

PROCEEDINGS OF THE AUTHORITY FOR CLARIFICATION AND ADVANCE RULING	
<u>ACAAR No.121/ 2013-14.</u> (Acts Cell – II/6690/2014)	Dated <u>23</u> .10.2014
<u>Present:</u>	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. Krishnaveni Traders, No.128, Kuppanna Chettiar Street, Tiruppur – 641 604.
2. Registration Certificate No.	: TIN: 33322321756 / CST: 311906
3. Date of application	: 25.02.2014
4. Date of receipt of application	: 25.02.2014
5. Clarification sought for	: Rate of Tax on "Graphic Art Film, Plain and with computer designed image set up.
6. Date of Personal Hearing	: ----
7. Represented by	: ----

ORDER

Tvl. Krishnaveni Traders, No.128, Kuppanna Chettiar Street, Tiruppur – 641 604, (TIN:33322321756), a registered dealer in Graphic Art film, in the files of Tiruppur (South) Assessment Circle, Tiruppur, have preferred application in Form 'VV' and sought for clarification under Section 48-A(1) of the TNVAT Act, 2006, read with Rule 12-A of TNVAT Rules, 2007.

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

Rate of tax on **"Graphic Art Film, plain and with computer designed image set up"** sold as industrial input.

3. The applicant-dealer has stated that they are purchasing Plain Graphic Art Film, with the earlier sufferance of VAT @ 14.5 %, but sold as either the plain film or with computer designed Image setup as industrial input @ 5 % to the buyers.

4. The issue has been examined in detail with reference to the provisions of TNVAT Act, 2006 and Rules, 2007 and the related Entries in Parts B and C of the First and Fourth Schedules 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. The applicant-dealer has attached the samples along with the application. The applicant-dealer has requested that whether he could get the input tax difference carried forward, after adjusting the input tax credit availed @ 14.5 % on purchases, towards the tax due and payable on his sales @ 5 %,

5. The applicant-dealers have sought for clarification regarding rate of tax on **"Graphic Art film, both plain and with image setup"** as well as the refund of excess input tax credit stands as carried forward after adjustment towards the tax payable on sales as industrial input @ 5 %, but purchased with sufferance of tax @ 14.5 %.

6. The Graphic Art films are nothing but the plastic films, especially, made out of either the polyethylene or poly propylene or poly vinyl chloride or polyester. The plain printable films of the above products are used in Graphic Art and in computerized Flexo Printing for producing Wrappers and labels used in packaging the goods or to laminate the packing materials. There is no specific entry of the description "Graphic Art film" in any of the Parts of the First and Fourth Schedule to the Act. If a commodity is not specifically enumerated under any of the Schedule, such commodity would automatically falls under Entry 69 of Part-B of First Schedule to the Act and attract the tax @ 14.5 % on sale inside the State. However, all the plastic goods other than certain items made of plastic are liable to tax at the reduced rate of tax @ 5 % vide Entry under Serial No. 13 in the list of goods notified vide Notification No. II (1) / CTR / 12 (R-20) / 2011 – G.O. No. 78, CT & R (B2) Department, dated 11th July 2011 with effect from 12th July 2011. The Entry in Serial No.13 in the list of goods notified reads as under:

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

Since the Graphic Art Film is not specifically enumerated either under Part-B of Part-C of First Schedule, such goods would automatically fall under the Entry in Serial No.13 in the list of goods notified under the aforesaid notification under section 30 of the TNVAT Act, 2006. Thus, the Graphic Art film is taxable at the reduced rate of 5 % on sale inside the State.

7. Section 48-A of the Act provides for the clarifications which could be sought for in respect of the rate of tax for commodities, extensible with reference to the proximities of targeted sales. Nothing is provided for clarifications in respect of the procedural or machinery provisions under the Act. Refund of excess input tax credit stands carried forward after adjustment towards the output tax due and payable on sales, is purely procedural and therefore this forum is not inclined to clarify in this matter as it is not maintainable under Section 48-A of the TNVAT Act, 2006.

8. The clarification is therefore that the **"Graphic Art films" are taxable at the reduced rate of 5 % as plastic goods under Entry in Serial No. 13 in the list of goods notified** under Notification No. II (1) / CTR / 12 (R-20) / 2011 – G.O. No. 78, CT & R (B2) Department, dated 11th July 2011.

9. The clarification sought in respect of refund of the excess input tax credit due to input tax @ 14.5 % and output tax liability @ 5 %, is relating to the procedure and therefore not entertainable.

Dated this, the 23rd Day of October, 2014:

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

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

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

To

Tvl. Krishnaveni Traders,
No.128, Kuppanna Chettiar Street,
Tiruppur – 641 604.

Copy to

The Assistant Commissioner (CT)
Tirupur South 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)

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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 File3 / Acts Cell-II / Spare – 5.

//Forwarded/By order//


Additional Commissioner (PR)