

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

**Subject :- I.T.C. & Refunds**

Sir,

IIA is getting regular feed backs on the points of Refund where entrepreneurs are being victimised by the field staff. The VAT system was conceived to be the best model for both business & Revenue but at the very outset when the first installment of ITC is due to be refunded the business community is confronted with acute uncertainty of such refund. With such reports under such circumstances some solid & substantial way is to be found out.

IIA had already written a request in this context to Commissioner Trade Tax more than a year back (Copy enclosed at Annexure-I(2b/6735dated 1May07), which may very kindly be subjected to proper consideration and examination & model modified according to present circumstances. IIA would suggest your goodself that a code of refunds based on Act & Rules may very kindly be devised where :-

- (a) The system is transparent and web based.
- (b) In this system clear guidelines, procedures and time limits may be displayed on the web.
- (c) If the refunds are not accepted by the concerned officer the reasons with specific reference to laid down procedures should be recorded by the officer through a judgment. The judgment should be placed on the website after it has been examined & approved by a superior officer of different zone or division within prescribed time limits.
- (d) The data of refund cases received, accepted and rejected for the State, Divisions & Zones should also be displayed on the website. Commissioner Commercial Tax U.P. and Principal Secretary Commercial Tax U.P may like to monitor this data.
- (e) Like Banks & Income Tax Deptt the system should generate refunds & automatically add up interest beyond cut-out dates invariably & compulsorily.
- (f) The System should be made absolutely devoid of discretions.

IIA is hopeful that your goodself will take up the matter as suggested by us and bring transparency & accountability in the system.

Thanking You

Yours truly,

D.S. Verma  
Executive Director