

OFFICE OF THE COMMISSIONER OF COMMERCIAL TAXES, ODISHA, CUTTACK

No. 9128 / ICT
V-32011/7/2015-TRU

Dt: 4/6/2016

CIRCULAR

Sub: In the matter of imposition of penalty under Section – 42 and 43 of Odisha VAT Act

Section 42 and 43 of the Odisha Value Added Tax Act, 2005 have been amended vide Notification No. – 9848-I-Legis 5/2015-L., dt.24.09.2015 whereby the extent of penalty on audit assessment and assessment of escaped turnover has been reduced to an amount equal to the amount of tax assessed. The Amendments have come into effect from 01-10-2015 vide F.D. notification no. 28080-FIN-CT1-TAX-0017-2013, Dt.19.10.2015. Prior to the Amendment, there was provision of imposition of penalty to the extent of an amount equal to twice the amount of tax assessed under Section 42 and 43. **In this context, it is hereby clarified that the aforesaid amended provision of penalty equal to the amount of tax assessed will be applicable to tax periods starting on or after 01.10.2015. Prior tax periods, i.e. tax periods ending on or before 30.09.2015, will be governed by the pre-amendment provision of penalty equal to twice the amount of tax assessed.**

Therefore, irrespective of commencement dates of assessment proceedings and irrespective of adjudication dates of appeal cases, penalty equal to twice the amount of tax assessed shall be imposed for the tax periods ending on or before 30.09.2015 and penalty equal to the amount of tax assessed shall be imposed for the tax periods starting on or after 01.10.2015.


03/6/16

Compendium of Circulars

In cases where the Commissioner has notified the dealers to be audited, calculation of penalty has to be segregated accordingly. Penalty of an amount twice the tax assessed shall be imposed for the tax periods ending on or before 30.09.2015 in accordance with the pre-amendment provision and penalty equal to the amount of tax assessed shall be imposed for the tax periods starting on or after 01.10.2015 in accordance with the amended provision.



03/06/16

**Commissioner of Commercial Taxes, Odisha
Cuttack**