

INDIRECT TAX

Mechanism for ITC Verification: Rajasthan Vat Act, 2003

UPDATE NO. 16 OF 2022



Lakshmikumaran
& Sridharan
attorneys

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NOTIFICATION NO. F.16(100)TAX/CCT /14-15/1423 DATED 23 MARCH 2022

- Notification for determining the manner for verification of deposit of tax, for allowing ITC for pending demands *qua* assessment years upto 2017-18, where the demands have been created for want of verification of ITC claimed by a dealer.
- Application to be made separately for each year, quarter wise, up to 31 August 2022.
- Categories (*procedure in detail and forms are provided in the Notification*):
 - Category A: Form ITCV-A to be filed, electronically, where amount of ITC involved is up to INR 2 lakh.
 - Category B: Form ITCV-B to be filed electronically, where amount of ITC involved is more than INR 2 lakh and up to INR 10 lakh *qua* F.Y. 2006-07 to 2010-11.
 - Category C: Form ITCV-C to be filed electronically, where amount of ITC involved is more than INR 10 lakh in one F.Y. *qua* F.Y. 2006-07 to 2010-11.
 - Category D: Form ITCV-D to be filed electronically, where amount of ITC involved is more than INR 2 lakh in one F.Y. *qua* F.Y. 2011-12 onwards.
 - Sub-category (i) mismatch > INR 2 lakh and up to INR 20 lakh in one F.Y.
 - Sub-category (ii) mismatch > INR 20 lakh in one F.Y.
- Manual Application in Form ITC-M, where application submitted online needs reconsideration.
- Special ITC verification process for tax deposited at check posts. Application to be submitted manually along with original invoices.
- Tasks pending for ITC verification or auto rejected due to any reason, under Notification No. F.16(100)Tax/CCT/14-15/2655 dated 12 March 2021 to be dealt with and revived under this Notification.
- If already applied previously, system shall not allow for applying for the same period again under the present Notification.
- Assessing Authority of purchasing dealer may verify ITC, against pending demand if:
 - 95% of the claim is already verified in a F.Y. and remaining mismatch is not more than INR 10 lakh; OR
 - Purchasing dealer submits sufficient evidence manually regarding genuineness of transaction and assessing authority is satisfied with compliance history of purchasing and selling dealer.

- After verification, adjustment to be given and entry to be made in DCR. If ITC not verified, claim of ITC to be rejected and order in writing shall be communicated to the dealer.
 - Not applicable, where:
 - Notice issued / inquiry initiated against selling / purchasing dealer regarding ITC claim.
 - Cases made against the selling / purchasing dealer for availment of ITC on false invoices.
 - RC cancelled retrospectively & invoices relate to the period after the date of cancellation.
 - Selling dealer is tax and return defaulter or outstanding demand is pending against him.
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LOCATIONS

NEW DELHI

5 Link Road, Jangpura Extension,
New Delhi 110 014
PHONE: 011-4129 9800

B-6/10, Safdarjung Enclave,
New Delhi 110 029
PHONE: 011-4129 9900
E-MAIL: Lsdel@lakshmisri.com

MUMBAI

2nd Floor, CNERGY IT Park,
Old Standard Mill,
Appa Saheb Marathe Marg,
Prabhadevi,
Mumbai 400 025
PHONE: 022-2439 2500
E-MAIL: Lsbom@lakshmisri.com

CHENNAI

2, Wallace Garden, 2nd Street,
Chennai 600 006
PHONE: 044-2833 4700
E-MAIL: Lsmads@lakshmisri.com

BENGALURU

World Trade Center,
No. 404-406, 4th Floor, South Wing,
Brigade Gateway Campus,
No. 26/1 Dr. Rajkumar Road,
Malleswaram West,
Bengaluru 560 055
PHONE: 080-4933 1800
E-MAIL: Lsblr@lakshmisri.com

HYDERABAD

'Hastigiri', 5-9-163, Chapel Road,
Opp. Methodist Church, Nampally,
Hyderabad 500 001
PHONE: 040-2323 4924
E-MAIL: Lshyd@lakshmisri.com

AHMEDABAD

B-334, SAKAR-VII,
Nehru Bridge Corner, Ashram Road,
Ahmedabad 380 009
PHONE: 079-4001 4500
E-MAIL: Lsahd@lakshmisri.com

PUNE

607-609, Nucleus,
1 Church Road, Camp
Pune 411 001
PHONE: 020-6680 1900
E-MAIL: Lspune@lakshmisri.com

KOLKATA

2nd Floor, Kanak Building,
41, Chowringhee Road,
Kolkata 700 071
PHONE: 033-4005 5570
E-MAIL: Lskolkata@lakshmisri.com

CHANDIGARH

SCO No. 59, 1st Floor,
Sector 26, Madhya Marg,
Chandigarh 160 026.
PHONE: 0172-492 1700
E-MAIL: Lschd@lakshmisri.com

GURUGRAM

OS2 & OS3, 5th Floor,
Corporate Office Tower,
AMBIENCE Island, Sector 25-A,
Gurugram 122 001
PHONE: 0124-477 1300
E-MAIL: Lsgurgaon@lakshmisri.com

PRAYAGRAJ (ALLAHABAD)

3/1A/3, (Opp. Auto Sales)
Colvin Road, Lohia Marg,
Prayagraj 211 001
PHONE: 0532-242 1037/242 0359
E-MAIL: Lsallahabad@lakshmisri.com

KOCHI

1st Floor, PDR Bhavan,
Palliyil Lane, Foreshore Road,
Ernakulam,
Kochi 682016
PHONE: 0484-486 9018/486 7852
E-MAIL: Lskochi@lakshmisri.com

JAIPUR

2nd Floor (Front side),
Unique Destination, Tonk Road,
Near Laxmi Mandir Cinema Crossing,
Jaipur, Rajasthan 302 015
PHONE: 0141-456 1200
E-MAIL: Lsjaipur@lakshmisri.com

NAGPUR

1st Floor, HRM Design Space, 90-A,
Next to Ram Mandir, Ramnagar,
Nagpur - 440033
PHONE: +91-712-2959038/2959048
E-MAIL: Lsnagpur@lakshmisri.com

www.lakshmisri.com



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& Sridharan**
attorneys

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