

Ref No. 2b/ 7766

25 May 2009

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

Shri Anil Sant, I.A.S,
Commissioner
Commercial Tax, U.P.
Vibhuti Khand, Gomti Nagar, Lucknow

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

Subject: - Cases of Dealers Registered under U.P.T.T. desiring continuation under VAT Act.

Dear Sir,

IIA had sent section wise & Rule wise commentary on the proposed VAT 2007 as soon as it appeared on the web. IIA is thankful that many of its suggestions were accepted. However on perceiving and analyzing the VAT ordinance No. 497/28/02/09 it has been found that in Section 17 (Registration of Dealers) new clauses 5(a) & (b) have been inserted. We request the following changes/additions to make the clarity, remove ambiguity & reduce arbitrary discretion:-

- (i) The insertion has been made from 1/1/08 but the Notification dated 28/02/09 came after lapse of thirteen months as such the facility of 13 (thirteen) month's time becomes meaningless. Therefore this time may kindly be extended for Six Months more so that a genuine facility may be used by Trade and Industry in general.
- (ii) Registration Section which is very important Section is non-speaking on the point of Date/time from which the Registration will take effect. If left to discretion will create discriminations & harassment. As such it may be mentioned clearly that the continuity in VAT will be from retrospective effective without any break and without any further Registration fee as registration fee under U.P.T.T. is well deposited upto March 2008.
- (iii) In the "Proviso" to clause 5 (a) of Section 17 Assessing Officers have been empowered to extend one months time on deposit of Rs. 500/- late fee, beyond fifteen months.
This clause also contradicts with provision to clause (3) of Sec-17 which determines late fee of Rs. 100/- only. Therefore Rs. 100/- late fee may please be maintained in this proviso clearly.
- (iv) Moreover this clause/proviso also does not speak with clarity about the date from which Registration will take effect, which may kindly be made retrospective.
- (v) In the old U.P.T.T. Act delay for any time or period in filing Registration was condonable & empowered the Assessing Authority to issue Retrospective effect to Registration. The same provision may kindly be made in VAT Act also.

We hope, our proposals will be considered favorably in the interest of both the dealers as well as the department.

Thanking you,

Yours faithfully

D.S. Verma
Executive Director