

GOVERNMENT OF ANDHRA PRADESH
COMMERCIAL TAXES DEPARTMENT

Office of the
Commissioner of Commercial Taxes,
Andhra Pradesh, Hyderabad.

CCT's Ref.No.Enft .E3/476/2015

Dt: 05-05-2015

Sub: APVAT Act 2005 –VAT Registrations-Procedures-Modification
of Registration Process-certain instructions issued- Reg.

Ref : 1. CCT's Ref No A III(1)-6/2005 Dt 27-10-2005

It has come to notice that certain dealers after obtaining VAT Registrations and taking waybills in large quantities have misused them by resorting to tax evasion tactics. Some times, the unscrupulous persons take registrations not to conduct business, but to abet tax evaders by selling Tax Invoices and/or Waybills. By the time, the department officials detect the suppressed turnovers, these persons close their activities and vanish. It is almost impossible for the department to realize any tax from these officials as there will not be any properties or amounts in their names. These persons are encouraged by lacklustre approach of the registering authorities and other officials including the Commercial Tax Officers concerned.

In order to prevent misuse of VAT Registrations, the following instructions are issued.

1. The CTOs shall compulsorily visit the business premises of dealers dealing in sensitive commodities viz Iron & Steel, Pulses & Dhalls, Sugar etc , before issuing Registration to ensure that the dealers are genuine and do not resort to bogus transactions. All the Registering authorities shall circulate the sensitive commodity files to the CTOs of their circle immediately after they receive the RC applications. However, in respect of new Industries as per the Single desk policy, the registrations can be issued. But immediate post registration visit is mandatory.
2. The CTOs shall conduct Advisory visits in atleast 10% cases after Registrations are issued. Further, whenever any dealer who has taken registration to do business in non sensitive commodities and subsequently conducts business in sensitive commodities and also utilizes waybills for movement of Sensitive goods , the CTO shall invariably conduct Advisory visit of such dealers immediately.

3. The Deputy Commissioner(CT)s of the divisions have to review the pending Advisory visits every month and ensure that Advisory visits are completed promptly and properly.
4. At the time of registration, the following copies of documents to be obtained:
 - (i) Partnership deed in case of Partnership firm.
 - (ii) Registration Certificate in case of other businesses like society, Trust etc which are not captured in PAN
 - (iii) For Principal place of business-
 - (a) In case of own premises any document in support of the ownership of the premises like Latest Tax Paid Receipt or Electricity Bill copy etc;
 - (b) In case of Rented or Leased Premises- valid Rent/Lease agreement with any document in support of the ownership of the premises of the lessor like latest tax paid receipt , electricity bill. The agreement for rent should be for a period not less than eleven (11) months. Further the owner of the business place to be contacted and statement to be recorded from the owner of the business place. To ensure genuineness of the dealer, the photograph of the business place/building along with the dealer to be taken.
 - (c) In case premises obtained from others , other than by way of rent or lease, a copy of the consent letter with any document in support of the ownership of the premises of the consenter like electricity bill etc.
 - (iv) Details of Bank Account- Opening page of the Bank Passbook held in the name of Proprietor/ Business concern- containing the Account No, Name of the Account holder, MICR and IFS Codes and Branch details
 - (v) Photograph: of the Proprietor/ All partners/ HUF Karta/ MD or the authorized person for Company etc
5. The following antecedents of the dealer if any to be examined before registration certificate is issued.
 - (i) Visit apct.gov.in

- (ii) view VAT/CST dealers-Search by name, surname, firm name, PAN and Aadhar to ascertain whether the dealer is registered anywhere in AP. If Yes Registering authority should question why a second RC is required.
 - (iii) View Cancelled dealers list-take a print of the dealer cancelled RC in the past- Take a print out of Dealer Ledger in the Return Reports- calculate the closing stock- collect VAT 200C and collect tax on closing stock/reverse ITC- Unutilized waybills/C/F forms to be ascertained.
 - (iv) Follow the same method in the Telangana website tgct.gov.in
6. The ACTO, who issues VAT registrations shall invariably watch the monthly returns filed by the dealers with reference to the Waybills utilized by them, in the first year of registration.

The above instructions shall be scrupulously followed.

Sd/- J.Syamala Rao
Commissioner of Commercial Taxes.

To
All Deputy Commissioner(CT)s of the Divisions
All Commercial Tax Officers in the state
All Registering Authorities in the state
Copy to Senior Officers in the office of Commissioner(CT)

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Joint Commissioner(CT), Computer wing