

Technical Guide to Goa VAT



The Institute of Chartered Accountants of India
(Set up by an Act of Parliament)
New Delhi

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Foreword

One of the important tax reforms initiated at state level since liberalization was the introduction of Value Added Tax (VAT). Introduction of uniform VAT in the States was a challenging exercise in the federal country like India, where each State Government, in terms of constitutional provision, is sovereign in levying and collecting state taxes.

With the implementation of State Level Value Added Tax (VAT), the main motive to allow input tax credit to the dealer and reduce cascading effect of taxes and price level in general to some extent, has been achieved. This has also lead to increase in collection of revenue of the State Governments due to better compliance of the VAT Law by the dealers. The country is on the verge of most ambitious and largest ever indirect tax reform i.e. introduction of Goods and Services Tax which seeks to create a common national market by bringing down fiscal barriers between the States and reduce the complexities of current tax structure.

Though the broad design of the State-level VAT is uniform across the country but every State has its own VAT legislation and procedures differ on many counts from one State to another. Considering the importance of all State VAT Laws, Indirect Taxes Committee of the Institute of Chartered Accountants of India (ICAI) has taken an initiative to bring out state wise technical guides. In this regard, the Committee has come out with "Technical Guide to Goa VAT". The Guide explains the concepts relating to Goa VAT laws in a very exhaustive manner.

I congratulate CA. Atul Gupta, Chairman, CA. Nihar Niranjana Jambusaria, Vice-Chairman and other members of Indirect Taxes Committee of ICAI for successfully completing the task.

I am sure that members will find this Guide very useful in their day to day practice in respect of Goa VAT.

Date: 2nd February, 2015
Place: New Delhi.

CA. K Raghu
President

Preface

VAT, considered as a path-breaking reform in the area of indirect taxation, was introduced in majority of the States from April 1, 2005 with the objective of making accounting more transparent, cutting trade barriers, boosting tax revenues and most important of all doing away with the cascading effect of taxes. However, the State of Goa introduced VAT with effect from 1st April, 2005. During these years, VAT system has not only been able to successfully achieve all these objective but has also increased self-compliance by the taxpayers.

In order to facilitate in understanding the State level VATs, the Indirect Taxes Committee has taken an initiative to prepare State Wise "Technical Guides to VAT" for all States. One of the product of such initiative is "Technical Guide to Goa VAT". An attempt has been made in this Guide to cover all the aspect of Goa VAT provision such as basic principles, procedure for registration, payment, assessment, refund, penalties, input tax credit, import and exports of goods etc., and is intended to give a general guidance to the chartered accountants to address the various issues that may arise in the Goa VAT.

I am extremely thankful to CA. K Raghu, President and CA. Manoj Fadnis, Vice-President, ICAI and members of the Committee for their support and guidance in this initiative. Further, I thanks to CA. Shiv Shankar Shaw for preparing basic draft of the publication and CA. Padma Balakrishnan for reviewing the same. I must also compliment and appreciate the substantial assistance provided by the Indirect Taxes Committee Secretariat to bring this publication to its being.

I am sure that this publication would help the members and readers to be well equipped in effectively discharging their duties as Goa VAT practitioners.

I look forward to receiving feedback for further improvements in this Technical Guide at itdc@icai.in.

Date: 2nd February, 2015
Place: New Delhi.

CA. Atul Gupta
Chairman
Indirect Taxes Committee

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Glossary

In this Act, unless the context otherwise requires,-

1. **"Act"** means the Goa Value Added Tax Act, 2005
2. **"Appellate Authority"** means the Additional Commissioner of Commercial Taxes or the Assistant Commissioner of Commercial Taxes or such other officer not lower than a Junior Scale Officer of Goa Civil Service, appointed by the Government as Appellate Authority
3. **"Appropriate Assessing Authority"** means-

in relation to any particular dealer, the Assistant Commissioner of Commercial Taxes or the Commercial Tax Officer, or the Assistant Commercial Tax Officer, within whose jurisdiction the dealer's place of business is situated;

in relation to a dealer who has more than one place of business in the State of Goa, Assistant Commissioner of Commercial Taxes or the Commercial Tax Officer or the Assistant Commercial Tax Officer, within whose jurisdiction the Head Office of such business is situated in the State of Goa;

in relation to non-resident dealer, as defined in clause (t) of section 2 of the Act, the Commercial Tax Officer or the Assistant Commercial Tax Officer, nominated by the Commissioner for the purpose

Provided that the Assistant Commissioner of Commercial Taxes, Commercial Tax Officer or the Assistant Commercial Tax Officer posted in the office of the Commissioner shall be the Appropriate Assessing Authority in respect of such dealers and for such purposes including registration, assessment, re-assessment, recovery, enforcement, etc., as the Commissioner may, by a special or general order, specify
4. **"Appointed day"** means the day on which this Act shall come into force.
5. **"Appropriate Government Treasury"** means any treasury or taluka sub-treasury or the Reserve Bank of India, or a branch of the State

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Bank of India or its subsidiary or any bank so notified by the Government, situated in the area in which the dealer concerned has his place of business or the head office, if the business is carried on at more than one place in the State and includes cyber treasury so notified by the Government

6. **"Business"** includes, -
- (i) any trade, commerce or manufacture
 - (ii) any adventure or concern in the nature of trade, commerce or manufacture
 - (iii) any transaction in connection with, or incidental to or ancillary to trade, commerce, manufacture, adventure or concern
 - (iv) any transaction in connection with, or incidental to or ancillary to the commencement or closure of such business
 - (v) any occasional transaction in the nature of trade, commerce, manufacture, adventure or concern whether or not there is volume, frequency, continuity or regularity of such transaction

whether or not trade, commerce, manufacture, adventure, concern or transaction is effected with a motive to make gain or profit and whether or not any gain or profit accrues from such trade, commerce, manufacture, adventure, concern or transaction.

Explanation.- For the purpose of this clause,

- (i) the activity of raising of man-made forest or rearing of seedlings or plants shall be deemed to be business.
- (ii) any transaction of sale of capital goods pertaining to such trade, commerce, manufacture, adventure, concern or transaction shall be deemed to be a transaction comprised in business.
- (iii) sales of any goods, the proceeds of which are credited to the business shall be deemed to be transactions comprised in business

7. **"Business Premises"** means any place where a dealer or a transporter sells, transports, books or delivers goods and includes any place where he stores, processes, produces or manufactures goods or keeps books of accounts

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8. "**Capital Goods**" means plant and machinery (including spares and components) and equipment used in or in relation to manufacture or processing of goods for sale or any other goods which is notified by the Government and used in furtherance of any business excluding such civil structures as may be prescribed
9. "**Casual Trader**" means a dealer who, whether as principal, agent or in any other capacity, has occasional or seasonal transaction involving the selling, supplying or distribution of goods or conducting any exhibition-cum-sale in Goa whether for cash or for deferred payment, commission, remuneration or other valuable consideration
10. "**Company**" means a company as defined in section 3 of the Companies Act, 1956 and includes a body corporate or corporation within the meaning of clause (7) of section (2) or Foreign Company referred to in section 591 of that Act.
11. "**Commissioner**" means the person appointed to be the Commissioner of Commercial Taxes for the purposes of this Act
12. "**Digital signature**" means authentication of any electronic record by a subscriber by means of an electronic method or procedure in accordance with the provisions of the Information Technology Act, 2000
13. "**Dealer**" means any person who carries on the business of buying, selling, supplying or distributing goods, executing works contract, delivering any goods on hire purchase or any system of payment by instalments, transferring the right to use any goods or supplying by way of or as part of any service, any goods directly or otherwise or organizing or conducting exhibition or any event or programme either for sale of goods or for promoting goods for sale, whether for cash or for deferred payment, or for commission, remuneration or other valuable consideration and includes;
 - (a) a casual trader
 - (b) a commission agent, a broker or a del-credere agent or an auctioneer or any other mercantile agent, by whatever name called
 - (c) a non-resident dealer or an agent of a non-resident dealer, or a local branch of a firm or company or association or body of persons whether incorporated or not, situated outside the State

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- (d) a person who, whether in the course of business or not,-
 - (i) sells goods produced by him by manufacture, agriculture, horticulture or otherwise; or
 - (ii) transfers any goods, including controlled goods whether in pursuance of a contract or not, for cash or for deferred payment or for other valuable consideration
 - (iii) supplies, by way of or as part of any service or in any other manner whatsoever, goods, being food or any other articles for human consumption or any drink (whether or not intoxicating), where such supply or service is for cash, deferred payment or other valuable consideration

Explanation-

- (a) an agriculturist who sells exclusively agricultural produce grown on land cultivated by him personally shall not be deemed to be a dealer within the meaning of this clause
- (b) government or departments of Union Governments or Other State Governments and Union Territories which whether or not in the course of business, sells, supplies or distributes, goods directly or otherwise, for cash or for deferred payment or for commission, remuneration or other valuable consideration, shall, in relation to any sale, supply or distribution of surplus, unserviceable or old stores or materials or waste products or obsolete or discarded machinery or parts or accessories thereof, be deemed to be a dealer for the purpose of this Act
- (c) each of the following persons and bodies who dispose of any goods including goods as unclaimed or confiscated or as unserviceable or as scrap, surplus, old, obsolete or discarded material or waste products whether by auction or otherwise, directly or through an agent for cash or for deferred payment, or for any other valuable consideration, shall notwithstanding anything contained in clause (d) or any other provision of this Act, be deemed to be a dealer, to the extent of such disposals, namely:-
 - (i) Port Trust

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- (ii) Municipal Corporation/Council, and other Local authorities
 - (iii) Railway Administration as defined under the Railway Act, 1989
 - (iv) Shipping Transport and Construction Companies
 - (v) Air Transport companies and Airlines
 - (vi) Transporters, holding permit for transport vehicles granted under the Motor Vehicles Act, 1988 which are used or adopted to be used for hire
 - (vii) Customs and Central Excise Department of Government of India administering the Customs Act, 1962 and the Central Excise Tariff Act, 1985
 - (viii) Insurance and Financial Corporations or companies and Banks included in the Second Schedule to the Reserve Bank of India Act, 1934
 - (ix) Advertising agencies
 - (x) Any other corporation, company, body or authority owned or set up by, or subject to administrative control of the Government
 - (xi) Income Tax Department of Government of India administering the Income Tax Act, 1961
 - (xii) Any other body as may be notified by the Government from time to time
14. **"Declared goods"** means declared goods as defined in the Central Sales Tax Act, 1956
15. **"Director"** in relation to a company, include any person occupying the position of director by whatever name called
16. **"Document"** includes written or printed records of any sort, title deeds and data stored electronically in whatever form
17. **"Earlier law"** means the Goa Sales Tax Act, 1964 as amended from time to time, and includes enactments which have validated anything done or omitted to be done under any of the above mentioned laws

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18. "**Goods**" means all kinds of movable property (other than newspapers) and includes livestock, all materials, commodities, grass or things attached to or forming part of the earth which are agreed to be severed before sale or under a contract of sale, and property in goods (whether as goods or in some other form) involved in the execution of works contract, lease or hire-purchase or those to be used in the fitting out, improvement or repair of movable property but does not include actionable claims, stocks, shares and securities.
19. "**Importer**" means a person who brings any goods into the State or to whom any goods are despatched from any place outside the State
20. "**Input-tax**" means tax charged under this Act by a registered dealer to another registered dealer on purchases of goods in the course of business
21. "**Manufacture**" includes any activity that brings out a change in an article or articles as a result of some process, treatment, labour and results in transformation into a new and different article so understood in commercial parlance having a distinct name, character, use and includes extracting any goods but does not include such activity of manufacture as may be notified
22. "**Month**" means a calendar month
23. "**Non-resident dealer**" means a dealer who has no place of business in the State of Goa but who sells or delivers goods in the State of Goa for sale therein
24. "**Notification**" means any notification issued under the Act
25. "**Output tax**" in relation to any registered dealer, means the tax charged in respect of sale or supply of goods made by that dealer
26. "**Person**" includes an individual, any Government, any company or society or club or association or body of individuals whether incorporated or not, and also a Hindu undivided family, a firm and a local authority and every artificial juridical person not falling within any of the preceding descriptions
27. "**Prescribed**" means prescribed by the rules made under this Act
28. "**Prescribed authority**" means an Officer of the Commercial Taxes Department, appointed as to carry out the purposes of the Act or these rules

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29. **"Raw Materials"** means goods used as ingredients in the manufacture of other goods and includes processing materials, consumable stores and material used in the packing of the goods so manufactured
30. **"Registered dealer"** means a dealer registered under this Act
31. **"resale"** means a sale of purchased goods-
 - i. in the same form in which they were purchased; or
 - ii. without doing anything to them, which amounts to, or results in, a manufacture, and the word "resell" shall be construed accordingly
32. **"Return period"** means the period for which the returns are to be furnished by a dealer under these rules
33. **"Rules"** means rules made under this Act
34. **"sale"** with all its grammatical variations and cognate expressions means every transfer of the property in goods (other than by way of a mortgage, hypothecation, charge or pledge) by one person to another in the course of trade or business for cash or for deferred payment or other valuable consideration, and includes –
 - (a) transfer, otherwise than in pursuance of a contract, of property, in goods for cash, deferred payment or other valuable consideration
 - (b) transfer of property in goods (whether as goods or in some other form) involved in execution of a works contract including an agreement for carrying out the work of building, construction, manufacture, processing, fabrication, erection, installation, fitting, improvement, modification, repair or commissioning of any movable or immovable property, for cash, deferred payment or other valuable consideration
 - (c) delivery of any goods on hire purchase or any other system of payment by instalments
 - (d) transfer of the right to use any goods for any purpose (whether or not for a specified period), for cash, deferred payment or any other valuable consideration
 - (e) a supply, by way of or as part of any service or in any other manner whatsoever, of goods being food or any other article for

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human consumption or any drink (whether or not intoxicating) where such supply or service is for cash, deferred payment or other valuable consideration

Explanation - A sale shall be deemed to take place in Goa if the goods are within Goa,-

- (i) in the case of specific or ascertained goods, at the time the contract of sale made; and
- (ii) in the case of unascertained or future goods, at the time of their appropriation to the contract of sale by the seller, whether the assent of the buyer to such appropriation is prior or subsequent to the appropriation

Provided that where there is a single contract of sale in respect of goods situated in Goa as well as in places outside Goa, provisions of this Explanation shall apply as if there were a separate contract of sale in respect of the goods situated in Goa.

- 35. **"Sale Bill or Cash Memorandum"** means a bill issued by a dealer in support of his sale and which is not a Tax Invoice
- 36. **"Sale Price"** means the amount of valuable consideration received or receivable by a dealer for the sale of any goods less any sum allowed as cash discount, according to the practice normally prevailing in the trade, but inclusive of any sum charged for anything done by the dealer in respect of the goods at the time of or before delivery thereof, excise duty, special excise duty or any other duty or taxes except the tax imposed under this Act

Provided that in case of transfer of property in goods (whether as goods or in some other form) involved in the execution of a works contract, the sale price of such goods shall be determined in the prescribed manner by making such deductions from the total consideration for the works contract as may be prescribed and such price shall be deemed to be the sale price for the purpose of this clause

- 37. **"Schedule"** means the Schedule appended to this Act and Rules
- 38. **"State"** means the State of Goa
- 39. **"Subscriber"** means a subscriber as defined under section 2(1)(zg) of the Information Technology Act, 2000

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40. "Government" means the Government of Goa
41. "Tax" means a tax, payable under this Act
42. "Tax Invoice" means an invoice issued by one registered dealer to another registered dealer in respect of sales made by him within the State, of goods taxable under the Act
43. "Taxable Goods" means goods other than those specified in Schedule D
44. "Tax Period" means such period as may be prescribed as tax period
45. "TIN" means the Tax-Payers Identification Number
46. "Tribunal" means the Tribunal constituted under section 14 of this Act
47. "Taxable turnover" means the turnover on which a dealer shall be liable to pay tax as determined after making such deductions from his total turnover and in such manner as may be prescribed, but shall not include the turnover of sale in the course of interstate trade or commerce or in the course of export of the goods out of the territory of India or in the course of import of the goods into the territory of India and the value of goods transferred or dispatched outside the State otherwise than by way of sale
48. "Turnover" means the aggregate amount of sale price for which goods are sold or supplied or distributed by a dealer, either directly or through another, whether on own account or on account of others, whether for cash or for deferred payment, or other valuable consideration
49. "Taxable sale" means sale which is taxable under the provisions of this Act
50. "Taxable person" means every person who is registered or is liable to be registered and liable to pay tax under this Act;
51. "VAT" means Value Added Tax
52. "Vehicle" includes every wheeled conveyance used for the carriage of goods solely or in addition to passengers
53. "Warehouse" means any enclosure, building or vessel in which any person or dealer keeps stock of goods for sale or resale or for consumption.

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54. "Works contract" shall include any agreement for carrying out for cash, deferred payment or other valuable consideration, the building, construction, manufacturing, processing, fabrication, erection, installation, fitting out improvement, modification, repair or commissioning of any movable or immovable property
55. "Year" means, the financial year

Chapter 1

Introduction

Value added tax, briefly called the VAT was introduced in India from 1st April 2005 as a part of Indirect Tax Laws. VAT is a subject of State Governments and is levied on sale and purchase of goods within the State. Introduction of State VAT is an important reform measure at State level. The State VAT has replaced the earlier Sales Tax system of the States. The main purpose of VAT has been rationalization of overall tax burden and reduction in general price level by removal of cascading effect of double taxation. Thus, it seeks to help common people, traders, industrialists as well as the Governments. It is an important move towards more equal competition, efficiency and uniformity in the taxation system.

VAT is a multi-point destination based system of taxation, with tax being levied on value addition at each level of transaction in the production/ distribution chain. The term 'value addition' implies the increase in value of goods at each stage of production or its transfer. VAT is a tax on final consumption of goods and is ultimately borne by the consumer, and hence it is also known as consumption tax.

The main benefits of implementation of VAT are:

- Tax is imposed on the basis of invoice/ bill at each stage and hence tax evasion is reduced, thereby increasing the revenue yield to Government
- Set off is available for input tax as well as tax paid on previous purchases, which removes cascading effect
- Tax structure is more transparent, simple and easy to understand
- Promotes competitiveness of exports

Goa VAT

The Goa Value Added Tax Act, 2005 (Goa Act 9 of 2005) was passed by the Legislative Assembly of Goa on 13-01-2005 and assented to by the President of India on 31-03-2005. The basic purpose of the Act is to provide for and consolidate the law relating to the levy and collection of Value Added Tax on sales of goods in the State of Goa.

