

Ref No. 2bII/7272

14 April 2008

The Principal Secretary,
Deptt of Commercial Tax,
Govt. of U.P.
Lucknow

Shri Sunil Kumar, I.A.S,
The Commissioner,
Commercial Tax,
Govt. of UP.,
Gomati Nagar, Lucknow.

Sub: Taxability of Insecticide & Pesticides under VAT

Sir,

In these days of weather uncertainty the above goods are the prime savers and keep Agriculture sector alive. After a long wait the schedule of Rates on VAT could be made public. Although VAT Act & Rules were displayed on the web inviting comments. But the major factor affecting Taxation system planning & developments remained under wraps till the 'ordinance' was issued. As such public reactions, comments & views on the "Rates" could neither automatically & immediately come forth, nor the Deptt left time in addressing the genuine needs.

In there days of uncertainty when crops suffer the wrath of drought, lack of irrigation facilities, Electric failures etc if during the period boom occurs crops are not protected against insects & Pests a feminine like situation would arise.

It is particularly to mention that these goods in neighboring states of Rajasthan, Punjab, Harayana are enjoying exemption where as these are taxed at 4% in U.P. It will therefore be difficult for U.P Industry to survive the competition from neighboring State.

Therefore it is requested that Insecticides & Pesticides which are an essential crop savers may kindly be included in 0% list of VAT Schedule.

Thanking You

Yours truly,

D.S. Verma
Executive Director