

**24. PROCEEDINGS OF THE COMMISSIONER, COMMERCIAL TAXES
THIRUVANANTHAPURAM**

Present:- Sri.Paul Antony.IAS

Sub:- KVAT Act 03- clarification U/s. 94- rate of tax of sports shoe with canvas upper and plastic sole-clarified orders issued- reg:

Read: 1.Application in Form No.24 Dt. 25.08.05 filed by M/s. Kelachandra Polymer Industries.Chingavanam

2. Hearing Notice No.C7.43722/05/CT Dt. 04.01.06

ORDER No.C7.43722/05/CT Dt. 07.02.06

M/s. Kelachandra Polymer Industries, Chingavanam has sought for clarification under section 94 of the KVAT Act 03 on the rate of tax applicable to sports shoe with canvas upper and plastic sole under VAT.

Sri.C.T.Philip, representative of the applicant was heard. The applicant dealer is a manufacturer of sports shoe with canvas upper and plastic sole. The contention of the applicant is that shoe upper is a an exempted item under 1st schedule and plastic is an item taxable @ 4% under 3rd schedule, and hence the product is sports goods and to be included in 3rd schedule.

The contention of the applicant was examined. Under KGST Act, foot wears of all kinds without any segregation were taxable @ 8 %. But under the VAT Act, it has been segregated. Accordingly those footwear specifically listed under entry 87 of 3rd schedule with specific HSN code alone is taxable @ 4 % and others are taxable @ 12.5 %.

Footwear with outer sole of Rubber, plastic, leather or composition leather and uppers of textile materials are classified under the heading 6404 of the Central Excise Tariff Act, 1985. Heading 6404 exclusively deals with sports footwear. Sports shoe with canvas upper and plastic sole manufactured by the applicant dealer coming under HSN Code 6404 has not been included in any of the schedules to the KVAT Act 03 as amended by KVAT (Amendment) Act, 05 and hence it is taxable @ 12.5% under RNR category.

The point sought for is clarified as above.

Sd/
Commissioner