

The Principal Secretary,  
Commercial Tax,  
Sansthatag Vitta, Kar Evam Nibandhan Anubhag-2  
Uttar Pradesh Shasan  
Lucknow

**Subject: Facility of 4-A under UPTT to continue under VAT Act**

Sir,

It is to bring to your kind Notice that IIA has represented through its letter no. 2bII/7133 dated 10 Jan.08 (Copy enclosed at **Annexure-I**) to your goodself for the continuation of facility of 4-A "Holiday" to "New Unit" on the following grounds:-

- (i) That the scheme under 4-A of the UPTT Act was continuing under a specific plan package for a stipulated period of time in the various District. This facility under an Act was given under UPTT. Act for a period of several years beyond the date, the VAT Act was implemented. The Industries set up to avail this Holiday scheme had planned their package, taken "term-loan or finances from bank or other financial institution as identified under the Scheme.
- (ii) That considering the above state of affairs the Industries were assured to continue the facility till it was exhausted, availed or terminated and may even be substituted with a fresh scheme.
- (iii) That quite contrary to above assurance the provisions of a "Substitute" of 4-A of UPTT, no provision was incorporated in VAT Act 2007.
- (iv) That only the "Deferment" Scheme was incorporated in place of 4-A of UPTT which same parallel to original UPTT Act and was mainly to benefit the "Premier", Large or bigger Industries & unpopular amongst SME's.
- (v) That Deptt. has given an assurance to consider, maintain, continue or alternate the scheme under VAT Act, though the notification on 4-A has not been withdrawn so far.

But so far nothing has been done in this Respect & the Industries running under the scheme are forced to deposit the full amount of Taxes than agreed & ordered in writing.

This may cause extinction of many Industries & create acute financial problems, Debt recoveries & like-wise for the Industries which never had budgeted in this manner.

Therefore it is requested that :-

- (i) Substitution / alternate of 4-A of UPTT Act may kindly be incorporated in VAT Act.
- (ii) Old & already running scheme may kindly be granted legal status of its continuation & money recovered or got deposited over & above the scheme may be ordered refund thereof at the earliest.

IIA will be extremely grateful of this kind gesture to SMEs.

Thanking You

Yours truly,

D.S. Verma  
Executive Director