



A GIANT LEAP

REVENUE AUGMENTATION



COMMERCIAL TAXES DEPARTMENT
GOVERNMENT OF JHARKHAND

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REVENUE AUGMENTATION



Minister of Commercial
Taxes Department,
Jharkhand



Message

I am delighted that the Department of Commercial Taxes Jharkhand has achieved a record revenue collection of ₹20,000 crores and is publishing this book to highlight their journey so far, the initiatives taken and the milestones achieved by the department.

I know that the department has been working diligently to make the tax administration more efficient, user friendly, besides enhancing tax compliance behaviour amongst all the stakeholders. The tax collected is used for carrying out various welfare schemes of the government which ameliorates the socio-economic condition of the people and the overall development of the State, leading to inclusive growth and sustainable development.

I believe the recent initiatives for revenue augmentation in the Department of Commercial Taxes like setting up of Intelligence and Revenue Analysis Unit (IRAU), Special Task Unit (STU), launching of One Time Settlement (OTS) scheme, organizing trade facilitation and outreach programs, etc. have provided for a better tax compliance and tax administration leading to higher revenue collection. I am sure this will help the government to make investments in developmental projects creating human capital, infrastructure, and provision for better civic services for citizens and businesses.

I convey my heartiest congratulations to each and every member of the Department of Commercial Taxes, Jharkhand who have been tirelessly working hard for better tax administration and also for publishing this book and wish them great success in their future endeavours.

रामेश्वर ओराण

Dr. Rameshwar Oraon



Principal Secretary,
Commercial Taxes
Department, Jharkhand



सत्यमेव - जयते

Foreword

The decade of 2020 started with a lot of hurdles beginning with the severity of COVID-19 pandemic and the subsequent Russian-Ukraine conflict. These issues have had a big impact on the Indian economy and to the revenue collection. The state of Jharkhand was also not immune to it. There were several challenges to meet like that of migrant labourers, financial support to daily wagers and health issues of common public etc. While the economic activity came to standstill, more resources were required to fulfil the socio-economic needs. However, as the economy started recovering, the green shoots of revenue collection also became visible and the department strategically took some pre-emptive measures to increase revenue collection. Meanwhile, the GST compensation received from the centre as a part of protected revenue also ended from July 2022.

Taking these factors into account, the department took certain innovative and multi-dimensional measures for revenue augmentation. The most important of them was setting up of Intelligence and Revenue Analysis Unit (IRAU) and Special Task Unit (STU) for close monitoring of taxpayers at the circle level.

Apart from these, other measures include launching of One Time Settlement (OTS) scheme, strengthening of enforcement wing, rate rationalisation, procedure simplification like starting of online assessment in Value Added Tax (VAT) and easy access to Professional Tax (PT) compliance and effective human resource management.

All these measures taken by the department and the sincere efforts of officers have resulted in the highest ever revenue collection of ₹19,750 crores in 2021-22 and ₹20,015 crores in 2022-23 till 17th March'23 and is still counting.

The department has taken a GIANT LEAP in the last two years with an additional revenue augmentation of ₹5,000 crores and is expected to touch ₹21,000 crores mark for the first time in the financial year 2022-23. This landmark could be achieved because of the initiatives taken by the department in creating a specific intelligence unit called Intelligence and Revenue Analysis Unit (IRAU). IRAU has proven to be the cynosure of all the revenue augmentation measures. The intelligence generation and brainstorming at IRAU on several key areas like return filing, ITC mismatch, sectoral analysis etc. have resulted in the record-breaking revenue collection for the department. The team at IRAU has made significant recoveries through sectoral analysis of the evasion prone areas including Iron & steel, Cement and Services sectors including Telecom, Transportation, Mining and Construction services etc.

E-way bill /RFID analysis is another area on which IRAU works wherein the intelligence-based tracking and interception of specific evasion prone vehicles is done. It has done away with the old method of manual checking of each and every vehicle and has thus significantly improved the productivity of the department as a whole without compromising on the revenue

collection. IRAU has also been involved in the analysis of IGST settlement report and have led to a massive increase in the collection of IGST settlement by about ₹400 crores since Dec'22 and will have a recurring effect for all time to come.

Another new initiative by the department is the creation of 5 new Special Task Unit (STU) in the circles located in major industrial clusters. STU focusses on all the big taxpayers with turnover of more than ₹10 crores as they contribute to 95% of the total tax revenue of the department. In such STUs the officers work in close coordination with taxpayers and deal with all the activities relating to return filing, refund claims, input tax credit availment, correctness of return etc. This not only creates trade facilitation approach but also ensures better tax compliance and revenue collection.

The department has also launched One Time Settlement scheme in order to grant relief to tax arrear holders. It is expected to reduce the litigations before various judicial forums and also help the government to realise more than ₹500 crores of revenue.

During the COVID-19 era, calibrated rate rationalisation/revision has caused a positive impact on the revenue collection in VAT and PT without disturbing the market ecosystem and became one of the key areas of revenue augmentation. Apart from this, a dedicated GST Audit wing and targeted enforcement mechanism have been established using in-house resource pool of manpower.

The department has also focussed on building human capital through effective human resource management. To bring parity in the organisational structure with the Central GST department, the restructuring of the department has been done which led to quick promotions, filling all vacant posts and thereby fulfilling

aspirations of the officers and keeping them highly motivated. 102 new officers at STO level underwent a rigorous training program and were then posted into the Headquarter & various Divisions, Circles, IB, Audit, IRAU etc.

Apart from this, the department has also organised several trade facilitation and outreach programs along with interactive sessions with the large taxpayers in order to address their grievances and generate awareness regarding the new initiatives of the government and the changes in tax rules/acts. All these initiatives have collectively resulted in the spectacular performance of the department in terms of revenue collection, growth and in achieving the target.

Finally, I would like to thank Shri Santosh Kumar Vatsa, Commissioner, Commercial Taxes for his valuable inputs and guidance in the compilation of this book.

I would also like to appreciate the dedicated efforts put in by the officers involved in the compilation of this book – Shri Vinay Kumar Sinha JCST, Shri Srawan Kumar Prajapati ACST, Shri Brajesh Kumar ACST and Shri Shashanka Jamuar STO.

Last but not the least, I would like to thank everyone involved in this journey for the trust, belief and co-operation shown towards the different initiatives taken up by the department and delivering their best to make this happen.



Aradhana Patnaik, IAS

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VISION

“To provide non-adversarial tax administration and to ensure sustainable and equitable economic development by enhanced revenue realisation through unambiguous, effective and efficient implementation of tax policies while providing Ease of Doing Business to Trade and Industries”

1. INTRODUCTION

The financial year 2022-23 has been very special as our nation is celebrating the 75th year of Independence “*Azadi ka Amrit Mahotsav*”. The country has also got the honour of hosting the G20 summit. At this juncture, the nation and the states have jumped leaps and bound in terms of socio-economic growth relating to reducing poverty, increasing literacy rate, raising per capita income, better health facilities and on several other developmental parameters.

Despite the intermittent global economic shocks related to COVID-19 pandemic and Russian-Ukraine conflict, the Indian economy has shown buoyancy and appeared to have moved consistently and is poised to continue with its growth trajectory. All these have been possible through effective and efficient economic management of revenue receipts and expenditure, better tax policies and tax administration.

As far as the revenue receipts goes, the major portion of the central revenue receipt comes from the tax sources comprising of direct and indirect taxes. A part of this central revenue receipt is shared with the states as per the 17th finance commission report. Besides this, the state government have their own powers and rights under the constitution to generate their own revenue.

The State in order to meet their socio-economic requirements generate funds through revenue receipts comprising of own tax revenue, share in central taxes, own non-tax revenue along with grant in aid from Government of India.

Jharkhand, one of India’s newest states, was carved out of the southern portion of Bihar in 2000. It is one of the richest mineral belt in India, and is responsible for nearly 40% of the country’s mineral yield. Jharkhand produces almost the entire national output of copper, kyanite, pyrite, and phosphate, as well as

much of the output of bauxite, mica, kaolin and other clays, and iron ore. Coal, however, accounts for the bulk of Jharkhand's mineral production. Along with the minerals, nearly 1/3rd of the area of Jharkhand is under forest cover with a variety of flora and fauna.

According to the 2011 Indian Census, Jharkhand has a population of 32.96 million with nearly 3/4th of the population still dependent on agriculture for livelihood. Despite being rich in mineral resources and huge industrial clusters, the state of Jharkhand has a predominantly rural population with only 24% urbanisation and has most of the socio-economic parameters below the national level.

To fulfil the desired socio-economic developmental goals of the state and to create a robust infrastructure huge revenue pool is required. One of the important sources of such revenue pool is the Department of Commercial Taxes which plays the most significant role in contributing the revenue to the state. The department oversees and administers Goods and Services Tax (GST), Value Added Tax (VAT), Professional Tax (PT) and Electricity Duty (ED). Of these GST forms bulk of the revenue followed by VAT, ED and PT. The department has seen an all-time record growth in 2021-22 (107% of the target achieved) and is set to even better their performance in the current financial year 2022-23. This has been achieved through a series of revenue augmentation measures, changing the approach of the department with taxpayers and creating a tax conducive environment with better tax administration.

One of the innovative tax augmentation measures worth mentioning is the creation Intelligence and Revenue Analysis Unit (IRAU) at the Headquarter. It has done significant work in the field of sectoral analysis, E-way Bill/RFID analysis, IGST report analysis etc. and therefore has played a key role in the significant

revenue jump for the department which is expected to touch a record ₹21000 crores revenue collection in this year.

Despite the economic hurdles in the past few years, the Department of Commercial Taxes through its pre-emptive revenue augmentation measures has not only made record growth in revenue collection but has also propelled the state with its developmental objectives.

2. JHARKHAND REVENUE AT A GLANCE

The revenue of the state primarily constitutes the state's own tax revenue, share in central taxes, grant-in-aid from Gol and most importantly the state's own tax revenue.

Jharkhand being a mineral rich state, primarily have mining activity as an important source of revenue which is collected as royalty. Besides mining, the other sources of revenue for the state include Commercial Taxes, Land Revenue, Excise, Registration and Transport. The collection on account of taxes from Land Revenue, Excise, Registration and Transport has not been so phenomenal. The Commercial taxes by way of its collection from VAT & GST contribute maximum revenue for the state. It contributes more than 70% of the total revenue collected from taxes in the state.

The Revenue Receipts for the State of Jharkhand from Own Tax Sources (In crores)

Fig.1

Sources	2018-19	2019-20	2020-21	2021-22	2022-23 (BE)
<i>State's Own Taxes</i>	₹14752	₹16771.4	₹16880.1	₹21289.6	₹24850
<i>Land Revenue</i>	₹389.4	₹338	₹872.9	₹1621.2	₹1500
<i>Excise</i>	₹1082.8	₹2009.3	₹1821.1	₹1806.6	₹2500
<i>Registration</i>	₹451	₹560.3	₹708.1	₹987.25	₹1200
<i>Transport</i>	₹863.9	₹1129	₹976.3	₹1262.78	₹1650
<i>Commercial Taxes</i>	₹11964.9	₹12734.9	₹12501.6	₹15611.8	₹18000

In the financial year 2022-23 (BE), out of the total revenue receipts of the State, the Department of Commercial Taxes accounts for ₹18000 crores with a share of **72%**. Excise and Transport department comes next with a share of **10%** and **7%**

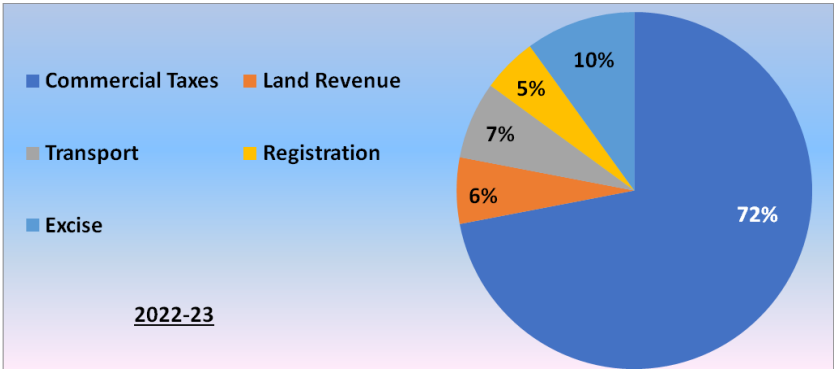
with collection of ₹2500 crores & ₹1650 crores respectively. The, collection from Registration and Land Revenue accounts for ₹1200 crores & ₹1500 crores with a share of 5% and 6% respectively.

In Percentage Terms:

Fig.2

Sources	2018-19	2019-20	2020-21	2021-22	2022-23 (BE)
Commercial Taxes	81%	76%	74%	73%	72%
Excise	7%	12%	11%	8%	10%
Transport	6%	7%	6%	6%	7%
Land Revenue	3%	2%	5%	8%	6%
Registration	3%	3%	4%	5%	5%

Fig.3



The Commercial Taxes Department contributes more than 70% of the total tax revenue of the state

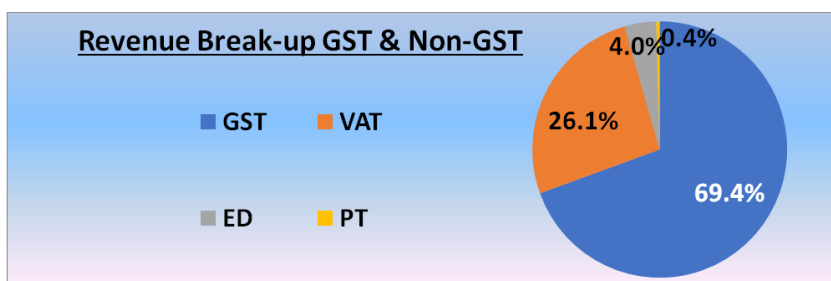
2.1 REVENUE FROM COMMERCIAL TAXES: SNAPSHOT

The Commercial Taxes Department has always been contributing the maximum share of the tax revenue in the State's exchequer. It contributes more than 70% of the total tax revenue over the years and is approximately more than three times of the tax collected by all the other departments put together. The Commercial Taxes Department administers Goods and Services Tax (GST), Value Added Tax (VAT), Electricity Duty (ED) and Professional Tax (PT).

