

DEPARTMENT OF COMMERCIAL TAXES, KERALA
PROCEEDINGS OF THE AUTHORITY FOR CLARIFICATION
U/s.94 OF THE KERALA VALUE ADDED TAX ACT, 2003.

Members present are:

1. *K.J. Valsala Kumari, Joint Commissioner (General), O/o. CCT, Tvpm.*
2. *T.V. Kamala Bai, Joint Commissioner (Law), O/o. CCT, Tvpm.*
3. *S.K. Suchala Kumar, Joint Commissioner (Audit & Inspection), O/o. CCT, Tvpm.*

Sub :- KVAT Act, 2003 - Clarification U/s 94 - Rate of tax on PP Fishing Rope with HSN Code 5607.49.00 - Orders issued.

Read :- 1. Judgment of the Hon'ble High Court of Kerala in WA No. 804 of 2012 dated 13/4/2012.
2. Application from Sri. Sivaprasad G., Proprietor, M/s. PGK Distributors, Chathannoor dated 25/7/2012.

ORDER No.C3/20255/12/CT DATED 29/10/2012.

1. Sri. Sivaprasad G., Proprietor, M/s. PGK Distributors, Chathannoor filed an appeal before the Hon'ble High Court of Kerala against the judgment of the learned Single Judge directing the appellant to seek clarification on tax liability on the product Fishing Rope from the authority U/s 94(1) of the Kerala Value Added Tax Act. The appellant's case was that the product should be referred for technical advice from Central Institute of Fisheries Technology and Central Excise Department for clarification on HSN Code. The Division Bench of Hon'ble High Court of Kerala observed that *we do not think there is any need for this court to instruct the authority as to whose advice he should take before clarifying the rate of tax on the product or exemption available under the Entry provided in the First Schedule.* The Court vide its judgment read as first paper above disposed the appeal directing the appellant to make an application before the authority U/s 94(1) of the Kerala Value Added Tax Act, 2003 and the authority was directed to issue a clarification on the matter.

2. The appellant preferred an application vide letter read as second paper above. The applicant contends that the quality of fishing rope is unique, it is hard and tightly woven and it floats in water. PP Rope cannot be used for industrial purpose as the items for industrial purpose are of ISI specification and sold under Manufacturers Test Certificate ensuring risk coverage.

3. The applicant has also produced copies of the purchase bill from M/s. Tufropes Pvt. Ltd., Silvassa who are the manufacturers of PP Rope and they effect sales of the product as Fishing Rope. The Central Excise Tariff Heading No. appearing in the purchase bills is 5607.49.00. The applicant is also selling the product as fishing rope.

4. The applicant has requested to clarify the rate of tax of the commodity PP Fishing Ropes with HSN Code 5607.49.00.

5. The authorised representative of the applicant was heard and the contentions raised were examined.

6. The Customs Tariff Act HSN Code 5607.49.00 reads as follows:

**5607 TWINE, CORDAGE, ROPES AND CABLES, WHETHER OR NOT
PLAITED OR BRAIDED AND WHETHER OR NOT IMPREGNATED,
COATED, COVERED OR SHEATHED WITH RUBBER OR PLASTICS**

- *Of sisal or other textile fibres of the genus Agave :*

5607 21 00 -- *Binder or baler twine*

5607 29 00 - *Other*

- *Of polyethylene or polypropylene:*

5607 41 00 -- *Binder or baler twine*

5607 49 00 -- *Other*

7. The specific eight digit HSN Code 5607.49.00 falls under Entry No. 18(6) of the First Schedule to the Kerala Value Added Tax Act, 2003 which reads:

18	<i>Fishnet, Fishnet fabrics and accessories</i>	
	<i>(6) Other fishing twines and ropes</i>	5607.49.00

8. In view of the facts stated supra, it is clarified that the commodity PP Fishing Rope with HSN Code 5607.49.00 sold by the applicant, would fall under Entry 18(6) of the First Schedule to the Kerala Value Added Tax Act, 2003 and hence is exempted.

The issues raised by the applicant are clarified accordingly.

K.J. Valsala Kumari
Joint Commissioner (General)
O/o CCT

T.V. Kamala Bai
Joint Commissioner (Law)
O/o CCT

S.K. Suchala Kumar
Joint Commissioner (A&I)
O/o CCT

To,

Sri. N. Balakrishnan Nair,
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