

CHAPTER - IV
REGISTRATION OF DEALERS, AMENDMENT AND
CANCELLATION OF REGISTRATION CERTIFICATES

21. Compulsory registration of dealers: (1) No dealer shall, while being liable to pay tax, carry on business as a dealer unless he has been registered and possesses a certificate of registration:

Provided that a dealer liable to pay tax shall apply for registration within thirty days from the date on which he is first liable to pay such tax.

Provided further that a dealer dealing exclusively in tax-free goods shall not be liable for registration.

"Provided also that every dealer liable to pay tax or registered or required to be registered under the Central Sales Tax Act, 1956 shall be required to apply for registration under this Act." (Central Act 74 of 1956)

- (2) Every dealer required by sub-section (1) to be registered shall make an application in the prescribed manner to the Prescribed Authority.
- (3) (a) Prescribed Authority may conduct such inquiry as he deems fit and may call for such evidence and information as he may deem necessary and after the inquiry, if any, and after considering the evidence and information, if any, he is satisfied that the application for registration made under this section is in order, he shall register the applicant and issue to him a certificate of registration in the prescribed form which shall specify the class or classes of goods dealt in or manufactured by him.
The certificate of registration so granted shall not be transferable.
- (b) If the Prescribed Authority is satisfied that the particulars contained in the application are not correct or complete or that any evidence or information prescribed for registering the applicant is not furnished, the Prescribed Authority may, after giving the applicant a reasonable opportunity of being heard, reject the application for reasons to be recorded in writing.
- (4) For the purpose of identification of a registered dealer liable to pay tax the Prescribed Authority shall issue a registration number known as Taxpayer Identification Number (TIN) or General Registration Number (GRN), as the case may be.

Amendment: In section 21, in sub-section (4) the words "or General Registration Number (GRN), as the case may be" has been inserted by Assam Act No. XXXVI of 2005, published in the Assam Gazette vide Notification No.LGL.6/2003/pt/38 Dtd. 9th September, 2005.

- (5) The registration shall take effect from the date of liability where the application for registration is made within the prescribed period of thirty days.
 - (6) Where the application for registration is not made within the prescribed time, the Prescribed Authority shall grant the certificate of registration from the date of filling such application but the dealer shall remain liable to pay tax as an unregistered dealer for the period from the date of liability to the date preceding the date of effect of registration.
- 22. Registration by Prescribed Authority :** (1) If the Prescribed Authority, upon the information which has come into his possession, is satisfied that any dealer liable to pay tax, has failed to get himself registered, the Prescribed Authority shall, in addition to taking any other action under the provisions of this Act, register him as if an application for registration had been made;
- Provided that no action under this section shall be taken unless the Prescribed Authority has given notice to the dealer of his intention so to do and allowed him a reasonable opportunity of being heard.
- (2) The registration shall take effect from the date of the issue of the certificate of registration, but the dealer shall remain liable to pay tax as an unregistered dealer, for the

period from the date of liability to the date preceding the date of issue of certificate of registration.