Total Revenue Collection of the Commercial Taxes Department prior to the implementation of GST i.e., during VAT regime was around ₹10,000 crores. After the introduction of GST the revenue collection has increased steadily from 2017-18 to 2020-21, however, it always remained short of target. There has been major a jump in tax revenue collection for the first time to the tune of 107% in 2021-22 and 108% in 2022-23 till 17th March'23. This has been achieved due to several innovative revenue augmentation measures taken up by the department.

Different tax wise breakup of the total revenue collection by the Commercial Taxes Department is as below:

Fig.4



GST has maximum share of 70%, VAT contributes 26%, Electricity Duty 4% and Professional Tax at 0.4%

Out of these GST and non-GST taxes, GST has been contributing

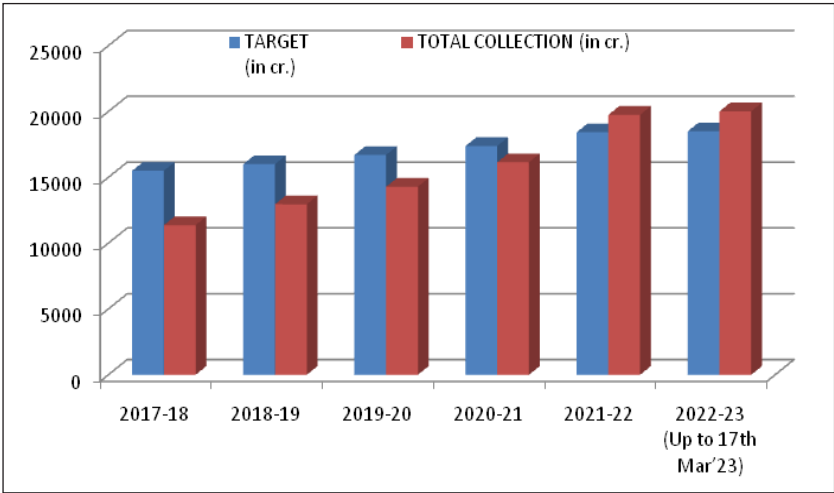
the maximum share with around 70% of the total tax revenue of the department alongside VAT contributing with 26%, Electricity Duty and Professional Tax contributing 4% and 0.4% respectively.

Year-Wise Total Revenue Collection of Commercial Taxes Department:

Fig.5

FINANCIAL YEAR	TARGET (in cr.)	TOTAL COLLECTION (in cr.)	TARGET ACHIEVEMENT
2017-18	₹15500.00	₹11368.78	73%
2018-19	₹16000.00	₹12953.07	81%
2019-20	₹16700.00	₹14286.28	86%
2020-21	₹17379.50	₹16147.19	93%
2021-22	₹18422.90	₹19750.75	107%
2022-23 (Up to 17 th Mar'23)	₹18500.00	₹20015.59	108%

Fig.6



In the financial year 2021-22 & 2022-23, the Commercial Taxes Department has made record collection and has exceeded the total tax collection target fixed for the department.

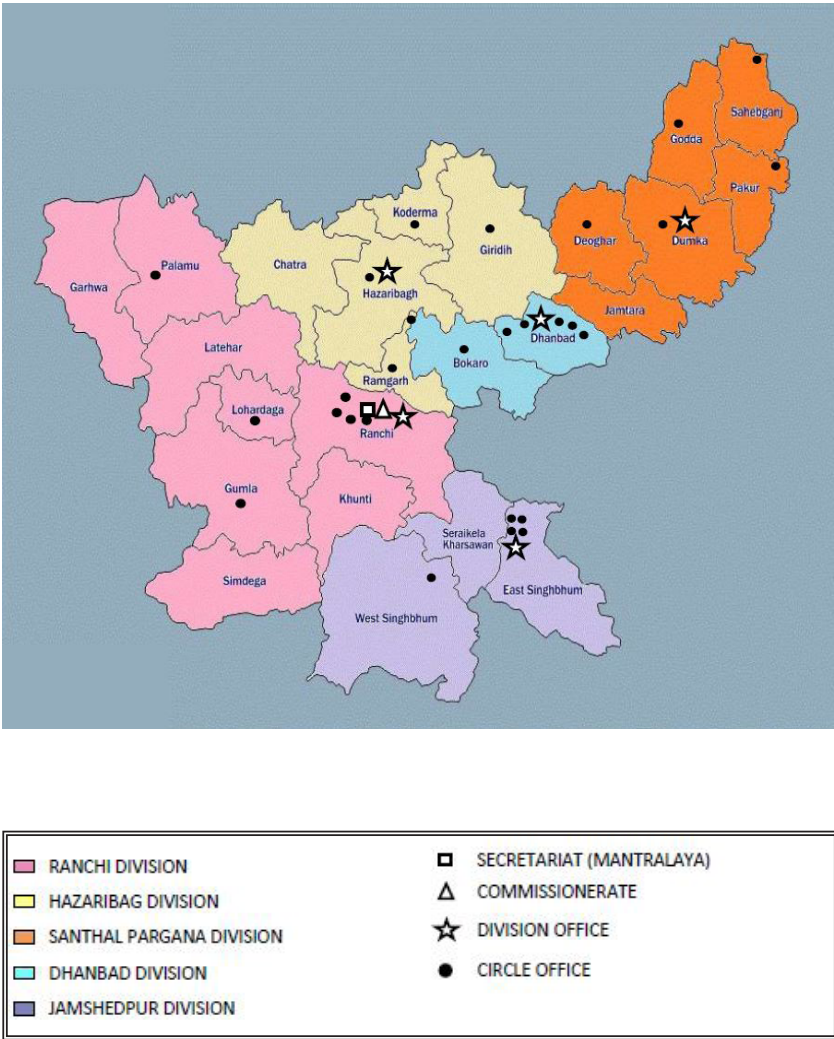
Since the enactment of GST in 2017, the Commercial Taxes Department has been gradually moving forward in terms of achieving revenue collection target. From the financial year 2017-18 to 2020-21, there has been slow and gradual improvement in achieving the target from 81% in 2018-19 to 86% in financial year 2019-20 to 93% in 2020-21. In the financial year 2021-22, there has been a record jump in the revenue collection and it has not only achieved the target but has surpassed it and achieved 107% of the given revenue collection target. In the current financial year 2022-23 also, till 17th of March, the department has achieved 108% of the given revenue collection target. The department is toiling hard to maximise the revenue collection and it is expected to even surpass the previous year's record performance and is nearing on to a record ₹21000 crores revenue collection for the first time in the history of Jharkhand.

In the last two financial years 2021-22 & 2022-23, the department has taken a GIANT LEAP with a record revenue augmentation expected to touch ₹5,000 crores.

3. ORGANISATIONAL STRUCTURE OF THE COMMERCIAL TAXES DEPARTMENT

DIVISION AND CIRCLE MAP

Fig.7



The Commercial Taxes Department of Jharkhand has an organisational set-up with a Secretariat, a Commissionerate at Ranchi and a total of 5 Divisions and 28 Circles spread over the state of Jharkhand. There is a dedicated IB, Audit, Appellate Authority and a VAT Tribunal Office.

The Commercial Taxes Department has a dedicated Secretariat and Commissionerate office at Ranchi with their own set up of officers from Jharkhand Finance Service and the Secretariat officers & staffs.

There are a total of 28 Circles of the Commercial Taxes Department which have been created for ease of administration and depending upon the location of the trade and industries. 21 circles are established within the 17 jurisdictional district headquarters while the remaining 7 small districts are being administered clubbing it with bigger and adjoining districts. In few cases, more than one circle has been established within a single district due to large industrial cluster and number of traders in that particular district. Ranchi, Jamshedpur and Dhanbad districts have 4 circles each and Hazaribagh & Dumka have 3-3 circles each respectively (refer fig.7).

Being a landlocked state, the state of Jharkhand is surrounded by 5 states. Out of the 28 circles of the department, 8 circles share a common border with Bihar, 8 circles with West Bengal, 3 circles with Odisha, 2 circles with Chhattisgarh and 1 circle with Uttar Pradesh.

The basic work in the division and headquarter is regarding tax administration besides Intelligence, Audit and Appellate functions.

ADMINISTRATION

- All the 5 divisions are headed by Additional Commissioner with the primary function of:
 - General Administration of the Gazetted and Non-Gazetted employees
 - Providing approval for inspection, search and seizure as per the provisions of the Act
 - Facilitating the taxpayers along with resolving their day-to-day issues
 - To monitor and administer the overall functioning of the respective Division
- All the 28 circles are headed by Joint Commissioner assisted by Deputy Commissioner (DC), Assistant Commissioner (AC) and State Tax Officer (STO).
- Joint Commissioner is the head of the circle and looks after the administrative part of the circle and monitors the orders passed by DC, AC and STO. Under VAT, the refund power has been given to Joint commissioner
- Deputy Commissioner and Assistant Commissioner look after:
 - Registration, amendment and cancellation
 - Scrutiny and power to issue notices u/s 73 and 74 of JGST Act 2017 and processing of refund under GST Act
- State Tax Officer looks after:
 - Registration, amendment and cancellation
 - Scrutiny and power to issue notices u/s 73 and 74 of JGST Act 2017

INTELLIGENCE BUREAU (IB)

There is an Intelligence Bureau at the headquarter level with separate Enforcement wings at the Division level. The main function of Intelligence Bureau is to generate intelligence notes based on the information collected and data analysis done by them or information provided by Intelligence and Revenue Analysis Unit (IRAU) and carry out enforcement action, follow up searches, followed by drafting of show cause notice (SCN) and recovery of arrears. Road Inspection and E-way Bill verification on the basis of the self-generated intelligence note or intelligence note received from IRAU is also carried out by them.

AUDIT

- The Audit wing of all the 5 divisions are established in 3 offices headed by the Joint Commissioner

COMMERCIAL TAX DIVISION	OFFICE
Ranchi and Hazaribag	Ranchi
Jamshedpur	Jamshedpur
Dhanbad and Santhal Pargana	Dhanbad

- The main function of Audit wing is to do the desk review of the cases allotted to them for audit and do scrutiny of statutory documents and returns submitted monthly, quarterly & annually. Audit wing also scrutinises the entire business transaction of the taxpayers in terms of payment of tax, availment and utilisation of Input tax Credit (ITC), misclassification of Goods & Services etc and create a demand and do spot recovery of tax & interest.

APPEAL

- As per the provisions of the Act, an Appellate Authority has been set up at each Division of the Commercial Tax which is headed by the Additional Commissioner.
- The main function of the Appellate Authority is to decide the litigated matter pertaining to VAT, GST and other issues arising out of assessment orders and provide a hearing to the aggrieved person against the order so as to pass an order in accordance with the law.

COMMERCIAL TAX DIVISION	OFFICE
Ranchi	Ranchi
Jamshedpur	Jamshedpur
Hazaribag	Hazaribag
Dhanbad	Dhanbad
Santhal Pargana	Dumka

TRIBUNAL

- **VAT Tribunal** – There is a dedicated VAT Tribunal headed by the chairman from the judicial side and a technical member from the departmental side along with their respective secretariat office to dispose cases pertaining to VAT.
- **GST Tribunal** – In the 49th GST Council Meeting held on February 18th 2023, GoM has submitted the report regarding the constitution of GST Tribunal in each state. The final notification in this regard will be issued shortly by GoJ.

4. GST ERA BEGINS

GST – “ONE NATION ONE TAX”

BACKGROUND

Prior to the launch of unified tax system, Indian indirect tax regime was highly fragmented with centre and states having different tax regimes deriving powers of taxation under different constitutional positions. There were multiple taxes like central excise duty, service tax, VAT, GST, purchase tax, entertainment tax etc. Additionally, there were multiplicity of rates, laws and procedures. This caused a heavy compliance burden on the tax payers. Imposition of tax on tax or cascading of taxes was another serious problem. For example, VAT was levied on a value that included central excise duty. There were check posts at every inter-state border, creating bottlenecks in interstate transport of goods and increasing time and cost of supply of Goods & Services.

Thus, a reform was necessary to simplify the tax structure, to facilitate free flow of goods and services throughout the country and to bring in transparency through a robust IT infrastructure. Therefore, the complexities of the pre-GST regime formed the cornerstone for implementing the GST.

In this context, on 1st July 2017, through the implementation of the 101st Amendment of the Constitution of India, India saw the biggest indirect tax reform since Independence. It marked a significant change in the structure and tax administration of the indirect tax regime with the introduction of Goods and Services Tax (GST) based on the basic concept of “One Nation One Tax”.

It was much needed transformation in the field of indirect tax system of the country and its introduction was a significant step in unifying the multiplicity of taxes in to one and bringing in higher transparency, lowering transaction cost and ensuring improved compliance. More than 17 taxes including both centre and state were subsumed into a single goods and service tax.

With the introduction of GST, the states were introduced to new system of taxation on services, whereas the Central Government started administering the traders engaged in sale of goods. There was a shift in taxation methodology from sale and manufacture of goods to supply of Goods and Services.

While GST covered supply of Goods and Services, sectors like Petroleum products and liquor were kept out of the purview of GST and states continue to collect VAT on such sales.

GST OVERVIEW

Goods and Services Tax or **GST is a consumption-based destination tax** i.e., the tax will finally accrue to the states where the goods or services are finally being consumed.

It is a comprehensive, multistage, and destination-based tax. It is **comprehensive** because it has subsumed almost all the indirect taxes. It is **multi-staged** because the GST is imposed at every step in the supply chain with the seamless flow of credit and a **destination-based tax** as the revenue accrues to the state where the supply of Goods and Services has been consumed.

PILLARS OF GST

Although GST is structured as one-multistage based taxation system, it is categorized into CGST, SGST or IGST, based on whether the transaction is Intra-State or Inter-State.

To determine the applicability of Central Goods & Services Tax (CGST), State Goods & Services Tax (SGST) or Integrated Goods & Services Tax (IGST), it is crucial to understand if the transaction is an Intra State or an Inter-State supply.

Intra-State Supply:

When the location of the supplier and the place of the supply or the location of the buyer are in the same state, it is known as the Intra-state transaction. For the intra-state transaction, the

seller is required to collect both CGST and SGST in equal amount from the recipient, which is deposited to the central and state government respectively.

