

**OFFICE OF THE COMMISSIONER OF COMMERCIAL TAXES:
ORISSA: CUTTACK.**

No.III(I)38/09-21150/CT.,

Dt.06/11/2009

CIRCULAR

To

**All the JCCTs in charge of Range.
All the ACCTs in charge of Circle.**

Sub: Action against non-filers.

Sir,

The enormity of problem posed by the non-filers was vividly discussed in the review meeting held on 26.10.2009. The large number of non-filers of return who have continued to remain registered on record are neither discharging their primary duty of filing returns nor adding any thing to the tax collection of the state. Non-submission of return may be due to closure of business or willful default. In recent times tax evasion by using their registration number in intra-state and inter-state movement of goods has come to our notice.

In view of the enormity of the problem, it has become expedient to address this issue by effective use of different statutory tools provided in the Orissa Value Added Tax Act and the Rules framed there under. Following statutory tools have been provided for tackling the problem of non-filing of returns:-

1. Penalty for non-filing of return (Section 34).
2. Provisional assessment (Section 40).
3. Suspension of Registration Certificate followed by cancellation (Section 30 and 31).

Since, the non-filers are very large in number, penal measure provided in section 34 and provisional assessment provided in Section 40 may not yield the expected result. In such cases, suspension of registration followed by cancellation may prove to be more effective.

Basing on material information received in the process of enquiry, the assessing authorities may select cases for provisional assessment under section 40 and for initiation of penal proceeding under section 34 of the Orissa Value Added Tax Act in those cases where the dealers are carrying on business but not filing returns. In other cases, the Assessing Authorities may use their prudence and experience in prioritizing cases for suspension of registration certificates. Ideally, they should take up the cases of those non-filers who are being issued with different statutory forms like 'Waybill', 'C' Form, 'F' Form etc. on priority basis because they are the ones who are riskier than the others and also those dealers who are not submitting return for the last six months consecutively, as decided in the meeting held in 26.10.09.

It is, therefore, impressed upon all the circle officers to initiate suitable legal action against the non-filers. The JCCTs in charge of Range are instructed to conduct intensive review of the action taken in this regard in each of the circles under their jurisdiction and submit report of each month to the Additional Commissioner of Commercial Taxes in charge of the respective zone in the enclosed proforma by the 15th of the succeeding month without fail.

Yours faithfully,

Sd/-

(Nikunja B. Dhal, IAS)

**Commissioner of Commercial Taxes,
Orissa, Cuttack.**

Report on Action taken against non-filers during the month

Name of the Circle	No. of dealers in the circle	No. of dealers due to file return during the month.	No. of dealers not filed return during the month	No. of dealers whose Registration Certificate suspended for non submission of return	No. of dealers whose Registration Certificate was cancelled for non submission of return	No. of cases in which suspension was revoked	No. of suspension cases pending*
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)

No. of cases where interest / penal proceeding initiated under section 34	Amount of penalty levied under section 34(3)	No. of cases provisional assessment proceeding initiated	No. of provisional assessment order issued	Demand raised in provisional assessment
(9)	(10)	(11)	(12)	(13)

* Report cases where suspension orders are not revoked or Registration Certificate has not been cancelled.

Joint Commissioner of Commercial Taxes,
..... Range.