

Shri Chandra Bhanu, I.A.S.
Commissioner,
Commercial Tax, Govt. of U.P,
Vibhuti Khand, Gomti Nagar,
Lucknow

Shri D.S.Mishra, I.A.S.
Principal Secretary,
Tax & Registration, Govt. of U.P,
Secretariat Annexe,
Lucknow

Shri V.N.Garg, I.A.S
Executive Director,
Udyog Bandhu,
12-C, Mall Avenue,
Lucknow

Sub:- Treatment of Registered & Un-registered at par by Commercial Tax Department deserves re-look

Sir,

IIA has been agitating against treating Registered Dealers at par with unregistered. In cases of seizure of goods by Mobile Squad disciplined Registered & bona-fide businessmen are deemed alike to that of an evader who feeds on govt. revenue and runs his business on the strength of the evaded Tax. Despite the fact that Commissioner, Commercial Tax U.P. in circular dated 3.2.2009 has expressed his anguish on the basis of statistics which showed mostly seizure of the goods of Registered Dealers without bringing to book major and frequent evasions of un-registered evaders. But, unfortunately, the circular issued for realizing Security/Penalty in cases of seizures of goods explicitly says that "both Registered and un-registered evaders will be charged 40% of the value of goods.

This circular has been issued rescinding the decision of Tax Board which was aimed at discriminating Registered Dealers & Un-registered i.e. one being law abiding and others who not only flout laws but are fed on public money. As a result, no one will respect the law and it will give a boost to evaders thus blocking the road to healthy competition between bona-fide Dealers and encouraging illicit smuggling.

Therefore, it is requested that in cases of seizure of Un-registered Dealers 80% of the value of goods & in cases of Registered Dealers not exceeding three times of Tax Security/Penalty may be ordered to be charged.

Thanking you,

Yours faithfully,

D.S. Verma
Executive Director