

PROCEEDINGS OF THE AUTHORITY FOR CLARIFICATION AND ADVANCE RULING		
ACAAR No.61/ 2014-15. (Acts Cell – II/26358/2014)		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. Shree Mahaveer Impex, Shop No.3, 18/3, Menambedu Road, Mannurpet, Chennai – 600 050.
2.	Registration Certificate No.	: TIN: 33601370323 /CST: 1303968
3.	Date of application	: 18.08.2014
4.	Date of receipt of application	: 20.08.2014
5.	Clarification sought for	: Rate of Tax on "Cutting Blade Coil and Leather Cutting Knives (Rute Die Steel)"
6.	Date of Personal Hearing	: -----
7.	Represented by	: -----

ORDER

Tvl. Shree Mahaveer Impex, at Shop No.3, 18/3, Menambedu Road, Mannurpet, Chennai – 600 050 (TIN:33321602695), the registered dealers in the files of Villivakkam Assessment Circle, Chennai, 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 concerned with the rate of tax on **"Cutting Blade Coils and Leather Cutting Knives (Rute Die Steel)"**.

3. The applicant-dealers have stated that they are supplying the Cutting Blade Coils and Leather Cutting Knives, for use in Leather and Upholstery industry for cutting leather. The leather cutting knives are either both side edged or one side edged, used in cutting dies measured shapes for shoes, chapels, bags and other leather items. The applicant-dealers refer the Entries 67 and 67-A of Part-B of First Schedule regarding their classification of the said goods and applicable rate of tax. Since, the goods are used in industry the applicant-dealers have sought for the applicable rate of tax on the said goods.

4.1. The issue has been examined in detail with reference to the provisions of TNVAT Act, 2006 and Rules, 2007 and the relative entries in 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.

4.2. The applicant-dealers have sought for clarification regarding rate of tax on **"Cutting Blade Coils and Leather Cutting Knives (Rute Die Steel)"**.

5. Both the First and Fourth Schedules to the TNVAT Act, reveals no entry of the specific description "Cutting Blade Coils and Leather Cutting Knives (Rute Die Steel)". The Entries 67 and 67-A as referred by the applicant-dealers bears no relevance to the nature of the goods, in respect of which the clarification concerned with the applicable rate of tax has been sought. However, the most relevant Entry 138 of Part-B of First Schedule to the TNVAT Act, 2006 reads as **"Tools"**. The "Cutting Blade Coils and Leather Cutting Knives (Rute Die Steel)" are nothing but the cutting tools used in leather and upholstery industry. Hence, the Cutting Blade Coils and Leather Cutting Knives (Rute Die Steel) would fall within the scope of the Entry 138, "Tools" of Part-B of First Schedule to the Act and attract tax @ 5 %.

6. The clarification is therefore be that the **"Cutting Blade Coils and Leather Cutting Knives (Rute Die Steel)" are taxable @ 5 % as being the tools under Entry 138 of Part-B of First Schedule to the TNVAT Act, 2006.**

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. Shree Mahaveer Impex,
Shop No.3, 18/3,
Menambedu Road,
Mannurpet,
Chennai – 600 050.

Copy to:

The Assistant Commissioner (CT)
Villivakkam 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)