

VAT ON WORKS CONTRACT IN ANDHRA PRADESH

**Statutory Provisions under A.P. VAT Act, 2005
and A.P. VAT Rules, 2005)**

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VAT ON WORKS CONTRACT IN ANDHRA PRADESH

(Statutory Provisions under A.P. VAT
Act, 2005 and A.P. VAT Rules, 2005)

DEFINITION

[Section 2 (45)]

Section 2(45): “Works Contract” includes any agreement for carrying out for cash or for deferred payment or for any other valuable consideration, the building construction, manufacture, processing, fabrication, erection, installation, laying, fitting out, improvement, modification, repair or commissioning of any movable or immovable property;

REGISTRATION

VAT DEALER

[Section 17 (2) to (6); Rules 4 to 14; Form VAT 100]

Section 17 (2) Every dealer commencing business and whose estimated taxable turnover for twelve consecutive months is more than Rs. 40,00,000/- (Rupees Forty lakhs only) shall be liable to be registered as a VAT dealer before the commencement of business.

(3) Every dealer whose taxable turnover in the preceding three months exceeds Rs. 10,00,000/- (Rupees Ten lakhs only) or in the twelve

preceding months exceeds Rs. 40,00,000/- (Rupees Forty lakhs only) shall be liable to be registered as a VAT dealer.

(4) Every dealer whose taxable turnover during the period from 1st January, 2004 to 31st December 2004, is more than Rs. 40,00,000/- (Rupees Forty lakhs only), shall be liable to be registered as a VAT dealer.

(5) Notwithstanding anything contained in sub-sections (2), (3) and (4), the following classes of dealers shall be liable to be registered as VAT dealers irrespective of their taxable turnover namely :—

- (a) every dealer importing goods in the course of business from outside the territory of India;
- (b) every dealer registered or liable to be registered under the Central Sales Tax Act 1956, or any dealer making purchases or sales in the course of inter-State trade or commerce or dispatches any goods to a place outside the State otherwise than by way of sale;
- (c) every dealer residing outside the State but carrying on business within the State and not having any permanent place of business;
- (d) every dealer liable to pay tax on goods listed in Schedule-VI;
- (e) every commission agent, broker, delcredere agent, auctioneer or any other mercantile agent by whatever name called, who carries on the business of buying, selling, supplying or distributing goods on behalf of any non resident principal;
- (f) every dealer availing sales tax deferment or sales tax holiday;
- (g) every dealer executing any works contract exceeding Rs. 5,00,000/- (Rupees Five lakhs only) for the Government or local authority and every dealer opting to pay tax by way of composition on works contract;
- ¹[(h) every dealer liable to pay tax under sub-section (9) of section 4 of the Act].

(6) (a) Any dealer effecting sale of goods liable to tax under the Act and who is not otherwise liable to register may also opt for registration as a VAT dealer and such registration shall be subject to such conditions as may be prescribed;

1. Added by Act No. 10 of 2006, dt. 04-01-2006, w.e.f. 01-12-2005.

- (b) any dealer intending to effect sale of goods liable to tax under the Act, and who is not otherwise liable to register, may also opt for registration as a VAT dealer and such registration shall be subject to such conditions as may be prescribed.

Rule 4. Procedure for Registration.— (1) Every dealer liable or who opts to be registered under sub-sections (2) to (6) of section 17 shall submit an application for VAT registration in form VAT 100 to the authority prescribed.

(2) Every dealer not registered or not liable to be registered for VAT but liable to be registered under sub-section (7) of section 17 shall submit an application for TOT registration in form TOT 001 to the authority prescribed.

(3) Every dealer registered under the Andhra Pradesh General Sales Tax Act, 1957 whose taxable turnover exceeds rupees five lakhs for the period from the 1st day of January 2004 to the 31st day of December, 2004, who is neither required to be registered for VAT nor opted to be registered for VAT shall be deemed to be registered under sub-section (8) of section 17.

(4) Every dealer who is allotted a Tax payer Identification Number (TIN) under Rule 28 of Andhra Pradesh General Sales Tax Rules, 1957 as on 31st March, 2005 shall be deemed to be registered as VAT dealer if he is required to register as a VAT dealer under the provisions of the Act.

(5) Where a dealer has more than one place of business within the State, he shall make a single application in respect of all such places specifying therein, one of such places as place of business for the purpose of registration and submit it to the authority prescribed.

(6) Every dealer required to be registered under clause (c) of sub-section (5) of section 17 shall authorise in writing on Form VAT 129 a person residing in the State who shall be responsible for all the legal obligations of the dealer under the Act.

Rule 5. Time to apply for Registration.— (1) (a) Every dealer who is required to register under sub-section (2) of section 17 shall apply for registration not later than fifteen days but not earlier than forty five days prior to the anticipated date of the first taxable sale.

- (b) Every dealer who is required to register under sub-section (3) of section 17 shall make an application by the 15th of the month

subsequent to the month in which the liability to register for VAT arose.

- (c) (i) Every dealer who is required to register under sub-section (7) of section 17 shall make an application for registration fifteen days prior to commencement of business, where his taxable turnover is estimated to exceed Rupees five lakhs in the next twelve consecutive months.
- (ii) In the case of a dealer who is required to register under sub-section (7) of section 17, when his taxable turnover for the preceding twelve months exceeded Rupees five lakhs, the dealer shall make an application by the fifteenth of the month subsequent to the month in which the taxable turnover exceeded Rupees five lakhs.

(2) Every dealer who is required to register under sub-section (5) of section 17 shall apply for registration fifteen days prior to the anticipated date of first taxable sale but not earlier than forty five days prior to the anticipated date of first taxable sale unless an application is made under sub-rule (4).

(3) Any dealer effecting sales of goods liable to tax under this Act may apply to register under clause (a) of sub-section (6) of section 17 and such registration shall be subject to the conditions prescribed in Rule 8.

(4) Any dealer intending to effect sales of goods liable to tax under the Act may apply to register under clause (b) of sub-section (6) of section 17 and such registration shall be subject to the conditions prescribed in Rule 9.

ILLUSTRATION OF TIME TO APPLY FOR REGISTRATION IS GIVEN BELOW:

Sl. No.	Section in the Act	Rule	Type of registration	Time to apply	Example
1.	17(2)	5(1)(a)	New dealer commencing business	Apply not later than 15 days but not earlier than 45 days prior to the anticipated date of first taxable sale.	Expected date of taxable sale is 20.7.2005 Time to apply for VAT registration is between 5.6.2005 and 5.7.2005
2.	17 (3)	5 (1)(b)	Running business (A TOT dealer or unregistered dealer).	Apply by the 15 th of the month subsequent to the month in which the obligation / liability to register for VAT arose.	Liability to register for VAT arose on 31.8.2005. Time to apply for VAT registration is on or before 15.09.2005. Review the taxable turnover for the preceding 3 months at the end of each month.
3.	17 (4)	4(4)	Dealers registered under APGST Act and allotted Taxpayer Identification Numbers.	No need to apply for fresh VAT registration	Deemed registration for VAT for those dealers who are allotted Taxpayer Identification Numbers.
4.	17 (5)	5(2)	Dealers liable for VAT registration irrespective of taxable turnover.	Apply for registration not later than 15 days but not earlier than 45 days prior to making sales or transactions requiring VAT registration.	Expected date of transaction / first taxable sale 20.8.2005 Time to apply is between 5.7.2005 and 5.8.2005
5.	17 (6) (a)	5 (3)	Existing business effecting taxable sales & having no liability to register for VAT but opting to register for VAT.	Since it is a voluntary registration, dealers can apply when they require VAT registration.	—

Sl. No.	Section in the Act	Rule	Type of registration	Time to apply	Example
6.	17 (6) (b)	5 (4)	New business intending to effect taxable sales (start up business) and applying for VAT registration.	No time limit.	A dealer setting up a factory and anticipating first taxable sale after, say, 20 months can apply any time.
7.	17 (7)	5 (1)(c)(i)	New business who has a reason to believe that his taxable turnover in a period of next twelve months will exceed Rs.5 lakhs and has no obligation for VAT registration.	Apply for TOT registration 15 days prior to commencement of business.	Expected date of commencement of business: 20.8.2005 Time to apply for TOT registration is on or before 05.08.2005.
8.	17 (7)	5(1)(c)(ii)	Existing business which is neither registered for VAT nor for TOT.	When taxable turnover for the preceding 12 months exceeded Rs.5 lakhs, apply by 15 th of the month subsequent to the month in which the taxable turnover exceeded Rs.5 lakhs	Taxable turnover for preceding 12 months exceeded Rs.5 lakhs on 31.7.2005-Time to apply for TOT registration is 15.8.2005. Review the taxable turnover for the preceding 12 months at the end of each month.
9.	17 (8)	4(3)	Dealers registered under APGST Act 1957 and had taxable turnover exceeding Rs.5 lakhs but below Rs.40 lakhs for the period from 01-01-04 to 31-12-04.	No need to apply for fresh TOT registration.	Deemed registration for TOT.

Rule 6. Effective date of Registration.— (1) The VAT registration shall take effect :—

- (a) from the first day of the month during which the first taxable sale is declared to be made in the case of registration under sub-section (2) of section 17; or
- (b) from the first day of the month subsequent to the month in which the requirement to apply for registration arose in the case of registration under sub-section (3) of section 17; or
- (c) from the date of commencement of the Act in the case of dealers liable for VAT registration under sub-section (4) of section 17;
- (d) from the first day of the month in which the dealer becomes liable for registration under sub-section (5) of section 17; or
- (e) in the case of a dealer in business opting for registration as a VAT dealer under clause (a) of sub-section (6) of section 17 :—
 - (i) where the application is made, on or before the 15th of the month, the effective date will be the 1st day of the month following the month in which the application was made;
 - (ii) where the application is made, after the 15th of the month, from the 1st day of the month following the month subsequent to the month in which the application was made;
- (f) from the 1st day of the month in which the dealer applied for registration under clause (b) of sub-section (6) of section 17.

(2) In the case of registration under sub-section (7) of section 17 the general registration for turnover tax shall take effect :—

- (a) from the 1st day of the month during which business commenced in the case of a dealer starting business and who does not register for VAT, and who has no liability to register for VAT but whose estimated taxable turnover is more than Rupees five lakhs for the following twelve consecutive months;
- (b) from the 1st day of the month subsequent to the month in which the obligation to apply for general registration arose in the case of a dealer, whose taxable turnover exceeded Rupees five lakhs in a period of twelve consecutive months.

(3) In the case of deemed registration under sub-section (8) of section 17, the general registration shall take effect from the date of commencement of the Act.

ILLUSTRATIONS FOR EFFECTIVE DATE OF REGISTRATION (EDR) UNDER THIS RULE FOR APPLICATIONS RECEIVED IN TIME ARE GIVEN BELOW :

Sl. No.	Section in the Act	Rule	Type of registration	EDR	Example
1.	17(2)	6 (1)(a)	New dealer commencing business.	From the first day of the month during which the first taxable sale is declared to be made.	<ul style="list-style-type: none"> - Declared date of taxable sale shown is 20.7.2005 - Applied for VAT registration on 3.7.2005 - EDR is 1.7.2005
2.	17 (3)	6 (1)(b)	Existing business. (A TOT dealer or unregistered dealer).	From the first day of the month subsequent to the month in which the liability to apply for registration arose.	<ul style="list-style-type: none"> - Liability for registration arose on 31.8.2005 - Applied for VAT registration on 11.9.2005 - EDR is 1.10.2005.
3.	17 (4)	6 (1)(c)	Dealers registered under APGST Act and having liability to register for VAT.	From 01-04-2005.	<ul style="list-style-type: none"> - Dealers who are allotted Taxpayer Identification Numbers as on 31.03.2005 are deemed to be registered as VAT dealers. - EDR is 01.04.2005.

Sl. No.	Section in the Act	Rule	Type of registration	EDR	Example
4.	17 (5)	6 (1)(d)	Dealers liable for VAT registration irrespective of taxable turnover.	From the first day of the month in which the dealer has applied for VAT registration.	<ul style="list-style-type: none"> - Expected date of transaction / sale under the Act is on 20.08.2005 - Applied for VAT registration on 05.08.2005 - EDR is 01.08.2005.
5.	17 (6) (a)	6 (1)(e)	Voluntary registration of a existing business.	<p>From the first day of the month following the month in which application for registration is made on or before the 15th of the month.</p> <p>From the first day of the month following the month subsequent to the month in which application for registration is made after 15th of month.</p>	<ul style="list-style-type: none"> - Applied for VAT registration on 10.08.2005 - EDR is 01.09.05 - Applied for VAT registration on 30.08.2005 - EDR is 01.10.2005.
6.	17(6)(b)	6 (1)(f)	New business intending to effect taxable sales (Start up business).	From the first day of the month in which the dealer has applied for registration.	<ul style="list-style-type: none"> - Dealer setting up business on 20.7.2005.

Sl. No.	Section in the Act	Rule	Type of registration	EDR	Example
6.	17(6)(b)	6 (1)(f)			<ul style="list-style-type: none"> - Applied for VAT registration on 03.09.2005 - EDR is 01.09.2005.
7.	17 (7)	6 (2)(a)	New dealer commencing business and estimating his taxable turnover to exceed Rs.5 lakhs for the following 12 consecutive months and not having a liability for VAT registration.	From the first day of the month during which business commenced.	<ul style="list-style-type: none"> - Business commenced on 20.08.2005. - EDR is 01.08.2005.
8.	17 (7)	6 (2)(b)	Existing business whose taxable turnover exceeds Rs.5 lakhs in a period of 12 consecutive months.	From the first day of the month subsequent to the month in which the obligation to apply for general registration arose.	<ul style="list-style-type: none"> - Taxable turnover of Rs.5 lakhs exceeded on 31.7.2005. - Liability to apply for TOT registration i.e. on or before 15.8.2005 - EDR is 01.09.2005.
9.	17 (8)	6 (3)	Deemed registration for TOT for existing registered dealers under APGST Act.	From 01-04-2005.	<ul style="list-style-type: none"> - EDR is 01.04.2005

Rule 7. Belated application for Registration. — (1) In the case of belated application for registration submitted after the time limit prescribed in Rule 5, registration shall take effect as below :—

- (a) where the application was made in the month it was due or where it is established by the authority prescribed in the same month in which it was due, the effective date of registration will be the first of the next month;
- (b) where the application or detection was made in the subsequent month following the month it was due, the effective date of registration will be first of the month the application or detection was made;
- (c) where the application or detection was made in the months subsequent to those defined in (a) and (b) of this sub-rule, the effective date of registration will be first of the month in which the application or detection was made.

Illustrations for effective date of Registration (EDR) under this Rule for belated application are given below :—

Sl. No.	Section in the Act	Rule	Type of registration	EDR	Example
1.	17(10)	7 (1)(a)	Belated application for registration for new dealers commencing business and liable for	(i) Application /or detection in the month in which the application is due – EDR will be the first day of the subsequent month.	i) Date of first taxable sale shown is 20.07.2005 - applied for VAT / TOT registration on 31.07.2005 - EDR is 01.08.2005
		7 (1)(b)	VAT or TOT registration and dealers liable for.	(ii) Application or detection in the following month– EDR will be the first day of the month.	(ii) date of taxable sale is 20.7.2005 - applied for VAT / TOT registration on 16.08.2005 - EDR is 01.08.2005

Sl. No.	Section in the Act	Rule	Type of registration	EDR	Example
2.	17(10)	7 (1)(c)	VAT registration irrespective of taxable turnover.	(iii) Application or detection in the subsequent months – EDR will be first day of the month of application or detection.	(iii) date of first taxable sale is 20.7.2005 - applied for VAT / TOT registration on 15.10.2005 - EDR is 01.10.2005
		7 (1)(a)	Belated application for registration for VAT or TOT by existing dealers exceeding registration threshold.	(i) Application or detection in the month in which the application was due – EDR will be first day of the subsequent month.	(i) liability for VAT / TOT on 31.08.2005 - applied for VAT / TOT registration on 25.09.2005 - EDR is 01.10.2005
		7 (1)(b)		(ii) Application or detection in the following month in which application was due– EDR will be first day of the month in which the application is received.	(ii) liability for VAT / TOT on 31.08.2005 - applied for VAT / TOT registration on 10.10.2005 - EDR is 01.10.2005
		7 (1)(c)		(iii) Application or detection in the subsequent months – EDR will be first day of the month in which application or detection was made.	(iii) liability for VAT /TOT on 31.08.2005 - applied for VAT /TOT registration on 19.12.2005 - EDR is 01.12.2005

Rule 8. Voluntary Registration.— (1) A VAT dealer registered under clause (a) of sub-section (6) of section 17 shall fulfill the following requirement namely :—

- (a) the dealer shall be making taxable sales;
- (b) the dealer shall have a prominent place of business owned or leased in his name;
- (c) the dealer shall have a bank account;
- (d) the dealer shall not have any tax arrears outstanding under the Andhra Pradesh General Sales Tax Act, 1957 or the Central Sales Tax Act, 1956 or under the Act.

(2) A VAT dealer registered under clause (a) of sub-section (6) of section 17 shall :—

- (a) maintain the full records and accounts required for VAT;
- (b) file accurate and timely VAT returns and pay any tax due;
- (c) remain registered for 24 months from effective date of registration.

(3) Where a VAT dealer is registered under clause (a) of sub-section (6) of section 17 fails to file timely tax returns and fails to pay any tax due and his taxable turnover remains under the limits specified in sub-sections (2) and (3) of section 17, the authority prescribed shall cancel such registration after giving the VAT dealer the opportunity of being heard.

Rule 9. Start up Business.— (1) A dealer intending to set up a business in taxable goods who does not anticipate making first taxable sale within the next three months and applying for VAT registration shall be treated as a start up business.

(2) The dealer referred to in sub-rule (1) shall make an application on Form VAT 104 in addition to Form VAT 100 to the authority prescribed.

(3) The dealer applying for registration as a start-up business under clause (b) of sub-section (6) of section 17, may apply to be registered only for a period of twenty four months prior to making taxable sales.

(4) The dealer registered as a start up business under clause (b) of sub-section (6) of section 17, may claim a tax credit on each tax return for a maximum period of twenty four months prior to making taxable sales. The input tax claimed must be in respect of tax paid on inputs relating to the prospective taxable business activities. The credit shall be eligible for refund

under the provisions of section 38. The provisions of sub-section (1) (b) of section 38 shall apply only from the tax period in which the first taxable sale was made.

(5) The dealer registered as a start up business under clause (b) of sub-section (6) of section 17 shall abide by all the requirements and obligations of a VAT dealer including the proper keeping of books of accounts and regular filing of returns.

(6) A dealer shall cease to be registered under the provisions of clause (b) of sub-section (6) of section 17 and shall become registered under the provisions of sub-section (1) of section 17, when that dealer makes a taxable sale in the course of business.

(7) A dealer shall cease to be registered under the provisions of clause (b) of sub-section (6) of section 17 at the end of a twenty four months period from the date of registration if no taxable sale has been made. In such a case, the registration will be cancelled under the provision of Rule 12.

(8) The Deputy Commissioner may at his discretion, where there are reasonable grounds, vary the conditions under sub-rules (3), (4), (6) and (7) and may grant a further time upto twelve months for making the first taxable sale and to continue as start up business.

Rule 10. Issue of Certificates.— The authority prescribed shall issue :—

- (a) a certificate of VAT registration on Form VAT 105; or
- (b) in the case of a Start-up business, a notice on Form VAT 106 in addition to Form VAT 105;
- (c) in the case of TOT dealer, a certificate of TOT registration on Form TOT 003.

Rule 11. Suo-motu registration and refusal to register.—

(1) The authority prescribed may register a dealer who, in the opinion of that authority, is liable to apply for registration as VAT dealer or a TOT dealer as the case may be, but has failed to do so. The dealer shall be provided with an opportunity to state his case before registration is effected. A registration under this sub-rule shall be issued on Form VAT 111 or on Form TOT 005, as the case may be.

(2) Where the authority prescribed is not satisfied with the information furnished by the applicant and has reasons to believe that the applicant does not meet the requirements for registration as VAT dealer or

TOT dealer he shall provide an opportunity specifying the reasons for refusal before passing any orders for refusal to issue registration. A notification under this rule shall be issued on Form VAT 103 or on Form TOT 017, as the case may be.

Rule 12. Certificate of Registration.— (1) The certificate of VAT registration or TOT registration shall be displayed in a conspicuous place at the place of business mentioned in such certificate and a copy of such certificate shall be displayed in a conspicuous place at every other place of business within the State.

(2) No certificate of registration issued shall be transferred.

(3) Where the certificate of registration issued is lost, destroyed, defaced or mutilated a duplicate of the certificate shall be obtained from the authority prescribed.

Rule 13. Changes in Registration Details.— (1) A dealer registered under section 17 shall notify the authority prescribed in writing on Form VAT 112 or on Form TOT 051 as the case may be, within fourteen days :—

- (a) of any change in the name, address, of the place of business or branches or discontinuation of the business;
- (b) of a change in circumstances of the dealer which leads to cessation of business;
- (c) of a change in business activities or in the nature of taxable sales being made or principal commodities traded;
- (d) of any changes in the constitution of the firm;
- (e) of a change in bank account details;
- (f) when a dealer commences or ceases to execute works contract for State Government or local authorities.

(2) Where changes in the status of business occur an application shall be made for fresh registration.

(3) (a) Where a dealer intends to change his place of business from the jurisdiction of one authority to the jurisdiction of another authority in the State, he shall make an application on Form VAT 112 or on Form TOT 051 as the case may be, with full particulars relating to the change of address and the reasons for such change, to the authority prescribed;

- (b) the authority prescribed receiving an application on Form VAT 112 or on Form TOT 051 as the case may be for a change of place of business shall, on approval of the application, remove such registration from the existing registration records. The registration file and the application shall be transferred to the authority prescribed in whose jurisdiction the proposed new place of business is sought to be established;
- (c) the authority prescribed receiving the registration file shall add the details to the records of that authority, and issue a new certificate of VAT registration, with the existing TIN and in respect of a TOT dealer, a new General Registration Number shall be issued wherever necessary;
- (d) the change in a place of business and a change in business activities shall not in itself, result in cancellation and fresh registration of a VAT dealer.

Rule 14. Procedure for Cancellation of VAT Registration.—

(1) Where a VAT dealer ceases to carry on business, that dealer or his legal representative shall apply to the authority prescribed for cancellation of registration within fourteen days of the closure of business.

(2) Subject to sub-rule (3), a VAT dealer may apply in writing on Form VAT 121 to have his VAT registration cancelled if :—

- (a) with respect to the most recent period of three consecutive calendar months, the taxable turnover did not exceed Rupees ten lakhs; and
- (b) the taxable turnover for the previous twelve consecutive calendar months did not exceed Rupees thirty lakhs.

(3) In the case of a VAT dealer making taxable sales, who is registered under clause (a) of sub-section (6) of section 17, an application under sub-rule (2) shall only be made after the expiration of twenty four months from the date of registration.

(4) Every VAT dealer whose registration is cancelled under this rule shall pay back input tax credit availed in respect of all taxable goods on hand on the date of cancellation. In the case of capital goods on hand on which input tax credit has been received, the input tax to be paid back shall be based on the book value of such goods on that date :

Provided that in respect of transfer of a business to another VAT dealer, there shall be no requirement to repay the input tax credit availed on capital goods and other goods.

(5) The authority prescribed may cancel the registration of a VAT dealer who has applied for cancellation under sub-rule (1) or sub-rule (2) if it is satisfied that there are valid reasons for such cancellation of registration. The cancellation shall be intimated on Form VAT 124.

(6) The authority prescribed may cancel the registration of a VAT dealer who has not applied for cancellation of registration if the authority prescribed is satisfied that the dealer is not entitled for registration under section 17 or found to be not complying with the provisions of the Act.

(7) The authority prescribed shall intimate on Form VAT 123 to a VAT dealer when refusing to cancel the registration of the dealer under this rule within fourteen days of receipt of Form VAT 121.

(8) The authority prescribed shall issue a notice on Form VAT 125 to a VAT dealer before compulsorily cancelling the registration.

(9) The authority prescribed may cancel the registration of a VAT dealer registered under sub-section (6) of section 17, where the VAT dealer :—

- (a) has no fixed place of abode or business; or
- (b) has not kept proper accounting records relating to any business activity carried on by him; or
- (c) has not submitted correct and complete tax returns.

(10) The cancellation of registration shall take effect from the end of the tax period in which the registration is cancelled unless the authority prescribed orders the cancellation to take effect at an earlier date.

(11) The cancellation of a registration of any VAT dealer shall not affect any liabilities under the Act or any requirement to comply with any provisions of the Act until the date of cancellation of registration.

(12) Wherever any order of cancellation or refusal to cancel is made, the VAT dealer shall be given an opportunity of being heard.

TURNOVER TAX DEALER

[Secs. 17(7), 17(8); Rules 4(2), 4(3), 6(2), 6(3), 15(1) to (8); Form TOT 001A]

Section 17 (7) : Every dealer not registered or not liable for registration as VAT dealer and who sells any goods and has a taxable turnover exceeding

Rs. 5,00,000/- (Rupees Five lakhs only) in a period of twelve consecutive months or has reason to believe that his taxable turnover in a period of twelve consecutive months will exceed Rs. 5,00,000/- (Rupees Five lakhs only), shall apply for registration as TOT dealer in the manner prescribed.

Section 17 (8) : Subject to the provisions contained in sub-section (5), every dealer who held a registration certificate under the Andhra Pradesh General Sales Tax Act, 1957, shall be deemed to be registered as TOT dealer under the Act provided the dealer had a taxable turnover exceeding Rs. 5,00,000/- (Rupees Five lakhs only) but below Rs. 40,00,000/- (Rupees Forty lakhs only) during the period from 1st January, 2004 to 31st December, 2004, and had not discontinued his business or his Registration Certificate had not been cancelled during that period.

Rule 4 (2) : Every dealer not registered or not liable to be registered for VAT but liable to be registered under sub-section (7) of section 17 shall submit an application for TOT registration in form TOT 001 to the authority prescribed.

Rule 4 (3) : Every dealer registered under the Andhra Pradesh General Sales Tax Act, 1957 whose taxable turnover exceeds rupees five lakhs for the period from the 1st day of January 2004 to the 31st day of December, 2004, who is neither required to be registered for VAT nor opted to be registered for VAT shall be deemed to be registered under sub-section (8) of section 17.

Rule 6(2) : In the case of registration under sub-section (7) of section 17 the general registration for turnover tax shall take effect :—

- (a) from the 1st day of the month during which business commenced in the case of a dealer starting business and who does not register for VAT, and who has no liability to register for VAT but whose estimated taxable turnover is more than Rupees five lakhs for the following twelve consecutive months;
- (b) from the 1st day of the month subsequent to the month in which the obligation to apply for general registration arose in the case of a dealer, whose taxable turnover exceeded Rupees five lakhs in a period of twelve consecutive months.

Rule 6 (3) : In the case of deemed registration under sub-section (8) of section 17, the general registration shall take effect from the date of commencement of the Act.