- 23. Voluntary registration of dealers :** (1) Subject to such conditions and restrictions as may be prescribed, any dealer who desires to get himself registered voluntarily, notwithstanding that he is not liable to pay tax, may apply in the prescribed manner to the Prescribed Authority for registration under this Act.
- (2) The provision of sub-section (3) of section 21 shall apply in respect of application for registration under sub-section (1).
 - (3) The registration shall take effect from the date of receipt of the application for registration.
 - (4) Every dealer who has been registered on application made under this section shall, for so long as his registration remains in force, be liable to pay tax under this Act.
 - (5) The registration of a dealer on application made under this section shall be in force for a period of not more than three complete years and shall be deemed to have been cancelled on the expiry of the said three years unless the Prescribed Authority on an application made by the dealer is satisfied that the provisions of section 21 have since become applicable to him.
 - (6) Subject to the provisions of sub-section (5), a dealer registered on application made under this section may apply in the prescribed manner, not less than six months before the end of a year, to the Prescribed Authority for the cancellation of such registration to take effect at the end of the year in which the application for such cancellation is made, and the said authority shall, unless the dealer is liable to pay tax under this Act, cancel the registration accordingly.
- 24. Provisional Registration :** (1) Any person who intends to manufacture any taxable goods but is otherwise not liable for registration, may make an application in the prescribed manner to the Prescribed Authority for provisional registration. A dealer who is liable to be registered under section 21 shall not be eligible for a provisional certificate.
- (2) The provisions of sub-section (3) of section 21 shall apply in respect of application for registration under sub-section (1).
 - (3) The registration shall take effect from the date of receipt of the application for registration.
 - (4) The registration of a dealer on application made under this section shall be in force for a period of not more than three complete years and shall be deemed to have been cancelled on the expiry of the said three years unless the Prescribed Authority on an application made by the dealer is satisfied that the provisions of section 21 have since become applicable to him.
- 25. Security to be furnished in Certain cases :** (1) Where it appears to the Prescribed Authority to be necessary so to do for the proper realization of the tax payable under this Act or for the proper custody and use of the forms, he may, by an order in writing and for reasons to be recorded therein, impose as a condition for the issue of a certificate of registration a requirement that the dealer shall furnish in the prescribed manner and within such time as may be specified in the order such security as may be so specified, for all or any of the aforesaid purposes.
- (2) Where it appears to the Prescribed Authority granting a certificate of registration to be necessary so to do for the proper realisation of tax payable under this Act or for the proper custody and use of the forms, he may, at any time while such certificate is in force, by an order in writing and for reasons to be recorded therein, require the dealer, to whom the certificate has been granted, to furnish within such time as may be specified in the order and in the prescribed manner such security, or, if the dealer has already furnished any security in pursuance of an order under this sub-section or subsection (1), such additional security, as may be specified in the order., for all or any of the aforesaid purposes.
 - (3) The Prescribed Authority may, by an order in writing and for good or sufficient reason to be recorded therein, demand from any person other than a registered

dealer who imports into the State any consignment of goods, a reasonable security of ensuring that there is no evasion of tax.

- (4) No dealer shall be required to furnish any security under subsection (1) or any security or additional security under subsection (2) or any security under subsection (3) unless he has been given a reasonable opportunity of being heard.
- (5) The amount of security which a dealer may be required to furnish under sub-section (1) or sub-section (2) or the aggregate of the amount of such security and the amount of additional security which he may be required to furnish under sub-section (2) or the amount of security which he may be required to furnish under sub-section (3), by the Prescribed Authority, shall not exceed, the sum equal to the tax payable under this Act, in accordance with the estimate of such authority, on the turnover of such dealer for a tax period of the year in which such security or, as the case may be additional security is required to be furnished.
- (6) If the Prescribed Authority is satisfied that any dealer has been carrying on business without furnishing the security demanded under this section, it may, after such enquiry, if any, as it may deem necessary, direct that such dealer shall pay, by way of penalty in addition to the tax, if any, payable by him a sum of one hundred rupees for each month or part thereof for default during the first three months and five hundred rupees for every month or part thereof after first three months during which the default continues :
Provided that no order shall be passed under this subsection without giving the dealer a reasonable opportunity of being heard.

- (7) The Prescribed Authority may, by an order in writing and for good and sufficient reasons to be recorded therein, forfeit the whole or any part of the security or additional security, furnished by a dealer, for-
 - (a) realising or recovery of tax or any other sum due; or
 - (b) recovery of any financial loss caused to the Government due to negligence or default in making proper use of statutory forms or in keeping in safe custody, blank or unused statutory forms :

Provided that no order shall be passed under this subsection without giving the dealer a reasonable opportunity of being heard.

