

PROCEEDINGS OF THE AUTHORITY FOR CLARIFICATION AND ADVANCE RULING		
<u>ACAAR No. 155/ 2013-14.</u> <u>(Acts Cell – II/10398/2014)</u>		Dated 18.09.2014
<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.Intimate Fashions (India) (P) Ltd., Thirupporur, Kottamedu High Road, Nandhivaram Village, Guduvancheri, Kanchipuram-603 302.
2.	Registration Certificate No.	: TIN:33551602617/ CST:797086
3.	Date of application	: 26.03.2014
4.	Date of receipt of application	: 26.03.2014
5.	Clarification sought for	: Rate of Tax on "Elastic Webbing"
6.	Date of Personal Hearing	: 13.08.2014
7.	Represented by	: Sri.Mohammed Shaffig, Advocate/Authorized Representative.

ORDER

Tvl.Intimate Fashions (India) Private Ltd., Thirupporur, Kottamedu High Road, Nandhivaram Village, Guduvancheri, Kanchipuram-603 302. (TIN:33551602617/ CST:797086), register dealers in the file of Assistant Commissioner (CT) Chengalpet Assessment Circle, engaged in purchasing "Elastic Webbing" and used in manufacture of brassieres for

direct export 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-dealer sought for clarification on the following:-

Rate of tax on **"Elastic Webbing"**

The applicant dealer in their Form VV have requested to clarify the rate of tax on Elastic Webbing purchased pursuant to foreign buyers order (approved vendors) used in brassieres' which are exported pursuant to foreign buyers order.

The applicant dealer has also requested to grant a personal hearing before pronouncing the ruling on the questions raised in this application.

Accordingly, in this office reference in Acts Cell-II/10398/2014 dated 26.03.2014 in ACAAR 155/2014-15 a personal hearing notice was sent to the applicant dealer with request to appear for personal hearing along with required details before the Authority for Clarification and Advance Ruling on 13.08.2014 at 4.00PM at the office of the Principal Secretary / Commissioner of Commercial Taxes, Chepauk, 2nd Floor to put forth their case.

Accordingly the applicant dealer appeared before this forum on 13.08.2014 at 4.300 PM.

The issue has been examined in detail with reference to the provisions of TNVAT Act, 2006 and Rules, 2007 as well as relevant entries under residual entry 69 of Part-C of I schedule and also with reference to section 18(2) of the TNVAT Act 2006.

At the time of personal hearing the authorized representative has cited a Supreme Court decision rendered in the case of State of Karnataka Vs. Azad Coach Builders Private Limited and Another reported in (2010) 9 SCC Page No.524 and argued that the applicant dealer purchased "Elastic Webbing" locally and used them in finishing of brassieres which are ultimately exported pursuant to foreign buyers order. The authorized representative has finally requested to clarify the rate of tax on Elastic Webbing.

The commodity 'Elastic Webbing' is falling under residual entry 69 of Part-C of I schedule and therefore it is taxable at 14.5%.

The clarification is therefore that the rate of tax on sale of "Elastic Webbing" is 14.5% under residual entry 69 of Part-C of I schedule. When supplied as industrial input to manufacturing unit if liable to be purchased at the rate of 5% as industrial input as provided under Entry 67 of Part-B of I Scheduled against certification under Rule 6(3)(b).

Dated this, the 18th day of September, 2014

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

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

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

To
Tvl.Intimate Fashions (India) (P) Ltd.,
Thirupporur, Kottamedu High Road,
Nandhivaram Village, Guduvancheri,
Kanchipuram-603 302.

Copy to:
The Assistant Commissioner (CT)
Chengalpet Assessment Circle

The Joint Commissioner (CT),
Chennai (South) 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 File3 / Acts Cell-II / Spare - 5.

//Forwarded/By order//


Additional Commissioner (PR)