

**GOVERNMENT OF TAMILNADU  
COMMERCIAL TAXES DEPARTMENT**

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

**ACAAR No.62/2015-16**  
**Acts cell-II/25649/2015**

Dated: 02.05.2018

- Present:**
1. Dr.T.V. Somanathan, I.A.S.,  
Principal Secretary / Commissioner of Commercial Taxes.
  2. Thiru M. Parameswaran,  
Additional Commissioner (ST), (Public Relations)(FAC)
  3. Thiru C. Palani,  
Additional Commissioner (ST), (Revision Petition)(FAC)

1.	Name and address of the Applicant	:	Tvl. R.K. Electronix, 18, Narasingapuram Street, Majestic Plaza, 1 <sup>st</sup> Floor, Chennai - 600 002.
2.	Registration Certificate No.	:	TIN:33290581156 CST:697783
3.	Assessment Circle	:	Chintadripet Assessment Circle
4.	Date of application	:	10.08.2015
5.	Date of receipt of application	:	17.08.2015
6.	Clarification sought for	:	Rate of tax on " <b>Networking Cable</b> "
7.	Date of Personal Hearing	:	--
8.	Represented by	:	--

**ORDER**

Tvl. R.K. Electronix, 18, Narasingapuram Street, Majestic Plaza, 1<sup>st</sup> Floor, Chennai - 600 002 (TIN: 33290581156), the registered dealers in the files of Chintadripet 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 the Tamil Nadu Value Added Tax Rules, 2007 (TNVAT Rules, 2007).

2. The applicant-dealers have sought for clarification on the rate of tax on "**Networking Cable**". They have stated that CAT 6

or CAT 5 or CAT 3 cables used only in information technology called networking cables and are used to connect x number of computers under local area network. These cables are in the form of 4 pairs of copper wire and each pair is separately insulated and are covered with a PVC sheathing whose thickness is 23 SWG. They further stated that these cables are used with connectors known as RJ45 fixed to both the ends of cable of desired length and when a cable is fitted with RJ 45 connectors at both ends, it is known as Patch Cord.

3.1. The issue has been examined in detail with reference to the provisions of the TNVAT Act, 2006 and TNVAT Rules, 2007 and the related entries regarding the commodities classified under all the schedules to the TNVAT Act, 2006. Section 48-A of the TNVAT Act,2006 provides for clarification on any point concerned with rate of tax for commodities.

3.2. Perusal of sample and technical specification details enclosed with the application revealed that the cables for which clarification sought are for the purpose of transmission of high speed data, digital and analogue voice and video (RGB) signals on Local Area Network. The key features, description, specification and applications clearly prove that these cables cannot be used for electrical purpose and can only be used for networking purpose. These cables are useful not only in computers, but also in communication device like Modem, Router and other transmission equipments. The relevant entry in the TNVAT Act,2006 are item No. 22 and 24 of Entry 68 of Part-B of the First Schedule, reads as under :

Entry 68 of Part B of First Schedule

- Item No.22 : Computer systems and peripherals, Electronic devices
  - (a) Computer systems, peripherals and parts
  - (b) Electronic devices
  
- Item No. 24 : Parts and Accessories of goods mentioned in Sl.No. 1, 11, 22 and 23.

3.3. Networking cable, being used in communication and as transmission equipment, essentially fall under the above categories. The goods mentioned in item No.22 cannot be operated without Network Cable, and this being parts and accessories of goods mentioned in item No.22.

5. Hence, it is clarified that **"Networking Cables like CAT UTP Cable and Cables used with connectors known as RJ 45 in both the ends commonly known as Patch Cord are taxable @ 5% under Information Technology Products falling in**

**Sl.No.68 of Part-B of First Schedule to the TNVAT Act, 2006 with item No. 24 in the list of Information Technology Products as notified in G.O.Ms.No.3, Commercial Taxes and Registration (B1) Department, dated 01.01.2007."**

Dated this the second day of May 2018.

Sd/- M. Parameswaran,  
Additional Commissioner (PR)(FAC)

Sd/- C. Palani,  
Additional Commissioner (RP) (FAC)

Sd/- Dr. T.V. Somanathan,  
Principal Secretary/  
Commissioner of Commercial Taxes

To

Tvl. R.K. Electronix,  
18, Narasingapuram Street,  
Majestic Plaza, 1<sup>st</sup> Floor,  
Chennai – 600 002.

Copy to:  
The Assistant Commissioner (CT)  
Chintadripet 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 File 3/ Acts Cell-II /Spare – 5.

**//forwarded / by order//**

  
State Tax Officer 27/05/18

  
25/5