

GOVERNMENT OF TAMIL NADU
COMMERCIAL TAXES DEPARTMENT
PROCEEDINGS OF THE
AUTHORITY FOR CLARIFICATION AND ADVANCE RULING
(Under Section 48-A of TNVAT Act, 2006)

Present: 1. Dr. K. Manivasan, I.A.S.,
Commissioner of Commercial Taxes,
2. Thiru. R. Chandramohan, M.A.,
Additional Commissioner (PR)
3. Thiru. E. Rathinasamy, M.Sc., B.L.,
Additional Commissioner (RP) (FAC)

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A.C.A.A.R 6/2013-14
(Acts Cell II/12467/2013)

Dated 04.10.2013

Ref: Application of Tvl. Masterline Technologies Private Limited, 474-E, R.K. Complex, Alamelu Nagar, Kamarajar Road, Coimbatore-641 015, dated 20.04.2013

Tvl. Masterline Technologies Private Limited, 474-E, R.K. Complex, Alamelu Nagar, Kamarajar Road, Coimbatore-641 015 (TIN: 33332102773) have filed an application and sought clarification under Section 48-A of the TNVAT Act, 2006 read with Rule 12-A of the TNVAT Rules, 2007.

2. The clarification was sought on the following in column 4 of Form VV:

“Repairs and supply of yarn clearers used on textile machines”

3. In the application and the accompanying pamphlet it was mentioned that textile machine manufacturer abroad supplies textile spares to them for use on textile machines. The yarn clearer is used on winding machines in the textile spinning mills to detect and cut yarn defects during the yarn being wound on winding machine.

4. The issue has been examined in detail with reference to the provisions of the TNVAT Act and Rules and clarification is given as under:

5. Section 48-A of the TNVAT Act, 2006 provides for clarification on any point concerning rate of tax.

6. The dealer had sought clarification on **"Repairs and supply of yarn clearers used on textile machines"**.

7. The details furnished by the dealer in the application were examined. The dealer has sought clarification in column 4 (a) in Form VV relating to "Repairs and supply of yarn clearers used on textile machines." The textile machine is manufactured at Switzerland and claimed that textile spares are supplied to them from foreign countries. They have stated that the product "yarn clearer" is used in the textile spinning mills to detect and cut the yarn defects during yarn being wound on winding machine and that the yarn clearer is therefore a textile machinery part as per G.O. Ms. No. 78, CTR (B2), dated 11.07.2011. Textile machinery and parts are taxable at the reduced rate of 5% with effect from 12.07.2011 as per G.O.Ms. No. 78 CT & R (B2) Department, dated 11.07.2011.

8. However, the said yarn clearer has independent existence and it is not an integral part of the textile machinery. The textile machinery can be run without the use of yarn clearer and it can be used, only if required, to detect any defects in the yarn and hence its usage is not absolutely essential for running a spinning mill. Therefore, yarn clearer cannot be considered as part of the textile machinery. The yarn clearer is to be considered as a residuary item only taxable at 14.5% under Entry 69 of Part-C of the First Schedule.

9. The clarification therefore is that **"Yarn clearers used on textile machines"** are taxable at 14.5% under Entry 69 of Part-C of the First Schedule.

Sd/- R.Chandramohan
Additional Commissioner (PR)

Sd/- E. Rathinasamy
Additional Commissioner(RP)(FAC)

Sd/- Dr. K. Manivasan
for Commissioner of Commercial Taxes

To

Tvl. Masterline Technologies Private Limited,
474-E, R.K. Complex, Alamelu Nagar, Kamarajar Road,
Coimbatore-641 015

Copy to:

The Assistant Commissioner (CT),
Peelamedu Assessment Circle, Coimbatore.

The Joint Commissioner (CT), Coimbatore Division.

The Joint Commissioner (CS),

To host in the Department Website

The Secretary to Government, Commercial Taxes & Registration Dept, Chennai - 9.

All Joint Commissioners (CT) including Enforcement, LTU. MOU and ISIC.

All Deputy Commissioners (CT), Territorial, and Enforcement.

All Head of Offices (Assessment).

The State Representative, Sales Tax Appellate Tribunal, (Main Bench), Chennai - 104.

The Addl. State Representative, (AB) Chennai, Madurai and Coimbatore.

The Director, CTSTI, Greams Road, Chennai - 6.


The Chief Executive Officer, Traders Welfare Board, Chennai - 5.

The Additional Commissioners, Joint Commissioners, Deputy Commissioners, Assistant Commissioners and Commercial Tax Officers in CCT's Office.

Personal Clerk to the CCT.

Stock File3 / Act Cell II / Spare - 5.

//Forwarded by Order//



Commercial Tax Officer