

**GOVERNMENT OF TAMILNADU
COMMERCIAL TAXES DEPARTMENT**

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

ACAAR No.106/2014-15
Acts cell-II/38891/2014

Dated:12.10.2015

- Present:** 1.Thiru. K.Rajaraman, I.A.S.,
Principal Secretary / Commissioner of Commercial Taxes.
- 2.Thiru. R.Vayanaperumal,
Additional Commissioner (CT); (Public Relations)
- 3.Thiru. K.Mahalingam,
Additional Commissioner (CT), (Revision Petitions)

1	Name and address of the Applicant	:	Tvl. Blue Chip Knit Finishers, S.F.No. 507/12-B, Maakaliamman Kovil Street, Sulthanpet, Mangalam (Post), Tirupur - 641 663
2.	Registration Certificate No.	:	TIN.No.33916244742 CST. 753711
3.	Assessment Circle	:	Palladam Assessment Circle, Coimbatore Division
4.	Date of application	:	22.12.2014
5.	Date of receipt of application	:	22.12.2014
6.	Clarification sought for	:	Rate of Tax on " Dip water wash without any chemicals on Knit Fabric and Garments "
7.	Date of Personal Hearing	:	17.08.2015
8.	Represented by	:	Thiru. K. Senthil Kumar, Manager

ORDER

Tvl. Blue chip knit Finishers., Tirupur - 641 663 (TIN.No. 33916244742), the registered dealers in the files of Palladam Assessment Circle, Coimbatore Division have preferred application in

Form 'VV' and sought clarification under Section 48-A (1) of the TNVAT Act, 2006, read with Rule 12-A of TNVAT Rules, 2007.

2.1. The applicant-dealers have sought for clarification on the following:

Rate of Tax **"Dip water wash without any chemicals on Knit Fabric and Garments"**

2.2. The applicant-dealer stated in their written submissions furnished along with their application that the washing process of grey fabric includes simple process like washing the knitted garments and fabrics with plain soft water in order to control the shrinkage part and ensure the measurement of the garment. The washing is done with the help of washing machines using only "water" without adding any other products. The applicant-dealer prayed the Authority for Clarification and Advance Ruling that, **when washing only with water will attract any VAT under TNVAT Act, 2006.**

3.1. The issue has been examined in detail with reference to the provisions of TNVAT Act, 2006 and Rules 2007 and the relative entries regarding the commodities classified under the First and Fourth Schedule to the TNVAT Act, 2006. Section 48-A of TNVAT Act, 2006 provides for clarification on any point concerned with rate of tax for commodities.

3.2. On examining the application, the Authority for Clarification and Advance Ruling, (herein after will be referred to as Authority) felt that it is deemed necessary for the them to call the applicant-dealer for a Personal Hearing, to explain the process involved in "Dip water wash on Knit Fabric and Garments". Hence, the Authority have convened a meeting for hearing on 17.08.2015 at 04.00 PM and the applicant-dealers were informed in writing to appear before the Authority on the above said date. Thiru. K. Senthil Kumar, Manager (Blue chip knit Finishers. Tirupur) has represented the Company before the Authority on 17.08.2015 and placed the facts relating to the clarification requested. The authorized representative for the applicant-dealers has reflected the grounds as given in the annexure to the application and also a flow chart on Dip wash process method.

3.3. The applicant dealer had sought for clarification regarding rate of tax on **"Dip water wash without any chemicals on Knit Fabric and Garments"**. The applicant-dealer provides a flow chart of

the Dip wash process method. As per the flowchart, the work undertaken by the applicant-dealer is only dipping of Knitted fabric and garments and drying them with the Fabric Hydro-extractor and tumble dryer. The whole process of "Dip water wash without any chemicals" does not involve transfer of property in any taxable goods in execution of **"Dip water wash without any chemicals on Knit Fabric and Garments"**. Hence it is construed by the Authority that the no tax liability would arise in execution of **Dip water wash without any chemicals on Knit Fabric and Garments**.

4. The clarification is therefore that the execution of **"Dip water wash without any chemicals on Knit Fabric and Garments"** does not attract VAT under Section 5 read with Section 3(2) of the TNVAT Act, 2006 as this process involves no transfer of property in taxable goods.

Dated this the Twelfth day of October 2015.

Sd/- R. Vayanaperumal,
Additional Commissioner (PR)

Sd/- K. Mahalingam,
Additional Commissioner (RP)

Sd/- K. Rajaraman,
Principal Secretary/
Commissioner of Commercial Taxes

To
Tvl. Blue Chip Knit Finishers,
S.F.No. 507/12-B, Maakaliamman Kovil Street,
Sulthanpet, Mangalam (Post),
Tirupur - 641 663.

Copy to:
The Assistant Commissioner (CT)
Palladam Assessment Circle.

The Joint Commissioner (CT),
Coimbatore Division.

The Joint Commissioner (CS)

To host in the Department Website

The Principal Secretary to Government, Commercial Taxes & Registration Department, Chennai - 9.

All Joint Commissioners (CT) including Enforcement, LTU, MOU and ISIC.

All Deputy Commissioners (CT), 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//


Additional Commissioner (PR)