On implementation of Goa Value Added Tax Act, 2005, The Goa Sales Tax Act, 1964 (Act 4 of 1964) has been repealed. However, notwithstanding the repeal of the Goa Sales Tax Act, 1964 referred to therein-

- The old law (including earlier law continued in force under any provisions thereof), and all rules, regulations, orders, notifications, forms, certificates and notices issued under that law and in force immediately before the appointed day shall subject to the other provisions of this Act, in so much as they apply, continue to have effect for the purposes of the levy, assessment, reassessment, appeal, revision, rectification, reference, payment and recovery, collection, refund or set off of any tax, exemption from payment of tax, the imposition of any penalty, or of interest or forfeiture of any sum, which levy, assessment, reassessment, appeal, revision, rectification, reference, payment and recovery, collection, refund, set off, exemption, penalty, interest or forfeiture of any sum relates to any period ending before the appointed day, or for any other purpose whatsoever connected with or incidental to any of the purposes aforesaid and whether or not the tax, penalty, interest or sum forfeited, if any, in relation to such proceedings is paid before or after the appointed day.
- Any registration certificate issued under the Goa Sales Tax Act, 1964 (Act 4 of 1964) be deemed to be the certificate of registration issued under the VAT and accordingly the dealer holding such registration certificate immediately before the appointed day shall until the certificate is duly cancelled be deemed to be a dealer liable to pay tax under this Act and to be a registered dealer under this Act and all the provisions of this Act will apply to him as they apply to a dealer liable to pay tax under Goa VAT Act

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- Any certificate of registration issued to any dealer and valid on the day immediately preceding the appointed day, issued under the Goa Sales Tax Act, 1964 (Act 4 of 1964), shall notwithstanding that the dealer is not liable to pay tax under the VAT Act be deemed to be the certificate of registration issued under this Act until it is duly cancelled in accordance with the provisions of this Act
- Any person appointed as the Commissioner, Additional Commissioner or Assistant Commissioner, or any person appointed to assist the Commissioner, under the repealed Act and continuing in the office immediately before the appointed day, shall, on and from the appointed day, be deemed to have been appointed under this Act and shall continue in office as such till such person ceases to be the Commissioner, Additional Commissioner or Assistant Commissioner or ceases to be the person appointed to assist the Commissioner

Role of Chartered Accountant

Chartered Accountants are well trained by the Institute of Chartered Accountants of India for successful implementation and compliance of VAT. As tax practitioners Chartered Accountants can cater to the industry requirement very efficiently. They can guide the dealers in proper record keeping, tax planning and compliance procedures. By fulfillment of VAT Audit requirement and sorting out queries chartered accountants plays a vital role in helping the dealer to conduct the business with ease.

The Chartered Accountants through their attest function, also ensure the dealer as well as the Government that taxes are paid properly, returns are filed in time and provisions of this Act are properly complied with, and thereby they help the Government in controlling tax evasion.. Chartered Accountants along with their service to the industry also help the Government in revenue growth by ensuring adherence to the provisions of law.

Chapter 2

Incidence and Levy of Tax

1. Incidence of Tax (Section 3)

- Every dealer, whose turnover of all sales made during
 - (i) the year ending on the 31st day of March of the year preceding the year in which this Act is enforced; or
 - (ii) the year commencing on the 1st day of April of the year during which this Act is enforced

has exceeded or exceeds the relevant limit specified shall until such liability ceases be liable to pay tax under this Act on his turnover of sales, made, on or after the appointed day

- The relevant limit specified for levy of tax shall be as follows-

(i)	In the case of Non-resident dealer and casual trader	₹ 10000/-
(ii)	In the case of importer/manufacture	₹ 1,00,000/-
(iii)	In any other case	₹ 5,00,000/-

- For the purpose of calculating the limit of turnover for liability to tax, the following shall be included-
 - (i) the turnover of all sales, whether such sales are taxable or not or of taxable goods or not
 - (ii) all sales made by the dealer on his own account, and also on behalf of his principals whether disclosed or not
 - (iii) in the case of an auctioneer, in addition to the above turnover, the turnover shall also include the price of the goods auctioned by him for his principal, whether the offer of the intending purchaser is accepted by him or by the principal or a nominee of the principal, if the price of such goods is received by him on behalf of his principal

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(iv) in the case of a manager or agent of a non-resident dealer, in addition to the turnover, if any, referred to in above, the turnover shall also include the sales of the non-resident dealer effected in the State

- Every dealer who has become liable to pay tax under this Act, shall continue to be so liable until his registration is duly cancelled; and upon such cancellation his liability to pay tax, shall cease other than tax, already levied or leviable.

Provided that, if the dealer becomes liable to pay tax again in the same year in which he ceased to be liable as aforesaid, then in respect of such sales which take place during the period commencing on the date of the cessation of liability to tax and upto the time when his turnover of sales does not exceed the relevant limit applicable to him no tax shall be payable by him.

- Liability of dealers registered under the Central Sales Tax Act, 1956 - Every dealer shall be liable to pay tax under this Act so long as he is registered under the Central Sales Tax Act, 1956 on all sales effected by him or on his behalf within Goa, on or after the date of his liability or the date of his registration, whichever is earlier, under the Central Sales Tax Act, 1956
- Liability of exporters and dealers effecting stock transfers outside the State - Every dealer exporting any goods outside India or effecting stock transfers to any States and Union Territories within India shall be liable to pay tax under this Act on all taxable sales effected within the State of Goa.
- Special liability of person organizing or conducting exhibition or event or programme - Any person organizing or conducting exhibition or event or programme either for sale of goods or for promoting goods for sale, by providing stalls or space to other persons or dealers under the banner of specific name or otherwise or under a common roof or otherwise shall be liable to pay tax on all taxable sales effected by all such persons or dealers participating in such exhibition or event or programme other than the dealers who are already registered under this Act and self-help groups participating in such exhibition or event or programme

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Provided that no person shall be allowed to carry on such exhibition or event or programme without obtaining prior written permission of the Commissioner and payment in advance of estimated tax. The advance estimated tax shall be adjusted towards the output tax liability payable by the person organizing or conducting exhibition or event or programme so conducted

Provided further that the owner of the property where the exhibition or event or programme is to be held, shall be jointly and severally liable to pay tax that may become due on sale of goods made in such exhibition or event or programme if he fails to inform the Commissioner about renting/ /leasing/letting out of his property, whether residential or commercial, or any open space, along with the details of dealer or person conducting the exhibition or event or programme as well as the conditions subject to which the said property is rented/leased/let out and any other relevant information

Explanation:

- (1) Self Help Groups means Self Help Groups registered with the Rural Development Agency or with the Registrar of Co-operative Society or any other Government Department as Self Help Groups within the State of Goa and are selling goods manufactured by themselves.
- (2) For the purpose of calculation of tax to be paid in advance, the stalls occupied by dealers holding valid registration under this Act, and the self-help groups shall not be included while making such calculation, provided prior permission of the Commissioner is obtained by them for their participation in such exhibitions, event, or programme in the prescribed manner.

2. Levy of Value Added Tax on Goods specified in the Schedule (Section 5)

- There shall be levied a Value Added Tax (output tax) on the turnover of sales of goods at rates hereinafter provided:
 - (i) In respect of goods specified in Schedule 'A', @ 1 paisa in a rupee.

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- (ii) In respect of goods specified in Schedule 'B', @ 4 paise in a rupee.
 - (iii) In respect of goods specified in Schedule 'C', at the rates shown against each of the entry.
 - (iv) In respect of goods specified in Schedule 'D', exempt from tax.
 - (v) In the case of any other goods, at the rate of 12½ paise in a rupee.
- Zero Rate for Exports - When calculating the output tax in relation to any dealer, sale of goods in the course of export outside the territory of India shall be deemed as taxable at the zero rate. The Government may, by notification published in the Official Gazette and subject to such terms and conditions as may be specified in this behalf, extend zero rate of tax for transactions effected from Domestic Tariff Area to Special Economic Zone or for 100% export oriented units or Software Technology Park units or Electronics Hardware Technology Park units or for any such manufacturing or processing units as it may deem fit.
 - Rate of Tax on Packing Materials.- Where any goods are sold and such goods are packed in any materials, the tax shall be payable on the sales of such packing material, whether such materials are separately charged for or not, at the same rate of tax, if any, at which the sales of goods so packed are charged.
 - Amendment to the Schedule - The Government may by notification in the Official Gazette reduce any rate of tax or enhance any rate of tax and may, by like notification, add to, or omit from, or otherwise amend any entry of, the Schedule and thereupon the Schedule shall be deemed to have been amended accordingly

Any notification issued as above shall take effect prospectively either from the date of publication thereof in the Official Gazette or from such later date as may be mentioned therein.

- Determination of rate of tax on Industrial Inputs - The Commissioner may, on an application made by a registered dealer who is a manufacturer, by way of Notification in the Official Gazette, declare certain types or class of goods as industrial inputs for that dealer, in order to avail concessional rate of tax.

3. Determination of Taxable Turnover

Rule 4: For the purpose of determining the turnover of sales of goods for levying tax under Section 5 of the Act, the following deductions shall be allowed from total turnover-

- (a) turnover of sales of goods on which no tax is leviable under the Act
 - (b) turnover of sales of goods which has been exempted from tax
 - (c) Sales which have been taken place in the course of inter- State trade within the meaning of section 3 of the Central Sales Tax Act, 1956 or in the course of import of the goods into or export of the goods out of the Territory of India within the meaning of section 5 of the Central Sales Tax Act, 1956
 - (d) the sale price of the goods returned to the dealer by the purchaser within a period of six months from the date of delivery thereof
 - (e) sales made outside the State of goods stock transferred/consigned to other States
 - (f) sales through local agents (registered dealer) on behalf of the principal
- A registered dealer may in respect of any sale effected by him to unregistered dealer or consumer on which tax is payable by him and where he has not separately collected any amount by way of tax or has not otherwise deducted from the aggregate of sale-prices any amount by way of tax, deduct from the sale price of the goods the amount arrived at by applying the following formula:-

Amount of Tax =	Rate of tax x Aggregate of sale-prices
	100 plus rate of tax

Explanation: Where the turnover of a dealer is taxable at different rates the aforesaid formula shall be applied separately in respect of each part of the turnover liable to a different rate of tax.

4. Reimbursement and Exemption of Tax. (Section 6)

- Tax collected under this Act on purchases made by specialized agencies of United Nations Organizations or Diplomatic Mission/Consulates or Embassies of any other country and their diplomats shall be reimbursed in such manner and subject to such conditions as may be specified in Rule 5.
- In respect of any goods not entitled for input tax credit and covered by Schedule 'C' appended hereto purchased within the State on payment of tax under this Act, the Government may subject to such conditions as it may impose by Notification in the Official Gazette, to take effect, either prospectively or retrospectively, from the date as may be mentioned therein exempt subsequent sales thereof from payment of output tax for such period as may be notified.
- In respect of any goods other than capital goods and such other goods as specified in Schedule 'G' appended to this guide or in the chapter Input Tax Credit used in the manufacturing or processing of finished products dispatched other than by way of sales, the Government may allow input tax credit in excess of the rate of tax specified in sub-section (1) of section 8 of the Central Sales Tax Act, 1956 on such goods purchased within the State subject to such terms and conditions as may be specified in the notification.

5. Reimbursement of tax to specialized agencies of UNO, etc.(Rule 5)

Any specialized agencies of United Nation Organizations, etc., claiming reimbursement of tax, shall submit their claim for such reimbursement to the Commissioner in Form VAT – XXIX along with the sale bill in original for the purchase of the goods from a registered dealer within a period of three months from the date of such purchase. No such claim for reimbursement shall be entertained if the amount of tax involved is less than ₹ 5000/ in any single transaction.

6. Reimbursement and Exemption of Tax (Section 6)

- Tax collected under this Act on purchases made by specialized agencies of United Nations Organizations or Diplomatic Mission/Consulates or Embassies of any other country and their diplomats shall be reimbursed in such manner and subject to such conditions as may be prescribed.
- In respect of any goods not entitled for input tax credit and covered by Schedule 'C' of the Act purchased within the State on payment of tax under this Act, the Government may subject to such conditions as it may impose, by Notification in the Official Gazette, to take effect, either prospectively or retrospectively, from the date as may be mentioned therein exempt subsequent sales thereof from payment of output tax for such period as may be notified.
- Notwithstanding anything contained above, the Government may, in respect of any goods covered by Schedule 'G' appended to this Act, by notification, exempt the sales inter-se dealers thereof, from levy and payment of output tax, when effected within the State, on such conditions as may be specified therein, and any such sales shall not be treated as "subsequent sale".
- In respect of any goods other than capital goods and such other goods as specified in Schedule 'G' appended to this Act, or in Section 9, used in the manufacturing or processing of finished products dispatched other than by way of sales, the Government may, notwithstanding anything contained in section 9, by notification, allow input tax credit in excess of the rate of tax specified in sub-section (1) of section 8 of the Central Sales Tax Act, 1956 on such goods purchased within the State subject to such terms and conditions as may be specified in the notification.

7. Reimbursement of tax paid by tourists on purchases and by airlines operating on domestic sector on Aviation Turbine Fuel (Section 6A)

- The Government may, by notification in the Official Gazette, frame a scheme for refund of tax paid by tourists holding Indian or foreign passport or both on purchases made by them within the State
- The Government may, by notification in the Official Gazette, frame a scheme for refund of tax paid by airlines operating on domestic sector on purchase of aviation turbine fuel.

8. Composition of Tax (Section 7)

1. Any registered dealer dealing with goods of the class specified in Schedule E and whose total turnover in the previous year does not exceed the limit specified in the said Schedule and who is liable to pay tax under Section 3 may opt to pay tax under the composition scheme, in lieu of the net amount of tax payable by him under this Act, during the year.

The tax shall be paid at the rate shown against respective class of dealers in the said Schedule calculated on total turnover, either in full or in instalments.

Provided that any dealer of the class specified in Schedule 'E' who is liable to pay tax under Section 3 may at any time during the year by making self-declaration that his turnover of sales during the said year will not exceed the limit specified in the said Schedule 'E', apply for composition of tax under this section.

2. Any dealer eligible for composition of tax under sub-section (1) shall not:-
- be permitted to claim any input tax credit on purchases and on stock held on the appointed day or on the day from which he is held liable to pay tax under this Act or on the day on which his Registration Certificate is made valid, as the case may be
 - charge any tax under this Act in his sales bill or sales invoice in respect of sales made by him
 - issue tax invoice to any dealer who has purchased the goods from him

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3. If any dealer who is eligible for composition of tax under sub-section (1), fails to file return within the time specified in rule 23, for the period for which composition is granted, he shall not be eligible for composition of tax for the next one year

Provided that the Commissioner, upon an application made by such dealer to continue in the composition scheme, shall first determine the dealer's liability for the preceding year within a period of 30 days from the date of such application. After payment of dues as determined by the Commissioner, the Commissioner may consider the said application and upon imposing a penalty of an amount equal to 10% of the tax so determined, by order in writing, permit the dealer to avail composition of tax.

Note: Total turnover for the purposes of this section will include aggregate sales of taxable and non-taxable goods.

Rule 6: The dealer shall not be eligible for composition of tax in case he.-

- (i) makes sales in the course of inter-State trade or commerce within the meaning of section 3 of the Central Sales Tax Act, 1956, (Central Act 74 of 1956);
- (ii) brings any goods in the State of Goa or to whom any goods are dispatched from any place outside the State;
- (iii) makes consignment sale/stock transfers;
- (iv) makes sales in the course of import of goods into or export of the goods out of the territory of India, within the meaning of section 5 of the said Central Sales Tax Act, 1956;
- (v) receives any goods for sale on consignment basis or effects sales on behalf of the principal;
- (vi) manufactures any goods for sale other than covered under 5 [Entry(3),(4) and (6)] of Schedule E to the Act.
- (vii) is a non-resident dealer; and
- (viii) exceeds the limit of turnover, specified in column 3 of Schedule .E. to the Act at any time during the year.

9. Net Tax of a Registered Dealer (Section 8)

The net tax payable by a registered dealer for a tax period shall be calculated according to the following formula:-

$$\text{Net Tax} = A - B$$

Where,

A = total of the tax payable in respect of **taxable turnover** made by the registered dealer during the tax period and

B = total input tax credit allowed to the registered dealer for the tax period.

Where the amount determined by the formula is a negative amount, the registered dealer may carry forward the amount to the next tax period subject to the provisions of Sec 10 (the provisions of Sec 10 are given in subsequent pages).

Further, every registered dealer shall pay in full the net tax payable by him for the tax period at the time that dealer is required to file his return.

Chapter 3

Input Tax Credit

1. Input Tax Credit (ITC) either partially or wholly shall be allowed for the tax paid during the tax period in respect of goods including capital goods purchased and/or taken on hire or leased to him within Goa, other than those specified in Schedule 'G' and/or such other goods as may be notified from time to time by the Government.
2. ITC shall be allowed on goods purchased provided the goods are meant for resale in Goa or for sale in the course of Inter State Trade or in the course of export outside the territory of India or used by him as raw materials/capital goods in the manufacture or processing of taxable goods in Goa or for sale by transfer of right to use.
3. When any goods purchased in the State are subsequently sold at lower price than the purchase price, the excess of input tax credit over output tax credit in respect of such goods shall be refunded only on proper verification by the Assessing Authority.
4. ITC shall not be allowed on purchase of goods from a dealer whose certificate of registration is suspended, till the suspension continues.
5. Input tax credit shall be allowed to the registered dealer in respect of tax charged to him by a registered seller on taxable sales of goods made to him for the purpose of the business within three months prior to the date of his registration provided that no input tax credit shall be allowed in respect of goods which have been sold or otherwise disposed of prior to the date of registration
6. ITC shall not be allowed to a registered dealer in the following situations:-
 - in respect of goods purchased on payment of tax if such goods are not sold because of theft or destruction for any reason
 - in respect of stock of goods remaining unsold at the time of closure of business

Input Tax Credit

- in respect of any taxable goods purchased from another registered dealer for resale but given away by way of free samples or gifts
- in respect of capital goods/industrial inputs and packing materials, covered under Schedule 'B' of the Act, if said goods are utilized for purposes other than those covered in the declaration
- in respect of goods purchased from a dealer who has opted for composition of tax under sub-section (1) of section 7
- in respect of capital goods or capital assets-
 - purchased or paid prior to appointed day
 - capital expenditure incurred prior to the date of registration under this Act
 - capital goods not connected with the business of the dealer
 - capital goods used in the manufacture of goods or providing services which are not liable to tax under this Act
 - capital goods used in generation of energy/power including captive power
 - motor cars, its accessories and spare parts
- in respect of taxable goods sold within the State or in the course of inter-State trade or commerce within the meaning of section 3 of the Central Sales Tax Act, 1956, exempted from payment of tax under any specific notification issued under this Act or under the said Central Sales Tax Act, 1956
- in respect of goods used in the manufacture or processing of finished goods dispatched other than by way of sales outside the State
- in respect of purchase of motor vehicle including car, three wheeler and two wheeler under this Act or tax paid under the Goa Tax on Entry of Goods Act, 2000 on import of such motor vehicle before grant of registration mark under the Motor

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Vehicles Act, 1988, when such vehicle is resold as true value vehicle or otherwise by a registered dealer under this Act

- in respect of raw material used in the manufacture of ready mixed concrete
- in respect of naphtha and furnace oil used either as raw material or fuel by chemical fertilizer industry
- ice cream, alcoholic beverages including beer and wine and non-alcoholic beverages including packed juices, aerated water and soft drinks served in party, factory or industrial canteens, clubs, or served by caterer, for consumption at any place other than a hotel/restaurant
- condemned vehicles

7. Where a registered dealer has availed the ITC on any goods and the same goods are not used in the course of his business, ITC so availed becomes repayable in the tax period following the date on which these goods were put to such other use
8. Where such goods were wholly or mainly used or are intended for use in sale of taxable goods prior to change of use, tax shall be calculated on the prevailing market value of such goods at the time of change of use
9. Any registered dealer who has paid entry tax under the Goa Tax on Entry of Goods Act, 2000, either on raw material or on capital goods, other than on goods covered by Schedule 'G', brought by him into the local area for use or consumption in the manufacture or processing of goods within the State, shall be entitled for ITC.