ILLUSTRATIONS FOR EFFECTIVE DATE OF REGISTRATION (EDR) UNDER THIS RULE FOR APPLICATIONS RECEIVED IN TIME ARE GIVEN BELOW :

Sl. No.	Section in the Act	Rule	Type of registration	EDR	Example
1.	17(2)	6 (1)(a)	New dealer commencing business.	From the first day of the month during which the first taxable sale is declared to be made.	<ul style="list-style-type: none"> - Declared date of taxable sale shown is 20.7.2005 - Applied for VAT registration on 3.7.2005 - EDR is 1.7.2005
2.	17 (3)	6 (1)(b)	Existing business. (A TOT dealer or unregistered dealer).	From the first day of the month subsequent to the month in which the liability to apply for registration arose.	<ul style="list-style-type: none"> - Liability for registration arose on 31.8.2005 - Applied for VAT registration on 11.9.2005 - EDR is 1.10.2005.
3.	17 (4)	6 (1)(c)	Dealers registered under APGST Act and having liability to register for VAT.	From 01-04-2005.	<ul style="list-style-type: none"> - Dealers who are allotted Taxpayer Identification Numbers as on 31.03.2005 are deemed to be registered as VAT dealers. - EDR is 01.04.2005.

Sl. No.	Section in the Act	Rule	Type of registration	EDR	Example
4.	17 (5)	6 (1)(d)	Dealers liable for VAT registration irrespective of taxable turnover.	From the first day of the month in which the dealer has applied for VAT registration.	<ul style="list-style-type: none"> - Expected date of transaction / sale under the Act is on 20.08.2005 - Applied for VAT registration on 05.08.2005 - EDR is 01.08.2005.
5.	17 (6) (a)	6 (1)(e)	Voluntary registration of a existing business.	<p>From the first day of the month following the month in which application for registration is made on or before the 15th of the month.</p> <p>From the first day of the month following the month subsequent to the month in which application for registration is made after 15th of month.</p>	<ul style="list-style-type: none"> - Applied for VAT registration on 10.08.2005 - EDR is 01.09.05 - Applied for VAT registration on 30.08.2005 - EDR is 01.10.2005.
6.	17(6)(b)	6 (1)(f)	New business intending to effect taxable sales (Start up business).	From the first day of the month in which the dealer has applied for registration.	<ul style="list-style-type: none"> - Dealer setting up business on 20.7.2005.

Sl. No.	Section in the Act	Rule	Type of registration	EDR	Example
6.	17(6)(b)	6 (1)(f)			<ul style="list-style-type: none"> - Applied for VAT registration on 03.09.2005 - EDR is 01.09.2005.
7.	17 (7)	6 (2)(a)	New dealer commencing business and estimating his taxable turnover to exceed Rs.5 lakhs for the following 12 consecutive months and not having a liability for VAT registration.	From the first day of the month during which business commenced.	<ul style="list-style-type: none"> - Business commenced on 20.08.2005. - EDR is 01.08.2005.
8.	17 (7)	6 (2)(b)	Existing business whose taxable turnover exceeds Rs.5 lakhs in a period of 12 consecutive months.	From the first day of the month subsequent to the month in which the obligation to apply for general registration arose.	<ul style="list-style-type: none"> - Taxable turnover of Rs.5 lakhs exceeded on 31.7.2005. - Liability to apply for TOT registration i.e. on or before 15.8.2005 - EDR is 01.09.2005.
9.	17 (8)	6 (3)	Deemed registration for TOT for existing registered dealers under APGST Act.	From 01-04-2005.	<ul style="list-style-type: none"> - EDR is 01.04.2005

Rule 15. Procedure for cancellation of TOT registration.—

(1) Where a TOT dealer ceases to carry on business, that TOT dealer or his legal representative shall apply to the authority prescribed on Form TOT 014 for cancellation of general registration within fourteen days of the closure of business.

(2) A TOT dealer may apply for cancellation of his general registration at the end of any period of twelve consecutive months if his taxable turnover for that period does not exceed Rupees three lakhs seventy five thousand (Rs. 3,75,000/-).

(3) The authority prescribed shall issue an order of cancellation of registration on Form TOT 015 to the TOT dealer who has applied for cancellation, if satisfied that there are valid reasons for such cancellation of registration.

(4) The authority prescribed shall issue a notice on Form TOT 016 to a TOT dealer, when refusing to cancel the general registration number.

(5) The authority prescribed shall issue a notice on Form TOT 013 to a TOT dealer before compulsorily cancelling the general registration.

(6) Cancellation of general registration shall take effect from the end of the month in which the general registration is cancelled, unless the authority prescribed orders the cancellation to take effect from an earlier date.

(7) The cancellation of a registration of any TOT dealer shall not affect any liabilities under the Act or any requirement to comply with any provisions of the Act until the date of cancellation of registration.

(8) Wherever any order of cancellation or refusal to cancel an application is made, the TOT dealer shall be given an opportunity of being heard.

CHARGE TO TAX

VAT DEALER WORKS CONTRACT (Without Composition)

[Sections 4(7)(a), 11; Rule 17(1)]

Section 4 (7) : Notwithstanding anything contained in the Act :—

- (a) every dealer executing works contract shall pay tax on the value of goods at the time of incorporation of such goods in the works

executed at the rates applicable to the goods under the Act :

Provided that where accounts are not maintained to determine the correct value of goods at the time of incorporation, such dealer shall pay tax at the rate of 12.5% on the total consideration received or receivable subject to such deductions as may be prescribed.

Section 11. Calculation of Tax payable.— (1) Subject to sub-section (2), the VAT payable on a sale liable to VAT shall be calculated by applying the rate of tax specified in the Schedules, on the sale price of goods.

(2) Where the sale price of goods is inclusive of VAT, the amount of VAT shall be determined in accordance with the formula prescribed.

(3) Where a dealer is liable to pay turnover tax under sub-section (2) of section 4, the tax shall be calculated by applying the rate of Turnover Tax specified therein on the taxable turnover.

Rule 17. Treatment of works contracts.— (1) Treatment of VAT dealer executing works contract :—

- (a) in the case of contracts not covered by sub-rules (2), (3) and (4) of this rule, the VAT dealer shall pay tax on the value of the goods at the time the goods are incorporated in the work at the rates applicable to the goods;
- (b) in such a case, the VAT dealer shall be eligible to claim input tax credit on ninety per cent (90%) of the tax paid on the goods purchased other than those specified in sub-rule (2) of Rule 20 and shall be eligible to issue a tax invoice;
- (c) if such VAT dealer awards any part of the contract to a sub-contractor, such sub-contractor shall issue a tax invoice to the contractor for the value of the goods at the time of incorporation in such sub-contract. The tax charged in the tax invoice issued by the sub-contractor shall be accounted by him in his returns;
- (d) the value of the goods used in execution of work in the contract, declared by the contractor shall not be less than the purchase value and shall include seigniorage charges, blasting and breaking charges, crusher charges, loading, transport and unloading charges, stacking and distribution charges, expenditure incurred

in relation to hot mix plant and transport of hot mix to the site and distribution charges;

- (e) subject to clause (d) the following amounts are allowed as deductions from the total consideration received or receivable for arriving at the value of the goods at the time of incorporation :—
- (i) labour charges for execution of the works;
 - (ii) charges for planning, designing and architect's fees;
 - (iii) charges for obtaining on hire or otherwise machinery and tools used for the execution of the works contract;
 - (iv) cost of consumables such as water, electricity, fuel, etc., used in the execution of the works contract, the property in which is not transferred in the course of execution of a works contract;
 - (v) cost of establishment of the contractor to the extent it is relatable to supply of labour and services;
 - (vi) other similar expenses relatable to supply of labour and services;
 - (vii) profit earned by the contractor to the extent it is relatable to supply of labour and services;
- (f) where tax has been deducted at source, the contractor VAT dealer shall submit Form VAT 501-A after certification by the contractee. In case the contractor is unable to submit Form VAT 501-A he shall pay the tax due;
- (g) where the VAT dealer has not maintained the accounts to determine the correct value of the goods at the time of incorporation he shall pay tax at the rate of twelve and a half percent (12.5%) on the total consideration received or receivable subject to the deductions specified in the table below. In such cases the contractor VAT dealer shall not be eligible to claim input tax credit and shall not be eligible to issue tax invoices.

STANDARD DEDUCTIONS FOR WORKS CONTRACTS

Sl. No.	Type of contract	Percentage of the total value eligible for deduction
1.	(a) Electrical Contracts	
	(i) H.T. Transmission lines	Twenty percent
	(ii) Sub-station equipment	Fifteen percent
	(iii) Power house equipment and extensions	Fifteen percent
	(iv) 11 and 22 KV and L.T. distribution lines 12+5	Seventeen percent
	(v) All other electrical contracts	Twenty five percent
	(b) All structural contracts	Thirty five percent
2.	Installation of plant and machinery	Fifteen percent
3.	Fixing of marble slabs, polished granite stones and tiles (other than mosaic tiles)	Twenty five percent
4.	Civil works like construction of buildings, bridges roads etc	Thirty percent
5.	Fixing of sanitary fittings for plumbing, drainage and the like	Fifteen percent
6.	Painting and polishing	Twenty percent
7.	Laying of pipes	Twenty percent
8.	Tyre re-treading	Forty percent
9.	Dyeing and printing of textiles	Forty percent
10.	Printing of reading material, cards, pamphlets, posters and office stationery	Forty percent
11.	All other contracts	Thirty percent

**WORKS CONTRACT FOR THE
GOVERNMENT OR LOCAL AUTHORITY
(Under Composition)**

[Section 4(7)(b), 4(7)(e); Rule 17(2); Forms VAT 250, VAT 250A]

Section 4 (7) (b) : Any dealer executing any works contract for the Government or local authority may opt to pay tax by way of composition at the rate of 4% on the total value of the contract executed for the Government or local authority and in such cases, the tax at 4% shall be collected at source

by such contractee and remitted to Government in such manner as may be prescribed.

¹[**Section 4 (7) (e)** : Any dealer having opted for composition under clauses (b), (c) and (d), purchases or receives any goods from outside the State or India or from any dealer other than a Value Added Tax dealer in the State and uses such goods in the execution of the works contracts, such dealer shall pay tax on such goods at the rates applicable to them under the Act and the value of such goods shall be excluded for the purpose of computation of turnover on which tax by way of composition at the rate of four percent (4%) is payable].

Rule 17 (2) Treatment of Works Contracts executed for State Government or local authority :—

- (a) Where a dealer executes any contract exceeding a value of Rs. 500000/- (Rupees five lakhs only) awarded by either a State Government department or a local authority he must register himself as a VAT dealer;
- (b) the VAT dealer opting to pay tax by way of composition under clause (b) of sub-section (7) of section 4 shall apply for composition in Form VAT 250 and shall be liable to pay tax at the rate of four per cent (4%) on the total value of the contract;
- (c) such tax shall be collected by the contractee Government Department or local authority and remitted to the authority prescribed within fifteen days from the date of each payment made to the contractor;
- (d) the contractee Government Department or local authority shall complete Form VAT 501 supplied by the contractor indicating the TIN of the contractor, the amount of tax collected at source and details of the related contract. Such Form shall be provided to the contractor;
- (e) the contractor VAT dealer shall declare on VAT Form 200 the amount received and the tax due on that amount;
- (f) the contractor shall submit Form VAT 501 certified by the contractee together with Form VAT 200 by the 20th of the month following the month in which payment was received;

1. Ins. by Act No. 23 of 2005, w.e.f. 29-08-2005.

- (g) where the contractor submits the forms specified in sub-rule (f) no payment of tax related to the transaction is required to be made. In case where the forms are not submitted the contractor shall be liable to pay the tax due on the amount received;
- (h) where the contractee Government Department or local authority fails to remit such tax collected at source within fifteen days of the date of payment to the contractor, the authority concerned shall be liable to pay penalty and interest for the delayed payment;
- (i) in the case of the execution of any works contract for the State Government or local authority where the dealer has opted to pay tax by way of composition under clause (b) of sub-section (7) of section 4 such dealer shall not be eligible to claim input tax credit and shall not be eligible to issue tax invoices;
- (j) in the case of a contractor mentioned in clause (a), if any part of the contract is awarded to a sub-contractor the sub-contractor, shall be exempt from tax on the value of the sub-contract. The sub-contractor shall not be eligible to claim input tax credit on the inputs used in the execution of such sub-contract;
- (k) in the case of a contractor mentioned in clause (a) where any tax has been collected at source by the State Government or local authority under sub-section (3) of section 22, no refund of such tax collected shall be allowed to the contractor.

WORKS CONTRACTS (Other than for State Government or Local Authority) UNDER COMPOSITION

[Section 4(7)(c); 4(7)(e); Rule 17(3); Form VAT 250, VAT 250A]

Section 4 (7) (c) : Any dealer executing works contracts other than for Government and local authority may opt to pay tax by way of composition at the rate of 4% ¹[x x x] of the total consideration received or receivable for any specific contract subject to such conditions as may be prescribed.

1. Omitted for the words "of fifty percent (50%)" by Act No. 23 of 2005, w.e.f. 29-08-2005.

¹[Section 4(7)(e) : Any dealer having opted for composition under clauses (b), (c) and (d), purchases or receives any goods from outside the State or India or from any dealer other than a Value Added Tax dealer in the State and uses such goods in the execution of the works contracts, such dealer shall pay tax on such goods at the rates applicable to them under the Act and the value of such goods shall be excluded for the purpose of computation of turnover on which tax by way of composition at the rate of four percent (4%) is payable].

Rule 17 (3) Treatment of works contracts (other than for State Government or Local Authority) under composition :—

- (a) Any VAT dealer who executes a contract and opts to pay tax as specified in clause (c) of sub-section (7) of section 4 must register himself as a VAT dealer;
- ²(b) the VAT dealer mentioned in clause (a) above shall pay tax at the rate of four percent (4%) of the total consideration received or receivable];
- (c) in the case where the VAT dealer opts for composition he shall, before commencing the execution of the work notify the prescribed authority on Form VAT 250 of the details including the value of the contract on which the option has been exercised and when the VAT dealer opts to withdraw from composition, he shall notify the prescribed authority on Form VAT 250A;
- (d) on receipt of any payment related to the contract, the contractor VAT dealer shall calculate the tax due at four percent (4%) ³[x x x] of the amount received and shall enter such details on Form VAT 200. The tax due shall be paid with the return Form VAT 200;
- (e) where tax has been deducted at source the contractor VAT dealer shall submit Form VAT 501A after certification by the contractee.

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1. Ins. by Act No. 23 of 2005, w.e.f. 29-08-2005.
 2. Subs. by G.O.Ms. No. 1614, Rev. (CT-II), dt. 31-08-2005. The earlier was as follows :
“(b) The VAT dealer shall pay tax at the rate of four per cent (4%) of fifty percent (50%) of the total consideration received or receivable for the contract and the balance fifty percent (50%) of the total consideration received or receivable shall be allowed as deduction for the purpose of computation of taxable turnover”;
 3. The words “of fifty percent (50%)” are omitted by G.O.Ms. No. 1614, Rev. (CT-II), dt. 31-08-2005. Published in the A.P. Gazette Part-I, Extra-ordinary No. 652, dt. 01-09-2005.

In case the contractor is unable to submit Form VAT 501A he shall pay the tax due;

- (f) the contractor VAT dealer shall not be eligible for input tax credit and shall not be eligible to issue tax invoices;
- (g) where the contractor VAT dealer awards any portion of his contract to a sub-contractor, such contractor shall not be eligible for any deduction relating to the value of the sub-contract. ¹[x x x];
- (h) in case of a contractor mentioned in clause (a) above, where any tax is deducted under sub-section (4) of section 22, no refund of such tax deducted shall be allowed to the contractor;
- (i) where the contractee fails to remit such tax deducted at source within fifteen days of the date of payment to the contractor, the authority concerned shall be liable to pay penalty and interest for the delayed payment.

APARTMENT BUILDERS, DEVELOPERS UNDER COMPOSITION

[Section 4(7)(d); 4(7)(e); Rule 17(4); Form VAT 250, VAT 250A]

Section 4(7)(d) : Any dealer engaged in construction and selling of residential apartments, houses, buildings or commercial complexes may opt to pay tax by way of composition at the rate of 4% of twenty five percent (25%) of the consideration received or receivable or the market value fixed for the purpose of stamp duty whichever is higher subject to such conditions as may be prescribed;

Section 4(7)(e): Any dealer having opted for composition under clauses (b), (c) and (d), purchases or receives any goods from outside the State or India or from any dealer other than a Value Added Tax dealer in the State and uses such goods in the execution of the works contracts, such dealer shall pay tax on such goods at the rates applicable to them under the Act and the

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1. The words "The sub-contractor, if he is a VAT dealer, in such a case may either opt for composition under clause (c) of sub-section (7) of section 4, or pay tax under clause (a) of sub-section (7) of section 4" are omitted by G.O.Ms. No. 1614, Rev. (CT-II), dt. 31-08-2005. Published in the A.P. Gazette Part-I Extraordinary No. 652, dt. 01-09-2005.
 2. Ins. by Act No. 23 of 2005, w.e.f. 29-08-2005.

value of such goods shall be excluded for the purpose of computation of turnover on which tax by way of composition at the rate of four percent (4%) is payable].

Rule 17 (4) Treatment of Apartment Builders and Developers under composition :—

- (a) Where a dealer executes a contract for construction and selling of residential apartments, houses, buildings or commercial complexes and opts to pay tax by way of composition under clause (d) of sub-section (7) of section 4, he must register himself as a VAT dealer;
- (b) the VAT dealer shall notify the prescribed authority on Form VAT 250, of his intention to avail composition for all works specified in clause (a) above, undertaken by him;
- (c) when the VAT dealer opts to withdraw from composition, he shall notify the prescribed authority on Form VAT 250A;
- (d) the VAT dealer shall have to pay tax by way of composition at the rate of four percent (4%) on twenty five percent (25%) of the total consideration received or receivable or the market value fixed for the purposes of stamp duty, whichever is higher and the balance seventy five percent (75%) of the total consideration received or receivable shall be allowed as deduction for the purpose of computation of taxable turnover;
- (e) on receipt of any payment related to the contract, the contractor VAT dealer shall calculate the tax due at four percent (4%) of twenty five percent (25%) of the amount received and shall enter such details on Form VAT 200. The tax due shall be paid with the return Form VAT 200;
- (f) the contractor VAT dealer shall not be eligible for input tax credit and shall not be eligible to issue tax invoices;
- (g) where the contractor VAT dealer specified in clause (f) above, awards any portion of his contract to a sub-contractor, such contractor shall not be eligible for any deduction relating to the value of the sub-contract; ¹[x x x]

1. The words "The sub-contractor if he is a VAT dealer, in such a case may either opt for composition under clause (d) of sub-section (7) of section 4, or pay tax under clause (a) of sub-section (7) of section 4." are omitted by G.O.Ms. No. 1614, Rev. (CT-II), dt. 31-08-2005.

- (h) where any dealer mentioned in clause (a) opted for composition and paid any tax under the provisions of APGST Act, 1957 before 30-04-2005, there shall be no further liability in respect of the built up area for which tax has already been paid under APGST Act, provided the sale deed is executed in respect of such built up area before 30-09-2005;
- ¹(i) the VAT dealer mentioned in clause (a) above shall pay an amount equivalent to one percent (1%) of the total consideration received or receivable or the market value fixed for the purpose of stamp duty, whichever is higher. This payment shall be made by way of a demand draft obtained in favour of the Commercial Tax Officer or Assistant Commissioner concerned and the instrument is to be presented at the time of registration of the property to the Sub-Registrar, who is registering the property, duly furnishing his TIN (Tax payer Index Number) and the full postal address of the CTO/Assistant Commissioner concerned on the reverse of the DD. The Sub-Registrar, shall then send the same to the CTO/Assistant Commissioner concerned every week].

TURNOVER TAX DEALER

WORKS CONTRACTS

[Section 4(2), 4(7)(f), 10; Rule 17(5)]

Section 4 (2) : Every dealer who has not opted for registration as a VAT dealer and who is registered or liable to be registered for TOT or whose taxable turnover in a period of twelve (12) consecutive months exceeds Rs. 5,00,000/- (Rupees Five lakhs only) but does not exceed Rs. 40,00,000/- (Rupees Forty lakhs only) shall pay tax at the rate of one percent (1%) on the taxable turnover in such manner as may be prescribed.

²[Section 4(7)(f)] : Any dealer who is liable to be registered for TOT and executing any works contracts shall pay tax at the rate of 1% on total

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1. Added by G.O.Ms. No. 1614, Rev. (CT-II), dt. 31-08-2005. Pub. in the A.P. Gazette Part-I, Extra-ordinary No. 652, dt. 01-09-2005.
 2. Renumbered by Act No. 23 of 2005, w.e.f. 29-08-2005.

value of the goods at the time of incorporation of the goods used :

Provided that where accounts are not maintained to determine the correct value of the goods at the time of incorporation, such dealers shall pay tax at the rate of 1% on the total consideration received or receivable subject to such deductions as may be prescribed :

¹[Provided further that no tax shall be payable under this sub-section on the turnover relating to the consideration received as a sub-contractor if the main contractor opted to pay tax by way of composition subject to the condition that the sub-contractor shall pay tax in respect of any goods purchased or received from outside the State or India or from any person other than a Value Added Tax dealer in the State on the value of such goods at the rates applicable to them under the Act].

Section 10. Turnover Tax.— (1) Any dealer who is not registered or does not opt to be registered as VAT dealer shall not be entitled to claim input tax credit for any purchase, and shall not be eligible to issue a tax invoice.

(2) Any dealer who is registered as a VAT dealer shall not be liable to Turnover Tax from the effective date of such registration.

Rule 17 (5) : (a) Where the contractor is a TOT dealer as specified in clause (e) of sub-section (7) of section 4, he shall pay tax at the rate of one percent (1%) on the value of the goods at the time of their incorporation in the execution of the contract.

- (b) Where the TOT dealer has not maintained the accounts to determine the correct value of the goods at the time of incorporation he shall pay tax at the rate of one percent (1%) on the total consideration received or receivable subject to the following deductions :—
- (i) labour charges for execution of the works;
 - (ii) charges for planning, designing and architect's fees;
 - (iii) charges for obtaining on hire or otherwise machinery and tools used for the execution of the works contract;
 - (iv) cost of consumables such as water, electricity, fuel, etc., used in the execution of the works contract, the property

1. Added by Act No. 23 of 2005, w.e.f. 29-08-2005.

in which is not transferred in the course of execution of a works contract;

- (v) cost of establishment of the contractor to the extent it is relatable to supply of labour and services;
 - (vi) other similar expenses relatable to supply of labour and services;
 - (vii) profit earned by the contractor to the extent it is relatable to supply of labour and services;
- (c) where any tax is collected or deducted at source under sub-section (3) or (4) of section 22, such tax collected or deducted shall not be refunded to the contractor TOT dealer.

INPUT TAX CREDIT

[Section 13; Rule 20]

Section 13. Credit for input tax.— (1) Subject to the conditions if any, prescribed, an input tax credit shall be allowed to the VAT dealer for the tax charged in respect of all purchases of taxable goods, made by that dealer during the tax period, if such goods are for use in the business of the VAT dealer. No input tax credit shall be allowed in respect of the tax paid on the purchase of goods specified in Schedule VI.

(2) (a) A dealer registered as a VAT dealer on the date of commencement of the Act, shall be entitled to claim input tax credit for the sales tax paid under Andhra Pradesh General Sales Tax Act, 1957 (Act VI of 1957) on the stocks held in the State on the date of commencement of the Act subject to the conditions and in the manner as may be prescribed :

Provided that such goods should have been purchased from 01-04-2004 to 31-03-2005 and are goods eligible for input tax credit.

- (b) Subject to the conditions if any, prescribed, input tax credit shall be allowed to a VAT dealer on registering as VAT dealer if any input tax is paid or payable in respect of all purchases of taxable goods, where such goods are for use in the business as VAT dealer, provided the goods are in stock on the effective date of registration and such purchase occurred not more than three months prior to such date of registration.

(3) A VAT dealer shall be entitled to claim :—

- (a) input tax credit under sub-section (1), on the date the goods are received by him, provided he is in possession of a tax invoice;
- (b) input tax credit or sales tax credit under sub-section (2), on the date of registration, provided he is in possession of documentary evidence therefor.

(4) A VAT dealer shall not be entitled for input tax credit or sales tax credit in respect of the purchases of such taxable goods as may be prescribed.

(5) No input tax credit shall be allowed on the following :—

- (a) works contracts where the VAT dealer pays tax under the provisions of clauses (b), (c) and (d) of sub-section (7) of section 4;
- (b) transfer of a business as a whole;
- (c) sale of exempted goods except when such goods are sold in the course of export or exported outside the territory of India;
- (d) exempt sale;
- (e) transfer of exempted goods on consignment basis or to branches of the VAT dealer outside the State otherwise than by way of sale;
- (f) ¹[x x x]

(6) The input tax credit for transfer of taxable goods outside the state by any VAT dealer otherwise than by way of sale shall be allowed for the amount of tax in excess of 4%.

(7) Where any VAT dealer pays tax under clause (a) of sub-section (7) of section 4, the input tax credit shall be limited to 90% of the related input tax.

(8) Where goods purchased by a VAT dealer are partly for his business use and partly for other than his business use, the amount of the input tax credit shall be limited to the extent of input tax that relates to the goods used in his business.

(9) A Turnover Tax dealer or a casual trader shall not be entitled to claim input tax credit.

1. Omitted by Act No. 10 of 2006, w.e.f. 01-12-2005 the earlier as follows :

“(f) supply of goods by the VAT dealer as mentioned in sub-section (9) of section 4”.

(10) Any dealer covered by Explanations III and IV of clause (10) of section 2 shall not be eligible for input tax credit against or relatable to sale of un-serviceable goods or scrap, surplus, old, obsolete or discarded material or waste products whether by auction or otherwise.

(11) Any VAT dealer who purchases any taxable goods from a dealer covered under sub-section (10) above, shall be eligible for input tax credit, on production of documentary evidence that tax has been charged.

Rule 20. Input Tax Credit.— (1) After the commencement of the Act, where any dealer gets registered as a VAT dealer or where the authority prescribed registers any dealer as a VAT dealer under Rule 11 (1), such dealer shall be eligible for input tax credit as provided under sub-section (2) (b) of section 13. The claim shall be made on Form VAT 118 within 10 days from the date of receipt of VAT registration. The goods on which the input tax credit is claimed or allowed shall be available in stock on the effective date of VAT registration. The documentary evidence for such claim shall be on the basis of a tax invoice issued by a VAT dealer for the purchases made and the input tax credit allowed on Form VAT 119 shall be claimed on the first return to be submitted by such dealers. The prescribed authority shall issue such Form VAT 119 within 10 days of receipt of Form VAT 118.

