

**GOVERNMENT OF TAMILNADU
COMMERCIAL TAXES DEPARTMENT**

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

ACAAR No.35/2016-17
Acts cell-II/25107/2016

Dated:30.12.2016

- Present:**
1. Dr. C. Chandramouli, I.A.S.,
Additional Chief Secretary / Commissioner of Commercial Taxes.
 2. Thiru. A. Sarvar Allam,
Additional Commissioner (CT), (Public Relations)(FAC)
 3. Thiru. K. Mahalingam,
Additional Commissioner (CT), (Revision Petitions)

1	Name and address of the Applicant	:	Tvl. Paragon Polymer Products Pvt. Ltd, New No. 1/118, Old No.4/84, Salem-Sankari Main Road, Kanagagiri Colony, Kakkapalayam(PO), Salem 637 504
2.	Registration Certificate No.	:	TIN.No.3364322225 CST. 428618
3.	Assessment Circle	:	Sankari Assessment Circle, Salem.
4.	Date of application	:	09.09.2016
5.	Date of receipt of application	:	09.09.2016
6.	Clarification sought for	:	Rate of Tax on " Semi moulded Plastic footwear (Sale Value Rs.200/- and above) "
7.	Date of Personal Hearing	:	26.10.2016
8.	Represented by	:	Navin Thomas , Executive Vice President

ORDER

Tvl. Paragon Polymer Products Pvt. Ltd, New No. 1/118, Old No.4/84, Salem-Sankari Main Road, Salem 637 504. (TIN.No. 33643222225), the registered dealers in the files of Sankari Assessment Circle, Salem 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 on the rate of tax applicable on **Semi moulded Plastic footwear (Value Rs.200/- and above)**.

2.1. The applicant-dealers sought for personal hearing and accordingly they were heard on 26.10.2016. Thiru. Navin Thomas, Executive VP have appeared for the hearing and produced the brochure and filed written statement along with documentary evidences.

2.2. At the time of personal hearing the applicant-dealers have cited the order issued by the Authority in ACCAR No. 03/2015-16 (Acts Cell II/10741/2015) dated 24.07.2016) and contended that the Moulded and semi moulded plastic footwear value Rs. 200/ and above can be classifiable under Entry 84 of Part-B of First schedule to the TNVAT Act, 2006. The applicant-dealers have also stated that the semi moulded plastic footwear has its sole (bottom portion) made of moulded plastic and upper part (Strap) made of fabric coated with plastic and the nomenclature adopted in the invoice for the goods are Vertex, Slickers, Stimulus, etc.,

3.1. This committee considered the above application and the documents filed along with the application carefully and examined the issue with reference to the Schedules and provisions of TNVAT Act, 2006, Rules made thereunder and notifications issued under the Act. The contentions made by the learned authorized representative at the time of hearing were also considered carefully.

3.2. Notification No.II(1)/CTR/12(R-22)/2011, published in G.O.Ms.No. 78 CT&R(B2), dated 11th July 2011 - **Item (ii)**
"Unbranded footwear with sale price more than rupees two

hundred" makes a reduction in the rate of tax on unbranded footwear of any variety/category to 5%.

3.3. Footwear is specifically enumerated under two entries of the schedules of the TNVAT. Entry 84 of Part-B of First Schedule to the TNVAT Act 2006 reads as follows:

"Moulded plastic footwear, hawai chappals and straps thereof other than those specified in the Fourth Schedule"

Another at Entry 30 of Part-B of Fourth Schedule reads as below:
"Footwear with sale value less than two hundred rupees"

The conjoint reading of the above two entries and the notification reveals that

- any footwear with sale value less than two hundred rupees is exempt from levy of tax,
- moulded plastic footwear and hawai chappals with sale value of two hundred rupees and more is liable at 5%,
- unbranded footwear with sale price more than rupees two hundred is liable at 5% and
- all other footwear with sale value of two hundred rupees and more is liable at 14.5% under the residuary Entry 69 of Part-C of First Schedule to the TNVAT act, 2006.

3.4. The applicant-dealers sell their footwear under brand name "Paragon" and hence their sales are not eligible to cover under Notification No.II(1)/CTR/12(R-22)/2011, published in G.O.Ms.No. 78 CT&R(B2), dated 11th July 2011. According to the law evolved in commodity taxation, the entries in the scheduled should be strictly construed. If this law is applied, the semi moulded plastic footwear dealt by the applicant dealers cannot fall under Entry 84 of Part-B of First Schedule which covers fully moulded plastic footwear. Footwear made of moulded plastic sole with strap/upper part made of different materials, with sale value of two hundred and more would then naturally fall under the residuary Entry 69 of Part-C of First Schedule to the TNVAT act, 2006, attracting levy of tax at 14.5%.

4. In view of the above discussion, it is clarified that **semi moulded plastic footwear with sale value of rupees two hundred and above** with the registered brand name is liable to tax at 14.5% under residuary Entry 69 of Part-C of First Schedule to the TNVAT act, 2006.

Dated this the Thirtieth day of December 2016.

Sd/- A. Sarvar Allam,
Additional Commissioner (PR)(FAC)

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

Sd/- Dr.C. Chandramouli, I.A.S
Additional Chief Secretary/
Commissioner of Commercial Taxes

To
Tvl. Paragon Polymer Products Pvt. Ltd,
New No. 1/118, Old No.4/84,
Salem-Sankari Main Road,
Kanagagiri Colony,
Kakkapalayam(PO),
Salem 637 504

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

The Joint Commissioner (CT),
Salem 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//

W. J. ...
4.1.17
Commercial Tax Officer