shall not refund any VAT where tax, penalty, interest or any other amount is outstanding against such VAT dealer under the Andhra Pradesh General Sales Tax Act, 1957 and or under the Central Sales Tax Act, 1956.

5 Subject to the conditions specified in sub-section (1) of Section 38, a VAT dealer shall be eligible to claim a refund for the tax period in which sales falling within the scope of (clauses (b) of Section 8) have been made in excess of Rupees ten lakhs in such tax period and in other cases at the end of second year after commencement of the Act and thereafter in the return to be filed for month of March or in the event of cancellation of registration.

(The words in brackets are substituted by G.O MS No. 503 Rev (CT-II) dept, dated 08-05-2009 w.e.f 01-05-2009. The words substituted are “clauses (b) & (c) of Section 8”)

6 a) In the case of sales falling within the scope of sub section (1) of Section 5 of Central Sales Tax Act, 1956, the VAT dealer shall be in possession of the following documents:

i) Copy of contract or order from a foreign buyer

ii) Copy of the invoice issued to the foreign purchaser

iii) Transport documentation i.e. Bill of Lading, Airway Bill, or a like document.

iv) Evidence of payment or evidence of letter of credit from the foreign purchaser.

(vi) Copy of the document in proof of export duly certified by Customs Department.

(Clause (vi) is added by G.O MS No 816 Rev (CT-II) Dated 16-06-2007 w.e.f 1.4.2005.)

b) In the case of sales falling within the scope of sub-section (3) of Section 5 of Central Sales Tax Act, 1956, the VAT dealer shall be in possession of the following documents:

i) Declaration in Form 'H'

ii) Purchase order from exporter

iii) Evidence of export in the form of transport documentation i.e. bill or lading, air way bill or a like document.

c) In the case of sales falling within the scope of sub-section (6) of Section 8 of Central Sales Tax Act 1956, the Value Added Tax dealer shall be in possession of the following documents;

i) Declaration in Form I

ii) Authorization Certificate from Development Commissioner.

(Clause (c) was added by G.O MS No 1624 Rev (CT-II) Dept, dated 06-11-2006 w.e.f 06-11-2006)

7 A VAT dealer making sale of goods in the course of inter-state trade or commerce falling under Section 3 of the Central Sales Tax Act, 1956 may adjust any excess credit available under the Act against any tax payable under the Central Sales Tax Act, 1956 for the same tax period.

8 a) Where the VAT dealer makes a claim under Section 38, such refund shall be made within a period of ninety days of the date the return was due or the date the return is filed whichever is later.

b) Where the VAT dealer fails to produce accounts or records required by the authority prescribed within seven days of date of issue of the notice, the time limit specified in clause (a) shall not apply.

c) Where the VAT dealer has produced accounts or records within the prescribed time limit, interest shall be payable at the rate of one percent (1%) per month from the date after the expiry of the ninety days till the date of actual refund.

The interest in respect of part of month shall be computed proportionately and for this purpose, month shall mean a period of thirty days.

9 a) Where any refund is due to VAT dealer under Section 39, a notice in Form VAT 351 shall be issued by the authority prescribed proposing either adjustment of such refund against any tax, interest, penalty and any amount due under the Act outstanding against such dealer or

notifying the refund within fifteen days of date of receipt of the order specified in Section 39 of the Act.

b) The VAT dealer, on receipt of such Form, shall confirm the claim of refund within fifteen days of receipt by returning Form VAT 352.

c) On After receipt of confirmation from the VAT dealer, the authority prescribed shall either adjust or refund the amount as the case may be.

d) The stipulated time of ninety days under Section 39 shall include the period of process specified under clauses (a), (b) and (c).

e) Where the refund is not made within ninety days, the interest shall be payable at the rate of one percent (1%) per month from the date after the expiry of the said ninety days till the date of actual refund.

The interest in respect of part of month shall be computed proportionately and for this purpose, month shall mean a period of thirty days.

10 a) Where any turnover tax has been levied and collected under the Act in respect of sale inside the State of any declared goods specified in Section 14 of the Central Sales Tax Act, 1956 and such goods are subsequently sold by a VAT dealer in the course of inter-State trade or commerce, the turnover tax so levied and collected shall be refunded to such VAT dealer in manner and subject to the conditions specified in clauses (b) to (e) of this sub-rule.

Provided that the refund shall not be made unless the tax payable under the Central Sales Tax Act, 1956 is paid.

b) The refund of tax referred to in clause (a) shall be made to the VAT dealer who effected the first sale in the course of the inter-State trade or commerce.

c) Every application for such refund under this rule shall be filed by the VAT dealer claiming refund in Form VAT 360 before the authority prescribed having jurisdiction over the place of business of the VAT dealer within a period of ninety days from the date of payment of the tax due under the Central Sales Tax Act, 1956 in respect of declared goods specified under clause (a) above

(Provided that the authority prescribed may condone for reasons to be recorded in writing, any delay in filing of such application)

d) The burden of proving that a VAT dealer is entitled to such refund shall be on the VAT dealer claiming such refund.

e) The authority prescribed shall, after making such enquiry as he considers necessary, refund without interest the turnover tax levied and collected within ninety days from the date of receipt of application on Form VAT 360.

Provided that the authority prescribed shall first adjust the amount of such refund towards tax, penalty, interest or any amount due

from the VAT dealer for any tax period and then refund the balance if any.

11 The claim for refund under sub-section (3) of Section 15 of the Act shall be made on Form 510 along with the invoices in original. The refund in such cases shall be made within a period of 45 days from the date of submission of Form 510.

12 The claim for refund under sub-section (5) of Section 38 of the Act shall be made on Form 510A, along with the copies of invoices, within 45 days from the end of the month during which the goods are purchased, to the Commissioner or to any other officer in Commissioner. The refund in such cases shall be made within a period of 45 days from the date of the claim.

13 The Claim for refund under sub-section (9) of Section 38 of the Act shall be made in Form 510B, along with the proof of payment of tax in original, within 45 days form the end of the month during which the tax was paid, to the Commissioner or to any other officer, authorized by the Commissioner. The refund in such cases shall be made within a period of 90 days from the date of claim.

(Sub-rule (13) was added by G.O MS No. 503 Rev (CT-II) dept, dated 08-05-2009 w.e.f 01-05-2009)

CHAPTER – VIII

TRANSFER OF A BUSINESS

36. Conditions for Transfer of a Business.

The transfer of a business from one VAT dealer to another VAT dealer is exempt from VAT subject to the following conditions, namely;-

a) the business must be transferred as an ongoing concern and continue trading under the new ownership;

b) the VAT dealer transferring the business shall notify the authority prescribed of the transfer of the business within ten days of the date of the transfer;

c) the VAT dealer transferring the business shall apply for cancellation of his registration, if warranted and shall comply with the provisions of Rule 14.

d) The VAT dealer acquiring the business shall account for tax on the stock and assets acquired, at the time of their sale.

e) The VAT dealer acquiring the business shall retain all the tax records related to that business for a period of not less than six years as specified in sub-section (4) of Section 42 after the end of the year in which the business was acquired.

CHAPTER – IX

CREDIT FOR TAX PAID ON STOCK ON HAND AT THE COMMENCEMENT OF THE ACT

37. Conditions for the Relief of Sales Tax at the Commencement of the Act.

1 On the first day of the commencement of the Act, if a VAT dealer has in stock any goods on which sales tax has been paid under the Andhra Pradesh General Sales Tax Act, 1957, that VAT dealer shall be entitled to claim a credit of sales tax excluding turnover tax paid under the said Act for such goods which were purchased from 1st day of April 2004 to 31st day of March 2005.

2 The conditions for claiming sales tax credit shall be,-

(a) the dealer claiming credit must be registered for VAT on the date of commencement of the Act;

(b) the claim for credit shall be on Form VAT 115;

(c) where the goods in stock are listed in Schedule I or Schedule VI to the Act, no sales tax credit shall be allowed;

(d) the sales tax credit allowed shall be subject to the conditions in Rule 20;

(e) a VAT dealer claiming sales tax credit shall make an inventory of all goods on hand on the date of commencement of the Act on which a sales tax credit is claimed within a period of seven days of the commencement of the Act ;

(f) i) where documentary evidence of sales tax charged is available, the sales tax charged shall be used as the basis for claiming the credit. In case of goods specified in the Sixth Schedule of the Andhra Pradesh General Sales Tax Act, 1957, the tax paid on the value of the goods shall be arrived by applying the tax fraction, even though tax was not shown separately;

ii) where the documentary evidence specified in clause(i) is not available, the amount that can be claimed as credit shall be based on ninety percent (90%) of purchase value. The tax component which can be claimed as a credit shall be calculated by the use of the tax fraction to this value;

iii) where any tax was paid on any goods at the point of purchase by the dealer himself, such tax actually paid shall be eligible for sales tax credit;

(g) where the goods in stock are listed in sub rule (2) of Rule 20, no sales tax credit shall be allowed except as provided for under the provisions of that rule;

(h) a claim for sales tax credit shall be submitted to the authority prescribed within ten days from the date of commencement of the Act. The Deputy Commissioner may, having regard to the circumstances

permit the VAT dealer to make the claim after the said ten days but not later than thirty days from the date of commencement of the Act. The approval of the claim for sales tax credit shall be issued on Form VAT 116 not later than ninety days from the date of commencement of the Act ;

(i) the VAT dealer shall keep all documents relating to the claim for credit for a period of four years from the date of commencement of the Act and shall provide such documents to the authority prescribed for audit if required;

Whenever a VAT dealer is liable to restrict his sales tax credit as per the conditions in Rule 20, he shall submit Form VAT 200-G along with the return. Wherever annual adjustment of sales tax credit is to be made, such VAT dealer shall submit Form VAT 200-H along with the return for March 2006.