(2) The following shall be the items not eligible for input tax credit as specified in sub-section (4) of section 13 :—

- (a) all automobiles including commercial vehicles / two wheelers / three wheelers required to be registered under the Motor Vehicles Act, 1988 and including tyres and tubes, spare parts and accessories for the repair and maintenance thereof; unless the dealer is in the business of dealing in these goods;
- (b) fuels used for automobiles or used for captive power generation or used in power plants;
- (c) air conditioning units other than those used in plant and laboratory, restaurants or eating establishments, unless the dealer is in the business of dealing in these goods;
- (d) any goods purchased and used for personal consumption;
- (e) any goods purchased and provided free of charge as gifts otherwise than by way of business practice;
- (f) any goods purchased and accounted for in the business but utilised for the purpose of providing facilities to employees including any residential accommodation;

- (g) crude oil used for conversion or refining into petroleum products;
- ¹[(h) natural gas, naphtha and coal unless the dealer is in the business of dealing in these goods];
- (i) any input used in construction or maintenance of any buildings including factory or office buildings, unless the dealer is in the business of executing works contracts and has not opted for composition;
- (j) earth moving equipment such as bulldozers, JCB's, and poclaim etc., and parts and accessories thereof unless the dealer is in the business of dealing in these goods;
- (k) generators and parts and accessories thereof used for captive generation unless the dealer is in the business of dealing in these goods.
- ²[(l) rice purchased by Food Corporation of India from VAT dealers or farmers or farmers clubs or associations of farmers in the State];
- ³[(m) rice purchased by Andhra Pradesh State Civil Supplies Corporation Ltd., from the Depots of Food Corporation of India, in Andhra Pradesh or from any other VAT dealer in the State];

1. Subs. by G.O.Ms. No. 2201, Rev. (CT-II), dt. 29-12-2005. w.e.f. 01-04-2005. Pub. in the A.P. Gazette Part-I, Extra-ordinary No. 892, dt. 31-12-2005. The earlier was as follows :

“(h) natural gas and coal used for power generation”.

2. Added by G.O.Ms. No.1452, Rev. (CT-II), dt. 26-07-2005, and again subs. by G.O.Ms. No. 1675, Rev. (CT-II) Dept., dt. 23-09-2005. The earlier was as follows :

“(l) any goods (except kerosene) purchased or procured for supply through Public Distribution System (PDS)—

As a result of this restriction on input tax credit for the goods (except kerosene) purchased for the purpose of Public Distribution System (PDS), the corresponding sales will not be liable to any tax. Accordingly the Food Corporation of India or Andhra Pradesh State Civil Supplies Corporation Limited will be liable to pay tax only, if their sales are first sales. They will not be liable to pay any tax on the sales of goods (except kerosene) purchased from local Value Added Tax Dealers and they will also be not eligible to claim any input tax credit for such purchases. Fair Price Shops are acting as agents on behalf of the State Government i.e., a resident principal. As such, fair price shops do not have any liability to register under Andhra Pradesh Value Added Tax Act, 2005 and to pay any tax. However, if the fair price shops are dealing in any other goods not supplied through Public Distribution System, they will be liable to register under Andhra Pradesh Value Added Tax Act, 2005 depending on their turnover of such goods and will have to pay tax accordingly.”

3. Ins. by G.O.Ms. No. 1675, Rev. (CT-II) Dept., dt. 23-09-2005.

- ¹[(n) refrigerators, coolers and deep freezers purchased by Soft Drink Manufacturers not for use in their manufacturing premises;
- (o) any goods purchased and used as inputs in job work;
- (p) PDS Kerosene purchased by wholesale dealers for the purpose of supplying to Fair Price Shops].

When any goods mentioned above are subsequently sold without availing any input tax credit, no tax shall be levied and recovered from a VAT dealer having been denied the input tax credit at the time of purchase. Any VAT dealer having purchased items mentioned above shall maintain a separate account or record without including such purchases in the purchase of eligible inputs taxable at each rate.

Whenever a VAT dealer makes a claim for input tax credit for any tax period, the tax paid on the purchases of the above goods shall be excluded for arriving at the eligible input tax credit. This principle applies to all the sub-rules in this rule.

(3) Where all the sales of a VAT dealer for that tax period are taxable, the whole of the input tax may be claimed as a credit excluding the tax paid on the purchase of any goods mentioned in sub-rule (2).

²[(3-a) Where any VAT dealer pays tax at the rate of twelve and half percent (12.5%) on the sale consideration of a used or a second hand vehicle already registered in the State under the Motor Vehicles Act, 1988, he shall be eligible for notional input tax credit at the rate of twelve and half percent (12.5%) on the purchase price actually paid supported by documentary evidence. Such notional input tax credit shall not exceed the output tax payable on the sale of used or second hand vehicle by the VAT dealer].

(4) (a) Where any VAT dealer buys and sells the goods in the same form, the input tax credit can be claimed fully in respect of all the taxable goods purchased for every tax period excluding the tax paid on the purchase of any goods mentioned in sub-rule (2). Such VAT dealer is required to make a declaration in Form VAT 200D for every tax period along with tax return.

(b) Where any common inputs like packing material are used commonly for sales of taxable and exempt goods (goods in

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1. Added by G.O.Ms. No. 2201, Rev. (CT-II), dt. 29-12-2005, w.e.f. 01-04-2005. Published in the A.P. Gazette Part-I, Ext. No. 892, dt. 31-12-2005.
 2. Added by G.O.Ms. No. 1614, Rev. (CT-II), dt. 31-08-2005. Pub. in the A.P. Gazette Part-I, Ext. No. 652, dt. 01-09-2005.

Schedule I), the VAT dealer shall repay input tax related to exempt element of common inputs after making adjustment in the tax return for March by filing Form VAT 200B for the period of twelve months ending March. In Form VAT 200B, the eligible input tax credit shall be calculated by applying the formula :—

$$A \times \frac{B}{C}$$

Where,

A is the total amount of input tax for common inputs for each tax rate excluding the tax paid on the purchase of any goods mentioned in sub-rule (2).

B is the sales turnover of taxable goods including zero-rated sales.

C is the “total turnover” including sales of exempt goods.

(c) This sub-rule is not applicable if the VAT dealer is making exempt transactions.

(5) (a) Where the value of taxable sales is 95% or more of the total value for that tax period, the VAT dealer may claim credit for the full amount of input tax paid on purchases;

(b) where the value of taxable sales is 5% or less of the total value, the VAT dealer shall not be eligible to claim input tax credit for that tax period;

(c) such a VAT dealer covered under clause (a) and (b) above, shall make an adjustment in the month of March for the 12 month period ending with March on Form VAT 200B. In the Form VAT 200B, the eligible input tax credit shall be calculated by applying the formula $A \times B/C$. The excess input credit claimed shall be paid back or the balance input credit eligible can be claimed in the tax return for March;

(d) this sub-rule is not applicable if the VAT dealer is making exempt transactions.

(6) Where any VAT dealer is able to establish that specific inputs are meant for specific output, the input tax credit can be claimed separately for taxable goods. For the common inputs, such VAT dealer can claim input tax credit by applying the formula :—

$$A \times \frac{B}{C}$$

for the common inputs used for taxable goods, exempt goods (goods in Schedule I) and exempt transactions :

Provided the VAT dealer furnishes an additional return in Form VAT 200A for each tax period for adjustment of input tax credit and also makes an adjustment for a period of 12 months ending March every year by filing a return in Form VAT 200B.

(7) Where a VAT dealer is making taxable sales and sales of exempt goods (goods in Schedule I) for a tax period and inputs are common for both, the amount which can be claimed as input tax credit for the purchases of the goods at each tax rate shall be calculated by the formula :—

$$A \times \frac{B}{C}$$

Provided the VAT dealer furnishes an additional return in Form VAT 200A for each tax period for adjustment of input tax credit and also makes an adjustment for a period of 12 months ending March every year by filing a return in Form VAT 200B.

(8) (a) Where a VAT dealer is making sales of taxable goods and also exempt transactions of taxable goods in a tax period, for the purchases of goods taxed at 12.5%, the input tax to the extent of 8.5% portion can be fully claimed in the same tax period;

(b) In respect of purchases of goods taxable at 1%, 4% and for the 4% tax portion in respect of goods taxable at 12.5%, the VAT dealer shall apply the formula :—

$$A \times \frac{B}{C}$$

for each tax period :

Provided the VAT dealer furnishes an additional return in Form VAT 200A for each tax period for adjustment of input tax credit and also makes an adjustment for a period of 12 months ending March every year by filing a return in Form VAT 200B.

(9) (a) Where a VAT dealer is making sales of taxable goods, exempt sales (goods in Schedule I) and also exempt transaction of taxable goods in a tax period, for the purchases of goods taxed at 12.5%, the input tax to the extent of 8.5% portion can be fully claimed in the same tax period.

- (b) In respect of purchases of goods taxable at 1%, 4% and for the 4% tax portion in respect of goods taxable at 12.5%, the VAT dealer shall apply the formula :—

$$A \times \frac{B}{C}$$

for each tax period :

Provided the VAT dealer furnishes an additional return in Form VAT 200A for each tax period for adjustment of input tax credit and also makes an adjustment for a period of 12 months ending March every year by filing a return in Form VAT 200B.

(10) (a) In the case of a VAT dealer filing Form VAT 200B, the excess input credit claimed shall be paid back or the balance input credit eligible can be claimed in the tax return for March.

- (b) For the purpose of this rule, the words A, B and C in the formula :—

$$A \times \frac{B}{C}$$

shall carry the following meaning subject to clause (c) below :—

A is the total amount of input tax for common inputs for each tax rate for the tax period; excluding the tax paid on the purchases of any goods mentioned in sub-rule (2);

B is the “taxable turnover” as defined under the Act for the tax period, which shall include zero rated sales of any goods — inter-State sales, exports and deemed exports;

C is the “total turnover” as defined under the Act :

Both the values of B and C shall not include :

- (i) purchase price of goods taxable under section 4 (4);
 - (ii) transactions falling under section 5 (2), (import) section 6 (2) of the CST Act, 1965;
 - (iii) value of transfer of business as a whole.
- (c) Where a VAT dealer makes exempt transactions for the calculation of input tax credit in excess of input tax of 4% for 12.5% rate goods, “the value of B” shall include the value of the goods

transferred outside the State otherwise than by way of sale (transaction falling under section 6 (a) of CST Act 1956).

- (d) For the purpose of sub-rules from (4) to (9) of this rule, the value of A is the amount of input tax relating to common inputs for each tax rate, B is the taxable turnover and C is the total turnover. For the purpose of Form VAT 200A, the value of A, B and C would be for that tax period whereas for the purpose of Form VAT 200B, the values of A, B and C would be the values for the period of 12 months ending March including March.
- (e) Any VAT dealer opting for any method of input tax credit calculation specified from sub-rule (5) to sub-rule (9) shall be required to be under only one method for the 12 months period ending March. The method of adjustment to be made in the return for March shall be on the basis of latest option exercised by the dealer upto March.

(11) The Deputy Commissioner concerned may impose any conditions or a particular method for a VAT dealer for the appointment of input tax credit where the VAT dealer makes taxable and exempt sales and/or exempt transactions.

(12) Where a VAT dealer opts to pay tax by way of composition or where a VAT dealer is exempt under Rule 17 (2) (j), such dealer shall furnish Form VAT 200E along with Form VAT 200 for each tax period. Such VAT dealers shall calculate for each tax period the eligible input tax credit by excluding the turnover or value relating to composition/exemption in Form VAT 200E. In addition the VAT dealer shall furnish an adjustment return in Form VAT 200F for the month of March for a period of 12 months ending March making an adjustment of input tax credit in the Form VAT 200F.

ILLUSTRATIONS FOR RULE 20

1. VAT dealers following sub-rule (3) of Rule 20 : (only taxable sales)

TYR, a VAT dealer is dealing in sales of Readymade garments and Footwear which are taxable at 4% and 12.5% respectively under the provisions of the Act. TYR is not dealing in sales of any exempt goods. TYR also purchases packing material and certain other goods required for business The procedure

for claiming input tax credit for a month is illustrated below :—

PURCHASE (INPUT)			SALES (OUTPUT)	
Rate of tax	Turnover (Rs.)	VAT Paid (Rs.)	Turnover (Rs.)	VAT Payable (Rs.)
4% Goods (Readymade garments & Packing material)	100000	4000	60000	2400
12.5% Goods (Footwear & other goods)	200000	25000	220000	27500
Total input tax		29000	Total output tax	29900

$$\begin{aligned}
 \text{VAT payable} &= \text{Output tax} - \text{Input tax} \\
 &= \text{Rs. } 29,900 - \text{Rs. } 29,000 \\
 &= \text{Rs. } 900
 \end{aligned}$$

Note :— No adjustments need to be carried since the dealer is dealing only in taxable goods.

2. VAT dealers following sub-rule (4) of Rule 20 : (Resellers of taxable goods and exempt goods)

TVK, a super market, registered for VAT is dealing in taxable goods (Soaps, Cosmetics, Foodgrains etc.), and exempt goods (Sugar, milk, vegetables etc.) TVK buys and sells these goods in the same form every month and also purchases packing material and other goods required for his business. For a tax period, TVK can claim input tax credit as under.

PURCHASE (INPUT)			SALES (OUTPUT)	
Rate of tax	Turnover (Rs.)	VAT Paid (Rs.)	Turnover (Rs.)	VAT Payable (Rs.)
4% Goods	100000	4000	120000	4800
12.5% Goods	100000	12500	80000	10000
Exempt goods	50000	NIL	40000	NIL

PURCHASE (INPUT)			SALES (OUTPUT)	
Rate of tax	Turnover (Rs.)	VAT Paid (Rs.)	Turnover (Rs.)	VAT Payable (Rs.)
4% goods like packing material used as common inputs for both taxable & exempt goods	10000	400	NIL	NIL
12.5% goods used in business common for both taxable and exempt goods	20000	2500	NIL	NIL
Total input tax		19400	Total output tax	14800

$$\begin{aligned}
 \text{VAT payable /} \\
 \text{Credit carried over} &= \text{Output tax - Input tax} \\
 &= \text{Rs. 14,800 - Rs. 19,400} \\
 &= \text{Rs. 4,600} \\
 &\text{Credit carried over to next month.}
 \end{aligned}$$

Since TVK has availed full input tax credit on common inputs in the monthly returns :—

- (i) the VAT dealer should make declaration in FORM VAT 200D for each tax period indicating the details of sales of taxable goods and exempt goods and also details of common input tax and input tax paid on taxable goods meant for sale and input tax claimed in the monthly return. No adjustments need to be made for every tax period;
- (ii) the dealer is required to submit a return in Form VAT 200B for March to repay input tax related to exempt element of common inputs after making adjustment of input tax credit for the period of twelve months ending March for each tax rate.

At the end of March, the turnovers relating to the last 12 months are as under (Adjustments to be made in Form VAT 200B).

1. Total taxable turnover for 12 months : Rs. 50.00 Lakhs - B
2. Total sales of exempt goods for 12 months : Rs. 10.00 Lakhs
3. Total turnover for 12 months (Sl. No. 1 + Sl. No. 2) : Rs. 60.00 Lakhs - C
4. Common input tax paid & claimed for 12 months on 4% goods : Rs. 4,800 - A for 4%
5. Common input tax paid & claimed for 12 months on 12.5% goods : Rs. 30,000 - A for 12.5%

Sl. No.	Description	4% rate of goods	12.5% rate of goods
1.	Apply calculation	$A \times B/C$ $4800 \times 50 \text{ lakhs}$ 60 lakhs	$A \times B/C$ $30000 \times 50 \text{ lakhs}$ 60 lakhs
2.	Eligible input tax credit	4000	25000
3.	Input tax credit claimed in returns	4800	30000
4.	Balance payable	800	5000
5.	Adjustment	Pay this amount by including 4% output : Box in Form VAT 200 for March	Pay this amount by including 12.5% output : Box in Form VAT 200 for March

3. VAT dealer following sub-rule (5) of Rule 20 : (Taxable goods & sales of exempt goods lesser values - Manufacturers or Resellers)

AMD, a rice miller, registered for VAT is engaged in converting Paddy into rice and selling the same alongwith other by products. AMD is not having any consignment sales or branch transfers. For a tax period, AMD can claim input tax credit as under :

PURCHASE (INPUT)			SALES (OUTPUT)	
Rate of tax	Turnover (Rs.)	VAT Paid (Rs.)	Turnover (Rs.)	VAT Payable (Rs.)
4% Goods (Paddy from other traders & gunnies)	100000	4000	150000 (Rice, broken rice bran)	6000
12.5% Goods (Machinery items)	10000	1250	NIL	NIL
Exempt goods (Paddy husk)	NIL	NIL	1000	NIL
Total input tax		5250	Total output tax	6000

$$\begin{aligned}
 \text{VAT payable} &= \text{Output tax} - \text{Input tax} \\
 &= \text{Rs. } 6,000 - \text{Rs. } 5,250 \\
 &= \text{Rs. } 750
 \end{aligned}$$

Since the value of taxable goods is more than 95% of the total sale value, AMD can claim full amount of input tax credit. However, if the value of taxable sales is less than 5% of the total sale value, the VAT dealer should not claim input tax credit for that tax period.

Further, AMD is required to make an adjustment of input tax credit for each tax rate in the month of March for the 12 month period ending March on Form VAT 200B.

At the end of March, the turnovers relating to last 12 months are illustrated below :— (Adjustments to be made on Form VAT 200B)

1. Total taxable turnover for 12 months : Rs. 80.00 lakhs - B
2. Total sales of exempt goods for 12 months : Rs. 50,000
3. Total turnover for 12 months : Rs. 80.50 lakhs - C
4. Input tax paid & claimed for 12 months on 4% rate goods : Rs. 48,000 - A for 4%
5. Input tax paid & claimed for 12 months on 12.5% rate goods : Rs. 15,000 - A for 12.5% goods

Sl. No.	Description	4% rate of goods	12.5% rate of goods
1.	Apply calculation	$A \times B/C$ $4800 \times 80 \text{ lakhs}$ 80.50 lakhs	$A \times B/C$ $15000 \times 80 \text{ lakhs}$ 80.50 lakhs
2.	Eligible input tax credit	47700	14907
3.	Input tax credit claimed in returns	48000	15000
4.	Balance payable	300	93
5.	Adjustment	Pay this amount by including 4% output : Box in Form VAT 200 for March	Pay this amount by including 12.5% output : Box in Form VAT 200 for March

4. VAT dealer following sub-rule (6) of Rule 20 : (Specific inputs to specific outputs)

USL, a VAT dealer is engaged in manufacturing of various products. The dealer is manufacturing two separate products (product x and product y) wherein the dealer always makes taxable sales of product x and the product y is meant for both taxable sales and stock transfers. The dealer maintains

separate records indicating specific inputs required for specific outputs. For a tax period, the method and procedure for arriving at eligible input tax credit is illustrated below :—

PURCHASE (INPUT)			SALES (OUTPUT)	
Rate of tax	Turnover (Rs.)	VAT Paid (Rs.)	Turnover (Rs.)	VAT Payable (Rs.)
4% goods for taxable goods	2,00,000	8,000	1,50,000 (Product 'x')	6,000
4% goods common for taxable sales & exempt transactions	4,00,000	16,000	3,00,000 (Product 'x' & 'y')	12,000
12.5% goods specific to taxable sales	32,000	4,000	NIL	NIL
12.5% goods common for taxable sales and exempt transactions	40,000	5,000	NIL	NIL
Exempt transactions	NIL	NIL	1,50,000 (Product 'y')	NIL
Total Input tax		33,000	Total Output tax	18,000

USL is using specific inputs for specific taxable sales and certain common inputs meant for both taxable sales and exempt transactions. Hence, USL is eligible to claim full input tax credit for VAT paid on specific inputs for each tax period and for the VAT paid on common inputs, the eligible input tax credit should be arrived for each tax period by applying calculation $A \times B/C$ where;

- A** = Common input tax for the tax period for each tax rate
- B** = Taxable turnover
- C** = Total turnover (including value of exempt transactions)

Sl. No.	Description	4% rate of goods	Description	12.5% rate of goods
1.	Common input tax paid in the tax period	16,000	Common input tax paid in the tax period	5,000
2.	Apply calculation	16000×4.50 lakhs	8.5% portion (tax \times 8.5/12.5)	3,400
3.	Eligible input tax	6.00 lakhs 12,000	4% portion (tax 4% / 12.5%) Eligible input tax in 4% portion out of 12.5% rate paid. Eligible input tax credit for 12.5% rate related to common inputs	16000×4.50 lakhs 6.00 lakhs = Rs. 1200 3400 + 1200 = 4600

Eligible input tax credit for common inputs	:	Rs. 12,000 (4%) + Rs. 4600 (12.5%)
	:	Rs. 16,600/-
Eligible input tax credit for Specific inputs	:	Rs. 8,000 (4%) + Rs. 4000 (12.5%)
	:	Rs. 12,000/-
Total eligible input tax credit for the tax period	:	Rs. 12,000 + Rs. 16,600
	:	Rs. 28,600/-
VAT payable / Credit carried over	:	Output tax - Input tax
	=	Rs. 18,000 - Rs. 28,600
	=	(+) 10,600 credit carried over to next period

Note :— (1) USL should submit Form VAT 200A every month, making adjustment of input tax credit to arrive and claim eligible input tax credit for that tax period for each rate.

(2) Further, USL should also carry out adjustment of input tax credit for each tax rate for a period of 12 months ending March and submit such details in Form VAT 200B.

(3) Such adjustment shall be made as below :—

- (a) any excess claimed in the monthly VAT returns shall be paid back in the return for March by adding it to the appropriate box in the output column for each tax rate;
- (b) any balance credit eligible in the monthly returns shall be claimed in the return for March by adding it to the appropriate box in the input column for each tax rate.

5. VAT dealer following sub-rule (7) of Rule 20 :— (Manufacturing and selling taxable goods and exempt goods).

KHT, a dairy plant is registered for VAT and engaged in production and sales of both taxable goods and exempt goods. The procedure for claiming input tax credit for a month is shown below :—

PURCHASE (INPUT)			SALES (OUTPUT)	
Rate of tax	Turnover (Rs.)	VAT Paid (Rs.)	Turnover (Rs.)	VAT Payable (Rs.)
4% rate goods common for taxable and exempted goods	200000	8000	100000	4000
12.5% rate common for both taxable and exempt goods	60000	7500	NIL	NIL
Exempt goods	500000	NIL	700000	NIL
Total Input tax		15,500	Total Output tax	4000

VAT payable = Output - Input tax (eligible)

To arrive at eligible input tax credit, the VAT dealer should make calculation A x B/C in Form VAT 200A for the tax period for each tax rate.

- A** = Input tax paid for each tax rate
- B** = Taxable turnover
- C** = Total turnover
(Taxable turnover + turnover of sales of exempt goods)

Sl. No.	Description	4% rate of goods	12.5% rate of goods	Total eligible
1.	Input tax paid in the tax period	8000	7500	NIL
2.	Apply calculation	$8000 \times \frac{100000}{800000}$	$7500 \times \frac{100000}{800000}$	NIL
3.	Eligible input tax	1000	938	1938

VAT payable in the tax period = Rs. 4000 - Rs. 1938
= Rs. 2062

Note :— (1) KHT should submit Form VAT 200A every month, making adjustment of input tax credit to arrive and claim eligible input tax credit for that tax period.

(2) Further, KHT should also carry out adjustment of input tax credit for each tax rate for a period of twelve months ending March and submit such details in Form VAT 200B.

(3) Such adjustment shall be made as below :—

- (a) any excess claimed in the monthly VAT returns shall be paid back in the return for March by adding it to the appropriate box in the output column for each tax rate;

- (b) any balance credit eligible in the monthly returns shall be claimed in the return for March by adding it to the appropriate box in the input column for each tax rate.

6. VAT dealer following sub-rule (8) of Rule 20 : (Taxable goods & exempt transactions of taxable goods)

SKM, a VAT dealer is engaged in manufacture and sale of Cement. The dealer also despatches the goods on consignment basis to other States. There are no sales of exempt goods. For a tax period, the purchases and sales effected by the dealer are illustrated below indicating method and procedure to claim input tax credit.

PURCHASE (INPUT)			SALES (OUTPUT)	
Rate of tax	Turnover (Rs.)	VAT Paid (Rs.)	Turnover (Rs.)	VAT Payable (Rs.)
4% Goods	6000000	240000	NIL	NIL
12.5% Goods	5000000	625000	500.00 lakhs	6250000
Exempt transactions	NIL	NIL	50.00 lakhs	NIL
Total input tax		865000	Total output tax	6250000

Since the VAT dealer is using the inputs common for both taxable sales and exempt transactions, SKM should arrive at eligible input tax credit for each tax rate for the tax period to claim in the monthly return. For this purpose, RAS should calculate eligible input tax credit in Form VAT 200A for the tax period by applying $A \times B/C$, where;

- A** = Input tax paid for each tax rate
- B** = Taxable turnover
- C** = Total turnover
(Taxable turnover + value of exempt transactions)

Sl. No.	Description	4% rate of goods	Description	12.5% rate of goods
1.	Input tax paid in the tax period	240000	Input tax paid in the tax period	625000
2.	Apply calculation	$\frac{240000 \times 500.00}{550.00}$ lakhs	8.5% portion (tax x 8.5/12.5)	425000 (*)
3.	Eligible input tax	218182	4% portion (tax 4%/12.5%) Apply calculation for 4% portion Eligible input tax in 12.5% rate	200000 $\frac{200000 \times 500}{550}$ lakhs = Rs. 181818.00 425000 + 181818 = 606818

(*) Input tax to the extent of 8.5% portion can be fully claimed in the same tax period.

Total eligible input tax credit	=	Rs. 218182 + Rs. 606818
For the tax period	=	Rs. 825000
VAT payable for the tax period	=	Output tax - Input tax (eligible)
	=	Rs. 6250000 - 825000
	=	Rs. 5425000/-

Note :— (1) SKM should submit Form VAT 200A every month, making Adjustment of input tax credit to arrive at and claim eligible Input tax credit for that tax period.

(2) Further, SKM should also carry out adjustment of input tax credit for each tax rate for a period of 12 months ending March and submit such details in Form VAT 200B.

(3) Such adjustment shall be made as below :—

(a) any excess claimed in the monthly VAT returns shall be paid back in the return for March by adding it to the appropriate box in the output column for each tax rate;

- (b) any balance credit eligible in the monthly returns shall be claimed in the return for March by adding it to the appropriate box in the input column for each tax rate.

