

**U.P. Trade Tax Act Section 4-A(2)(c) - “Whether for the goods, manufactured by use of modern technologies can be said to be “diversification”, and manufacturing of the goods of a nature different from the goods manufactured earlier entitle the appellant to claim the exemption from trade tax as provided under Section 4-A (5) of the U.P. Trade Tax Act?- In case of “diversification” the goods manufactured by diversification shall be different from the goods manufactured before such diversification - In the case of “expansion or modernization”, the exemption shall be available, if there is an additional production as a result of such modernization or expansion - Therefore, the goods manufactured after diversification must be different goods from the goods manufactured before such diversification - When the provisions of the Act unequivocally provides that the “diversification” can be considered only in a case where “goods of different nature” are produced, and only then the exemption shall be available. The goods manufactured on “diversification” must be a “different”, “distinct” and a “separate” good in nature. In the present case, the goods manufactured on use of advance and/or modern technology, cannot be said to be a different commercial activity at all.**

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