(The words in bold italics were inserted by the GO MS No 2201 dt 29th Dec 2005 w.e.f 1-12-2005)

3 when a claim under this Rule is approved on Form VAT 116 by the authority prescribed the amount certified as eligible for credit shall be claimed as a credit in six equal installments. These installments shall be claimed in the returns for the period from August,2005 to March,2006.

(The words " These shall be claimed monthly commencing on the return for August 2005 and ending on the return for January 2006" were substituted by GO MS No 2201 dt 29th Dec 2005 w.e.f 1-12-2005.)

4 where any claim for sales tax credit is found to be false either fully or partly, the authority prescribed shall reject the claim to the extent it is false and the excess claimed or approved shall be recovered by assessing the dealer under the provisions of the sub-rule (9) of Rule 25;

5 Where any VAT dealer executing any works contract claimed sales tax relief on closing stock as on 31.03.2005, and such goods are used in the works contracts for which composition is opted after 01.04.2005, such VAT dealer shall declare the value of the closing stocks as output value and the sales tax claimed as output tax in the tax period in which composition is opted for such specific contract.

6 Where any VAT dealer opting to pay tax under sub – section (9) of Section 4 claimed sales tax relief on closing stock as on 31.03.2005, and such goods are used in the business for which composition is opted after 01.04.2005, such VAT dealer shall declare the value of the closing stocks as output value and the sales tax claimed as output tax in the tax period in which composition is opted for such specific business.

CHAPTER – X

APPEALS AND REVISIONS

38. Procedure for Appeals.

1) Subject to the provisions of Section 31, any person aggrieved by an order passed or proceeding recorded under the provisions of the Act, other than an order passed under sub-rule (1) and (3) of Rule 25 by any officer not above the rank of an Assistant Commissioner, may appeal to the Appellate Deputy Commissioner of the area concerned:

   Provided that Commissioner may either suo-motu or on application, for reasons to be recorded in writing transfer an appeal pending before an Appellate Deputy Commissioner to another Appellate Deputy Commissioner and shall communicate the order of transfer to the appellant or applicant to every person affected by the order, the authority against whose orders the appeal or application was preferred, and to the Appellate Deputy Commissioner.

2) (a) Every such appeal shall be in Form APP 400 verified in the manner specified in the rules;

   (b) It shall be in duplicate;

   (c) It shall be accompanied by a treasury receipt in support of having paid;

      (i) in case where the levy of tax, or penalty or interest is disputed, a fee calculated at the rate of two percent of the disputed tax or penalty or interest subject to a minimum of fifty rupees and a maximum of One thousand rupees and;

      (ii) in all other cases a fee of Fifty rupees;

   (d) It shall be accompanied by a declaration on Form APP 400A stating that the amount specified in the second proviso to sub-section (1) of Section 31 has been paid, and proof of such payments.

3) The appeal may be sent to the Appellate Deputy Commissioner by registered post or be presented to him or to such officer as he may appoint in this behalf by the appellant in person or by his authorized representative or a legal practitioner.

4) The Appellate Deputy Commissioner shall, after giving the appellant a reasonable opportunity of being heard, pass orders as specified in sub-section (4) of Section 31.

39. Application for Stay of collection of tax disputed.

1) Every application under clauses (a) or (b) of sub-section (3) of Section 31 or under sub-section (6) of Section 33 shall be on Form APP 406 and shall be verified in the manner specified therein.

2) It shall be in duplicate and one of the copies shall be affixed with court-fee stamp of the value of three rupees and shall also be accompanied by a certified copy of the order of assessment or order of penalty.

3) Any order staying collection shall be limited to the amount actually disputed in appeal.

40. Application for Stay when appeal is filed before the Appellate Tribunal.

1) In a case where stay of collection of the tax or penalty under dispute is granted by the Appellate Deputy Commissioner under clause (a) of sub-section (3) of Section 31 and on disposal of the appeal by such Appellate Deputy Commissioner under sub-section (4) of Section 31, the appellant files an appeal to the Appellate Tribunal, he may apply to the Additional Commissioner (Commercial Taxes)(Legal) or Joint Commissioner (Commercial Taxes)(Legal) for the continuance of the stay granted under clause (a) of sub-section (3) of Section 31 by the Appellate Deputy Commissioner until the appeal filed before the Appellate Tribunal is disposed of.

2) The application shall be on Form APP 404 in duplicate and one of the copies shall be affixed with court-fee stamp of the value of three rupees. A copy of the appeal petition filed before the Tribunal shall be enclosed to the application.

3) Any order staying collection shall be limited to the amount actually disputed in appeal before the Appellate Tribunal.

4) The application in Form APP404 shall be accompanied by the proof of payment of tax as specified in sub section (2) of Section 33.

(Sub-rule (4) was added by G.O MS No. 503 Rev (CT-II) dept, dated 08-05-2009 w.e.f 01-05-2009)

41. Communication of Appellate or Revisional Orders.

Every order of an appellate authority under Section 31 or revising authority under Section 32, as the case may be, shall be communicated to the appellant or the party affected by the order, to the authority against whose order the appeal was filed and to any other authority concerned.

42. Appellate or Revisional authority may enhance tax payable by a dealer.

Where the tax as determined by the authority prescribed appears to the appellate authority under Section 31 or to the revising authority under Section 32 to be less than the correct amount of tax payable by the dealer, the appellate or revising authority shall, before passing orders, determine the correct amount of tax payable by the dealer after issuing a notice to the dealer and after making such enquiry as such appellate or revising authority considers necessary.

43. Orders of Appellate or Revising Authority shall be given effect to.

The order passed on appeal or on revision shall be given effect to by the assessing authority who shall refund any excess tax or fee found to have been collected and shall have power to collect any tax or fee which is found to be due, in the manner as if it were a tax assessed by himself.

44. Appeal to the Sales Tax Appellate Tribunal – Procedure.

1) (a) Every appeal under Section 33 to the Appellate Tribunal shall be in Form APP 401 and shall be verified in the manner specified therein

(b) Every such appeal shall clearly set forth the grounds of appeal and the relief claimed and shall be accompanied by,

i) four spare copies thereof;

ii) four copies of the order appealed against one of which shall be the original or the authenticated copy and ;

iii) four copies of the order of the assessing authority .

(c) It shall also be accompanied by a treasury receipt in support of having paid;

i) in cases where the levy of tax or penalty is disputed, a fee calculated at the rate of two percent of the disputed tax and or penalty subject to a minimum of Rs.100/- and a maximum of Rs.2,000/- and ;

ii) in all other cases a fee of One hundred rupees ; and

(d) It shall be accompanied by satisfactory proof of payment of the amounts, as specified in the first, second and third provisos, as the case may be, under section 33 of the Act.

(Clause (d) was substituted by G.O MS No. 503 Rev (CT-II) dept; dated 08-05-2009 w.e.f 01-05-2009. the original clause (d) reads as "It shall be accompanied by satisfactory proof of payment of the amounts as specified in first and second provisos as the case may be, of sub-section (2) of Section 33.)

2) If the Appellate Tribunal allows an appeal preferred by a dealer under Section 33 it may, in its discretion, by order, refund either wholly or partly the fee paid by the dealer under sub-section (3) of Section 33.

3) Every order passed by the Appellate Tribunal under Section 33 shall be communicated to the Deputy Commissioner concerned and to the State Representative, in addition to those specified in sub-section (8) of Section 33.

45. Time limit to file revision petition to the High Court.

Within ninety days from the date on which the order of the Sales Tax Appellate Tribunal, under Section 33 was communicated to him, the dealer or the State Representative may prefer a petition to the High Court, under Section 34 against the order on the ground that the Appellate Tribunal has decided erroneously or has failed to decide, any question of law.

46. Revision to the High Court – Procedure.

Every petition under sub-section (1) of Section 34 to the High Court shall be on Form APP 402 it shall be verified in the manner specified therein.

It shall be accompanied by a certified copy of the order of the Appellate Tribunal and where it is preferred by the dealer be accompanied by a fee of five hundred rupees.

