

GOVERNMENT OF WEST BENGAL
OFFICE OF THE COMMISSIONER OF COMMERCIAL TAXES,
14, BELIAGHATA ROAD, KOLKATA-700015

Addendum to Trade Circular 03/2012 dated 11.01.2012

Dated : 05.03.2012

Sub: Mismatch of amounts of purchases and sales

It was informed by the Trade circular No. 03/2012 dated 11.01.2012, that the Directorate's IT system highlights large number of cases where the amount of purchases as indicated by purchasing dealers in a quarter do not agree with the amount of sales indicated by the corresponding selling dealers in their respective returns.

The extent of such mismatches was quite substantial, and it was found on enquiry that such mismatch included irregularities or attempts to evade taxes or indicated claims for inadmissible amounts of Input Tax Credit. The Directorate therefore considered the introduction of a blockage of filing e-returns in the case of the purchasing and selling dealers who are named in the mismatch list. Accordingly, the unmatched cases for the quarter ending 30.09.2011 were displayed in the website www.wbcomtax.gov.in for information of the dealers under the link "Check Your Status" where corresponding purchases and sales amounts as in Annexure B, Part 1 and Annexure B, Part 2 were available.

The different Trade Bodies and Chambers of Commerce have however communicated that some of the cases of mismatch do not actually indicate mismatch, though they appear to be so; it is claimed that various trade and accounting practices which cause such appearance of mismatch. They have also urged that as the idea of system blockage was new and as the employees of many dealers were not well trained in handling online submission of data, the idea of the proposed blockage may be reconsidered.

The matter was examined by the concerned officers of the Directorate and also discussed with the representatives of Chambers and Trade Bodies. Subsequently following decisions have been taken to resolve the issues.

- (1) Considering all facts it is decided that the mismatch for the September 2011 quarter will be removed where the purchasing dealers have shown lesser amounts in their returns than the corresponding sellers' returns.
- (2) In some cases there may be a projection of mismatch but in reality it is not so, for example a dealer selling goods on 30.09.2011 recorded it in his books on 30.09.2011 i.e. in the 2nd quarter but the buyer received it or recorded it in on 01.10.2011 i.e. in the 3rd quarter. In such cases the buyer may attach additional sheets with his printout of electronic statement offering an explanation/clarification.
- (3) But purchasing/selling dealer, who upon identification of an anomaly or error leading to mismatch will wish to rectify the error will upload within

30.04.2012 the corrected amounts in the form of a statement in the similar format of return both under VAT Act and CST Act and including all the annexures to be made available by this Directorate on its website. He will pay further tax and interest as per law if that is found payable due to the correction. Where such reconciliation is not possible, the dealer will approach the concerned Joint Commissioner/assessing officer immediately who, upon examination of the matter will dispose off the case as per law expeditiously.

- (4) Where the purchasers/sellers are unable/unwilling to reconcile the discrepancy, a thorough investigation would follow.
- (5) The assessing officers would, therefore, not insist on production of books of accounts by any dealer due to current mismatch figures till 30.04.2012. This is to facilitate the dealers to identify their errors/anomalies and rectify the same themselves electronically. However, this shall not be a bar for assessing officers to call for records, books of account of any dealer as per law for any other reason.
- (6) Purchases made from dealers registered under the composition scheme who file annual return should be removed from the mismatch report. These will be subsequently examined considering returns for the entire financial year.
- (7) Finally, the dealers are requested in their own interest to be sufficiently careful henceforth while filing the e-returns including the Annexures of Purchases and Sales, this will save them from facing various difficulties.

(Binod Kumar)
Commissioner,
Sales Tax, W.B

Memo No. 166(500)CT/PRO
3C/PRO/2008

Dated : 05.03.2012

Copy forwarded for information and necessary action to :-

- 1) The Principal Secretary, Finance (Revenue) Department, Government of West Bengal.
- 2) Spl. Commissioner, Sales Tax, W.B./Addl. Commissioner, Sales Tax, W.B.
- 3) Spl. Officer, Bureau of Investigation.
- 4) Sr. Joint Commissioner, Sales Tax, (H.Q.).
- 5) Sr. Joint Commissioner, Sales Tax,..... Circle/Range/Central Section.
- 6) Jt. Commissioner, Sales Tax.....Circle/Charge.
- 7) Public Relations Officer, Directorate of Commercial Taxes, W.B.
- 8) Trade Bodies.
- 9) Website HYPERLINK <http://www.wbcomtax.gov.in>.

for Commissioner,
Commercial Taxes, W.B.