

Ref. No. 2bII/7150

17 Jan. 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: Rate of Tax under VAT for “Raw Material of Battery Industry” & “Battery Scrap”.

Sir,

IIA Central Office has reports that its District Chapter Faizabad held Meeting with Joint Commissioner & Asstt. Commissioner Commercial Tax Faizabad to get clarifications on the Taxability of the aforesaid Goods. The officers were shown & given the copies of the VAT schedule of the neighbouring & other States which levy lower Rates of Tax than provided in our State. They were convinced that the matter may genuinely be solved at Govt. level.

The Battery is manufactured by Tiny, Micro & Small Industries which produce the following items:-

- (1) Lead Scrap of old & condemned Battery,
- (2) Lead Battery Plates (Flat, Pasted & Tubular)
- (3) Battery separators (VPC/Glass, Mat) Tubular
- (4) Battery containers, battery charging containers(Ploypropylene & Hard Rubber)
- (5) Battery cell covers (Polypropylene & hard Rubber) vent Plugs, Float level Indicators.

While manufacturing old & condemned material & Scrap thereof is used as well as taken out as it is Raw material on which before VAT Rate levied UPTT had been 4%. The empowered committee had agreed that State Rates will remain at Parity.

The aforesaid goods are unfinished goods & are the Industrial Input of Battery Industry. These Goods in the States such as Bihar, Rajasthan, West Bengal & others are subjected to 4% Tax under VAT.

Therefore considering our justification these goods may kindly be classified as Inputs of Battery Industry in schedule II-C @4%.

Thanking You

Yours truly,

D.S. Verma
Executive Director