47. Appeal to the High Court – Procedure.

Every appeal under Section 35 to the High Court shall be on Form APP 403 and shall be verified in the manner specified therein. It shall be preferred within sixty days from the date on which the order was communicated and shall be accompanied by a certified copy of the order of the Commissioner of Commercial Taxes appealed against and a fee calculated at the rate of two percent of the disputed tax or penalty or any other amount subject to a minimum of five hundred rupees and maximum of two thousand rupees.

48. Review by High Court – Procedure.

Every application for review under sub-section (7) of Section 34 or sub-section (4) of Section 35 to the High Court shall be on Form APP 404 or Form APP 405 respectively and shall be verified in the manner specified therein.

It shall be preferred within one year from the date of communication to the petitioner of the order sought to be reviewed, and where it is preferred by the dealer be accompanied by a fee of hundred rupees.

49. Orders of the Appellate Tribunal or High Court shall be given effect to.

Every order passed by the Appellate Tribunal or the High Court shall, on authorization by the Appellate Tribunal or the High Court, as the case may be, be given effect to by the authority prescribed, who shall refund without interest, within ninety days from the date of communication of the authorization, any excess tax found to have been collected and shall also collect any additional tax which is found to be due in the same manner as a tax and assessed by himself.

50. Powers of Revision under Section 32 may be exercised by higher authorities.

1) The powers of the nature referred to in sub-section (1) of Section 32 may be exercised by the Commissioner, Additional Commissioner, Joint Commissioner, Deputy Commissioner and Commercial Tax Officer in the case of orders passed or proceedings recorded by authorities, officers or persons subordinate to them within a period of four years from the date on which the order or proceeding was served on the dealer.

2) No order shall be passed under sub-rule (1) enhancing any assessment unless an opportunity has been given to the assessee to show cause against the proposed enhancement.

Explanation: - The aforesaid periods shall be computed subject to the deduction of the periods indicated in sub-sections (5) and (6) of Section 32.

51. Authorities who may exercise powers of revision under Section 32.

For the purpose of the exercise of the powers of the nature referred to in sub-section (1) of Section 32 the authorities specified in column (1) of the Table below shall be deemed to be sub-ordinate to the authority specified in the corresponding entry in column (2) thereof.

1.	Additional Commissioners, Joint Commissioners, Deputy Commissioners, Appellate Dy. Commissioners, Assistant Commissioners, Commercial Tax Officers, Deputy Commercial Tax Officers and Assistant	Commissioner of Commercial Taxes.

	Commercial Tax Officers.	
2.	Deputy Commissioners including Appellate Deputy Commissioners, Assistant Commissioners, Commercial Tax Officers, Deputy Commercial Tax Officers and Assistant Commercial Tax Officers.	Additional Commissioner of Commercial Taxes (legal), or Joint Commissioner of Commercial Taxes (Legal)
3.	Assistant Commissioners, Commercial Tax Officers, and Deputy Commercial Tax Officers and Assistant Commercial Tax Officers	Deputy Commissioner Commercial Taxes) of the division concerned.
4.	Commercial Tax Officers, Deputy Commercial Tax Officers and Assistant Commercial Tax Officers.	Assistant Commissioner (Commercial Taxes), of the division concerned.

CHAPTER –XI

SEARCH, SEIZURE, CONFISCATION AND ACQUISITION

52. Search as per the procedure prescribed in Cr.P.C. 1973:

1) Where any officer duly authorized under Section 43, conducts a search of any office, shop, shop-cum-residence (residential accommodation) godown, vessel, vehicle, or any other place of business or any premises or place where he has reason to believe that the dealer keeps or is for the time being keeping any goods, accounts, registers or other documents of his business, he shall as far as possible follow the procedure prescribed in the Code of Criminal Procedure, 1973 (Central Act 2 of 1974).

2) If on search, such officer finds any accounts, registers or other documents which he has reason to believe to relate to any evasion of tax or other fee due from the dealer under the Act, he may, for reasons to be recorded in writing, seize such accounts, registers, or other documents and shall give the dealer a receipt for the same. The accounts and registers so seized shall not be retained by such officer for more than thirty days at a time without the permission of the next higher authority.

53. Seizure and confiscation of goods:

1) If any officer authorized under Section 43, finds any goods in any office, shop, godown, vehicle vessel or any other place of business or any other building or place of a dealer which have not been accounted for in the accounts, registers, or other documents maintained in the course of his business, the officer may, for reasons to be recorded in writing, seize such goods. The order of seizure on Form 603 shall specify the description, the quantity and the value of the goods seized. A copy of it shall be served on the dealer or the person in charge of the goods.

2) Any officer may, if security in cash is furnished to his satisfaction, order release of goods seized to the owner, and if he is not present, to the person in

charge of the goods pending further enquiry if necessary. The order of release on Form 604 shall be subject to the condition that if the goods in question are finally confiscated under sub-rule (4), they shall be produced within such time as may be required, failing which, the cash security furnished shall stand forfeited to the State Government without further notice.

3) In cases not failing under sub-rule (2), if the whole or any part of the goods, seized under sub-rule (1) are of a perishable nature, the officer may sell them or get them sold, in public auction as laid down in sub-rules (8) to (17).

Provided that the notice of fifteen days laid down in sub-rule (9) below shall not apply to the public auction of goods of perishable nature and in lieu of the same, the officer shall cause adequate publicity through displaying a notice on the notice board of his office.

4) Any such officer, after making such enquiry as he deems fit and after giving the owner of the goods, if he is ascertained, an opportunity of being heard, may confiscate the whole or any part of the goods seized, if he is satisfied that there is evasion or an attempt to evade tax thereon in any manner whatsoever. If the owner is not ascertained even after the enquiry, the officer shall order confiscation of the goods. A copy of the order of confiscation on Form 605 shall be served on the owner of the goods if he is ascertainable.

5) The goods confiscated under sub-rule (4) shall be sold in public auction as laid down in sub-rules (8) to (17).

6) If, on enquiry, under sub-rule (4), it is considered by the officer who seized the goods that confiscation is not warranted in regard to any of the goods seized, or if any order of confiscation is set aside or modified in regard to any goods, on appeal or revision, such goods shall be returned to the owner or any other person authorized by him if they had not be sold in public auction under sub-rule (3) or (5). If they had already been sold in public auction, the proceeds of the sale less the expenses incurred in the sale, if any by the State Government, shall be refunded to the owner of the goods or any other person authorized by him.

7) In case wherein a confiscation order has been passed in respect of any goods, the owner of which was not ascertainable before the order is passed, such owner of the goods or any other person on his behalf may appear before the officer who ordered the confiscation and satisfy him with relevant records regarding the bonafides of the goods in question and regarding the reasons for his non-appearance earlier. If the officer is satisfied that there has been no evasion or attempt at evasion of tax he may order, for reasons to be recorded in writing, the release of the goods confiscated or if such goods had already been sold and delivered, the refund of the sale proceeds of the goods, less the expenses incurred for safe custody of the goods and other incidental charges. If the officer is not so satisfied, he may after recording reasons therefore, order that the sale under sub-rule (5) shall be proceeded with or that the proceeds of the sale already conducted shall not be refunded, as the case may be.

8) The officer who detained the goods shall cause to be published in the notice board of his office a list of the goods detained and intended for sale with a notice On Form 606 under his signature, specifying the place where and the date on, and the hour at which the detained goods will be sold in open auction and shall also display copy of such list and notice in the office of the Commercial Tax Officer having jurisdiction over the place where the goods were detained.

9) A notice of fifteen days shall be given before the auction is conducted.

10) Intending bidders shall deposit as earnest money a sum equal to five percent (5%) of the estimated value of the goods.

11) At the appointed time, the goods shall be put up in one or more lots, as the officer conducting the auction sale may consider necessary and shall be knocked down in favour of highest bidder, subject to confirmation of the sale by the Commercial Tax Officer having jurisdiction over the place where the goods were detained where the value of the goods auctioned does not exceed one thousand rupees and by any officer not lower in rank than the Deputy Commissioner in other cases.

12) The earnest money deposited by the unsuccessful bidders shall be refunded to them within three days from the date of auction.

13) a) The auction purchasers shall pay to the officer conducting the auction the sale value of the goods in cash immediately after the sale and shall not be permitted to carry away any part of the goods until he has paid in full and until the sale is confirmed by the authority specified in sub-rule (11).

b) The officer receiving the value of the goods in cash shall issue a receipt on Form 607 to the person making such payment.

14) Where the purchaser fails to pay the purchase money the earnest money deposited by the defaulting bidder shall be forfeited to the Government and the goods shall be resold in the auction. The procedure prescribed for the first auction shall be followed for conducting the subsequent auction.

15) If any order directing detention is set aside on appeal or revision, the goods so detained, if they have not been sold in auction, shall be released and if they have been sold, the proceeds thereof shall be paid to the owner of the goods, deducting the expenses incurred from the time a detention of the goods to the time they were sold in auction.

