

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. T.V. Kamala Bai.
Joint Commissioner (Law),
Office of the Commissioner of Commercial Taxes, Thiruvananthapuram.

2. Suchala Kumar. S.K.
Joint Commissioner (General),
Office of the Commissioner of Commercial Taxes, Thiruvananthapuram.

3. C. Lalappan.
Joint Commissioner (Audit & Inspection),
Office of the Commissioner of Commercial Taxes, Thiruvananthapuram.

Sub : KVAT Act, 2003 - Clarification U/s 94 - Rate of tax of D-Cut plastic carry bags & Vest type plastic carry bags - Orders issued.
Read : Application from M/s. Kerala Plastic Manufacturers Association, Kochi dtd. 6/9/2012.

ORDER No.C3/32239/12/CT DATED 24/10/2013.

1. M/s. Kerala Plastic Manufacturers Association, Kochi has preferred an application U/s 94 of the Kerala Value Added Tax, 2003 seeking clarification on the rate of tax applicable to the following products:

- i. Ordinary plastic bags without handle.
- ii. Plastic bags without a self carrying feature.

2. The authorised representative of the applicant was heard in the matter and the contentions raised were examined.

3. 'Self carrying feature' ordinarily means a feature manufactured into the carry bag which enables a person to grasp and carry the filled up bag effortlessly using his fingers. Some common types of self carrying features found in carry bags are illustrated below:

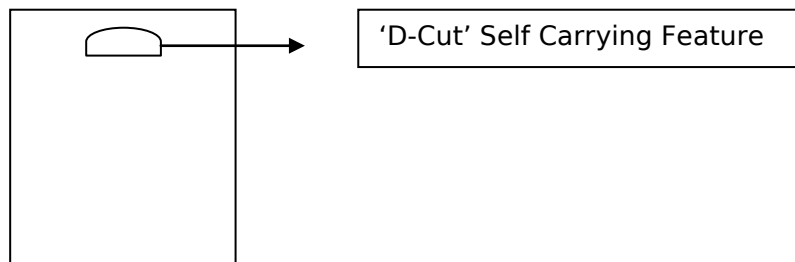


Figure - I
'D' Punched Bag

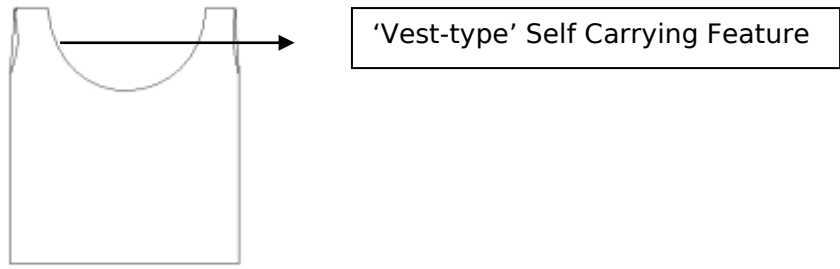


Figure - II
Vest Type Bag

4. It is hereby clarified that only 'Vest-type' plastic carry bags, including that of polypropylene, as illustrated in Figure - II above would be taxable at the rate of 20% by virtue of Serial No.3 of clause (a) of sub-section (1) of Section 6 of the Kerala Value Added Tax Act, 2003, as amended by the Kerala Finance Act, 2013.

The issues raised above are clarified accordingly.

T.V. Kamala Bai
Joint Commissioner (Law)

Suchala Kumar. S.K
Joint Commissioner (General)

C. Lalappan
Joint Commissioner (A&I)

To,

M/s. S. Anil Kumar, K.S.Hariharan & K. Umamaheswar,
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