

Ref No.2BII/7442

29 Aug. 2008

Mrs Archana Agarwal, I.A.S
Executive Director
Udyog Bandhu
12-C, Mall Avenue, Lucknow

Subject: For considering the facility of making VAT more pragmatic.

Madam

IIA had requested that the Commercial Tax Deptt to reduce the burden of VAT on certain commodities with logical reasons. A few of them as listed below are requested to be pushed ahead with proper recommendations to help Industry, & the state to face competition from M.N.C's & other State as well and offer a strong ground for Development.

1	2	3
Sno.	Items	Remarks
1	Accessories, Components, parts & Raw materials for Aids & Implements for use by handicapped persons.	These Aids & implements are used by the deprived & have-nots of the society whom the Govt is always prepared to offer Reservation & helping hand. Considering the crux of matter seriously the Aids & Implements have been placed in Schedule-1 but since the Parts etc have not been included they will automatically be placed in schedule- 5 @ 12.5% which will naturally make men in distress pay more & it will not give any substantial or even worth mentioning Revenue to State. Therefore the Parts Accessories, Raw Material etc may kindly be added with the Entry.
2	All Electrical goods, Instruments apparatus, appliances required for generation, distribution & transmission of Electrical energy & all such articles the use of which cannot be had except with the application of Electrical Energy including Transformers of various capacities used for Secondary Sub-transmission and distribution Sub-stations, Parts, accessories and components of Transformers, Pre-Stressed Cement Concrete Poles, Steel Tubular Poles, Rails, Cables, Conductors, Control and Relay Panels including Control Cables, Potential Transformer, Current Transformer, Oil Circuit Breakers, Air Circuit Breakers, Control Circuit Breakers, Vacuum Circuit Breakers, Stay, Stay wire, Earthing Rod,	These goods have been classified at different places. With different Entries, whereas IIA had suggested the uniform Composite Entry as suggested in column-2. There are possibilities of varying opinions & room for discretion if not synthesized & made exhaustive. Electrical goods, Equipments, instruments implements, and appliances etc have been classified under the VAT schedule as under :- <u>Schedule-2A:-</u> ACSR Conductors Sno. 8 Transformers- Sno. 126 <u>Part 'c' Sno. 236.</u> "Electrical goods i.e. winding wires----- overhead transmission line material -----" The above classifications are not exhaustive

	<p>Clamp, X-arms Isolators, Jointing Kits, Capacitors, Battery, Battery Chargers, Fire Fighting Equipment and material, Hardware, Nuts and Bolts, Rubber Items, Lightning Arrestors, Gantry for Bus bar, Structures, Steel Sections, Meters and other Electrical equipments-materials, Aluminium conductor steel reinforced (ACSR), Electrical Goods i.e. Winding wires and strips, Switches, selector switches, fuse-switches unit, up to 15 amps. And not in enclosure, Contactors auxillary contactors, contact block, Control gears and starters, ammeter, Kwh meter, voltmeter, Insulating materials, insulator, jointing materials, Circuit breakers, HRC fuse, thermostat, programmable logic controller, timer, switch boards, panel boards, distribution boards, control panels, motor control center, power control center, bus duct, burner control cubicle, control desk, push button station, local control station. Kiosk, Electrical relays and single phasing preventor and timers including components, accessories and spare parts thereof.</p>	<p>& REQUIRE INTERPRETATION. For example "Feeder pillar u/s-59 had to be interpreted by Commissioner Commercial Tax to include P.C.C. Poles otherwise it also was open to discretion.</p>
3	<p>White spherical Globules</p>	<p>These are the only small "Pills" i.e "Small Globe' Which only are used in Homeopathy as Tablets. The cost is so petty that in face of other medicines as well as surgery are affordable & within reach of the poorest of poor. If they are taxed at the maximum Rates the Homeopathic treatment will be discriminated. This is the sole reason these are Exempt from Tax in Punjab, Haryana, M.P. A.P & Maharashtra etc. This face of the other States will make our State less competitive. In Trade Tax too these were Exempt from Tax. Therefore they may very kindly be classified under schedule -1 at 0% VAT.</p>

Thanking you,

Yours truly,

D.S. Verma
Executive Director