

Ref. No. 2bII/7258

9 April 2008

Shri K. Chandramauli I.A.S
Principal Secretary,
Deptt of Commercial Tax,
Govt. of U.P. Lucknow
Shri Sunil Kumar, I.A.S,
Commissioner,
Commercial Tax,
Govt. of UP.,
Gomati Nagar, Lucknow

Subject: Taxability of Precured Tread Rubber, Gum compound and Rubber solution.

Sir,

The aforesaid items do not find mention in VAT rate schedules meaning thereby that they may be Taxed @ 12.5%. These items/goods are used for re-soling old & used Tyre & Shoes on which higher rate of tax will make the old used items costlier. Generally this process is resorted to for use by poor & lower middle class persons who cannot afford a new set, In Uttrakhand, Keral, M.P, Gujrat, Rajsthan & Chhatishgarh etc they are being Taxed @ 4%. (Copy of the Notification of those States is attached herewith). The lower rates in neighbouring as well as important states will cripple U.P. Industry in competitive market.

Therefore VAT rate on *Precured Tread Rubber, Gum Compound and Rubber solution* may kindly be specifically scheduled @ 4% to match other States.

Thanking You

Yours truly,

D.S. Verma
Executive Director