Inter-State supply:

When the location of the supplier and the place of the supply or the location of the buyer are in different states, it is known as the Inter-state transaction. Moreover, in case of import or export of goods/services outside the country or if it is made to/from the SEZ unit, the transaction is considered as Inter-state. For the inter-state transaction, the seller is required to collect IGST which is the sum total of CGST and SGST in equal amount. The IGST is collected by the Centre and distributed among states based on the calculation of consumption made in the destination state.

Therefore, both Governments have their own distinct responsibilities to perform, as per the Constitution:

- **CGST:** Under GST, CGST is a tax levied on Intra State supplies of both goods and services by the Central Government and will be governed by the CGST Act.
- **SGST:** Under GST, SGST is a tax levied on Intra State supplies of both goods and services by the State Government and will be governed by the SGST Act.
- **IGST:** Under GST, IGST is a tax levied on all Inter-State supplies of goods and/or services and will be governed by the IGST Act. IGST will be applicable on any supply of goods and/or services in both cases of import into India and export from India.

RATES UNDER GST

The primary GST slabs for any regular taxpayers are presently pegged at **0% (nil-rated), 5%, 12%, 18% & 28%**. There are a few lesser-used GST rates such as 3% and 0.25%.

Also, the composition taxable persons are liable to pay GST at lower or nominal rates such as 1% or 5% or 6% of their turnover. There is a concept of TDS and TCS under GST as well, where the rates are 2% and 1% respectively.

The GST rate is multiplied by the assessable value of the supply to arrive at the GST amounts in a tax invoice.

Further, the GST law levies cess in addition to the above GST rates on the sale of some items such as cigarettes, tobacco, aerated water, and motor vehicles, rates widely varying from 1% to 204%.

Any modification related to GST rate changes, dates of filing returns or amendments in tax laws etc. are done by GST Council.

GST COUNCIL

GST is governed by the GST council which is a joint forum for the Centre and the States. The council is responsible for modifying, reconciling or procuring any law or regulation related to GST. They make key decisions regarding GST rate changes, filing returns dates, tax laws, and deadlines among other significant tax and other related rules. The GST Council conducts GST Council Meetings to take these significant decisions.

Composition of the Goods and Services Tax Council

The Council is a joint forum of the centre and the states and consists of the following members:

- The Union Finance Minister as the Chairperson
- The Union Minister of State in-charge of Revenue or Finance
- The Minister in-charge of Finance or Taxation or any other Minister nominated by each state government

The Union Cabinet also decided to include the Chairperson of the Central Board of Excise and Customs (CBEC) as a permanent invitee (non-voting) to all proceedings of the Council.

Every decision of the Council is to be taken by a majority of **not less than three-fourths of the weighted votes** of the members present and voting at the meeting.

The decision is taken in accordance with the following principles:

- (i) The vote of the central government shall have a weightage of **1/3rd** of the total votes cast in the meeting.
- (ii) The votes of all the state governments combined shall have a weightage of **2/3rd of the** total votes cast in that meeting.

So far 49 GST council meetings have been held and efforts have been made to take decisions for better implementation of GST.

GOODS AND SERVICES TAX NETWORK (GSTN)

The Goods and Service Tax Network (GSTN) manages the entire IT system of the GST portal, which is the mother database for everything under GST. The government uses this portal to track every financial transaction and provide taxpayers with all services – from registration to filing taxes and maintaining all tax details.

GSTN is the backbone of the common portal, which is the interface between the taxpayers and the government. The entire process of GST is online, starting from registration to the filing of returns. It supports about 3 billion invoices per month and the subsequent return filing for 2 crore taxpayers. The GSTN handles:

- Invoices
- Various returns
- Registrations
- Payments & Refunds

Jharkhand is a model 2 state wherein the front end i.e., taxpayer's applications like return filing, payment, registration, etc., and the backend applications (officer's end functionality) are designed and developed by GSTN.

4.1 REVENUE COLLECTION OF THE DEPARTMENT UNDER GST HEAD

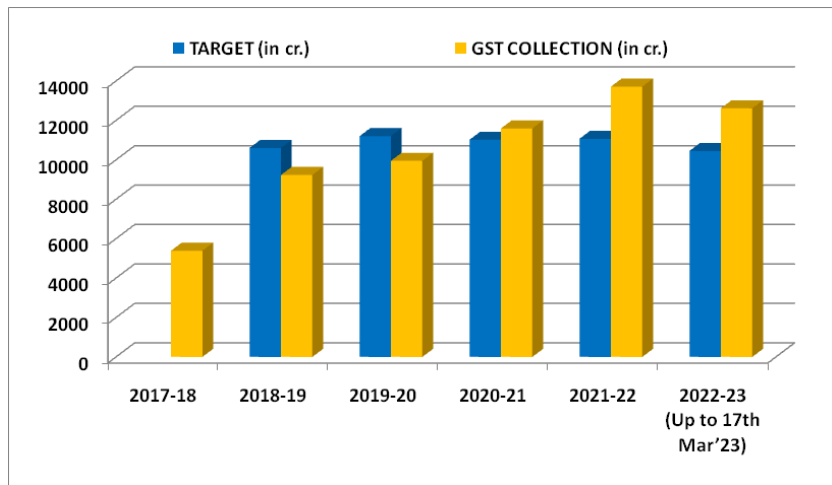
The Department of Commercial Taxes under GST head had collected ₹5,388 crores in 2017-18 which has now increased by more than double to ₹12,613 crores in 2022-23 (till 17th Mar'23).

Year-Wise Total GST Collection of The Commercial Taxes Department for Past 6 Years:

Fig.8

Financial Year	Target (in cr.)	GST Collection (in cr.)	TARGET ACHIEVEMENT
2017-18		5388.66	-
2018-19	10600.00	9229.90	87%
2019-20	11200.00	9949.51	89%
2020-21	11017.51	11591.61	105%
2021-22	11067.51	13713.14	124%
2022-23 (up to 17th Mar'23)	10450.00	12612.90	121%

Fig.9



Despite the economic slowdown due to COVID-19 pandemic, the department has continuously exceeded the GST target since 2020-21 with an all-time record collection of 124% in 2021-22. In 2022-23, the department has already achieved the target in February'23 itself with 121% of the target achieved till 17th March'23 and is still counting.

The same has been achieved by the multi-pronged measures undertaken by the department. Some of them are enumerated below:

- **The most important and innovative step taken up by the department is the establishment of the Intelligence and Revenue Analysis Unit (IRAU) which has contributed significantly to revenue augmentation.**
- A targeted approach has been adopted by the department for maximizing the return compliances. Efforts have been made to have 100% return filing compliances of the taxpayers with turnover above ₹5 crores.
- The department has focused on efficient use of the IT tools and techniques in order to detect red flags and carry out further investigations.
- The Enforcement wing of the department has been strengthened with a better intelligence management system
- The department has conducted several outreach programs relating to amendments, rate change and circulars from time to time for trade facilitation

The two major decisions taken up by the department is the establishment of Intelligence and Revenue Analysis Unit (IRAU) and Special Task Unit (STU)

4.2 VAT

Value Added Tax (VAT) is an indirect tax which was implemented in the state of Jharkhand from the financial year 2006-07. It is a consumption tax levied on a commodity at each stage of value addition in the supply chain, from production stage to sale stage in the state of Jharkhand. The amount of VAT that the consumer pays is based on the value of the product, minus all previously VAT paid during the supply chain of the product.

As a taxation concept, **VAT replaced Sales Tax**. VAT was introduced to minimize the tax slabs to two standard rates i.e., 4% and 12% as well as to tax only on the value addition with the availability of credit in order to neutralize the cascading effect. On 07.11.2016 the standard rate of tax was revised to 5.5% & 14.5%.

For interstate sale, **Central Sales Tax Act, 1956** is applicable. The Central Sales Tax (CST) is collected and retained by the state from where the movement of goods originate. Even for inter-state sale the input tax credit is allowed to be deducted from output tax to the extent of Central Sales Tax.

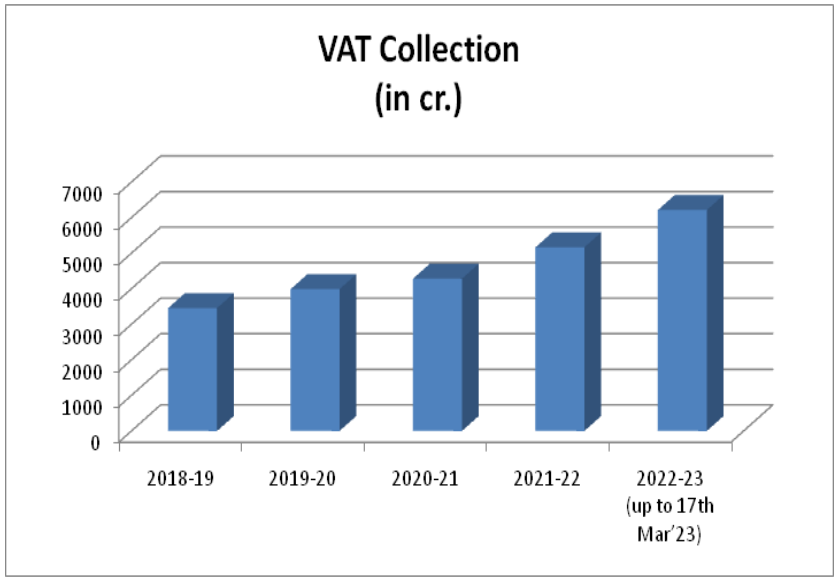
The total number of registered taxpayers prior to the implementation of GST i.e., 01.07.2017 under VAT regime was 1,07,710. After the implementation of GST, all VAT registered tax payers having threshold above ₹40 lakhs for goods and ₹20 lakhs for services except for those dealing in petroleum & liquors producers transitioned to GST. At present, the number of taxpayers filing returns under VAT is 1895. The monetary threshold for registration under VAT is ₹10 lakh for taxpayers purchasing and selling the goods within the state. In case of purchases from other states or sale to other states, the threshold for registration is nil i.e., such units have to mandatorily register themselves under VAT Act.

Year-Wise Total VAT Collection of the Commercial Taxes Department for Past 5 Years:

Fig.10

Financial Year	TARGET	VAT Collection (in cr.)	% Growth in VAT Collection
2018-19	₹4900.00	₹3456.23	-
2019-20	₹5050.00	₹3986.18	15%
2020-21	₹5862.66	₹4282.25	7%
2021-22	₹6465.42	₹5162.88	21%
2022-23 (up to 17th Mar'23)	₹6450.00	₹6216.18	21%

Fig.11



Under VAT, for the first time the provisions of self-assessment, provisional assessment, composition of tax and presumptive tax were introduced to usher in the “Ease of Doing Business” concept.

Under “Composition of Tax”, the turnover limit for taxpayers whose transactions within the State of Jharkhand is of ₹50 lakhs were required to pay tax @1%. Also, there was no limit of turnover for the works contractors who opted for ‘Composition of Tax Scheme’.

After the implementation of GST, majority of taxes got subsumed in GST except petroleum products and alcoholic liquor for human consumption, which fall under VAT and CST respectively (popularly known as non-GST commodities). The average annual growth rate in VAT collection has been 16% and in the current financial year 2022-23, 21% growth has been registered till 17th March’23 and is still in progress. The overall VAT collection has steadily increased from ₹3456 crores to ₹6216 crores in the last 5 years.

Revenue Augmentation Measures

- ☐ **Suitable measures were taken by way of rate rationalisation of petroleum and liquor post COVID-19 period and recovery of arrears to compensate the loss.**
- ☐ **Online Assessment of VAT has been started**

4.3 JHARKHAND ELECTRICITY DUTY (JED)

Electricity Duty is applicable on the usage of electricity by both licensee/consumers. After the formation of the state of Jharkhand, the government of Jharkhand adopted and implemented Bihar Electricity Duty Act 1948. It has been amended from time to time as required.

The AG of Jharkhand had remarked that the rate of electricity duty in the state of Jharkhand was very low and a comparison was made with respect to other neighbouring states. After studying the rate of electricity duty in neighbouring states, it was decided by the Commercial Taxes Department to implement the rate of duty on percentage basis on the net energy charges generated on the electricity bills of the consumers rather than on paise per unit. The rate of electricity duty has been fixed @6% on domestic usage, @8% on industrial mining and commercial upto 10 MVA & @15% above 10 MVA on the consumption or sale of electricity w.e.f. 07th July 2021

In the state of Jharkhand, electricity duty is collected from the consumers who pay the electricity bills through their licensee or from captive power plant users who consume electricity generated by them. Earlier, the liability to pay electricity duty was determined on the basis of “paise per unit” rate and electricity duty rate on captive power plants was abysmally low. The same has been revised and is brought at par with the neighbouring states.

As a measure to promote agriculture and give benefits to small farmers and rural population, the electricity duty is exempted on electricity consumed for irrigation or agriculture purposes. Similarly, after the enactment of Jharkhand Electricity Duty (Amendment) Act, 2021, on establishment of captive power stations by either industrial units or mining units, the rate of duty

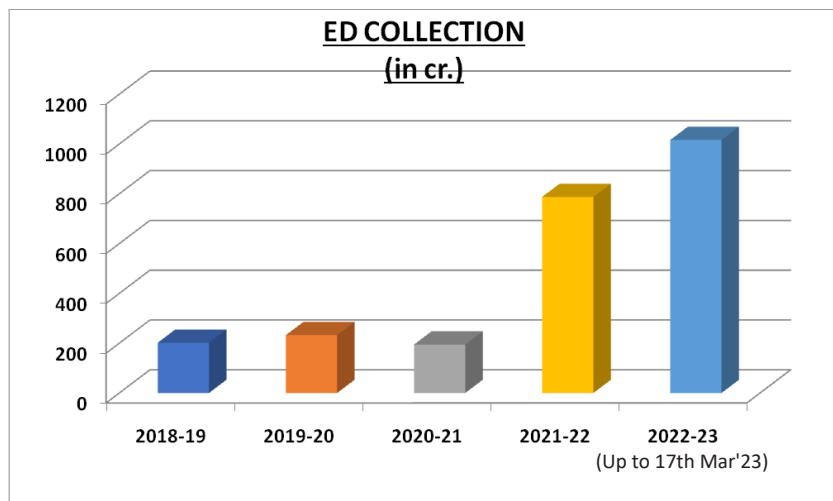
has been determined @50 paise per unit consumed. Similarly, the electricity generation through generator sets has been granted exemption from electricity duty.

