

GOVERNMENT OF WEST BENGAL
OFFICE OF THE COMMISSIONER, COMMERCIAL TAXES,
14, BELIAGHATA ROAD, KOLKATA-15
Trade Circular No. 09/2014
Date: 09.06.2014

Sub: Procedure to be followed in respect of un-reconciled data of "Sale/Purchase Mismatch Application" for 2011-12.

1. Through Trade Circular No. 03/2014 dtd. 18.02.2014, read with the subsequent addenda, all registered dealers were asked to check the official website of the Directorate for "Sale/Purchase Mismatch" for the year 2011-12 as collated from the returns furnished for the said period, and to submit the online reconciliation statement in case they had anything to furnish concerning the mismatch.
2. There have been dealers, who have either reconciled the mismatch or paid the necessary tax involved with interest and we duly appreciate their quick response in this regard.
3. Generally to reconcile a mismatch action from both purchaser and seller is imperative. Again, there may be cases where action by one may lead to reconciliation of the mismatch even when the other may not have responded. No response from both the purchaser and the seller will leave the mismatch un-reconciled. It may be stated that the whole idea of providing this online window for reconciliation is based on the legal maxim "Audi Alteram Partem", meaning not to take action against anyone on any issue without providing him the opportunity of being heard. This time, we had e-mailed to all the concerned dealers about the existing mismatch as made available for reconciliation online with a request to do the needful at the earliest. No-response leads to the presumption that either the dealer has availed himself of excess input tax credit, not admissible as per law, or he has suppressed his sales, as the case may be.
4. After expiry of the last date of online reconciliation, extended as per latest addenda to the Trade Circular No.3 of 2014, it has been observed upon analysis of the returns and the reconciliation statements that there exists good number of unmatched cases with significant involvement of revenue, and which need, now, to be verified to identify those cases of intentional and deliberate attempt towards tax evasion.
5. It may be stated that we have also identified cases where for the purpose of such reconciliation a dealer has shown lower purchase whereby his claim of input tax credit should stand reduced, or where a dealer has increased his sales leading to change in his taxable turnover, but has not furnished any proof of payment of differential tax and interest.

6. It is, therefore, decided that in the remaining un-reconciled cases, list of which is available on the official website of the Directorate, special audit u/s 43A of the West Bengal Value Added Tax Act, 2003 of the following classes of dealers shall be taken up by the assessing officers:

- i) purchasing or selling registered dealer or both who did not respond;
- ii) purchasing registered dealer who reduced his purchase as discussed in para 5;
- iii) selling registered dealer who increased his sales as discussed in para 5;
- iv) registered dealer for whom the mismatch is not fully reconciled even after reconciliation by both.

7. In case where an initiation for assessment u/s 46, or audit u/s 43, or special audit u/s 43A on any issue, has already been made against the purchasing registered dealer or the selling registered dealer or both under the West Bengal Value Added Tax Act, 2003 for the period 2011-12, and where the proceeding has not yet been completed, the issue relating to mismatch as per the said list has already been taken up in such proceeding by the concerned officers.

(Binod Kumar)
Commissioner,
Sales Tax, West Bengal.

Memo No. 465CT/PRO
3C/PRO/2012

Date: 09.06.2014

Copy forwarded to Addl.CCT/ISD for information and for uploading it in the official website of the Directorate for information of all concerned.

(K.C.Chowdhury)

Addl.CCT/WB