

**GOVERNMENT OF TAMILNADU
COMMERCIAL TAXES DEPARTMENT**

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

ACAAR No.106/2015-16
Acts Cell-II/38178/2015

Dated: 22.05.2018

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

1.	Name and address of the Applicant	:	Tvl. Secure Wrap (India) Pvt. Ltd., Door No.2, Phase No.3, Wood Creek Court, Nandambakkam, Chennai - 600 089.
2.	Registration Certificate No.	:	TIN No. 33420843227 CST:793694
3.	Assessment Circle	:	Nandambakkam Assessment Circle.
4.	Date of application	:	21.12.2015
5.	Date of receipt of application	:	21.12.2015
6.	Clarification sought for	:	Rate of tax on " Plastic Film Roll ".
7.	Date of Personal Hearing	:	--
8.	Represented by	:	--

ORDER

Tvl. Secure Wrap (India) Pvt. Ltd., Door No.2, Phase No.3, Wood Creek Court, Nandambakkam, Chennai - 600 089 (TIN 33420843227), the registered dealers in the files of Nandambakkam Assessment Circle, Chennai have preferred an 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 Tamil Nadu Value Added Tax Rules, 2007 (TNVAT Rules, 2007).

2. The applicant-dealers sought for clarification on the rate of tax for "**Plastic Film Roll**". They have stated that they are doing business of baggage wrapping using the baggage wrapping machine that involves import of plastic film rolls and labour support in Tamil Nadu. They have requested to clarify on the following :

- (i) As they import materials, involve labour and dispose the materials through their machines at the Airport and also they are in contract with the airports. Do they fall under works contract scheme?
- (ii) If it is under works contract method, should they collect service tax on 30% on the invoice value and sales tax on remaining 70% of the invoice value?

3. Though the applicant-dealers in their covering letter requested clarification on transactions, such request is not within the purview of the Authority for Clarification and Advance Ruling. However, in the Form-VV application, the applicant-dealers specified the commodity "Plastic Film Roll" and sought clarification.

4. 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 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.

5.1. Item No. 13 of the Notification No.II(1)CTR/12(R-20)/2011 published in G.O. Ms. No. 78, Commercial Taxes and Registration (B2) Dept., dated 11th July 2011 that reduced the rate of tax applicable on the goods enumerated thereunder to 5%, reads as follows:-

"All plastic goods other than doors, windows, frames, profiles, automobile, industrial and sanitary items".

5.2. As the "Plastic Film Roll" dealt by the applicant-dealers is a plastic product made of PVC resin used for wrapping the baggage at Air Port, this product would not fall under the classification of "doors, windows, frames, profiles, automobile, industrial and sanitary items" that have been excluded in the above notification for the purpose of application of reduced rate of tax on plastic products.

5.3. In ACAAR No.85/2015-16(Acts Cell-II/32476/2015), dated 03.05.2018, the Authority for Clarification and Advance Ruling has clarified that "Plastic Film Roll" is taxable @ 5% vide item No. 13 in Notification No. II(1)CTR/12(R-20)/2011, dated 11.07.2011.

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6. In view of the above, it is clarified that **"Plastic Film Roll" is eligible to be classified as plastic goods and liable to tax at the reduced rate of 5%, vide Item No.13 in Notification No. II(1)CTR/12(R-20)/2011 published in G.O. Ms. No.78, Commercial Taxes and Registration (B2) Department, dated 11th July 2011."**

Dated this the twenty second day of May 2018.

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

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

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

To
Tvl. Secure Wrap (India) Pvt. Ltd.,
Door No.2, Phase No.8, Wood Creek Court,
Nandambakkam,
Chennai - 600 089.

Copy to:
The Assistant Commissioner (ST),
Nandambakkam Assessment Circle.

The Joint Commissioner (ST),
Chennai (East) 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 (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 Commissionersc, 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
