

APPENDICES

APPENDICES

Appendix-I

Reference: Paragraph 2.3.1- Introduction

Procedure for registration, assessment and recovery of arrears under Sale Tax Laws

Registration of dealers	⇒	Section 4 and Section 8 of the HPGST Act and Section 4 and Section 14 of HPVAT Act, 2005 provide that no dealer shall, while being liable to pay tax under these Acts, carry on business as a dealer unless he has been registered and possesses a registration certificate.
Security/ Surety	⇒	Section 11 of the HPGST Act and Section 15 of HPVAT Act, 2005 provide for obtaining security in the shape of cash deposits, FDR, etc. to the satisfaction of AA. Besides, a dealer is also required to furnish personal bond with two sureties.
Payment of tax and Returns	⇒	Section 12 of the HPGST Act and Section 16 of HPVAT Act, 2005 requires a dealer to file his return, monthly/ quarterly, alongwith treasury receipt of tax deposited.
Assessment/ Scrutiny of returns of dealer	⇒	Rule 66 of the HPVAT Rules provides for selection of cases for scrutiny. Rule 34 of HPGST Rules and Rule 67 of HPVAT Rules provides for issue of notice for assessment to the dealer.
Tax demand notice	⇒	Rule 47 of the HPGST Rules and Rule 70 of the HPVAT Rules provide for serving of tax demand notice (TDN) within specified time (not be less than 15 days and not more than 30 days).
Arrears	⇒	If the dealer fails to pay the tax due within the time prescribed in the TDN, such unpaid demands constitute arrear.
Recovery measures available under Sale Tax Laws	⇒	Section 16, 16-A, 16-B, 28-A of HPGST Act and Section 25, 26, 27, 41 and 42 of HPVAT Act provide for various measures which can be adopted for recovery of government dues accrued. Rules also provides for recovery by forfeiting security furnished by a dealer.
Recovery of arrears as Arrear of Land Revenue (ALR)	⇒	Under the HPLR Act, recovery of government dues can be effected by adopting any one or more of the processes such as service of writ demand on defaulter, arrest and detention, distress and sale of moveable property, sale or attachment of estate or holding and proceedings against moveable property of the defaulter.

Appendix-II

Reference: Paragraph-2.3.6.1: Short accountal of arrear

Sr. No.	Name of the unit	No. of cases	Arrears pertained to the period between	Amount of arrears (₹ in crore)	Reasons
1	AETC, BBN-Baddi	23	September 2010 and October 2011	0.09	Arrear was not accounted/ short accounted for in arrear register as on March 2013.
		4	March 1996 and October 2011	1.33	Arrear as per ALR case files was ₹18.02 crore but the same was being reported as ₹16.69 crore.
		--	April 2009 and March 2013	3.88	Arrear was reported (March 2013) ₹92.98 crore to the Commissioner but as per party-wise arrear list it worked out to ₹96.86 crore.
			August 2009 and March 2013	2.38	As a result of jurisdictional change after creation of AETC BBN-Baddi office an arrear of ₹41.18 crore was transferred by the AETC Solan. AETC BBN-Baddi which had been accounted for as ₹38.80 crore in the records as well as in the statement forwarded to the HOD.
2	AETC Bilaspur	4	August 2003 and December 2010	0.09	Amount was outstanding in disposal register but not accounted for in arrear register.
3	AETC Hamirpur	2	March 2010 and March 2011	0.03	As above.
4	AETC Kangra at Dharamshala	18	September 2008 and December 2012, April 2008 and March 2013	0.01	As above.
		22		0.04	Arrear was either not carried over or carried over short in the arrear register.
5	AETC Nahan	23	May 2008 and August 2012	0.21	Amount was outstanding in disposal register but not accounted for in arrear register.
6	AETC Una	108	August 2008 and March 2013	0.63	As above.
		12	April 2008 and March 2013	0.05	Outstanding arrear as per ALR register was ₹92.59 lakh but it was shown ₹87.96 lakh in arrear register as on March 2013.
7	DETC (SZ)	10	August 2009 and June 2012, May 2011 and November 2011	1.23	Amount was outstanding in disposal register but not accounted for in arrear register.
				0.96	(a) Demand of ₹21.19 lakh was short accounted for; (b) Demand for ₹37.40 lakh, upheld by the ETC and for ₹36.97 lakh pending in appeal with the ETC, were not taken in arrear register; (c) Demand of ₹0.87 lakh outstanding for recovery, was shown as nil in arrear register.
		4	1	August 2002	0.01
8	DETC (FS) NZ	6	September 1998 and February 2007	0.04	Arrear transferred to circle office of Kangra for recovery but it was not accounted for in that office and also not shown as arrear in any record.
Total		237		10.98	