7. VAT dealer following sub-rule (9) of Rule 20 : (Taxable sales, sales of exempt goods and exempt transactions of taxable goods)

IAK, a VAT dealer is engaged in manufacture of Cotton yarn and cloth. The dealer effects stock transfer of cotton yarn to other States besides making sales of Cotton yarn and exempt goods i.e., Cloth. The method and procedure to arrive at and claim eligible input tax for a tax period is illustrated below :—

PURCHASE (INPUT)			SALES (OUTPUT)	
Rate of tax	Turnover (Rs.)	VAT Paid (Rs.)	Turnover (Rs.)	VAT Payable (Rs.)
4% Goods	100.00 lakhs	4,00,000	100.00 lakhs	400000
12.5% Goods	800000	1,00,000	NIL	NIL
Exempt goods	NIL	NIL	50.00 lakhs	NIL
Exempt transactions	NIL	NIL	50.00 lakhs (Stock transfers of cotton yarn)	NIL
Total input tax		5,00,000	Total output tax	4,00,000

IAK is using common inputs for sales of taxable goods, sales of exempt goods and for the values of exempt transactions. The dealer should arrive at eligible input tax credit for each tax rate for the tax period in Form 200A by applying $A \times B/C$ calculation, where :

- A** = Input tax paid for each tax rate
- B** = Taxable turnover
- C** = Total turnover
(Taxable turnover + Sales of exempt Goods + value of exempt transactions)

Sl. No.	Description	4% rate of goods	Description	12.5% rate of goods
1.	Input tax paid in the tax period	400000	Input tax paid in the tax period	100000
2.	Apply calculation	$\frac{400000 \times 500\text{lakhs}}{2,00,00,000}$	8.5% portion (tax x 8.5/12.5)	68000
3.	Eligible input tax	200000	4% portion (tax 4%/12.5%) Eligible input tax in 4% portion out of 12.5% rate paid – arrive by applying calculation Eligible input tax in 12.5% rate goods.	32000 $\frac{32000 \times 100\text{lakhs}}{200 \text{ lakhs}}$ = Rs. 16,000 68000 + 16000 = 84000

Total eligible input tax credit for the period : Rs. 200000 + Rs. 84000
: Rs. 284000/-

VAT payable for the tax period : Output tax - Input tax (eligible)
: Rs. 400000 - Rs. 284000
: Rs. 116000/-

Note :— (1) IAK should submit Form VAT 200A every month, making adjustment of input tax credit to arrive at and claim eligible output tax credit for that tax period for each rate.

(2) Further, IAK should also carry out adjustment of input tax credit for each tax rate for a period of 12 months ending March and submit such details in Form VAT 200B.

- (3) Such adjustment shall be made as below :—
- (a) any excess claimed in the monthly VAT returns shall be paid back in the return for March by adding it to the appropriate box in the input column for each tax rate;
 - (b) any balance credit eligible in the monthly returns shall be claimed in the return for March by adding it to the appropriate box in the input column for each tax rate.

RETURNS AND SELF ASSESSMENTS

[Section 20; Rule 23; Forms VAT 200, VAT 200A, VAT 200B, VAT 200E, VAT 200F]

Section 20. Returns and self-assessments.— (1) Every dealer registered under section 17 of the Act, shall submit such return or returns, along with proof of payment of tax in such manner, within such time, and to such authority as may be prescribed.

(2) If a return has been filed within the prescribed time and the return so filed is found to be in order, it shall be accepted as self-assessment subject to adjustment of any arithmetical error apparent on the face of the said return.

(3) (a) Without prejudice to the powers of the authority prescribed, under sub-section (3) of section 21, every return shall be subject to scrutiny to verify the correctness of calculation, application of correct rate of tax and input tax credit claimed therein and full payment of tax payable for such tax period.

(b) If any mistake is detected as a result of such scrutiny made as specified in clause (a), the authority prescribed shall issue a notice of demand in the prescribed form for any short payment of tax or for recovery of any excess input tax credit claimed.

(4) Every dealer shall be deemed to have been assessed to tax based on the return filed by him, if no assessment is made within a period of four years from the date of filing of the return.

Rule 23. Tax Returns.— (1) A return to be filed by a VAT dealer under section 20 shall be on form VAT 200 and it shall be filed within 20 days

after the end of the tax period. The returns shall be completed in duplicate and one copy with the proof of receipt shall be retained by the VAT dealer :

¹[Provided that the return for the month of March shall be filed on or before 7th April].

(2) A return to be filed by a TOT dealer under section 20 shall be on Form TOT 007 and it shall be filed within 30 days after the end of the calendar quarter.

(3) In the case of a VAT dealer having more than one place of business all returns prescribed by these rules shall be submitted by the head office of the business in the State and shall include the total value of all sales of all the branches in the State of such VAT dealer.

(4) Where the registration of a VAT dealer or TOT dealer is cancelled, a final return on Form VAT 200C or TOT 007 as the case may be shall be filed within fifteen days of the effective date of cancellation of registration.

(5) If there is a change in the rate of tax during a tax period, a separate return in respect of each portion of the tax period showing the application of different rates of tax shall be furnished.

(6) (a) If any VAT dealer having furnished a return on Form VAT 200 finds any omission or incorrect information therein, other than as a result of an inspection or receipt of any other information or evidence by the authority prescribed, he shall submit an application on Form VAT 213 within a period of six months from the end of the relevant tax period.

(b) On receipt of Form VAT 213 in the case of an under declaration, a Form VAT 307 shall be issued for the under-declared tax and the interest due on the late payment. In the case of an over-declaration Form VAT 308 shall be issued.

(7) (a) In the case of a casual trader a declaration on Form CAT 001 shall be filed within twenty four hours of his arrival in any place in the State before the authority prescribed indicating the nature of goods and their value in which he intends to deal and the period for which he intends to conduct his business.

(b) The casual trader shall file a final declaration in Form CAT 002 before the authority prescribed on the last day on which he intends to leave the place along with payment of the tax due on the taxable turnover.

1. Added by G.O.Ms. No. 317, Rev. (CT-II), dt. 14-03-2006.

(8) Every VAT dealer who claims input tax credit in respect of certain goods or any specific category of VAT dealers, as notified by the Commissioner or any other VAT dealer as required by the Deputy Commissioner concerned shall submit a return in Form VAT 225 in addition to the return on Form 200, containing the details of purchases made from other VAT dealers in the State for each tax period or for any other period as may be notified by the Commissioner or as required by the Deputy Commissioner concerned.

DUE DATE FOR PAYMENT OF TAX

[Section 22; Rule 24; Form VAT 200, TOT 007]

Section 22. Due date for Payment of Tax.— (1) The tax payable in respect of a tax period along with a return and the tax assessed under the Act shall be payable in such manner and within such time as may be prescribed.

(2) If any dealer fails to pay the tax due on the basis of return submitted by him or fails to pay any tax assessed or penalty levied or any other amount due under the Act, within the time prescribed or specified therefor, he shall pay, in addition to the amount of such tax or penalty or any other amount, interest calculated at the rate of one percent per month for the period of delay from such prescribed or specified date for its payment. The interest in respect of part of a month shall be computed proportionately and for this purpose, a month shall mean a period of 30 days.

(3) In the case of a dealer executing works contract for Government or local authority, a tax at the rate of 4% shall be deducted from the amount payable to him and such contractee deducting tax at source shall remit such amount in the manner as may be prescribed.

(4) In case of ¹[a dealer] executing works contract ²[for Central Government or a Company] or a statutory body or an undertaking or an institution other than Government or local authority irrespective of the quantum of value of the contract or for any other dealer or a firm where the value of the contract exceeds Rs. 10,00,000/- (Rupees Ten lakhs only), a tax ³[at the rate of four percent (4%)] shall be deducted from the amount payable to him and such contractee deducting tax at source shall remit such amount in the manner as may be prescribed.

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1. Subs. for the words "a VAT dealer" by Act No. 10 of 2006, w.e.f. 24-11-2005.
 2. Subs. for the words "for a company" by Act No. 23 of 2005, w.e.f. 29-08-2005.
 3. Subs. for the words "at the rate of 2%" by Act No. 23 of 2005, w.e.f. 29-08-2005.

(5) Where a VAT dealer paid entry tax on any goods under Andhra Pradesh Entry Tax on Motor Vehicles into Local Areas Act, 1996 and Andhra Pradesh Tax on Entry of Goods into Local Areas Act, 2001, such amount shall be adjusted against VAT payable provided the credit for input tax is not restricted under ¹[x x x] section 13 of the Act.

(6) (a) The Deputy Commissioner, on an application made by a VAT dealer or any other dealer, permit the payment of any tax, penalty or other amount due under the Act in such instalments within such intervals and subject to such conditions, as he may specify in the said order, having regard to the circumstances of the each case.

(b) Where such payment in instalments is permitted, the dealer shall pay in addition to such tax, penalty, instalment or other amount, interest at the rate of one percent per month for the amount for the period from the date specified for its payment on the instalments so permitted.

²[(7) Any person required to deduct tax at source under sub-sections (3) and (4) fails to deduct or to remit such tax shall be liable to pay interest at the rate of twelve percent (12%) per annum for the delayed period].

Rule 24. Tax payment.— ³[(1) In the case of a VAT dealer, the tax declared as due on Form VAT-200, shall be paid not later than fifteen days after the end of the tax period if the payment is by way of cheque and not later than twenty days after the end of the tax period if the payment is by way of demand draft or bankers cheque or by way of remittance into the Treasury ⁴[or by Electronic Funds Transfer (EFT)]] :

⁵[Provided that the tax declared as due for the month of March shall be paid on or before 7th April].

(2) In the case of a TOT dealer, the tax declared as due on Form TOT 007, shall be paid not later than thirty days after the end of the calendar quarter.

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1. The words “the provision of sub-section (4) of” omitted by Act No. 23 of 2005, dt. 26-10-2005, w.e.f. 29-08-2005.
 2. Added by Act No. 23 of 2005, dt. 26-10-2005, w.e.f. 29-08-2005.
 3. Subs. by G.O.Ms. No. 1614, Rev. (CT-II), dt. 31-08-2005. Pub. in the A.P. Gazette Part-I, Ext. No. 652, dt. 01-09-2005. The earlier was as follows :
“(1) In the case of a VAT dealer, the tax declared as due on Form VAT 200, shall be paid not later than twenty days after the end of the tax period”.
 4. Added by G.O.Ms. No. 2201, Rev. (CT-II), dt. 29-12-2005. Pub. in the A.P. Gazette Part-I, Ext. No. 892, dt. 31-12-2005, w.e.f. 01-12-2005.
 5. Proviso added by G.O.Ms. No. 317, Rev. (CT-II), dt. 14-03-2006.

(3) The return in Form VAT 200 of Form TOT 007 shall be accompanied by a receipt from Government treasury or a crossed demand draft or a crossed cheque drawn on the local bank in the State in favour of the authority prescribed. A local bank for this purpose shall be a bank located at the place of business declared for registration.

(4) Where any VAT dealer or TOT dealer submits a Form VAT 200 or Form 007 without a receipt from Government treasury or demand draft or a cheque for the full amount of tax payable, the authority prescribed shall send a notice on Form VAT 202 or TOT 012 to the VAT dealer or to the TOT dealer for the tax under – paid. Such notice shall be deemed to be an assessment-cum-demand notice and the VAT dealer or TOT dealer shall pay the sum specified in the notice within the time specified therein.

(5) Where any dealer has been permitted to pay tax or any other amount by way of instalments, the following conditions shall apply :—

- (a) the dealer shall not default payment of any other taxes or any other amount due under the Act subsequent to the granting of instalments;
- (b) in the event of any default, the order granting instalments shall become infructuous unless on application it is specifically restored by the Deputy Commissioner;
- (c) any other conditions as may be specified in the order.

(6) Where any VAT dealer has paid any Entry Tax and intence to adjust such amount against VAT payable by him as specified in sub-section (5) of section 22, he shall make a declaration on Form 503 and file alongwith Form VAT 200 for the Tax period.

TAX DEDUCTION AT SOURCE (TDS)

[Section 22(4); Rule 17(3)(i), 18(1)(b); Form 501A]

Section 22 (4) : In case of ¹[a dealer] executing works contract ²[for Central Government or a Company] or a statutory body or an undertaking or

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1. Subs. for the words “a VAT dealer” by Act No. 10 of 2006, w.e.f. 24-11-2005.
 2. Subs. for the words “for a company” by Act No. 23 of 2005, w.e.f. 29-08-2005.

an institution other than Government or local authority irrespective of the quantum of value of the contract or for any other dealer or a firm where the value of the contract exceeds Rs. 10,00,000/- (Rupees Ten lakhs only), a tax ¹[at the rate of four percent (4%)] shall be deducted from the amount payable to him and such contractee deducting tax at source shall remit such amount in the manner as may be prescribed.

Rule 17 (3)(i) : Where the contractee fails to remit such tax deducted at source within fifteen days of the date of payment to the contractor, the authority concerned shall be liable to pay penalty and interest for the delayed payment.

Rule 18 (1) (b) : The contractee shall complete Form VAT 501A supplied by the contractor indicating the TIN, the amount of tax deducted and details of the related contract. The Contractor, VAT dealer shall send the Form VAT 501A to the authority prescribed together with proof of payment within fifteen days from the date of each payment made to the contractor.

TAX COLLECTION AT SOURCE (TCS)

[Section 22(3); Rule 17(2)(d), 17(2)(h); Form 501]

Section 22 (3) : In the case of a dealer executing works contract for Government or local authority, a tax at the rate of 4% shall be deducted from the amount payable to him and such contractee deducting tax at source shall remit such amount in the manner as may be prescribed.

Rule 17 (2)(d) : The contractee Government Department or local authority shall complete Form VAT 501 supplied by the contractor indicating the TIN of the contractor, the amount of tax collected at source and details of the related contract. Such Form shall be provided to the contractor.

Rule 17 (2)(h) : Where the contractee Government Department or local authority fails to remit such tax collected at source within fifteen days of the date of payment to the contractor, the authority concerned shall be liable to pay penalty and interest for the delayed payment.

1. Subs. for the words "at the rate of 2%" by Act No. 23 of 2005, w.e.f. 29-08-2005.

ASSESSMENT

[Section 21; Rule 25; Forms VAT 204, VAT 305, VAT 305A, TOT 010, TOT 025, TOT 025A]

Section 21. Assessments.— (1) Where a VAT dealer or TOT dealer fails to file a return in respect of any tax period within the prescribed time, the authority prescribed shall assess the dealer for the said period for such default in the manner prescribed.

(2) If a VAT dealer or TOT dealer submits a return along with evidence for full payment of tax, subsequent to the prescribed time the assessment made under sub-section (1) shall be withdrawn prejudice to any interest or penalty leviable.

(3) Where the authority prescribed is not satisfied with a return filed by the VAT dealer or TOT dealer or the return appears to be incorrect or incomplete, he shall assess to the best of his judgment within four years of due date of the return or within four years of the date of filing of the return whichever is later.

(4) The authority prescribed may, based on any information available or on any other basis, conduct a detailed scrutiny of the accounts of any VAT dealer or TOT dealer and where any assessment as a result of such scrutiny becomes necessary, such assessment shall be made within a period of four years from the end of the period for which the assessment is to be made.

(5) Where any willful evasion of tax has been committed by a dealer, an assessment shall be made to the best of his judgment by the authority prescribed within a period of six years of date of filing of the return or the first return relating to such offence.

(6) The authority prescribed may reassess, where an assessment was already made under sub-sections (1) to (5) and such assessment understates the correct tax liability of the dealer, within a period of four years from the date of such assessment.

(7) Where any assessment has been deferred on account of any stay order granted by the High Court or where an appeal or other proceedings is pending before the High Court or Supreme Court involving a question of law having a direct bearing on the assessment in question, the period during which the stay order was in force or such appeal or proceedings was pending shall be excluded in computing the period of four years or six years as the case may be for the purpose of making the assessment.

(8) Where an assessment made has been set aside by any Court, the period between the date of such assessment and the date on which it has been set aside shall be excluded in computing the period of four years or six years as the case may be, for making any fresh assessment.

Rule 25. Assessments.— (1) Where a VAT dealer fails to file a VAT return as prescribed under section 20, the authority prescribed shall assess unilaterally the tax payable. The authority prescribed shall serve upon the VAT dealer a notice of the tax assessed and the penalty due on Form VAT 204. The VAT dealer shall pay the sum within the time and the manner specified on the form or shall file the return outstanding. If the return is filed the unilateral assessment shall be withdrawn, without prejudice to the penalty under sub-section (3) of section 50 and interest due for late payment.

(2) (a) A VAT unilateral assessment shall be made by totalling the tax declared on the tax returns or paid by way of assessment during the previous twelve months and by dividing the amount by twelve to arrive at an average monthly liability for the previous twelve months. The average shall be compared with the tax due declared on the last return filed. The higher figure of the two shall be used for arriving at the tax for the purpose of assessment. A penalty of fifty percent (50%) of that sum shall be levied.

- (b) In the case of a VAT dealer who has not been registered for a period of twelve months, the amount declared in Box 16 (b) of Form VAT 100 shall be divided by twelve to provide the basis for the calculation of the average taxable turnover. The standard rate of tax shall be applied to this amount to calculate the tax liability. A penalty of fifty percent (50%) of that sum shall be levied. In the case of a deemed registration under sub-rule (4) of Rule 4, the total turnover declared on Form VAT 100 shall be divided by twelve to provide the basis for the calculation of the taxable turnover.
- (c) Where a credit return is filed in the previous twelve months with the claim of credit carried forward in any tax period, the credit carried forward shall be ignored for the calculation. Where a return is filed in the previous twelve months with the claim of refund in any tax period, the refund amount shall be deducted from the total tax declared on the returns for calculation of the taxable turnover under clause (a) or (b).
- (d) Where in the previous twelve months, credit or refund is claimed in all the returns or a credit balance is arrived at, no unilateral assessment shall be made.

(3) Where a TOT dealer fails to file a return as prescribed under section 20, the authority prescribed shall assess the tax payable unilaterally. The authority shall serve upon the TOT dealer a notice of the tax assessed and a notice of the penalty due on Form TOT 010. The TOT dealer shall pay the sum within the time and manner specified on the form or file the return outstanding. If the return is filed the unilateral assessment shall be withdrawn without prejudice to the penalty under sub-section (3) of section 50 and interest due for late payment.

(4) (a) TOT unilateral assessment shall be calculated by totaling the tax declared on TOT returns or demanded and/or paid by way of assessment for the previous twelve months. This sum shall be divided by four to provide an average quarterly TOT liability. A penalty of fifty percent (50%) of that sum shall be levied.

(b) In the case of a TOT dealer who has not been registered for a period of twelve months the amount declared in Box fourteen of Form TOT 001 shall be divided by four to arrive at the average taxable turnover. The turnover tax rate shall be applied to this amount to calculate the TOT liability. A penalty of fifty percent (50%) of that sum shall be levied.

(c) In the case of a TOT dealer registered under the provisions of sub-section 8 of section 17, the gross turnover declared for the year ending 31st of March 2005 under the Andhra Pradesh General Sales Tax, 1957 shall be divided by four to arrive at the average taxable turnover for the purpose of this rule.

(5) Where any VAT return filed by the VAT dealer appears to the authority prescribed to be incorrect or incomplete that authority prescribed shall assess the tax payable to the best of his judgment on Form VAT 305 after affording a reasonable opportunity to the dealer in Form VAT 305A. He shall serve upon the VAT dealer an order of the tax assessed, the penalty and interest due on Form VAT 305. The VAT dealer shall pay the sum within the time and manner specified on the notice.

(6) Where any TOT return filed by the TOT dealer appears to the authority prescribed to be incorrect or incomplete that authority shall assess the tax payable to the best of his judgment on Form TOT 025 after affording reasonable opportunity to the dealer on Form TOT 025A. He shall serve upon the TOT dealer an order of the tax assessed, the penalty levied and interest due on Form TOT 025. The TOT dealer shall pay the sum within the time and manner specified on the notice.

(7) Where a dealer receives any amount due to price variations, which have not been included in the return filed for that tax period, he shall include the additional amount received and tax calculated at the rate applicable in the return to be filed in the period in which the additional amounts are received.

(8) (a) For the purpose of section 53, the tax under declared in respect of input tax means the excess of input tax claimed over and above the input tax actually entitled to be claimed in the return for a particular tax period.

(b) The tax under declared in respect of output tax means the difference between output tax actually chargeable and the output tax declared in the return for a particular tax period.

(c) In respect of a TOT dealer the tax under declared means the difference between the tax declared on Form TOT 007 and the tax actually due by the dealer for the period.

(9) Where any sales tax credit claimed under Rule 37 is found to be in excess of the amount actually entitled, such amount shall be recovered along with interest by assessing the VAT dealer.

ILLUSTRATION

(a) VKM, a VAT dealer filed a return for tax period declaring input tax as Rs. 10000/- and output tax as Rs. 5000/- and the net excess tax of Rs. 5000/- was carried over to the next tax period. On verification by the authority prescribed after 6 months, the eligible input tax credit is found to be Rs. 8000/-. There was no variation in output tax. The tax under-declared in respect of input tax is Rs. 2000/- (Rs. 10000 – Rs. 8000/-). The percentage of under-declaration of tax is twenty five percent (25%) ($2000 \times 100 / 8000$). Accordingly under-declared tax of Rs. 2000/- along with penalty of Rs. 500/- i.e. twenty five percent (25%) and interest at the rate of 1% for the period i.e. six months of delay is payable.

(b) A VAT dealer filing a return declared input tax as Rs. 23000/- and output tax as Rs. 77000/- and net tax of Rs. 54000/- was paid along with the return. On verification by the authority prescribed after four months it was found that there is no variation in the eligible input tax declared in the return. However, the output tax chargeable for that tax period was found to be Rs. 80000/- as against the declared output tax of Rs. 77000/-. The tax under declared in respect of output tax is Rs. 3000/- (i.e. Rs. 80000 –

Rs. 77000). The percentage of under-declaration is 3.8% (3000X 100/80000). Now the dealer is liable to pay the under-declared tax of Rs. 3000/- along with penalty of Rs. 300/- i.e. 10% and interest at the rate of 1% for the delayed period of 4 months.

RECORDS

[Section 42; Rule 31]

Section 42. Records.— (1) Every VAT dealer or TOT dealer shall maintain the documents and records specified in the rules at the place of business so registered in the English language or in any of the languages specified in the Eighth Schedule to the Constitution.

(2) Every person registered under the Act, every dealer liable to get himself registered under the Act, every agent acting on behalf of a resident principal and every other dealer who is required so to do by the authority prescribed by notice served in the prescribed manner, shall keep and maintain a true and correct account promptly in any of the languages mentioned in sub-section (1) showing such particulars as may be prescribed; and different particulars may be prescribed for different classes of persons or dealers.

(3) The Commissioner may get the books of accounts maintained by any dealer audited by a Chartered Accountant or Cost Accountant or an enrolled Sales Tax Practitioner for any tax period.

(4) Records required to be maintained under sub-section (1) shall be retained for a period of six years after the end of the year to which they relate or where the assessment is subject matter of appeal or revision under sections 31, 32, 33, 34 or 35, the records shall be retained for a period of six years after the assessment has become final.

Rule 31. Records to be maintained by a dealer executing works contracts.— (1) Every dealer executing works contract shall keep separate accounts for each contract specifying the particulars of the names and addresses of the persons for whom he has executed works contracts.

(2) Every dealer executing works contract and opting to pay tax by way of composition shall maintain records of :—

- (a) payments received from the contractee;
- (b) records of entry on Form VAT 200;

- (c) records of tax collection at source or tax deduction at source made from the payments received on the works contracts.

(3) Every dealer executing works contract and not opting to pay tax by way of composition shall keep the following records; namely :—

- (a) the particulars of goods procured by way of purchase or otherwise for the execution of works contract;
- (b) the particulars of goods to be used or used in the execution of each works contract;
- (c) the details of payment received in respect of each works contract;
- (d) the details of :—
 - (i) labour charges for works executed;
 - (ii) amount paid to sub-contractor for labour and services;
 - (iii) charges for planning, designing and architect's fees;
 - (iv) charges for obtaining on hire or otherwise machinery and tools used for the execution of the works contract;
 - (v) cost of consumables such as water, electricity, fuel etc., used in the execution of the works contract the property in which is not transferred in the course of execution of a works contract;
 - (vi) cost of establishment of the contractor to the extent it is relatable to supply of labour and services;
 - (vii) other similar expenses relatable to supply of labour and services;
 - (viii) profit earned by the contractor to the extent it is relatable to supply of labour and services;
 - (ix) all amounts for which goods exempted under Schedule I are transferred in execution of works contract;
 - (x) turnover of goods involved in the execution of works contract which are transferred in the course of inter-State trade or commerce under section 3 of the Central Sales Tax Act, 1956 or transferred outside the State under section 4 or transferred in the course of import or export under section 5 of the said Act.

OFFENCES AND PENALTIES

[Sections 49 to 58]

Section 49. Penalty for failure to register.— (1) Any VAT dealer who fails to apply for registration as required under section 17 before the end of the month the application was due and applies during the subsequent month shall be liable to pay a penalty of Rs. 5,000/- (Rupees Five thousand only).

(2) Any dealer who fails to apply for registration as required under section 17 before the end of month subsequent to the month in which the obligation arose shall be liable to pay penalty of 25% of the amount of tax due prior to the date of the registration by the Registering Authority. There shall be no eligibility for input tax credit for sales made prior to the date from which the registration is effected.

(3) Any dealer who fails to notify any change in the circumstances as required under the provisions of the Act or the rules made thereunder, or who fails to apply for cancellation of registration as required under section 19 shall be liable to a penalty of Rs. 2,000/- (Rupees Two thousand only) for each offence :

Provided that before levying penalty under this section the authority prescribed shall give the dealer a reasonable opportunity of being heard.

Section 50. Penalty for failure to file a return.— (1) Any VAT dealer, who fails to file a return where no tax is due, by the end of the month in which it was due, shall be liable to pay a penalty of Rs. 2,500/- (Rupees Two thousand five hundred only).

(2) Any dealer registered under sub-section (7) of section 17 who fails to file a return where no tax is due shall be liable to pay a penalty of Rs. 500/- (Rupees Five hundred only).

(3) Where a dealer files a return, after the last day of the month in which it is due, he shall be liable to pay a penalty of fifteen percent of the tax due :

Provided that before levying penalty under this section the authority prescribed shall give the dealer a reasonable opportunity of being heard.

Section 51. Penalty for failure to pay tax when due.— (1) Where a dealer who fails to pay tax due on the basis of the return submitted by him

by the last day of the month in which it is due, he shall be liable to pay tax and a penalty of ten percent of the amount of tax due :

Provided that before levying such penalty the authority prescribed shall give the dealer a reasonable opportunity of being heard.

(2) If a dealer pays the tax, penalty and interest under sub-section (1) and subsequently it is found that the tax is not due, then such tax, penalty and interest shall be refunded to that dealer.

Section 52. Penalty for assessment issued for failure to file a return.— (1) Where an assessment is made under the provisions of sub-section (1) of section 21 for the failure to file a return, a penalty of fifty percent of the assessed amount shall be imposed.

(2) Where an assessment has been made under sub-section (1) of section 21, and the dealer subsequently furnishes a return for the period to which the assessment relates, the authority prescribed may withdraw the assessment but the dealer shall be liable to pay penalty under sub-section (3) of section 50 and interest as applicable.

Section 53. Penalty for failure to declare Tax Due.— (1) Where any dealer has under declared tax, and where it has not been established that fraud or wilful neglect has been committed and where under declared tax is :—

- (i) less than ten percent of the tax, a penalty shall be imposed at ten percent of such under-declared tax;
- (ii) more than ten percent of the tax due, a penalty shall be imposed at twenty five percent of such under-declared tax.

(2) Where any dealer, prior to the detection by any authority prescribed, voluntarily declares that tax due for a tax period is under declared and he pays the tax due along with interest, no penalty shall be imposed provided that such declaration is made within the time limit and in the manner prescribed.

