OFFICE OF THE COMMISSIONER OF COMMERCIAL TAXES, ODISHA, CUTTACK

No. VII (Arrears) 1/2013_____4111_____CT   Date: 11-03-15

To

    Deputy Commissioner of Commercial taxes in charge of Circles,

    Assistant Commissioner of Commercial taxes in charge of Circles,

    Commercial tax officers in charge of Assessment Units.

Sub: **Monthly Updating of Arrear Module in VATIS**

Sir,

As you are aware, efforts have been made to create a data base of all the arrear dues outstanding under various Acts administered by the Commercial Tax Department. Circles had earlier submitted a certificate that all pending arrears have been entered into the system which was an important step in digitization of all arrear records. However, it is seen that the entries are not updated on a regular basis as a result of which the primary objective of creating a credible database is not achieved.

An arrear module is available in VATIS for recording, editing and updating arrear position of all dealers of your Circle. In this regard, the following standard operating procedure needs to be put in place for regular updating of the arrears to ensure that proper and correct position of arrear is reflected in the database.

Administrative Mechanism

Every circle officer should appoint a nodal officer of rank of CTO, who, with clerical assistance / DEO, should perform the task of updating the database every month. The name of the CTO along with his e-mail ID should be sent to intra-mail ID: accttru@ctdod.in by 20th March, 2015, for further communication.

Schedule for Updating

Updating the arrear database in VATIS shall be done on a monthly basis. This should be completed, without fail, by the 10th of the subsequent month and an online certificate is to be given by the nodal officer that the database has been updated upto the end of the preceding month. Till the facility is created in the arrear module the nodal officer will keep sending the required certificate to intra-mail ID: accttru@ctdod.in.

Sources and procedure for updating the database

The arrear database will require to be updated if there is any change in the dues outstanding, due to any payment made against the arrear demand, or due to any relevant changes in the status of the case. The primary sources of data for such changes will be the following:

(i) **Payments made against arrear demand:** If the dealer has paid certain amount of arrears, the initial information will flow from Payment and Collection Register (PCR) through Challan entry. An online PCR is available in VATIS which records all payments whether manual or online. In the "Payment Type" there are two types of payment i.e. Admitted Tax and Demand Tax. The CTO responsible for updating the Arrear Module is to take a print out of all transactions by the 31st of the month relating to payment on account of Demand Tax and basing on that the arrear module is to be updated. The nodal officer shall keep the monthly print copy for future record.

(ii) **Appeal Orders (Stay):** If the amount in dispute is stayed at higher forum i.e. 1st Appeal/Revision/Tribunal/ High Court and Supreme Court, then the source of information will be the stay order. The stay order is generally sent to concerned Circle authority. The Circle authority normally marks it to the concerned Officer responsible for maintaining the DCR. DCRs in circles are being maintained assessing officer wise. Each officer in charge of the DCR must intimate the result of appeal / stay with particular of stay / appeal orders to the nodal officer for necessary updating of arrear module by 5th of the subsequent month.

(iii) **Appeal Orders Disposal:** If the amount in dispute is enhanced/ reduced/ quashed/ annulled or set aside at higher forum i.e. 1st appeal/ Tribunal/ High Court and Supreme Court then the source of information will be the appellate order. The procedure in this case shall be the same as in para (ii) above. On recording the result of appeal/ revision the noting under remark column i.e. "Stay" shall disappear and the assessing officer may issue a recovery proceeding.

(iv) **Tax Recovery Procedure:** If Tax Recovery proceeding has been initiated, the information will be provided by the assessing officer who has requisitioned the TRO proceedings. The assessing officer should communicate the same by the 5th of the subsequent month to the CTO responsible for updating the arrear module accordingly.

He will also record collection of tax if any, through attachment or otherwise in the TR proceeding.

Certificate of Updating

Irrespective of the fact if any changes have occurred or not the officials concerned shall send a monthly report to the CTO, who is the nodal officer, by the stipulated date. In case no changes are required , a nil report should be sent. The CTO shall be aware of the different officials who have to send him a report and also ensure that he receives the same in time, thereafter with the assistance of the DEO the data base should be updated. The DEO will sign on all the reports received to the effect that he has made the changes correctly in the arrear database. Thereafter the CTO shall make a check of sample cases; if the corrections are less in number, then a 100% check should be made of the changes incorporated and thereafter a certificate of updating should be given online by the concerned CTO by the 15th of the month that all records have been updated till the end of the preceding month. A facility is being provided in VATIS to maintain a historical record of the changes incorporated against each arrear case.

As many of the circles have not been updating the arrear database in a regular manner, it is requested that the first report incorporating all the changes done since the time the database was updated last should be carried out following the above procedure and the data base updated by April 10th 2015, so that a correct picture of arrear outstanding as on March 31st 2015 is sent to the Accountant General. Thereafter, incremental changes are to be made on a monthly basis.

This may be given top priority and the Circle heads should ensure personally that an effective and foolproof system is put in place for regular updating of the arrear database.

**Commissioner of Commercial Taxes,
Odisha, Cuttack**