In respect of finished products dispatched by way other than sales example, e.g. Stock transfer, consignment sales transfer, etc. the input tax credit on the goods other than those covered by Schedule 'G' shall be to the extent it exceeds the rate specified under sub-section (1) of section 8 of the Central Sales Tax Act, 1956.

10. Balance unclaimed input tax credit on capital goods shall not be allowed in case of closure of business

Input Tax Credit

11. The registered dealer shall be eligible for input tax credit on stock held on the appointed day. The period and the date from which such input tax credit is to be apportioned shall be as notified
12. The deduction of input tax credit on capital goods under this section shall be allowed in two equal annual instalments after the close of the respective year as under:
 - in case of existing units, upon installation of such capital goods, and
 - in case of new units, upon commencement of commercial production.
13. Input Tax Credit (Rule 7)

1. An ITC claimed in respect of goods in hand at the time of registration shall be allowed if the dealer has an invoice or invoices proving that the goods were purchased by him within the State and within three months preceding the date of commencement of validity of registration certificate

Provided that in working out the input tax credit, the purchases made during the period prior to the appointed day, if any, shall be excluded

2. Where a registered dealer manufactures any goods, the sales of which are taxable and exempt, the following conditions shall apply for arriving at the eligible input tax credit-
 - Where all the sales of a registered dealer for that tax period are taxable, the whole of the input tax may be claimed as a credit
 - Where only a part of the sales of a registered dealer for any tax period is taxable, the amount of input tax credit shall be worked out in proportion of taxable turnover to the turnover of sales of goods on the purchases of which input tax credit is claimed.
 - Where a registered dealer makes sale of taxable goods, exempt goods and exempt transaction in a tax period, he shall make the calculation of input tax credit in proportion to such sales. Input tax credit in respect of finished products dispatched by way other than sales, the input tax credit on goods other than those covered by Schedule 'G' shall be to the extent it exceeds the

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rate specified under sub-section (1) of section 8 of the Central Sales Tax Act, 1956

- Explanation: Exempt Transactions means stock transfers and consignment sales.
3. No input tax credit shall be available to the purchasing registered dealer in respect of purchases made by him on the strength of sale bill or cash memorandum.
 4. No input tax credit shall be available to the purchasing registered dealer in respect of purchases made from outside the State.
 5. No input tax credit shall be available to the registered dealer in respect of exempt sales.
 6. **Input tax credit on stock held on the appointed day (Rule 8)**
 - If on the appointed day a registered dealer has in stock goods, other than capital goods, on which sales tax has been paid under the earlier law, he shall make a declaration to the Appropriate Assessing Authority in the form to be notified by the Commissioner and submit the total value of stock of goods held on the appointed day which shall entitle him to claim input tax credit on the goods purchased on payment of tax under the earlier law.
 - The conditions for claiming input tax credit on such stock shall be as under:-
 - (a) The dealer claiming input tax credit must be registered under the Act, on the appointed day.
 - (b) A claim for input tax credit must be made in the form to be notified by the Commissioner within thirty days from the appointed day, however, on an application from the dealer the Appropriate Assessing Authority may allow such claims beyond thirty days for good and sufficient reason but not later than sixty days from the appointed day.
 - (c) The dealer should submit to the notified authority an inventory of such goods held by him on the day

Input Tax Credit

immediately preceding the appointed day along with his application as required under clause (b) above.

- (d) Where documentary evidence of sales tax charged is available, the value on which the sales tax is calculated shall be used as the basis for claiming the input tax credit and in case such purchases are inclusive of tax that is second sale where tax amount is not separately shown, the value of such stock shall be reduced by ten percent and on such reduced stock net of tax shall be determined by applying the following formula:

$$A = \frac{B \times 100}{100+R}$$

Where, 'A' is the value of stock exclusive of tax,

'B' is the value of stock including tax

'R' is the rate of tax under the earlier law

7. If the purchases are made locally availing concessional rate of tax under the Goa Sales Tax Act, 1964, for the purpose of calculation of input tax credit of such goods in stock on the appointed day shall be allowed at such concessional rate.

8. Input Tax Credit exceeding the tax liability (Section 10)

- If the input tax credit of a registered dealer determined under section 9 of this Act for a period exceeds the tax liability for that period, the excess credit shall be set off against any outstanding tax, penalty or interest under this Act or earlier law or under the Goa Tax on Entry of Goods Act, 2000 or under the Central Sales Tax Act, 1956 (**sub-section 1**).
- After adjustment under sub-section (1), the excess input tax credit of a registered dealer, other than those covered under sub-section (3), shall be carried over as an input tax credit to the subsequent period (**sub-section 2**).

Provided that in case input tax credit at the end of the last quarter of the year exceeds rupees two lakhs, the dealer shall file an application in Form VAT XXXV within three months to

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carry forward input tax credit and the Commissioner shall decide the same within three months from the date of filing of such application and thereafter the excess input tax credit, if any, shall be allowed to be carried forward accordingly

Provided further that if any assessment, is done for the period then only the excess input tax credit as determined in the said assessment shall be allowed to be carried forward

- In case of exporter selling goods outside the territory of India, the excess input tax credit, if any, admissible as per provision of this Act, proportionate to the goods exported and carried over at the end of any quarter shall be refunded within 3 months from the date of filing of application claiming the refund (**sub-section 3**).
- Notwithstanding anything contained in sub-section (2), the Government may allow, carry forward of excess input tax credit, if any, to such shorter period and grant refund of unadjusted portion thereof in respect of such goods to such registered dealer on such conditions and at such proportion as may be specified by the Notification in the Official Gazette (**sub-section 4**).

Chapter 4

Registration Procedure & Amendment and Cancellation

1. Registration (Section 18)

- Any person liable to pay tax shall be engaged in business as a dealer only if he possess a valid certificate of registration as provided by this Act
- A person or a dealer who intends to be engaged in business, but is not liable to pay tax under the provisions of this Act may, if he so desires, apply for the grant of certificate of registration to the Commissioner and if the certificate is granted, then so long as it is not duly cancelled, the person or dealer shall remain liable to pay tax.

Provided that if the person or dealer to whom such certificate of registration is granted becomes liable to pay tax under any other provisions of the Act, then the certificate of registration so granted shall cease to be valid unless amended after payment of fee

- The Commissioner may conduct such inquiry as he deems fit and may call for such evidence and information as he may deem necessary and after the inquiry, if any, and after considering the evidence and information, if any, he is satisfied that the application for registration made under this section is in order, he shall register the applicant and issue to him a certificate of registration in the Form VAT-II.

Provided that if the Commissioner is satisfied that the particulars contained in the application are not correct or complete or that any evidence or information for registering the applicant is not furnished, the Commissioner may, after giving the applicant a reasonable opportunity of being heard, reject the application for reasons to be recorded in writing.

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- Certificate of registration and its renewal shall not be granted to a dealer unless he has deposited in Government treasury specified in the Second Schedule.

Registration/renewal charges

Sr. No.	Category of dealer	Amount of registration and renewal charges for the years
(1)	(2)	(3)
(i)	Turnover limit upto ₹ 5 lakhs.	₹ 2000/-
(ii)	Turnover above ₹ 5 lakhs and upto ₹ 40 lakhs.	₹ 5000/-
(iii)	Exceeding ₹ 40 lakhs but below ₹ 1 crore.	₹ 8000/-
(iv)	₹1 crore and above.	₹ 15000/-
(v)	For voluntary registration	₹3000/-

- The Commissioner may, after considering any information furnished under any provisions of this Act or otherwise received, amend from time to time, any certificate of registration.
- If a person or a dealer upon an application made by him has been registered under this section and thereafter it is found that he ought not to have been so registered under the provisions of this section, he shall be liable to pay tax during the period from the date on which his registration certificate took effect until it is cancelled, notwithstanding that he may not be liable to pay tax under this Act.
- In respect of any business which has been discontinued or has been transferred or otherwise disposed of, then the dealer shall apply for cancellation of his registration to the Commissioner and thereupon the Commissioner may, after such inquiry as he deems fit and subject to rules framed, cancel the registration with effect from such date including any date earlier to the date of the order of cancellation as he considers fit having regard to the circumstances of the case.

Registration Procedure & Amendment and Cancellation

- Where the turnover of sales of a registered dealer during any year has not exceeded the relevant limit specified in Section 3, the dealer may apply to commissioner for cancellation of his registration .
- Any person intending to organize or conduct exhibition or any event or programme either for sale of goods or for promoting goods for sale, by providing stalls or space to other persons or dealers under the banner of specific name or otherwise or under a common roof or otherwise, shall obtain a registration under this Act
- Any registration granted under the provisions of this Act shall remain valid unless it is cancelled before the expiry of such period. In case the registration granted is not renewed, it shall stand cancelled automatically and such dealer shall not be entitled to any benefits available to a registered dealer under this Act

Provided that, before passing the order of cancellation, the dealer shall be given a reasonable opportunity of being heard.

- If a dealer-
 - fails to file three consecutive returns under this Act
 - fails to pay the dues demanded in assessment/reassessment or otherwise within the period specified except where such demand has been stayed by the appellate authority or tribunal or any other court
 - fails to pay the tax due from him for three consecutive tax periods under the provisions of this Act
 - having issued tax invoice or retail invoices, fails to account for the said invoices in his books of account
 - holds or accepts or furnishes or causes to be furnished a declaration, which he knows or has reason to believe to be false
 - has been convicted of an offence under this Act, or under the earlier law
 - discontinues his business
 - without entering into a transaction of sale, issues to another dealer tax invoice, retail invoice, bill or cash memorandum, with intention to defraud the Government of revenue

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- is found evading tax on account of variation in physical stock compared with his regular books of accounts

then the Commissioner may, at any time after giving the dealer an opportunity of being heard and for the reasons to be recorded in writing, by order cancel his certificate of registration from such date as may be specified by him in such order.

Every dealer whose registration certificate is cancelled due to the above shall pay in respect of every taxable goods held as stock on the date of cancellation an amount equal to the tax that would be payable in respect of the goods if the goods were sold at fair market price on that date or the total tax credit previously claimed in respect of such goods, whichever is higher.

➤ If a dealer-

- fails to inform changes in business
- fails to file declaration and/or furnish the documents
- fails to furnish return
- fails to pay tax
- fails to produce the books of accounts as required by the Commissioner

then the Commissioner may, at any time, after giving the dealer an opportunity of being heard and for the reasons to be recorded in writing, by order suspend his certificate of registration from date not earlier than the date of such order, as may be specified by him in such order.

Where a dealer, whose certificate of registration is suspended for the failure of any of the requirements specified above, fulfils the requirements, the Commissioner shall, by an order in writing, withdraw the suspension order from such date as may be specified therein.

The dealer whose certificate of registration is suspended due to any of the above clause shall not be entitled to claim input tax credit during the period of suspension of registration.

➤ If an order of suspension or cancellation passed under this section is set aside in an appeal or other proceedings under this Act, the

Registration Procedure & Amendment and Cancellation

certificate of registration of the dealer shall stand restored with effect from the date of such suspension or cancellation, as the case may be

- Suspension or cancellation of a certificate of registration shall not affect the liability of any dealer to pay tax, penalty or interest due for any period till the date of such suspension or cancellation and which has remained unpaid or is assessed thereafter
- The Commissioner shall notify in Official Gazette the details of dealers whose certificate of registration has been suspended or cancelled under the provisions of this Act.

2. Application for Registration (Rule 14)

- An application for registration by a dealer shall be made in Form VAT-I within 30 days from the date of commencement of liability to pay tax under the Act, to the Appropriate Assessing Authority.
- The registration and the renewal fees shall be paid by challan in Form VAT-V in the appropriate Government treasury. Receipted copy of the challan thereof shall be submitted along with the application. An application for renewal of registration certificate shall be made as per the provisions provided in Rule 16.
- The aforesaid shall also apply to any dealer making application for registration after succession of any business registered under the Act
- An application for registration shall be made, signed and verified in the case of a business owned by,-
 - (a) an individual, by the proprietor or by a person having due authority to act on behalf of such proprietor
 - (b) a firm, by partner thereof
 - (c) a Hindu Undivided Family, by the Karta or an adult male member thereof
 - (d) a body corporate(including a company, co-operative society or a corporation or local authority) by a director, manager, secretary or principal officer thereof or by a person duly authorized to act on its behalf

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- (e) an association of individuals to which clause (b),(c), or (d) does not apply, by the principal officer , or the person managing the business
- (f) the Government, by a person duly authorized to act on its behalf.

- The employer effecting deduction of tax at source from the works contractor shall apply for registration to the Appropriate Assessing Authority in the Form VAT-XXIV hereto within 30 days from the date when the first payment is made to the contractor against execution of any works contract. No registration/renewal fee shall be payable on such application.

If the application for registration is filed after expiry of the time specified hereinabove, the employer shall first deposit the amount of tax deducted at source and due in respect of the period upto the date of filing of the application, in the Government treasury and apply for condonation of delay. The Appropriate Assessing Authority may, for good and sufficient reasons to be recorded in writing, condone the delay and grant the certificate of registration.

3. Grant of Registration Certificate (Rule 15)

- The Appropriate Assessing Authority, on making such enquiries as it may think necessary and on being satisfied of the genuineness of the information furnished and on ascertaining that the registration fee as specified in the Second Schedule hereto has been paid, he shall register the dealer and shall issue a certificate of registration in Form VAT II, which shall be displayed at the place of business at a conspicuous place. The dealer shall also display thereto the name and type of business so also the name under which registration is obtained and/or trade name along with TIN, in three languages, namely, Konkani, English and Marathi.
- In the case of an employer effecting tax deduction at source, the registration certificate shall be issued in Form VAT-XXV hereto which certificate shall be valid for the year in which it is issued or up to such period as specified therein.
- The certificate of registration issued to the dealer-

Registration Procedure & Amendment and Cancellation

- shall take effect or be valid from the date of commencement of liability to pay tax if application for registration is made within the period specified in Rule 14
- shall take effect or be valid from the date on which the application has been filed with the Appropriate Assessing Authority, if such application is made after the expiry of the aforesaid period
- shall take effect in case of an application under Section 18 of the Act, from the date of application or from such further date as the Appropriate Assessing Authority may by Order fix

Provided that in case of an employer effecting deduction of tax at source, the certificate shall take effect or be valid from the date on which the deduction of tax at source is made or contractor's account is credited towards the payment of such deduction whichever is earlier.

The registration certificate initially issued shall be valid for a period of three years and has to be renewed by making an application

- Any registered dealer may obtain from the Appropriate Assessing Authority, on payment of fee of ₹ 100/- and on production of receipt thereof from a Government treasury, a duplicate copy of any registration certificate issued to him and which may have been lost/destroyed/defaced

4. Cancellation of Registration Certificate (Rule 17)

- When any registration certificate is required to be cancelled, the dealer shall apply to the Appropriate Assessing Authority within 30 days from the date of occurrence of the event necessitating cancellation
- Where a dealer has discontinued, transferred or otherwise disposed of his business, the Appropriate Assessing Authority on being satisfied about the correctness of the fact he shall order the cancellation of registration certificate with effect from the date of discontinuance or transfer or disposal of the said business, as the case may be.
- Where the turnover of sales of a registered dealer during any year has not exceeded the relevant turnover limit, he shall make an application

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for cancellation of registration certificate to the Appropriate Assessing Authority together with a statement of his turnover of sales of immediately preceding year within 30 days from the close of the year. The Appropriate Assessing Authority may either order the cancellation of registration certificate or specify further period not exceeding one year for continuation of the said registration certificate.

- The registration certificate issued under the Goa Sales Tax Act, 1964 and held by the dealer on the day immediately preceding the appointed day and which is deemed to be a certificate of registration issued under the Act, shall be deemed to have been cancelled from the date of commencement of validity of the fresh registration certificate issued under the Act.
- When the Appropriate Assessing Authority is satisfied at any time with any reason other than that referred to here-in-above that the certificate of registration of any dealer requires cancellation, he shall, for reasons to be recorded in writing, and after giving the dealer an opportunity of being heard, cancel the registration certificate with effect from such date as may be specified in the order and the liability of the dealer to pay tax shall cease with effect from the said date.
- Every dealer whose registration is cancelled otherwise than on the basis of application, shall surrender the certificate of registration to the Appropriate Assessing Authority within seven days from the date of communication to him of the order of cancellation.
- If the dealer fails to surrender his certificate of registration whose registration is cancelled otherwise than on the basis of application, the Appropriate Assessing Authority may by an order in writing and after giving the dealer an opportunity of being heard, impose upon the dealer a penalty not exceeding ₹ 25/- for every day of default in Form VAT V.
- If cancellation of certificate of registration has been ordered as a result of closure of business or deemed to have been cancelled on expiry of its validity then the balance of input tax credit carried over as on the date of such cancellation shall not be eligible for refund.
- The order of cancellation of certificate of registration shall be entered in the register maintained in the office of the Appropriate Assessing Authority.

5. Registration to organize exhibition, etc., for sale of goods (Rule 14A)

- An application for registration under shall be made in Form VAT XXXVI along with all the documents mentioned therein. A declaration stating that the premises or space being let out by the owner or by person who for the time being is in charge of the management of the premises, stalls or space, shall be made in Form VAT XXXVII. The application and the declaration shall be made to the Commissioner at least fifteen days before the commencement of exhibition or event or programme. The provisions of rule 14 shall, mutatis mutandis, apply for registration under this sub-rule.
- The tax as estimated as per rupees five hundred, per square meter, per day, of the area occupied for exhibition or event or programme shall be deposited in advance in the appropriate Government Treasury under challan in Form VAT V by the person intending to conduct exhibition or event or programme. The payment may be effected either by cash or through cyber-treasury so notified by the Government or through any other electronic system of payment.
- The application in Form VAT XXXVI shall be accompanied by the receipted copy of the challan in proof of payment of tax as specified above and also declaration in Form VAT XXXVII along with a copy of the agreement executed with the person whose premises or stalls or space is being taken on rent.
- The Commissioner, on making such enquiries as he may think necessary and on being satisfied of the genuineness of the information furnished and on ascertaining that the estimated tax as specified above has been paid, shall issue permission in Form VAT XXXVIII, which shall be displayed at a conspicuous place where the exhibition or event or programme is conducted.
- The estimated tax deposited shall be adjusted against the tax liability of the dealer and excess, if any, determined after verifying the documents/details furnished by the dealer, shall be refunded within fifteen working days from the date of filing of application for refund

6. Special Provision regarding Liability to Pay Tax in certain Cases (Section 19)

- Where a dealer, liable to pay tax under this Act, dies, then,-
 - (a) if the business carried on by the dealer is continued after his death by his legal representative or any other person, such legal representative or other person shall be liable to pay the tax including any penalty, sum forfeited and interest due from such dealer under this Act or under any earlier law, in the like manner and to the same extent as the deceased dealer; and
 - (b) if the business carried on by the dealer is discontinued whether before or after his death, his legal representative shall be liable to pay out of the estate of the deceased, in the like manner and to the same extent as the deceased dealer would have been liable to pay if he had not died, the tax including any penalty, sum forfeited and interest due from such dealer under this Act, or under any earlier law whether such tax including any penalty, sum forfeited and interest has been assessed before his death but has remained unpaid, or is assessed after his death.
- Where a dealer, liable to pay tax under this Act, is a Hindu undivided family and the joint family property is partitioned amongst the various members or group of members, then each member or group of members shall be jointly and severally liable to pay the tax including any penalty, sum forfeited and interest due from the dealer under this Act or under any earlier law, up to the time of the partition, whether such tax including any penalty, sum forfeited and interest has been assessed before partition but has remained unpaid, or is assessed after partition.
- Where a dealer, liable to pay tax under this Act, is a firm, and the firm is dissolved, then, every person who was a partner shall be jointly and severally liable to pay to the extent to which he is liable under this section, the tax including any penalty, sum forfeited and interest due from the firm under this Act or under any earlier law, up to the time of dissolution, whether such tax including any penalty, sum forfeited and interest has been assessed before such dissolution but has remained unpaid, or is assessed after dissolution.