(3) Any dealer who has under declared tax, and where it is established that fraud or willful neglect has been committed, he shall be liable to pay penalty equal to the tax under declared; besides being liable for prosecution :

Provided that before levying penalty under this section, the authority prescribed shall give the dealer a reasonable opportunity of being heard.

Section 54. Penalty for failure to use or misuse of TIN and GRN.— Any dealer who is registered under section 17 and who fails to use a TIN or GRN or misuses a TIN or GRN contrary to the requirements of the Act or rules made thereunder, shall be liable to pay a penalty of Rs. 1,000/- (Rupees One thousand only) for each offence :

Provided that before levying penalty, the authority prescribed shall give the dealer a reasonable opportunity of being heard.

Section 55. Penalty for issue of tax invoice and for the use of false tax invoices.— (1) Any VAT dealer, who fails to issue a tax invoice or an invoice or a bill or cash memorandum as required by section 14 and section 41 shall be liable to pay a penalty of Rs. 5,000/- (Rupees Five thousand only) or 100% of the tax whichever is lower, for each offence.

(2) Any VAT dealer, who issues a false tax invoice or receives and uses a tax invoice, knowing it to be false, shall be liable to pay a penalty of 200% of tax shown on the false invoice.

(3) Any TOT dealer or any other dealer who fails to issue a bill or cash memorandum as required by section 41 shall be liable to pay a penalty of Rs. 250/- (Rupees Two hundred and fifty only) :

Provided that before levying penalty under this section, the authority prescribed shall give the dealer a reasonable opportunity of being heard.

Section 56. Penalty for failure to maintain records.— Any VAT dealer or TOT dealer who fails to maintain proper records in accordance with the provisions of the Act, is liable to pay a penalty at the rate of Rs. 5,000/- (Rupees Five thousand only) for each subsequent offence committed after a warning is issued in writing for the first offence, without prejudice to the payment of tax, penalty and interest if any due under the provisions of the Act :

Provided that before imposing such penalty the authority shall give the dealer a reasonable opportunity of being heard.

Section 57. Penalty for unauthorised / excess collection of tax.— (1) No dealer shall collect any sum by way of tax, in respect of sale or purchase of any goods which are not liable to tax under the Act.

(2) No person, other than a dealer, shall collect on the sale or purchase of any goods any sum by way of tax from any other person and no dealer shall collect any amount by way of tax at a rate or rates exceeding the rate or rates at which he is liable to pay tax under the provisions of the Act.

(3) Nothing in sub-section (2) shall apply to a person where he is required to collect separately any amount of tax under the provisions of any other law for the time being in force.

(4) If any person collects tax in contravention of the provisions of sub-section (1) or sub-section (2) any sum so collected shall be forfeited either wholly or partly to the Government and in addition he shall be liable to pay a penalty of an amount equal to the amount of tax so collected :

Provided that the authority prescribed shall not levy penalty if it is evident that due to bona fide mistake the dealer collected tax in contravention of sub-section (1) or sub-section (2) and the tax so collected in excess has been remitted to the Government along with the tax payable for that month :

Provided further that the authority prescribed shall while imposing the penalty or forfeiture, take into consideration the amounts refunded to the purchaser from out of the amounts collected, by way of tax in contravention of sub-section (1) or sub-section (2) or for the refund of which satisfactory arrangement has been made.

(5) No order for the forfeiture under this section, shall be made after the expiration of three years from the date of collection of the amount referred to in sub-section (4) :

Provided that in computing the period of three years, the period during which any stay order was in force or any appeal or other proceeding in respect thereof was pending shall be excluded.

(6) If the authority prescribed in the course of any proceeding under the Act, or otherwise has reason to believe that any person has become liable to penalty with or without forfeiture of any sum under sub-section (4) such authority shall serve on such person a notice requiring him on a date and at a place specified in the notice to attend and show cause why a penalty with or without forfeiture of any sum as provided in sub-section (4) shall not be imposed on him.

(7) The authority prescribed shall thereupon hold an enquiry and shall make such order as he thinks fit.

(8) No prosecution for an offence under this section shall be instituted in respect of the same facts on which a penalty has been imposed.

Section 58. Prosecution for Offences.— Any dealer or person who fails to comply with the requirements under sections 14, 16, 17, 21, 29, 42, 43, 64 or any other provisions of the Act shall on conviction be punishable with imprisonment for a term which may extend to three months or with fine or with both.

TAX INVOICE / INVOICE

[Sections 14, 41; Rules 26, 27]

Section 14. Tax invoices.— A VAT dealer making a sale liable to tax to another VAT dealer shall issue at the time of sale, a tax invoice in such form as may be prescribed.

Section 41. Issue of Bills.— Every VAT dealer who makes a sale to a person other than a VAT dealer or every TOT dealer or any other dealer whose taxable turnover is not less than Rs. 5,00,000/- (Rupees Five lakhs only) in a year, shall issue a bill or cash memorandum in such form and with such details of tax collected as may be prescribed, for every sale involving an amount not less than Rs. 100/- (Rupees One hundred only) :

Provided that every VAT dealer or TOT dealer or any other dealer shall issue a sale bill in the proforma prescribed, irrespective of the amount of sale, when demanded by the buyer.

Rule 26. Invoices.— (1) The invoices, bills or cash memoranda issued by any dealer other than a retail dealer shall be serially numbered for each year and in the case of a dealer other than a retail dealer, each of such invoice, bill or cash memorandum issued shall contain the following particulars :—

- (a) the full name, style and address of the business of the dealer making the sale;
- (b) the Taxpayer Identification Number (TIN) or the General Registration Number (GRN) of the dealer making the sale;
- (c) the full name, style and address of the business of the buying dealer and General Registration Number (GRN), if registered as a TOT dealer :

Provided that where the purchaser is a consumer, the invoice bill or cash memoranda need not contain the full name and address of such purchaser.

- (d) The date on which the invoice is issued;
- (e) the description of the goods supplied;
- (f) the quantity or volume of the goods sold;
- (g) the total sale price.

Explanation.— For the purpose of this sub rule, a retail dealer is a dealer whether registered as a VAT dealer or as a TOT dealer making sales

predominantly to consumers i.e. more than ninety percent (90%) of the total sales.

(2) Notwithstanding anything contained in sub-rule (1) the gate pass-cum-invoice which a dealer registered under the Central Excise Act, 1944 (Central Act 1 of 1944) or under the rules made thereunder is obliged to issue shall be deemed to have been issued under this Act provided such gate pass-cum-invoice contains all the particulars mentioned in clauses (a) to (g) of sub-rule (1).

Explanation.— For the purpose of this sub-rule, any gate pass-cum-invoice issued for the removal of goods other than by way of sale shall not be deemed to be an invoice for the purpose of sub-rule (1).

Rule 27. Tax Invoices.— (1) A tax invoice specified in section 14 shall contain the following particulars namely :—

- (a) the words “Tax Invoice” written in a prominent place;
- (b) commercial name, address, place of business and TIN of the VAT dealer making a sale;
- (c) commercial name, address, place of business and TIN of the VAT dealer making the purchase;
- (d) the serial number of the invoice (printed or computer generated) and the date on which invoices is issued;
- (e) the date of delivery of the goods;
- (f) the description of the goods supplied;
- (g) the quantity or volume of the goods sold;
- (h) the rate of tax for each category of goods;
- (i) the total value of the goods sold and tax related thereto, or the VAT inclusive value of the goods sold and the statement that VAT is included in the value at the appropriate rate.

(2) An invoice issued under sub-rule (2) of Rule 26 shall be deemed to be a tax invoice provided such invoice contains all the particulars specified in sub-rule (1).

(3) A VAT dealer who has not received a tax invoice may require the VAT dealer, who has supplied the goods, to provide a tax invoice in respect of the sale.

(4) Input tax credit shall be claimed only against an original tax invoice.

(5) The VAT dealer making a taxable sale shall retain one copy of the tax invoice.

(6) Where a purchasing VAT dealer loses the original tax invoice, the seller shall provide a copy clearly marked "copy in lieu of lost tax invoice" containing the following certificate.

" I hereby declare that this is the duplicate of the tax invoice bearing No. ————, dated ———— Issued to ———— bearing TIN ———."

Date :

Signature :

(7) A request for a tax invoice under sub-rule (6) of this Rule shall be made within thirty days after the date of the sale.

(8) A VAT dealer who receives a request under sub-rule (6) of this Rule shall comply with the request within fourteen days after receiving that request.

□ □ □ □ □

ONGOING CONTRACTS

[Section 68]

Section 68 : Ongoing contracts.— (1) Where a contract or an agreement was concluded between two or more parties before the commencement of the Act and no provision for tax under the Act was made in the contract, the selling dealer shall pay tax due on any sale liable to tax made under such contract after the commencement of the Act.

(2) Where a contract is concluded after the commencement of the Act, and no provision relating to tax was made in the contract, the contract price shall be deemed to include tax due under the Act and the selling dealer shall account for the tax due.

□ □ □ □ □

FORMS**APPLICATION FOR TOT REGISTRATION****FORM TOT 001**

[See Rule 4 (2)]

Submit in duplicate
Use separate sheets where space is not sufficient.

To

The Asst. Commercial Tax Officer,
_____ Circle.

Affix Passport Size
Photo of Sole
Proprietor. In case
of Partnership firm/
Companies/others
Affix photos of
responsible persons
on 001 B

01. Name of the dealer : APGST No. if any :	
02. Address of Place of business :	Door No : Street Locality Town/City District Pin Code Phone No : Fax No : Email : Website/URL :
03. Occupancy Status of the business premises : Owned/Rented/Leased/Rent-free/Others	
04. Status of business : (Mark "□" where applicable) Sole Proprietorship Partnership Private Limited Company Public Limited Company Govt. Enterprise Others (Specify)	
05. Name Residential address of the person responsible for business :	Name : Father's/Husband's Name : Date of Birth : Door No. Street Locality Town/City District Pin Code Phone No Fax No. Email :
06. Nature of Principal business activities :	
07. Principal Commodities traded :	
08. Bank Account Details :	
<u>Bank Name</u> :	<u>Branch & Code</u> <u>Account No.</u>
1.	
2.	

09. Income Tax Permanent Account Number : (PAN)	
10. Address of additional places of business/Branches/Godowns in A.P. Use form 001A	
11. Particulars of Partners/Directors/ Responsible person of the business : Use form 001B	
12. Taxable Turnover of your business for the last 12 consecutive months :	
13. Estimated taxable turnover of your business for next 12 consecutive months :	
14. Date on which taxable turnover for 12 consecutive months exceeded Rs. 5 lakhs	
15. Registration Number (if any under Profession Tax Act)	

Declaration :

I _____ S/o _____
Status _____ of the above enterprise hereby
declare that the particulars given are true and correct to the best of my
knowledge and belief. I undertake to notify immediately to the registering
authority of any change in any of the above particulars.

Signature with Stamp.

Date of application

FOR OFFICE USE ONLY

16. Date of receipt of application :
17. Effective date of registration :
18. Date of certification by Registering Authority :
19. Date of refusal of registration by Registering Authority :
20. General Registration Number :

FORM TOT 001A

**ADDRESSES OF ADDITIONAL PLACES OF BUSINESS/
BRANCHES/GODOWNS IN ANDHRA PRADESH**

Name of the Dealer :

- 1) Fill in the addresses of Additional Places of Business/Branches/ Godowns in the spaces provided for.
- 2) Strike off Additional Places of Business/Branches/Godowns whichever is not applicable.

ADDITIONAL PLACE OF BUSINESS/BRANCH/GODOWN

01. Address _____ _____ _____	
Pin Code No: _____	Telephone No: _____
Signature _____	Date _____

ADDITIONAL PLACE OF BUSINESS/BRANCH/GODOWN

02. Address _____ _____ _____	
Pin Code No: _____	Telephone No: _____
Signature _____	Date _____

ADDITIONAL PLACE OF BUSINESS/BRANCH/GODOWN

03. Address _____ _____ _____	
Pin Code No: _____	Telephone No: _____
Signature _____	Date _____

ADDITIONAL PLACE OF BUSINESS/BRANCH/GODOWN

04. Address _____ _____ _____	
Pin Code No: _____	Telephone No: _____
Signature _____	Date _____

ADDITIONAL PLACE OF BUSINESS/BRANCH/GODOWN

05. Address _____ _____ _____	
Pin Code No: _____	Telephone No: _____
Signature _____	Date _____

ADDITIONAL PLACE OF BUSINESS/BRANCH/GODOWN

06. Address _____ _____ _____	
Pin Code No: _____	Telephone No: _____
Signature _____	Date _____

FORM TOT 001B**PARTICULARS OF PARTNERS/DIRECTORS/PERSONS
RESPONSIBLE (AUTHORISED) FOR THE BUSINESS****Name of the Dealer :**

- 1) Fill in the details for each Partner/Director/Responsible Person separately in the boxes provided for. Please use BLOCK LETTERS and write clearly.
- 2) Strike off Partners/Directors/Responsible Persons whichever is not applicable.

Affix Passport size Photo of Partner/Director/ Person Responsible

PARTNERS/DIRECTORS/PERSONS RESPONSIBLE DETAILS

1.	Full Name	
2.	Father's/Husband's Name	
3.	Date of Birth	
4.	Extent of interest in business (Partnership firm) / Official Designation and date of joining in the present capacity (in case of Directors in Limited Companies)/Status & function of Person Responsible (Authorised) for the business.	
5.	Other business interests in the State (Please specify)	
6.	Other business interests outside the State (Please specify)	
7.	Present Residential Address : Telephone No : e-mail :	
8.	Permanent Address : Telephone No.	
9.	Income Tax Permanent Account Number (PAN)	

Signature**Date :**

Affix Passport size
Photo of
Partner/Director/
Person
Responsible

**PARTNERS/DIRECTORS/PERSONS
RESPONSIBLE DETAILS**

1. Full Name	
2. Father's/Husband's Name	
3. Date of Birth	
4. Extent of interest in business (Partnership firm) / Official Designation and date of joining in the present capacity (in case of Directors in Limited Companies)/Status & function of Person Responsible (Authorised) for the business.	
5. Other business interests in the State (Please specify)	
6. Other business interests outside the State (Please specify)	
7. Present Residential Address : Telephone No : e-mail :	
8. Permanent Address : Telephone No.	
9. Income Tax Permanent Account Number (PAN)	

Signature

Date :

FORM TOT 007

RETURN OF TURNOVER TAX (QUARTERLY)

[See Rule 23 (2)]

01. Tax Office Address :

Date	Month	Year

02	GRN																		
----	-----	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

03. Period covered by Return				
From		To		
04. Name :				
Address :				
05. Taxable Turnover for the period mentioned at Sl. No : 03 above				
06. Turnover tax @ 1%				
07. Adjustments, if any, with details :				
08. Payment to be made				
09. Details of payment :				
Challan/ Instrument No.	Date	Bank/Treasury	Branch Code	Amount

10. Declaration

Name _____ S/o / D/o _____ being (title) _____ of the above enterprise do hereby declare that the information given on his documents is true and correct. Signature & Stamp _____ Date of declaration _____

Please Note :

This return shall be filed quarterly along with tax due on or before end of the month following the quarter ending June, September, December and March of every year.

FOR OFFICE USE ONLY:

Amount of TOT paid Rs. _____ Date of Receipt _____

Instrument of payment.

Signature of Receiving Officer with stamp.

GOVERNMENT OF ANDHRA PRADESH
COMMERCIAL TAXES DEPARTMENT

FORM TOT 010

**UNILATERAL ASSESSMENT FOR FAILURE
TO FILE A TOT RETURN**

[See Rule 25 (3)]

01. Tax Office Address :

Date	Month	Year

02	GRN																		
----	-----	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

03. Name _____ Address : _____ _____
--

There is no record of the receipt in the Tax Department of your TOT Return for the quarter year ending _____ due by _____ .

The Tax Office has accordingly unilaterally assessed the tax payable by you for this period as _____. In addition the law requires that you pay _____ % of this amount as a penalty _____

Total due to the Tax Office Rs. _____

This tax must be paid by _____ unless you file the tax Return that is due and pay the tax declared on the return. If you file the outstanding return in the Tax Office and pay the tax due by _____, this unilateral assessment will be withdrawn.

IF YOU HAVE ALREADY FILED A RETURN AND PAID THE TAX DUE YOU SHOULD NOTIFY THE TAX OFFICE WITHOUT DELAY.

Failure to make payment of this unilateral assessment will result in collection measures being taken as provided for in the APVAT Act 2005.

DO NOT ADJUST ANY FUTURE TOT RETURN TO ACCOUNT FOR THE TAX SHOWN ON THIS NOTICE OF ASSESSMENT.

DY. COMMERCIAL TAX OFFICER,

CIRCLE,

DIVISION.

Note: Complete in duplicate.

**GOVERNMENT OF ANDHRA PRADESH
COMMERCIAL TAXES DEPARTMENT**

FORM TOT 025

ASSESSMENT OF TURNOVER TAX

[See Rule 25 (6)]

01. Tax Office Address :
.....
.....
.....

Date	Month	Year

02	GRN																		
----	-----	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

03. Name _____
Address: _____

Following examination of your records on _____ and the issue of Form TOT 025A on _____ the correct amount of TOT under the provisions of APVAT Act 2005 has been established as follows.

* This has resulted from :—

1. Your agreement at the time of visit on _____
2. After consideration of your reply received in this office on _____
3. Your failure to respond to the notice issued on Form TOT 025A on _____

The total amount payable by you is explained below :

Period (Quarter ending)	Particulars of tax	Tax declared /net credit claimed	Tax Found to be due/ net credit due	Tax Over declared Due to dealer	Tax under declared Due to Tax Department	Penalty %	Interest @ 1% of month(s)	Total Due to Tax Department

Total amount due to Tax Department

See reverse for explanation

Complete in duplicate.

* Delete as appropriate

Explanation of the above proposals :

* **A** The amount of _____ shall be paid within 30 days of receipt of this order.

Failure to make the payment will result in recovery proceedings under the APVAT Act 2005.

* **B** Your refund claim is reduced to _____ and this amount will be refunded to you.

THE PAYMENT OF THE AMOUNT SPECIFIED AT 'A' ABOVE MUST BE MADE TOGETHER WITH DUPLICATE COPY OF THIS ORDER AND PAYMENT BOXES ON THAT COPY COMPLETED.

An appeal against this order can be filed before the Appellate Deputy Commissioner within 30 days of receipt of this order.

DY . COMMERCIAL TAX OFFICER,
_____ **CIRCLE.**

ON DUPLICATE COPY OF THE ORDER

Payment details :

Challan/ Instrument No.	Date	Bank/Treasury	Branch Code	Amount

GOVERNMENT OF ANDHRA PRADESH
COMMERCIAL TAXES DEPARTMENT

FORM TOT 025A

NOTICE OF ASSESSMENT OF TURNOVER TAX

[See Rule 25 (6)]

01. Tax Office Address :
.....
.....
.....

Date Month Year

--	--	--

02 GRN

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

03. Name _____
 Address: _____

Examination of your records on _____ has shown that the correct amounts of Turnover Tax have not been declared in the TOT returns listed below. Under the provisions of APVAT Act 2005 the following tax amounts are proposed to be assessed for the tax period shown below.

Period (Quarter ending)	Particulars of tax	Tax declared /net credit claimed	Tax Found to be due/net credit due	Tax Over declared Due to dealer	Tax under declared Due to Tax Department	Penalty %	Interest @ 1% of month(s)	Total Due to Tax Department

Total amount due to Tax Department

Complete in duplicate.
Explanation for the above proposals :
 If you have any objections to the assessment proposed above, you are requested to file written objections along with documentary evidence if any, within 7 days of date of this notice failing which orders will be passed without any further notice in the matter.

DY. COMMERCIAL TAX OFFICER,
 _____ **CIRCLE.**

FORM VAT 100**APPLICATION FOR VAT REGISTRATION**

[See Rule 4 (1)]

Submit in duplicate

Use separate sheet where space is not sufficient.

Affix Passport Size
Photo of Sole
Proprietor. In case
Partnership firm/
Companies/others
Affix photos of
responsible persons
on VAT 100B

To
The Commercial Tax Officer,
VAT Registering Authority,
_____ Circle.

01. Name of the business to be registered :		
02. Address of Place of business :	Door No :	Street
	Locality	Town/City
	District	Pin Code
	Phone No :	Fax No :
	Email :	Website/URL :
03. Occupancy Status : Owned/Rented/Leased/Rent-free/Others		
04. Name & Address of the Owner of business (Residential Address of the Person responsible ie., Managing Partner/Managing Director for business).	Name : Date of Birth : Door No. Locality District Phone No. Email :	Street Town/City Pin Code Fax No.
05. Status of business : (Mark "□ " where applicable) Sole Proprietorship <input type="checkbox"/> Partnership <input type="checkbox"/> Private Limited Co., <input type="checkbox"/> Public Ltd Company <input type="checkbox"/> Govt. Enterprise <input type="checkbox"/> Other (Specify) <input type="checkbox"/>		
06. Nature of Principal business activities :		
07. Principal Commodities traded :		
08. Bank Account Details :		
<u>Bank Name</u> :	<u>Branch & Code</u>	<u>Account No.</u>
1.		
2.		
3.		

09.	Income Tax Permanent Account Number : (PAN)		
10.	Address of additional places of business/Branches/Godowns (including those outside A.P) : Use form VAT 100A		
11.	Particulars of owner/Partners/Directors etc., : Use Form VAT 100B		
12.	Language in which books are written :		
13.	Are your accounts computerised :	YES <input type="checkbox"/>	NO <input type="checkbox"/>
14.	Date of first taxable sale	Date	Month Year
15.	Turnovers of taxable sales of goods including zero rate in :		
	(a)	The last 3 months : Rs.	
	(b)	The last 12 months : Rs.	
16.	Anticipated turnovers of taxable sales of goods including zero rate in :		
	(a)	The next 3 months Rs.	
	(b)	The next 12 months Rs.	
17.	Anticipated Turnover of exempted sales of goods and transactions in the next 12 months		
18.	Are you applying for voluntary registration :	YES <input type="checkbox"/>	NO <input type="checkbox"/>
19.	Are you applying for registration as Start up Business :	YES <input type="checkbox"/>	NO <input type="checkbox"/>
20.	Indicate your GRN Number, if any : Have you applied for CST Registration	YES <input type="checkbox"/>	NO <input type="checkbox"/>
21.	Registration Number (if any Under Profession Tax Act) :		
22.	Do you expect your input tax to regularly exceed your output tax ? If yes Why ?	YES <input type="checkbox"/>	NO <input type="checkbox"/>
23.	Are you applying for registration in response to a notice by the Tax Officer ? If yes, indicate the Notice number.	YES <input type="checkbox"/>	NO <input type="checkbox"/>
24.	Any other relevant information like are you availing Tax incentives ? If so write details.		

Declaration :

I _____ S/o _____
 Status _____ of the above enterprise hereby declare that the particulars given are correct and true to the best of my knowledge and belief. I undertake to notify immediately to the registering authority in the Commercial Taxes Department of change in any of the above particulars.

Date of application

Signature with Stamp

FOR OFFICE USE ONLY

25. Date of receipt of application	
26. Activity / Commodity Code	
27. Exempt Indicator	
28. Voluntary Registration Indicator	
29. Start up Business Indicator	
30. CST Indicator	
31. Refund Indicator	
32. Works Contract Indicator.	
33. Suo motu Registration Indicator.	
34. Special Rates — Schedule - VI goods Indicator	
35. Tax Incentives Indicator	
36. Date of issue of Registration Certificate	
37. Effective date of Registration	
38. Date of refusal of Registration	
39. Taxpayer Identification Number (TIN) :	

Processing Authority**Name****Designation****Registering Authority****Name****Designation****IMPORTANT :**

- (a) Copy of Proof of Identity of the sole Proprietor / Managing Partner / Managing Director / responsible person for the business like copy of Passport, voter Identity card, Proof of Bank Account, Credit Card, Ration Card, Driving License etc., must be enclosed.
- (b) Please fill in and enclose Form VAT 100A and 100B if found necessary.
- 25 to 39 : For Office use only.

FORM VAT 100A

**ADDRESSES OF ADDITIONAL PLACES OF BUSINESS/
BRANCHES/GODOWNS IN ANDHRA PRADESH**

Name of the business : _____

01. Address _____ _____	
Pin Code No: _____	Telephone No: <input type="text"/>
Signature _____	Date _____

02. Address _____ _____	
Pin Code No: _____	Telephone No: <input type="text"/>
Signature _____	Date _____

03. Address _____ _____	
Pin Code No: _____	Telephone No: <input type="text"/>
Signature _____	Date _____

Note :- Please see overleaf to fill in the details for Addresses of Branch/ Godowns located outside Andhra Pradesh.

**ADDRESSES OF BRANCHES/GODOWNS LOCATED OUTSIDE
ANDHRA PRADESH**

01. State	_____
Address	_____ _____ _____
Pin Code No:	Telephone No: <input type="text"/>
R.C. Number under State Act :	
R.C. Number under C.S.T. Act :	
Signature _____	Date _____

02. State	_____
Address	_____ _____ _____
Pin Code No:	Telephone No: <input type="text"/>
R.C. Number under State Act :	
R.C. Number under C.S.T. Act :	
Signature _____	Date _____

03. State	_____
Address	_____ _____ _____
Pin Code No:	Telephone No: <input type="text"/>
R.C. Number under State Act :	
R.C. Number under C.S.T. Act :	
Signature _____	Date _____

FORM VAT 100B

**PARTICULARS OF PARTNERS/
DIRECTORS/PERSONS RESPONSIBLE
(AUTHORISED) FOR THE BUSINESS**

Affix Passport size
Photo of
Partner/Director/
Person
Responsible

Name of the Business :

- 1) Fill in the details for each Partner/Director/Responsible Person separately in the boxes provided for. Please use BLOCK LETTERS and write clearly.
- 2) Strike off Partners/Directors/Responsible Persons whichever is not applicable.

PARTNERS/DIRECTORS/PERSONS RESPONSIBLE DETAILS

1. Full Name	
2. Father's/Husband's Name	
3. Date of Birth	
4. Extent of interest in business (Partnership firm) / Official Designation and date of joining in the present capacity (in case of Directors in Limited Companies)/Status & function of Person Responsible (Authorised) for the business.	
5. Other business interests in the State (Please specify)	
6. Other business interests outside the State (Please specify)	
7. Present Residential Address : Telephone No : e-mail :	
8. Permanent Address : Telephone No.	
9. Income Tax Permanent Account Number (PAN)	

Date :

Signature & Status

Affix Passport size Photo of Partner/Director/ Person Responsible

**PARTNERS/DIRECTORS/PERSONS
RESPONSIBLE DETAILS**

1. Full Name	
2. Father's/Husband's Name	
3. Date of Birth	
4. Extent of interest in business (Partnership firm) / Official Designation and date of joining in the present capacity (in case of Directors in Limited Companies)/Status & function of Person Responsible (Authorised) for the business.	
5. Other business interests in the State (Please specify)	
6. Other business interests outside the State (Please specify)	
7. Present Residential Address : Telephone No : e-mail :	
8. Permanent Address : Telephone No.	
9. Income Tax Permanent Account Number (PAN)	

Date :

Signature & Status

MONTHLY RETURN FOR VALUE ADDED TAX

FORM VAT 200

[See Rule 23 (1)]

01 TIN									

02 Period covered by this Return							
From	DD	MM	YY	To	DD	MM	YY

03 Name of Enterprises : _____
 Address: _____

 Fax No. _____ Phone No. _____

If you have made no purchases and no sales, cross this box. 04

If you have no entry for a box, insert "NIL". Do not leave any box blank unless you cross box 04.

