

**GOVERNMENT OF TAMILNADU
COMMERCIAL TAXES DEPARTMENT**

**PROCEEDINGS OF THE AUTHORITY FOR CLARIFICATION AND
ADVANCE RULING**

ACAAR No.03/2015-16.
Acts cell-II/10741/2015

Dated:24.07.2015

Present: 1.Thiru. K.Rajaraman, I.A.S.,
Principal Secretary / Commissioner of Commercial Taxes.

2.Thiru. R.Vayanaperumal,
Additional Commissioner (CT), (Public Relations)

3.Thiru. K.Mahalingam,
Additional Commissioner (CT), (Revision Petitions)

1	Name and address of the Applicant	:	Tvl. Elastrex Polymers (p) Ltd, #4/84, Salem-Sankari Main Road, Kakkapalayam(PO), Kanagagiri Colony, Salem 637 504
2.	Registration Certificate No.	:	TIN.No.33723224800 CST. 783798
3.	Assessment Circle	:	Sankari Assessment Circle, Salem.
4.	Date of application	:	01.04.2015
5.	Date of receipt of application	:	01.04.2015
6.	Clarification sought for	:	Rate of Tax on " Moulded Plastic Footwear, Hawaii Chappals & Straps "
7.	Date of Personal Hearing	:	10/04/2015
8.	Represented by	:	Joseph Zachariah, Managing Director

ORDER

Tvl. Elastrex Polymers (p) Ltd., Salem - 637504. (TIN.No. 33723224800), the registered dealers in the files of Sankari

Assessment Circle, Salem have preferred application in Form 'VV' and sought clarification under Section 48-A (1) of the TNVAT Act, 2006, read with Rule 12-A of TNVAT Rules, 2007.

2. The applicant-dealers have sought for clarification on the following: Rate of tax on **"Moulded Plastic Footwear, Hawai Chappals & Straps"**. The said good is branded footwear of paragon and are manufactured in the state of Karnataka.

3.1. The issue has been examined in detail with reference to the provisions of TNVAT Act, 2006 and Rules 2007 and the relative entries regarding the commodities classified under the First and Fourth Schedule to the TNVAT Act, 2006. Section 48-A of TNVAT Act, 2006 provides for clarification on any point concerned with rate of tax for commodities.

3.2. The applicant-dealers have sought for personal hearing. The Authority for Clarification and Advance Ruling have convened a meeting for hearing on 10.04.2015 at 04.00 PM and the applicant-dealers were informed in writing to appear before the Authority on the above said date. Thiru. Joseph Zachariah, Managing Director has represented the Company before the Authority on 10.04.2015 and placed the facts relating to the clarification requested. The authorized representative for the applicant-dealers has reflected the grounds as given in the annexure to the application.

3.3. The applicant dealer had sought for clarification regarding rate of tax on **"Moulded Plastic Footwear, Hawai Chappals & Straps"**.

4. Footwear, with sale value of less than Rs.200/- is exempt from tax vide Entry 30 of Part B of Fourth Schedule to the TNVAT Act 2006, Whereas the Moulded Footwear, Hawai Chappals & Straps

thereof "**other than those specified in the Fourth Schedule**" are taxable at 5% as per Entry 84 of Part-B of First Schedule to the TNVAT Act 2006. The Conjoint reading of both the entries reveals that the Footwear of any variety whether branded or unbranded are exempt from tax if the sale value is less than Rs.200/- vide Entry 30 of Part B of Fourth Schedule to the TNVAT Act 2006. If the value is Rs.200/- or more per pair, the Footwear of any variety or category whether branded or unbranded are taxable at 14.5% under residual entry of 69 of part-C of First schedule to the TNVAT Act, 2006. The unbranded Footwear with sale price more than Rs.200/- are liable to tax at reduced rate of 5% as notified in the Notification No.II(1)/CTR/12(R-2)/2011, dated 11.07.2011 with effect from 12.07.2011.

5.1. The Entry 84 of Part B of First Schedule with the description **Moulded Footwear, Hawai Chappals & Straps** thereof other than those specified in the Fourth Schedule does not specify about its category whether branded or unbranded. Therefore **Moulded Footwear, Hawai Chappals & Straps** if branded and bearing sale value less than Rs.200/- could attract exemption under Entry 30 of Part-B of Fourth Schedule to the TNVAT Act 2006. If the price is Rs.200/- and more the **Moulded Footwear, Hawai Chappals & Straps** could attract the tax at 5% as per Entry 84 of Part B of First Schedule to the TNVAT Act 2006.

5.2. The **Moulded Footwear, Hawai Chappals & Straps** manufactured by the applicant dealer are marketed under the registered brand name "**Paragon**". Since it is being branded the **Moulded Footwear, Hawai Chappals & Straps** manufactured and marketed by the applicant dealer would attract exemption if the sale price is less than Rs.200/- under Entry 30 of Part-B of Fourth Schedule to the TNVAT Act 2006 and would attract tax at the rate of 5% if the

sale price is Rs.200/- and more under Entry 84 of Part-B of First Schedule to the TNVAT Act 2006.

6. It maybe therefore clarified that sale of **"Moulded Plastic Footwear, Hawai Chappals & Straps"** with the registered brand name "Paragon" are

- (i) liable to exemption from VAT if the sale price is less than Rs.200/- under Entry 30 of Part B of Fourth Schedule to the TNVAT Act 2006; and
- (ii) liable to tax at the rate of 5% if the sale price is Rs.200/- and more under Entry 84 of Part B of First Schedule to the TNVAT Act 2006.

Dated this the Twenty Fourth day of July 2015.

Sd/- R. Vayanaperumal,
Additional Commissioner (PR)

Sd/- K. Mahalingam,
Additional Commissioner (RP)

Sd/- K. Rajaraman,
Principal Secretary/
Commissioner of Commercial Taxes

To
Tvl. Elastrex Polymers (p) Ltd,
#4/84, Salem-Sankari Main Road,
Kakkapalayam(PO), Kanagagiri Colony,
Salem 637 504.

Copy to:
The Assistant Commissioner (CT)
Sankari Assessment Circle

The Joint Commissioner (CT),
Salem Division.

The Joint Commissioner (CS)

To host in the Department Website

The Principal Secretary to Government, Commercial Taxes & Registration Department, Chennai – 9.
All Joint Commissioners (CT) including Enforcement, LTU, MOU and ISIC.

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

All Head of Offices (Assessment)

The State Representative, Sales Tax Appellate Tribunal, Chennai - 104.

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

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

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

The Accountant General (Audit)-II, No.44, Greaves Road, Chennai - 6.

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

Personal Clerk to the CCT.

Stock File 3/ Acts Cell-II /Spare - 5.

//Forwarded/By order//


22.7.15
Commercial Tax Officer