

## **THE UTTARAKHAND VALUE ADDED TAX ACT, 2005**

### **Sec. 18: Cancellation of registration:**

(1) A certificate of registration granted under section 15 or under section 16 to a dealer, may be cancelled by the assessing authority, either on the application of the dealer or on its own motion, where the assessing authority is satisfied that-

- (a) any business in respect of which a certificate of registration has been granted to a dealer under this Act has been **discontinued**:  
or
- (b) in the case of **transfer of business** by a dealer where the transferee already holds a certificate of registration under this Act; or
- (c) an incorporated body is **closed down** or if it otherwise ceases to exist; or
- (d) the owner of a proprietorship business **dies** leaving no successor to carry on business; or
- (e) in case of a firm or association of persons if it is dissolved; or
- (f) a dealer has ceased to be liable to pay tax under this Act or has ceased to be subject to registration; or
- (g) a dealer has **failed to pay any tax** (including any penalty or interest) due from him under the provisions of this Act within three months of the due date; or

- (h) a dealer having issued any Sale invoice to any person regarding sales of goods, has deliberately failed to **account for** the said invoice in his books of account; or
- (i) a dealer holds or accepts or furnishes or causes to be furnished a declaration form, which he knows or has reason to believe to be false; or
- (j) a dealer who has been required to furnish security under the provisions of section 20 but has failed to furnish such **security**; or
- (k) a dealer to whom registration certificate was granted has **misused** it; or
- (l) a dealer to whom registration was granted has permitted some other person to carry on business in the name of the dealer; or
- (m) a dealer has transferred any prescribed form of declaration or a certificate under this Act obtained by him, to any other person or a dealer except for lawful purposes; or
- (n) a dealer has been **registered by mistake**; or
- (o) there is **any other reason** which in the opinion of the assessing authority warrants such action, the assessing authority may at any time, for reasons to be recorded in writing and after giving the dealer an opportunity of being heard, cancel the certificate of registration held by any dealer from such date as the assessing authority may specify in this behalf..

(2) Notwithstanding any thing contained in sub-section (1) above, the assessing authority may with the permission of Commissioner or any officer authorised by him for the purpose, cancel the registration of a dealer who has not applied for cancellation of registration if the assessing authority is satisfied that the person is not entitled to registration or voluntary registration under section 15 or section 16.

(3) The registration certificate shall not be cancelled on its own motion, and the dealer's application for cancellation of registration certificate shall not be rejected by the assessing authority without the dealer being given a reasonable opportunity of being heard.

(4) The cancellation of registration will take effect from the date of order of cancellation by the assessing authority unless it is to take effect from a different date ordered by the assessing authority.

(5) Every person whose registration is cancelled under this section shall pay in respect of every taxable goods held as stock or as capital goods on the date of cancellation an amount equal to-

- (a) the tax that would be payable in respect of those goods if the goods were sold at fair market price on that date; or
- (b) the total tax credit previously claimed in respect of those goods, whichever is higher.

(6) If an order of cancellation passed under this section is set aside as a result of an appeal or other proceedings under this Act, the certificate of registration of the dealer shall, subject to the provisions of section 15 and section 16, be restored and he shall be liable to pay tax in the same manner as if his certificate of registration had never been cancelled:

Provided that if the dealer, pending disposal of his appeal or such other proceedings, has realised tax from purchasers, he shall be liable to deposit the realised tax in the Government treasury as per the provisions of this Act.

(7) Every dealer who applies for cancellation of his registration shall surrender with his application the certificate of registration granted to him and every dealer whose registration is cancelled otherwise than on the basis of his application shall surrender the certificate of registration within 15 days of date of communication to him of the order of cancellation:

Provided that such dealer shall furnish the details of all forms of declaration and certificates under this Act or the Central Sales Tax Act, 1956 obtained and used by him if not already filed, and shall also surrender the remaining unused forms of declaration and certificates with his application for cancellation of Registration Certificate or, as the case may be, within fifteen days of the date of communication to him of the order of cancellation.

(8) The obligations and liabilities under this Act (including the filing of returns and payment of tax required section 23 of any person in respect of

any thing done or omitted to be done by that person while the person is a registered person are not affected by the cancellation of the registration certificate.

Provided that the cancellation of registration on an application of the dealer or otherwise shall not affect the liability of a dealer to pay the tax (including any penalty and interest) due for any period irrespective of such cancellation whether such tax (including any penalty and interest) is assessed before the date of cancellation but remains unpaid or is assessed thereafter.