

COMMERCIAL TAXES DEPARTMENT

From

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

To

1. Tvl. Universal Cables ltd.,
No. 76, Nelson Manickam Road,
1st Floor, Aminjikarai, Chennai-29.
2. Tvl. Havells India Ltd.,
Block 1, A&D Wing, Shakthi Towers,
7th Floor, 766 Anna Salai, Chennai-2.
3. Finolex Cables Ltd.,
Pioneer Sudarshan Plaza (3rd Floor),
No. 9, Mohan Kumaramangalam St.,
Off. Nungambakkam High Road,
Chennai – 600 034.
4. Tvl. The Madras Electric Trades
Association,
93, Govindappa Naicken St.,
2nd Floor, Chennai – 600 001.

Lr.No. VAT Cell / 38850 /2008, dated 23.9.2008.

Sir,

Sub: TNVAT Act, 2006 - Rate of tax clarification issued for industrial cables under TNVAT Act – Certain modification - Regarding.

- Ref:
1. Commissioner of Commercial Taxes Lr. No. VAT Cell/2480/2007 (VCC 8) dt. 9.3.2007.
 2. Commissioner of Commercial Taxes Lr. No. VAT Cell/3463/2008/A2, dt. 8.7.2008.
 3. Tvl. Havells India Ltd. letter dt. 28.7.2008
 4. Tvl. The Madras Electric Trades Association letters dt. 21.8.08 and 27.8.2008.
 5. Tvl. Finolex Cables Ltd. letter dt. 13.8.2008.

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In the reference 1st cited (VCC 8), it was clarified that the sales of PVC cables from 1.1 kv to 11 kv are industrial cables and liable to tax at 4%, vide Entry No. 66 of Part B of First Schedule to TNVAT Act, 2006, with effect from 1.1.2007.

2. In the reference 2nd cited, it was clarified that high voltage cables for voltage exceeding 1100 volts are to be treated as industrial cables and taxable at 4% under Entry No. 66 of Part B of First Schedule. The cables which are predominantly used for domestic use or other than industrial use are not covered under the Entry No.66 of Part B of First Schedule and would attract tax at 12.5% under Entry No. 69 of Part C of the First Schedule to TNVAT Act, 2006. This clarification was issued in partial modification of the earlier clarification issued in VCC 8, dated 9.3.2007. This clarification has caused problems to the dealers who had charged and collected 4% on 1100 volts cables.

Now, to remove the above difficulty, the modification made to earlier clarification issued in VCC 8, dated 09.3.2007 is given prospective effect from 08.7.2008, i.e. from the date of issue of the modification letter 2nd cited.

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

// Forwarded / By order //

COMMERCIAL TAX OFFICER