16) Any person from who tax is due shall on application to the officer on Form 608 who conducted the sale, and upon sufficient proof, be paid the sale proceeds specified under sub-rule (13), after deducting the expenses of sale and other incidental charges and the amount of tax due.

17) The procedure specified in this rule shall apply to give effect to the orders directing refund on appeal of revision.

54. Acquisition of goods.

1) The powers specified under Section 44 shall be exercised with prior approval of next higher authority, by any officer not below the rank of the Commercial Tax Officer having jurisdiction over the area where the goods are available at the time of initiating proceedings for acquisition of goods.

2) The goods acquired under Section 44 shall be sold in public auction following the procedure laid down in sub-rules (8) to (17) of Rule 53.

3) Every officer who has acquired the goods under Section 44 shall pass orders within fifteen days from the date of such acquisition, sanctioning payment of compensation to the owner of the goods as specified in sub-section (6) of Section 44.

CHAPTER –XII

MOVEMENT OF GOODS/GOODS VEHICLES AND CHECK-POSTS

55. Movement of Goods in Goods Vehicles.

1) Subject to sub-rules (2) and (4) every dealer who consigns goods by a goods vehicle shall make out a waybill in Form X or Form 600 in triplicate and issue the original and duplicate thereof duly signed by him or his manager or agent to the owner or the other person in charge of the goods vehicle.

For the purpose of this clause, only waybills printed under the authority of the State Government or the Commissioner shall be used. When such waybills are not readily available for use for any reason, the waybills containing the signature and official seal of the Commercial Tax Officer or the Asst. Commissioner having jurisdiction over the consignor shall be used in lieu of such printed waybills.

Provided that the issue of a way bill shall not be necessary where a person who is not a dealer transports his household or other articles for his own use from one place to another and also in respect of transport of the goods specified in Schedule I to the Act.

2) In the case of goods imported into the State from the places outside the State, the waybill of the State from which the goods commence their journey shall be accepted if accompanied by a tax invoice or a sale invoice or a delivery note or a document in such form, as has been approved by the Commissioner.

Provided that any consignee dealer who desires to import goods notified by the Commissioner of Commercial Taxes to be sensitive, from other States or Union Territories shall send in advance a way bill in duplicate to the consignor. Such way bill in duplicate filled in by the consignor shall accompany the goods and shall be tendered by the person-in-charge of the goods vehicle to the officer-in-charge of the check post through which the goods vehicle first enters into the State.

3) The owner or the other person in charge of the goods vehicle shall carry the original and duplicate of the waybill and shall tender the original waybill to

the officer in charge of the Check Post through which the goods vehicle first passes on its way.

4) In the case of a manufacturer registered as a VAT dealer the copy of the gate pass-cum-invoice raised by such manufacturer shall be accepted in lieu of the waybill in Form 600 provided the Taxpayer Identification Number is superscribed on the gate pass-cum-invoice. Provided that where any category of manufacturers are notified by Commissioner as ineligible to use the gate pass cum invoice as waybill, they shall make out waybills on Form 600.

5) Every person obtaining the Way Bills under sub-rule (i) shall keep and maintain a register in Form 601 showing a true and correct account of the way bills obtained, used and held in stock by him.

6) Where a way bill either blank or duly filled in is lost, the person who obtained the way bill forms printed under the authority of the Government or containing the signature and official seal of the assessing or registering authority as the case may be shall forthwith notify the loss in writing to the issuing authority and shall also by way of an indemnity bond furnish such reasonable security as may be demanded by such authority for each way bill lost. Any dealer giving an incorrect and untrue declaration shall be deemed to have committed an offence under the Act.

7) The transporter or owner or other person incharge of goods vehicle or a vessel as the case may be shall maintain a register of record in Form 520-A containing full details of the consignor or consignee with full address, TIN Registration Number, CST Registration Number, Invoice Number / Delivery Challan Number / quantity and value of the goods and other details of goods transported in the goods vehicle or a vessel.

The transporter or owner or other person in charge of the goods vehicle or a vessel as the case may be shall submit an extract of the entries made in such register of records, extract of entries entered in the log book or goods vehicle records or trip sheet as the case may be for each month to reach the Commercial Tax Officer having jurisdiction over the area in which the goods are delivered before the 10^{th} day of the succeeding month. The register of record maintained shall be made available to any Officer of the Commercial Taxes Department not below the rank of Deputy Commercial Tax Officer in case of any enquiry, whenever called for. The word 'transporter' shall include any agency transporting goods by Road, Rail, Air, Water or combination thereof.

(The original Sub-rule "(7) The owner or other person incharge of goods vehicle or a vessel, as the case may be, shall submit an extract of the entries recorded in the log book or goods vehicle record or trip sheet, as the case may be, for each month to reach the Commercial Tax Officer having jurisdiction over the area in which the goods are delivered before the tenth day of the succeeding month" was substituted by GO MS No 2201 dt 29th Dec 2005, w.e.f 1-12-2005.)

8) The owner or other person incharge of goods vehicle or a vessel or a bus carrying passengers and goods, as the case may be and where such goods are transported for more than one consignee in the state or other states and where such transport of goods are not covered by sub rule (1) to sub rule (6) of this rule, shall submit details of the goods being carried in Form-650 at the first entry into the state at the Check post. Such Form shall be submitted in duplicate to the officer incharge of the Check post and after getting it verified and attested by the officer incharge of the Check post the original should be retained at the Check post and the duplicate shall be issued to the person submitting such Form-650 and he shall carry duplicate form along with goods vehicle.

9) The owner or other person incharge of goods vehicle or a vessel or a bus carrying passengers and goods, as the case may be and where such goods are transported for more than one consignee in other states and where such transport of goods are not covered by sub rule (1) to sub-rule (6) of this rule, shall submit details of the goods being carried in Form 651 at the Exit Check post in the State. Such Form shall be submitted in duplicate to the officer incharge of the Check post and after getting it verified and attested by the officer incharge of the Check post, the original should be retained at the Check post and the duplicate shall be issued to the person submitting such Form-651 and he shall carry duplicate Form along with goods vehicle.

10) The owner or other person incharge of goods vehicle or a vessel or a bus, as the case may be had transported goods covered by sub rule 55(8) and rule 55(9), in a month, in addition to complying with the provisions of sub rule (7) of this rule, shall submit the duplicate copies of Forms-650 and 651 for each month by 10th of the following month to the Deputy Commissioner having jurisdiction over the area where the registered office of such vehicles, buses

and vessels carrying goods are located. The copies of duplicate Form-650 and 651 should also be submitted by their branches and parcel offices if such branches are independently operating and such copies of Forms should be submitted to the Deputy Commissioner in whose jurisdiction such branch offices are located or where goods are delivered by such transport vehicles or buses or vessels.

(Sub rules (8),(9) and (10) were inserted by GO MS No 2201 dt 29th Dec 2005 w.e.f 1-12-2005.)

56. Procedures and powers of officers at Check-posts.

1) (a) subject to sub-rule (2) the officer in charge of the Check post or any other officer authorized shall have the power to stop and inspect any goods vehicle, and all the records. If on such inspection, it is found that there is any discrepancy in the goods or any defect in the records or if any other omission or irregularity is detected; the officer shall issue notice on Form 610 specifying the description, the quantity and the value of the goods proposed to be detained under sub-section (6) of Section 45. A copy of the notice shall be served on the owner of the goods and if he is not present on the spot on the driver or any other person in charge of goods vehicle;

(b) The security specified in Section 45 shall be an amount equal to two times of the tax payable;

(c) the security shall be in the form of cash or in the form of bank guarantee, by a bank incorporated under the Banking Regulations (Companies) Act, 1949 (Central Act 10 of 1949);

(d) the officer receiving the security and the tax shall issue a receipt in the name of dealer liable to pay tax and also intimate the details of such collection to the officer concerned having jurisdiction over the place of business of the owner of the goods;

(e) the tax collected on detention of the goods or goods vehicle shall be credited to the account of the owner of the goods if he is registered and if he is not registered, the officer specified in clause (d) shall pass proceedings as deemed fit and take appropriate action under the provisions of the Act and these Rules;

(f) where the tax and the security directed to be paid or furnished is not paid or not furnished, the officer concerned who detained the goods, shall pass an order specifying the description, quantity and value of the goods detained and the reasons for such detention. A copy of the order shall be served on the owner of the goods or on the driver or any other dealer in charge of the goods vehicle;

(g) no such detention by any officer concerned shall be for more than three days except with the permission of the next higher authority.

