

Ref. No. 2b/7613

23 March 09

*The Executive Director
Udyog Bandhu,
12-C, Mall Avenue,
Lucknow*

Subject: To allow VAT Rates at par as –envisaged in white paper.

Sir,

It was during deliberations in Udyog Bandhu meeting on 17/3/09 that concensus was reached on amending VAT Rates on wheat as to render flour Mills to regain the competitive strength. The manufacture & Trade of flour Mills in U.P. had been a matter of pride since long. But during VAT regime it had been crawling due to frequent up-down trends in VAT Rates. In U.P. Trade Tax adequate protection existed to sustain it. However after a great deal of endeavours the Deptt of Commercial tax too has been kind enough to appreciate the problem. IIA will be obliged if justice is done to this prime Industry of U.P to contain its survival. IIA is herewith sending the VAT Rates of different States to which bulk of our floor, and allied products are exported :-

Sno.	Name of the State	VAT Rates on purchase of wheat	VAT Rates on Atta Maida Suji etc.
1	Delhi	0%	0%
2	Madhya Pradesh	0%	0%
3	Gujrat	0%	0%
4	Maharashtra	0%	0%
5	Jharkhand	0%	0%
6	Karnatak	0%	0%
7	West Bengal	0%	0%
8	Bihar	1%	1%
9	Uttrakhand	Prevailing C.S.T. Rate (presently 2%)	1%
10	U.P	4%	0%

This above statement is revealing enough & indicative of imminent doom & extinction of the prime Industry if measures are not taken to conserve if. The Rates on purchase & Sale of wheat flour may kindly be brought down to 0%.

Thanking you,

Yours truly,

D.S. Verma
Executive Director

CC for kind information :-

- 1-The Agriculture Production Commissioner, Govt. of U.P. Lucknow
- 2- The Principal Secretary Food Processing, Govt. of U.P. Lucknow

D.S. Verma