

Circular No.33/2014

Q4/7752/2014

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

Dated 17.7.2014

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

Sub: TN VAT Act, 2006 – Goods Movement Check – Booking of offences and Collection of Compounding Fees – Certain instructions issued – Regarding.

1. It has been brought to the notice of the undersigned that in one case, a consignment of cotton yarn was intercepted by a Roving Squad. The consignment was accompanied with proper invoice. However, on verification, it was found by the R.S officers that the consignees have not filed monthly return for the month of April and May 2014. This was treated as an offence liable under Sec. 72(1)(a) of TNVAT Act and tax payable and two times of tax payable as C.Fee was collected before the release of goods.

2. The above movement of goods accompanied with a valid invoice satisfies the provisions of Sec. 68 of TNVAT Act and consequently, there is no offence falling under Sec. 71(5)(a) of TNVAT Act. Composition of offence under Sec. 72(1)(a) of TNVAT Act is possible only in the case of a dealer's

failure to pay or attempt to evade or evasion of, any tax payable under the Act. Failure to file monthly return for previous months is not an offence relating to movement of the goods. For this lapse, the assessing authority concerned has powers to book offence 71(1)(a) of the Act and if necessary, he may also make provisional assessment under Sec. 25 of the Act. Therefore, the Roving Squad officers have invoked the composition provisions under 72(1)(a) of TNVAT Act, without valid grounds and for an offence not relating to the said movement of the goods.

3. The above illegal act of the Roving Squad amounts to harassment of dealers/transporters concerned and tarnish the image of the department. Therefore, all the Enforcement officials are instructed to carry out the vehicular check at check posts, check points and by Roving Squads in a diligent and prudent manner and book offences and compound the same under the correctly applicable statutory provisions. Wherever necessary action is to be taken by the assessing authority, a report has to be sent to the assessing authority. In case, the nature of transaction is suspicious and requires further investigation and inspection/audit, proper Investigation File need to be opened and sent to the higher authorities and surprise inspection carried out with approval immediately wherever necessary. The quality of enforcement lies in identifying cases with repeat offences and investigating such cases completely.

4. Any complaint of harassment during vehicular check will be viewed seriously. If the complaint is found to be correct on enquiry, appropriate

action will be taken against the erring officials. Random audit of O.R files will also be ordered by the undersigned to ensure the quality of offences booked in vehicular check. If repeated serious violations are noticed in the offence booring, the Enforcement higher authorities will also be held liable for the lapses in enforcement of statutory provisions.

5. All the Joint Commissioners, Enforcement are instructed to acknowledge the receipt of this circular at once and to get similar acknowledgements from their subordinate officials.

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

To

All the Joint Commissioners (CT) (Enforcement).

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/


Superintendent