(h) the next higher authority shall be the Commercial Tax Officer of the area having jurisdiction over the Check Post or the area in which such detention was made and where the detention is made by the Commercial Tax Officer, the next higher authority shall be the Deputy Commissioner of the area concerned;

(i) where no claim is made for the goods detained within the time prescribed in the detention order or where the goods detained are subject to speedy and natural decay, the Commercial Tax Officer having jurisdiction over the Check post or the area where the detention was made, shall cause sale of such goods in open auction and remit the sale proceeds thereof in a Government treasury provided that, a notice of fifteen days is given before the auction is conducted in respect of goods which are not subject to speedy and natural decay;

(j) the auction shall be conducted by an officer not below the rank of Deputy Commercial Tax Officer and in case the goods were detained by an officer below the rank of Deputy Commercial Tax Officer the goods shall be transferred to the Deputy Commercial Tax Officer having jurisdiction over the Check Post or the area within which such detention is made;

(k) the Deputy Commercial Tax Officer conducting the auction shall cause to be published in the notice board of his office a list of the goods detained and intended for sale with a notice under his signature, specifying the place where, and the date on, and the hour at which the detained goods will be sold in open auction and shall also display copies of such list and notice at the check post or the barrier where the goods were detained, and in the office of the Commercial Tax Officer having jurisdiction over the check post or barrier where the goods were detained;

(l) a notice of fifteen days shall be given before the auction is conducted;

(m) Intending bidders shall deposit as earnest money a sum equal to five percent (5%) of the estimated value of the goods;

(n) at the appointed time, the goods shall be put up in one or more lots, as the officer conducting the auction sale may consider necessary, and shall be knocked down in favour of the highest bidder, subject to the confirmation of sale by the next higher authority;

(o) the earnest money deposited by the unsuccessful bidders shall be refunded to them;

(p) the successful bidder shall be permitted to carry the goods only after he has paid the full amount to the officer conducting the auction, failing which the earnest money deposited by him shall be forfeited to the Government and the goods may be resold in the auction. The procedure prescribed for the first auction shall be followed for conducting the subsequent auction;

(q) the officer receiving the payment for value of goods shall issue a receipt for such payment;

(r) where an order directing detention is set-aside on appeal, the goods so detained shall be released and where they have been sold, the proceeds there of, shall be paid to the owner of the goods, deducting the expenses incurred from the time of detention of the goods to the time they were sold in auction;

(s) any person from whom tax is due shall, on application to the officer, who conducted the sale, and upon sufficient proof be paid the sale proceeds after deducting the expenses of sale and other incidental charges and the amount of tax due;

(t) the procedure specified in this shall apply to give effect to the orders directing refund on appeal or revision.

2) (a) when the goods are being transported to any destination within the State by a transport operator notified by the Commissioner, the Officer-in-charge of the check post or any other officer authorized detecting any discrepancy in the goods or any defect in the records or any other omission or irregularity shall, instead of detaining the goods at the check post serve a notice of offence on the approved transport operator and permit such operator to carry the goods to the destination within the State, provided the approved transport operator undertakes to part with the goods only after the receipt of the release order from the authority prescribed having jurisdiction over the destination.

The officer in-charge of the check post or officers authorized shall within forty eight hours transmit the notice of offence and other documents if any, to the authority prescribed, having jurisdiction over the destination.

The authority prescribed having jurisdiction over the destination, to whom the notice of offence has been referred shall proceed to take action deemed fit and the procedure prescribed in sub-rule (1) shall mutatis-mutandis apply.

(b) For the purpose of clause (a) the Commissioner of commercial Taxes shall have the power to approve the transport operator by a notification;

Any transport operator desirous of availing such facility shall apply to the Commissioner along with an indemnity bond to indemnify any loss that may be occasioned to the Government of Andhra Pradesh on account of breach of faith;

The Commissioner of Commercial Taxes shall, after enquiry, may either notify or refuse to notify within fifteen days from the date of the application.

3) Where the owner or other person incharge of goods vehicle or a vessel or a transport bus carrying passengers and goods has not complied with the provisions made in rule 55 (8), 55 (9) and 55 (10) or carrying goods other than those mentioned in such Forms, on verification of such vehicle or bus or vessel, the officer incharge of the check post shall detain the vehicle along

with the goods for further verification. The procedures and powers laid down in sub rule (1) and sub-rule (2) of this rule shall be followed by the officer incharge of the check posts to dispose of such detained goods and vehicles.

(Sub-rule (3) was inserted by GO MS No 2201 Dt 29th Dec 2005, w.e.f 1-12-2005.)

57. Procedures and powers of officers at other places:

1) At any place other than a check post or a barrier, the driver or any other person in-charge of a goods vehicle or boat or a vessel as the case may be, on demand, by an officer authorized, shall stop the vehicle or boat, as the case may be, and keep it stationary as long as may reasonably be necessary, and allow the officer to examine the contents in the vehicle or boat or vessel and inspect all records relating to the goods carried, which are in the possession of such driver or other person in charge, who shall, if so required, give his name and address and the name and address of the owner of the goods vehicle or vessel.

2) If on such inspection by such officer it is found that any dealer is transporting goods in a goods vehicle or vessel not covered by a waybill in Form 600 or such other document prescribed in Rule 58 issued by the person who consigned the goods, such officer may take action as provided for in Rule 56.

3) Further on such inspection by such officer it is found that any goods vehicle or a vessel or a bus carrying passengers and goods is not accompanying with the copies of Form-650 or Form-651 as the case may be or such vehicles are carrying the goods other than those mentioned in those forms, such officer may take action as provided for in Rule-56.

(Sub – rule (3) was added by GO MS No 2201 dt 29th Dec 2005, w.e.f 1-12-2005.)

58. Transit Movement.

1) In order to obtain a transit pass under Section 47 the driver or the person in charge of the goods vehicle shall submit such documents and furnish such information which may be relevant or necessary along with payment of a fee of Rs.50/- in cash or by way of Demand Draft or treasury challan to the officer in charge of the check post or barrier after his entry into the State". The amount of Rs.50/- so collected shall be remitted to the head of account of user charges.

(The original sub-rule (1)"In order to obtain a transit pass under Section 47, the driver or the person-in-charge of a goods vehicle shall submit a declaration on Form '615 to the officer-in-charge of the first check post or barrier, after his entry into the State and shall also furnish if so required, any other information that may be relevant and necessary." is substituted by the G.O MS No 29 Rev (CT-II) Dated 10-1-2007 w.e.f 10-1-2007)

2) The Officer in charge of the first check post shall after examining the documents and after making such enquiries as he deems necessary, shall make out a Transit Pass in Form 616 in triplicate and issue the original and duplicate thereof duly signed by him to the driver or person-in-charge of the vehicle after obtaining his signature at the end of the declaration provided in the said form".

(The original sub-rule (2)" The officer-in-charge of the first check post shall, after examining the documents and after making such enquiries as he deems necessary, shall make out a transit

pass on Form 616 in triplicate and issue the original and duplicate thereof duly signed by him to the driver or the person-in-charge of the goods vehicle" ." is substituted by the G.O MS No 29 Rev (CT-II) Dated 10-1-2007 w.e.f 10-1-2007)

3) The driver or the person-in-charge of the goods vehicle shall carry the original and duplicate copies of the transit pass and shall tender the original copy to the officer-in-charge of the last check post or barrier before his exit from the State.

Provided that where the goods carried by such vehicle are, after their entry into the state, transported outside the state by any other Vehicle the number of that vehicle shall be recorded in the original and duplicate copies of the transit pass and certified by the officer prescribed.

(The proviso to the sub –rule (3) is added by G.O MS No 29 Rev (CT-II) Dated 10-1-2007 w.e.f 10-1-2007)

4) The driver or the person-in-charge of the goods vehicle shall stop the vehicle and allow the officer-in-charge of the last check post or barrier to inspect the documents, transit pass and the goods in order to ensure that the goods being taken out of the State are the same goods for which transit pass had been obtained.

5) If on such inspection, the officer-in-charge of the last check post or barrier is satisfied that the goods being transported are the same goods both in quantity and description noted in the transit pass, he shall affix the seal of the check post on the duplicate copy of the transit pass under his signature and allow the vehicle to pass into the other State.

6) If on such inspection, it appears that the quantity of goods under transport is less than the quantity noted in the transit pass or the description of the goods is different form the description noted in the transit pass, the officer-in-charge of the last check post or barrier shall presume that the goods to that extent have been sold within the State by the owner or other person-in-charge of the goods vehicle and shall accordingly assess the owner or other person incharge of the goods vehicle as specified in Section 21. The said officer shall have the power to detain the vehicle so long as he may reasonably be deem it necessary.

7) Powers of the nature referred to in sub-rule (6) may also be exercised by an officer not below the rank of an Assistant Commercial Tax Officer. He shall, however, inform the officer-in-charge of the first check post within seven days of such inspection, in case, he proposes to make an assessment.

8) The original copy of the transit pass, so received by the officer-in-charge of last check post or barrier shall be sent by him by Registered Post, to the officer-in-charge of the first check post or barrier within ten days from the date of receipt from the driver or the other person-in-charge of the goods vehicle. Action taken under sub-rule (6) shall also be informed within the said time.

