

# Compendium of Circulars

OFFICE OF THE COMMISSIONER OF COMMERCIAL TAXES, ODISHA, CUTTACK.

NO.III(I) 38/09 24172 /CT DATED 12-12-13

## CIRCULAR

To

DCCTs/ACCTs in charge of Circles.

Sub: Post-Registration advisory visit in respect of newly registered dealers.

The Odisha Value Added Tax Rules, 2005 have been amended with effect from 1<sup>st</sup> May, 2013. The amendment Rule 18(1)(iii) of the OVAT Rules, 2013 prescribes statutory power for the registering authority to conduct or cause to be conducted post-registration enquiry within a period of ninety days from the date of grant of Certificate of Registration basing on certain reasons necessitating such a visit.

Under the amended provision to Rule 18(1) (ii) of the OVAT Rules, registration certificates have been issued relying on the documents submitted by the registrants at the Help Desk Unit operated different circles. It has come to the notice of the undersigned that in few cases documents like the house rent agreement submitted in support of place of business were not genuine. In some cases further enquiry also revealed that there was no

existence of place of business at the address disclosed in the application. The pre-registration enquiry by the registering authority has been replaced by post-registration enquiry, which is limited to selected cases basing on certain conceivable risks, to be completed within ninety days from the date of grant of registration. On basis of such enquiry the registering authority may allow the certificate of registration to continue or shall, giving a reasonable opportunity of being heard cancel certificate of registration with effect from the date specified in the order. In order to meet the requirement under Rule 18(1)(ii) and for the purpose of uniformity, educational/advisory visit must be undertaken after issuance of registration certificate. Once taxpayers are registered, officials from Commercial Tax Department should make educational/advisory visits to newly registered taxpayers. While prioritizing these visits, preference must be given to those who have not paid any other type of sales tax previously or where there appears to be substantial revenue risk (e.g., large taxpayers). The educational/advisory visit will serve a number of purposes, such as;

Confirming that the registered person is a taxable person by reason of turnover or, if below limit, that he has valid trade reasons for being registered.

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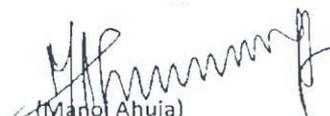
- Confirming the accuracy of registered person's name, address, telephone number and other information submitted at the time of applying for registration.
- Confirming the nature of business activity and the commodities mentioned in the application are correct.
- Checking if the taxpayer's accounting system is satisfactory and that he knows how to issue invoices fulfilling all VAT requirements when selling to VAST tax payers ( B2B sales) or final consumers ( B2C/retail sales) and
- Checking that the taxpayer knows how to account for his output and input tax so that he can make timely and accurate tax returns.

During the educational visits, the tax administration staff should try to help traders and understand their problems. This is extremely important for successful administration of VAT.

Under the amended provision to Rule 18(i)(ii) of the OVAT Act, registration certificates are to be issued relying on documents submitted by the registrants at Help Desks at different circles. If at the time of post-registration enquiry or advisory visit it comes to light that deliberately incorrect/false information/documents have been produced for the purpose of obtaining registration stringent penal action may be initiated as per law against the applicant.

For the post-registration visit the information should be recorded in the enclosed format.

Instruction in this circular should be followed strictly.

  
(Manoj Ahuja)  
Commissioner of Commercial Taxes,  
Odisha, Cuttack.

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POST-REGISTRATION ENQUIRY ON Dated \_\_\_\_\_

1.	Name & Address of the Dealer	
2.	TIN/SRIN	
3.	Date of grant of Registration Certificate under OVAT Act/ OET Act/ CST Act	
4.	Whether compulsory or voluntary Registration, if compulsory date of commencement of liability	
5.	Status of the business (Proprietorship/Partnership/Company)	
6.	Nature of business (Works Contract/Trading/Manufacturer)	
7.	Person contacted at the time of visit and his relation of the dealer	
8.	Commodities allowed at the time of granting of Certificate of Registration under OVAT Act, OET Act & CST Act	
9.	Commodities dealt at the time of post-registration visit	
10.	Automatic amendment done if any	
11.	Confirmation of address telephone No & Email ID furnished by the dealer	
12.	Confirmation of physical existence of place of business/ additional places of business	
13.	Whether Sign Board with the name and style of the business affixed at visible place of the business premises	
14.	Whether Books of Account maintained at the place of business.	
15.	Approximate physical stock lying in the business premises/additional places of business. (As per disclosure of the dealer/representative of dealer)	
16.	Whether filing return under OVAT Act, OET Act and CST Act after being registered, along with tax payment details. (Tax period wise)	
17.	If defaulted in filing return with payment of tax, reasons for the same	
18.	If the dealer is a non filer /nil filer but any other dealer claimed input tax against this dealer.	
19.	Waybill and Statutory Forms ("C", "F", "H", "E", "I", "EII") issued or received till date with total value involved. Whether the dealer has generated waybills through "other than check gate" if so verify in detail.	
20.	Comments of enquiry officer	

Name of the of enquiry officer

Designation-