

Shri Govindan Nair, I.A.S,
Principal Secretary,
Commercial Tax
Govt of U.P.
Secretariat Annexe, Lucknow

Shri Sunil Kumar, I.A.S,
Commissioner,
Commercial Tax, UP.,
Gomti Nagar, Lucknow.

Subject :- Rule 44 under VAT System & Issue of Tax Invoice, Bill & cash memo..

Dear Sir,

This is to draw your attention to provisions in Rule 44 under UP VAT Act, requiring a dealer to maintain separate sets of books of Tax invoice, Sale Invoice, bill and cash memo, and Rule 44(15) further requires a dealer to maintain a separate book of invoice for sale in the course of inter-state trade.

We further draw your attention to provisions in Rule 11(4) of Central Excise Rule, 2002 – (Photocopy enclosed at **Annexure-I**), which stipulates that a dealer registered under Central excise and operating under the provisions of Central excise Act, will bring into use only one copy of invoice book at a time unless otherwise allowed by the Assistant Commissioner of Central Excise, or the Deputy Commissioner of Central Excise, as the case may be, in the special facts and circumstances of each case.

Above mentioned provisions in the two acts are contradictory and causing an anomalous situation for particularly those dealers who are registered with and operating under both – The Central Excise Act as well as UP VAT Act.

However, to follow the VAT Provisions under Rule 44 simultaneously alongwith Central Excise, our Members invoked the provision contained in clause (4) of Rule 11 & applied to assistant Commissioner Central Excise (Muzaffarnagar) to allow them to keep Tax Invoice as provided under VAT. But Assistant Commissioner vide his letter dated 1/04/08 has rejected the request as is quoted below (Photocopy enclosed at **Annexure-II**) :-

“The permission to maintain separate Invoice Book in view of the requirement of Uttar Pradesh value added Tax Rules cannot be considered at this end”.

The Commissioner Commercial Taxes had liberally allowed till March 08 the Invoices & Bills etc in the form they were kept so far by complying VAT provisions & the same has since been withdrawn w.e.f. 1st April 08. Under these circumstances a position of dead-lock has arisen making the Dealers indecisive & unnerved. IIA is concerned that neither Tax evasion may ensue, nor Members harassed. Therefore it is requested that this matter of Priority may kindly be taken up at the earliest for final decision. IIA submits the following proposal for kind consideration:-

- (i) VAT Requirement of TIN No. etc be stamped on the Excise Invoice & Once the authenticated set of Invoices finish, VAT requirements may be got printed. Cash Memo, Bill Book, Sale Invoice may be issued on one and the same set of Invoice as “Sale Invoice/Bill/Cash memo & relevant requirement ticked when issuing the same.
- (ii) In the Interim period Previous practice of using old Invoices completed with VAT norms be allowed to remain in use.
- (iii) All the Invoices, Bills & Cash Memo be Issued from one and the same one set which meets VAT Norms by striking out the irrelevant & Ticking the relevant.

IIA Hopes that your goodself will be kind enough to issue orders soon as to remove the dead lock & allow the Business work to progress smoothly.

Thanking you,

Yours truly,

D.S. Verma
Executive Director

Encl: As above