9) In case the original copy of the transit pass is not received back within thirty days of its issue the officer – in –charge of the first check post shall send a report to the Commercial Tax Officer prescribed who shall assess the owner of the goods vehicle as specified in section 47 of the Act

(The original sub-rule (9) "The officer-in-charge of the first check post or barrier, if he is not in receipt of the original copy of the transit pass within thirty days of issue by him, shall send a report to the Commercial Tax Officer, having jurisdiction over the first check post or barrier, who shall assess the owner of the goods vehicle as specified in Section 21 read with Section 47." Is G.O MS No 29 Rev (CT-II) Dated 10-1-2007 w.e.f 10-1-2007)

CHAPTER - XIII

MISCELLANEOUS

59. Authority prescribed:

1) For the purpose of exercising powers specified in column (1) of the table below, the authorities specified in column (2) therein, shall be the authorities prescribed

Authority prescribed under the Act the and Rules

Sl. No.	Column (1) Powers	Column (2) Authority	Column (3) Sec. / Rule
1	**VAT registration / Amendment / Cancellation**	Commercial Tax Officer of the circle concerned *or any other officer not below the rank of Commercial Tax Officer, duly authorized by the Commissioner*.	Sec.17 (10), 17(11), 18(1)(a), 19(2), Rules 4 to 14

(The words in italics were added by G.O MS No 1624 Rev (CT-II) Dept, dated 06-11-2006 w.e.f 06-11-2006)

2.	**TOT registration / Amendment / Cancellation**	i) Assistant Commercial Tax Officer of the circle authorized by the Commercial Tax Officer of the Circle *or any other officer not below the rank of Assistant Commercial Tax Officer, duly authorized by the Commissioner.*	Sec.17 (10), 17(11), 18(1)(b), 19(2) Rules 4 to 7, 10 to 12 and 15

(The words in italics were added by G.O MS No 1624 Rev (CT-II) Dept, dated 06-11-2006 w.e.f 06-11-2006)

3.	**Receipt of VAT return**	Assistant Commissioner (Large Taxpayer Unit) or Commercial Tax Officer or officer authorized by him.	Sec.20 (1) Rule 23

	Receipt of TOT return	Deputy Commercial Tax Officer authorized for the purpose	
4.	**Assessments**		
	VAT –		
	i) Unilateral assessment under Rule 25(1)	i) Assistant Commissioner of the division concerned in case of Large Taxpayer Unit and Commercial Tax Officer in the case of circle	Sec.21 (1) Rule.25(1)
	ii) Assessment under Rule 25 (5)	ii) a) Assistant Commissioner in case of Large Taxpayer Unit dealer. b) Commercial Tax Officer or Deputy Commercial Tax Officer in case of dealers in the territorial jurisdiction of the circle as authorized by Deputy Commissioner concerned. c) any officer not below the rank of Deputy Commercial Tax Officer as authorized by the Joint Commissioner or Additional commissioner empowered for this purpose by the Commissioner	Sec.20(3) (a) & (b), Sec.21 (3), 21(4), 21(5), 24(2), Rule.25(5)

(The original sub-clause "(c)Assistant Commissioner or Commercial Tax Officer working in Central Audit Unit on authorization by the Joint Commissioner or Additional Commissioner in respect of a specific dealer inspected by the officer concerned" was substituted by G.O MS No 1164 Rev(CT-II) Dept dated 14-08-2006 w.e.f 01-04-2005.)

		d) Any officer not below the rank of Deputy Commercial Tax Officer of the division as authorized by the Deputy Commissioner of the division.	
	iii)	Reassessment	
	a) in case of under assessment	The authority who detects the under assessment.	Sec.21(6)
	b) in case of errors apparent on record	The authority who made the assessment	Rule 60
	iv) TOT – Unilateral assessment / Best judgement assessment	iv) Deputy Commercial Tax Officer of the circle concerned as authorized by the Commercial Tax	Sec.20(3) (a) &(b), 21(1), 21(3) (4) & (5) and Rule 25(1)

		Officer of the circle concerned.	& 25(5)
	v) TOT reassessment	Deputy Commercial Tax Officer of the circle concerned as authorized by the Commercial Tax Officer of the circle concerned.	Sec.21(6)
	vi) Assessment incase of failure to tender the transit pass at the exit check post	a) In cases of vehicles registered in the State of Andhra Pradesh the Commercial Tax Officer having jurisdiction over the place where the vehicle is registered. b) In cases of vehicles registered outside the State of Andhra Pradesh the officer in charge of the check post at which the transit pass is issued.	Sec 47 Rule 58(4)

(The clause (vi) of Sl.No 4 is added by G.O MS No 29 Rev (CT-II) Dated 10-1-2007 w.e.f 10-1-2007.)

	(vii) Proceedings to be issued in consequence to the orders, passed by different Appellate and Revision Authorities under Sections 31,32,33,34 and 35 of the APVAT Act.	Assistant Commissioner, Commercial Tax Officer or the Deputy Commercial Tax officer, as the case may be, having territorial jurisdiction over the dealer, irrespective of the fact whether the original order under appeal or revision has been passed by him or not.	Section 37 and Rules 43 and 49.

(The clause (vii) was inserted by G.O MS No 503 rev (CT-II) Dept, dated 08-05-2009 w.e.f 01-05-2009.)

5.	**Recovery of taxes (provisional attachment and third party recovery)**	An officer not below the rank of Deputy Commercial Tax Officer as authorized by the Deputy Commissioner of the division concerned	Sec.27 (2), 29
6.	**Refunds**		
	i) VAT	• In cases where the amount does not exceed Rs.50,000/- the Commercial Tax Officer of the circle concerned.	Sec.38(1), (2) (3),(6), 40(2) Rule 35

		• In the case of Large Taxpayer Unit dealers, the Assistant Commissioner of the division upto a sum of Rs.2 lakhs. • In the cases where the sum does not exceed Rs.10 lakhs the Deputy Commissioner of the division concerned. • In the cases where the sum exceeds Rs.10 lakhs the Joint Commissioner or Additional Commissioner in the office of the Commissioner of Commercial Taxes.	
	ii) **TOT**	Deputy Commercial Tax Officer of the circle as authorized by the Commercial Tax Officer of the circle.	Sec.38(7) Rule 35
7.	**Entry, Inspection, search, seizure, confiscation:**	a) Assistant Commissioner or Commercial Tax Officer of the Large Taxpayer Unit concerned in respect of cases on the register of the Large Taxpayer Unit. b) Commercial Tax Officer of the circle concerned. c) Any officer not below the rank of Deputy Commercial Tax Officer of the division with prior permission or approval of the Deputy Commissioner concerned. (d) Deputy Commercial Tax Officer working in GA (V & E) Department	Sec.43(1),(2) Rule 52 & 53

(The original Sub-clause "(d) Deputy Commercial Tax Officer working in the G.A.(V&E) Department. Commercial Tax Officer or Assistant Commissioner working in Central Audit Unit in the O/o the

Commissioner of Commercial Taxes specifically authorized by the Joint Commissioner or Additional Commissioner (Central Audit Unit)" was substituted by G.O MS No 1164 Rev(CT-II) Dept dated 14-08-2006 w.e.f 01-04-2005.)

		(e) any Officer not below the rank of Deputy Commercial Tax Officer as authorized by the Joint Commissioner of Additional Commissioner empowered for this purpose by the Commissioner	

The clause (e) was added by G.O MS No 1164 Rev(CT-II) Dept dated 14-08-2006 w.e.f 01-04-2005.)

8.	**Search of business-cum-residence**	Not below the rank of Deputy Commercial Tax Officer authorized by the Deputy Commissioner concerned	Sec.43(2) Rule 52 & 53
9.	**Power to inspect records / goods of a vehicle**	Any officer not below the rank of Assistant Commercial Tax Officer of the circle / division concerned as authorized by the Commercial Tax Officer / Deputy Commissioner concerned	Sec.45, Rule 56 & 57
9A.	**Certifying the transshipment details in the transit pass**	The CTO having jurisdiction over the place where transshipment takes place	Provisio to Sub-Rule 3 of Rule 58
10.	**Levy of specific penalties under the Act**		
	• Any penalty relatable to VAT dealer on the rolls of Large Tax Payer Unit.	Assessing authority or Registering or inspecting authority as the case may be	Sections 49 to 57.
	• Any penalty relatable to VAT dealer other than Large Tax payer Unit.	Assessing authority or Registering or inspecting authority as the case may be	
	• Any penalty relatable to TOT dealer	By the registering authority, assessing authority authorized officer who detects such offence.	
	• Any penalty or penalties.	By the authorized officer who detects such offence.	
11.	Forfeiture	Assessing or inspecting authority as the case may be	Sec.57 (4), (5), (6)

12.	Prosecution / Composition of offences	Assessing or inspecting authority as the case may be	Sec.58 & 61
13.	Authority to prescribe records	Assessing authority concerned	Sec.42 (2)
14.	Casual trader – receipt of return and assessment	Deputy Commercial Tax Officer of the circle as authorized by the Commercial Tax Officer of the circle concerned	Rule 23(7)
15.	Authority before whom appeal is to be filed	Appellate Deputy Commissioner concerned	Sec.31(1)
16.	Remittance of TDS	Commercial TaxOfficer of the circle or Assistant Commissioner (Large Taxpayer Unit)	Sec 22(4) Rule 17 & 18
17.	Submission of VAT 250 (Option for composition)	Commercial Tax Officer of the circle or Assistant Commissioner (Large Taxpayer Unit)	Rule 17 (3) (c)
18.	Authority before whom Form VAT 118 is to be filed	Commercial Tax Officer of the circle or Assistant Commissioner (Large Taxpayer Unit)	Rule 20 (1)
19.	The Authority to whom the transfer of business as an on going concern should be notified.	Assistant Commissioner or Commercial Tax officer, as the case may be, having Jurisdiction over the dealer, who is transferring the business.	Rule 36.