Year-Wise Total ED Collection of The Commercial Taxes Department for Past 5 Years:

Fig.12

FINANCIAL YEAR	TARGET (in cr.)	ED COLLECTION (in cr.)	TARGET ACHIEVEMENT	GROWTH
2018-19	₹280.00	₹201.89	72%	13%
2019-20	₹201.83	₹232.36	115%	15%
2020-21	₹350.55	₹194.49	55%	-16%
2021-22	₹750.00	₹787.54	105%	305%
2022-23 (up to 17th Mar'23)	₹955.64	₹1098.41	115%	40%

Fig.13



In the last 5 years, we can see that there has been sub-par revenue collection from Electricity Duty (ED) from 2018-19 till 2020-21. However, with the rationalisation of rate of tax on ED, the revenue collection has increased from ₹194 crores in 2020-21 to ₹787 crores in 2021-22 and ₹1098 crores (upto 17th March'23) in 2022-23, a major jump of more than 5 times.

The growth rate in the last 5 years till 2020-21 was below par and could achieve a maximum of 15% growth in 2019-20 and even had a negative growth in 2020-21. But it transformed into a staggering 305% jump in 2021-22 and thus increased the collection to ₹787 crores in 2021-22 owing to the decisive steps taken by the department. In the current financial year 2022-23, the department has again performed exceedingly well and registered a phenomenal growth rate of 40% till 17th March'23.

The department has made a record collection of ₹787.54 crores in 2021-22 and ₹1098 crores in 2022-23 till 17th March'23.

In the last 3 years there has been a massive jump of more than 5 times in revenue collection under the electricity duty i.e., from ₹194.48 crores in 2020-21 to ₹1098 crores till 17th March'23 in 2022-23.

4.4 JHARKHAND PROFESSIONAL TAX (JPT)

Professional tax (PT) is a tax on professions, trades, callings and employments in the state of Jharkhand. The tax levied and collected shall be appropriated into the “welfare fund” for the purpose of the benefit of the state towards welfare of the schedule tribes, schedule castes and weaker section of the state.

The State Government is empowered to make laws with respect to professional tax though being a tax on income under Article 276 of the Constitution of India and accordingly The Jharkhand Tax on Professions, Trades, Callings and Employments Act, 2011 was enacted.

The rate of JPT for each slab is enumerated below:

Fig.14

Salary and Wages Limit	PT
Upto ₹3 lakh	NIL
₹300001-₹5 lakh	₹1200/annum
₹500001-₹8 lakh	₹1800/annum
₹800001-₹10 lakh	₹2100/annum
Above ₹10 lakh	₹2500/annum

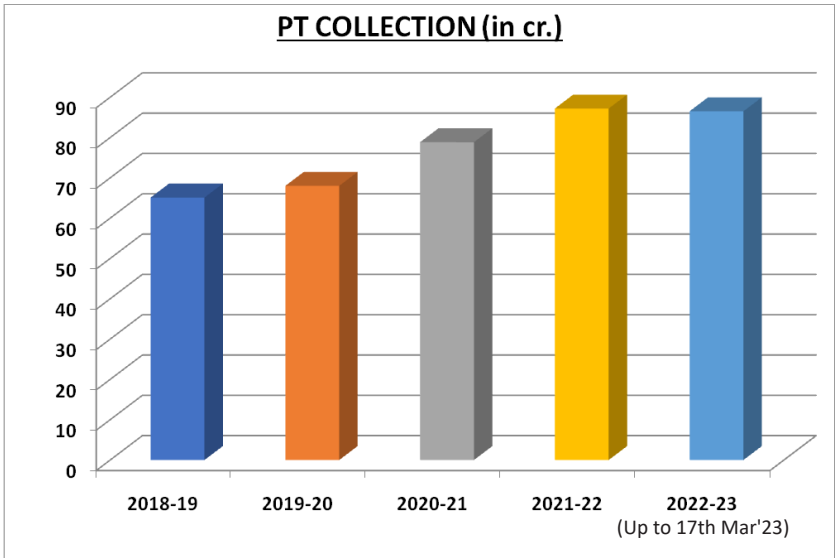
Simplification has been done by way of single login followed by registration form for both registration and enrolment. Based on the declaration, an instant registration can be done and a certificate of registration/enrolment is generated. As per the declaration made, in a single click taxpayers can take registration, make payment and get the receipt of payment as well as return.

Year-Wise Total PT Collection of The Commercial Taxes Department for Past 5 Years:

Fig.15

Financial Year	PT Collection (in cr.)
2018-19	₹65.11
2019-20	₹68.01
2020-21	₹78.84
2021-22	₹87.19
2022-23 (up to 17th Mar'23)	₹88.10

Fig.16

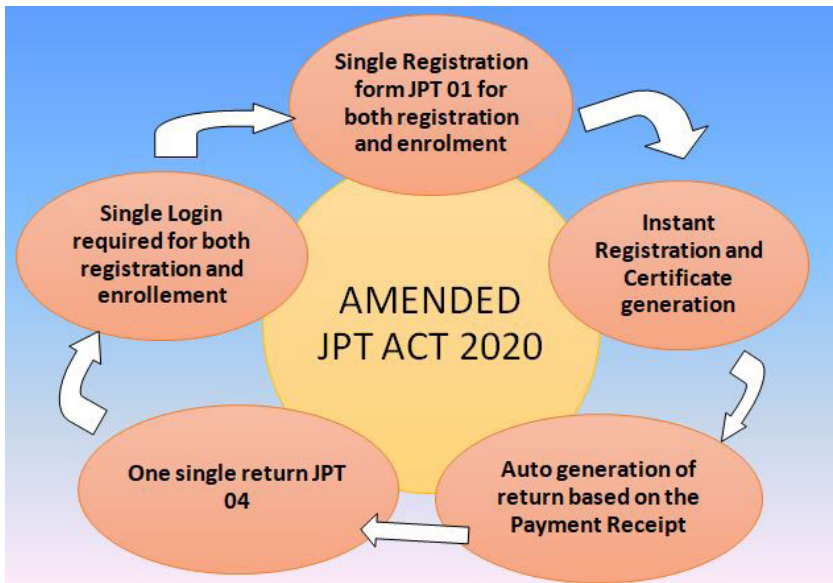


The collection from professional tax has been increasing gradually from ₹65 crores in 2018-19 to ₹87 crores in 2021-22 and is expected to follow the same trend of growth in the current financial year 2022-23.

After reformation, the process flow of professional tax is as below:

- Merging of registration through JPT101 and JPT102 by one single form JPT01.
- Company/professional can opt for registration and enrolment in a single form at the same time.
- Instant registration for smooth process and payment can be done from the very next moment of approval.
- Existing dealers will have the facility to correct the data and migrate into the new system.
- Removal of returns JPT201, JPT202 and JPT203 and made one single return JPT 04.
- Auto calculation of liability based on the schedule selection and facility for instant payment with interest.
- Auto generation of return based on the payment receipt.

Fig.17



4.5 REGISTRATION UNDER GST

The most vital element of revenue collection for any taxation system is its taxpayers base i.e., the number of registered taxpayers. Under GST different **threshold limit** has been provided for registration i.e.

- Any business involved in the supply of goods whose turnover in a financial year exceeds **₹40 lakhs**.
- Any business involved in the supply of services whose turnover in a financial year exceeds **₹20 lakhs**.

Apart from the threshold limit, **GST registration is mandatory for:**

- Every person who is registered under an earlier law (i.e., Excise, VAT, Service Tax, etc.) needs to register under GST, too through the process known as migration.
- A person making inter-state supplies
- Casual taxable person
- Non-Resident taxable person
- Those paying tax under the reverse charge mechanism
- Input service distributor
- e-Commerce operator or aggregator etc.

Further, there is also a provision for **voluntary registration**. It provides option to a person to take GST registration even though he is not liable for GST registration

Under GST, **Composition Scheme** as an alternative method of levy of tax is available for small taxpayers whose turnover is up to ₹1.5 crore. The objective of composition scheme is to bring simplicity and reduce the compliance cost for small taxpayers. Moreover, it is optional and the eligible person opting to pay tax under this scheme can pay tax at a prescribed percentage of his turnover

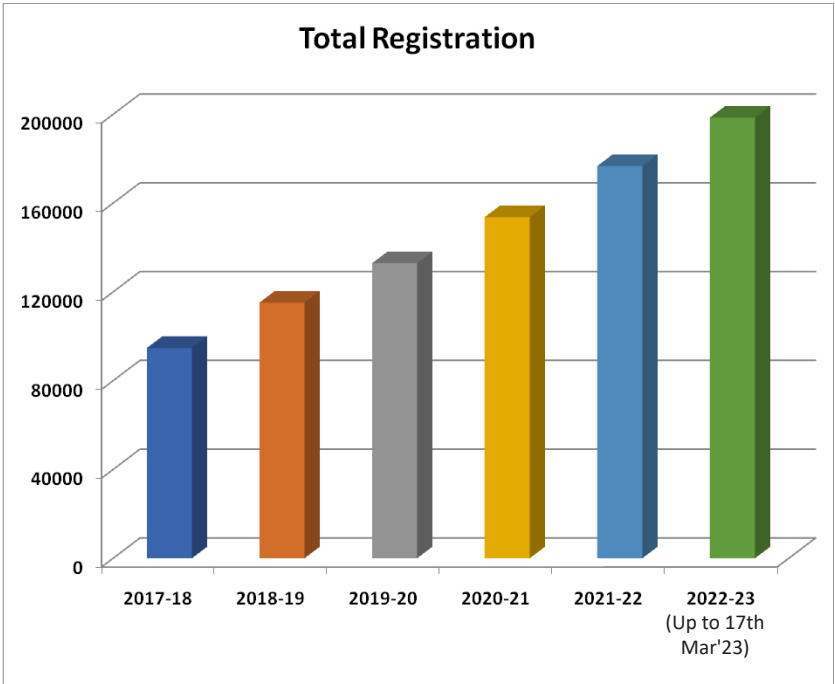
every quarter, instead of paying tax at normal rate. At present, the rate of tax under composition scheme is 1% for traders and manufacturers, 5% for restaurants and 6% for service providers.

Total GST Registration of The Commercial Taxes Department for Past 6 Years:

Fig.18

Financial Year	Total Registration
2017-18	94743
2018-19	115182
2019-20	132933
2020-21	153703
2021-22	176731
2022-23 (up to 17th Mar'23)	198566

Fig.19



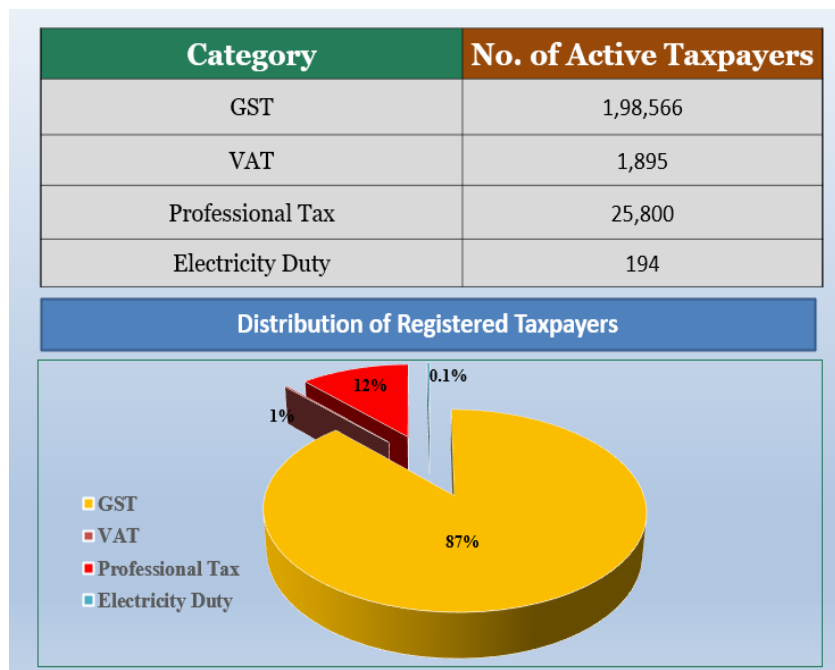
The Total Registration of Taxpayers Under GST has steadily Increased Over Last 6 Years and has more than doubled since 2017-18

Since the implementation of GST, the number of registered taxpayers has increased from 94743 in 2017-18 to 198566 in 2022-23. In the current financial year, there has been addition of 22000 new taxpayers owing to the mass awareness campaigning and trade outreach programs conducted by the department.

In the State of Jharkhand, the number of registered tax payers under different acts is shown by the way of table/pie-chart.

The number of taxpayers in all the tax categories administered by the Commercial Taxes Department is as follows:

Fig.20



Among all the tax categories, GST has a share of 87% in terms of the number of registered taxpayers followed by Professional Tax, VAT and Electricity Duty with share of 12%, 1% and 0.1% each respectively.

- ■ The total registration of taxpayers under GST has more than doubled over the last 5 years
- ■ There is an annual growth of around 10% in registration and more than 22000 new taxpayers registered in the current financial year 2022-23
- ■ To facilitate trade, unnecessary queries under registration have been minimised with the list of dos and don'ts and the average time taken to provide registration is 48-72 hours
- ■ Physical verification of business premises is done post registration to check unscrupulous trade practices

5. SHIFT FROM ASSURED COMPENSATION TO REVENUE AUGMENTATION

GST was implemented in the country w.e.f 01.07.2017 and the states were assured of compensation for 5 years due to implementation of GST i.e., till 30.07.2022, with the annual compounding growth of 14%, popularly known as **protected revenue**.

The financial year 2017-18 & 2018-19 were the years of introduction of GST with several hiccups. There were technical glitches in GSTN and several confusions regarding GST concepts. Meanwhile the country also got struck with COVID-19 and there was complete lockdown which led the economy to stagnate and the revenue plummeted to abysmal low. Under these circumstances financial year 2020-21 was difficult for the department, however, revenue bounced back with several innovative measures taken up by the department for revenue augmentation in 2021 and 2022.