Input tax credit from previous month
 (Box 24 or 24(b) of your previous tax return) 05

PUCHASES IN THE MONTH (INPUT) Value excluding VAT VAT Claimed
 (A) (B)

6	Exempt or non-creditable Purchases	Rs.	
7	4% Rate Purchases	Rs.	Rs.
8	12.5% Rate Purchases	Rs.	Rs.
9	1% Rate Purchases	Rs.	Rs.
10	Special Rate Purchases	Rs.	
11	Total Amount of input tax (5+7(B)+8(B)+9(B))		Rs.

SALES IN THE MONTH (OUTPUT) Value Excluding VAT VAT Due
 (A) (B)

12	Exempt Sales	Rs.	
13	Zero Rate Sales - International Exports	Rs.	
14	Zero Rate Sales - Others (CST Sales)	Rs.	
15	Tax Due on Purchase of goods	Rs.	Rs.
16	4% Rate Sales	Rs.	Rs.
17	12.5% Rate Sales	Rs.	Rs.
18	Special Rate Sales	Rs.	Rs.
19	1% Rate Sales	Rs.	Rs.
20	Total amount of output tax (15(B)+16(B)+17(B)+19(B))		Rs.

21 If total of box 20 exceeds box 11 pay this amount Rs.

22 Payment Details:

Details	Challan/ Instrument No.	Date	Bank/ Treasury	Branch Code	Amount
Payment Details :					
Adjustment (Give Details in 22 (a))					
Total					

22(a) Adjustment Details :

Nature of Adjustment	Details	Amount

If total of box 11 exceeds total of box 20 (or the payment and adjustment in boxes 22 and 22(a) put together exceed the tax due in box 21) and you have declared exports in box 13 (A) and not adjusting the excess amount against tax liability if any under the CST Act, you can claim a refund in box 23 or carry a credit forward in box 24.

If you have declared no exports in box 13 (A) you must carry the credit forward in box 24, unless you have carried forward a tax credit and not adjusting the excess amount against the tax liability if any under the CST Act.

Refund

23	Rs.	
----	-----	--

 Credit carried forward

24	Rs.	
----	-----	--

24(a) If you want to adjust the excess amount against the liability under the CST Act please fill in boxes 24 (a) and 24 (b) Tax due under the CST Act and adjusted against the excess amount in box 24.

24(a)	Rs.	
-------	-----	--

24(b) Net credit carried forward

24(b)	Rs.	
-------	-----	--

Declaration :	
25. Name being (title) of the above enterprise do hereby declare that the information given in this return is true and correct.	
Signature & Stamp	Date of declaration

Please Note :

1. This return and payment must be presented on or before 20th day of the following month mentioned in box 02.
2. In case the payment is made by a challan in the bank, please endorse a copy of the same.
3. You will be, as per provisions of the APVAT Act, 2005, subject to penalties if you :
 - Fail to file the VAT return at the Local Tax Office even if it is a nil return.
 - Make a late payment of tax
 - Make a false declaration.

FOR OFFICIAL USE ONLY

Date of Receipt :

Amount of Tax Paid Rs.

Mode of Payment :

Signature of Receiving Officer
with Stamp

**ANNEXURE TO MONTHLY VAT RETURN
FOR ADJUSTMENT OF INPUT TAX CREDIT**

FORM VAT 200A

[See Rules 20(6), 7, 8(b), 9(b)]

This Form is to be filled up by VAT dealer having any of the following transactions, –

- (a) Sales of exempt goods (goods mentioned in Schedule I);
(b) Stock transfers / consignment sales.

01	TIN							

02	Period covered by this Return							
From	DD	MM	YY	To	DD	MM	YY	

(i) Details of Turnovers in the tax period

03 Amount of taxable sales - Sum of boxes -

13A, 14A, 16A, 17A & 19A of VAT 200 Rs.

04 Amount of sales of exempt goods in the period Rs.

05 Amount of exempt transactions in the period Rs.

(ii) Details of Input tax paid, input tax credit claimed in the tax period

	Inputs	VAT paid on specific inputs (x)	VAT paid on common inputs	ITC eligible on common inputs (y)	Total ITC claimed (x) + (y)
06	1% rate purchases	Rs.	Rs.		Rs.
07	4% rate purchases	Rs.	Rs.		Rs.
08	12.5% rate	Rs.	Rs.		Rs.
	(4% portion) – 4/12.5 x value *				
	(8.5% portion) – 8.5/12.5 x value *				

* APPORTION 12.5% INTO 4 AND 8.5 PORTIONS ONLY IF YOU HAVE EXEMPT TRANSACTIONS

1. Note: To claim eligible input tax credit (ITC eligible) for tax rates of 1%, 4% and 4% portion of 12.5%, the following calculation is to be made :

$A \times \frac{B}{C}$ where A is value of common input for each tax rate
B is value in box (03)
C is the sum of box (03), (04) and box (05)

2. Note: Where there are no exempt transactions in the tax period, apply the above formula for entire 12.5% for arriving at ITC eligibility.

3. Note: Where exempt transactions are made in the tax period, total 8.5% portion of 12.5% can be taken as ITC.

Date :

Signature of Dealer

FORM VAT 200B

**ANNEXURE TO VAT RETURN FOR THE MONTH OF
MARCH FOR THE 12-MONTH PERIOD ENDING
MARCH FOR ADJUSTMENT OF INPUT TAX CREDIT**

[See Rules 20(4)(b), 5(c), 6, 7, 8(b), 9(b)]

This Form is to be filled up by VAT dealer having any of the following transactions, –

- (a) Sales of exempt goods (goods mentioned in Schedule I);
(b) Stock transfers / consignment sales.

01	TIN									

02	Period covered by this Return							
From	DD	MM	YY	To	DD	MM	YY	

(i) Details of Turnovers in the tax period

03 Amount of taxable sales - Sum of boxes -

13A, 14A, 16A, 17A & 19A of VAT 200 Rs.

04 Amount of sales of exempt goods in the period Rs.

05 Amount of exempt transactions in the period Rs.

(ii) Details of Input tax paid, input tax credit claimed in the tax period

	Inputs	VAT paid on specific inputs (x)	VAT paid on common inputs	ITC eligible on common inputs (y)	Total eligible ITC (x) + (y)
06	1% rate purchases	Rs.	Rs.		Rs.
07	4% rate purchases	Rs.	Rs.		Rs.
08	12.5% rate	Rs.	Rs.		Rs.
	(4% portion) – 4/12.5 x value *				
	(8.5% portion) – 8.5/12.5 x value *				

* APPORTION 12.5% INTO 4 AND 8.5 PORTIONS ONLY IF YOU HAVE EXEMPT TRANSACTIONS

1. Note: To claim eligible input tax credit (ITC eligible) for tax rates of 1%, 4% and 4% portion of 12.5%, the following calculation is to be made :

$A \times B$ where A is value of common input for each tax rate

C B is value in box (03)

C is the sum of box (03), (04) and box (05)

2. Note: Where there are no exempt transactions in the tax period, apply the above formula for entire 12.5% for arriving at ITC eligibility.

3. Note: To claim eligible input tax credit (ITC eligible) for tax rates of 8.5% portion of 12.5%, the following calculation is to be made :

$A \times \frac{B}{C}$ where A is value of common input for each tax rate

C B is sum in box (03) and (05)

C is the sum of box (03), (04) and box (05)

(iii) Excess or balance Input tax credit for each tax rate payable or eligible for the 12-month period ending March

	Common inputs (2)	ITC claimed in the 12 monthly returns (3)	ITC eligible as per (ii) (4)	Difference between (3) and (4) Excess (+) / Balance (-) (5)
09	1% rate purchases	Rs.	Rs.	Rs.
10	4% rate purchases	Rs.	Rs.	Rs.
11	12.5% rate purchases	Rs.	Rs.	Rs.

1. Any excess credit claimed in the monthly returns shall be paid back in the return for March by adding it to the appropriate box in the output column for the tax rate.
2. Any balance credit eligible in the monthly returns shall be claimed in the return for March by adding it to the appropriate box in the input column for the tax rate.

Date :

Signature of Dealer

FORM VAT 200E

**ANNEXURE TO MONTHLY VAT RETURN FOR
ADJUSTMENT OF INPUT TAX CREDIT**

[See Rules 20(12)]

This Form is to be filled up by VAT dealer having any of the following transactions, —

- (a) Sales of exempt goods (goods mentioned in Schedule I);
- (b) Stock transfers / consignment sales.
- (c) Turnover under composition.
- (d) Exempt turnover of sub-contract under Rule 17(2)(j)

01	TIN

02		Period covered by this Return					
From	DD	MM	YY	To	DD	MM	YY

(i) Details of Turnovers in the tax period

- 03 Amount of taxable sales - Sum of boxes -
13A, 14A, 16A, 17A & 19A of VAT 200 (for box 16A,
exclude turnover under composition) Rs.
- 04 Amount of sales of exempt goods in the period Rs.
- 05 Amount of exempt transactions in the period Rs.
- 06 Total turnover under composition Rs.
- 07 Exempt turnover of sub-contract under Rule 17(2)(j)

(ii) Details of Input tax paid, input tax credit claimed in the tax period

	Inputs	VAT paid on specific inputs (x)	VAT paid on common inputs	ITC eligible on common inputs (y)	Total ITC claimed (x) + (y)
08	1% rate purchases	Rs.	Rs.		Rs.
09	4% rate purchases	Rs.	Rs.		Rs.
10	12.5% rate	Rs.	Rs.		Rs.
	(4% portion) — 4/12.5 x value *				
	(8.5% portion) — 8.5/12.5 x value *				

* APPORTION 12.5% INTO 4 AND 8.5 PORTIONS ONLY IF YOU HAVE EXEMPT TRANSACTIONS

1. Note: To claim eligible input tax credit (ITC eligible) for tax rates of 1%, 4% and 4% portion of 12.5%, the following calculation is to be made :

$A \times B$ where A is value of common input for each tax rate
C B is value in box (03)
C is the sum of box (03), (04), (05), (06)
and (07)

2. Note: Where there are no exempt transactions in the tax period, apply the above formula for entire 12.5% for arriving at ITC eligible.

3. Note: To claim eligible input tax credit (ITC eligible) for tax rates of 8.5% portion of 12.5%, can be taken as ITC.

Date :

Signature of Dealer

FORM VAT 200F

**ANNEXURE TO VAT RETURN FOR THE MONTH OF
MARCH FOR THE 12 - MONTH PERIOD ENDING MARCH
FOR ADJUSTMENT OF INPUT TAX CREDIT**

[See Rules 20(12)]

This Form is to be filled up by VAT dealer having any of the following transactions, –

- (a) Sales of exempt goods (goods mentioned in Schedule I);
- (b) Stock transfers / consignment sales.
- (c) Turnover under composition.
- (d) Exempt turnover of sub-contract under Rule 17(2)(j)

01	TIN

02	Period covered by this Return							
	From	DD	MM	YY	To	DD	MM	YY

(i) Details of Turnovers in the 12 - month period

- 03 Amount of taxable sales - Sum of boxes -
13A, 14A, 16A, 17A & 19A of VAT 200 (for box 16A,
exclude turnover under composition) Rs.
- 04 Amount of sales of exempt goods in the 12- month period Rs.
- 05 Amount of exempt transactions in the period in the
12- month Rs.
- 06 Total turnover under composition Rs.
- 07 Exempt turnover of sub-contract under Rule 17(2)(j)

(ii) Details of Input tax paid, input tax credit claimed in the tax period

	Inputs	VAT paid on specific inputs (x)	VAT paid on common inputs	ITC eligible on common inputs (y)	Total ITC claimed (x) + (y)
08	1% rate purchases	Rs.	Rs.		Rs.
09	4% rate purchases	Rs.	Rs.		Rs.
10	12.5% rate	Rs.	Rs.		Rs.
	(4% portion) – 4/12.5 x value *				
	(8.5% portion) – 8.5/12.5 x value *				

* APPORTION 12.5% INTO 4 AND 8.5 PORTIONS ONLY IF YOU HAVE EXEMPT TRANSACTIONS

1. Note: To claim eligible input tax credit (ITC eligible) for tax rates of 1%, 4% and 4% portion of 12.5%, the following calculation is to be made :

$A \times B$ where A is value of common input for each tax rate
 C B is value in box (03)
 C is the sum of box (03), (04), (05), (06)
 and (07)

2. Note: Where there are no exempt transactions in the tax period, apply the above formula for entire 12.5% for arriving at ITC eligible.

3. Note: To claim eligible input tax credit (ITC eligible) for tax rates of 8.5% portion of 12.5%, can be taken as ITC.

$A \times B$ where A is value of common input for each tax rate
 C B is sum in box (03) and (05)
 C is the sum of box (03), (04), (05), (06)
 and (07)

(iii) Excess or balance Input tax credit for each tax rate payable or eligible for the 12-month period ending March

	Common inputs (2)	ITC claimed in the 12 monthly returns (3)	ITC eligible as per (ii) (4)	Difference between (3) and (4) Excess (+) / Balance (-) (5)
11	1% rate purchases	Rs.	Rs.	Rs.
12	4% rate purchases	Rs.	Rs.	Rs.
13	12.5% rate purchases	Rs.	Rs.	Rs.

- Any excess credit claimed in the monthly returns shall be paid back in the return for March by adding it to the appropriate box in the output column for the tax rate.
- Any balance credit eligible in the monthly returns shall be claimed in the return for March by adding it to the appropriate box in the input column for the tax rate.

Date :

Signature of Dealer

GOVERNMENT OF ANDHRA PRADESH
COMMERCIAL TAXES DEPARTMENT

FORM VAT 204

**UNILATERAL ASSESSMENT FOR
FAILURE TO FILE A VAT RETURN**

[See Rule 25 (1)]

01. Tax Office Address :	Date	Month	Year
	<input type="text"/>	<input type="text"/>	<input type="text"/>
	02 TIN <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>		

03. Name _____
Address: _____

There is no record of the receipt in the Tax Department of a VAT Return for the period of _____ due by _____

The Tax Office has accordingly unilaterally assessed the tax payable by you for this period as Rs. _____. In addition the law requires that you pay 50% of this amount as penalty which is Rs. _____

Total tax due is Rs. _____

This amount must be paid by _____ unless you file the tax Return that is due and pay the tax declared on the return. If you file the outstanding return at the Tax Office and pay the tax due by _____ this unilateral assessment will be withdrawn.

IF YOU HAVE FILED A RETURN AND PAID THE TAX DUE YOU SHOULD NOTIFY THE TAX OFFICE WITHOUT DELAY.

Failure to make payment of this unilateral assessment will result in recovery measures being taken as provided for in the AP VAT Act 2005.

DO NOT ADJUST ANY FUTURE VAT RETURN TO ACCOUNT FOR THE TAX SHOWN ON THIS NOTICE OF ASSESSMENT.

**COMMERCIAL TAX OFFICER,
_____ CIRCLE,
_____ DIVISION.**

Note :- Complete in duplicate.

FORM VAT 213

**APPLICATION FOR UNDER / OVER
DECLARATION OF VALUE ADDED TAX**

[See Rule 23 (6) (a)]

01. Tax Office Address :
.....
.....
.....

Date Month Year

--	--	--

02 TIN

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

03. Name _____
 Address: _____

Examination of my records has shown that the correct amount of Value Added Tax in the return for tax period _____ was* declared / over-declared. Please find a true and correct summary of my monthly Return as below. The errors were caused by

Tax Period	Input Tax declared	Output Tax declared	Input Tax found to be correct	Output Tax found to be correct	Tax Under / Over - declared	Total Amount Payable / Creditable

I (Name) _____ being (Title) _____ of the above business do hereby declare that the information given on this form is true and correct.

_____ Signature / Stamp Date of Declaration _____

PLEASE DO NOT ADJUST ANY FUTURE RETURN FOR THE TAX SHOWN ON THIS FORM.

Complete in Duplicate.

Signature & Status

* Strike off which ever is not applicable

FORM VAT 250

**APPLICATION OPTING FOR
PAYMENT TAX BY WAY OF COMPOSITION**

[See Rules 17 (3) (c), 17 (4) (b), 17 (2) (b) & 19 (5)]

01. Tax Office Address :	Date Month Year <table border="1" style="width: 100%; height: 20px; border-collapse: collapse;"> <tr> <td style="width: 33%;"></td> <td style="width: 33%;"></td> <td style="width: 33%;"></td> </tr> </table>																				
	02 TIN <table border="1" style="width: 100%; height: 20px; border-collapse: collapse;"> <tr> <td style="width: 20px;"></td> <td style="width: 20px;"></td> <td style="width: 20px;"></td> <td style="width: 20px;"></td> <td style="width: 20px;"></td> <td style="width: 20px;"></td> <td style="width: 20px;"></td> <td style="width: 20px;"></td> <td style="width: 20px;"></td> <td style="width: 20px;"></td> <td style="width: 20px;"></td> <td style="width: 20px;"></td> <td style="width: 20px;"></td> <td style="width: 20px;"></td> <td style="width: 20px;"></td> <td style="width: 20px;"></td> <td style="width: 20px;"></td> <td style="width: 20px;"></td> <td style="width: 20px;"></td> <td style="width: 20px;"></td> </tr> </table>																				

03. Name _____ Address: _____ _____

I/We carrying on business as a*works contractor / as a hotelier do hereby apply to pay sales tax by way of composition.

- * (i) At the rate of 4% on the total value of the contract executed for the Government or local Authority subject to such conditions as may be prescribed.
- * (ii) At the rate of 4% on 50% of the total consideration received or receivable for the contract other than State Government and local authorities subject to such conditions as may be prescribed.
- * (iii) At the rate of 4% on 25% of the consideration received or receivable or the market value fixed for the purpose of stamp duty whichever is higher, for the contract of constructing and selling of residential apartments, houses, buildings or commercial complexes subject to such conditions as may be prescribed.
- * (iv) At the rate of 12.5% on 60% of the total consideration charged for food and drink to such conditions as may be prescribed.

The details of contracts for which composition is opted for are given below :

Sl. No.	Name & Address of the Contractee	Nature of Contract	Date of Contract	Full value of the Contract

**Signature of the Dealer,
Stamp and Seal**

(* Strike off whichever is not applicable)

FORM VAT 250A

**APPLICATION FOR WITHDRAWAL FOR PAYMENT OF
TAX BY WAY OF COMPOSITION**

[See Rules 17 (3) (c), 17 (4) (c) & 19 (5)]

01. Tax Office Address :
.....
.....
.....

Date	Month	Year

02	TIN																			
----	-----	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

03. Name _____
Address: _____

I / We carrying on buisnes as works contractor * involving contract to other than Government and local authorities / construction and selling of residential apartments, houses, buildings or commercial complexes etc., / hotelier, have opted for composition scheme for payment of tax vide my application in Form VAT 250 Dated _____ and am/are accordingly paying the taxes regularly.

I / We intend to withdraw the option of composition wiht effect from _____ (last day of the month) which may please be accepted.

From _____ (First day of the month) onwards I / We shall be accounting the VAT taxes due under the provisions of Section ____ of APVAT Act 2005.

Signature of the Dealer
Stamp and Seal

(* Strike off whichever is not applicable)

**GOVERNMENT OF ANDHRA PRADESH
COMMERCIAL TAXES DEPARTMENT**

FORM VAT 305

ASSESSMENT OF VALUE ADDED TAX

[See Rule 25 (5)]

01. Tax Office Address :	Date	Month	Year	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 25px; height: 20px;"></td> <td style="width: 25px; height: 20px;"></td> <td style="width: 25px; height: 20px;"></td> </tr> </table>																										
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02	TIN																													

03. Name _____ Address: _____ _____

Upon examination of your records on _____ and the issue of Form VAT 305 A on _____ the correct amount of VAT under the provisions of APVAT Act 2005 has been determined as follows.

* This has resulted from :—

1. Your agreement at the time of visit on _____
2. After consideration of your reply received in this office on _____
3. Your failure to respond to the notice issued on Form VAT 305 A on _____

The total amount payable by you is explained below:

Tax period	Particulars (input tax/output tax)	Tax declared / net credit/ Or Refund Claimed	Tax Found to be due/ net credit Or Refund due	Tax Over declared Due to dealer	Tax under declared Due to Tax Department	Penalty %	Interest @ 1 % of month(s)	Total Due to Tax Department

Total amount due to Tax Department

Complete in duplicate.

*Delete as appropriate

Explanation for the above proposals :

- * **A** The amount of _____ shall be paid within 30 days of receipt of this order. Failure to make the payment will result in recovery proceedings under the APVAT Act 2005.
- * **B** Your refund claim is reduced to _____ and this amount will be refunded to you.

THE PROOF OF PAYMENT OF THE AMOUNT SPECIFIED AT 'A' ABOVE TOGETHER WITH DUPLICATE COPY OF THIS ORDER AND PAYMENT BOXES COMPLETED SHALL BE SUBMITTED WITHIN THE SPECIFIED TIME LIMIT.

An appeal against this order can be filed before the Appellate Deputy Commissioner within 30 days of receipt of this order.

Commercial Tax Officer,
_____ **Circle.**

ON DUPLICATE COPY OF THE ORDER

Payment details:

Challan/ Instrument No.	Date	Bank/Treasury	Branch Code	Amount

FORM VAT 501

CERTIFICATE OF TAX COLLECTION AT SOURCE

[See Rule 17 (2) (d) & (2) (f)]

01. Office Address:
--

Date	Month	Year

02	TIN																		
----	-----	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

03. Name : _____ Address : _____ _____
--

I/We _____ certify that a sum of Rs. _____ was collected being the amount payable by M/s. _____ towards Value Added Tax collected at the rate of 4% on the total value of the contract and the amount has been paid to the sales tax (Major Head 040) credit of Government of Andhra Pradesh.

04. Date of the Contract / supply order	
05. Nature of Contract / Supply order	
06. Full Value of Contract / Supply order	
07. Bill No./ Voucher Cash Memo and Date	
08. Amount paid in the bill and Date of Payment	
09. Amount of Value Added Tax Collected @ 4% of Col. 8 above	
10 Remittance Particulars to the Government	

**Signature of the Officer / reason responsible for
Collection of amount / remittance to
Commercial Taxes Department with Seal**

FORM VAT 501A**CERTIFICATE OF TAX DEDUCTION AT SOURCE**

[See Rules 17 (1) (f), 17 (3) (e) & 18 (1) (b)]

01. Office Address:	Date	Month	Year
	02 TIN		

03. Name : _____
Address : _____

I/We _____ certify that a sum of Rs. _____ was collected being the amount payable by M/s. _____ towards Value Added Tax deducted at the rate of 2% on the total value of the contract and the amount has been / will be paid to the sales tax (Major Head 040) credit of Government of Andhra Pradesh.

04. Date of the Contract / supply order	
05. Nature of Contract / Supply order	
06. Full Value of Contract / Supply order	
07. Bill No./ Voucher Cash Memo	
08. During the month / year	
09. Amount of Value Added Tax deducted	
10. Remittance Particulars	

**Signature of the Officer / Person responsible
for deduction of amount / remittance to
Commercial Taxes Department with Seal**

FORM VAT 503

DECLARATION OF A VAT DEALER FOR ADJUSTMENT OF ENTRY TAX/OTHER TAX

[See Rules 17 (1) (f), 17 (3) (e) & 18 (1) (b)]

01. Tax Office Address :

Date Month Year

02 | TIN | _____

03. Name : _____
 Address : _____

04. Nature of adjustment Entry Tax others
 (Please Mark '□' on the appropriate Box)

05. Details of Payment :

Sl. No.	Commodity	Purchase Invoice No. & Date	Amount of Entry Tax Paid	Payment mode Ch/DD/Cr. & Date	Tax period for which to be adjusted	Remarks

06. Declaration :

Name _____ S/o / D/o _____ being (title) _____ of the above enterprise do hereby declare that the information given on this documents is true and correct.

Date of declaration _____ Signature & Stamp _____

WORKS CONTRACT - GO's / NOTIFICATION

1. Refund of Tax to M/s. Hyderabad International Airport Limited, Hyderabad under Andhra Pradesh Value Added Tax Act, 2005.

*G.O.Ms.No. 1254, Revenue (CT-II), Department,
dated 24-06-2005.*

- I. In exercise of the powers conferred by sub-section (1) of section 15 of the Andhra Pradesh Value Added Tax Act, 2005, the Governor of Andhra Pradesh, having found it necessary to do so in the public interest, hereby directs that the tax paid :
- (a) By M/s. Hyderabad International Limited, Hyderabad on its purchase of goods to the sellers and;
 - (b) By the contractors and the sub-contractors if any engaged by or for Hyderabad International Airport Limited, on their purchases of goods to the sellers under the provisions of the said Act shall be refunded to the respective purchasers, subject to the following conditions :—

CONDITIONS

1. The Goods purchases by M/s. Hyderabad International Airport Limited or its constrators or sub-contractors must be for use or consumption in the execution of the project work of Hyderabad International Airport, in Andhra Pradesh.
2. M/s. Hyderabad International Airport Limited shall furnish a separate declaration duly signed by the Managing Director or a Senior Officer authorised by him in this regard to the effect that the goods purchased by it are for use or consumption in the execution of project work of Hyderabad International Airport, for each tax invoice or invoice, in respect of which refund of tax paid is claimed.
3. Where the said contractors or sub-contractors make claim for refund of the said tax paid, in addition to the tax invoices or invoices received by them from their sellers, they shall furnish the said declarationin respect of each such invoice, duly signed

by the said person on behalf of Hyderabad International Airport Limited.

This Notification shall be deemed to have come into force with effect from the first day of April 2005 and shall be in force till 31st December 2009, or completion of the said project, whichever is earlier.

II. In exercise of the powers conferred by sub-section (1) of section 15 of the Andhra Pradesh Value Added Tax Act, 2005, the Governor of Andhra Pradesh, having found it necessary to do so in the public interest, hereby directs that the tax paid under sub-section (7) of section 4 of the said Act, by M/s. Hyderabad International Airport Limited, Hyderabad and the contractors engaged by M/s. Hyderabad International Airport Limited for execution of works contract relating to the project work of Hyderabad International Airport in Andhra Pradesh, shall be refunded as follows :—

- (a) the said tax paid by M/s. Hyderabad International Airport Limited to the contractors shall be refunded to M/s. Hyderabad International Airport Limited on production of proof of remittance of tax deducted at source in accordance with sub-section (4) of section 22 of the said Act, alongwith invoices issued by the contractors;
- (b) the said tax paid by the contractors to the sub-contractors if any shall be refunded to the contractors on production of proof of remittance of tax deducted at source in accordance with sub-section (4) of section 22 of the said Act, along with the invoices issued by the sub-contractors.

