OFFICE OF THE COMMISIONER OF COMMERCIAL TAXES, ORISSA, CUTTACK

No. III(I)38/09(P)/6315/CT

Dated. 11.04.2011

CIRCULAR

To,

All JCCTs in charge of Range
All DCCTs/ACCTs in charge of Circle
All CTOs in charge of Assessment Unit.

Sub: Validation of dealers’ database and overall improvement of the quality of data in VATIS.

The introduction of OVAT Act, 2004 w.e.f 01.04.2005 has brought substantial improvement in tax compliances. It coincided with implementation of computerization replacing manual system of records. But the transfer of manual data to system could not be smooth; as a result database remained incomplete. It has been told time and again through circulars and in various review meetings to validate the data available in VATIS which can be relied upon and can be used when necessary.

The beginning of financial year is the appropriate time to work on backlogs, particularly during the months of April to June.
In this regard the following points need to be attended immediately to improve the quality and reliability of data available in VATIS.

1. **Action against dealers not doing business.**

   It is a fact that a number of dealers have been registered voluntarily under OVAT Act, 2004 as supplier/works contactor only to participate in tender process. But in reality these registered dealers are neither doing any business nor filing returns regularly. Consequently the number of defaulters in filing return has been increasing over the years. Similarly many persons have been registered as traders although they do not pursue any business. Instructions have been issued in past to take action against such defaulters and suspend & cancel their registration certificates of such non-business entities.

   The Registering Authority may take up such cases on priority basis and suspend & cancel the registration certificates after proper inquiry. This would cleanse the dealers’ data base and unwanted elements would be weeded out.

2. **Validating the data base of dealers.**

   At the introduction of OVAT Act 2004, a dealer registered under OST Act was assigned with TIN/SRIN as per the deeming provision of the Act {Section 25(5) of the OVAT Act} but the data base relating to registration has not been
updated. This has led to incomplete data base management and the very purpose of computerization is not harnessed to desired extent.

So a drive is to be undertaken for data entry relating to registration under OVAT Act/CST Act/Orissa Entry Tax Act. All the VAT-I forms submitted by dealers should be traced and entered in the system. Steps may be taken to collect VAT-I or information in the registration records may be immediately entered.

3. Entry of PAN Details & Verification of PAN.

Entering PAN details of Proprietor, Partner, Association of Persons or Company is mandatory now. But PAN details of most of the dealers especially dealers registered under deeming provision of VAT Act on 01.04.2005 is not available in VATIS. In this regard circulars have been issued in past to collect the PAN of all dealers and enter the same in VATIS after verification. Now the drive to collect PAN may be continued until PAN of all dealers are collected. The PAN should be verified as per the guidelines already issued.

4. Dealers having multiple TIN/SRIN

As per the provisions of OVAT Act, 2004 one TIN/SRIN can only be allotted to a dealer against his principal place of business irrespective of the number of places of business. It has been ascertained that one dealer has more
than one TIN spreading over different places. This has happened due to allotment of TIN by deeming provision of OVAT Act. Such dealers should be identified and should be asked to surrender their multiple registration numbers and retain only the number in respect of his principal place of business.

5. Validation of return data in respect of the year 2009-10 & 2010-11.

It has also been found that data entered in respect of returns have not been validated and closed. In this regard circulars issued by this office in past may be referred to. It is decided that at least return data relating to year 2009-10 & 2010-11 are to be cross verified with the physical return and validated. If any return for the above said period is not entered due to any reason, such return should be entered and validated.

It is impressed upon all Circle Officers to entrust these special tasks to selective CTOs/ ACTOs during April’11 to June’11 and monitor the progress on day to day basis. The Joint Commissioners are requested to visit the Circles periodically and ensure that these tasks are completed.

Sd./-
Commissioner of Commercial Taxes,
Orissa