

GOVERNMENT OF ASSAM
FINANCE (TAXATION) DEPARTMENT.

ORDERS BY THE GOVERNOR

NOTIFICATION

Dated Dispur, the 5th May, 2017

No.FTX.88/2015/148:- Whereas the Government deems it expedient to prescribe the procedure, guidelines and risk parameters for inspection to be made by the taxation department in order to simplifying business regulations and bring in transparency and accountability in inspection undertaken by the Taxation department ;

Now, therefore, the Governor of Assam is pleased to formulate an inspection module to be followed by the Taxation department.

Short title and commencement.

1. (1) The module shall be called the "Module for Inspection".
- (2) It will come into force on the date of their publication in the Official Gazette.

Officers empowered to undertake inspections

2. The Commissioner of Taxes is empowered to undertake inspection and he delegates such power to the following Officers:-
 - (i) Additional Commissioner of Taxes;
 - (ii) Joint Commissioner of taxes;
 - (iii) Deputy Commissioner of Taxes;
 - (iv) Assistant Commissioner of Taxes;
 - (v) Superintendent of Taxes;
 - (vi) Inspector of Taxes.

Criteria of Inspections

3. (1) Mandatory inspection:-
 - (i) Yearly inspection to the business establishments to ascertain its existence, goods dealt in, quantum of business, status of employee etc. subject to information of variation of verticals and risk analysis;
 - (ii) Physical inspection in case of new registration on post issuance of the Registration Certificate;
 - (iii) Inspection in the industrial units claiming tax exemption;
 - (iv) Default and action in contravention of the provisions of the Act;
 - (v) Inspection in case of closure of business;

(vi) Inspection in case of complaints.

(2) Optional inspections:-

Under this criteria online inspection list will be generated through computers using pre decided criteria as and when deems fit by the Commissioner of Taxes and such inspection may be undertaken by the empowered officers selected by the Commissioner of Taxes. Such pre-decided criteria shall be any one or combine of following parameters:-

- (1) Gross turnover>=
- (2) Taxable turnover>=
- (3) Input tax credit claimed>=
- (4) Refund claimed>=
- (5) Input tax credit balance carried forward>=
- (6) (CST sale + Stock transfer + Export)>=
- (7) Fall in gross turnover>=
- (8) Fall in tax paid>=
- (9) Taxable turnover as % total value of contracts>=
- (10) Failure to submit utilization of Road Permit>=
- (11) Failure to submit utilization of Delivery Note>=
- (12) Dealers with value in (Road Permit/Delivery Note)>Gross Turnover
- (13) Sales is less than purchases

(3) Zero inspections:-

So long no statutory forms is required by an applicant, the procedure for inspection may remain dispensed with.

Introduction

4. (1) The mandatory inspections are to be carried out by the designated officer. In general cases, such inspection shall be carried out by the Inspector of Taxes.
- (2) In case of registration, immediately after filing of online registration application wherein the dealer enters the details of the business, premises, goods and materials dealt with etc in their application for registration, the system will generate alert to the Inspector of Taxes allotted through the system. The purpose of the inspection process is to validate the identity of the dealer as well as verify genuineness of details of the business premises, business conducted and other details as entered in the application for registration. This can be regarded as "Know Your Dealer" for the department.

Process

5. The process for inspection shall be in the following manner:-

- (i) Inspector of Taxes shall download all the details of the registration required for inspection which are filed by the dealers on-line at the time of making on-line application of registration.
- (ii) The Inspector of Taxes shall thereafter inform the dealer concerned the probable date of his visit to the business premises of the dealer. Such date shall be within three working days from the date of grant of registration.
- (iii) The Inspector of Taxes shall also inform the dealer about the documents which will be verified by him at the time of visit.
- (iv) The documents to be verified at the time of visit shall be:-
 - (a) PAN card
 - (b) Trade licence
 - (c) Proof of address, like electricity bill or telephone(landline) bill or aadhar card or passport
 - (d) Bank account details
 - (e) Deed of partnership or Article of Association, as the case may be
 - (f) Permission of Board of Directors for Authorised person
 - (g) Land document or rent agreement or lease agreement or no objection certificate from the owner of the property, as the case may be.
 - (h) Any other document as may be required.
- (v) Thereafter Inspector of Taxes shall visit the site and verify the actual place of business. They may take photographs of the business location.
- (vi) The Inspector of Taxes shall physically check all details and shall tick the checklist as he verifies the authenticity of the documents.

(vii) The Inspector of Taxes shall also verify the location of warehouse/godowns as declared in the application of registration.

(viii) The Inspector of Taxes shall also enter any notes that he wishes to add to the checklist for future use.

**Ancillary
Process**

6. The Inspector of Taxes shall also verify the applicability of other taxes on the dealer. The Inspector of Taxes shall thereafter submit his inspection report online to the concerned Prescribed Authority, along with the applicability of other taxes on the dealer through system within 3 working days. Such inspection report can be viewed by the concerned person.

**Risk
parameters**

7. The followings risk parameters have to be kept in mind while carrying out the inspection.

(i) To check genuineness of the information provided by the dealer in the application form.

(ii) Proper custody and utilization of statutory forms as may be obtained by the dealers.

Sd/- V.B. PYARELAL

Addl. Chief Secretary to the Government of Assam,
Finance Department,

Dated Dispur, the 5th May, 2017

Memo No.FTX.88/2015/148-A

Copy to :-

1. The Commissioner of Taxes, Assam, Kar-Bhawan, Dispur, Guwahtati-6 for information and necessary action for early publication of the notification in the Extra Ordinary, Assam Gazette.
2. The Publisher, Assam Government Press. He is requested kindly to publish the above notification in the Extra Ordinary Issue of the Assam Gazette immediately and supply 300 (three hundred) copies to this department after publication.
3. The Joint Secretary to the Govt. of Assam, "e-Governance Unit", Finance Department for information.
4. The Legislative Department, Dispur for information.

By Order etc.

Joint Secretary to the Govt. of Assam,
Finance (Taxation) Department