

**GOVERNMENT OF TAMILNADU
COMMERCIAL TAXES DEPARTMENT**

**PROCEEDINGS OF THE AUTHORITY FOR CLARIFICATION AND
ADVANCE RULING**

ACAAR No.54(a)/2015-2016
Acts cell-II/22581/2015

Dated:18.06.2018

- Present:**
1. Dr.T.V. Somanathan, I.A.S.,
Additional Chief Secretary / Commissioner of Commercial Taxes.
 2. Thiru M. Parameswaran,
Additional Commissioner, (Public Relations)(FAC)
 3. Dr. C. Palani,
Additional Commissioner, (Revision Petitions)(FAC)

1	Name and address of the Applicant	:	Tvl. Finolex Cables Limited, No.9, Mohan Kumaramangalam Street, Off. Nungambakkam High Road, Chennai – 600 034.
2.	Registration Certificate No.	:	TIN : 33961501172 CST : 63774
3.	Assessment Circle	:	Large Tax Payers Unit -III
4.	Date of application	:	12.06.2015
5.	Date of receipt of application	:	20.06.2015
6.	Clarification sought for	:	Rate of tax on " Lan Cables (Cat 5/5e and Cat 6/6e cables) "
7.	Date of Personal Hearing	:	--
8.	Represented by	:	--

ORDER

Tvl. Finolex Cables Limited, No.9, Mohan Kumaramangalam Street, Off. Nungambakkam High Road, Chennai – 600 034 (TIN 33961501172), registered dealer in the files of Large Tax Payers Unit –III, Chennai have preferred application in Form 'VV' and sought clarification under Section 48-A (1) of the Tamil Nadu Value Added Tax Act, 2006 (TNVAT Act, 2006), read with Rule 12-A of the Tamil Nadu Value Added Tax Rules, 2007 (TNVAT Rules,2007).

2.1. The applicant-dealerdealer have sought for clarification for the rate of tax on **"Lan Cables (Cat 5/5e and Cat 6/6e cables)"**.

2.2. The applicant-dealer have stated that "Lan Cables" are nothing but the networking peripherals, for carrying signals. The rate of tax adopted by almost all the dealers in this line is only 5%, presuming that the Cat 5 and Cat 6 cables are Information Technology products since these are predominantly used in computer networks. The enhanced types of these cables are known to be Cat 5e and Cat 6e cables. They have also furnished pamphlets containing the literature and pictorial presentation and technical information about Cat 5/5e and Cat 6/6e cables.

3. The issue has been examined in detail with reference to the provisions of the TNVAT Act, 2006 and TNVAT Rules,2007 and the related entries in all the Schedules to the TNVAT Act, 2006. Section 48-A of the TNVAT Act, 2006 provides for clarification on any point concerned with rate of tax for commodities.

4.1 "Lan cables" are generally known as category 5 and category 6 cables, commercially known as cat 5 and cat 6 cables. The cables are generally used in structured cabling for computer networks such as Ethernet, at the standard of providing performance of up to 100 MHz and are suitable for 10BASE-T, 100BASE-TX (Fast Ethernet), and 1000BASE-T (Gigabit Ethernet).

4.2. It has already been clarified in ACAAR No.62/2015-16(Acts cell-II/25649/2015) in the case of Tvl. R.K. Electronix, Chennai -600 002 as follows:

"Networking cables like CAT UTP Cables and Cables used with connectors known as RJ45 in both the ends commonly known as Patch Cord are taxable @ 5% under Information Technology Products falling in Sl.No.68 of Part-B of First Schedule to the TNVAT Act, 2006 with item No.24 in the list of Information Technology Products as notified in G.O.Ms.No.3, Commercial Taxes and Registration (B1) Department, dated 01.01.2007."

5. In view of the above, it is clarified that "**Lan Cables (Cat 5/5e and Cat 6/6e cables) are Networking Cables taxable @ 5% as falling under item No.24 in the list of Information Technology Products in Sl.No.68 of Part-B of the First Schedule to the TNVAT Act, 2006 as notified in G.O.Ms.No.3, Commercial Taxes and Registration (B1) Department, dated 01.01.2007.**"

Dated this the Eighteenth day of June 2018.

Sd/- M. Parameswaran,
Additional Commissioner (PR)(FAC)

Sd/- C. Palani,
Additional Commissioner (RP) (FAC)

Sd/- T.V. Somanathan,
Additional Chief Secretary/
Commissioner of Commercial Taxes

To
Tvl. Finolex Cables Limited,
No.9, Mohan Kumaramangalam Street,
Chennai – 600 034.

Copy to:
The Deputy Commissioner (ST),
Large Tax Payers Unit-III, Chennai.

The Joint Commissioner (ST),
Large Tax Payers Unit.

The Joint Commissioner (CS)

To host in the Department Website

The Principal Secretary to Government, Commercial Taxes & Registration Department, Chennai – 9.
All Joint Commissioners (ST) including Enforcement, LTU, MOU and ISIC.
All Deputy Commissioners (ST), Territorial, Assessment and Enforcement
All Head of Offices (Assessment)
The State Representative, Sales Tax Appellate Tribunal, Chennai– 104.
The Addl. State Representative, (AB) Chennai, Madurai and Coimbatore.
The Director, CTSTI, Greams Road, Chennai – 6.
The Executive Officer, Traders Welfare Board, Chennai – 5.
The Accountant General (Audit)-II, No.44, Greams Road, Chennai – 6.
The Additional Commissioners, Deputy Commissioners, Assistant Commissioners, Commercial Tax Officers in CCT's Office.
Personal Clerk to the CCT.
Stock File 3/ Acts Cell-II /Spare – 5.

//forwarded / by order//


State Tax Officer 22/06/18