Value Added Tax Act, 2003

Section 27 - Cancellation of Registration

(1) In any case where,

(a) any business of a registered dealer has been discontinued, transferred fully or otherwise disposed of; or

(b) there is any change in the status of the ownership of the business; or

(c) the taxable turnover of sale of goods of a registered dealer has, during any period of twenty four consecutive months, not exceeded two lakh rupees; or

(d) a dealer issues tax invoices without effecting any taxable sales; or

(e) a dealer being an individual, registered under this Act dies, and for any other good and sufficient reason, the prescribed authority may, either on its own motion or on the application of the dealer, or in the case of death, on the application of the legal heirs, made in the prescribed manner, cancel the registration certificate from such date, including any anterior date, as it considers fit having regard to the circumstances of the case.

(2) The cancellation of a certificate of registration under this Section shall not affect the liability of the dealer to pay tax, any penalty and interest due for any period prior to the date of cancellation whether or not such tax, penalty and interest is assessed before the date of cancellation but remains unpaid, or is assessed thereafter.

(3) On cancellation of registration, except where the businesses is transferred as a whole to another registered dealer as specified, a dealer who has availed deduction of input tax, shall be liable to pay tax on any taxable goods held by him at their prevalent market price.

(4) A dealer liable to pay tax under sub-section (3) shall furnish a final return at such time as may be prescribed.