

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

ACAAR No.076/ 2014-15.
(Acts Cell – II/29384/2014)

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. Sri Vinayaga Cottage Industries, Laws Ghat Road, Kodaikanal – 624 101.
2.	Registration Certificate No.	:	TIN:33125320330/ CST: ---
3.	Date of application	:	28.08.2014
4.	Date of receipt of application	:	18.09.2014
5.	Clarification sought for	:	Rate of Tax on "Cane Furniture."
6.	Date of Personal Hearing	:	----
7.	Represented by	:	----

ORDER

Tvl. Sri Vinayaga Cottage Industries, Laws Ghat Road, Kodaikanal (TIN: 33125320330), the registered manufacturer of 'Cane Furniture' in the files of Kodaikanal Assessment Circle, Kodaikanal, 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 "**Cane Furniture**" like **table, chair, long size chair, teapoy etc.**

3. The applicant-dealers have stated that they are manufacturing cane furniture, such as tables, chairs, long size chairs and teapoy and other furniture of Cane, which involves 35 % materials

and 65 % labour. All the furniture of cane are being made only by manual labour and not by any Machines. It is prayed that the appropriate rate of tax for Cane furniture may be clarified.

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 **“Cane Furniture” like table, chair, long size chair, teapoy etc.”**

5. Both First and Fourth Schedules to the TNVAT act, 2006 reveals no relative entry of the description, “Cane Furniture” or “Furniture of All Kinds”. Whereas, the “Unbranded Steel Furniture”, being generally taxable at 14.5 % under Part-C of first Schedule to the TNVAT Act, 2006, has been notified as taxable at the reduced rate of 4 % vide its Entry under Serial No. 13 in the list of goods notified as per Notification No. II(1)/CTR/30(a-5)/2007 in GO. Ms. No.79, Commercial Taxes and Registration (B2) Department dated 23.03.2007 with effect from 01.01.2007. ‘Unbranded Steel furniture’ is again notified as taxable at the reduced rate of 5 % vide Notification No. II(1) / CTR / 12(R-20)/2011 in G.O. Ms. No.78, Commercial Taxes and Registration (B2) Department dated 11.07.2011, in consequent of the increase in rates of goods classified under Part-B and Part-C of the First Schedule to the Act, respectively from 4 % and 12.5 % to 5 % and 14.5 % with effect from 12.07.2011. It is evident that therefore the furniture of all kinds either branded or unbranded are taxable at 14.5 % with effect from 12.07.2011. Since ‘Cane Furniture’ or ‘Furniture of all kinds’ finds no place under either the First or Fourth Schedule to the Act, it would automatically fall under the residual Entry 69 of Part-C of First Schedule and attracts tax @ 14.5 %.

6. The clarification is therefore that the **“Cane Furniture” is taxable @ 14.5 % as an unclassified commodity under Entry 69 of Part-C 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. Sri Vinayaga Cottage Industries,
Laws Ghat Road,
Kodaikanal – 624 101.

Copy to:

The Assistant Commissioner (CT)
Kodaikanal Assessment Circle

The Joint Commissioner (CT),
Madurai 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.

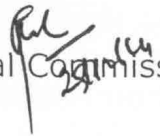
The Accountant General (Audit)-II, No.44, Greams Road, Chennai – 6.

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)