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- Where a dealer, liable to pay tax under this Act, transfers or otherwise disposes of his business in whole or in part, or effects any change in the ownership thereof, in consequence of which he is succeeded in the business or part thereof by any other person, the dealer and the person succeeding shall jointly and severally be liable to pay the tax including any penalty, sum forfeited and interest due from the dealer under this Act or under any earlier law, up to the time of such transfer, disposal or change, whether such tax including any penalty, sum forfeited and interest has been assessed before such transfer, disposal or change but has remained unpaid, or is assessed thereafter.
- Where the dealer, liable to pay tax under this Act,-
 - (a) is the guardian of a ward on whose behalf the business is carried on by the guardian; or
 - (b) are trustees who carry on the business under a trust for a beneficiary, then,

if the guardianship or trust is terminated, the ward or, as the case may be, the beneficiary shall be liable to pay the tax including any penalty, sum forfeited and interest due from the dealer up to the time of the termination of the guardianship or trust, whether such tax including any penalty, sum forfeited and interest has been assessed before the termination of the guardianship or trust, but has remained unpaid, or is assessed thereafter.

7. Information to be furnished regarding changes in Business, etc. (Section 22)

- If any person or dealer liable to pay tax under this Act-
 - transfers whether by way of sale or not or otherwise disposes of his business or any part thereof, or effects or knows of any other change in the ownership of the business; or
 - discontinues his business, or changes the place thereof or opens a new place of business; or
 - changes the name or nature of his business; or

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- enters into a partnership or other association in regard to his business; or
- effects any change regarding the opening or closing of the declared Bank accounts of his business; or
- applies for, or has an application made against him for, insolvency, liquidation

he shall, within the 30 days, inform the Appropriate Assessing Authority/prescribed authority accordingly about such change.

- Where any dealer liable to pay tax under this Act-
- dies, his executor, administrator or other legal representative; or
 - where he is firm, a Hindu undivided family or an association of persons and there is a change in the constitution of such firm, Hindu undivided family or association, either by way of dissolution or disruption, or otherwise, then, every person who was a partner, karta or a member of such firm, a Hindu undivided family or association; or
 - such dealer transfers or otherwise disposes of his business, then every person to whom the business is so transferred,

shall, inform the Appropriate Assessing Authority within 30 days from the day of death of the dealer.

8. Information to be furnished regarding change in business, etc. (Rule 20)

- The information required to be submitted under section 22 of the Act, shall be furnished by the registered dealer to the Appropriate Assessing Authority within 30 days of the occurrence of event stated in said section.
- If the information referred to in section 22 of the Act, relates to a branch of business located outside the jurisdiction of any Appropriate Assessing Authority, a copy of the information and of any order passed thereon, shall be forwarded to the Appropriate Assessing Authority within whose jurisdiction the branch is situated.

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- When any registered dealer dies, his legal representative shall give intimation of the death to the Appropriate Assessing Authority within 30 days from the day of death of the dealer

9. Amendment of the Certificate of Registration (Rule 21)

- When any registered dealer makes any report under section 22 as regards to,-
 - (a) change in the name of his business
 - (b) changes the place of business or opens a new place of business or closes any one of the places of business
 - (c) is a firm and there is change in partnership or in the constitution of the firm without dissolution thereof
 - (d) is a trust and there is a change in the trustee thereof
 - (e) is a guardian of a ward and there is a change in the guardianship ;or
 - (f) for any other reasons whereof the certificate of registration requires amendment

he shall submit his certificate of registration and copies thereof, as required to the Appropriate Assessing Authority, who shall make such enquiry or obtain such evidence as he may think fit and amend the certificate of registration.

- An amendment under the foregoing sub-rule shall be effective from the date of the contingency which necessitates the amendment, whether or not information in this behalf was furnished within the period specified under Rule 20.
- In case of a company, where two or more companies are to be merged or amalgamated by order of the Court or of the Order of the Central Government, the Appropriate Assessing Authority shall amend the certificate of registration effective from the date of such order.
- If the registered dealer fails to furnish the information as required under section 22 of the Act, the Appropriate Assessing Authority, on the basis of information which may have come to his notice otherwise, and if he is satisfied that there has been any changes covered under

clauses (a) to (f) above, and the certificate or other records of the dealer maintained in his office requires amendment, he may, after giving the dealer an opportunity of being heard, by order, amend the certificate accordingly. For the purpose, the dealer shall submit the certificate of registration and copies thereof to the Appropriate Assessing Authority within the time specified in the order.

- If the dealer to whom certificate in Form VAT-II has been issued reports that any one or more additional places of business has or have been opened or closed, his certificate of registration shall be so amended by the respective Appropriate Assessing Authority and he shall be furnished a copy of the registration certificate for each additional place of business.
- All the amendments in the certificate of registration shall be entered in the register maintained in the office of the Appropriate Assessing Authority.

10. Liability of Partners (Section 20)

- Notwithstanding anything contained in the Indian Partnership Act, 1932, or any contract to the contrary, where any firm is liable to pay tax under this Act, the firm and each of the partners of the firm shall be jointly and severally liable for such payment and accordingly any notice or order under this Act may be served on any person who was a partner during the relevant time, whether or not the firm has been dissolved and all the provisions of this Act shall apply accordingly

Provided that, where any such partner retires from the firm, he shall be liable to pay the tax, penalty, sum forfeited and interest remaining unpaid at the time of his retirement and any such amount due up to the date of retirement though un-assessed at that date.

11. Amalgamation of Companies (Section 21)

- When two or more companies are to be amalgamated by the order of a Court or of the Central Government and the order is to take effect from a date earlier to the date of the order and any two or more of such companies have sold or purchased any goods to or from each other in the period commencing on the date from which the order is to take effect and ending on the date of the order, then such transactions of

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sale and purchase will be included in the turnover of sales or of purchases of the respective companies and will be assessed to tax accordingly.

- Notwithstanding anything contained in the said order, for all of the purposes of this Act, the said two or more companies will be treated as distinct companies and will be treated as such for all periods up to the date of the said order and the registration certificates of the said companies will be cancelled, where necessary, with effect from the date of the said order.
- Words and expressions used in this section, but not defined, shall have the respective meanings assigned to them in the Companies Act, 1956/ Companies Act, 2013

12. Dealer to declare the name of Manager of Business and Permanent Account Number (Section 23)

- Every dealer, who is liable to pay tax, and who is a Hindu undivided family, or an association of persons, club or society or firm or company, or who is engaged in business as the guardian or trustee or otherwise on behalf of another person, shall, within the period prescribed send to the authority prescribed, a declaration in the manner prescribed stating the name of the person or persons who shall be deemed to be the manager or managers of such dealer's business for the purposes of this Act. Such declaration may be revised from time to time.
- Every dealer registered under this Act shall furnish the Permanent Account Number (PAN) obtained by him under the Income Tax Act, 1961 within such period and to such authority, as may be notified by the Commissioner in the Official Gazette, for the purpose of incorporating it in the registration records.
- Every person or dealer liable to pay tax under this Act and who applies for registration Section 18 shall furnish a self-attested photocopy of the card containing his Permanent Account Number (PAN) obtained by him under the Income Tax Act, 1961 along with the application for registration.

Chapter 5

Returns, Payments and Recovery of Tax

1. Returns and Payment of Tax (Section 24)

- Every registered dealer shall file a correct and complete return in in Form VAT-III within 30 days from the end of the quarter. In addition to the returns filed, the Commissioner may require the registered dealers to furnish any data, for the purpose of collecting statistics, relating to any matter dealt with in connection to this Act.
- If any dealer having furnished a return, discovers any omission or incorrect statement therein, he may furnish a revised return at any time before a notice for assessment is served on him in respect of the period covered by the said return or before the expiry of one year following the last date prescribed for furnishing the said return, whichever is earlier
- Any return filed without proper payment of tax as due, shall not be considered as a return filed under the provisions of this Act and therefore shall be liable for penalty.

2. Tax Returns (Rule 23)

- A return to be filed by a registered dealer under section 24 of the Act, other than those opted for composition of tax under section 7 of the Act, shall be in Form VAT-III and it shall be filed within 30 days from the end of quarter

Provided that the Government may, by notification published in the Official Gazette, specify the dealers or class of dealers other than those who have opted for composition of tax under section 7 of the Act, who shall file a single annual return of their sales for the year, through electronic system, by using a system code availed from the Appropriate Assessing Authority, in Form VAT III within thirty days from the end of the year to which the return relates and the return so

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filed shall be deemed as filed in accordance with the provisions of Section 24 of the Act

Provided further that the Commissioner or the Government, as the case may be, may, for better compliance of the tax returns, by order, direct that the returns be accepted beyond said 30 days but not later than 60 days, from the end of quarter or year, as the case may be, without payment of penalty, in certain cases specified therein.

- The Commissioner may fix monthly returns of sales for dealers or class of dealers and such returns shall be filed within 30 days from the end of the month.
- A return to be filed as specified above shall be accompanied by challan(s) in proof of payment of the tax in respect of each of the month in which net tax is payable.

In case the tax payment has been effected through cyber treasury so notified by the Government or through any other electronic system (e-payment) of payment available within the banks, notified by the Government, then such payment be listed in the returns as per the acknowledgements received for every e-payment.

- The Government may, by notification published in the Official Gazette, specify the date and the dealer or class of dealers, who shall file their quarterly returns through electronic system, by such date, by availing a system code from the Appropriate Assessing Authority

Provided that, any dealer who is not liable to file returns through electronic system as above, may, if he so desires, opt for filing his quarterly returns through electronic system by availing a system code from the Appropriate Assessing Authority.

- A dealer liable or opting to file returns through electronic system shall enter the data in accordance with the instructions that are applicable for filing the returns through electronic system. The dealer may visit the Department's official website for more details. The returns shall indicate the details of payments of tax effected during a quarter. Wherever the tax payments are made physically, the duplicate copies of the challan(s) showing payment of tax shall be filed with the Appropriate Assessing Authority, immediately, upon filing such returns.

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- The returns shall be submitted to the Appropriate Assessing Authority having jurisdiction over the dealer.
- In case of a registered dealer having more than one place of business, a consolidated return shall be submitted by the Head Office of the business to the Appropriate Assessing Authority and shall include the total sales of all the branches or places of business of such dealer in the State.
- Where a registered dealer effects closure of the business and applies for cancellation of registration certificate in the middle of the return period, he shall file return for the period commencing from 1st day of the return period, till the date of closure thereof, within 15 days of such closure.
- If any dealer, having furnished returns discovers any omission or incorrect statement,, he may furnish a revised return as provided for in Section 24 of the Act, before expiry of one year following the last date prescribed for furnishing the original return or before issue of assessment notice, whichever is earlier, and if such revised return shows a greater amount of tax to be due than was shown in the original return, it shall be accompanied by a receipted copy of the challan for the payment of differential amount of tax 5. Such payment shall also include interest due on late payment as provided Section 25 of the Act discussed here under.

3. Payment of Taxes (Section 25)

- Tax shall be paid in the manner herein provided, and at such intervals as may be specified in prescribed. [Rule 24 discussed below]
- Every registered dealer having monthly tax liability exceeding rupees one lakh, other than those who opted for composition of tax under section 7, shall pay the tax payable under the Act for every month within twenty days from the expiry of each month
- In respect of the registered dealers, dealer, other than those who opted for composition of tax under section 7, having monthly tax liability upto one lakh, the payment shall be made within thirty days from the close of each month.

Returns, Payments and Recovery of Tax

- A registered dealer furnishing a revised return in accordance with Section 24 which shows a larger amount of tax payable than already paid, shall first pay into the Government treasury or notified Bank, the differential amount of tax.
- Wherever a dealer has not filed any return and tax is due, as per the books of the dealer, or as assessed or re-assessed, under the provisions of this Act or the tax is due as per the returns or revised returns furnished without any payment or part payment of tax by the dealer, then such dealer shall be liable to pay interest @ 18 % per annum or at such rate as may be notified by the Government from time to time, from the date such tax have become payable.
- The amount of tax due as per any order passed under any provision of this Act for any period less any sum already paid in respect of the said period and the amount of interest or penalty or both, if any, levied under any provision of this Act and the sum, if any, forfeited and the amount of fine, if any, imposed under the Act or rules and any other amount due under this Act shall be paid by the person or dealer or the person liable thereof into the Government treasury or notified Bank within thirty days from the date of service of the notice issued by the Commissioner in respect thereof

Provided that, the Commissioner may, in respect of any particular dealer or person, and for reasons to be recorded in writing, allow him to pay the tax, penalty, interest or the sum forfeited, in instalments. The grant of this facility to pay tax in instalments shall be without prejudice to the other provisions of this Act including levy of penalty, interest, or both.

Provided further that, subject to the rules made in this behalf, the Commissioner may at the request of the dealer or person and after obtaining prior approval of the Government, remit the part of the penalty and/or interest, not exceeding fifty percent thereof, payable by such dealer or person.

- Any tax, penalty, interest, fine or sum forfeited, which remains unpaid after the service of notice under sub-section (4), or any instalment not duly paid, shall be recoverable as an arrear of land revenue

4. Tax Payments (Rule 24)

- All payments of tax under the Act shall be made in the appropriate Government treasury under challan in Form VAT-V. The dealer has option to effect payment either through cash mode or through cyber-treasury so notified by the Government or through any other electronic system of payment available within the bank notified by the Government.
- Where any registered dealer submits the return in the prescribed form without a copy of the challan for having paid tax due or with payment of tax lesser than what is due, the Appropriate Assessing Authority shall issue a notice in Form VAT-VI to the registered dealer for the tax not paid. Such notice shall be deemed to be a demand notice and the registered dealer shall pay the said amount demanded within thirty days from the date of service of such notice along with the interest for delayed payment at the rate provided in Section 25.
- Any dealer desiring to apply for remission of penalty and/or interest payable/paid under Section 25 of the Act, shall file his application before the Commissioner affixing court fee stamps of the value specified in rule 46. The application shall contain the grounds for remission of penalty and/or interest. It shall further be endorsed on the application by the dealer that, to the best of his knowledge and belief the facts set out in the application for remission of penalty and/or interest and grounds for remission are true.
- The Commissioner shall, after considering all relevant material produced before him in this behalf and after affording the dealer a reasonable opportunity of being heard and for reasons to be recorded in writing, submit a proposal to the Government fixing the remission amount not exceeding fifty per cent of the penalty and/or interest payable or rejecting the request of the dealer, as the case may be. The order to that effect shall be passed only after obtaining Government approval.

5. Collection of Tax by registered dealer (Section 26)

- No person who is not a registered dealer shall collect, in respect of any sale by him of goods in the State, any amount by way of tax under

this Act and no registered dealer shall make any such collection except in accordance with the provisions of this Act.

6. Unauthorized collection of tax and forfeiture thereof (Section 27)

- If any amount purporting to be tax other than the one as provided for under this Act, is collected by any person and if such amount is not refunded to the person from whom the collection is made within 60 days of such collection, the amount so collected and retained, shall stand forfeited and credited to the Goa Consumer Protection and Guidance Fund (hereinafter, in this section, referred to as "the Fund")
- There shall be established a Fund from the amounts forfeited and recovered except for the amounts refunded as aforesaid to the purchasers and except for the amounts in respect of which a set-off, refund or remission is granted, and after deducting the expenses of collection and recovery as determined by the Government, the remaining amounts shall under appropriation duly made by Rules in this behalf, be entered into, and transferred to that Fund which shall be operated and maintained by such Authority as the Government may appoint.
- The Fund shall be administered in the prescribed manner; and the amount in the Fund shall be utilized for meeting the expenses of any activities related to consumer protection and guidance as the Government may direct, and for giving grant in the prescribed manner to any voluntary consumer organization, society, association, body or institution engaged in providing for the better protection of the interests of the consumers and having such qualifications as may be prescribed.

7. Special Mode of Recovery (Section 73)

- Notwithstanding anything contained in any law or contract to the contrary, the Commissioner may, at any time or from time to time, by notice in writing, a copy of which shall be forwarded to the dealer or person at his last address known to the Commissioner, require-

- (a) any person from whom any amount of money is due, or may become due or to a dealer or person on whom a notice has been served under sub-section (6) of section 29, or, who has admitted to any liability by filing a return or revised return but has not discharged such liability; or
- (b) any person who holds or may subsequently hold money for or on account of such dealer or person

to pay to the Commissioner, either forthwith upon the money becoming due or being held or at or within the time specified in the notice (but not before the money becomes due or is held as aforesaid), so much of the money as is sufficient to pay the amount due by the dealer in respect of the arrears of tax, penalty, interest and sum forfeited under this Act, or the whole of the money when it is equal to or less than that amount.

Explanation. For the purposes of this section, the amount of money due to a dealer from, or money held for or on account of a dealer, by any person, shall be calculated after deducting therefrom such claims (if any) lawfully subsisting, as may have fallen due for payment by such dealer to such person.

8. Special powers for recovery of tax (Section 64)

- Any tax assessed, or any other amount due under this Act from any dealer or any other person may, without prejudice to any other mode of collection be recovered:-
 - (a) as if it were an arrears of land revenue; or
 - (b) by attachment and sale of any property of such dealer or any other person by the officer appointed in accordance with the rules as may be prescribed.
- The Government may, by general or special order, published in the Official Gazette, authorize any officer, not below the rank of Assistant Commercial Tax Officer, to exercise, for the purpose of effecting recovery of the amount of tax or penalty or any other amount due from any dealer or person under this Act, the powers of a Collector under the Goa Land Revenue Code, 1968, to recover the dues as arrears of land revenue.

➤ **Recovery of Arrears (Rule 41)**

- When a dealer or a person, from whom any amount of tax or penalty has been demanded by issue of a notice or order, fails to pay the demanded amount within the time specified in the notice or order, or on expiry of extended time, if any, granted for making such payment, the Appropriate Assessing Authority shall issue for the purpose of recovery of the arrears from the defaulter or other person responsible for the payment, a certificate for the recovery of the amount due in Form VAT-XXIII.
- The certificate referred to in above shall be the basis to proceed to recover the amount due as arrears of land revenue, in case such recovery is to be effected by the officer authorized by the Government under provisions of section 64 of the Act, and for the same purpose of recovery the relevant provisions contained in the Goa Land Revenue Code, 1968, and rules made thereunder shall be applicable.
- The certificate referred to in above shall serve as requisition for the authority competent to make the recovery of the amount due as arrears of land revenue under the provisions contained in the Goa Land Revenue Code, 1968 and rules made thereunder, in all cases wherein no officer is authorized by the Government under the act to exercise the powers of a Collector under the said Goa Land Revenue Code, 1968 for the purpose of recovering the dues as arrears of land revenue.
- In all cases wherein the defaulter or other person responsible for the payment of the amount due is residing or is having property outside the district, the Appropriate Assessing Authority shall send the certificate referred to in above to the officer authorized by the Government under section 64 of the Act , or to the Collector of the District if no officer is authorized under the said section 64 of the Act soliciting that the same may be sent to the Collector of the other District wherein the defaulter or person responsible for the payment of the dues is residing or is having property. Such certificate shall be sent by the Appropriate

Assessing Authority himself, if he is the officer authorized by the Government under the said section 64 of the Act.

