

Ref No 2b/7780

4 June 09

Shri Desh Deepak Verma, I.A.S,
Principal Secretary,
Tax & Registration,
Govt. of U.P
Lucknow

Subject: Request for urgent meeting regarding VAT Rates on Industrial inputs & Machinery and Additional Tax.

Sir,

We would like to submit for your kind information that in October 2008, IIA delegation met you and submitted a letter No. 2bII/7466 dated 20 Oct. 08 (Copy enclosed at **Annexure –I**) wherein we requested to review notification No. 2758 dated 29th Sep 08 (Copy enclosed at **Annexure-II**). We requested you to withdraw increase in VAT Rates and also to abolish Entry Tax.

You were kind enough to listen to the point of view of IIA and assured us to find out a solution such that the revenue of the State is not affected at the same time industry interests are also protected.

As on date there are still number of industrial inputs and machinery which attract 12.5% VAT. In a Tax & Registration Working Group Meeting held on 20.02.09 you desired that a list of such items should be submitted through Udyog Bandhu. IIA submitted the list vide letter number 2b/7709 dated 24 April 09 to Executive Director Udyog Bandhu (Copy enclosed at **Annexure-III**).

Now vide notification No. 1169 dated 29th may 09, Additional Tax @ 05% & 1% have been imposed. This has added fuel to fire for the industrial inputs & machinery which are at 12.5% VAT Rates and will throw related industries out of competition completely.

We therefore request you to bring down the VAT Rates immediately to 4% of the items listed in Annexure-III and to consider other requests submitted earlier.

Thanking you,

Yours truly,

Anil Gupta
Sr. Vice President

Encl: As above