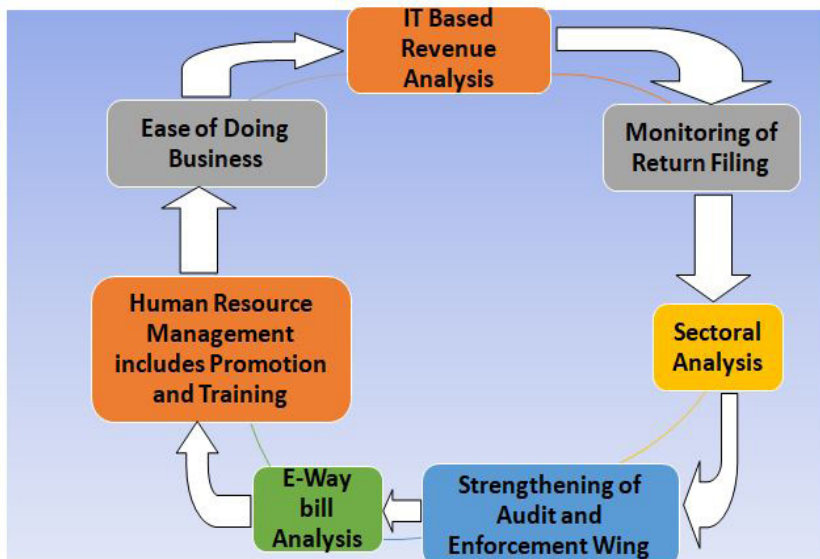
Despite the scale of covid-19 pandemic, the Commercial Taxes Department was agile in adjusting to the new normal and recorded a phenomenal growth of 22.34% in the financial year 2021-22. The financial year 2022-23 is also on track to register a record growth in the revenue. The Commercial Taxes Department was proactive in revenue augmentation and took pre-emptive steps for augmentation post COVID-19 outbreak in 2021. Some of the major decisions taken in this regard included:

REVENUE AUGMENTATION MEASURES IN GST

- Separation of Commissionerate from Secretariat
- Establishment of a new separate unit – Intelligence and Revenue Analysis Unit (IRAU) for intelligence-based revenue analysis and augmentation

- **Monitoring of return filing with the target of 100% compliances for taxpayer having turnover greater than ₹5 crores**
- **Sectoral analysis of the sensitive commodities prone to evasion and different services sector like hotel, mining services, Telecom, Works Contract etc.**
- **IT based revenue analysis of the outliers, tax defaulters and mismatch cases.**
- **Strengthening of the Audit and Enforcement wing with better intelligence and data analytics**
- **Intelligence based E-Way bill analysis**
- **Better human resource management including promotion and training of department officers.**
- **Steps towards ease of doing business**

Fig.21



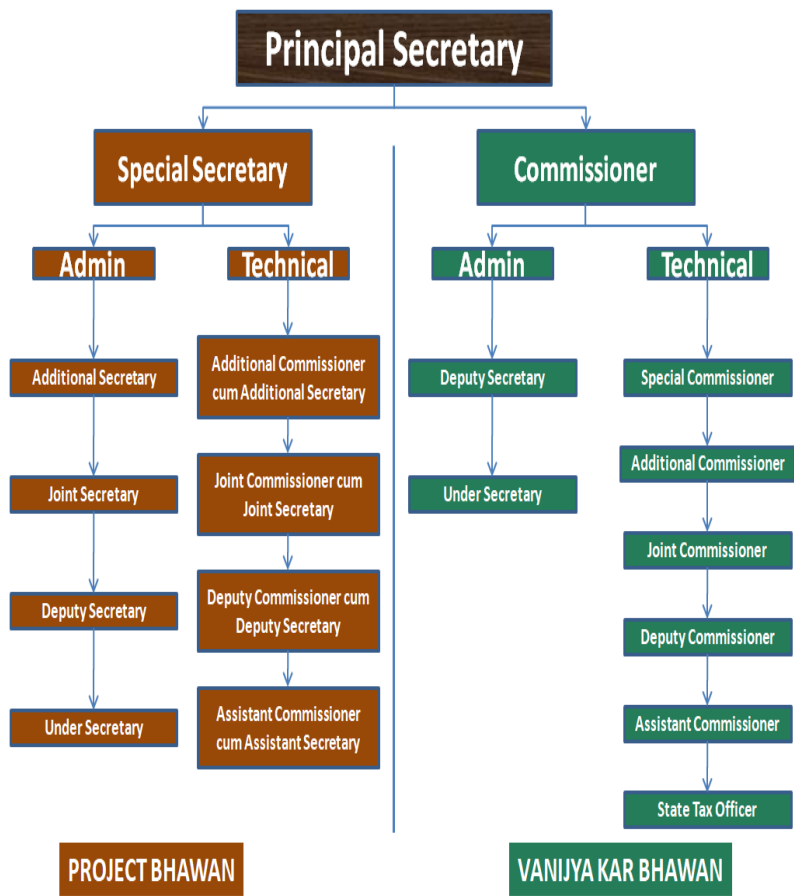
6. SEPARATION OF COMMISSIONERATE FROM SECRETARIAT

In the year 2021, a separate Commissionerate was carved out from Secretariat with the objective of creating a dedicated workforce specifically focussing on Revenue Augmentation and Revenue Collection, and making the Commercial Taxes Department more interactive/accessible to the Trade & Industry. The Commissionerate office was shifted from Project Bhawan to Utpad Bhawan at the Police line Kanke Road. Besides dealing with day-to-day functioning and supervising of all division offices, IB, Audit, and appellate offices, the Commissionerate also deals with the general administration relating to the non-Gazetted section.

The Commissionerate Office is now newly named as Vanijya Kar Bhawan and the office of Audit and Appeal has also shifted to the building for the ease of administration and for easy access to trade & industry. The Secretariat office deals with tax policies, legal & technical matters and other related issues pertaining to general administration and vigilance of the Gazetted officers.

STRUCTURING OF THE DEPARTMENT AFTER SEPARATION OF COMMISSIONERATE FROM SECRETARIAT

Fig.22



7. INTELLIGENCE & REVENUE ANALYSIS UNIT (IRAU)

In the past, enforcement activity was not based on any data analytics/sectoral analysis. It was mainly done through physical verification of inventories without any backing of intelligence notes. The track record of the actual revenue collection from enforcement action was not encouraging and there were several complaints of harassment to the taxpayers tarnishing the image of the department while revenue collections were also too low.

As a revenue augmentation measure, the Commercial Taxes Department has created a new unit called Intelligence and Revenue Analysis Unit (IRAU) at the headquarter with an approach to introduce a transparent system-based data analysis and targeted sectoral analysis and reasonable enforcement action. It entails the comprehensive examination of the taxpayers having ITC mismatch or misuse of notifications/circulars or misinterpreting rules and statutes to evade/avoid taxes. The IRAU does sectoral analysis using IT-enabled tools and creates specific intelligence against evading taxpayers for the enforcement wing and the list of outliers not compliant with the tax provisions are duly sent to the circles to act upon it.

BACKGROUND

One of the major pre-requisites for revenue augmentation process is to do a detailed revenue analysis of different sectors on different parameters like ITC mismatch, wrong classification of goods/services to avail lesser rate of duty, wrong interpretation of circular to avoid tax, non-filing of returns etc. and to get a clear picture of their contributions in revenue collection of the state so that focus can be made on the unidentified potential and unexplored sectors.

THE CHARTER OF GOALS AND OBJECTIVE OF IRAU

- *To detect fraudulent practices through logical analysis and detection of data patterns.*
- *To detect wilful evasion and marking of risky dealers via existing GST prime, Bo-web, E-waybill, BIFA portal.*
- *To analyse the data available from different GST tools and technique*
- *To study the notifications/circulars issued by GST council related to tax rate change, return filing, mismatch etc. and act upon it to ensure tax compliance and revenue augmentation*
- *To detect new modus operandi of tax evasion and organised financial fraud.*
- *To minimise fraudulent economic activities and ensure fair trade practices & augment revenue.*

IRAU HAS BECOME THE HEART AND SOUL FOR REVENUE AUGMENTATION

Initially, sectoral analysis was a difficult task as the registration form under GST was designed in such a manner that the taxpayers were made to declare 5 goods and 5 services as a result of which mapping of individual contribution of all goods and services in revenue collection were not possible. Moreover, the invoice details in GSTR-1 did not capture the goods and services details.

In due course of time with the advancement in MIS reports and sophistication of IT tools and with GSTN functionality to capture the business sectors for which the taxpayers are registered, the task of sectoral analysis was made possible.

In the year 2021, the department initiated the task of integrating IT tools and technology like BIFA, E-Way Bill Analytics, GST Prime, Back Office etc. with the task of sectoral analysis and this set the ground for the formation of a dedicated intelligence unit at the headquarter to start with the name of Intelligence and Revenue Analysis Unit (IRAU).

The working of IRAU involves sectoral analysis, intelligence-based vehicle checking through E-way bill/ RFID analytics, analysis of IGST settlement report shared by Centre, specific evidence against evading taxpayers etc.

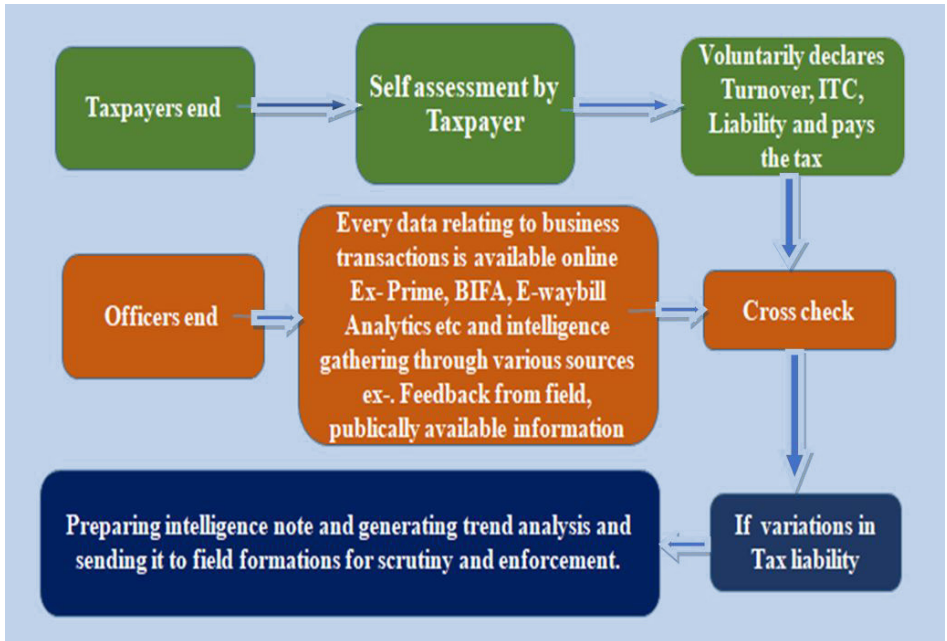
A team of dedicated officers adept in computer knowledge and who are tech-savvy with domain knowledge in GST Tax laws and data analytics were posted in IRAU.

WORKING MODULE

GST is a self-assessed tax regime where a taxpayer voluntarily declares the turnover, claims and utilizes the input tax credit (ITC), files the return, and fulfils their tax obligations every month. Every transaction of a taxpayer relating to outward supply, ITC availment and payment is available in the Officer's dashboard. The entire state taxpayer's data is system-based and is available at the headquarter level. The Officers posted in IRAU, on the basis of certain self-created intelligence & risk parameters analyse the data and identify certain sectors and large taxpayers. They cross-verify their return compliances and payment of taxes. In case there are any variations in tax liability or tax evasion or fraud or pattern of discrepancy in any sector, the same is highlighted, and where there is specific discrepancy found for any individual taxpayer, an intelligence note is prepared by the officers of IRAU and is then sent to the enforcement wing for further scrutiny and enforcement activities.

WORKING MODULE

Fig.23



7.1 Sectoral Analysis - IRAU

The sectoral analysis is primarily done for the sensitive commodities that are prone to evasion and important services sectors which could yield high revenue. Some of the sensitive commodities include Cement, Iron & Steel, and services sectors include Telecom, Transportation services, Mining and Construction Services, Financial Services, etc.

Several parameters are being considered for doing this analysis like whether the unit is liable to pay tax on the reverse charge mechanism, the rate of tax for which the service should be classified, whether the discount given has met the ITC reversal, ITC has been availed appropriately and the general trend of tax compliance in the sector. Another important point also studied by Intelligence and Revenue Analysis Unit (IRAU) is with GST being a consumption-based tax, whether the tax is accrued to the state on account of the place of supply.

Services sector analysis has led to huge success in revenue realization:

a) TELECOM SERVICES

During the analysis of the telecom sector, it was found that the majority of telecom operators have availed/utilized the wrong ITC on the erection and commissioning of telecom towers as per the explanation given in section 17(5) of the CGST Act 2017. Telecom towers do not come under the purview of plant and machinery. Accordingly, action has been taken under GST Acts 2017 against the concerned telecom operators. The telecom operators have acknowledged their ineligible ITC and are now making ITC reversals and payments.

Moreover, the IRAU has also identified the Place of Supply issue related to the telecom sector, wherein telecom operators were paying SGST part of GST to another state for services supplied in Jharkhand due to non-clarity of the place of supply concept on their part. Based on inputs from IRAU, the concerned Division, and Circles were directed to take appropriate steps. The circles have taken necessary steps to ensure compliance and thus taxes are now being paid in the correct manner to Jharkhand state. Also, the taxes previously incorrectly paid to other state are being appropriated to Jharkhand.

b) CONSTRUCTION / WORKS CONTRACT SERVICES

The detailed analysis of the construction / Works Contract Services sector has produced significant results. The analysis was done in order to check the violations of the time of supply, wrong availment of ITC, and making payments through credit wrongly availed through bill trading and then claiming of refund of 2% deducted as TDS (as reflected in the ledger post-filing of GSTR-7 by tax deducting authority).

A list of taxpayers who have not paid tax at the appropriate rate for rendering services to the government/semi-government bodies, and others is prepared and is then communicated to the field formation through intelligence notes to take further action.