- Certificate referred to in above shall be issued in respect of each defaulter or person responsible for payment of arrears.
- The officer and the authorities in charge, as the case may be , shall keep informed the Appropriate Assessing Authority about the step taken in the matter of recovery of arrears when such information is called for by the said Appropriate Assessing Authority, and shall report to him as soon as the recovery is made, the amount recovered giving the particulars of the recovery, namely, the date on which the recovery is made, the name of the treasury wherein the amount is entered , and the date of challan under which the amount is paid into the treasury.
- On the basis of the report of payment received from the concerned authorities, the Appropriate Assessing Authority shall cause to make the necessary entries in the assessment case record of the dealer and other office record maintained.

9. Provisional Attachment to Protect Revenue in certain Cases

- If, during the course of inquiry in any proceedings including proceedings related to recovery of any amount due, in respect of any person or dealer or during any inspection or search in relation to the business of any person or dealer under this Act, the Commissioner is of the opinion that for the purpose of protecting the interests of the revenue it is necessary so to do, then he may, notwithstanding anything contained in any law for the time being in force or any contract to the contrary, attach provisionally by notice in writing any immovable or movable property including goods in stock and capital assets of the business or otherwise and/or any money due or which may become due to such person or dealer from any other person or any money which any person holds or may subsequently hold for or on account of such person or dealer:

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Provided that, the Commissioner may, by an order, revoke such notice if the dealer furnishes, to the Commissioner, in such time, such security, for such period, as may be specified in the order.

- Every such provisional attachment shall cease to have effect after the expiry of a period of one year from the date of service of the notice issued

Provided that, the Commissioner may, for reasons to be recorded in writing, extend the aforesaid period by such further period or periods as he may think fit, so however that, the total period of extension shall not in any case exceed two years.

- The powers under this section shall be exercised by the Commissioner himself or the Additional Commissioner having jurisdiction over the area under this Act.
- Where a notice is served upon any person provisionally attaching any money, then, such person shall be personally liable, so long as the attachment notice is not revoked or has not ceased to have effect, to pay to the Commissioner, the amount of money so attached.

Chapter 6

Assessment

1. Assessment (Section 29)

- The returns submitted by the dealer shall be accepted as self-assessed provided the Commissioner, as per the procedure prescribed, shall select up to twenty percent of the total number of such dealers or such percentage as may be notified by Government from time to time for detailed assessment

Provided further when any dealer applies for cancellation of his registration certificate on the ground of closure or stoppage of his business, his last assessment shall be finalized on the basis of books of accounts and other records maintained by him after giving him an opportunity of being heard.

- Where –
 - a person fails to file a return as required by section 24; or
 - the Commissioner has reason to believe that the returns filed by a person are not correct and complete; or
 - the Commissioner has reasonable grounds to believe that a person will become liable to pay tax under this Act but is unlikely to pay the amount due; or
 - the Commissioner requires to get satisfied with the correctness of the refund so claimed,

the Commissioner may make an assessment of the amount of tax payable by the person to the best of his judgment after giving him an opportunity of being heard.

- No assessment under this section for any year shall be made after a period of three years from the end of the year to which the return under section 24 is submitted by a dealer and no assessment under sub-section (9) shall be made after the expiry of five years from the end of the year in respect of which or part of which such assessment is to be made

Assessment

Provided that where assessment is made in consequence of or to give effect to, any order of an Appellate Authority or Revisional Authority or of a Court, the said period of two years shall be reckoned from the date of such order.

Provided further that in computing the period laid down in this subsection, any period during which assessment proceedings are stayed by an order or injunction of any Court or authority such period shall be excluded

- The Commissioner shall make an assessment of the amount that in his opinion, is the amount of tax, penalty, interest or any other amount payable under this Act, after making necessary enquiries, as may be deemed fit by him.
- The Commissioner shall serve a notice on completion of assessment under this section and the dealer shall pay the balance of tax in accordance with the terms of that notice.
- An amended assessment shall be treated in all respects as an assessment under this section.
- No assessment or other proceedings purporting to be made, issued or executed under this Act, shall be –
 - quashed or deemed to be void or voidable for want of form; or
 - affected by reason of mistake, defect or omission therein, if it is in substance and effect, in conformity with this Act or the rules made thereunder and the person assessed, or intended to be assessed or affected by the document is designated in it according to common understanding.
- Where, the Commissioner has reason to believe that a dealer is liable to pay tax in respect of any period, but has failed to apply for registration or has failed to apply for registration within the time as required by or under this Act or has failed to file a return as required by section 24, the Commissioner shall proceed to assess, to the best of his judgment, wherever necessary, the amount of tax due from the dealer in respect of such period and all subsequent periods and, in making such assessment, he shall give the dealer reasonable opportunity of being heard; and if he is satisfied that the default is without reasonable cause, direct the dealer to pay by way of penalty,

in addition to tax assessed, a sum not exceeding the amount of tax assessed (**Sub-Section 9**)

2. Rule 27

- If a registered dealer furnishes the return in respect of any tax period, it shall be accepted as self-assessed subject to adjustment of any arithmetical mistake apparent on the face of the said return. The Assessing Authority shall not be required to give intimation to the dealer

Provided that the Commissioner may, by order, specify the method for selection of assessee for the purpose of detailed assessment up to 20% of the total number of such assessments/assessee or up to such other percentage as may be notified by the Government.

- Whenever the Commissioner makes an assessment of tax of a registered dealer under Section 29 of the Act, he shall cause to serve a notice in Form VAT-VIII upon such dealer.
- After giving the dealer a reasonable opportunity of being heard, the Commissioner shall pass order of assessment which shall be recorded in writing in the Form VAT-X and where the Commissioner determines the turnover of a dealer at a figure different from that shown in the returns of sales submitted by the dealer, under the provisions of the Act and these rules, the order shall state briefly the reasons therefore, but failure to state reasons shall not affect the validity of the assessment order.

The order imposing penalty and/or the interest in respect of any period may be incorporated in the order of assessment relating to that period or a separate order may be issued for levy of such penalty and/or interest.

- If the assessment made under this rule results in tax payable in excess of amount declared and paid along with the returns, then the Appropriate Assessing Authority shall serve upon the dealer a notice in the Form VAT-XI directing the dealer to pay the excess amount demanded within the specified time which may not exceed sixty days from the date of service of such notice.

Assessment

- When the copy of the challan acknowledging receipt of tax is furnished by the dealer or person from whom any amount is demanded under these rules, the Appropriate Assessing Authority shall cause to make necessary entries in the office record wherever necessary and shall place such copy of the challan in the respective case record of the dealer or other office record.
- If the assessment made under this rule results in excess input tax credit refundable to the dealer then such refund shall be granted in accordance with the procedure laid down in Rule 30.
- The Appropriate Assessing Authority may assess a registered dealer in respect of a part of the year for any other good and sufficient reason and shall record in writing the circumstances which necessitate the assessment, either before or at the time of proceeding to such assessment.
- If any dealer applies for cancellation of his registration certificate on the grounds of closure of business or change in the ownership or status of the business or any other specific reason, the Appropriate Assessing Authority shall assess the said dealer before cancellation of his registration certificate.

3. Provisional Assessment (Section 30)

- Where a registered dealer claims refund of tax, the Commissioner may, if deemed necessary, proceed to assess the dealer provisionally under Section 29 for any return period within the period specified Section 34
- Where a registered dealer fails to furnish the return in respect of any tax period within the prescribed time, the Commissioner may, notwithstanding anything contained in this section proceed to assess the dealer provisionally for that period for such default. The provisional assessment shall be made on the basis of past returns, or past records and where no such returns are available, on the basis of information received by the Commissioner and the Commissioner shall direct the dealer to deposit the amount of tax assessed in such manner and by such date as may be prescribed

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- If the dealer furnishes return along with evidence showing full payment of tax, interest and penalty, if any, on or before the date of payment specified above, the provisional assessment made shall stand revoked to the extent of the tax demanded, interest levied and penalty imposed, on the date on which such return is filed by the dealer
- Nothing contained in this section shall prevent the Commissioner from making assessment under Section 29 and any tax, interest or penalty paid against provisional assessment under this sub-section shall be adjusted against tax, interest or penalty payable on assessment under the said sub-section.
- The procedure laid down under rule 27 of these rules with such modifications as may be necessary shall apply to the assessment made under sections 30 and 32 of the Act.

4. Assessment of Escaped Turnover (Section 31)

- If the Commissioner has reason to believe that the whole or any part of the turnover of the dealer in respect of any period has escaped assessment to tax or has been under-assessed or any deduction or exemption have been wrongly allowed in respect thereof or the turnover is assessed at a lower rate than the one applicable under this Act, Commissioner may, subject to sub-section (2), at any time within a period of eight years from the expiry of the year to which the tax relates, proceed to assess or reassess to the best of his judgment the tax, payable by the dealer in respect of such turnover after issuing a notice in the prescribed manner to the dealer and after making such enquiry as it may consider necessary (**Sub-section 1**).
- In making an assessment under sub-section (1), the Commissioner may, if he is satisfied that the escape from assessment is due to willful non-disclosure of assessable turnover by the dealer, direct the dealer to pay, in addition to the tax assessed, a penalty, not exceeding twice the amount of tax so assessed, but not less than the amount of tax due (**Sub-section 2**).
- No assessment under sub-section (1) or penalty under sub-section (2) shall be made or levied without giving a reasonable opportunity to the dealer of being heard.

5. Escaped assessment, re-assessment of tax, etc. (Rule 29)

- If the Commissioner has reasons to believe that any turnover of sales of any goods chargeable to tax under the Act has, in respect of any period/year, escaped assessment or has been under-assessed, or assessed at a lower rate or allowed input tax credit in excess of what is admissible or that any deduction has been wrongly made in an order issued under section 29 of the Act, the Commissioner shall cause to serve upon the concerned dealer within the time specified in Section 31 of the Act, a notice in Form VAT-IX and after giving him reasonable opportunity of being heard and making such enquiries as it considered necessary may proceed to assess or re-assess the amount of tax due from such dealer.
- The order of assessment or reassessment shall be made in writing in Form VAT-X. Also, a notice in the Form VAT-XI, as referred to in rule 27, for demand of tax levied, interest and penalty imposed, if any, arising out of said orders shall be served upon the dealer.

6. Protective Assessment (Section 32)

Where the Commissioner has reason to believe that any person with a view to evade payment of tax or in order to claim any input tax credit which he otherwise is not eligible for, is carrying on business in the name of, or in association with, any other person, either directly or indirectly, whether as an agent, employee, manager, partner or power of attorney holder, guarantor, relative or sister concern or in any other capacity, such person and the person in whose name the registration certificate, if any, is taken, shall jointly and severally, be liable for payment of the tax, interest or penalty or other amount due under this Act which shall be assessed, levied and recovered from all or any such person as if such person or persons is/are dealers under the Act. However, before taking action under this section the persons concerned shall be given a reasonable opportunity of being heard.

7. Assessment in case of casual trader and non-resident dealers (Section 32A)

Notwithstanding anything contained in this Act, where the Commissioner has

a reason to believe that any person who is unregistered casual trader and/or nonresident dealer and is likely to evade the payment of tax due, the Commissioner may, if deemed necessary, proceed to assess such persons and if it is not practicable to issue a notice for assessment, may proceed to assess such person on the spot and direct such person to deposit the amount of tax in such manner and by such date as may be indicated in the Order.

8. Limitation period not to apply in certain cases (Section 31A)

- Notwithstanding anything contained in this Act, the time limit stipulated in this Act for assessment, re-assessment and/or for the levy of penalty under this Act shall not apply to a dealer who has evaded payment of tax in respect of any period or periods by not recording or recording in an incorrect manner, any transaction of sale or purchase or by claiming input tax credit or the refund on the basis of any bogus or forged documents or where the claim was otherwise fraudulent:

Provided that no such assessment, re-assessment shall be carried out and/or penalty shall be levied without approval of the Government.

9. Spot Assessment (Rule 28A)

- If the Commissioner has reason to believe that a person being an unregistered casual trader and/or non-resident dealer is likely to evade the payment of tax due, he shall, after giving the person a reasonable opportunity of being heard, pass an order of assessment in Form VAT X. The order imposing penalty and/or interest may be incorporated either in the order of assessment or a separate order may be issued for levy of such penalty and/or interest.
- The Commissioner shall serve upon the dealer a notice in Form VAT XI directing the dealer to pay the amount demanded within the time specified therein which may not exceed two working days from the service of such notice.
- When the copy of the challan acknowledging receipt of tax is furnished by the dealer or person from whom any amount is demanded under this rule, the Appropriate Assessing Authority shall cause to make

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necessary entries in the office record wherever necessary and shall place such copy of the challan in the respective case record of the dealer or other office record.

- The Commissioner may assess the dealer for part of a year for good and sufficient reason and shall record in writing the circumstances which necessitate such assessment at the time of assessment proceeding.

Chapter 7

Refund

1. Refund and Payment of Interest on Amount Refundable (Section 33)

- Subject to other provisions of this Act and the Rules made thereunder, the Commissioner shall in the manner and within the time as may be prescribed, refund to a dealer any amount of tax, penalty or interest paid by such dealer in excess of the amount due from him under this Act or unduly paid by him and also excess of input tax credit over output tax payable under this Act. The amount of such refund shall be credited to the declared Bank account of the dealer.
- When any amount refundable to any dealer or person under an order made under any provisions of this Act, including refund admissible to an exporter, is not refunded within ninety days
 - of the date of such order is made by any authority; or
 - the date of receipt of the order by the authority, if such order is made by any other authority; or
 - of the date of receipt of application for refund under sub-section (3) of section 10

the authority shall pay such person simple interest at the rate of eight percent per annum on the said amount from the day immediately following the day of expiry of the said ninety days to the day of refund

Provided that the interest calculable shall be on the balance of the amount remaining after adjusting out of the refundable amount any tax, penalty or other amount due under this Act, for any year by the person on the date from which such interest is calculable

2. Provisional refund of tax in special circumstances (Section 34)

- If a registered dealer has filed any return as required under this Act

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and the return shows any amount to be refundable to the dealer on account of sales in course of export out of the territory of India, then the dealer may apply in the manner and form prescribed, to the Commissioner, for grant of provisional refund pending audit and investigation to establish the correctness of the claim and consequent assessment, if any

- Commissioner may require the dealer to furnish irrevocable Bank guarantee for an amount equal to the amount of refund. On receipt of such guarantee, the Commissioner shall, subject to the procedure as prescribed, grant the dealer a provisional refund of such amount that may be determined as refundable
- When the dealer is assessed provisionally under Section 30, the Commissioner shall adjust the amount of provisional refund against tax due, if any, as a result of assessment. If the process of assessment cannot be or is not completed within a period of three months from the date of filing the application or within one month of the assessment notice whichever is later, the provisional refund shall be granted forthwith

Provided that if the delay in completing the assessment under this sub-section is due to non-cooperation of the dealer or non-production of evidence as may be required to be furnished in support of the claim of refund or any other lapse on the part of the dealer, the period of delay shall be excluded while computing the period of limitation under this sub-section and such period shall not be reckoned for grant of interest, if any, admissible by or under Section 33 of this Act.

Provided further that if the lapse on the part of the dealer persists, the Commissioner shall make the provisional assessment absolute and forfeit the bank guarantee furnished to the extent of tax assessed, penalty imposed and interest levied.

- If, on assessment, the provisional refund granted is found to be in excess, then the excess shall be recovered as if it is tax due from the dealer under this Act. On such excess amount, interest will be charged at the rate of two percent per month, from the date of grant of provisional refund, till the date of assessment.

3. Rule 30 – Refunds

- When any order of assessment under section 29 or re-assessment under section 31 or order of appeal under section 35 or under section 36 or under section 37 a review by Tribunal or under section 38 a revision by High Court or revision by Commissioner or rectification under section 41 results in input tax credit exceeding the tax liability whereby dealer is entitled for refund of tax, penalty or interest paid in excess of the amount due from him and the amount to be refunded does not exceed ₹ 50,000/-, the Appropriate Assessing Authority shall forthwith proceed to refund such amount to the person concerned by issue of refund voucher in Form VAT-XII for being credited to the declared bank account of the dealer. However, before proceeding to refund such amount, the Appropriate Assessing Authority shall firstly verify that any amount being due by the dealer is left unpaid by him, in such case, shall adjust the amount to be refunded by issue of an order in Form VAT-XVI, towards the amount due from the dealer on the date of adjustment and thereafter shall refund the balance, if any.
- When the amount of refund arising from any of the contingencies referred to above exceeds fifty thousand rupees but does not exceed ₹ 2 lakhs, the Appropriate Assessing Authority shall obtain the sanction of the Assistant Commissioner in charge of or having the jurisdiction over the wards, before proceeding to refund such amount. In cases where the Assistant Commissioner is himself Appropriate Assessing Authority, the sanction for refund shall be obtained from the Additional Commissioner of Commercial Taxes. For the said purpose, he shall submit the case record of the dealer to the Assistant Commissioner of Commercial Taxes stating full facts which has originated the refund. The Assistant Commissioner of Commercial Taxes upon examining the case shall order the sanction of refund and the Appropriate Assessing Authority shall refund forthwith to the dealer the amount as sanctioned by the order of Assistant Commissioner of Commercial Taxes and the refund shall be made in the manner as provided in above.
- When the amount of refund arising from any of the contingencies referred to in above exceeds ₹ two lakhs or when any amount is unduly paid by the dealer, the Appropriate Assessing Authority shall obtain the sanction of the Additional Commissioner of Commercial

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Taxes before proceeding the refund of such amount. For the said purpose, he shall submit the case record of the dealer to the Additional Commissioner of Commercial Taxes stating therein full facts which originated the refund and upon receipts of the sanction order from the Additional Commissioner of Commercial Taxes, the Appropriate Assessing Authority shall refund forthwith to the dealer the amount as sanctioned by the order of Additional Commissioner of Commercial Taxes, in the manner as provided in above.

Provided that no refund exceeding rupees one crore shall be made without prior approval of the Commissioner.

4. Refund in case of export (Rule 9)

- A dealer whose sales are in the course of export out of territory of India within the meaning of Section 5 of the Central Sales Tax Act, 1956, shall furnish an application in Form VAT- XXVI to the Appropriate Assessing Authority for claim of refund of input tax paid by him, along with the return in Form VAT-III.
- The Appropriate Assessing Authority shall verify the correctness of the claim of such refund and on being satisfied, shall issue the refund voucher in Form VAT- XII which shall be credited to the declared bank account of the dealer in the manner specified under rule 30 within three months from the date of filing of application claiming the refund.

Provided that no refund exceeding rupees fifteen lacs shall be made without prior approval of the Commissioner.

- Interest due, if any, on refunds as provided under Section 33 of the Act, shall be paid to the dealer along with the principal amount in the manner as provided in rule 30.

Chapter 8

Tax Deduction at Source

1. Tax Deduction at Source (Section 28)

- Notwithstanding anything contained in this Act, any employer namely, the Central Government, the State Government, or an industrial, or a commercial or trading undertaking of the Central Government or of the State Government, any Company registered under the Companies Act, 1956, any local authority or any dealer registered under this Act or such other persons as may be notified shall deduct tax from, and out of the amounts payable by such employer to a dealer to whom a Works Contract has been awarded involving transfer of property in goods (whether as goods or in some other form), at the rate of 5% on the value of the Works Contract undertaken by such dealer which shall be deemed to be on account of transfer of property in goods in the execution of such Works Contract.

