

COMMERCIAL TAXES DEPARTMENT

From

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

To

Tvl. SRF Limited,
Manali Industrial Area,
Manali,
Chennai – 600 068.

Lr.No. VAT Cell / 59941/2007 (VCC No. 1502), dated 25.03.2008.

Sir,

Sub: TNVAT Act, 2006 – Rate of tax clarification for tarpaulin –
Requested by Tvl. SRF Limited, Chennai – Regarding.

Ref: 1. This office clarification issued in VCC No.600, dated
31.5.2007.
2. Petition dt. 29.10.2007 from Tvl. SRF Limited, Chennai.
3. Commercial Tax Officer, Manali Assessment Circle
Rc.No. 3798/A4/2007, dated 10.12.2007.

In the reference first cited, it was clarified to Tvl. Tamil Nadu Cotton Canvas Tarpaulin Merchants Association, Chennai-3 that tarpaulin made of synthetic fabric and canvas is exempt and tarpaulin made of LDPE and HDPE are taxable at 4% vide G.O.Ms.No. 79/CT&R(B2), dated 23.3.2007.

2. In the reference second cited citing the above clarification, Tvl. SRF Limited have sought clarification whether synthetic tarpaulin is exempt from levy of tax.

3. In the reference third cited, Commercial Tax Officer, Manali Assessment Circle, who is the assessing authority for Tvl. SRF Limited has submitted a detailed report on this issue.

4. Tarpaulin falls under Heading No. 6306 of Central Excise Tariff. It does not fall either under Part A or Part B of the Fourth Schedule to the Tamil Nadu Value Added Tax Act, 2006. It is also not enumerated under Part B of the First Schedule to the Act. Rate of tax on tarpaulin was not reduced by Government Notification issued in G.O.Ms.No. 79, CT&R (B2) Department, dated 23.3.2007 or by any other Notification.

5. In the above circumstances, tarpaulin made of synthetic fibres is liable to tax at 12.5% under the residuary Entry No. 69 of Part C of the First Schedule to TNVAT Act,

2006. The clarification issued in VCC No. 600, dated 31.5.2007 stands cancelled with effect from the date of issue of the clarification, that is 31.5.2007.

Sd./ T. Jacob,
Commissioner of Commercial Taxes.

Copy to:

1. Submitted to Secretary to Government, CT&R Department,
Fort St. George, Chennai-9.
2. Tvl. Tamil Nadu Cotton Canvas Tarpaulin Merchants
Association (Regd.), No.300 Walltax Road, Chennai – 600 003.
3. Commercial Tax Officer, Manali Assessment Circle, Chennai.

// Forwarded / By order //

DEPUTY COMML. TAX OFFICER.