

• **Rationalization of VAT rate in U.P**

Ref. No. 2bII/7105

1 January 2008

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

To,
The Commissioner,
Commercial Tax,
Govt. of UP.,
Gomati Nagar, Lucknow.

Sub:- Rationalization of VAT rate in U.P

Sir,

We refer to our earlier representations on VAT Act & Rules submitted to you from time to time. The latest representation was submitted vide our letters no. 2bII/6974 dated 16 Oct. 07. We hope our recommendations are in active consideration of the Govt. of U.P and Govt. decision will be communicated to us soon.

In the meantime it is to inform you that there are several discrepancies and anomalies in the VAT Rates notified through the ordinance. These discrepancies/anomalies if not removed immediately, will result in heavy losses/closer of large number of Industries in the State. We have received several representations from our members as well as associated industry bodies regarding this. After careful study of these representations, status in other VAT States and the impact on industrial development in the State, we have prepared our representation with proper justification on VAT Rates as enclosed at Annexure-I for your kind consideration & immediate corrective actions.

If desired, we are ready to explain/discuss the details with you at the earliest possible.

Thanking you,

Yours truly,

D.S. Verma
Executive Director