

**Department of Commercial Tax
Government of Jharkhand**



DIPP Point No. 248

Question	Remarks
9b. Inspection of the business premises for VAT (Value Added Tax) registration Q: Publish a well-defined inspection procedure and checklist on department's web site	Inspection procedure and check-list is available on the departmental website
URL: http://jharkhandcomtax.gov.in/documents/10231/0/VAT+Inspection+Procedure/56d51739-92a4-40b1-9869-88281f3e2927	

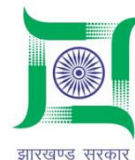
**Inspection of the business premises for VAT
(Value Added Tax) Registration**



झारखण्ड सरकार

**Department of Commercial Taxes
Government of Jharkhand**

Department of Commercial Tax Government of Jharkhand



Procedures followed in an Advisory visit:

- 1) Advisory visits should be carried out on all new VAT registrations after the commencement of application (JCRF)
- 2) Advisory visits should be completed within two months of the date of registration
- 3) Advisory visits on initial registration should normally be completed by CTO/ACs
- 4) The CTO/AC should allocate advisory visits
- 5) The VAT dealer file should be checked for any queries related to the registration and any conditions imposed (i.e., start-up businesses, compulsory registrations, voluntary registrations, VAT dealers executing works contracts for Government departments, local authorities and other VAT dealers selling Schedule VI goods etc.)
- 6) Advisory visits to be completed within 1 day if all documents are provided by the VAT dealer
- 7) All actions required on the checklist should be completed; these are set out in the instructions
- 8) Data collected on the visit should be recorded on the computer system
- 9) The advisory report should be returned to the registration authority

Prior to the Visit

- a) The VAT dealer file should be checked for address and telephone numbers. The VAT dealer should be contacted and an appointment made for an advisory visit. Ensure the appointment is with the registered VAT dealer in the case of a sole proprietor, and with a responsible person in all other cases. The accountant or other professional advisor of the VAT dealer may be present during the visit.
- b) The information in the JCRF should be checked prior to the visit.
Any queries and issues that need to be resolved on the visit should be noted.

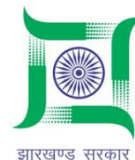
During the Visit

1. Registration verification

It is to be checked that the said business is genuine and correctly registered according to Jharkhand Common Registration Form (JCRF).

- a) All particulars based on JCRF to be checked during the visit
- b) The certificate of incorporation for corporations and partnership agreements for partnerships should be checked. The composition of partnerships should be confirmed.

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- c) Date of liability must be checked
- d) The eligibility for registration should be confirmed in the case of a voluntary registration in all cases
- e) The registration record under the C.S.T. Act and any inter-state purchases and sales affected by the VAT dealer prior to advisory visit should be checked.
- f) VAT registration certificate – the VAT dealer should be advised that the certificate must be displayed at the place of business, with copies displayed at any other business premises i.e. the branches

2. Orientation of business location

Place of Business premises such as locality, town/City etc. & brief check on the outline of premises with orientation on North, East, West & South directions.

3. Address all queries

All queries of the VAT dealer must be properly addressed during the visit.

After the visit

- a) The Advisory report should be recorded
- b) The revenue reliability of a VAT dealer should be considered based on:
 - The past revenue record of the VAT dealer with the CTD, if any
 - The report on co-operation and overall credibility demonstrated by the VAT dealer on the advisory visit
 - An estimated value of assets of the business of the VAT dealer
- c) For example – if the VAT dealer has a poor record of filing tax returns, paying tax due, is uncooperative on the advisory visit and has low value assets, he should be marked 'POOR'. If he has a good tax payment record, good attitude at the advisory visit and his assets are of reasonable value, he should be marked 'GOOD'. Anyone with one or two good points should be marked 'AVERAGE'
- d) The Advisory report of the VAT dealer to be submitted to the concerned circle in-charge (AC/DC/CTO) and the report should be uploaded on the portal within 48 hours of inspection

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Inspection Checklist for VAT registration:

S.no.	Description	Yes	No	Remarks
1	All particulars based on JCRF			
2	Examination of Business Constitution			
3	Examination of Date of liability			
4	Dealer's Book of Accounts			
5	Eligibility for registration			
6	Verification visit report whether consistent or in consistent with information given by applicant in JCRF			
7	Place of Business as well as place of residence (premises such as locality, town/City etc.) & brief check on the outline of premises with orientation on North, East, West & South directions			
8	Stock verification			
9	Examination of 'Nature of Business'			
10	Verification of genuineness of sureties			
11	Examination of other licenses/ registration like Labour license/ Electricity connection/ Industry license/ License issued under Shop & establishment act, License issued under drug license, License issued by Agricultural department etc.			
12	Dealer's verification of PAN			
13	Verification of Property and bank account reflected by applicant in JCRF			
14	Details of applicant's connectivity in any other business activity, if any			
15	Any other point if registering authority wants to verify and			

SUPPORTING DOCUMENT

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