Often cases have been detected of contracting, and sub-contacting among taxpayers, some of which are involved in producing and passing on fake ITC to the main contractor and thus causing loss to the government exchequer. Cases of incorrect rates of tax have also been detected in cases of services provided to the government/semi-government bodies. Inspection has been done by IRAU team themselves in some of the cases along with the team from the concerned circles and have resulted in significant success in terms of recovery.

c) TRANSPORTATION SERVICES

Some of the transportation services are on reverse charge mechanism (RCM) and some are in forward charge mechanism (FCM). The rate of tax on Goods Transport Agency (GTA) in RCM is 5%, GTA in FCM without input tax credit (ITC) is 5% & with ITC is 12% and GTA in mining support services including transportation within the mining area is 18%. Also, some of the transport services are exempted by - services by way of transportation of goods by road (except GTA and courier agencies), transportation of agricultural produce like milk, salt & food grain, newspaper, defence and military equipments.

During the analysis of the transportation services sector, it is found that transporters in the guise of different transport services try to evade the taxes by making incorrect classifications of transportation services namely GTA, other than GTA by road, and Transportation support services.

For instance, some taxpayers are not paying taxes by treating themselves as service provider other than GTA by road. However, they are liable to pay tax under other supporting transportation services.

It has also been found that some transporters show the liability of paying tax at the rate of 5% under RCM to the recipient but on detailed analysis, it has been observed that neither the transporter nor the recipient had paid such tax. Also, mostly the tax rate in these cases comes out to be higher than 5%.

All such scenario has been analysed and accordingly the proper rate of tax is being applied and communicated to the field formation through intelligence notes. In these cases, taxpayers have already **deposited approx. ₹54 crores** (since 2017) in differential tax.

d) IRON AND STEEL SECTOR

Based on the detailed analysis of the Iron and Steel sector it is found that the suppliers are involved in fake invoicing/invoice selling, passing on fake ITC, unaccounted stocks, wrong HSN classification, etc, which lead to loss to the state exchequer. Also, there are movement of goods without E-way bill, dumping goods at the different place of supply than mentioned in the E-way bill and also multiple usage of a single E-way bill. The necessary monitoring and actions are continuously being taken by the IRAU along with the concerned divisions & circles in order to check the tax evasions and other fraudulent activities.

REVENUE REALISATION THROUGH SECTORAL ANALYSIS AT IRAU

Fig.24

Sector	Revenue Collection (in cr.) (2022-23)
Telecom Service	₹34
Transportation Service	₹54
Mining Services	₹26
Construction / Works Contract Services	₹10

The in-depth sectoral analysis initiated at IRAU has paid rich dividends not only in terms of revenue collection but has also exposed the new modus-operandi of tax evasion/ tax frauds.

In financial year 2022-23, ₹124 crores have been collected from 4 key services sectors which include Telecom, Transportation, Mining and Construction/Works Contract.

7.2 E-waybill / RFID Analytics - IRAU

E-Way Bill is an Electronic Way bill for movement of goods to be generated on the e-Way Bill Portal. As per the JGST Act 2017, every registered taxpayer needs to generate E-Way bill for the transportation of goods in a vehicle whose value exceeds 50,000 for inter-state and 50,000 (sensitive commodities as notified) to 1,00,000 for intra-state movement of goods.

The E-Way bill mandatorily required to be generated by the registered persons or transporters who cause movement of goods of consignment before the commencement of such movement.

Also, the unregistered transporter can also enrol on the common portal and generate the e-way bill for movement of goods for his clients. Apart from this, any person can also enrol and generate the e-way bill for movement of goods for his/her own use.

The validity of the e-way bill depends upon the distance the goods have to be transported. As a rule, one day is added to the validity period for e-way bill for every 200 kilometres, and another day is added for each portion of 200 kilometres.

E-WAY BILL / RFID ANALYTICS

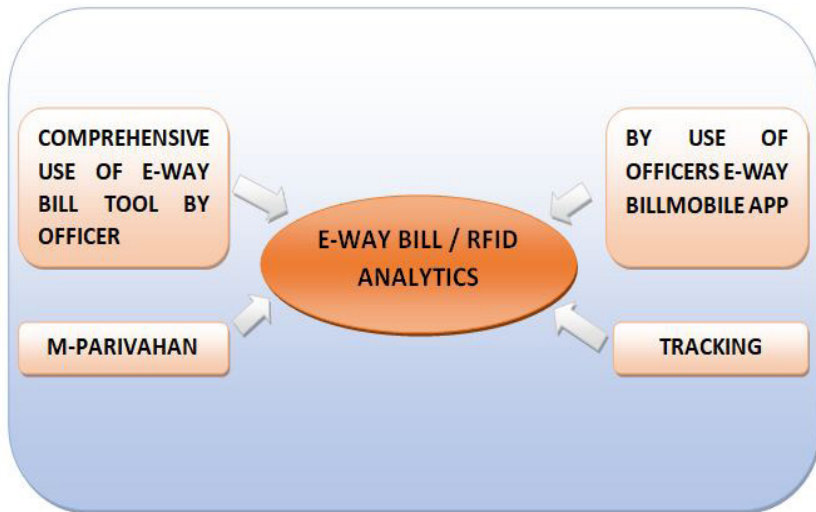
It forms one of the core areas of IRAU. The department has moved away from the method of checking each and every goods carrying vehicle to the intelligence-based tracking and interception of vehicles.

The movement of vehicle is tracked on the mobile App wherein the details of vehicle, quantity of goods, date and time of movement of goods, type of goods etc. are available. The officers examine such details and intercept the vehicle if any discrepancy is found.

This has helped the department to cut down the manpower time and raise the productivity of the department. This has also

helped in reducing the unnecessary stopping of the vehicles in transit for road check.

Fig.25



WORK MODULE

In the E-way bill / RFID analytics, **toll plazas en-route to areas having sensitive commodities** are identified using different E-waybill analytics tools which include comprehensive E-way bill analytics and MIS.

The basic premise of the identification of the sensitive toll emanates from the **RFID tracking** (on our E-way bill portal) with the following benchmarks:

- Frequency of movement of vehicle without E-Way bill
- Timing of the vehicle movement
- Nature of commodities
- Type of vehicle

Based on the RFID analysis and E-way bill analysis, sensitive toll plazas in the state have been identified as:

Fig.26

Sensitive Toll plaza Identification			
Vehicles Without EWB in Month of August 2022			
S.No.	Toll Plaza	No. of unique vehicles passed through the toll without away bill	Total no. of times the vehicle passed without Ewaybill
1	Tand Baikith Toll Plaza	293	13463
2	Pupunki Toll Plaza	121	5317
3	Sosokhurd Toll Plaza	125	4914
4	Beliyad toll plaza	111	3670
5	Pata Toll Plaza	92	3161

Once the sensitive toll plazas are identified, the next step is the identification of vehicles without e-way bills. This is done with the help of E-Way bill officer's tool wherein the past such movement of these vehicles are also noted. The details of such vehicles are also extracted from other public sources including mParivahan portal of MoRTH.

Now, based on the details of past movement of vehicles and through data analysis the future movement of vehicles in terms of exact location and time is predicted.

The result achieved so far using this technique has helped in targeting the correct vehicle without disturbing the genuine tax payer thus doing trade facilitation:

Fig.27

Financial Year	No. Of EWBs Verified	Irregularity Found	Total (Tax + Penalty)
2021-22	97,894	989	3.90 cr.
2022-23 (up to Feb 22)	2,281	138	2.23 cr.

In 2021-22, 97,894 e-way bills were verified by the officers with

irregularities found in 989 e-way bills. But with intelligence-based tracking in 2022-23, verification of only 2,281 e-way resulted in finding of 138 irregularities in e-way bills. Also, the total tax/penalty imposed have been ₹3.9 crores and ₹2.23 crores in 2021-22 and 2022-23 respectively. Therefore, with the introduction of E-Way bill/RFID analytics, the success rate in e-way bill checking has increased manifold without much compromise on the tax/penalty collection.

The use of this analytics helps in the tracking of vehicle movement and accordingly prediction of vehicle movement with respect to expected time, date and location is being made.

Fig.28

Predicting Vehicle Movement through Extrapolation				
S.No.	Vehicle Number	Vehicle Class	Expected Time	Expected Date
1	MH49ATxxxx	Goods Carrier(HGV)	8-10 am & 1-4 pm	15-16 Oct
2	JH09APxxxx	Goods Carrier(HGV)	4-8 am & 12-4 pm	18-20 Oct
3	NL02Kxxxx	Goods Carrier(HGV)	5-6 pm & 9pm-12am	Daily
4	NL01ACxxxx	Goods Carrier(HGV)	10pm-2 am & 4-8am	Not travelling since 1 month
5	UP33ATxxxx	Goods Carrier(HGV)	NA	Presently in UP
6	JH19Bxxxx	Goods Carrier(HGV)	11am-9pm	Running in Murma & Edalhatu Tolls (Near Mandar & Bundu)
7	JH01DDxxxx	Goods Carrier(HGV)	4-8pm & 4am-6am	14-Oct
8	BR26Hxxxx	Goods Carrier(HGV)	5-8am & 4-7pm	14-15 Oct
9	JH01CMxxxx	Goods Carrier(HGV)	10am-5pm	15-16 Oct
10	JH01DJxxxx	Goods Carrier(HGV)	9am-5pm	Expected anytime from now

The intelligence-based E-way bill verification has produced significant results. There has been a significant reduction in road checking with a targeted E-Way bill verification. The result

achieved so far with targeted road checking is almost similar to the tax/penalty as earlier with large number of E-Way bill verification.

E-WAY BILL / RFID ANALYTICS SUCCESS

E-way bill / RFID analysis is one of the most innovative measures under taken by IRAU which has significantly improved the productivity of the department. The officers now don't have to wait for hours and check each & every vehicle in order to find any tax evasion/ fraud as this analysis provides the details of specific evasion prone vehicle in advance (along with their precise location and time).

This has resulted in significant reduction of e-way bill checking from 97,894 to 2,281 i.e., a massive reduction of 97.5% without compromising much on revenue collection due to huge jump in the success rate of e-way bill verification.

7.3 ANALYSIS OF IGST SETTLEMENT - IRAU

The State Government receives IGST settlement from the Central Government on account of interstate supply received in the state on which IGST has been paid and collected by centre. Every month the state receives IGST settlement from the centre. Therefore, IGST is collected by the centre and apportioned between the centre and states in line with the IGST Settlement rules as shown in the chart below:

Fig.29

IGST/SGST	Appropriation	Allocation (to)
Credit of IGST availed	Utilized to pay CGST	Union – Central tax account
	Utilized to pay SGST	State – State tax account
Credit of SGST availed	Utilized to pay IGST	Transfer funds from State to Centre

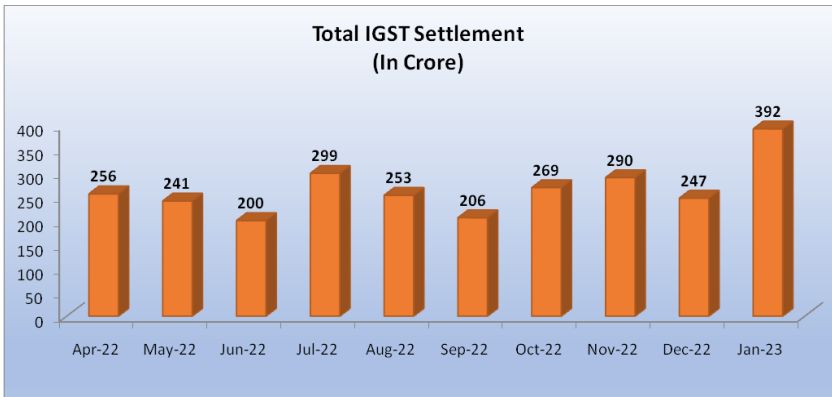
On 6th July, 2022 Circular no. 170 was issued by CBIC making the reversal of ineligible / blocked credit mandatory.

The team of IRAU identified the key taxpayers who have not made IGST reversal of the ineligible credit. All the large taxpayers who had ineligible credit through exempt supplies were consulted and were made aware on the mandatory reversal of ineligible IGST credit.

The prompt action taken by IRAU led to a significant result.

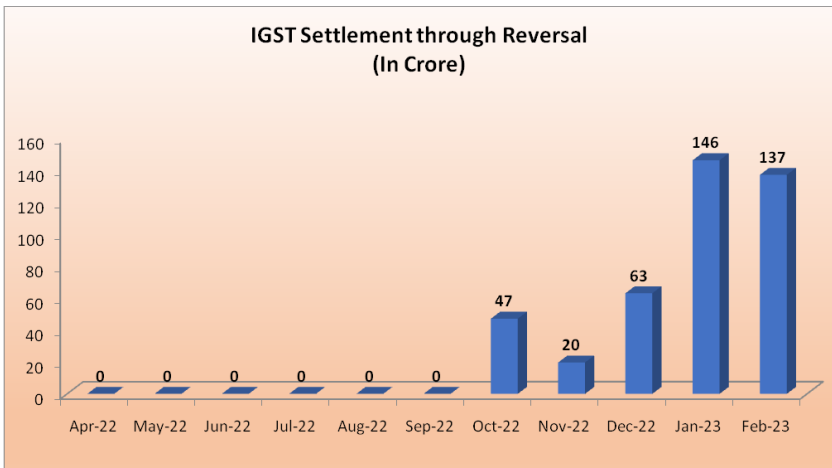
In the current financial year from April'22 till December'22, IGST settlement never ever crossed ₹300 crores while in the month of January'23 the state received the highest ever IGST settlement of **₹392 crores**.

Fig.30a



From April'22 to November'22 the revenue collection through reversal was very low and with the targeted approach of IRAU, an additional revenue of ₹ 147 crores in January'23 and ₹ 139 crores in February'23 was generated through reversal of ineligible IGST credits. This process will continue for all the upcoming months.

Fig.30b



The IGST Settlement analysis produced significant result with an additional revenue augmentation of around ₹150 crores on a monthly basis since Jan'23

8. COMBATING TAX EVASION THROUGH ENFORCEMENT ACTION ON FIELD

The upgradation and advancement in Information Technology have facilitated the taxpayers in their compliances related to taxation, however, this has also encouraged new forms of tax evasion. There are several tax payers taking fake registrations only on computer system without actual business premises, and issue fake invoice to pass on input tax credit (ITC) and create an ITC web to evade taxes. In order to evade tax and go out of notice of the State Tax Officers, registrations are taken up in other state and ITC is passed on to the state dealers.

