

PROCEEDINGS OF THE AUTHORITY FOR CLARIFICATION AND ADVANCE RULING	
ACAAR No.48/2014-15. (Acts Cell – II/23011/2014)	Dated 24.12.2014
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. Arihant Jewel Boxes, New No.4, Old No.10, Thayar Sahib Market Lane, Mount Road, Chennai- 600 002
2. Registration Certificate No.	: TIN:33490661265/ CST:697671
3. Date of application	: 21.07.2014
4. Date of receipt of application	: 21.07.2014
5. Clarification sought for	: Rate of Tax on "Cloth bags/Purses"
6. Date of Personal Hearing	: -- --
7. Represented by	: -- --

ORDER

Tvl. Arihant Jewel Boxes, New No.4, Old No.10, Thayar Sahib Market Lane, Mount Road, Chennai - 600 002 (TIN:33490661265), the registered dealers in the files of Chepauk assessment circle, manufacturing and marketing "Packing Materials, viz., Plastic and Wooden Jewel Boxes, Rexine Purses and Cloth bags 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. The applicant-dealers have sought for clarification on the following:

Rate of tax on "**Cloth bags/Purses**"

3. The applicant-dealers have stated that they are manufacturing and trading in ""Packing Materials, viz., Plastic and Wooden Jewel Boxes, Rexine Purses and Cloth bags"". The bags and purses made of cloth are for the purposes of keeping the jewellery for delivery after counter sales in jewellery shops. The applicant-dealers have furnished samples for the cloth bags and purses. The applicant dealers have requested that the applicable rate of tax for Cloth bags and purses may be clarified.

4. The issue has been examined in detail with reference to the provisions of TNVAT Act, 2006 and Rules, 2007 and the entries regarding the commodities classified under both 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-dealers have sought for clarification regarding rate of tax on, "**Cloth bags/Purses.**"

5. The First and Fourth Schedules to the Act reveal no relevant entry of the description "cloth bags". Whereas, the Cloth bag is exempt from tax vide Notification No.II(1)/CTR/30(a-2)/2007 in G.O. Ms. No.79/CT & R (B2) Dept, dated 23.03.2007 as per Sl. No. 13 in the list of commodities notified as exempt under the notification. Accordingly the cloth bags are exempt from tax and therefore attract no tax.

6. The clarification is therefore that the **Cloth bags/purses made of are exempt from tax** vide **Notification No. II(1)/CTR/30(a-2)/2007 in G.O. Ms. No.79/CT & R (B2) Dept, dated 23.03.2007 as per Sl. No. 13** in the list of commodities exempt under the notification.

Dated this the 24th day of December 2014.

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

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

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

To

Tvl. Arihant Jewel Boxes,
New No.4, Old No.10,
Thayar Sahib Market Lane,
Mount Road,
Chennai- 600 002

Copy to:

The Assistant Commissioner (CT)
Chepauk Assessment Circle

The Joint Commissioner (CT),
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 (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)