

Ref. No. 2bII/7147

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: Taxability of the “White Spherical globules” under VAT.**

Sir,

IIA is concerned about the unspecific entry of the above “Goods”. Under Trade Tax Act; The entry read as “Sugar containing more than ninty percent sucrose, but excluding khandsari Sugar, Confectionary, Sweetmeats and Sugar products such as Sugar Toys, (Chini –ke- Khilone). Ilaichi Dana & Sugar imported from outside India “Exempt” under Notification TIF-2-595/06.04.1999.

The Report of Analytical Testing Corp. Lucknow too reports/analyses it as Entirely soluble in water (Passess the Test). The Appellate Authorities as well as Assessing Authorities too have held it to be clearly under parameters of the Notification. The product has been enjoying Exemption since long.

The schedule of VAT Rates is governed by section 4 of VAT Act , wherein it has been laid down in the Provision that no tax on Sugar & Textiles shall be levied unless & until it is notified by State Govt. This has not hitherto been Notified and the same law has been cited in the Commissioner Trade Tax circular 472/26.12.07.

Therefore in the interest of this item of General use & Small Scale Industry the “Goods” may kindly be classified as Exempt0% in schedule-1. The Product is classified @ 0% in Punjab, Madya Pradesh, Harayana, Andrapradesh, Maharashtra & Others as well under VAT.

Thanking You

Yours truly,

D.S. Verma  
Executive Director