

Ref No. 2bII/7081

13 December 2007

Shri Sunil Kumar, I.A.S,
Commissioner Trade Tax, U.P.
Trade Tax, Vibhuti Khand, Gomtinagar,
Lucknow

Subject: Classification of Auto Voltage Stabilizers & Servo Stabilisers

Dear Sir,

It is most humbly submitted as under :

1. That Automatic Voltage Controllers and Servo Stabilisers are basically Electronic goods being used for controlling Voltage and are mainly purchased by consumers to protect gadgets from damage & also savers of Energy.
2. That under the proposed draft VAT Act, we are afraid that such Automatic Voltage Controllers and Servo Stabilisers have not been specifically mentioned in the Schedule which may invite discretionary arbitrariness.
3. That it will be better if the same is specifically mentioned/included in Electronic equipments, otherwise it will create un-necessary confusion and litigation.
4. That it helps industry and avoids breakdowns of electrical and electronic equipments in household and commercial and industrial establishments and thus helps the nation in the process of conservation. The use of this equipment becomes essential and is to be encouraged by lower taxes when there is huge shortage of infra-structure in the country and more specifically in our State. Use of this equipment is as essential as inverter and UPS.
5. That Commissioner Trade Tax in his circular dated 06.06.1992 has circulated that these are Electronic goods & the same has been held in the Matter of M/s Commissioner Trade Tax V/s Indira Industries 2000 UPTC- 472 as decided by Hon'ble Supreme Court. The Principal Director of Electronics Services and Training Centre (A govt of India undertaking) has certified the same as Electronic goods.

Therefore for a transparent Taxability specific classification will save the litigation & placing the goods by categorising the commodity as goods Taxable @ 4% as Electronic equipment.

Thanking you,

Yours truly,

D.S. Verma
Executive Director