

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

**Subject: Rationalisation of Tax under VAT on Raw Material parts components & Accessories etc of Transformers & Goods for Handicapped persons.**

Sir,

Under the provision of VAT Tax on aids & implements for use by handicapped person has been kept at Zero % under schedule-1 considering the humanitarian approach & the social obligation. But unfortunately their raw materials parts, components & Accessories etc have been excluded'. They have also not been classified else where which means they will attract 12.5 % tax under schedule-5. Under U.P.T.T Act these Raw Materials, parts, components, accessories etc used to be taxed at 2.5% under 4-B. But in VAT the position would be squared up abnormally as these items will bear 5 times (12.5% v/s 2.5%) more tax than previously under U.P.T.T as I.T.C will also be not available on non taxable goods.

Similarly Transformers have been classified in Schedule-2-A @ of 4% without mentioning, Raw Materials parts, components & accessories thereof, which will mean that these items will attract 12.5% VAT under schedule-5 whereas they under U.P.T.T used to bear 2.5% tax under 4-B.

Thus the goods of public utility, necessity & social commitments would get dearer than earlier.

We have taken up these cases with Commercial Tax Department Govt. of U.P since long but no response as yet.

Therefore, we are approaching Udyog Bandhu to get these items, Raw Materials, Parts Accessories & Components of aids & implements for handicapped persons & Transformers be considered for VAT @ 4 %.

Thanking you,

Yours truly,

D.S. Verma  
Executive Director