This order shall be subject to the condition that the said contractors and sub-contractors, if any, shall opt for payment of tax by way of composition, under clause (c) of sub-section (7) of section 4 of the said Act.

This notification shall be deemed to have come into force with effect from the first day of April, 2005 and shall be in force till 31st December, 2009 or completion of the said project, whichever is earlier.

[Published in the A.P. Gazette Part I, Extra-ordinary No. 474,
dt. 02-07-2005]

2. Certain Exemption to M/s. Hyderabad International Airport Limited, Hyderabad under the Andhra Pradesh Tax on Entry of Motor Vehicles into Local Areas Act, 1996.

G.O.Ms.No. 1284, Revenue (CT-II), Department, dt. 30-06-2005.

In exercise of the powers conferred by section 12 of Andhra Pradesh Tax on Entry of Motor Vehicles into Local Areas Act, 1996 (Act No. 26 of 1996), the Governor of Andhra Pradesh hereby directs that the tax leviable under the said Act on the entry of Motor Vehicles, purchased by M/s. Hyderabad International Airport Limited or their contractors and sub-contractors and brought into the local areas of Andhra Pradesh for utilisation in execution of work relating to construction of Hyderabad International Airport, shall be exempted under the provisions of the said Act, provided M/s. Hyderabad International Airport Limited, furnishes a declaration to the effect that the said Motor Vehicles purchased from out side the State and brought into the State of Andhra Pradesh are for utilisation in execution of works relating to Hyderabad International Airport.

The notification shall come into force with immediate effect.

[Published in the A.P. Gazette Part I, Extra-ordinary No. 484,
dt. 07-07-2005].

3. Amendment to the Andhra Pradesh Value Added Tax Rules, 2005 Exemption to fair price shops

G.O.Ms. No. 1452, Revenue (CT-II), 26-07-2005

In exercise of the powers conferred by section 78 of Andhra Pradesh Value Added Tax Act, 2005, the Governor of Andhra Pradesh hereby makes the following amendment to the Andhra Pradesh Value Added Tax Rules, 2005, Issued in G.O.Ms.No. 394, Revenue (CT-II) Department, dated 31st March, 2005 and as amended from time to time :—

This notification shall be deemed to have come into force with effect on and from 1st April, 2005.

AMENDMENT

In the said rules, **after clause (k) of sub-rule (2), of rule 20** the following shall be **added**, namely,—

“(1) any goods (except kerosene) purchased or procured for supply through Public Distribution System (PDS)—

As a result of this restriction on input tax credit for the goods (except kerosene) purchased for the purpose of Public Distribution System (PDS), the corresponding sales will not be liable to any tax. Accordingly the Food Corporation of India or Andhra Pradesh State Civil Supplies Corporation Limited will be liable to pay tax only, if their sales are first sales. They will not be liable to pay any tax on the sales of goods (except kerosene) purchased from local Value Added Tax Dealers and they will also be not eligible to claim any input tax credit for such purchases. Fair Price Shops are acting as agents on behalf of the State Government i.e., a resident principal. As such, fair price shops do not have any liability to register under Andhra Pradesh Value Added Tax Act, 2005 and to pay any tax. However, if the fair price shops are dealing in any other goods not supplied through Public Distribution System, they will be liable to register under Andhra Pradesh Value Added Tax Act, 2005 depending on their turnover of such goods and will have to pay tax accordingly.”

[Published in the A.P. Gazette Extra-ordinary Part I, No. 53,
dt. 29-07-2005].

4. Government Contracts - Certain Instructions - Orders - Issued.

*G.O.Ms.No. 11, Finance (Work and Projects F. 8) Department,
dt. 29-07-2005.*

1. Deputy Financial Advisor and Ex-Officio Dy. Secretary to Government, Financial (W and P) Department D. O. Lr. No. 629 / F. 8 (1) / 05-2, dt. 09-05-2005 along with minutes of the Meeting held on 27-04-2004.
2. CCT's Ref. No. A III (1) / 78 / 05, dt. 14-07-2005.

ORDER

In exercise of the powers conferred under section 76 (2) of A.P. VAT Act, 2005, the Government of Andhra Pradesh hereby issues the following instructions on executing works contracts under APVAT Act, 2005.

1. Tax collection at source at 4% towards VAT shall be made in all payment made in all Engineering Departments of all works

irrespective of value of work and irrespective a category of registration of the contractor / firm.

2. Necessary provision in the works estimate has to be made at 4% of the cost of the work towards VAT where value of material component in the work is more than 10% of the value of the total work.
3. In respect of works in which overall material component involved is less than 10% of the value of work, no provision towards VAT be made in the estimates and no recovery also need be made in respect of such works payments.
4. The component of 4% for payment against VAT shall be included in the estimates prepared in this connection.
5. For implementation of VAT and effecting TCS, date of payment of the respective bill only is the criterion. As and when bills are paid, 4% tax should be collected, wherever applicable.
6. Calculation of VAT to be deducted is as follows :
$$\text{Amount of bill} \times \frac{4}{104}$$
7. In respect of ongoing works, the recovery as per already existing provision will be made and in addition, the difference between 4% of work value and earlier provision already available will also be made. This is to ensure that all payments from 01-04-2005 are regulated according to VAT provision. This additional amount can be provided in the works estimates and if necessary the relevant estimate sanctioning authorities can sanction revised estimates for this purpose.
8. Sales Tax recovered in the bills will be credited by the PAOs direct to the Major head 0040 Sales Tax - Sub Major Head 040 - Minor Head 102 Receipts under State Sales Tax Accounts - Sub Head 05 Tax Collection - and a Schedule of Sales Tax (TIN - Wise) is to be given by the PAO to the DDO (with copy to Commercial Tax authorities).
9. A copy of the Schedule of TCS shall be given to the nearest CTO by the PAO.

10. Form 501 (certificate of Tax Collection at Source) is to be furnished to the contractor by the Drawing and Disbursing Officer at the time of delivery of cheque at the instance of each payment. A copy Form 501 is attached.
11. In respect of all works costing more than Rs. 5 lakhs each, no work should be awarded without the successful tenderer submitting copy of his VAT registration shall be annexed to the agreement].

5. Carrying out Amendments to the Andhra Pradesh Value Added Tax Rules, 2005

G.O.Ms. No. 1614, Revenue (CT-II), dt. 31-08-2005

In exercise of the powers conferred under sub-section (1) of section 78 of the Andhra Pradesh Value Added Tax Act, 2005 (Act No. 5 of 2005) the Government of Andhra Pradesh hereby makes the following amendments to the Andhra Pradesh Value Added Tax Rules, 2005, issued in G.O.Ms.No. 394, Revenue (CT-II) Department, dated 31-03-2005 and published in the Rules Supplementary to Part-I Extra Ordinary issue of Andhra Pradesh Gazette No. 29, Dated 20-04-2005.

In the said Rules,—

1. In **Rule 17**,—

(1) In **sub-rule (3)**,—

(i) for **clause (b)** the following shall be **substituted** namely :—

“(b) The VAT dealer mentioned in clause (a) above shall pay tax at the rate of four percent (4%) of the total consideration received or receivable.”

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1. Subs. by G.O.Ms. No. 1 Finance (Works & Projects-F-8) Department dt. 24-1-2006. The earlier sub-rule (11) was as follows “While calling for tenders to take up a work for execution, the authorities concerned shall insist for proof of registration under VAT in respect of all work costing more than Rs. 5 lakhs. No work should be awarded without the successful tenderer submitting copy of his VAT registration certificate incorporating his Tax Identification No. (TIN). A copy of such registration certificate shall be annexed to the agreement.”

- (ii) In clause (d) the words “of fifty percent (50%)” shall be **omitted**,—
- (iii) In clause (g) the words “The sub-contractor, if he is a VAT dealer, in such a case may either opt for composition under clause (c) of sub-section (7) of section 4, or pay tax under clause (a) of sub-section (7) of section 4.” shall be **omitted**,—
- (2) In sub-rule (4),—
 - (i) In clause (g) the words “The sub-contractor if he is a VAT dealer, in such a case may either opt for composition under clause (d) of sub-section (7) of section 4, or pay tax under clause (a) of sub-section (7) of section 4.” shall be **omitted**,—
 - (ii) **After clause (h)** the following clause shall be **added** namely,—

“The VAT dealer mentioned in clause (a) above shall pay an amount equivalent to one percent (1%) of the total consideration received or receivable or the market value fixed for the purpose of stamp duty, whichever is higher. This payment shall be made by way of a demand draft obtained in favour of the Commercial Tax Officer or Assistant Commissioner concerned and the instrument is to be presented at the time of registration of the property to the Sub-Registrar, who is registering the property, duly furnishing his TIN (Tax payer Index Number) and the full postal address of the CTO/Assistant Commissioner concerned on the reverse of the DD. The Sub-Registrar, shall then send the same to the CTO/Assistant Commissioner concerned every week.

II. In **Rule 18**,—

“In clause (a) of **Rule 18**, for the words “**two percent**”, the words “**four percent**” shall be **substituted**.”

III. In **Rule 19**,—

sub-rule (5) shall be **omitted**.

IV. In **Rule 20**,—

After sub-rule (3), the following shall be **inserted** namely,—

“(3-a) Where any VAT dealer pays tax at the rate of twelve and half percent (12.5%) on the sale consideration of a used or a second hand vehicle already registered in the State under the Motor Vehicles Act, 1988, he shall be

eligible for notional input tax credit at the rate of twelve and half percent (12.5%) on the purchase price actually paid supported by documentary evidence. Such notional input tax credit shall not exceed the output tax payable on the sale of used or second hand vehicle by the VAT dealer.”

V. In Rule 24,—

For **sub-rule (1)** the following shall be **substituted** namely,—

“(1) In the case of a VAT dealer, the tax declared as due on Form VAT-200, shall be paid not later than fifteen days after the end of the tax period if the payment is by way of cheque and not later than twenty days after the end of the tax period if the payment is by way of demand draft or bankers cheque or by way of remittance into the Treasury.”

[Published in the A.P. Gazette Extra-ordinary Part I, No. 652,
dt. 01-09-2005]

6. Amendment to Rule 20 of Andhra Pradesh Value Added Tax Rules, 2005.

G.O.Ms.No. 1675, Revenue (CT-II) Dept., dt. 23-09-2005

In exercise of the powers conferred by section 78 of Andhra Pradesh Value Added Tax Act, 2005, the Government of Andhra Pradesh in supersession of G.O.Ms.No. 1452, Revenue (CT-II) Department, dt. 26-07-2005 hereby makes the following amendment to the Andhra Pradesh Value Added Tax Rules, 2005, issued in G.O.Ms.No. 394, Revenue (CT-II) Department, dated 31st March, 2005 and as amended from time to time :—

This notification shall be deemed to have come into force with effect on and from 1st day of April, 2005.

AMENDMENT

(1) In the said rules, the **clause (1)** under sub-rule (2) of Rule 20 shall be substituted as under :

“(1) rice purchased by Food Corporation of India from VAT dealers or farmers or farmers clubs or associations of farmers in the State.”

(2) **After clause (1), the following clause (m) shall be inserted.**

“(m) rice purchased by Andhra Pradesh State Civil Supplies Corporation Ltd., from the Depots of Food Corporation of India, in Andhra Pradesh or from any other VAT dealer in the State.”

[Published in the A.P. Gazette - Extra-ordinary Part I, No. 923
dt. 03-10-2005]

7. Amendments to the Andhra Pradesh Value Added Tax Rules, 2005

G.O.Ms.No. 2201, Revenue (CT-II) Dept., dt. 29-12-2005

In exercise of the powers conferred by sub-section (1) of section 78 of the Andhra Pradesh Value Added Tax Act, 2005, (Act No. 5 of 2005) the Governor of Andhra Pradesh hereby makes the following amendments to the Andhra Pradesh Value Added Tax Rules, 2005, issued in G.O.Ms.No. 394, Revenue (CT-II) Department, dated 31-03-2005 and published in the Rules Supplement to Part-I Extra Ordinary issue of Andhra Pradesh Gazette No. 29, dated 20-04-2005 and as subsequently amended from time to time.

The amendments to rule 20 and rule 67 made hereunder shall be deemed to have come into force with effect on and from the 1st April, 2005; the other amendments made shall be deemed to have come into force with effect on and from the 1st December, 2005.

AMENDMENTS

In the said rules,—

I. In Rule 16, in sub-rule (3) after clause (e), the following clause shall be added namely,—

“(f) Wherever any credit notes are to be issued for discount or sales incentives by any VAT dealer to another VAT dealer after issuing tax invoice, the selling VAT dealer shall pass a credit note without disturbing the tax component on the price in the original tax invoice, so as to retain the quantum of input tax credit already claimed by the buying VAT dealer as well as not to disturb the tax already paid by the selling VAT dealer.

For example.— If 100 TVs are sold @ Rs. 10,000/- each, amounting to Rs. 10,00,000/-, the original tax charged @ 12.5% is Rs. 1,25,000/-. If the discount of 10% is offered subsequently based on fresh purchases, the selling dealer can pass on the benefit of Rs. 1,00,000/- for the price without disturbing the tax component of Rs. 1,25,000/-. The buying dealer will not alter the input tax credit already claimed amounting to Rs. 1,25,000/-. The selling VAT dealer will not claim reduction in output tax liability consequent to lowered price offered”.

II. In Rule 20,—

(1) In **sub-rule (2)**, for **clause (h)**, the following shall be **substituted namely,—**

“(h) Natural gas, naptha and coal unless the dealer is in the business of dealing in these goods”;

(2) **After clause (m)**, the **following clauses** shall be **added namely,—**

“(n) Refrigerators, coolers and deep freezers purchased by Soft Drink Manufacturers not for use in their manufacturing premises;

(o) Any goods purchased and used as inputs in job work;

(p) PDS Kerosene purchased by wholesale dealers for the purpose of supplying to Fair Price Shops”;

III. In Rule 24, in **sub-rule (1)**, **after the words** “by way of remittance into the Treasury”, **the words** “or by Electronic Funds Transfer (EFT)” shall be **added;**

IV. In Rule 37,—

(1) In **sub-rule (2)**, the **following** shall be **inserted at the end**, namely,—

“Whenever a VAT dealer is liable to restrict his sales tax credit as per the conditions in Rule 20, he shall submit Form VAT 200-G alongwith the return. Wherever annual adjustment of sales tax credit is to be made, such VAT dealer shall submit Form VAT 200-H alongwith the return for March, 2006.”

(2) In **sub-rule (3)**, for the **words** “These shall be claimed monthly commencing on the return for August, 2005 and ending on the return for

January, 2006” the **following words** shall be **substituted**, namely,—

“These installments shall be claimed in the returns for the period from August, 2005 to March, 2006.”

V. In Rule 55,—

(1) For **sub-rule (7)**, the **following** shall be **substituted**, namely,—

“(7) The transporter or owner or other person in charge of the goods vehicle or a vessel as the case may be shall maintain a register of record in Form 520-A containing full details of the consignor or consignee with full address, TIN Registration Number, CST Registration Number, Invoice Number / Delivery Challan Number / quantity and value of the goods and other details of goods transported in the goods vehicle or a vessel.

The transporter or owner or other person in charge of the goods vehicle or a vessel as the case may be shall submit an extract of the entries made in such register of records, extract of entries entered in the long book or goods vehicle records or trip sheet as the case may be for each month to reach the Commercial Tax Officer having jurisdiction over the area in which the goods are delivered before the 10th day of the succeeding month. The register of record maintained shall be made available to any officer of the Commercial Taxes Department not below the rank of Deputy Commercial Tax Officer in case of any enquiry, whenever called for the word “transporter” shall include any agency transporting goods by Road, Rail, Air, Water or combination thereof.”

(2) **After sub-rule (7)**, the **following** shall be **added**, namely,—

“(8) The owner or other person in charge of goods vehicle or a vessel or a bus carrying passengers and goods, as the case may be and where such goods are transported for more than one consignee in the State or other States and where such transport of goods are not covered by sub-rule (1) to sub-rule (6) of this rule, shall submit details of the goods being carried in Form-650 at the first entry into the State at the check post. Such Form shall be submitted in duplicate to the officer-in-charge of the check post and after getting it verified and attested by the officer-in-charge of the check post the original should be retained at the check post and the duplicate shall be issued to the person submitting such Form-650 and he shall carry duplicate form alongwith goods vehicle.

(9) The owner or other in charge of goods vehicle or a vessel or a bus carrying passengers and goods, as the case may be and where such goods are

transported for more than one consignee in other States and where such transport of goods are not covered by sub-rule (1) to sub-rule (6) of this rule, shall submit details of the goods being carried in Form 651 at the Exit Check Post in the State. Such Form shall be submitted in duplicate to the officer-in-charge of the check post and after getting it verified and attested by the officer-in-charge of the check post, the original should be retained at the check post and the duplicate shall be issued to the person submitting such Form-651 and he shall carry duplicate form alongwith goods vehicle.

(10) The owner or other person in charge of goods vehicle or a vessel or a bus, as the case may be had transported goods covered by Rule 55 (8) and Rule 55 (9), in a month, in addition to complying with the provisions of sub-rule (7) of this rule, shall submit the duplicate copies of Forms 650 and 651 for each month by 10th of the following month to the Deputy Commissioner having jurisdiction over the area where the registered office of such vehicles, buses and vessels carrying goods are located. The copies of duplicate Forms 650 and 651 should also be submitted by their branches and parcel offices if such branches are independently operating and such copies of forms should be submitted to the Deputy Commissioner in whose jurisdiction such branch offices are located or where goods are delivered by such transport vehicles or buses or vessels”.

VI. In Rule 56 after sub-rule (2), the following shall be added namely, —

“(3) Where the owner or other person in charge of goods vehicle or a vessel or a transport bus carrying passengers and goods has not complied with the provisions made in Rules 55 (8), 55(9) and 55 (10) or carrying goods other than those mentioned in such forms, on verification of such vehicle or bus or vessel, the officer-in-charge of the check post shall detain the vehicle alongwith the goods for further verification. The procedure and powers laid down in sub-rule (1) and sub-rule (2) of this rule shall be followed by the officer-in-charge of the check posts to dispose of such detained goods and vehicles.”

VII. In Rule 57, after sub-rule (2), the following shall be added, namely, —

“(3) Further on such inspection by such officer it is found that any goods vehicle or a vessel or a bus carrying passengers and goods is not accompanying with the copies of Form-650 or Form-651 as the case may be or such vehicles are carrying the goods other than those mentioned in those forms, such officer may take action as provided for in Rule 56.”

VIII. In Rule 65, after sub-rule (7), the following shall be added, namely, —

“(8) The Commissioner of Commercial Taxes may authorise any officer not below the rank of Joint Commissioner to exercise the powers conferred in this rule”.

IX. In Rule 67, in sub-rule (3), the following words shall be omitted, namely, —

“Wherever the input tax exceeds output tax for a tax period and the deferment unit made any export sales or sales in the course of exports in the same tax period, the unit shall carry forward such excess input tax upto the month of March every year and shall be eligible to claim refund in the tax return for the month of March every year”.

[Published in the A.P. Gazette Extra-ordinary Part I, No. 892,
dt. 31-12-2005]

8. Government Contracts – Certain Instructions – Amendment orders – issued.

*G.O.Ms. No. 1, Finance (Works and Project – F.8) Department,
dt. 24-01-2006*

- Ref:** 1. G.O.Ms.No. 11, Finance (Works and Projects F. 8) Dept.,
Dated 29-07-2005.
2. From the Commissioner of Commercial Taxes, D.O. on CCT's
Ref. No. A. III (1) / 78 / 2005, dt. 02-01-2006.

ORDER

In the circumstances stated by the Commissioner of Commercial Taxes, in the letter second read above, the following amendment is issued to the G.O. first read above.

AMENDMENT

In place of point (11) of instructions, the following shall be substituted :

“In respect of all works costing more than Rs. 5 lakhs each, no work should be awarded without the successful tendered submitting copy of his

VAT registration certificate incorporation Tax Identification Number (TIN). A copy of such registration shall be annexed to the agreement.

**9. Andhra Pradesh Value Added Tax Act, 2005—
M/s. Gangavaram Port Limited — Refund of tax under
APVAT Act, 2005 — Notification — Issued.**

G.O.Ms. No. 304, Revenue (CT-II) Department dt. 10-03-2006

Govt. Memo No. 11768, P1/2005, dt. 31-01-2006 of TR&B
(Ports) Department.

NOTIFICATION - I

In exercise of the powers conferred by sub-section (1) of section 15 of the Andhra Pradesh Value Added Tax Act, 2005, the Governor of Andhra Pradesh, having found it necessary to do so in the public interest, hereby directs that the tax paid :

- (a) By M/s. Gangavaram Port Limited to their sellers on the purchase of all inputs for construction of Gangavaram Port;
- (b) By the contractors and the sub-contractors, if any, engaged by or for Gangavaram Port Ltd., on their purchases of all inputs used for construction of Gangavaram Port, under the provisions of the said Act; shall be refunded to the respective purchasers, subject to the following conditions.

CONDITIONS

1. The goods purchased by M/s. Gangavaram Port Limited, or its contractors or sub-contractors must be for use or consumption in the execution of the project work of Gangavaram Port.
2. M/s. Gangavaram Port Ltd., shall furnish a separate declaration duly signed by the competent authority to the effect that the goods purchased by it are for use or consumption in the execution of project work of Gangavaram Port Ltd., for each tax invoice, in respect of which refund of tax paid is claimed.
3. Where the said contractors or sub-contractors make claim for refund of the said tax paid, in addition to the tax invoices or invoices received by them from their sellers, they shall furnish the said declaration in respect of each such invoice, duly signed by the said person on behalf of Gangavaram Port Limited.

This Notification shall be deemed to have come into force with effect from the month of September, 2005, and shall be in force till December, 2008 or the completion of the said project, whichever is earlier. The refund of taxes paid by M/s. Gangavaram Port Limited, or its contractors or sub-contractors shall be made within (30) days from the date of the submission of the claims.

NOTIFICATION - II

In exercise of the powers conferred under sub-section (1) of section 15 of the Andhra Pradesh Value Added Tax Act, 2005, the Governor of Andhra Pradesh, having found it necessary to do so in the public interest, hereby directs that the tax paid under sub-section (7) of section 4 of the said Act, by M/s. Gangavaram Port Limited, Contractors or sub-contractors engaged by M/s. Gangavaram Port Limited, for execution of works contracts relating to the project work of Gangavaram Port in Andhra Pradesh, shall be refunded as follows :—

- (a) The said tax paid by M/s. Gangavaram Port Limited, or its contractors or sub-contractors shall be refunded to M/s. Gangavaram Port Limited, or its contractors or sub-contractors on production of proof of remittance of tax deducted at source in accordance with sub-section (4) of section 22 of the said Act, alongwith the invoices issued by the contractors.
- (b) The said tax paid by the contractors to the sub-contractors if any shall be refunded to the contractors on production of proof of remittance of tax deducted at source in accordance with invoices issued by the sub-contractors sub-section (4) of section 22 of the said Act, alongwith the invoices issued by the sub-contractors.

This notification shall be subject to the condition that the said contractors and sub-contractors if any shall opt for payment of tax by way of composition under clauses (c); (d) and (e) of sub-section (7) of section 4 of the said Act.

This Notification shall be deemed to have been come into force with effect from the month of September, 2005, and shall be in force till December, 2008 or the completion of the said project, whichever is earlier. The refund of taxes paid by M/s. Gangavaram Port Limited, or its contractors or sub-contractors shall be made within (30) days from the date of the submission of the claims.

**10. Andhra Pradesh Value Added Tax, 2005 (Act No. 5 of 2005)
– Amendment to Rules 23 and 24 of the Andhra Pradesh
Value Added Tax Rules, 2005 – Notification – Issued.**

G.O.Ms. No. 317, Revenue (CT-II) Department dt. 14-03-2006

- Ref. : (1) G.O.Ms. No. 394, Rev. (CT-II) Dept., dt. 31-03-2005.
(2) From the Commissioner of Commercial Taxes, Andhra Pradesh, Hyderabad, Lr. No. AIII (1) / 134 / 2005, dt. 25-02-2006.

NOTIFICATION

In exercise of the powers conferred by sub-section (1) of section 78 of Andhra Pradesh Value Added Tax Act, 2005 (Act No. 5 of 2005) the Governor of Andhra Pradesh hereby makes the following amendments to Andhra Pradesh Value Added Tax Rules, 2005 issued in G.O.Ms. No. 394, Revenue (CT-II) Department, dt. 31-03-2005 and published in the Rules supplementary to Part – I Extra ordinary issue of A.P. Gazette No. 29, dt. 20-04-2005, and as subsequently amended from time to time.

AMENDMENT

In the said **Rules** :—

(1) To **sub-rule (1) of rule 23** the following **proviso** shall be **added** namely :—

“Provided that the return for the month of March shall be filed on or before 7th April”.

(2) To **sub-rule (1) of rule 24** the following **proviso** shall be **added**, namely :—

“Provided that the tax declared as due for the month of march shall be paid on or before 7th April”.

□ □ □ □ □

ANDHRA PRADESH VALUE ADDED TAX (AMENDMENT) ACT, 2005

[Act No. 23 of 2005]

An Act to Amend the Andhra Pradesh Value Added Tax Act, 2005.

Be it enacted by the Legislative Assembly of the State of Andhra Pradesh in the Fifty-sixth year of the Republic of India, as follows :—

1. Short title, extent and commencement.— (1) This Act may be called the Andhra Pradesh Value Added Tax (Amendment) Act, 2005.

(2) It extends to the whole of the State of Andhra Pradesh.

(3) (a) Sections 2, 3 and 4 shall be deemed to have come into force with effect on and from 29th August, 2005;

(b) Sub-section (1) and clauses (i), (ii), (v), (vi), (viii), (x), (xi), (xii), (xiii), (xiv), (xv) of sub-section (3) of section 5 shall be deemed to have come into force with effect on and from the 18th August, 2005;

(c) sub-section (2) and clauses (iii), (iv), (vii), (ix) and (xvi) of sub-section (3) of section 5 shall be deemed to have come into force with effect on and from the 1st September, 2005;

(d) clauses (i) and (ii) of sub-section (4) of section 5 shall be deemed to have come into force with effect on and from the 20th June, 2005; and

(e) clause (iii) of sub-section (4) of section 5 shall be deemed to have come into force with effect on and from the 28th July, 2005.

2. Amendment of section 2.— In the Andhra Pradesh Value Added Tax Act, 2005 (Act 5 of 2005) (herein after referred to as the principal Act), in section 2, in sub-section (14), for the words “Sales Tax Levy Validation Act 1956”, the words “Central Sales Tax Act, 1956” shall be substituted.

