

COMMERCIAL TAXES DEPARTMENT

From

THIRU T. JACOB, I.A.S.,
Commissioner of Commercial Taxes,
Chepauk, Chennai-5.

To

Thiru V.S.Saravanan, BCom., FCA,
Chartered Accountant,
146, Ramalingam Road, West, RS Puram,
Coimbatore

Lr. No. VAT Cell /44593 / 2007 (VCC No 1314), dated 5.10.2007

Sir,

Sub: TNVAT Act, 2006 – Rate of tax clarification under
TNVAT Act 2006 for certain goods – requested – reg.

Ref: Letter dated 10.8.2007 from Thiru V.S.Saravanan,
Chartered Accountant, Coimbatore

Thiru V.S.Saravanan, Coimbatore has requested rate of tax clarification under the
TNVAT Act 2006 for the following goods

S No	Local and Inter state purchase	Clarification on local VAT rate
1	Cone yarn	4% under Ist schedule Part B S.No:41
2	Fabric and Terry towel	Exempted under IV schedule Part A S.No: 5
3	Bleaching and Dyeing	No tax on labour charges, but transfer of materials involved that commodities local rate of tax applicable
4	Pillow cover and Bed sheets (Including stitched two side cloth)	Exempted under notification II. If it is made from handlooms and power looms cloth other than those made of mill made cloth, or otherwise it is taxable at 4% Part B S.No:14 of I Schedule
5	Quilts or Duway used in Hotels	Taxable at 4% I Schedule Part B S No:13
6	Quilt cover and Duway cover	Taxable at 4% I Schedule Part B S.No:14
7	Terry bath rope	Taxable at 12.5% I Schedule Part C

	Inter state sale goods	Rate of tax
1	Inter state sales with C form	3%
2	Inter state sales without C form	Local VAT rate
3	Inter state sales of generally exempted goods under VAT Act	Exempted on inter state sales No C forms required

Sd/ Shanmugam
For Commissioner of Commercial Taxes

Copy submitted to the Secretary to Government,
Commercial Taxes and Registration Department, Fort St. George, Chennai-9.

// Forwarded // By Order //

COMMERCIAL TAX OFFICER (VAT)