- (8) Where, by reason of the order of the forfeiture of the security, the security furnished by a dealer is rendered, insufficient, such dealer shall, on demand by an order of the Prescribed Authority, furnish fresh or further security of the requisite amount or shall make up the deficiency, as the case may be, in such manner and within such period as may be specified by the Prescribed Authority.
- (9) The Prescribed Authority may, on application by a dealer, who has furnished security as required, refund in the prescribed manner any amount of security or part thereof if such security is not required for the purposes of which it was furnished.

26. Imposition of penalty for failure to get registered: (1) If a dealer, fails to apply for registration within thirty days from the date on which he is first liable to pay tax, he shall be liable to pay a penalty which shall be one hundred rupees for each day of default and such dealer shall, before filing the application of registration, deposit the penalty for the period from the day next to the date of expiry of thirty days to the date immediately preceding the date of application. If, after considering the evidence and information under clause (a) of sub-section (3) of section 21, it appears to the Prescribed Authority that-

- (a) the date of liability as disclosed in the application form is later than actual date of liability resulting into short payment of penalty by the dealer or where the dealer has failed to apply for registration on being asked so to do or where the dealer has filed the application for registration but has failed to deposit the amount of penalty before filing such application, he may, after giving the dealer a reasonable opportunity of being heard, by an order impose by way of penalty a sum not less than one hundred rupees and not exceeding three hundred rupees, for every day of default;

Provided that no penalty shall be imposed under this sub-section in respect of the same fact for which a prosecution has been instituted and no such prosecution shall lie in respect of a fact for which a penalty has been imposed under this section.

- (b) the date of liability as disclosed in the application form is prior to the actual date of liability and the amount of penalty deposited by the dealer is more than the amount of penalty legible under the provision of sub-section (1), he shall, by an order in writing, adjust such excess against any sum payable by the dealer under this Act, or, if there is no sum so payable, refund it to the dealer.
- (2) If any penalty is imposed under sub-section (1), the Prescribed Authority shall issue a notice in the prescribed form directing the dealer to pay such penalty by such date as may be specified in the notice, and the date to be specified shall not be less than fifteen days from the date of service of such notice and the penalty so imposed shall be paid by the dealer into the Government account by the date so prescribed.
- (3) Subject to such conditions as it may impose, the Government may, if it necessary so to do in the public interest, by notification in the Official Gazette by way of a scheme or otherwise, exempt a class of dealers or persons specified in the said notification from payment of the whole or any part of the penalty payable under the provisions of this section and such exemption shall take effect from the date of publication of the notification in the Official Gazette.

Amendment: In section 26, after sub-section (2), a new sub-section (3) has been inserted by Assam Act No. X of 2007, published in the Assam Gazette vide Notification No. LGL.6/2003/Pt./106 Dtd. the 29th March, 2007.

- 27. Amendment, suspension and cancellation of certificate of registration:** (1) Any registered dealer, who-
- (a) sells or otherwise disposes of his business or any part of his business or effects any change in the ownership of his business or comes to know of any such change or discontinues his business or changes his place of business or opens a new place of business; or
 - (b) discontinues or changes his warehouse or opens a new warehouse or changes the name or nature of his business or effects any change in the class or classes of goods in which the carries on his business and which is or are specified in his certificate of registration; or
 - (c) being a company, effects any change in the constitution of its board of directors; or
 - (d) effects any change in the particulars furnished in an application for registration; or
 - (e) applies for or has an application made against him for insolvency or liquidation, shall, within the prescribed time and in the prescribed manner, submit an application to the Prescribed Authority together with the certificate of registration for the purpose of having such certificate of registration amended and if any such dealer dies, his legal representative shall, in the like manner, apply for the same,
- (2) If a dealer fails without sufficient cause to comply with the provisions of sub-section (1), the Prescribed Authority may after giving the dealer a reasonable opportunity of being heard, direct him to pay, by way of penalty a sum of one hundred rupees per day of default subject to a maximum of rupees five thousand.
 - (3) The prescribed Authority may, either on the application of the dealer to whom a certificate of registration has been granted or, where no such application has been made, after due notice to the dealer and after making such enquiry as he may deem fit, amend any such certificate of registration if he is satisfied that by reason of the occurrence of any event specified in sub-section (1) or for any other reason the certificate of registration granted to the dealer is required to be amended.
 - (4) An amendment of the certificate of registration made under sub-section (3) shall take effect from the date of contingency which necessitates the amendment whether or not information in that behalf is furnished within the time prescribed under sub-section (1) :

Provided that where in consequence of a change in the ownership of a business the liability of a dealer to pay tax ceases, the amendment of the certificate of registration shall take effect from the date on which information in respect of such change is furnished.