Moreover, with GST being a self-assessed tax regime, the taxpayer voluntarily declares the tax liability and pays off the tax. The monitoring of taxpayers is again crucial to check whether the liability declared and ITC claimed are correct or not. The significance of enforcement action is thus pivotal as deterrence to tax evasion.

Enforcement under taxation acts as a deterrence. It is through the proper execution of the information technology, conducting enforcement action and ensuring compliance within laws, regulations, rules, standards and social norms and completing proper investigation along with issuing notice for demand of duty.

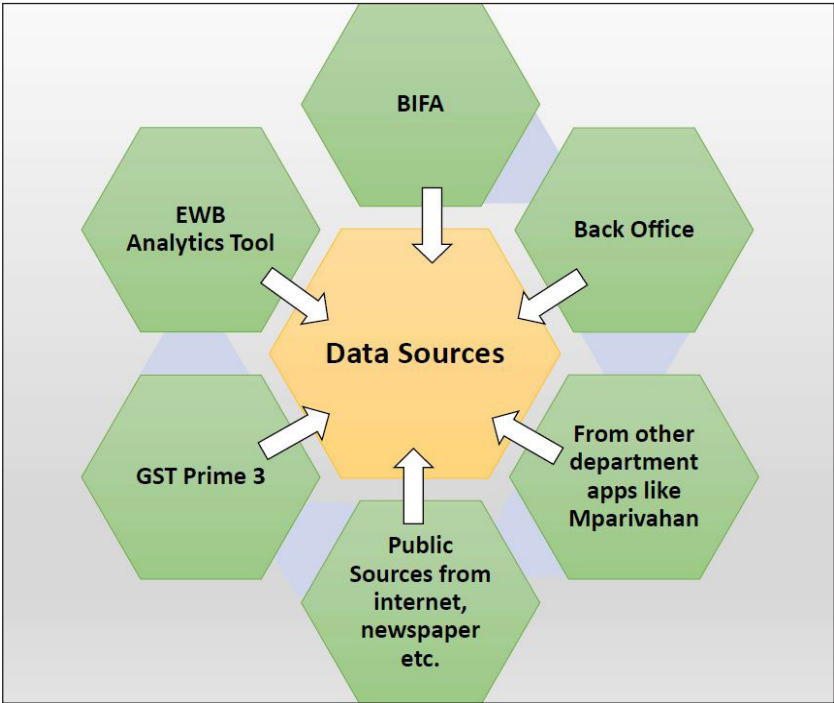
Enforcement in GST involves an entire set of actions taken up by the tax authorities to curb tax evasion. It includes calling for information, issue of notices, issue of summons, recording of statements, search and seizure of goods and business premises etc. The different sets of enforcement processes can be broadly enumerated as inspection, search, seizure and arrest followed by issuing of demand notices for duty.

With the advent of GST and establishment of Intelligence and

Revenue Analysis Unit (IRAU), the department has emphasized that intelligence-based enforcement activities are carried out in an unobtrusive and efficient manner. This has led to wiping out of indiscriminate investigation that brings disrepute to the department.

THE DATA SOURCES FOR ENFORCEMENT ACTION

Fig.31



The Enforcement wing is present in every division and consists of officers competent in IT, accounts, legal, act and rules and having inclination for doing better investigation.

Each enforcement unit in their respective division conducts various inspection on the basis of self-generated intelligence notes or intelligence notes sent by IRAU.

The areas and the sectors covered include iron and steel sector, mining, works contract services, exporters (merchant exporters), textile, FMCG etc.

MAJOR RECOVERY DONE

1 . Telecom Sector

M/S ABC Co. (Providing Telecommunication Infrastructure Services to Telecom Operators)

Observation

The ITC of the Telecom towers and accessories are mentioned in the negative list of Section 17(5) of the CGST Act 2017 and therefore cannot be claimed. However, the said ITC was claimed and utilised by the firm.

Result

₹ 4 crores have been deposited on inspection.

2 . Milk Product Related Sector

M/S XYZ Co. (Milk, Paneer, Skimmed Milk Powder, Curd Manufacturing)

Observation

The firm has an exempted turnover of 80% and taxable turnover of 20%. However, it availed and utilized the entire credit of 8.98 cr. in the gross violation of Rules 42 and 43 of the CGST Rules 2017

Result

Upon inspection ₹3.22 crores have been deposited by the firm

3 . Construction/Works Contract Sector

M/S XYZ Co. (Construction/Works Contract)

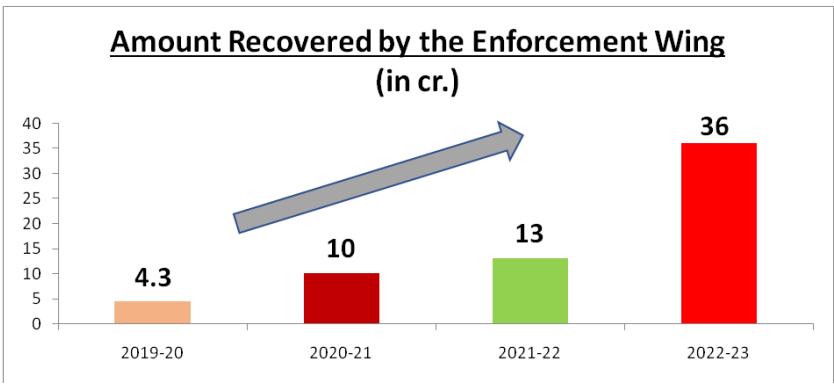
Observation

The firm had availed excess ITC credit without any matching inward supply and also declared less liability in their returns. Additionally, it has also received huge ITC from another non-existent firm via bill trading.

Result

Upon inspection ₹8.3 crores have been deposited by the firm

Fig.32



For the Financial Year 2022-23 (up to Jan'23) 48 Intelligence report have been generated with the recovery of ₹36 cr. The recovery from enforcement has multiplied 3 times over the last financial year till date

9. SPECIAL TASK UNIT (STU)

The state receives more than 95% of its tax revenue from a small set of taxpayers who have turnover of more than ₹10 crores. As a trade facilitation measure, to ensure hassle-free compliance for such taxpayer and Ease of doing business, the department in January 2023 has constituted STU at 5 Circles known for industrial clusters –

- Ranchi West
- Ranchi South
- Jamshedpur
- Jamshedpur Urban
- Adityapur

In every STU, a list of taxpayers with turnover of more than ₹10 crores has been prepared at the circle level and officers with good knowledge of the act, good communication skills, and IT expertise are exclusively assigned the task of monitoring such taxpayers.

All nominated officers in STU have been exempted from other tasks such as registration, amendments, cancellations, etc. focussing only on such high-end taxpayers. Other than handholding and facilitation measures their work includes:

- Monitoring of timely return filing of the identified key taxpayers which eventually ensures timely payment of taxes.
- Ensures correctness of returns filed by the taxpayers.
- Ensures that only eligible ITC are claimed and utilised while the ineligible ITC needs to be reversed accordingly.

- To check the genuineness of the refund claims made by the registered taxpayers
- To check the percentage of payments made in cash and identify the aberrations in cash payment if any.
- To make sure that the taxpayers file GSTR-1 on time so that the input tax credits (ITC) are made available on time before the filing of GSTR-3B.
- To check if any other liabilities including late fine, penalty etc. are pending on taxpayer's part.

Thus, the formation of Special Task Unit is expected to streamline the monitoring of large taxpayers in terms of filing of returns, payment of tax and keeping an eye on the correctness of returns including the refund claims.

Also, with a designated proper officer for all the specified large taxpayers, it is easier for even the taxpayers to interact and resolve any technical issues they face. This will ensure a focussed monitoring of nearly 95% of the tax revenue along with promoting tax facilitation and ease of doing business.

As of now, STU is present in 5 circles of 2 divisions and in due course of time it will be expanded to all the other divisions as well.

10. RETURN FILING

There are several returns to be filed for different categories of tax payers with different due dates (as shown in the table below).

DUE DATE OF RETURN FILING OF SOME IMPORTANT RETURNS UNDER GST

Fig.33

GST RETURN	DUE DATE OF FILING
GSTR 1	11 th of next month
GSTR 3B	20 th of next month
GSTR 07	10 th of next month
GSTR 08	10 th of next month
GSTR 09	31 st December of following financial year
GSTR 9C	31 st December of following financial year

Return filing (GSTR-3B) is the most important part from the taxpayer's perspective and it ensures revenue generation for the state. It is only after the filing of GSTR-3B, the taxpayer makes payment of tax through the common portal which is then appropriated to the state exchequer.

As mentioned in the table, date for filing of GSTR-3B is 20th of the following month and for GSTR-1 on 11th of following month. The officers of the department keep a close check and monitor the tax return compliance by due date and contact the tax payers where there is any delay in filing. For the taxpayers with turnover of more than ₹5 crores are monitored at the highest level on a daily basis.

MONITORING OF RETURN FILING OF TAXPAYERS WITH TURNOVER OVER ₹5 CRORES ON A DAILY BASIS

Fig.34

Division	Circle	% Return filing for the month of JAN-2023 as on 15-MARCH-2023	Zone
Hazaribagh	Tenughat	92%	GREEN
Dhanbad	Jharia	94%	GREEN
Ranchi	South Circle (Ranchi)	94%	GREEN
Jamshedpur	Chaibasa	95%	GREEN
Dumka	Sahebganj	95%	GREEN
Hazaribagh	Hazaribagh	96%	GREEN
Dhanbad	Katras	96%	GREEN
Jamshedpur	Jamshedpur Circle	96%	GREEN
Hazaribagh	Koderma	96%	GREEN
Dhanbad	Dhanbad (Urban)	96%	GREEN
Dumka	Pakur	96%	GREEN
Ranchi	Palamu	97%	GREEN
Ranchi	West Circle (Ranchi)	97%	GREEN
Dhanbad	Chirkunda	97%	GREEN
Jamshedpur	Urban Circle, Jamshedpur	97%	GREEN
Ranchi	Special Circle (Ranchi)	97%	GREEN
Hazaribagh	Ramgarh	98%	GREEN
Dhanbad	Bokaro	98%	GREEN
Ranchi	East Circle (Ranchi)	98%	GREEN
Dumka	Dumka	98%	GREEN
Jamshedpur	Adityapur	98%	GREEN
Dumka	Godda	99%	GREEN
Hazaribagh	Giridih	99%	GREEN
Jamshedpur	Singbhum	99%	GREEN

Division	Circle	% Return filing for the month of JAN-2023 as on 15-MARCH-2023	Zone
Dumka	Deoghar	99%	GREEN
Dhanbad	Dhanbad	100%	GREEN
Ranchi	Gumla	100%	GREEN
Ranchi	Lohardaga	100%	GREEN
TOTAL		97%	

In case of large taxpayer return defaulters, list from the headquarter is shared with the field offices on daily basis so that such defaulters can be persuaded to file the return as soon as possible

COMPARISON OF GSTR-3B FILING COMPLAINEE

Fig.35

SI No.	State/UT Name	Apr'22-Dec'22
1	Jharkhand	94%
2	Bihar	92%
3	Uttar Pradesh	91%
4	Odisha	91%
5	Chhattisgarh	93%
6	West Bengal	91%
National Average		84%

HIGHLIGHTS

- Jharkhand ranks 1st in terms of return filing among neighbouring States (Bihar, Uttar Pradesh, Odisha, Chhattisgarh and West Bengal)
- Almost 100% return filing for tax payers with turnover more than ₹5 crores is ensured by the circles. Circle also ensures that the taxpayers with turnover upto ₹5 crores files their return on time
- Return filing status is monitored on a daily basis at the highest level
- On pan India level Jharkhand is among the top state in terms of timely GSTR-3B filing

11. ESTABLISHMENT OF A DEDICATED GST AUDIT

OBJECTIVE

The objective of audit of taxpayers is to measure the level of compliance of the taxpayer in the light of the provisions of the CGST Act 2017 and the rules made there under. This has got more relevance once we are in the self-assessment regime where the taxpayer declares his own liability of tax.

Audit examines the declarations of taxpayers, and tests the accuracy of the declaration and the accounting systems that produce the declared liability. It also evaluates the credibility of the declared or assessed tax liability along with the verification of documents and annual/monthly returns. The audit acts as a deterrent to the extent to which it discovers and stop taxpayers from continuing to under-declare or manipulate their tax liability.

IMPORTANCE OF AUDIT

An effective audit program results in the discovery of under-declared liabilities either by omission, error or deliberate deception. The amount of additional revenue raised depends not only on the level of compliance by the taxpayers, but also on the effectiveness of the auditors and the audit planning and implementation. An efficient and effective audit system assists the department in its pursuit of increasing taxpayer's voluntary compliance and facilitates the tax administration's aim of getting "the right tax at the right time."

BASIC PRINCIPLES OF AUDIT

- Conducting audit in a systematic and comprehensive manner.
- Emphasis on the identified risk areas and scrutinizing the records maintained in the normal course of business.
- Applying audit techniques on the basis of materiality i.e., degree of scrutiny and application of an audit tool depending upon the identified nature of risk factors.
- Proper recording of all checks and findings made during the entire audit.
- Identifying the unexplored compliance verification parameters.
- Educating the taxpayer for voluntary compliance.

GST AUDIT

The Commercial Taxes Department in order to ensure that the statutory obligation of GST Audit is complied with, drew on its internal resources to form a dedicated Audit Cell.

The process of GST audit has begun with a fair method of selection of taxpayers based on system-generated risk parameters without any human discretion. The cases so far allotted have been selected through GSTN's state of art business portal (BIFA). Currently, 25 cases of the financial year 2017-18 and 2018-19 are being taken up by the audit teams. The parameters taken in considering the taxpayer are their turnover, sensitive commodities, number of red flags regarding ITC mismatches, exports, refunds, etc.