Provided that, no such deduction shall be made where the amount or the aggregate of the amount payable to a dealer by such employer is less than one lakh rupees during a year or when the cost of material used in execution of the works contract is less than 10% of the contract value (**Sub-section 1**).

Explanation: (i) The deduction of tax under this section shall be effected when the payment is made to the contractor or his account is credited towards such payment, as the case may be.

(ii) The employer effecting such deduction shall be deemed to be a dealer for the purposes of this section and shall get himself registered in the manner as prescribed.

- The tax deducted under sub-section (1) shall be remitted to the Government Treasury in the prescribed manner and within the prescribed time by the said employer making such deduction

Provided that the employer shall remit into the Government Treasury the full amount of tax due and deductible by him under sub-section (1)

Tax Deduction at Source

from the dealer irrespective of the actual amount of tax deducted by him from such dealer (**Sub-section 2**).

- Any such employer making such deduction under sub-section (1) shall in respect of every quarter in which such deduction is made, send to the prescribed authority the receipt from Government treasury showing the payment of such amount deducted along with a statement in the prescribed form containing details of the Works Contract under execution and tax deducted thereon, within the prescribed time, and shall furnish a certificate in the prescribed form to the dealer specifying the amount so deducted and such other particulars as may be prescribed (**Sub-section 3**).
- Any such employer who remits the tax into the Government Treasury under sub-section (2) shall be deemed to have made payment of tax under the authority of the said dealer (**Sub-section 4**).
- If any such employer fails to remit into the Government Treasury the amount due and deductible as required by sub -section (2) within the specified time, the Assessing Authority, on being satisfied that the said employer has failed to discharge the liability under sub-section (2), shall levy and recover from the employer interest at the rate of 15% per annum or at such rate as the Government may notify from time to time, on the amount due and deductible, by an order in writing directing such employer to pay the interest in addition to such amount (**Sub-section 5**).
- No such deduction shall be made under sub-section (1) in respect of such dealers, as may be notified by the Commissioner from time to time subject to the conditions and the circumstances as may be prescribed, the Commissioner may certify, on an application made by any registered dealer, that no deduction or deduction at such lower rate as he may decide, shall be made in respect of such registered dealer (**Sub-section 6**).
- If any Works Contract for execution for the authorities specified in sub-section (1), involves only labour or services but does not involve transfer of property in goods and it is certified to be so by the Appropriate Assessing Authority or by the Assessing Authority of the area on an application made by any dealer, the provisions of sub-section (1) shall not apply and every such application shall be

disposed off by the Assessing Authority within one month from the date of receipt, either by issue of certificate as aforesaid or by endorsement, intimating ineligibility to such a certificate to the dealer, as the case may be **(Sub-section 7)**.

- Payment by way of deduction in accordance with the provisions of this section shall be without prejudice to any other mode of recovery of tax due under this Act from the dealer executing the Works Contract **(Sub-section 8)**.

2. Certificate for tax deduction at source (Rule 25)

- The tax deducted at source referred to in sub-section (2) of section 28 of the Act shall be remitted as under:-
 - (i) the employer effecting deduction of tax under sub-section (1) of section 28 of the Act, shall pay the tax deducted every month within the time as laid down under rule 24 into the appropriate Government treasury and every such remittance shall be accompanied by challan in Form VAT – XVIII hereto.
 - (ii) The challan shall be filled in quadruplicate. The original shall be retained by the employer for records after making the payment. The duplicate shall be furnished by the employer to the Commissioner along with the statement specified in sub-rule (2) of this rule. The triplicate copy shall be retained by the Treasury and the quadruplicate copy shall be sent by the Treasury Officer to the Appropriate Assessing Authority. **(Sub-rule 1)**
- Issue of certificate for deduction of tax at source.
 - (i) The certificate referred to in sub-section (3) of section 28 of the Act, shall be in Form VAT – VII hereto and it shall carry serial number and date and shall be signed by the employer effecting the tax deduction or his authorized representative.
 - (ii) The certificate shall be issued within fifteen days from the end of the quarter during which the deduction is effected.
 - (iii) Every such certificate shall be issued in quadruplicate. The original and the duplicate shall be made over to the contractor in respect of whom deduction is effected. The contractor shall

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furnish the original along with his return to the Appropriate Assessing Authority retaining the duplicate for his record. The employer shall retain the quadruplicate for his record and send the triplicate to the Commissioner with the statement in Form VAT – XXVII hereto within thirty days from the end of the quarter to which the statement relates.

- (iv) Every employer effecting tax deduction at source and issuing certificate in Form VAT – VII shall maintain proper record of certificates of tax deduction issued in Form – VAT XXVIII hereto which shall be open for inspection to the officers of Commercial Tax Department at all reasonable time. In case where records are maintained in electronic system, the Commissioner, may dispense with the maintenance of records in Form VAT – XXVIII, subject to such conditions as he may impose. (Sub-rule 2)

➤ Non-deduction of tax at source or deduction of tax at lower rate following conditions shall apply. A works contractor executing works contract may make an application to the Commissioner seeking exemption from deduction of tax or deduction at lower rates by such authorities in respect of the works contracts executed, subject to the following conditions, namely:-

- (i) The works contractor is a registered dealer for a period of not less than 3 years;
- (ii) The works contractor is not in arrears of any tax or other amount due under the Act on the date of application;
- (iii) The works contractor is not a non-resident dealer;
- (iv) The application shall be made within 90 days from the date of the commencement of the works contract if he has commenced the works contract during the course of the year;
- (v) The works contractor proves to the satisfaction of the Commissioner, that, in respect of the works contract allotted, required tax will be deducted at source or has been deducted and deposited in the Treasury from the account of sub-contractor.

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- (vi) The works contractor shall furnish such security as the Commissioner may demand;
- (vii) The exemption or reduction granted in the amount of deduction, is liable to be withdrawn forthwith, if the works contractor commits the default in filing the returns or in payment of tax payable under the Act within the time prescribed (**Sub-rule 3**).

Chapter 9

Accounts and Records, Issue of Tax Invoice, Credit & Debit Notes etc.

1. Accounts to be maintained by Dealers (Section 72)

- Every person registered under this Act and every dealer or other person liable to get himself registered under this Act shall keep and maintain true and correct accounts and such other records, as may be specified, by the Commissioner, by notification, in the principal place of business in the State.
- The Commissioner may, subject to such conditions or restrictions as may be prescribed in this behalf, by notice in writing direct any dealer or by notification direct any class of dealers to maintain accounts and records showing the details regarding their purchases, sales or deliveries of goods in such form and in such manner as may be specified by him.

2. Maintenance of records (Rule 43)

- Records to be maintained by registered dealers.
- The following records in particular shall be maintained:
 - a monthly account specifying total output tax, input tax and net tax payable or the tax credit due for refund including carried forward of such balance from the preceding month.
 - Purchase records, such as, purchase invoices, cash and credit invoices with despatch challan and transport and courier documents/receipts wherein tax has been charged and all purchases made without charge of tax including import of goods from other States or Countries or from unregistered dealers.
 - Sales records showing separately sales made at each rate of tax, zero rate and exempt sales.

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- The copies of tax invoices related to taxable sales and invoices related to exempt sales in chronological and numerical order.
- Credit and Debit note issued/received, in chronological and numerical order.
- records of all zero rated exports of goods together with copies of custom clearance certificates, invoices issued to the foreign purchasers, transport documentation, Form 'H' prescribed under the Central Sales Tax Act 1956, orders or contracts for with the foreign purchasers and evidence of payment by bank, transfer through a bank or by a letter of credit payable by Bank.
- Records of inter-State sales and inter-State transfer supported by 'C' Forms, 'F' Forms, way bills and stock transfer vouchers.
- cash records maintained by retailers, viz. cash book, petty cash, vouchers, and other accounting records including cash registers, machine rolls details in the daily takings.
- Details of input tax calculation where the registered dealer is making both taxable and exempt sales.
- The registers, accounts and documents maintained shall be sequentially numbered and where the register and other documents are maintained by means of a computer or any other similar mechanical device, the dealer shall maintain copies in paper of such registers and other documents printed on a monthly basis
- Documentation, records and claims eligible for all transitional tax credit in respect of stock held on the appointed day or on first registration.
- Stock records showing stock receipts, returns, deliveries and balances rate wise.
- Manufacturing records including records of capital goods and raw materials.
- Annual accounts including Trading, Profit & Loss account and Balance Sheet, with Schedules.
- Order records, delivery notes/challan and way bills.

Accounts and Records, Issue of Tax Invoice, Credit & Debit Notes etc.

- Records of the bank transactions.

- A dealer opting for composition of tax under section 7 of the Act and an unregistered dealer shall maintain a daily record of his gross sale and purchase details.
- All records maintained in course of business shall be retained for a period of six years from the expiry of the year to which they relate.

3. Tax Invoice, Sale Bill or Cash Memorandum (Section 11)

- A registered dealer making taxable sale to another registered dealer shall provide registered dealer, at the time of sale, with an original tax invoice (as described in Schedule 'F' hereto) for the sale and shall retain one copy thereof.
- An original tax invoice should not be provided to a registered dealer in any circumstances other than those specified above, but a copy marked as duplicate may be provided if such registered dealer receiving the original invoice so request for the reason that the original has been lost. A statement showing the details of such duplicate invoices issued shall be submitted along with the returns provided under section 24.
- Every taxable person other than one covered by sub-section (1) shall issue a bill or cash memorandum in such form and with such details, of tax collected, if any, as may be prescribed, for every sale involving an amount not less than ₹ 250/-:

Provided, however, that when sale price for sale in any one transaction is below ₹ 250/-, the taxable person may, except when demanded by a customer, refrain from issuing a sale bill or cash memorandum as aforesaid but shall instead prepare a consolidate sale bill or cash memorandum at the close of the day in respect of such sales by recording them separately as and when they are effected.

4. Particulars of sale bill or cash memorandum

- A sale bill or cash memorandum as specified in section 11 of the Act, issued by a registered dealer where the value of the goods sold is in

excess of one hundred rupees, or a registered dealer selling non-taxable goods or registered dealer selling goods in the course of interstate trade or commerce or in the course of export out of the territory of India or import into the territory of India, shall contain the following details.-

- a consecutive serial number with date of sale
 - the name, address and registration number of the selling dealer and
 - a description of the goods with its value.
- A sale bill shall be issued in duplicate, even where it is generated by any electronic or mechanical device, a copy marked "original" shall be delivered to the buyer and the duplicate copy be retained by the registered dealer.

5. Credit and Debit Notes (Section 12)

- Where a tax invoice has been issued and the amount shown as tax charged in that tax invoice exceeds the tax properly chargeable in respect of the sale, the taxable person making the sale shall provide the recipient of the sale with a credit note containing the requisite particulars as specified in Schedule F hereto.
- Where a tax invoice has been issued and the tax properly chargeable in respect of the sale exceeds the amount shown as tax charged in that tax invoice, the taxable person making the sale shall provide the recipient of the goods with a debit note containing the requisite particulars as specified in Schedule F hereto.
- In case of goods returned or rejected by the purchaser, either a credit note or a written acknowledgement shall be issued by the selling dealer to the purchaser for having received the goods from the purchaser and a debit note shall be issued by the purchaser to the selling dealer containing particulars of the transaction as may be prescribed:

Provided that no such credit note or a written acknowledgement and/or debit note shall be considered for grant of input tax credit if the goods are returned or rejected beyond the period of six months.

Accounts and Records, Issue of Tax Invoice, Credit & Debit Notes etc.

- **Rule 11:** (1) Credit note or Debit note specified under section 12 of the Act shall be issued within a period of six months from the date of original sale or purchase. (2) It shall contain the particulars as specified in Schedule "F" to the Act and with consecutive serial number and the number and date of the relevant tax invoice. (3) In case goods are returned within the time specified, the claim for adjustment shall be allowed with reference to the year under which respective sales or purchases are made.

Chapter 10

Inspection of Accounts, Search and Seizure and Establishment of Check Post

1. Production, Inspection of Accounts and Documents and Search of Premises (Section 73)

- The Commissioner may, subject to such conditions as may be prescribed, require any dealer to produce before him any accounts or documents, or to furnish any information relating to stocks of goods, sale, purchase and delivery of goods or to payments made or received by the dealer, or any other information relating to his business as may be necessary for the purposes of this Act (Sub-section 1).
- All accounts, registers and documents relating to stocks of goods, purchase, sale and delivery of goods, payments made or received by any dealer, and all goods and cash kept in any place of business of any dealer, shall, at all reasonable time, be open to inspection by the Commissioner, and the Commissioner may take or cause to be taken such copies or extracts of the said accounts, registers or documents and such inventory of the goods and cash found as appear to him necessary for the purposes of this Act (Sub-section 2).
- If the Commissioner has reason to believe that any dealer has evaded or is attempting to evade the payment of any tax due from him, he may, for reasons to be recorded in writing, seize such accounts, registers or documents of the dealer as may be necessary, and shall grant a receipt for the same, and shall retain the same for a period not exceeding six months or for further period up to six months as may be extended by order in writing (Sub-section 3).
- For the purposes of sub-section (2) or sub-section (3), the Commissioner may enter and search any place of business of any dealer or any other place where the Commissioner has reason to believe that the dealer keeps or is for the time being keeping any

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account, registers or documents of his business or stocks of goods relating to his business (Sub-section 4).

- Where any books of accounts, other documents, money or goods are found in the possession or control of any person in the course of any search, it shall be presumed, unless the contrary is proved, that such books of accounts, other documents, money or goods belong to such person (Sub-section 5).

2. Cross - Checking of Transactions (Section 74)

- With a view to preventing evasion of tax and ensuring proper compliance with the provisions of this Act, the Commissioner may, from time to time, collect information regarding sales and purchases effected by any class of dealers and cause any of such transactions of sale and purchase to be cross-checked.
- For this purpose, the Commissioner may, from time to time, by notification in the Official Gazette require any class of dealers to furnish such information, details and particulars as may be specified therein regarding the transactions of sales and purchases effected by them during the period mentioned in the said notification to such authority and by such date as may be specified.
- The Commissioner shall cause any of such transactions to be cross-checked by reference to the books of accounts of the purchasing and selling dealers. For this purpose, the Commissioner shall, so far as he may, send an intimation in writing to the dealer whose books of accounts are required to be verified for the purpose of cross-checking, stating therein the details of the transactions proposed to be cross-checked and the time and date on which any officer or person duly authorized to cross check the transaction will visit the place where the books of accounts are ordinarily kept by the dealer.

3. Establishment of Check Posts for Inspection of Goods in Transit (Section 75)

- The Government may, with a view to prevent or check avoidance or evasion of tax, by notification in the Official Gazette, direct establishment of the check post or barrier at such places as may be

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specified in the notification and every officer who exercise powers and discharges his duties at such check post by way of inspection of documents produced and goods being moved, shall be in-charge of such check post or barrier.

- The driver or person in charge of vehicle or carrier of goods in movement shall:-
 - (a) carry with him the records of the goods including "Challan", bills of sale or despatch memos and prescribed declaration form or way bill duly filled in and signed by the consignor of goods carried and file at the check post such declaration or document as may be prescribed
 - (b) stop the vehicle or carrier at every check post set up or at any other place as desired by an officer authorized by the Commissioner in this behalf
 - (c) produce all the documents relating to the goods before the officer in charge of the check post or the authorized officer
 - (d) give all the information in his possession relating to the goods
 - (e) allow the inspection of the goods and search of the vehicle by the officer in charge of the check post or any authorized officer.

Where any goods are in movement within the territory of the State of Goa, an officer empowered by the Government in this behalf may stop the vehicle or the carrier or the person carrying such goods, for inspection, at any place within his jurisdiction and the aforesaid shall apply mutatis mutandis.

- Where any goods in movement are without documents, or are not supported by documents as referred above, or documents produced appear to be false or forged, the officer in charge of the check post or the officer empowered, may –
 - (a) direct the driver or the person in-charge of the vehicle or carrier of the goods not to part with the goods in any manner including by transporting or re booking, till a verification is done or an enquiry is made, which shall not take more than seven days
 - (b) seize the goods for reasons to be recorded in writing and shall give receipt of the goods seized to the person from whose possession or control they are seized.

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- The officer in charge of the check post or the officer empowered above, after having given the person in charge of the goods a reasonable opportunity of being heard and after having held such enquiry as he may deem fit, shall, impose, for possession or movement of goods, whether seized or not, in violation of the non-carrying the challan, bills of sale/ despatch memos & prescribed declaration form or way bill or for submission of false or forged documents, a penalty, equal to twice the amount of the tax leviable on such goods.

During the pendency of the proceeding, if any one prays for being impleaded as a party to the case on the ground of involvement of his interest therein, the said officer in charge of the check post or the empowered officer, on being satisfied, may permit him to be included as a party to the case; and thereafter, all provisions of this section shall mutatis mutandis apply to him.

- The officer in charge of the check post or the officer empowered may release the goods to the owner of the goods or to any person duly authorized by such owner, on payment of the penalty.
- Where the driver or person in charge of the vehicle or the carrier is found guilty, the officer in charge of the check post or the officer empowered may detain such vehicle or carrier and after affording an opportunity of being heard to such driver or person in charge of the vehicle or the carrier, may impose a penalty on him.
- Where a transporter, while transporting goods, is found to be in collusion with dealer to avoid or evade tax, the officer in charge of the check post or the officer empowered, shall detain the vehicle or carrier of such transporter and after affording him an opportunity of being heard and with prior approval in writing of the Commissioner may confiscate such vehicle or carrier.
- **Rule 44:**
 - Check-post shall be set up and barriers erected across roads as provided under sub-section (1) of section 75. The barriers shall be in the form of contrivances to enable traffic to be stopped.
 - No person shall, during the movement of goods in the course of inter--State trade or commerce, transport beyond a check-post

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any goods the sale of which is liable to tax under the Act except after filing declarations in Form VAT XX in triplicate and presenting it to the check-post officer:

Provided that no declaration in Form VAT XX be filed if the value of the taxable goods transported in a vehicle does not exceed rupees ten thousand.

- When the owner or person in charge of the vehicle carries with him a Sale Bill or Tax Invoice or invoice covering all the goods being carried in the said vehicle at that point in time, bearing the full name, address and TIN of the purchaser as well as the seller, he shall not be required to file the form specified provided that a copy or photocopy of the bill or tax invoice is submitted at the check-post and an endorsement to that effect is obtained on above mentioned documents

Provided that no such bill or tax invoice be filed if the value of the taxable goods transported in a vehicle does not exceed rupees ten thousand.

- In respect of clearing or forwarding house or agency, transporting agency, shipping agency, shipping out agency, steamer agency, transporting the notified goods in or out of the State or through any of the check-post, shall, in lieu of Form VAT XX, furnish a authenticated xerox copy of the trip sheet or any other document giving the details of cargo transported, to the Commercial Tax Officer having jurisdiction over the area in which the principal office of such agencies is located ,within 48 hours from arrival of the carrier at the destination or a crossing of any of the check-posts, as the case may be.
- Generally an inspector shall be in charge of a check-post and he may be assisted by such staff as may be necessary. However, till independent check posts for VAT are set up for administration, the Government may notify the Excise Check-posts as check-posts for the purposes of the Act and may appoint any suitable official from Excise Department to be an Inspector in-charge of such check-post.
- The driver of the vehicle carrying goods or the person in charge of the goods shall file all the three copies of the declarations in

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specified form at the check-post. The officer-in-charge of the check-post shall sign and date each copy of the declaration and mark it with the seal of the check-post. He shall then return one copy to the driver or the person in charge of the goods. Of the two copies of the declarations retained at the check-post, one shall be pasted in a guard file to be kept there and the other forwarded to the Appropriate Assessing Authority of the ward, in which the consignor or the consignee, as the case may be, has his principal place of business.