- (5) Any amendment of a certificate of registration under this section shall be without prejudice to any liability for payment of any tax or penalty imposed or imposable or for any liability for prosecution for an offence under this Act.
- (6) Notwithstanding anything contained in any other subsection where a registered dealer,-
 - (a) effects a change in the name of his business; or
 - (b) is a firm and there is a change in the constitution of the firm without dissolution thereof; or
 - (c) is a trust and there is a change in the trustees thereof; or
 - (d) is a Hindu Undivided Family and the business of such family is converted into a partnership business with all or any of the co-partners as partners thereof; or
 - (e) is a firm or a company or a trust or any other set up and change in the management of such firm, company, trust or other set up takes place.

than merely by reason of the circumstances aforesaid, it shall not be necessary for the dealer to apply for a fresh certificate of registration and on information being furnished in the manner required by this section, the certificate of registration shall be amended.

- (7) Where-
 - (a) any business in respect of which a certificate of registration has been granted to a dealer on an application made by him, has been discontinued; or
 - (b) there is transfer of business by a dealer and the transferee already holds a certificate of registration under this Act; or
 - (c) a dealer has ceased to be liable to pay tax; or
 - (d) an incorporated body is closed down or if it otherwise has ceased to exist; or
 - (e) the owner of an ownership business had died leaving no successor to carry on business; or
 - (f) a firm or association of persons has been dissolved,
the dealer shall apply for cancellation of his registration to the Prescribed Authority, in the prescribed manner and within the time prescribed and surrender the certificate of registration along with the application for cancellation.
- (8) On receipt of such application or where no such application has been made, after due notice to the dealer and after making such enquiry as he may deem fit, if the Prescribed Authority is satisfied, he may cancel any such certificate of registration.
- (9) The certificate of registration shall be deemed to be inoperative,-
 - (a) in case of clause (a) or clause (b) of sub-section (7) with effect from the date of discontinuance or transfer of the business as the case may be;
 - (b) in case of clauses (c), (d), (e) and (f) of sub-section (7) from the date on which the dealer's liability to pay tax has ceased,
notwithstanding the fact that the order of cancellation is passed or that the particulars of the dealer regarding cancellation are published, as required under sub-section (15), in the Official Gazette after the aforesaid date.
- (10) If a dealer-
 - (a) has failed to file three consecutive returns under this Act, within the time prescribed, or
 - (b) knowingly furnishes incomplete or incorrect particulars in his returns; or
 - (c) has failed to pay any tax due from him under the provisions of this Act, or
 - (d) having issued tax invoices or retail invoices, has failed to account for the said invoices in his books of account; or
 - (e) holds or accepts or furnishes or causes to be furnished a declaration which he knows or has reason to believe to be false; or
 - (f) who has been required to furnish security under the provisions of section 25, but has failed to furnish such security;
 - (g) contravenes or has contravened any of the provisions of this Act; or

- (h) has been convicted of an offence under this Act; or
 - (i) discontinues his business and has failed to furnish information regarding such discontinuation; or
 - (j) without entering into a transaction of sale issues to another dealer tax invoice, retail invoice, bill or cash memorandum with the intention of defrauding the Government of its revenue or with the intention that the Government may be defrauded of its revenue, the Prescribed Authority may at any time, for reasons to be recorded in writing and after giving the dealer a reasonable opportunity of being heard, cancel his certificate of registration from such date as he may specify.
- (11) 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 fourteen days of the date of communication to him of the order of cancellation;

Provided that if a dealer is unable to surrender the certificate of registration on account of loss, destruction or defacement of such certificate, such dealer shall intimate the Prescribed Authority accordingly within seven days from the date of communication of order of cancellation of registration.

