

GOVERNMENT OF TAMIL NADU  
COMMERCIAL TAXES DEPARTMENT

PROCEEDINGS OF THE  
AUTHORITY FOR CLARIFICATION AND ADVANCE RULING  
(Under Section 48-A of TNVAT Act, 2006)

- Present: 1. Thiru K. Rajaraman, I.A.S.,  
Principal Secretary/  
Commissioner of Commercial Taxes,
2. Thiru R. Vayanaperumal, B.Sc., M.A.,  
Additional Commissioner (PR) (FAC)
3. Thiru. K. Mahalingam, M.Sc.,  
Additional Commissioner (RP)

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A.C.A.A.R 51/ 2013-14  
(Acts cell-II/21211/2013)

Dated 26.03.2014

- 1 Name of the Applicant : Tvl. Image Marketing,  
No.6/2, Balaji Avenue,  
Second Street, T. Nagar,  
Chennai - 17.
2. Registration Certificate No. : TIN:33211542858/CST:1002549
3. Name of the Assessment circle : T.Nagar (South)
4. Date of application : 10.07.2013
5. Date of receipt of application : 12.07.2013
6. Clarification sought for : Rate of tax on  
"Multi-Media Speakers"
7. Represented by : Thiru C.Pawan Kumar,  
Proprietor

Thiru.C.Pawankumar, Propoeritor of the business in the name and style of M/S. Image Marketing, @ No.6/2, Balaji Avenue, Second Street, T.Nagar, Chennai - 600 017, (TIN:33211542858), registered dealers in the files of T. Nagar (South) Assessment Circle, dealing in Mobile

phones and accessories, has preferred application in Form 'VV' along with the fee of Rs.1000/-, as provided under section 48-A (1) of the TNVAT Act, 2006.

2. They have sought for clarification on the following:

Rate of tax for "Multimedia Speakers".

3. Section 48-A was inserted under TNVAT Act, 2006 by Act No.26 of 2011 to constitute a State Level Authority for Clarification and Advanced Ruling to clarify any point concerning the rate of tax on an application by a registered dealer.

4. The Applicant-dealer has stated in his application that Multimedia Speakers are nothing but the speakers external to a computer, that disable the lower fidelity built -in speakers of the computers to give a better sound performance. these speakers are called as a multimedia device because these can be used on various media in addition to being used on a computer. By nature and design, these are essentially an information technology product. The applicant-dealer has furnished a pamphlet of a multimedia speaker, which clearly indicates that these speakers can be used on a variety of media such as computer, Laptop, Tablet, Phone and Music players. These multimedia speakers are understood by all in this line of trade as Speakers external to the computers, which can also be used on cell phone devices. Further the applicant-dealer has stated that he is collecting and paying tax only at 5 % VAT, on the bonafide assumption that thee speakers would fall under Item 2(ii) in the List of Information Technology Products notified for the Government for the Entry 68 in Part-B of First Schedule to the TNVAT Act, 2006.

5. Section 48-A (2) (ii) of the TNVAT Act, 2006 is very specific that no application seeking clarification in respect of rate of tax for specific commodity shall be entertained, where the question raised in the application relates to an issue which is designed apparently for avoidance of Tax.

6.1 "The applicant-dealer has preferred this application for clarification regarding rate of tax for Multimedia Speakers dealt by him, only after receipt of Pre-revision Notices issued by his assessing authority dated 04.06.2013 and 13.06.2013. The Assessing Authority in the above said pre-revision notices had proposed to assess the applicant dealers on their sale of speakers @ 14.5% as against their claim that they had collected tax only at 5 % on their sales of "multi-media speakers" assuming that they are IT products classified under Item 2 (ii) in the List of Information Technology Products, notified for Entry 68 in Part-B/ First Schedule. In the meanwhile, revision order had

been passed by the assessing authority, rejecting their claim and assessing them on their sale of speakers as proposed at 14.5 % as they would fall under residual Entry 69 in Part- C of First Schedule to the Act.

6.2. There may be a merit on the part of the applicant- dealers for having filed application in Form "VV" as provided under Section 48-A (i) of the Act, 2006, regarding rate of tax for "Multimedia Speakers" dealt by them. The application has been preferred by them only after having received the pre-revision notice issued by their assessing authority. Thereby, it throws light to hold that the applicant dealers have preferred application under Section 48-A for clarification regarding rate of tax for multimedia speakers, with an intention to avoid payment of tax that would arise as the result of confirmation of the proposed assessment @ 14.5% by way of revision order. However, the assessing authority has passed revision order on 22.01.2014 and served the same on the applicant- dealers, which is questionable, if aggrieved, before the First appellate authority as provided under Section 51 of the Act, 2006. Considering the above narrated facts and circumstance, and the stipulation under Section 48-A (2) (ii), it is concluded that the application for clarification regarding rate of tax for multimedia speakers, deserves no merits to be entertained and therefore rejected as not entertainable.

Accordingly, the application is disposed off.

R. Vayanaperumal,  
Additional Commissioner (PR) (FAC)

K. Mahalingam,  
Additional Commissioner (RP)

K. Rajaraman,  
Principal Secretary/  
Commissioner of Commercial Taxes

To

Tvl. Image Marketing,  
No.6/2, Balaji Avenue,  
Second Street, T. Nagar,  
Chennai - 17. (RPAD)

Copy to:

The Assistant Commissioner (CT)  
T. Nagar (South) Assessment Circle.

The Joint Commissioner (CT),  
Chennai (Central) 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) (FAC)