- In case of agencies transporting the goods, the driver of the vehicle carrying the goods or the person in charge of the goods shall produce the trip sheet or any other document giving the details of the goods transported to in charge of the check-post who, if need be, shall take the necessary details and return the trip sheet duly endorsed to the driver.
- Every officer of the Commercial Tax Department not below the rank of inspector shall have authority to intercept and check and search any vehicle.

4. Procedure for confiscation of goods and vehicles

- The officer empowered under the Act shall issue a notice not later than 5 days from the date of seizure of the goods and/or of confiscating the vehicle or carrier.
- The officer may estimate the value of the goods on the basis of the market value of the goods, on the day of confiscation and also the value of the vehicle or carrier on the basis of a valuation certificate issued by an engineer of any Department of the Government, not below the rank of an Assistant Engineer qualified to assess the value of vehicle or carrier. For this purpose, the said officer may make a request in writing to such Engineer who shall issue the valuation certificate not later than five days from the date of receipt of such request.

5. Mode of disposal of seized properties

- An Officer seizing the goods shall cause to be published on the notice board of his office, a notice under his signature specifying the details

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of goods seized and vehicle/carrier confiscated and intended for sale by auction, the reserve price of the goods, the place, day and hour at which the seized goods/vehicle or carrier will be sold by auction and earnest money deposit payable and shall display copies of such list and such notice in more than one public place in or around the place in which the goods were found and seized.

- No sale by auction shall take place before the expiry of a period of fifteen days from the date on which the notice is affixed.
- The Officer who seized the goods or any other Officer authorized in this behalf by the Commissioner shall conduct the auction in person and as far as possible the goods shall be made available at the place of auction.
- At the appointed time the goods shall be put in one or more lots as the officer conducting the auction may consider advisable and shall be knocked down in favor of the highest bidder subject to confirmation of sale by auction by the Commissioner.
- The auction purchaser shall pay the sale value of the goods including Value Added Tax applicable, by depositing the same in the Government Treasury within three working days after the sale and he shall not be permitted to carry away the goods unless the amounts are paid in full. If the auctioned sum is not deposited within three working days, the earnest money deposit shall be confiscated and the goods shall be re-auctioned as per the schedule determined by the officer concerned.
- Notwithstanding anything contained in the foregoing sub-rules, if the goods seized are of a perishable nature or subject to speedy and natural decay or when the expenses of keeping them in custody are likely to exceed their value, the officer, upon recording reasons in writing for doing so, shall sell the goods immediately. All such actions shall be reported to the Commissioner within 24 hours immediately after such seizure.
- Where the appellate or revisional authority orders any refund of the sale proceeds of the goods seized and sold in auction, the same shall be made after deducting any tax to be collected and remitted to Government in accordance with the provisions of the Act and any other charges incurred in connection with the auction sale.

Chapter 11

Audit Report

1. Accounts to be audited in certain Cases (Section 70)

- Every dealer liable to pay tax shall, if his gross turnover of sales exceeds rupees one crore in any year, or in any other case, if the amount of input tax credit claimed by him in any year exceeds rupees ten lacs, get his accounts in respect of such year audited by an accountant by such date and in such manner as may be prescribed and furnish within the prescribed period the report of such audit in the prescribed form duly verified and signed by such accountant and setting forth such particulars and certificates as may be prescribed.
- For the purposes of this section, "Accountant" means a Chartered Accountant within the meaning of the Chartered Accountants Act, 1949 (Central Act 38 of 1949).
- If any dealer liable to get his accounts audited fails to furnish a copy of such report within the period prescribed, the Commissioner shall impose on him, in addition to any tax payable, a penalty of rupees one hundred per day for each day of delay, subject to a maximum of rupees twenty-five thousand cumulatively.
- **Rule 42:** The dealer liable to get his accounts audited, shall transmit to the Appropriate Assessing Authority, the audited statement of accounts in Form VAT XV, using digital signature, on or before the last date of the tenth month immediately after the end of the relevant year, through electronic system by using a system code availed from the Appropriate Assessing Authority. The Audit report shall be signed and verified by the Chartered Accountant setting forth all the particulars and certificates as are required to be specified in such Form.

Wherever, such audit report is not filed within the time specified above, the dealer shall deposit the penalty as specified in Section 70 of the Act and the receipted copy of the challan thereof shall be submitted to the Appropriate Assessing Authority.

2. Production of Final Accounts (Rule 42A)

- Every dealer liable to get his accounts audited under section 70 of the Act shall furnish to the Appropriate Assessing Authority, a copy of the audited Final Accounts within ten months of the financial year to which the audit report relates.
- A dealer not covered by above shall furnish to the Appropriate Assessing Authority, a copy of the Final Accounts within a period of six months from the end of the financial year.
- In case dealer has a branch office in the State or has branch office outside the State or in any other case, has a part of the management outside the State, then, the final accounts shall be furnished by the dealer to Appropriate Assessing Authority in respect of its branch/es in the State.
- In case the dealer fails to furnish the final accounts, it shall be deemed as if no audit report in Form VAT XV or returns for the year, as the case may be, is/are filed by the dealer and the Appropriate Assessing Authority, upon recording reasons in writing, shall assess such dealer to the best of his judgment.

3. Procedure for Appointment

- Obtain letter of appointment duly signed by a competent authority like proprietor/partner/director/CEO or any other authorized person.
- Verify that the appointment is made by following applicable and appropriate procedures such as board resolution in the case of a company or cooperative society.
- In the case of joint audit or branch audit obtain the name and address of such other auditors.
- Obtain name and address of the previous auditor and obtain their no objection certificate.
- Comply with the requirements of SA210 (AA26) – Terms of audit engagement issued by ICAI. Issue the audit engagement letter preferably before the commencement of the engagement to help avoid any misunderstandings with respect to the engagement.

4. Ceiling on Number of Audits

No ceiling is prescribed either under the Goa VAT Act or by ICAI on the number of VAT audit assignments unlike ceiling prescribed under the Companies Act, 1956/ 2013 or by ICAI vide notification dated 13-1-1989 for audit under section 44AB of the Income -tax Act, 1961.

5. Removal

There are no provisions under Goa VAT Act for removal of auditors. Hence, an auditor validly appointed cannot be normally removed on flimsy grounds. Any attempt for unjustified removal of auditors can be referred to the ICAI and the committee for unjustified removal of auditors can intervene and issue necessary directions.

6. Death, Disqualification, Resignation

The Goa VAT Act is silent on these issues. Hence, the normally accepted auditing practices will have to be followed. In any of the eventualities like death, disqualification, resignation a new auditor will have to be appointed by the authority empowered for appointment.

7. Submission of Audit Report

The VAT auditor is required to submit his report to the person appointing him viz., the dealer. No responsibility is cast upon the VAT auditor to submit copy of his report to Assessing Officer of the dealer or to any other officer of the Commercial Tax Department. Submitting a copy of the report to any person other than the dealer except in the circumstances required under any law or without the consent of the dealer will amount to professional misconduct under clause I of Second Schedule to the Chartered Accountants Act, 1949.

8. Audit of Unregistered Dealer

The liability to get accounts audited is on the dealer liable to pay tax. Registration under Goa VAT Act is not the criteria for deciding liability to pay tax and for finding out whether the VAT audit provisions are applicable or not.

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An unregistered dealer who is liable to pay tax is also liable to get his accounts audited u/s. 70 of the Goa VAT Act, if his gross turnover exceeds rupees One Crore or the input credit exceeds rupees Ten Lakhs in a year.

9. Tax Free Goods

Any dealer dealing exclusively in tax free goods is also "liable to pay tax" within the meaning of Section 3 of Goa VAT Act. Thus, if his gross turnover exceeds the limits laid down under Section 70 of Goa VAT Act, he will have to get his accounts audited.

10. Penalty for not furnishing Audit Report in time

Section 70(3) of Goa VAT Act, prescribes penalty for not furnishing audit report in time. The penalty prescribed is as follows:

Minimum penalty	₹ 1000
+ First 60 days delay	₹ 100 per day
+ Beyond 60 days delay	₹ 250 per day
Maximum penalty	₹ 1,00,000

11. Revision of Audit Report

In certain cases, VAT auditor may be called upon to revise audit report already submitted. Once an audit report under section 70 is submitted, normally it should not be revised. However, some times the VAT auditor may be required to revise the VAT audit report on the grounds such as:

- (a) Revision of the accounts after submission of the audit report.
- (b) Change of law e.g. retrospective amendment.
- (c) Change in interpretation e.g. Government notifications, Judicial pronouncements, Trade circulars issued by the department.

In case where a VAT auditor is called upon to give a revised report, then in the revised report it shall be mentioned that the said report is a revised report and also a reference should be made to earlier reports. In the revised report, reasons for revising the report should also be mentioned.

12. Branch Audit Reports

It is possible that the dealer whose accounts are to be audited may have branches at various places in the State. In respect of these branches, the dealer may appoint separate branch auditor (s) for conducting VAT audit under section 70. If the audit under section 70 is carried out by the branch auditor (s), then they should submit their report in Form VAT XV to the management or if directed by the management to the principal VAT auditor appointed for the principal place of business. Attention in this regard is drawn to SA 600 (AAS-10) "Using the work of another auditor (revised)", which discusses the procedure in this regard as well as the principal VAT auditor's responsibility in relation to his use of work of the branch auditors. The principal VAT auditor should submit his consolidated report for all places of business in respect of which one return is filed and report in his VAT audit report as under:

"I/We have taken into consideration the audit report and/or the audited statements of accounts and the particulars in Form VAT XV received from the auditors duly appointed by the dealer for auditing the accounts of the branches not audited by me/us."

Chapter 12

Appeals and Revision

1. Appeals (Section 35)

- Any person objecting to an order affecting him passed under the provisions of this Act by an authority may appeal to Appellate Authority as may be prescribed within sixty days from the date of receipt of order by him.
- Where the Appellate Authority is satisfied that the person has reasonable cause for not preferring an appeal within the time specified above, he may accept an appeal, provided it is made within one year, from the date of receipt of order by him.
- The appeal shall be in the prescribed form and shall specify in detail the grounds upon which it is made.
- In case of an appeal against an assessment or any order raising demand against the person, the Appellate Authority shall consider it only if the person has paid the tax which is not disputed by him.
- The appellant shall serve a copy of the appeal memo to the authority against whose order the appeal is filed.
- After considering the appeal and after affording an opportunity of hearing, the Appellate Authority may allow it in whole or part and amend the assessment or enhance the assessment or levy tax and/ or penalty and/or other amount or remand it for fresh disposal or dismiss the appeal:

Provided that before making a levy of tax, penalty or other amount and/or enhancement of assessment as the case may be, the appellant shall be given an opportunity of being heard.
- The Appellate Authority shall serve the appellant, with an order in writing, of the appeal decision, setting forth the reasons for the decision.

2. Stay of disputed amount of tax (Rule 34)

- Pending the final decision of an appeal filed under sub-section (1) of section 35 of the Act, on an application from the appellant, the recovery of any tax assessed or re-assessed or penalty imposed under the Act and not admitted by the appellant to be due from him, shall be stayed, if so directed by the Appellate Authority and not otherwise, on such terms and conditions as may be specified in the direction.
- The Appellate Authority shall dispose of any stay application not later than ninety days from receipt of such application by giving the applicant an opportunity of being heard in the matter.
- The appeal may be summarily rejected if the appellant after being given an opportunity to comply with any of the requirements of rule 32 and 33 of these rules or being directed to furnish security, which may be decided by the Appellate Authority fails to comply with the requirements of the said rules or furnish security or for any other sufficient reasons;

Provided that when an application is summarily rejected on the ground other than non-compliance of provisions of rules 32 and 33 or for non-furnishing of security demanded, the reasons for such summary rejection should be stated in the order.

3. Appeal to the Tribunal (Section 36)

- A person dissatisfied with the decision of the Appellate Authority may, within sixty days after being served with an order of the decision-
 - (a) file a second appeal before the Tribunal; and
 - (b) serve a copy of the notice of appeal on the Commissioner as well as the authority whose original order is under second appeal before the Tribunal.
- No appeal shall be entertained by the Tribunal, unless such appeal is accompanied by a satisfactory proof of the payment of whole of the undisputed amount of tax, interest and penalty and fifty percent of the disputed amount of tax, interest and penalty, that may be due."
- Provided that in all cases pending before the tribunal on the date of coming into force of these amendment the appellant shall comply with

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the sub-section 2; within a period of 120 days failing which any pending appeal shall stand abated.

- The Tribunal may admit an appeal after expiry of sixty days if it is satisfied that the appellant had sufficient reason for not filing the appeal within the time specified above, provided it is filed within one year of serving of decision of Appellate Authority.
- In deciding an appeal, the Tribunal shall, make an order after affording an opportunity to the dealer or other person and the Commissioner,-
 - (a) affirming, reducing, increasing, or varying the assessment or other order under appeal; or
 - (b) remitting the assessment or other order under appeal for reconsideration by the Authority concerned with such directions as it may deem fit; and
 - (c) shall serve a copy of such order to the Commissioner:

Provided that before increasing the tax or other amount the dealer shall be given an opportunity of being heard on the proposal of increasing the liability.

- The Tribunal shall serve the appellant with notice in writing, of the appeal decision setting forth the reasons for the decision.

4. Review by Tribunal (Section 37)

The Tribunal may, on the application either by the appellant or by the respondent made within thirty days from the date of the order under sub-section (4) of section 36, review any order passed by it on the basis of facts which were not before it when the order was passed.

5. Application for revision or review (Rule 36)

- The application for review before the Tribunal shall be made within a period of thirty days from the date of order as provided under section 37 of the Act. However, the Tribunal may entertain such application beyond the period of thirty days, if the applicant satisfies the Tribunal that he had sufficient cause for not presenting the application within such period.

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- The Tribunal upon receipt of such application shall issue a notice to be served on the applicant specifying the date and time for hearing and upon hearing shall make necessary order.
- When the Commissioner proposes to revise or review any order, on his own motion, under section 39 of the Act, he shall give the dealer as well as the Appropriate Assessing Authority or the Appellate Authority, as the case may be, an opportunity of being heard.
- When any order passed as a consequence of review or revision, results in extra dues payable by the dealer, he shall call the dealer to pay the difference in tax within a period of sixty days.

6. Review of orders (Rule 38)

- When the Tribunal constituted under section 14 or the Commissioner, reviews any order under section 37 or under section 39, the Tribunal or the Commissioner, as the case may be, shall record reasons thereof.
- When any Appropriate Assessing Authority reviews//rectifies any order, he shall send a copy of the order and of the statement of reasons thereof to the Additional Commissioner of Commercial Taxes.
- No application for review of an order shall be entertained, unless it is presented within 30 days from the date of such order and no application for revision of an order shall be entertained unless it is presented within 60 days from the date of such order.

Provided that an application for review or revision may, after the period so specified but not beyond 120 days from the date of order which is sought to be revised or reviewed, be entertained if the applicant satisfies the authority to which such application is made that he had sufficient cause for not presenting the application within such period.

Explanation: In computing the period of limitation specified in this sub-rule for presenting application for review or revision of an order, the time requisite for obtaining a copy of the order sought to be revised or reviewed shall be excluded.

7. Revision to High Court (Section 38)

- An assessee who is dissatisfied with the decision of the Tribunal or Commissioner may, within sixty days after being notified of the decision, file a revision with the High Court; and the assessee so appealing shall serve a copy of the notice of revision on the respondent to the proceeding.
- A revision to the High Court may be made on question of law or an erroneous decision or failure to decide a question of fact. A notice of the revision shall state the questions of law that will be raised in the revision.
- The Commissioner shall also be made a party to the proceedings before the High Court where revision is filed by the dealer or other person.
- The High Court may, on application either by the petitioner or by the respondent, review any order passed by it provided such application is made within thirty days from the date of the Judgment.
- A revision or review application presented before the High Court under this section shall be heard by a bench consisting of not less than two Judges.

8. Revision/Review by Commissioner (Section 39)

- The Commissioner may, on his own motion, call for and examine the record of any proceeding under this Act and if he considers that any order passed therein by any authority other than the Tribunal or High Court is erroneous, in so far as, it is prejudicial to the interest of the revenue, after giving the assessee an opportunity of being heard pass such order as he deems fit:

Provided that the Commissioner shall not pass any order under this section after the expiry of five years from the date of such order.

- Subject to such rules as may be prescribed, any assessment made or order passed under this Act or under the rules made thereunder by any authority appointed, may be reviewed by the respective authority passing it upon an application or of its own motion, as the case may be:

Provided that no order of assessment or any other order shall be reviewed after the expiry of five years from the date of order, by any authority under this sub-section.

9. Power to Rectify Error Apparent on the Record (Section 41)

- An assessing, appellate or revising authority including the Tribunal may, on an application or otherwise, at any time within a year from the date of any order passed by it, rectify any error apparent on the face of the record

Provided that no such rectification which has the effect of enhancing the liability to pay tax or penalty or penal interest shall be made unless such authority has given notice to the person affected and have allowed him a reasonable opportunity of being heard.

- Where such rectification has the effect of enhancing the tax liability or penalty, the Assessing Authority shall give the dealer or other person a notice and the dealer or other person shall pay the tax in the manner prescribed and when such rectification has the effect of reducing the tax liability or penalty the Assessing Authority shall issue refund of the excess tax, if any, paid.

10. Power to Transfer Proceedings (Section 42)

- The Commissioner may, after giving the parties a reasonable opportunity of being heard in the matter, wherever it is possible so to do, by order in writing recording therein his reasons for doing so, transfer any pending proceedings or class of proceedings under any provision of this Act, from himself to any other officer and he may likewise transfer any such proceedings including a proceeding pending with any officer or already transferred under this section from any officer to any other officer whether with or without concurrent jurisdiction or to himself.
- For the purpose of this section, any proceedings shall be deemed to have commenced only when any authority having appropriate jurisdiction issues notice under the provisions of this Act, rules or notifications and the proceedings shall be deemed to be pending only after issue of such notice.

- Where no proceedings are pending before any authority, then any authority having appropriate jurisdiction over a person or dealer, may initiate and complete any proceedings whatsoever.

Explanation. In this section, the word "proceedings" in relation to any dealer means all proceedings under this Act in respect of any year, which may be pending on the date of such order or which may have been completed on or before such date, and includes also all proceedings under this Act which may be commenced after the date of such order in respect of the said year in relation to such dealer.

11. Delegation of Powers (Section 43)

The Government may, by notification in the Official Gazette, delegate any of its powers and functions under this Act to the Commissioner or to any other authority under this Act.

12. Hearing and recording of evidence (Rule 35)

If the appellate or revising authority does not reject the appeal summarily, he shall fix a date for hearing and notify the same to the parties. He may call for necessary evidence as may be necessary to decide the appeal.

13. Order of higher authorities shall be binding on subordinate authority (Rule 37)

The orders passed by the appellate or revising authorities shall supersede the orders of any subordinate authorities and shall be binding on them. Similarly, the reviewing or rectification order passed by an authority shall supersede or modify, as the case may be, the initial order passed by the same authority.

A copy of any order passed upon any appeal or order passed in revision/review shall be sent to the officer whose order forms the subject matter of the appeal or revision/review proceedings.

