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Principal Secretary,
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Shri Sunil Kumar, I.A.S,
Commissioner,
Commercial Tax,
Govt. of UP.,
Gomti Nagar, Lucknow.

Subject: Taxability of Handmade Paper under VAT.

Sir,

IIA has received proposals that the vital Industry of Hand made Paper under VAT schedule has been overlooked. It is not only an item of Local importance but a protection deserving Industry in the whole State. This used to be Exempt under Khadi & Gramdyog Scheme of concessions. The scheme was a sole support to the growing Industry. But under VAT if this Industry is not properly supported this will meet miserable death in face of Big & premier Paper Industry as well as multinationals.

- (i) Therefore it is requested that Hand Made Paper may kindly be considered for Exemption (0%) in schedule-1.
- (ii) The scheme under Khadi Gramodyog may also be continued like other schemes of Exemption as have been provided to 4-A units under sec-42 of VAT Act in general. It deserves immediate attention that 41 such Industries which received protection under U.P.T.T Notification 2792 dated 30/9/04 & 2882 dated 7/10/04 will be extinct creating a huge Economic as well as employment problem for the Rural Area “ & head-ache of State.

Thanking You

Yours truly,

D.S. Verma
Executive Director