

C2/17270/11/CT

Office of the Commissioner,
Commercial Taxes, Kerala,
Thiruvananthapuram.
Dated:28.07.2011

CIRCULAR No.13/ 2011

Sub:- Cancellation of Registration - Procedure to be adopted by the
Assessing Authorities- Direction Issued - Reg.

It has been brought to the notice of the Department that the Registration of some dealers have been cancelled by the Assessing Authorities concerned without observing the statutory provisions, and, in many cases the matter of such cancellation is not communicated to the dealer by the Assessing Authority.

A notice has to be served on the dealer proposing the cancellation of his Registration and after that a formal order has to be passed. If the Order of cancellation of registration of a dealer is not passed and served on the dealers / sent in the last known address, it will not be binding on the dealer. Merely informing the ITMC of Commercial Taxes Department and removing the Registration Number of the dealer from the KVATIS is not sufficient in view of the provisions of the statute.

The procedure for cancellation of registration of a dealer is detailed in Rule 17 of the Kerala Value Added Tax Rules, 2005. As per sub-rule (20) of Rule 17 *the cancellation of registration shall be effective only from the date on which a copy of the order is served on the dealer or from the date of publication of such cancellation as specified under sub-rule (19), whichever is later.*

In the light of the above facts, all Assessing Authorities are directed to strictly comply with the statutory provisions detailed in Rule 17 of the Kerala Value Added Tax Rules, 2005 while cancelling the Registration of a dealer. After cancellation, the Order of cancellation and the date from which such cancellation shall take effect shall be informed by the assessing authority to ITMC, for making necessary changes in the KVATIS.

Sd/-
COMMISSIONER