

## eIndia Award 2011

Commercial Tax, Government of Gujarat has been conferred with award on 15.12.2011 at a function at Mahatma Mandir, Gandhinagar for their innovative project called OASIS, the On-line Application & Scrutiny of Inter-State transactions nominated under G2B category.



## Project Details:

### **Brief description of the programme/project/Initiative:**

Statutory Form C (for inter-state purchases), Form H (for purchases in the course of export) and Form F (for branch transfer / consignment / Stock transfer) under the Central Sales tax Act, 1956 (CST) are very important for the tax payers as they can buy at zero / reduced rate of tax. These forms are to be obtained from the Commercial Tax offices only. Such forms are not allowed to be sold in the market. The process of issuing forms was manual. Rate of tax at present for purchases against C form is 2%, else tax payer has to pay either 5% or 15%. There is no tax for purchases / procurement of goods against form H and F.

### **Why was the project started?**

Project was started to facilitate tax payers so that they can get forms 24x7 independent of place. Objective : Improving the quality of services to the taxpayer by simplifying administrative procedures, Bring down cost of compliance, Efficient and transparent commercial tax administration, Provide better quality of information for decision making, Strengthening internal audit and control, Increase levels of Automation & Integration, Secure Delivery of Statutory Forms.

**Target group:** 2.45 lakh tax payers, 4000 tax administrators, 12000 tax practitioners, etc.

**Geographical reach:** 103 units of the Commercial Tax, State Government, tax practitioners and 4.06 lakh tax payers across the State.

**Date from which the project became operational:** 17 August 2011

### **10 points that make the programme/project innovative.**

1. The most innovative use is that of Digital Certificate. The department has bought DSC.
2. Every tax payer is not required to buy DSC.
3. Further, we have used bar-code also, which is uniquely printed on every form.
4. Printing can be done by the tax payer at his end on plain paper of A4 size
5. The process for obtaining forms has become very simple and the number of steps has been brought to the necessity of filing CST e-return only
6. There is no separate application or request. Tax payer is not required to come to the VAT office.
7. Tax payer has not to pay any fee for obtaining forms.
8. There is no human intervention. However there are some validations, entirely taken care-of by the system
9. Through this it is not possible to edit the contents of the Statutory forms.
10. There are no bottlenecks now.

**List the 5 achievements of the programme/project**

1. Number of persons engaged in issuing statutory forms has been brought to 27 from 300 wef 1.7.2008 in the first phase and then to 7 from 17.08.2011
2. Forms issued in 24 to 36 days earlier can now be issued within 24 to 36 hours. Cost of compliance and cost of collection have come down.
3. Transparency has increased. Revenue leakages have decreased. Misuse of forms and frauds have been eliminated.
4. So far, 35.10 lakh forms have been issued. Data has been shared with other states for cross verification, resulting into control on inter-state transactions. Data co-relation and data mining has become possible.
5. Saving of about Rs 1.25 crore towards cost of printing stationery and postage expenses

**List the 5 key challenges faced while implementing the programme/project/initiative:**

1. These forms were to be obtained from the Commercial Tax offices only. Such forms are not allowed to be sold in the market. The process of issuing forms was manual. Rate of tax at present for purchases against C form is 2%, else tax payer has to pay either 5% or 15%. There is no tax for purchases / procurement of goods against form H and F.
2. Paper based, Multi-stage scrutiny by Clerk, Inspector and Officer delayed issuance of forms considerably and consumed lot of resources
3. Facilitating the tax payers in meeting their obligations was not possible.
4. Transparency and self- compliance levels were low.
5. Thorough review of all transactions done by the entity and identification of suppressed information was difficult, leading to revenue leakages. Difficulties in data collection, data sharing with other States, merging.