

CIRCULAR NO.36/05

Sub: - **Illegal sale of Video Cassettes- steps to Prevent tax evasion- instructions-reg:**

It has come to the notice of the undersigned that large-scale evasion of tax is being carried out by the copyright holders/whole sellers of CDs and Video libraries. The investigations conducted by the Commercial Investigation Wing has brought to light that the tax earned by the state is very meager when compared to the quantum of turnover involved in the sale of film CDs and programme recorded VCDs. The copy right holders distribute the prints of films and programme CDs through their representatives which is in turn copied from the master print by the video libraries and thus tax which is legitimately due to the state is suppressed.

In order to curb such activities, the copyright holders/whole seller shall be closely monitored by Commercial Investigation Wing and the IAC (CI) shall see to it that investigations and inspections are conducted periodically to check such evasion. The concerned district wing of the Commercial Investigation branch shall initiate action to collect bank extracts of such copyright holders/whole sellers examine their interstate dealings and verify the details of transportation through railways and parcel agents.

All Deputy Commissioner and assessing authority shall strive to put an end to this unhealthy practice by inspecting the video libraries, departmental stores, duty paid shops etc, coming under there respective jurisdiction and the Dy. Commissioner (Int) s are directed to extend full co-operation to them in there endeavor. All Deputy Commissioners shall acknowledge receipt of this circular and shall, in turn, get acknowledgement of the same from their sub-offices.

Sd/
Commissioner