

COMMERCIAL TAXES DEPARTMENT

From

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

To

Tvl. Madras Leather and Footwear Materials
Merchants Association, No:1110,
Poonamallee High Road, 2nd floor, Periamet
Chennai 600 003

Tvl. National Leather Boards, NO:706, Old
Tirutani Road,
Ranipet 632 402

Tvl. Sowcar Board Industries,
Byepass Road, Sowcarpet, Melandai,
Melvisharam 632 509

Lr. No. VAT Cell / 54800 / 2007 (VCC No 1346) , dated 26.10.2007

Sir,

Sub: TNVAT Act, 2006 – Rate of Tax clarification under
TNVAT Act 2006 for leather goods –revised clarification
issued – reg.

Ref: 1.Vcc 159 dated 15.3.2007 and VCC1243 dated 17.9.2007
2. Tvl. National Leather Boards, Ranipet letter dated
30.7.2007

It has been brought to the notice of this office that the clarification issued in VCC 1243 dated 17.9.2007 and VCC 159 dated 15.3.2007 is not in provisions of the Act and therefore not correct. It has been examined with reference to files.

On examination, it was noticed that the clarification has been wrongly issued. In order to correct mistake, the clarification is issued as follows:

- 1) Leather Board is not declared goods and it falls under residuary entry 69 of Part C of I Schedule and therefore it is taxable at 12.5%
- 2) When Leather Board is sold to manufacturer of footwear, it is taxable at 4% under Notification No:II (1)/CTR(34)(a-2)/07 GO Ms.No:107 CT&R(B2) Department, dated 23.5.2007

- 3) When Leather board is sold as industrial input to other industries, it is liable to tax at 4% under entry 67 of Part B of I Schedule to TNVAT Act 2006
- 4) When sold outside the State with C form, it is liable to tax at 3% with effect from 1.4.2007. When sold without C form, it is liable to tax at 12.5%

Accordingly, the clarification issued in VCC 159 dated 15.3.2007 and VCC No:1243 dated 17.9.2007 are modified with effect from the date of issue of earlier clarifications cited above.

Sd/- G.Shanmugam
For Commissioner of Commercial Taxes

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

Copy to Thiru K.Ramu, M.Sc.,
Sales tax Vat Adviser,
Old No:1526 A New No:12, 17th Main Road,
Anna Nagar West, Chennai 600 040

/Forwarded by order/

COMMERCIAL TAX OFFICER (VAT)