

Ref.No. 2B/R-18 /8494

15.05.2010

Shri Narendra Bhushan, I.A.S.  
Additional Managing Director,  
U.P. Power Corporation Limited,  
Shakti Bhawan,  
Lucknow

**Sub :- Request to consider prices for purchase of material excluding CST/VAT.**

Sir,

The U.P. Electrical manufactures were so far fed on the contracts floated by UPPCL. But since the advent of VAT they have been rendered impoverish due to vast difference of VAT Rates of U.P. & Central Sales Tax rates. Your good self as E.D. Udyog Bandhu had strongly recommended the case of “Transformers” to Commercial Tax Deptt. on same pretext. Subsequently on the request of IIA a circular (Copy annexed at Annexre-1) was issued from the Commissioner & Director Industries to all Govt. Deptts, Authorities, Corporation, Companies etc re-itrating the Govt. orders that all these departments will hence forth float tenders on the basis of real cost of supply without adding VAT.

UPPCL is purchasing Transformers & Meters without considering the tax while comparing the rates of the tenderers. However, this principle and the Govt. orders has been overlooked by UPPCL in Tender No. MM/536-2010 (Date of opening 30.04.2010) with the result an uttrakhand supplier has climbed up No. 3 rank at the cost of U.P. supplier (Copy at Annexure-2).

It may also be noted that UPPCL is also not going to gain anything in this process because the out of U.P. supplier have quoted much higher basic price.

It is therefore, requested that in line with the Govt. of U.P. orders and the purchase of transformers & Meters, UPPCL may decide all other tenders excluding CST/VAT.

Hoping for a favourable action in the matter.

Thanking you,

Yours faithfully,

**D.S. Verma**  
**Executive Director**