

Compendium of Circulars

OFFICE OF THE COMMISSIONER OF COMMERCIAL TAXES: ODISHA: CUTTACK

No. 1700/ /C.T
VII-29/1/2015- REV Sec-CCT

Dated 11 / 11 /2016

To

DCCTs/ACCTs In charge of Circles

Sub: Action against Dealers not-filing returns or filing returns reporting 'Nil' transactions for years

Madam/Sir,

On analysis of information available in VATIS, it is noticed that dealers, as per the list enclosed, either did not file any return or filed return reporting 'Nil' transactions continuously for 3 years from 1.4.2013 to 31.3.2016. In VAT regime, for seamless continuance of VAT chain, regular compliance of rules and regulations by the VAT dealers is a must. Besides, Registration Certificate of such non-serious dealers is prone to misuse by unscrupulous elements for claiming false ITC which in turn will create distortion of the ITC chain.

In the meanwhile, the OVAT Act has been amended bringing in a new provision by way of Sec.31 (1) (h) for cancellation of registration of dealers for good and sufficient reasons. **Therefore, you are hereby advised to examine all these cases u/s 31(1) (h) of the OVAT Act and take appropriate action against each of these dealers as per law.**

As the number of such dealers is huge, an IT-based process has been developed in VATIS for use by Registering Authorities wherein appropriate decision on cancellation of registration, complying to the statutory requirements, can be taken. Use of this IT-based system will also obviate the need for maintaining physical hard-copy case record for each of these numerous cases. However, in contested cases (i.e. cases wherein the dealer submits response against the show-cause notice), you are required to maintain a proper physical hard-copy case record for adjudication and use the IT-based system accordingly.

The step-by-step procedure for using the IT-based system can be viewed or down-loaded from our portal.

Yours faithfully,


10.11.16
Commissioner of Commercial Taxes, Odisha