

Government of West Bengal
Directorate of Commercial Taxes,
14, Beliaghata Road, Kolkata-700015

TRADE CIRCULAR NO. 18/2012

Dated: 30.11.2012

Sub: Mismatch cases of purchases and sales in returns for the years
2010-11 & 2011-12

1. The Directorate has been emphasising voluntary compliance by dealers through submission of correct and complete returns and has taken several initiatives over the years to reduce the number of assessments. But it is noted that for the year 2010-11 though many dealers have furnished revised returns or statements yet there still is a very significant volume of mismatch cases between the purchase and sale figures disclosed by the corresponding dealers where appropriate action is required to be taken.
2. On the basis of analysis of the mismatched purchase and sale data collated after submission of the returns including the revised returns or revised statements, the dealer-wise mismatched cases have already been uploaded in individual Dealer's Profile in the website of the Directorate for their immediate information and taking appropriate corrective action.
3. All the registered dealers are requested to check their profile accordingly and reconcile the differences in respect of the mismatched cases, if any, as mentioned above through production of documentary evidences [e.g. correct and complete statement in the form of Annexure B of the return form in respect of all the transactions in the year along with the copy of the relevant party ledger(s) in respect of whom the differences have been reported] or produce proof of payment of the relevant tax and interest before the appropriate assessing authority, in the manner described below, within 31st December, 2012.
4. In case there appears to be a mismatch where another dealer has claimed purchase from the selling dealer and the selling dealer has not disclosed the sale in the relevant return or Annexure, the selling dealer, within 31st December, 2012, should –
 - a) pay the due tax and interest on such unreported transactions and inform in writing the assessing authority accordingly; or
 - b) in case he has not made such sales, should submit a written statement before the assessing authority to that effect; or
 - c) submit a written statement before the assessing authority to reconcile the mismatch and produce the supporting documents before such authority.
5. In case there appears to be a mismatch because the selling dealer has not shown the sale, the purchasing dealer, within 31st December, 2012, should –
 - a) ensure that the selling dealer has made payment of due tax and interest on the relevant transactions and inform in writing the assessing authority accordingly; or
 - b) reverse the ITC claimed on such transactions, pay the relevant tax and interest in appropriate cases, and inform in writing the assessing authority accordingly; or
 - c) submit a written statement before the assessing authority to reconcile the mismatch and produce the supporting documents before such authority.

6. In the case of unreconciled differences in mismatch cases, the dealer should make a written submission before the appropriate assessing authority within 31st December, 2012 along with proof of payment of the relevant tax and the interest up to the date preceding the date of payment, and in that case there will be no penalty under section 96 of the WBVAT Act, 2003.

7. If a dealer complies with the above within the stipulated period as above, and if there is no other reason for making assessment under section 46 (1) of the WBVAT Act, 2003, no assessment shall be made in respect of such dealer or where assessment has already been initiated only owing to such mismatch, the initiation shall be dropped. Also there will be no penalty under section 96 of the WBVAT Act, 2003 for such assessment period.

8. In the case of non-compliance by a dealer in this matter within the stipulated date as above, the dealer may be liable for assessment and payment of the full amount of tax and interest and there may also be penalty under section 96 of the WBVAT Act, 2003, for the full amount of 200% of the tax involved in such mismatch cases. Non-compliance may also result in the restriction of other e-services.

[Binod Kumar]
Commissioner,
Commercial Taxes, W.B.

Memo No. 856 (225)CT/PRO
3C/PRO/2012

Dated: 03.12.2012

Copy forwarded for information and necessary action to :

- 1) The 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.