

58. PROCEEDINGS OF THE COMMISSIONER OF COMMERCIAL TAXES
THIRUVANANTHAPURAM
Present:- Paul Antony.IAS

Sub:- KVAT Act 2003- Clarification under section. 94- rate of tax- Velvet Cloth--clarified-orders issued- Reg:
Read:- Application out in by M/s. New Rexine House, Thakaraparambu Road, Thiruvananthapuram

ORDER No.C3.32621/07/CT Dt. 06..10..07

M/s. New Rexine House, Thakaraparambu, Road, Thiruvananthapuram has preferred an application U/s. 94 of KVAT Act 2003 requesting to clarify the rate of tax of "Velvet Cloth"

The authorized representative of the applicant was heard. According to him the commodity would fall under the category 'knitted fabric holding HSN 6001. The contentions raised were examined with reference to statutory provisions.

Velvet cloth is woven from a mixture of silk and wool or silk and cotton. In Customs Tariff Act, this commodity have been classified under chapter 58 which deals with special woven fabrics, tufted textiles fabrics, lace etc, The commodity ie velvet has been specifically brought under HSN 5801.34.10. Even though this is a commodity used as furnishing material all commodities under HSN 5801 have been classified under entry 51(8)(a) of 1st schedule. As per rules of interpretation commodities coming under the specific HSN 5801.34.10 would also have to be classifiable under the said entry.

The statutory provisions being so "velvet cloth" would be classifiable under entry 51(8)(a) of 1st schedule and so would attract no tax under KVAT Act.

The points sought for is clarified accordingly

Commissioner