Appendix-III

Reference: Paragraph-2.3.6.1: Short accountal of arrear

Sr. No.	Name of Unit	No. of cases	Amount of arrear (₹ in lakh)	Audit observations
1	AETC Bilaspur	3	2.98	An arrear of ₹24.00 lakh was wrongly accounted for as ₹26.98 lakh in the arrear register as on March 2013.
2	AETC Hamirpur	1	2.79	Arrear of ₹2.79 lakh was accounted for twice in the arrear register.
3	DETC (FS) SZ Parwanoo	1	18.36	The arrear was recoverable under taxes on hotels and luxuries tax which had been erroneously accounted for under VAT.
		1	0.42	Demand was quashed by the ETC vide his orders of September 2010 but the same had not been accounted for in the register of arrear.
Total		6	24.55	

Appendix-IV

Reference: Paragraph-2.3.6.2: Non-maintenance of Demand and Collection Register

Sr. No.	Revenue district	Name of the Office/ Circle	Remarks
1	BBN-Baddi	AETC BBN	Year-wise centralised arrear register had not been maintained for the period August 2009 to March 2012.
		Nalagarh I & II circles	Arrear registers for the period April 2008 to March 2012 were not maintained.
		BBN-Baddi I & II circles	It was stated that an amount of ₹51.37 crore was declared to be recovered as ALR in case of 73 defaulters but no register for monitoring of such arrear was maintained.
2	Una	AETC Una	Year-wise centralised arrear register had not been maintained for the period April 2008 to March 2012.
		Bangana Circle	Year wise arrear register was not maintained.
		Mehatpur Circle	Arrear register was not maintained from 2010-11 afterwards.
3	DETC(FS), South Zone	--	Arrear register was not maintained from 2009-10 afterwards.

Appendix-V

Reference paragraph-2.8.1: Invalid, duplicate and defective/ misuse of Forms -'C'

Name of the Unit	Name of the firm M/s	Year of assessment Date of assessment	Differential amount of tax leviable on turnover exempted	Interest leviable u/s 19 (i) of HP VAT Act	Total	Reasons for rejection of the forms
AETC BBN- Baddi	Maiden Pharmaceuticals	2007-08 05.06.2013	321598	340894	662492	The forms were duplicate copies. (2 forms)
	Jindal Builtech Pvt. Ltd.	2007-08 12.03.2013	1229917	1303712	2533629	One form was duplicate copy and other one was incomplete (1+1=2 forms)
	BDS Décor & Prefab (p) Ltd.	2007-08 30.03.2012	246819	261628	508447	The form was duplicate copy. (1 form)
	Regalia Laminates	2006-07 --	244058	258702	502760	The forms had the wrong address of new Delhi. (15 forms)
		2007-08 14.03.2013	132264	140200	272464	The duplicate copies of the forms were submitted. (2 forms)
4 dealers	5 cases	2174656	2305136	4479792	22 forms	
AETC Kullu	Puri Bros. Kullu	2006-07 14.03.2011	51227	63522	114749	The forms were duplicate copies. (4 forms)
		2007-08 16.03.2012	36800	39008	75808	The forms were duplicate copies. (5 forms)
	1 dealer	2 cases	88027	102530	190557	9 forms
AETC Mandi	Farmenta Biotech Ltd.	2009-10 28.08.12	79816	55871	135687	The forms had the wrong address of Thane, Mumbai and J&K. (7 forms)
		1 dealer	1 case	79816	55871	135687
AETC Solan	Quantum Power Systems, Parwanoo	2010-11 08.06.2012	1123860	584407	1708267	Sold the ticket machine as IT product against the form. (one form)
		1 dealer	1 case	1123860	584407	1708267
AETC Una	Nipso Pole-fabric, Ltd	2007-08	87749	93014	180763	The forms had the wrong address. (3 forms)
		2008-09 05.06.2012	2370	2086	4456	
		2009-10 03.01.2013	5084	3559	8643	
	1 dealers	3 cases	95203	98659	193862	
8 dealers	12 cases	3561362	3146601	6708165	42 forms	
Total sale exempted (₹ in lakh)			₹35.61	₹31.47	₹67.08	

Annexure-VI
Reference paragraph-2.8.2: Invalid and duplicate Forms - 'F'

Name of the Unit	Name of the firm M/s	Year of assessment Date of assessment	Differential amount of tax leviable on turnover exempted	Interest leviable u/s 19 (i) of HP VAT Act	Total	Reasons for rejection of the forms
AETC BBN-Baddi	BDS Decor & Prefab (P) Ltd.	2007-08 30.03.2012	556959	590377	1147336	The forms were duplicate copies (2 forms).
	Wim Plast Ltd.	2007-08 15.05.2013	45829	48579	94407	The forms were covering transaction more than one month (2 forms).
AETC Una	Tara Mandal Minks Pvt. Ltd.	2006-07 03.07.2012	265990	329828	595818	The forms were covering transaction more than one month (3 forms).
3 dealers / cases			868778	968784	1837561	7 forms
Total sale exempted		(₹ in lakh)	₹8.69	₹9.69	₹18.38	