- (12) If a dealer fails without sufficient cause to comply with the provisions of sub-section (7) or fails to surrender his certificate of registration under sub-section (11), the Prescribed Authority may, by an order in writing and after giving the dealer a reasonable opportunity of being heard, direct that the dealer shall pay, by way of penalty, a sum not exceeding one hundred rupees for every day of default.
- (13) When any dealer to whom a certificate of registration is granted, has failed to pay any tax, interest, penalty or any other sum payable under this Act or has failed to furnish return, the certificate of registration of such dealer may be suspended by the Prescribed Authority in the manner as may be prescribed;

Provided that the certificate of registration of a dealer shall not be suspended if he has furnished, return or returns within the date prescribed in the notice and has paid tax, penalty or interest payable under this Act within that date or by such date as the Prescribed Authority may extend upon an application filed by the dealer within 15 days from the date by which he is required to file such return or returns or make payments of tax, interest or penalty, as the case may be.

- (14) Suspension of certificate of registration shall be withdrawn and the certificate of registration shall be restored on an application made by the dealer on furnishing evidence of payment of all taxes and on furnishing of overdue return or returns within 45 days from the date of suspension.
- (15) If the certificate of registration of a dealer is suspended or cancelled or if the suspension is withdrawn, the information may be made public through publication in the Official Gazette and insertion of notice in newspapers.
- (16) The cancellation of a certificate of registration shall not affect the liability of any dealer to pay tax due for any period till the date of such cancellation, that remained unpaid or is assessed after the date of cancellation, notwithstanding that he is not liable to pay tax under this Act such cancellation of the certificate of registration.

- 28. Liability to obtain registration and to furnish information by transporter:** (1) Every transporter engaged in the business of transporting taxable goods in the State shall,-
- (a) get itself or himself registered within such time and in such manner as may be prescribed; and
 - (b) submit to the Prescribed Authority, such statements or returns as may be prescribed of all taxable goods cleared, forwarded, transported or shipped by it or him.
- (2) The Prescribed Authority shall have the power to call for and examine the books of account or other documents in the possession of such transporter or his agent with a view to verifying the correctness of the statements or returns submitted.
- (3) Every transporter shall, in respect of goods taxable under this Act, maintain true record of such goods transported, delivered, or received for transport in such forms as may be prescribed."

- (4) Where any transporter fails to get himself registered as per provision of clause (a) of sub-section (1), the Prescribed Authority may, after giving him a reasonable opportunity of being heard, direct him to pay by way of penalty an amount not exceeding five thousand rupees for the first offence and if the offence is a continuing one with a fine not exceeding five hundred rupees for every day during which the offence continues.
- (5) Where any transporter fails to comply with the provision of clause (b) of sub-section (1), the Prescribed Authority may, after giving him a reasonable opportunity of being heard, direct him to pay by way of penalty an amount not exceeding one thousand rupees for the first offence and if the offence is a continuing one with a fine not exceeding one hundred rupees for every day during which the offence continues.
- (6) When the transporter does anything directly or indirectly, which results in evasion of tax or would have resulted in evasion of tax if such evasion was not detected and prevented in time, the prescribed Authority may, after giving him a reasonable opportunity of being heard, direct him to pay by way of penalty an amount equal to three times the amount of tax so evaded or so sought to be evaded. In such case, the transporter shall be deemed to be a dealer and he shall also be liable to pay the tax so evaded or so sought to be evaded. The penalty and tax so imposed shall be without prejudice to his liability for prosecution under this Act or any other law for the time being in force.

Amendment: In section 28, after sub-section (5), a new sub-section (6) has been inserted by Assam Act No. XLVII of 2005, published in the Assam Gazette vide Notification No.LGL.6/2003/Pt/66 Dtd. 23rd December, 2005.