

Circular No. 23/2014
Q3/12869/2014

Office of the Principal Secretary/
Commissioner of Commercial
Taxes, Chepauk, Chennai – 5.

Dated 16.5.2014

**Thiru K. RAJARAMAN, I.A.S.,
Principal Secretary/Commissioner of
Commercial Taxes,
Chepauk, Chennai – 600 005.**

Sub: TN VAT Act, 2006 – Goods Movement Check - Collection of
Compounding Fees & Advance Tax- Certain instructions issued-
Regarding.

1. When an offence is booked and compounded under Section 72 of TNVAT Act during the course of goods movement check in check posts and check points and by roving squads, compounding fee and advance tax is collected. If the offence is booked in the name of a registered/unregistered dealer, the details of collection so made should be intimated to the assessing authority concerned along with copy of the statement recorded within three days of collection as prescribed under Rule 15(6)(c) of TNVAT Rules 2007.

2. But it has been brought to the notice of the undersigned that the enforcement officials merely send the cheques/DDs collected as advance tax payment to the assessing authority, without furnishing the details of nature of offence booked and the circumstances in which the amount was collected. This is a vital information for the assessing authority to decide the correctness and completeness of the returns filed by the dealer, if he is an assessee or to take appropriate further action for making assessment, in case of non-assessee. Mere forwarding of cheque/DD or intimation of cash collection particulars to the assessing authority without furnishing the details of offence compounded would defeat the very purpose of booking the offence.

3. In this regard, the following instructions are issued:

- i. The details of offence booked on a registered/unregistered dealer during goods movement check should be intimated by the Enforcement official who compounded the offence to the assessing authority concerned while sending the collection details in cash/cheque/DD along with copy of the statements recorded, within

three days of collection as prescribed in Rule 15(6)(c) of TNVAT Rules 2007.

- ii. In deserving offence, an IF should be opened within 7 days and should be sent to their higher authority.
- iii. On receipt of the above report, the assessing authority should verify the returns filed by the dealer concerned with reference to the nature of offence compounded and decide whether the returns filed by the dealer are correct and complete.
- iv. If the assessing authority comes to a conclusion that the returns filed by the dealer were to be rejected as incorrect or incomplete, he should immediately initiate the process of assessing the dealer provisionally under Section 25 of TNVAT Act. Further, such dealer lose the eligibility of deemed assessment under Section 22(2) of TNVAT Act. Finally, after the completion of the year, final assessment has to be made u/s 22(4) or 27, as the case may be.
- v. In case the offence was booked on a non-assessee/unregistered dealer, the assessing authority should explore the possibility of bringing the dealer to the net of taxation/registration, based on the details furnished in the report and making further necessary inquiry.
- vi. Every such report received from the Enforcement Wing should be given proper attention by the assessing authority and further follow-up action should be taken based on the facts furnished in the report.
- vii. DCs and JCs of Enforcement and Territorial Wings should monitor the implementation of the above instructions by their subordinate officials closely.

6. All Joint commissioners are instructed to acknowledge the receipt of this circular by next mail and also get acknowledgements from all the subordinate officers under their control.

Sd/- K. Rajaraman
Principal Secretary/
Commissioner of Commercial Taxes

To

1. All the Joint Commissioners (CT) (Territorial and Enforcement), ISIC & MoU Cell.
2. All the Deputy Commissioners (Territorial and Enforcement).
3. All the Heads of Assessment Circles.

Copy to:

1. All the Additional Commissioners, O/o.PS/CCT, Chepauk, Chennai – 5.
2. The Joint Commissioner (Admin), O/o.PS/CCT, Chepauk, Chennai – 5.
3. The Deputy Commissioner (GS), O/o.PS/CCT, Chepauk, Chennai – 5.
4. All the Joint Commissioners (CT), Deputy Commissioners (CT) & Assistant Commissioners(CT), O/o.PS/CCT, Chepauk, Chennai – 5.
5. The Joint Commissioner (Computer Systems), Chennai – 6 for uploading in the internet and intranet websites.
6. The Director, Commercial Taxes Staff Training Institute, Chennai – 6.
7. Stock File/Spare

/Forwarded by order/

Deputy Commissioner(SMR)