14. Rectification of clerical or arithmetical mistakes (Rule 39)

- An assessing, appellate or revising authority may at any time within

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one year from the date of order passed by it rectify any clerical or arithmetical mistake apparent on the face of the record or otherwise brought to his notice

- Where such rectification has the effect of reducing the assessment, the authority concerned shall order refund of the amount which may be due to the dealer.
- Where such rectification has the effect of enhancing the assessment, the Appropriate Assessing Authority shall serve on the dealer a revised notice in Form VAT-XIX, and thereupon the provisions of the Act and these rules shall apply as if such notice had been served in the first instance.
- When any order passed as a consequence of rectification results in extra dues payable by the dealer, he shall call the dealer to pay the difference in tax within a period of sixty days by issue of necessary demand notice in Form VAT-XI.

15. Application for clarification (Rule 40)

- Any application by the applicant for clarification of rate of tax payable under the Act, in respect of goods liable to tax under the Act shall be made on plain paper drawn in duplicate, setting out the complete details of the goods on which the clarification is sought enclosing therewith technical/commercial literature, if any. The fees payable on such application shall be as provided under rule 46
- The Commissioner after considering all the relevant material produced before him in this behalf shall clarify the matter within a period of six months from the date of receipt of such application.

Chapter 13

Offences and Penalties

1. Offences Relating to Registration (Section 44)

A person who fails,-

- (a) to apply for registration as required under section 18; or
- (b) to notify the Appropriate Assessing Authority of a change in circumstances as required by section 22;

Is guilty of an offence and liable on conviction,-

- (i) Where such failure is deliberate or repeated, for a fine not exceeding twenty five thousand rupees or to imprisonment for a term not exceeding six months, or both; or
- (ii) in any other case, for a fine not exceeding twenty five thousand rupees or to imprisonment for a term not exceeding three months, or both.

2. Offences Relating to Tax Invoices, Credit Notes and Debit Notes (Section 45)

A registered person who fails to provide a tax invoice as required by Section 11 or a credit or debit note as required by Section 12, is guilty of an offence and liable on conviction to a fine not exceeding Twenty five thousand rupees or to imprisonment for a term not exceeding six months or both.

3. Failure to File a Return (Section 46)

- A person who fails to file a return or other document as required by this Act or the Rules made thereunder, is guilty of an offence and liable on conviction to a fine not exceeding Twenty five thousand rupees or to imprisonment for a term not exceeding three months, or both (Sub-section 1)
- If a person convicted of an offence under sub-section (1) fails to file the return or other prescribed documents within the period specified by the Court, that person is guilty of an offence and liable on conviction to

a fine of one thousand rupees for each day during which the failure continues and to imprisonment for one month without the option of a fine in lieu of imprisonment (Sub-section 2).

3. Failure to Comply with Recovery Provisions (Section 47)

A person who fails to pay any tax in the manner provided in section 8 or in terms of a notice issued under Section 29 is guilty of an offence and liable on conviction to a fine not exceeding Twenty five thousand rupees or to imprisonment for a term not exceeding six months, or both.

4. Failure to Maintain Proper Records (Section 48)

A person who fails to maintain true and complete accounts and other records in accordance with the requirements of this Act is guilty of an offence and liable on conviction to,–

- (a) where the failure was deliberate or repeated, a fine not exceeding Twenty five thousand rupees or to imprisonment for a term not exceeding six months, or both; or
- (b) in any other case, a fine not exceeding Ten thousand rupees or to imprisonment for a term not exceeding one month, or both.

5. Improper Use of Taxpayer Identification Number (Section 49)

A person who knowingly uses a false tax payer identification number, including the taxpayer identification number of another person with a view to evade or avoid or shift the liability to pay the tax in a return or other document prescribed or used for the purposes of this Act, is guilty of an offence and liable on conviction to a fine not exceeding twenty five thousand rupees or to imprisonment for a term not exceeding six months, or both.

6. False or Misleading Statements (Section 50)

- A person who knowingly –

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- (a) makes a statement to a taxation officer or any other officer authorized by the Commissioner which is false or misleading in a material particular; or
- (b) omits from a statement made to a taxation officer or to such authorized officer any matter or thing without which the statement is misleading in a material particular,

is guilty of an offence and liable on conviction to,-

- (i) where the statement or omission was made knowingly or repeatedly, a fine not exceeding twenty five thousand rupees or to imprisonment for a term not exceeding six months, or both; or
- (ii) in any other case, a fine not exceeding ten thousand rupees or to imprisonment for a term not exceeding one month, or both.

➤ A reference in this section to a statement made to a taxation officer or to such authorized officer is a reference to a statement made orally or in writing, or in any other form to that officer or person acting in the performance of his duties under this Act, and includes a statement made –

- a) in an application, certificate, declaration, notification, return, appeal, or other document made, prepared, given, filed or furnished under this Act; or
- b) in information required to be furnished under this Act; or
- c) in a document furnished to a taxation officer otherwise pursuant to this Act; or
- d) in answer to a question asked to a person by a taxation officer or such authorized officer.

7. Obstructing Taxation Officers (Section 51)

A person who obstructs the Commissioner or an authorized officer in the performance of his duties under this Act is guilty of an offence and liable on conviction to a fine not less than rupees one thousand and not exceeding rupees Twenty five thousand and imprisonment for a period not less than fifteen days and not exceeding six months.

8. Offences by Companies etc., (Section 52)

- Where an offence under this Act or the rules thereunder has been committed by a company, every person who, at the time the offence was committed, was in-charge of, and was responsible to the company for the conduct of the business of the company, as well as the company shall be deemed to be guilty of the offence and shall be liable to be proceeded against and punished accordingly:

Provided that, nothing contained herein shall render any such person liable to any punishment provided in this Act if he proves that the offence was committed without his knowledge or that he exercised all due diligence to prevent the commission of such offence.

- Notwithstanding anything contained in above, where an offence under this Act has been committed by a company and it is proved that the offence has been committed with the consent or connivance of, or is attributable to any neglect on the part of any director, manager, secretary or other officer of the company, such director, manager, secretary or other officer shall also be deemed to be guilty of that offence and shall be liable to be proceeded against and punished accordingly.

Explanation. - For the purpose of this section,-

- (a) "Company" means a body corporate, and includes a firm or other association of persons; and
- (b) "Director" in relation to a firm means a partner in the firm.

- Where an offence under this Act has been committed by a Hindu Undivided Family, the karta thereof shall be deemed to be guilty of the offence and shall be liable to be proceeded against and punished accordingly:

Provided that nothing contained in this sub-section shall render the karta liable to any punishment if he proves that the offence was committed without his knowledge or that he had exercised all due diligence to prevent the commission of such offence

Provided further that, where an offence under this Act has been committed by a Hindu Undivided Family and it is proved that the offence has been committed with the consent or connivance of or is

attributable to any neglect on the part of any adult member of the Hindu Undivided Family, such member shall also be deemed to be guilty of that offence and shall be liable to be proceeded against and punished accordingly.

9. Compounding and Cognizance of Offences (Section 53)

[A] Compounding of Offence

- Where any person has committed an offence under this Act, the Commissioner may, on admission by such person in writing and upon his option for compounding at any time prior to the commencement of the court proceedings relating thereto, compound such offence and order the person to pay such sum of money as specified by the Commissioner, not exceeding the amount of the fine specified for the offence in addition to the tax due.
- Where the Commissioner compounds an offence under this section, the order referred to in above –
 - shall be in writing and specify the offence committed, the sum of money to be paid, and the due date for the payment; and
 - shall be served on the person who committed the offence; and
 - shall be final and not subject to any appeal.
- When the Commissioner compounds an offence under this section, the person concerned shall not be liable for prosecution in respect of such offence or for penalty.
- No prosecution for an offence under this Act shall be instituted wherein penalty as per the provisions of this Act has been imposed

[B] Cognizance of Offence-

- Notwithstanding anything contained in the Code of Criminal Procedure, 1973, all offences punishable under this Act or the rules made thereunder shall be cognizable and bailable.
- Notwithstanding anything contained in the Code of Criminal Procedure, 1973, no Court inferior to that of a Magistrate of first class

shall try any offence under this Act or under the rules made thereunder, without previous sanction of the Commissioner.

10. Compounding of offence (Rule 55)

- Subject to the limitations in the Act, the Commissioner may decide to accept, on application from any person, a sum by way of composition of an offence committed by him under the Act or these rules, either before or after the commencement of the proceeding in respect of such offence. The application shall be filed in duplicate, and court fee stamps of the value as specified in rule 46, shall be duly affixed thereon.
- The applicant shall explain the gist of the offence committed and certify the Commission of the offence sought to be compounded, in the application.
- The applicant shall support his application with a detailed statement of taxable purchases and sales account of the tax due/ /paid, if any, and furnish an undertaking that no tax is due from him either as preceding dealer or succeeding dealer, on the date of such application.
- The applicant shall submit any other information that may be necessary for consideration of the application for compounding of offence.
- On taking a decision, the Commissioner , shall, if there are no reasons to the contrary, make an order in writing specifying therein –
 - (a) the sum determined by way of composition;
 - (b) the date on or before which the sum shall be paid into the Government Treasury;
 - (c) the authority before whom and the date on or before which a challan shall be produced in proof of such payment, and
 - (d) the date on or before which the person shall report the fact to the Commissioner.
- On receipt of the challan for payment of the composition fee, the Commissioner shall pass an order compounding the offence and shall send a copy of such order to the person concerned and also to the concerned authority.

11. Penalty for Failure to Register (Section 54)

A person who fails to apply for registration as required Section 18 or Section 19 is liable for penalty not exceeding double the amount of tax payable from the time the person becomes a taxable person until either the person files an application for registration with the Commissioner or the Commissioner registers the person under the provisions of Section 19.

12. Penalty for Failure to File Return (Section 55)

- A person who fails to file return within the time required under this Act shall be liable to pay penalty of ₹ 500/- for every quarter plus an amount equal to simple interest @ 18% per annum or at such rate as the Government may specify by notification, from time to time, on the tax payable for the return period:

Provided that, any dealer who fails to file three consecutive returns, the certificate of registration granted to such dealer shall stand cancelled from the date of expiry of the period for filing of such third return and upon making application to the Commissioner a fresh registration shall be granted to such dealer prospectively upon payment of penalty of rupees twenty-five thousand in addition to the payment of tax, interest and penalty as assessed under the registration so cancelled.

- Any registered dealer covered under Schedule 'E' appended to this Act, fails to file a return within the time required under this Act shall be liable to pay penalty of ₹ 500/- per quarter plus an amount equal to simple interest @ 2% per month or at such rate as may be specified by the Government by notification on the tax payable for the return period:

Provided that any dealer who fails to file three consecutive returns, the certificate of registration granted to such dealer shall stand cancelled from the date of expiry of the period for filing of such third return and upon making application to the Commissioner, a fresh registration to such dealer shall be granted prospectively upon payment of penalty of rupees twenty five thousand in addition the tax, interest and penalty as assessed under the cancelled registration.

13. Penalty for Failure to Pay Tax when Due (Section 56)

- A person who fails to pay tax as per any order passed under this Act on or before the due date is liable for penalty of an amount equal to interest @ 15% per annum or such higher/lower rate as the Government may notify from time to time.
- If a person pays penalty and the tax to which it relates is found not to have been due and payable by the person and/or is refunded, then so much of the penalty as relates to the amount of the refund shall also be refunded to that person and when the tax is found not to have been due or payable the penalty shall also be proportionately reduced.

14. Penalty on Unauthorized Collection of Tax (Section 57)

Where a person collects tax in contravention of the provisions of this Act, the Assessing Authority may, after giving such person reasonable opportunity of being heard, by order in writing, impose upon him by way of penalty a sum not exceeding one and half times such tax collected.

15. Penalty in relation to non-maintenance of records and unauthorized stock (Section 58)

- A person who fails to maintain proper records in a tax period in accordance with the provisions of this Act or notification issued by the Commissioner in this regard, or who is for the time being in possession of the stock of value exceeding rupees 20,000/- in excess of the stock disclosed by him in his records shall be liable to pay by way of penalty, an amount not exceeding twice the amount of net tax payable by the person for the unaccounted stock, or two thousand rupees, whichever is higher for the first offence, and an amount not exceeding thrice the amount of net tax payable by the person for the unaccounted stock or four thousand rupees, whichever is higher, for every subsequent offences.
- Notwithstanding anything contained here-in-above, the dealer shall have an option to get the offence compounded, on the spot, before the officer, upon payment of fifty per cent of penalty payable.

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- Where an offence has been compounded, no further penal proceedings shall be taken against the dealer in respect of such offence.
- A dealer who commits the offence for more than five occasions in a year shall be liable for cancellation of his registration.

Explanation:- 'Officer' for the purposes of this section, means the Commissioner appointed under this Act or any other officer not below the rank of Assistant Commercial Tax Officer specifically authorized by the Commissioner for this purpose.

16. Penalty in relation to false or misleading statements (Section 59)

Where a person without reasonable cause,

- (a) makes a statement to a taxation officer or to any other authorized officer, that is false or misleading in a material particular; or
- (b) omits from a statement made to a taxation officer or such other authorized officer any matter or thing without which the statement is misleading in a material particular, and the tax properly payable by the person exceeds the tax that would be payable if the person were assessed on the basis that the statement is true

the person is liable for penalty of rupees one thousand or equal to double the amount of the excess tax so payable, whichever is higher.

17. Refund of Penalty in case of Prosecution (Section 60)

- No penalty shall be payable under section 54, 58, 59 where the person has been convicted to offence under section 44, 48 or 50 respectively in respect of the same act or omission.
- Penalty under section 54, 58, 59 has been paid and the Commissioner institutes prosecution proceedings under section 44, 48 or 50 respectively in respect of the same act or omission, the Commissioner shall refund the amount of penalty paid and that penalty shall not become payable unless and until the prosecution is withdrawn.

18. Power to Summon Witness and Production of Records, etc., (Section 61)

- The Commissioner or the assessing, appellate or revising authority, for securing the attendance of any person or for production of any document, shall have all powers conferred on a civil court under the provisions of the Civil Procedure Code, 1908, for securing the attendance of witness or production of documents which include the powers to issue summons and to examine such persons on oath and affirmation.
- No suit or other proceedings shall be entertained by any court except as expressly provided under this Act to set aside or modify any assessment or other proceedings made under this Act and no such court can question the validity of any assessment or levy of penalty or interest or shall grant any stay on the continuation of the proceedings under the Act or for recovery of any amount due under the Act.
- No suit or other proceedings shall be instituted against the Government or any officer of the Government for anything which is in good faith done or purported to be done under the provisions of the Act.

19. Rounding off the Tax etc., (Section 62)

The amount of tax, penalty, interest, composition money, fine or any other sum payable, and the amount of set off or refund due under the provisions of this Act or rules, shall be rounded off to the nearest rupee when a part of a rupee is fifty paise or more and if such part is less than fifty paise, it shall be ignored

Provided that, nothing in this section shall apply for the purpose of collection by a dealer of any amount by way of tax under this Act.

20. General Penalty (Section 53)

Whoever commits breach of any provision of these rules shall, on conviction by a Magistrate, be punishable, with a fine, which may extend to five thousand rupees, and in the case of a continuing breach with a daily fine which may extend to rupees one hundred.

Appendix 1

VAT Form List

Form No.	Particulars
Form VAT-I	Application for the grant of Registration under Section 18 of the Goa Value Added Tax Act, 2005
Form VAT-II	Registration Certificate Under Section 18 of The Goa Value Added Tax Act, 2005
Form VAT-III	Return of Sales and of tax payable for the period from
Form VAT-IV	Return of Sales and Composition Tax Payable by dealer opting for composition for the quarter ended
Form VAT-V	Challan
Form VAT-VI	Demand Notice for Tax not Paid/Short Paid with Return
Form VAT-VII	Certificate of Tax Deduction at Source
Form VAT-VIII	Notice under section 29/30/32 of the Goa Value Added Tax Act, 2005
Form VAT-IX	Notice of re-assessment under Section 31 of the Goa Value Added Tax Act, 2005
Form VAT-X	Order of Assessment/Provisional Assessment/Protective Assessment/Re-Assessment Under Section 29/30/31/32 of The Goa Value Added Tax Act, 2005
Form VAT-XI	Demand Notice
Form VAT-XII	Refund Voucher
Form VAT-XIII	Application For Opting For Composition of Tax Payable by the Dealer under Section 7 of The Goa Value Added Tax Act, 2005
Form VAT-XIV	Certificate of Composition of tax under Section 7 of the Goa Value Added Tax Act, 2005
Form VAT-XV	Audited report on Accounts as required under sub-section (1) of the Section 70 of the Goa Value Added Tax Act, 2005

VAT Form List

Form No.	Particulars
Form VAT-XVI	Refund Adjustment Voucher
Form VAT-XVII	Memorandum of appeal to the Appellate Authority/Tribunal under section 35/36 of the Goa Value Added Tax Act, 2005
Form VAT-XVIII	Challan for remittance of tax deducted at source
Form VAT-XIX	Notice of Rectification of Clerical or Arithmetical Mistake
Form VAT-XX	Declaration in respect of goods being imported/exported outside the State
Form VAT-XXI	Application for Enrolment As a Sales Tax Practitioner
Form VAT-XXII	Certificate of Enrollment
Form VAT-XXIII	Certificate of Recovery of Arrears
Form VAT-XXIV	Application by an Employer for the grant of Registration under Section 28
Form VAT-XXV	Registration Certificate for an Employer.
Form VAT-XXVI	Application for Refund of Tax under Section 34(1) of The Goa Value Added Tax Act, 2005
Form VAT-XXVII	Quarterly Statement of Tax Deducted at Source
Form VAT-XXVIII	Register for Tax Deduction at Source made under Section 28 of The Goa Value Added Tax Act, 2005
Form VAT-XXIX	Application for claim for reimbursement of tax paid on purchases made by specialized agencies of UNO, etc. under sub-section (1) of Section 6 of the Goa Value Added Tax Act, 2005
Form VAT-XXX	Declaration for purchase of Capital Goods
Form VAT-XXXI	Application for Raising Objection as to the Jurisdiction of Any Officer or Person
Form VAT-XXXII	Letter of Authority
Form VAT-XXXIII	Declaration by the seller for sale of industrial inputs/packing material

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Form No.	Particulars
Form VAT-XXXIV	Declaration by the purchaser for purchase of industrial inputs/packing material
Form VAT-XXXV	Application for carry forward of input tax credit to subsequent year under section 10(2) of The Goa Value Added Tax Act, 2005
Form VAT-XXXVI	Application for the grant of certificate of Registration under section 18(9) of the Goa Value Added Tax Act, 2005
Form VAT-XXXVII	Declaration of the premises or space let out for conducting exhibition or event or programme
Form VAT-XXXVIII	Certificate to conduct exhibition or event or programme in order to sell the goods

Appendix 2

VAT Schedule

SCHEDULE 'A'- List of Goods liable for Output Tax at the rate of 1%

SCHEDULE 'B'- List of Goods liable for Output Tax at the rate of 5%

SCHEDULE 'C'- Other specified Goods liable for Output Tax at the rate specified in the schedule

SCHEDULE 'D'- List of Goods Exempt from Tax

SCHEDULE 'E'- Specified Dealers eligible for composition scheme at the rate specified in the schedule

SCHEDULE 'F'- Tax Invoices, Credit Notes and Debit Notes.

SCHEDULE 'G'- List of Goods on which No Input Tax Credit is admissible