12. ONE TIME SETTLEMENT

“The Jharkhand Karadhan Adhiniyamo Ki Bakaya Rashi Ka Samadhan Adhiniyam 2022” has been enacted to reduce litigation of the department where several crores of revenue are locked for years without the cases reaching any finality and for providing the settlement of old arrears and disputes arising from proceedings under:

- Bihar Finance Act 1981
- The Central Sales Tax Act 1956
- JVAT Act 2005
- Other minor acts

PURPOSE FOR BRINGING IN ‘KAR SAMADHAN YOJNA’:

- To grant relief to tax arrear holders by providing for the settlement of matters pending in litigation before various judicial forum.
- To reduce the burden of the court in deciding simple and trivial matters.
- To generate the revenue for the state.
- This will also help the department to focus more in GST and all disputes related to VAT period will substantially reduce.

BACKGROUND

After implementation of GST, apart from the central government, many states like – Odisha, Rajasthan, Madhya Pradesh, Uttar Pradesh and Bihar have brought in one time settlement scheme to settle the cases pending in different courts, which resulted in taxpayers getting rid of cases pending in different courts as well as providing revenue to the Government through settlement schemes.

At present the Commercial Taxes Department has approx. 5000 cases under disputes amounting to ₹3500 crores which are pending at different judicial forums. Most of the cases pertain to enhancement of turnover, non-submission of statutory forms under VAT and CST like JVAT 404, F forms, C forms, etc., and disputes arising out of job work taxation, wrong rate of tax levied, turnover reduced etc. This matter can be considered for One Time Settlement (OTS) and will reduce litigation.

COMMENCEMENT OF 'KAR SAMADHAN YOJNA'

- This Act has come into force from 31.01.2023
- This Act is effective for six months from the date of Notification
- The State Government may extend the period further for up to Six months

Important highlights of One Time Settlement include:

- 100% payment of admitted tax and 90% of waiver in interest and penalty.
- 40% payment of disputed amount and 90% of waiver in interest and penalty.
- 50% payment relating to non-submission of statutory forms and 90% waiver in interest and penalty.

The table describes the settlement amount proposed under this Act.

Fig.36

No.	Type of Cases	Settlement amount	
		(Tax)	(Interest / Penalty)
1	Arrear of admitted tax, interest and penalty	100% amount of admitted tax	10% of unpaid amount of interest and penalty (90% waiver).
2	Arrear amount of assessed tax upto Financial year 2017-18.	40% of the difference between the tax component of assessed tax and the amount of tax already paid (60% waiver)	10% of the unpaid amount of interest and penalty in that statutory order (90% waiver)
3	Arrear amount related to statutory declarations/Forms/ certificates upto Financial Year 2017-18	50% of the unpaid amount of tax calculated after the deduction of (50% waiver) (a) The amount of tax involved in the value of acceptable Forms/Certificates/Declarations submitted by the applicant before the prescribed authority under this Act, and (b) The amount already paid towards the total arrear of tax.	10% of the unpaid amount of interest and penalty as per statutory order(90% waiver)
4	Any arrear in dispute other than mentioned in Sl. No. 1, 2 and 3	40% of tax in dispute provided the same has not been declared/considered in any order/assessment/reassessment (60% waiver)	10% of the unpaid amount of interest and penalty as per statutory order (90% waiver)

It is expected that this scheme will help the government to realize more than ₹500 crores of revenue

13. HUMAN RESOURCE MANAGEMENT

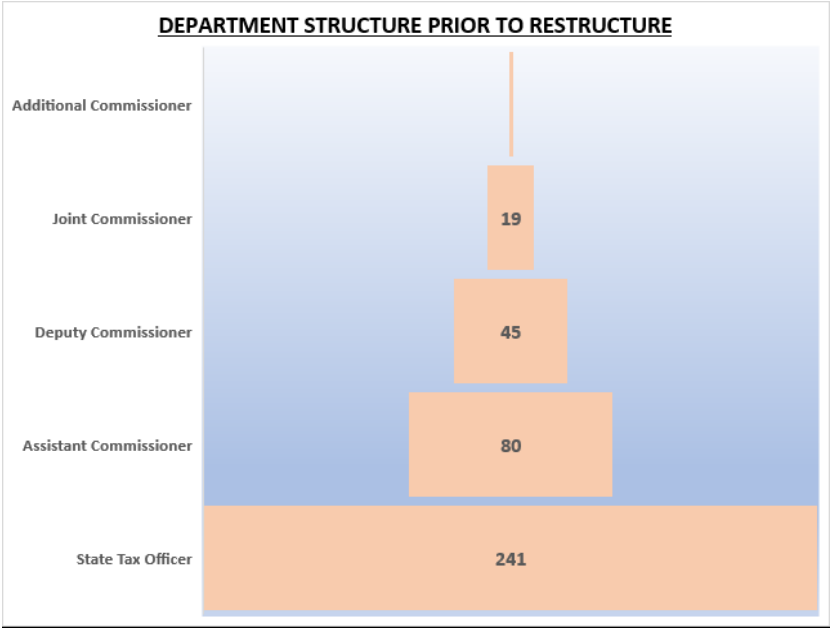
“The strength of the team is each individual member. The strength of each member is the team” ~ Phil Jackson

13.1 RESTRUCTURING OF THE DEPARTMENT

With the backdrop of the GST being a dual tax administration and to improve the quality and accuracy of the work under GST, restructuring of the department was needed.

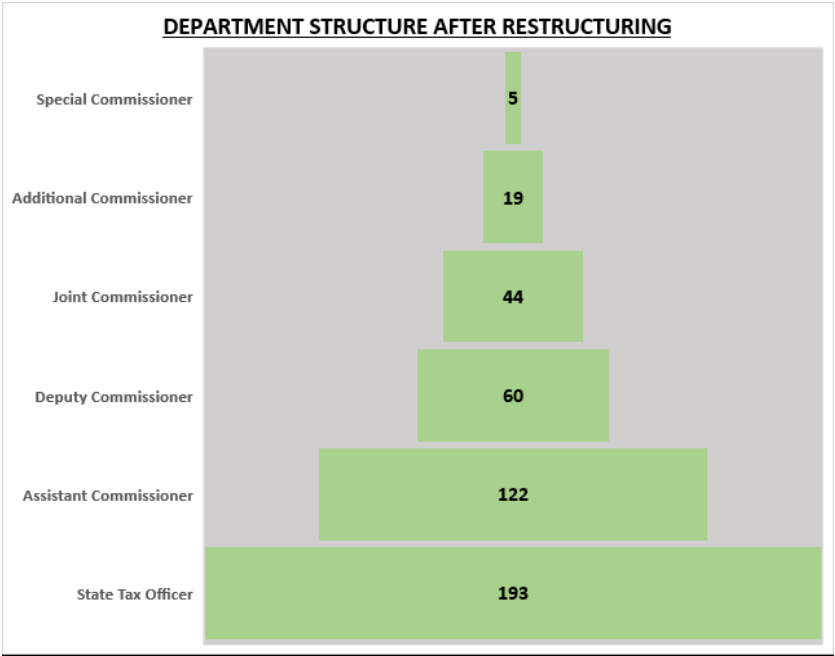
It was done in line with the provisions of GST Act and to bring parity in the organisational structure with the Central GST Department. The restructuring of the State Commercial Taxes Department was done which led to promotions and fulfilling the aspiration of officers of the department.

Fig.37



Prior to restructuring of the department, pyramidal structure in the hierarchy of officers was highly skewed with a very broad base and very thin top resulted in delayed promotional avenues. There were 240 STO's and 80 Assistant Commissioners at the bottom with only 19 Joint Commissioners and 2 Additional Commissioners at the top.

Fig.38



After restructuring, the number of officers at the top has increased thereby making the pyramid much more proportionate with an addition of new post creation of 5 Special Commissioners.

13.2 PROMOTIONS

Promotion plays an important part in raising the self-esteem and self-motivation of the officers which in reciprocation increases their efficiency and encourages the officers to give their 100% to the task assigned.

With this objective, the Department fast-tracked the pending promotions and for the very first-time promotions at all the levels from State Tax Officer (STO) to Additional Commissioner hierarchy were given in a very short span of time.

Fig.39

Promotion	Total No. of Promotions
STO to Asst. Commissioner	88
Asst. Commissioner to Dy. Commissioner	15
Dy. Commissioner to Jt. Commissioner	29
Jt. Commissioner to Addl. Commissioner	6

Following the restructuring of the department, a record 138 promotions have been provided to the officers. 88 State Tax Officers have been promoted to Assistant Commissioner,15 Assistant Commissioners to Deputy Commissioner, 29 Deputy Commissioners to Joint Commissioner and from 6 Joint Commissioners to Additional Commissioner.

13.3 TRAINING

A total of 102 new officers of the 6th JPSC batch underwent induction training and were then posted in various circles and in the headquarter.

During the implementation of GST, Commercial Taxes Department actively participated with National Academy of Customs, Indirect Taxes and Narcotics (NACIN) in an endeavour to create awareness about GST among the stakeholders and conducted various training programs on various concepts related to various acts and rules.

25 master trainers were selected from different divisions and these master trainers participated in the induction training

program conducted by GSTN at Infosys headquarter, Chennai. These master trainers then conducted training programs for the officers as well as for the taxpayers in their respective division and provided handholding exercises for filing of returns and making of payment.

A separate training program for Drawing and Disbursing Officer (DDOs) were conducted regarding deduction of TDS and filing of return by them.

Also, regular training programs are conducted as and when needed because of amendments in the acts and rules.

13.4 TRADE FACILITATION AND OUTREACH PROGRAM

In resolve to assist and handhold taxpayers and as a means of trade facilitation and providing ease of doing business the department has put continuous thrust by way of setting up of GST Helpdesk at headquarter level and GST facilitation centre in circle level.

Trained staff members and officers with an uninterrupted internet facility operate as a bridge between the taxpayers & administration, facilities like assistance in filing of returns, applying for fresh registration, refunds, and redressal of general grievances are provided at the helpdesk and facilitation centre.

As a part of the good governance initiative, a series of outreach programmes are being held by the department to make traders, lawyers, CAs, etc. aware of the new government policies. Generally, Saturday of every month is kept as a day for interaction with the trade's representatives on various issues relating to tax procedures & policies.

The interactive sessions with the representatives/office bearers of trade and Industrial associations, manufacturers, hoteliers, retailers, industrials, and banquet hall owners have been done:

- Discussions regarding operational issues related to CGST, SGST, and IGST and respective subject matter of different sectors.
- Awareness regarding time-to-time changes in GST rules and procedures.
- To incorporate principles of responsibility, accountability, awareness, impartiality, and transparency among all stakeholders.
- Suggestions by stakeholders are also welcomed with a view to ensure hassle-free experience in tax compliance.
- As a measure of trade facilitation, interaction with the top 50 taxpayers was done in December'21 under the Chairmanship of the Hon'ble Minister of Commercial Taxes Department, where several issues were discussed and problems of trade & industries were heard and acted upon.

Interactive session with the Large Taxpayers of Jharkhand

A meeting with top 50 taxpayers of the state covering important sectors was convened in December'21 to address their grievances, awareness generation about trade facilitation measures and their support in revenue augmentation

13.5 COORDINATION MEETING WITH OTHER STATE GST AUTHORITIES

As a part of exchanging best practices with other performing states, a team of officials visited The State of Telangana in the month of December 2022. Best practices like the creation of Intelligence and Revenue Analysis Unit (IRAU) and data analytics based E-Way bill verification already in place in Jharkhand were shared with them. The App-based tax compliance and integration of VAT and GST systems as a single point of interaction with taxpayers have been learnt from Telangana. Other important points observed include:

- Extensive monitoring of GSTR-3B defaulters at the highest level through an App specifically designed for this purpose.
- Automated calling to the GSTR-3B defaulters with the records saved for monitoring.
- Scrutiny of returns is done through the App and an online system specifically designed for the state of Telangana.
- Automated generation of detailed show cause notice with a minimal of human interference which has resulted in the significant reduction of the litigations at various legal forums.
- Focus on place of supply and reversal of IGST settlement as a measure for revenue augmentation

The department acknowledged all the best practices and have implemented various such measures and is also in the process of further adopting the technology driven tax mechanism.

14. WAY AHEAD

1. System Integration

It is worth to point out that several registered taxpayers under works contract services are involved in providing the works contract services/supplies to the different government departments. The Drawing & Disbursement Officers of the respective department have to deduct tax (TDS) in case of any supplies/works contract service etc. rendered by the such service provider with an amount greater than ₹2.5 lakhs. To ensure better tax compliance, the department has proposed to make available the departmental software of other works contract departments to enable better tax compliance. Proposed system integration with various other departments include Road Construction Department, Building Construction Department, Energy Department, Mining Department, Registration Department, Transport Department and Information and Technology Department.

2. Intelligence and Revenue Analysis Unit (IRAU) at Division Level

Formation of IRAU at headquarters has played the key role in revenue augmentation for the department. It has been involved in sectoral analysis, E-way bill analytics, reviewing IGST Settlement report etc.

Following the astounding success and performance of IRAU at the headquarter level in 2021, IRAU has been constituted at the Division level for the same function in 2023.

3. Expansion of Special Task Unit (STU)

STU at present has been formed in 5 circles across 2 divisions only and look after the taxpayers with turnover of over ₹10 crores. In the future, it will be expanded to all the divisions covering all the key circles to deal with taxpayers having turnover of over ₹5 Crores in order to ensure tax facilitation, timely and accurate return filing etc.

4. Technological Collaboration

Align with the motto of least intervention, maximum governance and to bring out transparency and efficiency in the day-to-day working of the department: an app-based interface for the taxpayers is proposed, for better monitoring, data analytics, and revenue augmentation.

ENCAPSULATING THE MISSION

- Increasing the tax base by bringing more & more business entities under tax net through mass awareness campaigns, increasing tax compliances by proper monitoring and increasing tax facilitation.
- Ensuring revenue augmentation with an endeavour to attain considerable growth in revenue collection
- Adoption of IT based advanced tools& techniques backed by data analytics to detect tax evasion and frauds
- Boosting in-house capacity for data mining, Business Intelligence and revenue forecasting.
- Ensuring faceless delivery of services while sticking to timelines.
- Proactive engagement of all the stakeholders for developing full ownership amongst them while providing a transparent tax administration.
- Better human resource management

“It is always the effort of each and every individual in the department to achieve our mission and vision”