

**GOVERNMENT OF TAMILNADU
COMMERCIAL TAXES DEPARTMENT**

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

ACAAR No.51/2016-17
(Acts Cell-II/32567/2016)

Dated:02.06.2017



- 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. Gnanasekaran,
Additional Commissioner (CT), (Revision Petitions)(FAC)

1	Name and address of the Applicant	:	Tvl Imperial Trading, 1/17a, 2 nd Floor, Pinjala Subramanian Street, T.Nagar, Chennai 17.
2.	Registration Certificate No.	:	TIN.No. 33666409792
3.	Assessment Circle	:	Nandanam Assessment Circle
4.	Date of application	:	23.11.2016
5.	Date of receipt of application	:	24.11.2016
6.	Clarification sought for	:	Rate of tax on " Bamboo Sticks (for manufacturing Agarbathi) "
7.	Date of Personal Hearing	:	----
8.	Represented by	:	----

ORDER

Tvl Imperial Trading, 1/17a, 2nd Floor, Pinjala Subramanian Street, T.Nagar, Chennai 600 017. (TIN No. 33385121434), registered dealers in the files of Nandanam Assessment Circle have preferred application in Form 'VV' and sought clarification under Section 48-A (1) of the Tamil Nadu Value Added Tax Act, 2006 (TNVAT Act, 2006), read with Rule 12-A of Tamil Nadu Value Added Tax Rules, 2007

(TNVAT Rules, 2007) on the rate of tax applicable on "**Bamboo Sticks (for manufacturing agarbathi)**".

2. The applicant-dealers have stated that they are doing import of Bamboo Sticks from China and supplying to Agarbathi manufacturers in Tamil Nadu.

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.

3.2. The applicant dealer had sought for clarification regarding rate of tax on "Bamboo Sticks" are not specifically enumerated in any of the entries of the TNVAT Act. Hence, the above item may fall under the residuary Entry-69 of Part-C of First Schedule to the TNVAT Act, 2006, attracting levy of tax at 14.5%.

3.2. However, the applicant-dealers stated that the imported "bamboo sticks" are used for manufacture of Agarbathi by the Agarbathi manufacturers in Tamil nadu.

The bamboo sticks falling under residual Entry 69 of Part-C of Schedule are eligible to be sold as Industrial Input as described in Entry 67 of Part-B of First Schedule to the TNVAT Act on certification of usage as Industrial Input by the buyer as prescribed under Rule-6(3)(b) of TNVAT Rules, 2007.

4. In view of the above, this committee clarifies that,

(i) "**Bamboo sticks**" sold by the applicant-dealers are liable to VAT at **14.5% as residuary item falling under Entry 69 of Part-C of First Schedule to the TNVAT Act, 2006.**

(ii) However, "**Bamboo sticks**", sold as **Industrial Input** as prescribed in **Entry 67 of Part-B of First Schedule to TNVAT Act,**

subject to the condition prescribed in **Rule 6(3)(b) of TNVAT Rules, 2007 are liable at 5%** under the above Entry.

Dated this the Second day of June 2017.

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

Sd/- K. Gnanasekaran,
Additional Commissioner (RP) (FAC)

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

To,
Tvl Imperial Trading,
1/17a, 2nd Floor,
Pinjala Subramanian Street,
T.Nagar, Chennai 17

Copy to:
The Assistant Commissioner (CT)
Nandanam 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

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//


Commercial Tax Officer