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

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

**Subject: To rationalize VAT Rates on Biscuits discriminated vis- a- vis other ready to eats.**

Sir,

IIA had requested your goodself to consider the rationality of giving Biscuit Industry encouragement & protection by Zeroing or levying VAT at moderate rate, whereas it has been measurable placed under unclassified items @ 12.5%. Our basis for rationale would appear quite convincing to your goodself, in view of its comparative Nutrition's value, cheap & complete food, its Role in helping to boost the nation's economy & so on :-

- (i) Biscuit is a nutritious, hygienically processed light digestible food, free from health hazards, ready to eat & easy to carry.
- (ii) Other products of the similar sphere such as Jam, Jelly are Taxable @4%, Wafer, Bhujia, Namkeen Bread, Rusk, Buns are Zero %, with their inputs also taxable @ 0% (gaining double benefits) & Dry Fruit an elite class luxury is Taxable @4%.
- (iii) It is processed & produced mainly in Small Industries & faces challenge from the above multinational Company's items in the Competitive market.
- (iv) It employees about 25 Lakhs of Labour from the Poor Class & about 5 Lakhs in Distribution & marketing network and thus helps the State to shoulder & share its responsibility in providing employment & prevent Economic chaos.
- (v) The State of Tamil Nadu & Assam are levying VAT @ 4% on Biscuits & other States are considering the likewise.

Your goodself can perceive the justifiability of our cause in face of other goods which are subject to criticism like 'Junk Good', Chemical based or having health hazards. But no adverse report of the sort has been reported against 'Biscuits'.

Hence it is requested the Biscuit Industry's genuine demand may kindly & simpathically be considered for Zero % rate or at the Maximum Rate of VAT at 4%.

Thanking You

Yours truly,

D.S. Verma  
Executive Director