

Ref No 2b/7878

20 July 2009

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Principal Secretary  
Commercial Tax  
Govt. of U.P. Secretariat Annexe,  
Lucknow

Shri Anil Sant, I.A.S,  
Commissioner  
Commercial Tax, U.P.  
Vibhuti Khand, Gomti Nagar,  
Lucknow

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

**Subject:- Request for 4% VAT on Diesel Engine Water Pump Sets in view of its use by farmers parity with VAT Rates in other states.**

Dear Sir,

Uttar Pradesh mainly depends upon agriculture and its industrial development is closely interwoven with rich agriculture output. So, any item related to agriculture may be interpreted in this background.

Diesel Engine Pump Sets are a subject matter of controversy with relation to Rate of Tax. Entry in Sch. 2-A at S.No. 28 of VAT Act does not restrict and bind the Centrifugal or Monoblock Pump Sets under any specification, category or kind or description. It is worth to mention that centrifugal pump may be of any kind of specifications & propelled by any type of power, energy or fuel. But, it should, as a basic condition of the entry, be capable to handle discharge of water. The entry is exhaustive enough as to embrace within its ambit "All kinds of Centrifugal, Monoblock submersible pump set capable to handle water".

We would like to mention that other states of India have such entries in their VAT Act. However, some are more specific and other are likewise, But, the common to all is that all types of pump sets for handling water are exigible to 4%. Such entries of few states exigible to 4% are quoted hereunder :-

Gujrat:- "Oil Engine including Diesel Oil Engine up to 15 HP."

“Water pumps and water pumping sets including centrifugal, monoblock or submersible pumps and parts thereof.”

Rajasthan:- “Centrifugal, monoblock diesel engine up to 10 HP and submersible pump sets-----“

(Rajasthan has inserted “diesel engine up to 10 HP” after “Monoblock” and before “and submersible pump”.)

M.P- “Pump Sets and parts thereof”

Harayana :- “Prime movers i.e electric/diesel pump set of 5 HP and above with fitting”.

Bihar:- “Motor operated electrically or otherwise and centrifugal and monoblock and submersible pump and spare parts, components and accessories thereof.”

Andhra Pradesh:- “Centrifugal monoblock and submersible pump sets, electric motor and oil engines upto a capacity of 10 HP ---“

A bare reading of the above entries of various states show that Diesel Engine Pump Sets have been specifically included inserted or provided to be taxed @ 4%. Copies of notifications, related to above, are annexed herewith to show that other states are doing well to levy 4% VAT on this item without controversy.

2. Another important aspect in the matter is also worth consideration i.e. these Diesel Engine Pump Sets are being widely used by farmers to cater need of water for agriculture purpose. This establishes the fact that use of Diesel Engine Pump Sets are mainly in agriculture areas.

In view of the facts, stated above, it is requested that to maintain parity of Tax Rates between states and use of this very item by the farmers, diesel engine pump sets may please be given liberal benefit of the entry in VAT Act. So, Diesel Engine Pump Sets, Parts, Components and accessories thereof may please be inserted in the entry no.28 of sch. 2-A of VAT Act to attract a tax of 4%.

Thanking you,

Yours truly,

D.S. Verma  
Executive Director