

Ref.No. 2B/ R-21/8575

26.6.2010

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

**Sub:- Security to be realized from Registered Dealer by Mobile Squad in proportion to intensity of the breach.**

Sir,

IIA had written letter No. 2B/R-21/8552, dt. 12.6.2010 regarding realization of penalty from the Registered and un-registered to be charged in proportion to the breaches i.e. un-registered is a constant evader and his case is not sent to sector officer but directly assessed and penalized by Mobile Squad; whereas Registered Dealer is on record & by virtue of the fact that he has deposited security against revenue and periodically pays his dues. Therefore, a distinction should exist between them, while charging security against penalty.

IIA is thankful that your goodself has issued circular No. 1011024, dt. 22.6.2010 fixing 40% for registered and 80% for un-registered. But your goodself has omitted to observe our rational request as has also been provided u/s 48(5) of UP VAT. A suggestion in consonance with this provision was made in our request too. Registered Dealers and evaders committing offences u/s 54 have been made to pay penalty in proportion to the intensity of the breach/lapse or offence committed by them.

Therefore, the referred circular may kindly be amended to the extant that Registered Dealers may be made to pay according to the ratio determined with respect to their offence and since section 48(5) provides not exceeding 40% security amount the same provision be circulated. The determination may be left to the discretion of the officer seizing the goods. The Dealer undervaluing goods, or goods not accompanied with document should not be equated with having omitted to fill any or many column of 38.

Thanking you,

Yours faithfully,

D.S. Verma  
Executive Director

Copy to:- Executive Director, Udyog Bandhu, Lucknow for pursuing the matter.

D.S. Verma