3. In section 4 of the principal Act, in sub-section (7),—

(i) in clause (c), the words “of fifty percent (50%)” shall be omitted;

(ii) after clause (d), a new clause shall be inserted namely,—

“(e) any dealer having opted for composition under clauses (b), (c) and (d), purchases or receives any goods from outside the State

or India or from any dealer other than a Value Added Tax dealer in the State and uses such goods in the execution of the works contracts, such dealer shall pay tax on such goods at the rates applicable to them under the Act and the value of such goods shall be excluded for the purpose of computation of turnover on which tax by way of composition at the rate of four percent (4%) is payable”;

(iii) the existing clause (e) shall be renumbered as clause (f);

(iv) after the proviso in clause (f) as so renumbered, the following proviso shall be added namely,—

“Provided further that no tax shall be payable under this sub-section on the turnover relating to the consideration received as a sub-contractor if the main contractor opted to pay tax by way of composition subject to the condition that the sub-contractor shall pay tax in respect of any goods purchased or received from outside the State or India or from any person other than a Value Added Tax dealer in the State on the value of such goods at the rates applicable to them under the Act.”;

4. In section 22 of the Principal Act,—

(1) In sub-section (4), for the words “for a Company”; and “at the rate of 2%”, the words “for Central Government or a Company”; and “at the rate of four percent (4%)” shall respectively be substituted.

(2) In sub-section (5), the words “the provision of sub-section (4) of” shall be omitted.

(3) After sub-section (6), the following new sub-section shall be added, namely,—

“(7) Any person required to deduct tax at source under sub-sections (3) and (4) fails to deduct or to remit such tax shall be liable to pay interest at the rate of twelve percent (12%) per annum for the delayed period.”

5. In the Principal Act,—

(1) In Schedule-I,—

(i) In the entry against Serial No. 1 the words “including hand operated sprayers and dusters”, shall be added at the end.

(ii) In the entry against Serial No. 5, the words “including maps, charts, globes and atlases” shall be added at the end.

(iii) **After Serial No. 47**, but before explanation, the following **New Serial** and the entry relating thereto **shall be added**, namely,—

“48. Rakhi.”

(2) In **Schedule III**, for **Serial No. 2** and the entry relating thereto, the following shall be **substituted** namely,—

“2. Articles and Jewellery made of bullion or specie or any other precious metals and Jewellery embedded with precious stones and semi-precious stones”.

(3) In **Schedule IV**,

(i) For **Serial No. 7**, and the entry relating thereto, the following shall be **substituted**, namely,—

“7. All utensils including pressure cookers and pans excepting utensils made of precious metals”;

(ii) For **Serial No. 17**, and the entry relating thereto, the following shall be **substituted**, namely,—

“17. Electric Motors and Oil Engines upto a capacity of 10 HP, Centrifugal, Monobloc and submersible pumpsets Starters of electric motors and pumpsets, parts and accessories thereof”;

(iii) In the entry against **Serial No. 19**, for the words “**Chemical fertilisers**”, the words “**Chemical fertilisers, Bio-fertili-sers**” shall be **substituted**;

(iv) In the entry against **Serial No. 20**, the words “**including drip and sprinkle irrigation systems but excluding mosquito repellants in any form**” shall be **added at the end**;

(v) In the entry against **Serial No. 28**, for the words “**and Ravva**”, the words “**Ravva, Vermicelli and Semiya**,” shall be **substituted**;

(vi) In the entry against **Serial No. 33**, the words “**and fittings thereof**,” shall be **added** at the end;

(vii) For **Serial No. 39**, and the entries relating thereto, the following shall be **substituted**, namely,—

“39. IT Products, that is to say,—

(1) Word Processing Machines and Electronic Typewriters;

- (2) Electronic Calculators;
- (3) Computer Systems and Peripherals, Electronic Diaries;
- (4) Parts and Accessories of Items (1) (2) and (3) above;
- (5) DC Micromotors / Stepper motors of an output not exceeding 37.5 Watts;
- (6) Parts of Items (5) above;
- (7) Uninterrupted Power Supplies (UPS) and their parts;
- (8) Permanent magnets and articles intended to become permanent magnets (Ferrites);
- (9) Electrical Apparatus for line telephony or line telegraphy, including line telephone sets with cordless handsets and telecommunication apparatus for carries current line systems or for digital line systems; videophones;
- (10) Microphones, Multimedia Speakers, Headphones, Ear-phones and Combined Microphone / Speaker Sets and their parts;
- (11) Telephone answering machines;
- (12) Parts of Telephone answering machines;
- (13) Prepared unrecorded media for sound recording or similar recording of other phenomena, Video and Audio CDs, Cassettes and DVDs (recorded and unrecorded).
- (14) IT Software on any media;
- (15) Transmission apparatus other than apparatus for radio broadcasting or TV broadcasting, transmission apparatus incorporating reception apparatus, digital still image video cameras;
- (16) Radio communication receivers, Radio pagers;
 - (i) Aerials, antennas and their parts;
 - (ii) Parts of Items (15) and (16) above.
- (17) LCD Panels, LED Panels and parts thereof;
- (18) Electrical capacitors, fixed, variable or adjustable (Pre-set) and parts thereof;

- (19) Electrical resistors (including rheo-stats and potentiometers), other than heating resistors;
- (20) Printed circuits;
- (21) Switches, Connectors and Relays for upto 5 AMPS at voltage not exceeding 250 Volts, Electronic fuses;
- (22) Data / Graphic Display tubes, other than TV Picture tubes and parts thereof;
- (23) Diodes, transistors and similar semi-conductor devices, Photosensitive semi-conductors devices; including photovoltaic cells whether or not assembled in modules or made up into panels, Light emitting diodes, Mounted piezo-electric crystals;
- (24) Electronic Integrated Circuits and micro assemblies;
- (25) Signal generators and part thereof;
- (26) Optical fibre cables;
- (27) Optical fibre and optical fibre bundles and cables;
- (28) Liquid Crystal Devices, Flat Panel display devices and parts thereof;
- (29) Cathode ray oscilloscopes, Spectrum Analysers, Cross-talk meters, Grain measuring instruments, Distortion factor meters, Psophometers, Network and Logic analyzer and Signal analyzer.

(viii) For **Serial No. 45**, and the entries relating thereto, the following shall be **substituted**, namely,—

“45. Pipes of all varieties including G1, C1, PVC, Ductile, RCC & PCC pipes, their fittings thereof and Cement Poles;”

(ix) In the entry against **Serial No. 46**, the words “**and Hawaii Chappals;**” shall be **added; at the end;**

(x) For **Serial No. 52**, and the entry relating thereto, the following shall be **substituted**, namely,—

“52. Ready made garments, bed sheets, pillow covers, towels, blankets, traveling rugs, curtains, crochet laces, zari, embroidery articles and all other made ups;”

(xi) For **Serial No. 63**, and the entry relating thereto, the following shall be **substituted**, namely,—

“63. Tractors and Threshers, Harvesters, Tractor Trailers, Tyres, Tubes attachments and parts thereof;”

(xii) For **Serial No. 68**, and the entry relating thereto, the following shall be **substituted**, namely,—

“68. Writing instruments, writing ink, Geometry Boxes, Colour Boxes, Pencil Sharpeners and Erasers;”

(xiii) For **Serial No. 88**, and the entry relating thereto, the following shall be **substituted**, namely,—

“88. Drugs and medicines whether patent or proprietary, as defined in clauses (i), (ii) and (iii) of section 3 (b) of Drugs and Cosmetics Act, 1940 (Central Act 23 of 1940), and hypodermic syringes, hypodermic needles, perfusion sets, urine bags, catguts, sutures, surgical cotton, dressings, plasters, catheters, cannulae, bandages and similar articles, but not including,—

(a) Medicated goods;

(b) Products capable of being used as cosmetics and toilet preparations including Tooth Pastes, Tooth powders, cosmetics, Toilet articles and soaps;

(c) Mosquito Repellants in any form;

(d) Surgical equipment, medical devices and implants”;

(xiv) In the entry against **Serial No. 89**, for the words “**including poultry Feed Supplements**”, the words “**and Feed Supplements**” shall be **substituted**;

(xv) **After Serial No. 90**, the following shall be **added at the end**, namely,—

“91. Khandasari Sugar.

92. River Sand and grit and stone chips.

93. Extra Neutral Alcohol (ENA) and rectified spirit.

94. Kerosene stove, kerosene lamp, petromax lamp hurrican lamp, glass chimney and parts and accessories thereof.

95. Bio-diesel manufactured using non-edible vegetable oils such as Jatropha, Pongamia, Rice bran, Neem, Cotton seed, Rubber seed”;
- (xvi) **After Serial No. 95**, the following **Serial No.** and the entries relating thereto shall be **added** namely, —
- “96. Artificial and rolled gold jewellery, imitation and costume jewellery”.
- (4) **In Schedule VI,—**
- (i) For **Item No. 1** and the entries relating thereto, the following shall be **substituted** namely, —
- (ii) In the **column of “rate of tax”** for the entries against **Items Nos. 2, 3, 4 and 5** for the numbers **“32.55%; 32.55%, 32.55% and 21.33%”**, the numbers **“34%, 34%; 34% and 23%”** shall respectively be **substituted**.
- (iii) **After Explanation III**, the following explanation shall be **inserted**, namely, —

“Explanation III-A.— The amendment issued to Item 1 in the notification issued in G.O.Ms.No. 1229, Revenue (CT.II) Department, dated 20-06-2005, shall be deemed to have come into force w.e.f. 01-04-2005 in so far as it relates to the stocks of liquor costing more than Rs. 700 per case held by M/s Andhra Pradesh Beverages Corporation Limited, as on 01-04-2005, and sold thereafter with old MRP stickers and at the old billing rates as per the orders issued by the Government in G.O. Rt. No. 399, Revenue (Excise - II) Department, dt. 31-03-2005.

6. The Andhra Pradesh Value Added Tax (Amendment) Ordinance, 2005 (Repeal of Ordinance 20 of 2005) is hereby repealed.

□ □ □ □

A.P. VALUE ADDED TAX (AMENDMENT) ACT, 2006

[Act No. 10 of 2006]

An Act further to Amend the Andhra Pradesh Value Added Tax Act, 2005.

Be it enacted by the Legislative Assembly of the State of the Andhra Pradesh in the Fifty-sixth year of the Republic of India, as follows :—

1. Short title, extent and commencement.— (1) This Act may be called the Andhra Pradesh Value Added Tax (Amendment) Act, 2006.

(2) It extends to the whole of the State of Andhra Pradesh.

(3) (a) Sections 2 and 5 shall be deemed to have come into force with effect on and from the 24th November, 2005;

(b) Sections 3 and 4 shall be deemed to have come into force with effect on and from the 1st December, 2005;

(c) Section 6 shall come into force on such date as the Government may, by notification, appoint.

2. Amendment of section 4.— In the Andhra Pradesh Value Added Tax Act, 2005 (Act 5 of 2005) (hereinafter referred to as the principal Act) in section 4, for sub-section (9), the following shall be **substituted** namely,—

“(9) notwithstanding anything contained in the Act, every dealer running any restaurant, eating house, catering establishment, hotel, coffee shop, sweet shop or any establishment by whatever name called and any club, who supplies by way of or as part of any services or in any other manner whatsoever of goods being food or any other article for human consumption or drink shall pay tax at the rate of twelve and half percent (12.5%) on sixty percent (60%) of the taxable turnover, if the taxable turnover in a period of preceding twelve months exceeds Rs. 5,00,000/- (Rupees five lakhs) or in the preceding three months exceeds Rs. 1,25,000/- (Rupees one lakh twenty five thousand)”.

3. Amendment of section 13.— In section 13 of the principal Act, in **sub-section (5), clause (f)** shall be **omitted**.

4. Amendment of section 17.— In section 17 of the principal Act, in sub-section (5), after clause (g) the following clause shall be added namely,—

“(h) every dealer liable to pay tax under sub-section (9) of section 4 of the Act”

5. Amendment of section 22.— In section 22 of the principal Act, in sub-section (4), for the words “a VAT dealer”, the words “a dealer” shall be substituted.

6. Amendment of Schedules.— In the principal Act,—

(1) In Schedule - I,—

(i) for Serial No. 20, and the entry relating thereto, the following shall be substituted namely,—

“20. Bangles made of shells, glass, Lac or any other material other than those made of precious metals”;

(ii) after Serial No. 48, but before Explanation, the following new Serial No. and the entry relating thereto shall be added namely,—

“49. Made ups and garments made of Khadi cloth”

(2) In Schedule III, for serial number I and the entry relating thereto, the following shall be substituted namely,—

“1. Bullion, Specie, Platinum and other precious metals”

(3) In Schedule-IV,—

(i) after Serial number 96, the following new serial numbers and the entries relating thereto shall be added at the end, namely,—

“97. LPG/CNG conversion kits

98. Pre-stressed Railway Concrete Sleepers”

7. Repeal of Ordinance 24 of 2005.— The Andhra Pradesh Value Added Tax (Second Amendment) Ordinance, 2005 is hereby repealed.

□ □ □ □ □

WORKS CONTRACT - CIRCULARS

1. CCT's Ref. No. AI (3)/1330/2004-2, dt. 23-10-2004

Sub : Tax on Photography – Certain instructions – Regarding.

The attention of all the Deputy Commissioner (CT), in the State is involved to the subject cited, and they are informed that Supreme Court in *A.C.C. v. Commissioner of Custom* reversed its earlier decision announced in the case of Rainbow colour labs and observed the photographic activity has become taxable as works contract consequent on 46th constitution amendment implying there by that material involved in the photographic activity is liable to tax.

In view of the above, all the Deputy Commissioners (CT) in the state is requested treat the photographic activity as works contract and assess the dealers accordingly. They are also requested to advise all assessing authorities subsequently.

2. CCT's Ref. No. AIII (1) / 131 / 05, dt. 22-07-2005

Sub : A.P. Self Employed Engineers Association – Sales Tax not to insist – Production of clearance certificate and assessment of tax during registration of contractors – clarification.

Ref : Commissioner of Tenders, Hyd. Lr. No. COT / E.E.2 / DEE 111 / T4 / BOCE / 2005, dt. 06-07-05.

I am to invite your attention to the reference cited and to inform as under

1. Yes, VAT registration i.e., TIN (Tax Payer Identification Number) should be insisted wherever the value of the contract is above Rs. 5 Lakhs for registration / renewal of contractors with you.
2. Clearance certificate from the concerned CTO should be insisted upon : This should be in the nature of APGST / VAT no dues certificate.
3. The validity of the clearance certificate will be Twelve months from date of issue, after which fresh clearance certificate should be called for.
4. Model Proforma for clearance certificate is enclosed.

CLEARANCE CERTIFICATE

1. Name of the Dealer :
2. Address :
3. Tin :

The above dealer has filed returns up to date (Month & Year) and has paid Taxes due therein.

The dealer has no pending arrears under A.P. VAT Act 2005, CST Act 1956 and APGST Act 1957, A.P. Entry Tax Act as on date.

This certificate is valid up to a period of Twelve months from the date of issue.

Date :

Place :

Assessing Authority

3. CCT's Ref. No. AI (1)/993/2005, dt. 24-11-2005

Sub : APGST/APVAT Act – Photographic Labs – Judgment of Hon'ble STAT – observed as Works Contract – Certain instructions issued – Regarding.

Ref : 1. Hon'ble STAT Judgment in case of M/s. Paramount Studios v. State of A.P. in T.A.No. 69/99, dt. 22-07-2005.

The attention of the Deputy Commissioner (CT) in the State is invited to the reference cited. They are informed that the Hon'ble STAT in the case of Mr. Paramount Studios v. State of A.P., Held that the work of processing, printing and developing of Photos be treated as Works Contract, eligible to tax.

All the Deputy Commissioners (CT) in the state are requested to issue necessary instructions to all the assessing authorities to keep the above decision in view, while assessing the cases, wherein the work of processing, printing and developing of photographs is involved.

Please acknowledge the receipt of the circular instructions.

4. CCTs Ref. A.III (1)/441/2005-10, dt. 15-12-2005

Sub : APVAT Act 2005 - Works Contracts - TCS / TDS - Procedure for Streamlining the accounting of TCS and TDS at the Division / Circle Offices - Issued - Regarding.

It is observed that the procedure of collection and accounting for of TDS is not uniform in all the divisions and it is resulting in wrong reporting of revenue collections. There are instances of reporting revenue in the circles, where the dealers are not actually registered with that circle, on the plea that the deducting authority is located in the jurisdiction of the circle and TDS amounts. To avoid this confusion and eliminate double reporting of revenue, it is proposed to streamline the procedure relating to the TCS and TDS as under.

I. Provisions relating to TCS :

As per section 22 (3) of APVAT Act 2005 read with Rule 17(2)(h), the Government Department has to collect the tax (TCS - Tax Collection at Source) @ 4% on total value of contract and remit the tax amount within 15 days from the date of payment to the contractor. As per Rule 17(2) (d) the contractor has to obtain Form 501 filled in all respects and duly signed by the contractee (the Government Department) and submit it along with the return on Form VAT 200 on or before the 20th of the following month to the month in which tax collection at source was made. Box 10 of the Form 501 should contain remittance particulars of TCS.

It may be noted that where the contractee fails to remit such tax collected / deducted at source within fifteen days of the payment to the contractor, the authority concerned shall be liable to pay penalty and interest for the delayed payment. (Rule 17 (2) (h) in case of Government Department or local authority and Rule 17 (3) (i) in case of other contractees).

Note.— Remittance of such tax collected may be by way of book adjustments or challan or by drawing the instrument (Demand draft, banker's cheque, cheque, etc.) on the name of the AC (LTU) / CTO concerned, with whom the contractor is registered / and on the name of authority in whose jurisdiction the contractee is located in cases of contractors not registered with the tax department.

II. Provisions relating to TDS :

As per section 22 (4) of APVAT Act 2005 read with Rule 17(3)(i) and Rule 18, contractee (other than Government / local bodies) has to deduct the tax @ 4% of the amount paid or payable to the contractor at the time of each

payment and remit such tax amount within 15 days of payment to the contractor. As per Rule 18 (1)(b) the contractor has to obtain Form 501-A from the contractee and submit it along with the proof of payment to the authority prescribed along with the return on or before 20th of next month.

Note.— Remittance of such tax deducted may be by way of book adjustments or challan or by drawing the instrument (Demand draft, banker's cheque, cheque etc.) on the names of the AC (LTU) / CTO concerned, with whom the contractor is registered / or on the name of authority in whose jurisdiction the contractee is located in cases of unregistered contractors.

The following procedure is to be followed by the contractees, the contractors and the commercial taxes department for the smooth functioning of the system.

I. Procedure to be followed by the Contractees :

1. For the sake of convenience, the tax collecting / deducting authority may remit all such taxes collected / deducted during the month by way of single instrument, within 15 days after the end of the month. Appropriate amendments are being made in the rules. However the contractee (tax collecting / deducting authority) can remit or issue an instrument separately for each contractor wherever convenient or desired by the contractor.
2. In the case of contractee Government Department or local authority concerned shall make out Form 501 / on the name of the VAT contractor at the time of tax collection / deduction itself, in duplicate and supply a copy of such Form to the contractor and furnish the other copy to the person authorised from tax department to collect the TCS particulars from his office.
3. In the case of contractees other than Government Department or local authority, the contractee shall complete Form 501-A indicating the TIN, the amount of tax deducted and details of the related contractee. The contractee shall supply a copy of such Form to the contractor at the time of deduction itself and furnish another copy along with the draft/challan to the authorised person in the CT department.

II. Procedure to be followed by the contractor :

1. **VAT Registered Contractor :** The contractor shall submit the Form 501 / Form 501-A certified by the contractee together with

Form VAT 200 by the 20th of the month following the month in which payment was received.

2. In case of TDS the contractor shall pay any balance of tax payable after adjusting the amount of TDS on Form 501 A in Box 22 (a) of VAT Return to the tax due.

III. Procedures to be followed by the department :

In case of TCS / TDS :

1. The Deputy Commissioner of the division shall appoint an office / a person to collect the particulars of TCS / TDS from the office of the contractees and to collect Demand Drafts (DDs) from the offices of all contract awarding authorities (state, central, banks, local authorities etc.) including Sub-Registrar (Registration) located in their jurisdiction.
2. The office / person so appointed shall visit the office of TCS / TDS authorities on or before 15th of every month and collect the instruments, Forms 501/501-A, if any, along with the list of contractors (summary of all payments issued in 501/501-A) from whom TCS/TDS is made and remitted.
3. The office/person so appointed shall be maintain a Register in the prescribed proforma, which is enclosed. (Annexure-I)
4. After obtaining the book adjustment Ref. No / challan / demand draft / banker's cheque or cheque, the particulars of the instrument so obtained shall be entered into VATIS through the payment window "TCS/TDS/Miscellaneous payment" only even though TIN is available, in the office of the office / person collecting the particulars.

Path - Payments - TCS/TDS/Miscellaneous payments - Name of the contractee :

- (a) Entering payments through this window avoids double credit to the registered contractor. If the payments are entered against TIN of the registered contractor, it results in double credit as the amounts in Form 501-501-A are also taken as adjustments against payments.
- (b) Further it will be convenient to get the reports relating to the TCS/TDS revenue.

- (c) This will also facilitate to correlate the remittance particulars with the Box 10 of Form 501/501-A. Hence this mode is adopted to enter TCS/TDS payments.
5. Where the contractor himself collects the instrument in case of TCS/TDS, he will deposit it along with Form 501/501-A at the time of filing of return to the concerned AC LTU/CTO. In this case challan should be generated by entering payments through window mentioned in point 4 mentioned above.
 6. Where a registered contractee (For e.g., HEL, MRF etc.) made TDS from payments made to the contractors and submits those particulars along with his own return to the AC LTU/CTO concerned, the remittance particulars so supplied shall be entered in the service in which it is received through the payment window "TCS/TDS/Miscellaneous payment" only (as detailed in point 4 above) but not against the TIN of the contractee. Please take care that such deducted amounts shall not be credited to the deducting registered contractee. The particulars of deductions shall be sent to the office / person authorised in the division.
 7. Such registered contractee shall submit list of contractors from whom TDS is made along with a copy of Form 501-A (for each registered contractor). The officer who received Form VAT 501-A in this case shall send it to the Circle Office concerned, where the contractor is registered.

In case of Builder contractors :

1. In case of collection of Demand Drafts (DDs) from the sub-registrar's office, the office/person so appointed shall visit the sub-registrar's office in their jurisdiction on every Saturday and collect the DDs.
2. The office/person so appointed shall maintain a Register in the prescribed proforma, which is enclosed. (Annexure-II)
3. After obtaining the DDs, the DDs relating to registered builder contractors shall be sent to the concerned authority, and the DDs relating to unregistered contractors shall be entered in to VATIS through window "TCS/TDS/Miscellaneous payment".

Path – Payments – TCS/TDS/Miscellaneous payments – Name of the contractee.

4. The DDs relating to registered contractors shall be entered into VATIS through window “Record payment details” in the concerned offices.

Path – Payments – record payment details – TIN – DD

Revenue Reporting.— As it is considered that the amounts in Form 501-501-A are treated as tax paid by the contractor against his liability, the officer collecting TCS/TDS has to deduct the amounts relating to registered contractors from the total amount and the remaining amount relating to unregistered contractors may be retained by him. He can report the collections relating to unregistered contractors as his circle/divisions revenue. The amounts referred to in Form 501/501-A will be the revenue of the circle where contractor is registered.

Action Plan :

1. The procedure prescribed shall be implemented from 01-01-2006.
2. There should not be any reporting of TCS/TDS by the statistics wing in the office of Commissioner of Commercial Taxes. The revenue reporting of TCS/TDS will now onwards be done by the divisions only.
3. The instructions issued shall be followed scrupulously by all the Deputy Commissioners in the State.
4. The name and designation of the office/person appointed for the purpose of collecting the particulars, as well as the institutions/contractees from where such payments are to be collected, should be sent to this office by 30-12-2005.
5. The Deputy Commissioners concerned shall obtain the list of TCS/TDS authorities/Sub-registrars offices located in their jurisdiction and send a copy to this office.
6. The collection office should ensure that there should not be reporting of revenue relating to registered contractors whose revenue will be credited to the circle where they are registered. In case of any deviation, as this amount to double reporting of revenue, suitable action will be initiated on the person responsible.

7. It should be ensured that the Registers prescribed are maintained properly.
8. This work shall be reviewed periodically by the Deputy Commissioner concerned.

5. CCT's Ref. No. AI (3)/911/2005 – 1, dt. 23-01-2006

Sub : APGST Act and APVAT Act – Levy of tax on the goods imported from outside the State and used them in the execution of works contracts – certain instructions – issued – regarding.

The question whether tax under Local Sales Tax Act (APGST/APVAT Acts) can be levied on the goods, imported from outside the State and used by the Works contractors in the execution of works contracts in the State of A.P., has been coming up repeatedly.

In the case of works contracts, when it is said that there is no tax on goods, imported in the course of interstate trade or commerce, it is imperative to verify as to which contract has occasioned the movements of such goods from outside the State. It is claimed by some works contractors that the contract for execution of works, entered into by them with the contractee, has occasioned the movement of the goods. This contention is being accepted by the assessing authorities / revision authorities and no local tax is levied. However, there is a need to verify such claim with reference to the nature as well as the terms and conditions of the contract. In order to establish that the contract between the works contractor and the contractee has occasioned the movement of the goods from outside the State, the terms and conditions of such contract should, explicitly or implicitly, provide for a contractual obligation to necessarily import such goods from outside the State or alternatively there should be no choice for the contractor but to import goods from outside the State. If the works contractor is not under such a contractual obligation or is not forced to import the goods from outside the State, the movement of such goods can not be said to have been occasioned by such a contract. In such a case, the contract that occasions the movement of goods from outside the State is an explicit dealer outside the State and such a contract is independent of the Contract, entered into by the contractor with the contractee. It is so, because the purchase of goods from outside the State by the Contractor is not in pursuance of the discharge of the contractual obligations and the event of incorporation of goods in the execution of works is not in continuity with the interstate movement of the goods from outside the State.

Therefore, unless it is established that the purchase of goods from outside the State is in pursuance to the discharge of contractual obligations, either explicitly or implicitly cast on the Contractor by virtue of the Contract between him and the contractee, all the goods, imported from outside the State and used in the execution of works contract are liable to tax under the Local Sales Tax Act (APGST / APVAT Act).

In case the works contractor is not liable to pay tax on the goods, imported from outside the State, by virtue of the reasons that such import is as a result of his contractual obligation under the contract between him and the Contractee, the liability to pay the entry tax whenever applicable is on the Contractee, who is the "importer", according to the definition of the term in the A.P. Tax on Entry of Goods into Local Areas Act. The definition of the "importer" is as follows :

Section 2 (h) : "Importer means a person who brings or causes to be brought any goods whether on his own account or on account of a principal or any other person, into a local area, from any place outside the State for consumption, use or sale therein or who owns the goods at the time of entry into the local area"

In the circumstances, mentioned above, the Contractee is the "importer", since he causes to be brought the goods into the local area by virtue of the terms and conditions of the Contract between him and the Contractor.

Therefore all the assessing authorities and revision authorities are directed to examine the terms and conditions of the contracts, entered into by the works contractors with the contractees, and assess to tax the goods imported from outside the State and used in the execution of the works, if the contractors are found to be under no contractual obligations under the contract between them to necessarily import the goods from outside the State and Incorporate the same at the time of execution of the works. If there is not the case, whenever, applicable the Contractees should be assessed to tax on the value of such goods, imported, under the A.P. Tax on Entry of Goods into Local Areas Act.

The receipt of the Circular should be acknowledged immediately.

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