

PROCEEDINGS OF THE AUTHORITY FOR CLARIFICATION AND ADVANCE RULING	
ACAAR No.083/ 2014-15. (Acts Cell – II/30917/2014)	Dated 26.12.2014
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. M.N.Ramaiyer & Sons, No.153/104, Ammapet Main Road, Salem - 636 001.
2.	Registration Certificate No. : TIN:33712780012 / CST: 405519
3.	Date of application : 07.10.2014
4.	Date of receipt of application : 08.10.2014
5.	Clarification sought for : Rate of Tax on "Zari of all Kinds excluding Polyester film yarn and radiant yarn."
6.	Date of Personal Hearing : ----
7.	Represented by : ----

ORDER

Tvl. M.N.Ramaiyer & Sons, at No.153/104, Ammapet Main Road, Salem – 636 001, (TIN:33712780012), the registered dealers in Zari of all kinds in the files of Salem Bazaar Assessment Circle, Salem, 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 **"Zari of all kinds excluding Polyester film yarn and radiant yarn"**.

3. The applicant-dealers have stated that they are dealing all kinds of Zari. The applicant-dealers have stated that it is understood

that all kinds of Zari other than Polyester filament yarn and radiant yarn are exempt from VAT by Notification, though taxable at 5 % as per Entry 71 of Part-B of First Schedule to the TNVAT Act, 2006. The applicant-dealers have requested that the current status of levy and its rate 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 **"Zari of all kinds excluding Polyester film yarn and radiant yarn."**

5. Part-B of First Schedules to the TNVAT act, 2006 reveals a relative Entry 71 of the description as extracted below:

71. Jari of all kinds including metallic yarn, metallic jari yarn, metallic yarn, polyester film yarn and radiant yarn.

As per Entry 71 of Part-B of First Schedule to the Act, Zari of all Kinds including metallic yarn, metallic jari yarn, metallic yarn, polyester film yarn and radiant yarn are taxable @ 5 % VAT. However, "Zari of all kinds, excluding polyester film yarn and radiant yarn" are exempt from VAT vide Notification No. II(1)/CTR/4(b-8)/2010 in G.O.No.33-VIII, Commercial Taxes and Registration Department, dated 29th March, 2010, effective from 12st April 2010, on sale by any dealer inside the State. The Exemption for Zari of all kinds excluding polyester film yarn and radiant yarn is still in force.

6. The clarification is therefore that **"Zari of all kinds, excluding polyester film yarn and radiant yarn" are exempt from VAT vide Notification No. II(1)/CTR/4(b-8)/2010 in G.O.No.33-VIII, Commercial Taxes and Registration Department dated 29.03.2010, with effect from 12.04.2010.**

Dated this, the 26th 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

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To

Tvl. M.N.Ramaiyer & Sons,
No.153/104, Ammapet Main Road,
Salem - 636 001.

Copy to:

The Assistant Commissioner (CT)
Salem Bazaar Assessment Circle

The Joint Commissioner (CT),
Salem 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)