

• **Taxability of Paper Cones & Paper Tubes under VAT**

Ref. No. 2bII/7119

9 January 2008

Shri Sunil Kumar, I.A.S,
The Commissioner,
Commercial Tax,
Govt. of UP.,
Gomati Nagar, Lucknow.

The Principal Secretary,
Deptt of Commercial Tax,
Govt. of U.P.
Lucknow

Sub: Taxability of Paper Cones & Paper Tubes under VAT

Sir,

“Paper Cones & Tubes” which basically are used for packing Cotton yarn & Silk yarn have not been specifically mentioned in VAT schedule meaning thereby that they may be taxed @ 12.5%. Although the packed goods have been either exempted from Tax or Taxed 4%. This was a guiding principle in Trade Tax as well as in VAT that the packing will attract the same rate as that of the goods packed. Entry No. 90 & 92 of schedule II-A elaborates the various pickings but probably due to some misunderstanding, Paper Cone & Tubes are not specified.

Therefore, it is requested that Paper Cones & Tubes should get the similar treatment as of the goods Packed. In order to regulate the price of yarn & relief to weavers they should either be classified @ 0% or at the most Taxed @ 4%.

Thanking You

Yours truly,

D.S. Verma
Executive Director