(The entries against Sl.No 19 were added by G.O MS No 503 rev (CT-II) Dept, dated 08-05-2009 w.e.f 01-05-2009.)

2) The Commissioner shall be the authority empowered as specified in Section 3-A, to assign any functions of the authorities prescribed to any officers subordinate to him whenever he may deem it necessary.

60. Correction of Errors.

Any authority prescribed, appellate or revising authority may at any time within four years from the date of any order passed by him rectify any clerical or arithmetical mistake apparent from the record. No such rectification which has the effect of enhancing the tax liability or penalty shall be made unless a notice is given to the person concerned to provide him with a reasonable opportunity of being heard.

61. Power to Require Production of Documents and Obtain Information.

1) The Commissioner or any officer authorized in writing by the Commissioner may, by notice on Form 555, require any person, whether or not liable for tax under the Act,-

   (a) to furnish any information that may be required by the notice; or

   (b) to attend at the time and place designated in the notice for the purpose of being examined on oath by the Commissioner or by such officer relating to any proceedings under the Act. The Commissioner or such officer may require the person examined to produce any book, record, or computer-stored information in the control of the person;

2) The Commissioner or any Officer specified in sub-rule (1) or any officer prescribed under the Act, or these of shall have all the powers conferred on a civil court under the provisions of the Civil Procedure Code, 1908 (Central Act 5 of 1908) to summon and enforce the attendance of any person or to examine any person on oath or affixation or to compel production of documents.

3) Where the notice requires the production of a book or record, it is sufficient if that book or record is described in the notice with reasonable certainty.

62. Information to be treated as confidential.

1) All particulars contained in any statement made, return furnished or accounts or documents produced under the provisions of the Act or of the rules made thereunder, or in any evidence given or in any record of any proceeding relating to the recovery of a demand prepared for the purpose of the Act or the rules made thereunder, shall be treated as confidential and shall not be disclosed.

2) Nothing contained in sub-rule 1 shall apply to the disclosure of any such particulars,-

   (i) for the purpose of any investigation or prosecution under the Indian Penal Code, 1860 or under any other enactment for the time being in force in respect of any such statement, return, accounts, documents, evidence, affidavit or deposition or for the purpose of a prosecution under the Act or the rules made thereunder; or

   (ii) to any person acting in the execution of the Act or the rules made thereunder where it is necessary to disclose the same to him for the purpose of the Act or the Rules made there under; or

   (iii) occasioned by the lawful employment under the Act or the rules made thereunder of any process for recovery of any demand; or

   (iv) to a Civil Court in any suit to which the Government are a party, which relates to any matter arising out of any proceeding under the Act or the rules made thereunder; or

(v) occasioned by the lawful exercise by a public servant of his powers under the Indian Stamp Act, 1899 to impound an insufficiently stamped document; or

(vi) to an officer of,–

(a) the Government of India; or

(b) the Government of any State in India with which an agreement for disclosure on a reciprocal basis has been entered into by the Government of this State; or

(c) any State which has acceded to the Republic of India and with which an agreement for disclosure on a reciprocal basis has been entered into by the Government of this State; or

(vii) to an officer of any department, other than the Commercial Taxes Department of the Government, after obtaining ,–

(a) the permission of the Commercial Tax Officer of the area concerned, where such particulars are to be furnished by a Deputy Commercial Tax Officer or Assistant Commercial Tax Officer; and

(b) the permission of the Commissioner where such particulars are to be furnished by a Commercial Tax Officer or an Assistant Commissioner or a Deputy Commissioner:

Provided that such particulars shall be furnished under clause (vii) only in exceptional cases and that any officer obtaining such particulars shall keep them as confidential and use them only in the lawful exercise of the powers conferred by or under any enactment.

63. Nomination of Responsible person.

1) Every VAT dealer or every TOT dealer registered under the Act, shall nominate a person on Form 560 authorizing him or her to sign any returns or any documents or any statements, and to receive any notices or orders on his behalf. Any returns filed, any statements made and notices or orders received by such nominated person shall be binding on the dealer.

2) Every VAT dealer being a partnership, trust, company, non-resident individual, or resident individual who resides outside the State for more than one tax period shall nominate a person who is a resident in the State for purposes specified in sub-rule (1).

3) The name of the person nominated shall be notified on Form 560 to the Commissioner or Officer authorized by him within the time specified as follows, namely,-

(a) in the case of a partnership, trust, company or non-resident individual, in the first tax period in which the partnership, trust, company or individual becomes a VAT dealer; or

(b) in the case of a resident individual who resides outside the State, in the first tax period in which the individual resides outside the State.

4) Where a person fails to comply with clause (a) of sub-Rule (3), the Commissioner or Officer authorized shall nominate a person for the purposes specified in sub-rule(1).

5) A person may, by notice in writing to the Commissioner or Officer authorized change the nominated person.

6) The person nominated shall be responsible for any obligation imposed on the partnership, trust, company or individual under the Act.

64. Mode of Service of orders and notices.

1) Unless otherwise provided in the Act, or these Rules, a notice or other document required or authorized under the Act or these Rules to be served shall be considered as sufficiently served,-

(a) on a person being an individual other than in a representative capacity if,-

(i) it is personally served on that person ; or

(ii) it is left at the person's usual or last known place of residence or office or business in the State; or

(iii) it is sent by registered post to such place of residence, office or business, or to the person's usual or last known address in the State; or

(b) on any other person if,-

(i) it is personally served on the nominated person ; or

(ii) it is left at the registered office of the person or the person's address for service of notices under the Act; or

(iii) it is left at or sent by registered post to any office or place of business of that person in the State;

(iv) where it is returned unserved, if it is put on board in the office of local chamber of commerce or traders association.

2) The certificate of service signed by the person serving the notice shall be evidence of the facts stated therein.

65. Conditions regarding enrolment, suspension and cancellation of enrolment of Sales Tax Practitioners.

1) A sales tax practitioner representing any person before any authority other than the High Court under clause (e) of Section 66 shall be,-

(a) a person who possesses a degree in Commerce or Economics or Law of a recognized University or;

(b) a person, who has retired from the Andhra Pradesh Commercial Taxes Department:

Provided that in either case he is enrolled as a sales tax practitioner by the Commissioner and whose enrolment has not been cancelled; or

(c) any person who has been enrolled as sales tax practitioner under Andhra Pradesh General Sales Tax Act 1957.

2) Any person possessing the qualifications specified in clause (a) or (b) of sub-rule (1) may apply to the Commissioner for enrolment as a sales tax practitioner. The application for enrolment shall be accompanied by a treasury receipt in support of having credited a sum of One thousand rupees to the following Head of Account:
(040 Sales Tax-Receipts under the State Sales Tax Act)

If the Commissioner of Commercial Taxes is satisfied that the applicant has the required qualifications and has not been found guilty of misconduct in connection with any sales tax proceeding, he shall enroll such person as a sales tax practitioner.

3) (a) Notwithstanding anything contained in sub-rules 1 and 2, no person who had held office in the Commercial Taxes Department not below the rank of Assistant Commercial Tax Officer and has retired or resigned from such post, shall be eligible for a period of two years from the date of his retirement or date of acceptance of the resignation, to act as a Sales Tax Practitioner or to accept any engagements, to appear on behalf of any dealer in any sales tax proceedings, except before the Sales Tax Appellate Tribunal and the Commissioner of Commercial Taxes.

(b) Every person enrolled as a Sales Tax Practitioner shall renew his enrolment every year by paying an amount of one hundred rupees and by furnishing latest particulars about himself before 30th day of April every year.

Provided that any Sales Tax Practitioner enrolled under the provisions of the Andhra Pradesh General Sales Tax Act, 1957, shall be deemed as enrolled on the date of the commencement of the Act and the renewal of enrolment shall commence from 1st day of April 2006. _____

4) The Commissioner of Commercial Taxes may, by order, cancel or suspend the enrolment of a person who is enrolled as a Sales Tax Practitioner –

(a) if he is found guilty of misconduct in connection with any sales tax proceedings; or

(b) if his enrolment has been found wrongly ordered.

