

Ref. No. 2bII/7313  
2008

12 May

The Principal Secretary,  
Commercial Tax,  
Sansthaगत Vitta, Kar Evam Nibandhan Anubhag-2  
Uttar Pradesh Shasan  
Lucknow

**Subject: Lowering Down to 0% the Taxability of Plastic moulded Footwear's,  
Shoes, Hawai Chappals & Straps thereof.**

Sir,

IIA is grateful to your goodself for concending its demand for bringing down to 0% VAT on "Footwear's with maximum price of Rs. 300/". The said proposal has been given nod vide Notification No. 1203 dated 17/04/08.

The proposal based on argument centred on the point that such wears were exclusively used & had by the poorest class of the order as well as manufactured in Micro and Small Sector. In the above notification we found that "Moulded Plastic Footwear, Hawai Chappal & Straps thereof" have been excluded from the ambit of 0%. The users and producers of aforesaid item belong to the same above category.

States like Rajasthan, Uttrakhand, Delhi, Madya Pradesh have already felt the need and acted accordingly to afford goods to the poor at cheaper rates & help the Industry. (Photocopies of Notification enclosed at **Annexure-I**) If this disparity continues above goods will be imported or smuggled from Ex-U.P. The other State will gain revenue wise & Industries wise.

Moreover if these products are procured from adjoining States,

1. The heavy Sales of such goods will come down drastically.
2. The State SME's will forfeit the competitiveness
3. Smuggling without book entry will take place. This practice will breed corruption & tarnish the transparency of the System.

Therefore it is requested that the Tax on moulded Plastic Footwear ; Hawai Chappal & Straps thereof with maximum retail price of Rs. 300 may be included in schedule-I and at 0% Tax.

Thanking You

Yours truly,

D.S. Verma  
Executive Director