

- **Electrical goods of All kinds used for generation, Transmission & Distribution
Electrical energy Inclusion in VAT Schedule**

Ref. No. 2bII/7127

10 January 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,
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Gomati Nagar, Lucknow.

**Subject: Electrical goods of All kinds used for generation, Transmission & Distribution
Electrical energy Inclusion in VAT Schedule**

Sir,

IIA had suggested vide letter no. 2bII/7107 dated 2/1/08 (enclosed at **Annexure-I**) that a composite entry for Electrical Goods used in Generation, Transmission & Distribution of Electrical Energy be also incorporated in VAT Schedule of Rates as it existed in Trade Tax Act & also Notified under KA.NI. -2-1283/XI-9(24)/2006-U.P. Act-15-48-Order-(12)-2006 dated July 13, 2006, in RGGVY Scheme. But so far there has not been any response from the Deptt, which embarrasses our Members very much.

In VAT schedule of Rates some of these have been classified under 4% goods such as ACSR Conductors, Transformers, Transmission wire & Towers (No. parts & accessories, components parts mentioned). In the same way others are listed as Inputs Taxable @4%. This will create problems for the Assesseees & wide discretion to officers and litigation will multiply.

It is to remind that the then Members Tribunal & VAT matters Incharge Shri K.Dayal through his endorsement letter no 309/(VAT) 2004 dated 21.12.04 (enclosed at **Annexure-II**) had sent list of Rate schedule as agreed by Finance Ministers of all States in Empowered Committee. The note in this letter says, "There may be minor variations in the entries of the State for the purpose of description, depending upon entries groupings existing -----". However the entries would broadly be with the same implication." The list of 0% items is captioned "This is strictly as per approval in the empowered committee meeting", goods of

local importance @ 0% “OPTIONAL”. The list of Electrical Goods in this schedule is also beginning with “Electrical Goods of All kinds used in generation, Transmission & Distribution or in connection with Consumption. -----.”

In the entries of VAT Schedule “overhead Transmission lines, Distribution lines, P.C.C. Poles , Accessories components parts thereof” Entries due to being scattered have not been properly specified & are likely to give vent to enormous discretion thereby causing extreme harassment to the Industry.

Therefore it is requested that the Entry may kindly be made exhaustive & elaborate to combine, “Electrical goods of All kinds, used in Generation, Transmission & Distribution or consumption, overhead lines, P.C.C. Poles & Parts, Accessories & Components thereof” alongwith the entry already proposed and enclosed at **Annexure-I**.

This will make the Entry elaborate & satisfying.

Thanking You

Yours truly,

D.S. Verma
Executive Director