5) No order shall be passed by the Commissioner of Commercial Taxes rejecting an application for enrolment or canceling or suspending an enrolment unless the applicant or the sales tax practitioner, as the case may be, has been given a reasonable opportunity of making his representation.

6) Any applicant in respect of whom an order has been passed by the Commissioner of Commercial Taxes rejecting his application for enrolment, and any sales tax practitioner in respect of whom an order has been passed by the Commissioner of Commercial Taxes canceling or suspending the

enrolment may within one month from the date of receipt of such order, appeal to the Government to have such order cancelled; and no such order shall have effect till the expiry of one month from the date of its receipt by such person or practitioner or where an appeal is preferred until the disposal of the said appeal.

7) Any person, who is entitled to appear before any authority on behalf of a dealer under Section 66, shall file an authorization from the dealer on Form 565.

8) The Commissioner of Commercial Taxes may authorize any officer not below the rank of Joint Commissioner to exercise the powers conferred in this rule.

(Sub-rule (8) was added by GO MS No 2201 dt 29th Dec 2005, w.e.f 1-12-2005.)

66. Procedure for filing, disposal etc., authority for clarifications and advance ruling:

1) An applicant may withdraw an application filed under Section 67 within thirty days from the date of application.

2) (i) An application under Section 67 shall be in Form 570 and shall be verified in the manner indicated therein and every such application shall be accompanied by a fee of one thousand rupees.

(ii) The fees specified in the sub-rule (1) shall be paid by way of crossed demand draft in favour of the Commissioner of Commercial Taxes, A.P., Hyd.

3) On receipt of any such application, the Authority shall cause a copy thereof to be forwarded to the assessing or registering authority concerned and call for any information or records.

4) The authority may, after examining such the application and any records called for, by order, either admit or reject the application within thirty days of the receipt of the application.

5) A copy of every order made under sub-rule (4) shall be sent to the applicant and the authority specified in sub- rule (3).

6) The authority shall hold its sittings at its headquarters at Hyderabad as and when required and the date and place of hearing shall be notified in such manner as the Chairman may by general or special order direct.

7) Where an application is admitted under sub-rule (4), the authority shall after examining such further material as may be placed before it by the applicant or obtained by the authority, pass such order as deemed fit on the questions specified in the application, after giving an opportunity to the applicant of being heard, if he so desires. The authority shall pass an order within four weeks of the date of the order admitting the application and a copy of such order shall be sent to the applicant and to the authority specified in sub-rule (3).

8) (i) The authority may at its discretion permit or require the applicant to submit such additional facts as may be necessary to enable it to pronounce its clarification or advance ruling.

(ii) Where in the course of the proceedings before the authority, a fact is alleged which cannot be borne out by or is contrary to the record, it shall be stated clearly and concisely and supported by a duly sworn affidavit.

9) Where on the date fixed for hearing or any other day to which the hearing may be adjourned, the applicant or the officer concerned does not appear in person or through an authorized representative when called on for hearing, the authority may dispose of the application ex parte on merits:

Provided, that where an application has been so disposed of and the applicant or the authority specified in sub-rule (3), applies within fifteen days of receipt of the order and satisfies the authority that there was sufficient cause for his non-appearance when the application was called upon for hearing, the authority may, after allowing the opposite party a reasonable opportunity of being, make an order setting aside the ex parte order and restore the application for fresh hearing.

10) Where the authority on a representation made to it by any officer or otherwise finds that an order passed by it was obtained by the applicant by fraud or mis-representation of facts, it may be, by order, declare such order to be void *ab initio* and thereupon all the provisions of the Act and the rules thereunder shall apply to the applicant as if such order had never been made.

11) A copy of the order made under sub-rule (6) shall be sent to the applicant and the Commissioner or the officer concerned.

12) Where the applicant dies or is wound up or dissolved or disrupted or amalgamated or succeeded to by any other person or otherwise comes to end, the application shall not abate and may be permitted by the authority, where it considers that the circumstances justify it, to be continued by the executor, administrator or other legal representative of the applicant or by the liquidator, receiver or assignee, as the case may be, on an application made in this behalf.

13) Where the authority finds on its own motion or on a representation made to it by the applicant or the authority specified in sub-rule (3), but before the clarification or ruling pronounced by the authority has been given effect to by the officer concerned, that there is a change in law or facts on the basis of which the clarification or ruling was pronounced, it may by order modify such ruling in such respects as it considers appropriate, after allowing the applicant and the officer a reasonable opportunity of being heard.

14) (i) The authority may, with a view to rectify any mistake apparent from the record, amend any order passed by it before the clarification or ruling order pronounced by the authority has been given effect to by the officer concerned.

(ii) Such amendment may be made on its own motion or when the mistake is brought to its notice by the applicant or the officer concerned, but

only after allowing the applicant and the officer reasonable opportunity of being heard.

67. Treatment of tax incentive cases:

1) Where any unit is availing a tax holiday on the date of commencement of the Act, it shall be treated as converted as the unit availing tax deferment. The balance period available as on 31st day of March 2005 to such units shall be doubled. The eligibility amount shall be the balance available to such unit as on that date. Balance period means the difference of period between date of completion of eligibility shown in the certificate of eligibility and 1st day of April 2005.

2) The units already availing tax deferment prior to commencement of the Act, shall continue to be eligible to avail the balance amount available as on 31st day of March 2005 and for the period as mentioned in the eligibility certificate.

3) The tax payable and the tax to be claimed as deferment for each period shall be the net tax (i.e. output tax less input tax) which shall be debited to the eligibility amount. (..)

(The words "Wherever the input tax exceeds output tax for a tax period and the deferment unit made any export sales or sales in the course of exports in the same tax period, the unit shall carry forward such excess input tax upto the month of March every year and shall be eligible to claim refund in the tax return for the month of March every year" deleted by GO MS No 2201 dt 29th Dec 2005 w.e.f 1-4-2005)

ILLUSTRATION:

CDL Industries was granted tax holiday for a period of 7 Years from 10-10-1999 for an amount of Rs.65, 22,000. As on 31-03-2005, the dealer has availed an amount of Rs.45, 10,000.

The period originally availed is 5 (five) years, 5(five) months and 21 days. The period of availment prior to 01-04-2005, when worked out on doubling the same, is 10(ten) years (11) months and 12 days. Deduct this period form total period of 14 (fourteen) years, as availed to the Units under Deferment Scheme originally. The balance period to be availed after 1-4-2005 is 36 months and 18 days. As per the above sub-rule (1) of this Rule, the dealer now is eligible to avail Tax Deferment for the balance amount of Rs.20,12,000/- for a period of 36 months and 18 days i.e. 01-04-2005 to 18-04-2008.

The amount of deferment, availed for each year, shall be paid after the end of the period of availment to the dealer after the conversion form Tax holiday Scheme to Deferment Scheme.

The Calculation is as follows:

1. Actual period of availment under Tax Holiday Scheme : 10-10-1999 to 9-10-2006

2. Period left as on 01-04-2005 : 01-04-2005 to 9-10-2006

3. Period left : 1 Year 6 months 9 days

4. Period doubled as per rule : 3 Years and 18 days

5. Period up to which the unit is Eligible for incentive : 18-4-2008

6. The Month & year in which the Tax Availed in the year 2005-2006 is payable : May 2008

7. The month & Year in which the Tax Deferment availed in subsequent Year is payable : May 2009 and so on.

(The illustration is substituted by G.O MS No. 503 Rev (CT-II) Dept, dated 08-05-2009 w.e.f 01-05-2009. The original illustration reds as **"Illustration:**

CDL Industries was granted tax holiday for a period of 7 years from 10-10-1999 to 09-10-2006 for an amount of Rs.65,22,000/-As on 31-03-2005, the dealer has availed an amount of Rs.45,10,000/-.

The period originally available as on 01-04-2005 is 18 months & 9 days. As per the above sub-rule the dealer now is eligible to avail tax deferment for the balance amount of Rs.20,12,000/- for a period of 36 months and 18 days i.e. 01-04-2005 to 18-04-2008.

The amount of deferment availed for each month shall be paid at the end of fourteenth year i.e. the amount of tax deferred for the month of April 2005 shall be paid on or before 30th April 2019.)

4) Where any VAT dealer is availing deferment, a declaration in Form 502 shall be filed for every tax period in addition to the return in Form VAT 200.

5) The amount availed in the first year, in which the unit is converted from Tax holiday Scheme to Deferment Scheme, shall be paid in the month succeeding the month in which the period for which the Unit is eligible for availment of the incentives is completed and the amount availed in the second year, shall be paid in the year, subsequent to the year in which the amount, availed in the first year is paid or payable and son on.

(The sub-rule (5) was added by G.O MS No. 503 Rev (CT-II) Dept, dated 08-05-2009 w.e.f 01-05-2009.)

(Source : apcommercialtaxes.gov.in)