

**GOVERNMENT OF TAMILNADU  
COMMERCIAL TAXES DEPARTMENT  
PROCEEDINGS OF THE AUTHORITY FOR  
CLARIFICATION AND ADVANCE RULING**

**ACAAR No.66/2016-17 (Review)**

Dated: 11.03.2020

**VA6/43870/2019**

**Present:**

- 1.Thiru M.A. Siddique, I.A.S.,  
Principal Chief Secretary /  
Commissioner of Commercial Taxes.
- 2.Thiru. K. Gnanasekaran,  
Additional Commissioner (CT),  
(Policy and Public Relations)
- 3.Dr. C. Palani,  
Additional Commissioner (CT),  
(Review and Appeal)(FAC)

**REVIEW ORDER**

- Ref:**
1. Proceedings of the Authority for Clarification and Advance Rulings in ACAAR.66/2016-17 (Acts Cell-II/7589/2017) to Tvl. Ammeraal Beltech India Private Limited, Chennai – 95 dated 25.04.2018
  2. Review Application dated 19.11.2019 received from Tvl. Ammeraal Beltech India Private Limited, Chennai – 95.

Tvl. Ammeraal Beltech (India) Private Limited., New No.68 (Old No.85). Ayanambakkam, Vanagaram Road, Ambattur Taluk, Chennai – 600 095 (TIN: 33761350350) now doing business at "Unipunch Pride", 3<sup>rd</sup> Floor-G1, Door No. 40, 2<sup>nd</sup> Main Road, Ambattur Industrial Estate, Chennai-600058, the registered dealers in the files of Nolambur Assessment Circle have preferred have a review application on the order dated 25.04.2018 passed by this Authority in ACAAR.66/2016-17 (Acts Cell-II/7589/2017) under Section 48-A of the Tamil Nadu Value Added Tax Act, 2006 (TNVAT Act, 2006) in the proceedings 1<sup>st</sup> cited.

2. On an application made originally by the same applicant dealer, it was clarified in the proceedings 1<sup>st</sup> cited as follows:

" **'Conveyor Belt'** is liable to tax at 5% as capital goods under Entry 25 of Part-B of the First Schedule read with Section 2(11) of the TNVAT Act,2006, if sold inside the State for use in the manufacturing industry."

3. The applicant-dealer have requested to review the above clarification with reference to the submission made in the review application and to classify the product dealt by them would be covered under the entry "Belting" under Entry 16 of Part-B of the First Schedule to TNVAT Act, 2006, the consequent tax rate applicable will be at 5%, under the powers vested in section 48-A(4) of the TNVAT Act, 2006.

4.1 The applicant-dealer sought for personal hearing and accordingly they were heard on 24.02.2020. On the day of hearing, Tvl. CA Vinay Chordia, Chartered Accountant, Partner of M/s. S L Gadhiya & Co, Authorised Representative for the applicant-dealer, appeared for the personal hearing before the Authority and filed a written statement by demonstrated with

supportive judicial pronouncement and requested to pass suitable revision order.

4.2 In the written statement, it has been stated that the very same Authority of Advance Ruling in the case of Tvl. Fenner (India) Limited vide ACAAR 89/2012-13, dated 11.02.2013, where it was decided on various transmission belts used in many manufacturing industries and reproduce the words used by the Authority as below:-

"7. ....

*There is a specific entry for "Beltings" under Entry 16 of Part B of the First Schedule which is wide enough to cover all kinds of beltings having application in Automobile, Industries and Agricultural Equipments. It has been held in many judicial pronouncements that the commodity terms used in the Act must be construed as understood in common parlance and its must be given its popular sense meanings."*

4.3 Two different interpretations of a particular entry by the same authority on the same set of facts cannot be immunized from the equality clause under Article 14 of the Constitution. It would be a case of operating law unequally, attracting Article 14 of the Constitution [Jai Vijai Metal Udyog Pvt. Ltd V. Commissioner, Trade Tax U.P., Lucknow [2010] 30 VST 1(SC)]

4.4 Further, it is settled law that when one particular item is covered by one specified entry, then, the Revenue is not permitted to travel to the residuary entry. The residuary entry is meant only for those categories of goods which clearly fall outside the ambit of specified entries. [Hindustan Poles Corporation V. Commissioner of Central Excise [2006] 146 STC 625; [2006] 4 SCC 85 referred to in Mahamaya Agencies V. State of Tripura[2008] 12 VST 529 (Gauhati)]

5. Entry-16 of Part-B of First Schedule to the TNVAT Act, 2006 reads as follows:

"Beltings"

When there is a specific entry namely "Belting" in the Schedule, "Conveyor Belts" should be classified under the above entry by applying the common parlance test (i.e) the manner in which the common man will understand them.

6. A decision has already been taken by the Authority and clarified in the case of Tvl. Fenner (India) Limited in ACAAR 89/2012-13, dated 11.02.2013 that

*"Transmission Rubber Beltings are taxable at 5% under Entry 16 of Part B of the First Schedule to the TNVAT Act, 2006."*

7. In view of the above and under the power vested in Section 48-A(4) of the TNVAT Act 2006, revoking the earlier clarifications issued in the reference 1<sup>st</sup> cited, it is hereby re-clarified that the "Conveyor Belts" dealt by the applicant-dealer are taxable at 5% under Entry 16 of Part-B of First Schedule to the TNVAT Act, 2006.

Dated this the 11<sup>th</sup> day of March, 2020.

Sd/- C. Palani,  
Additional Commissioner  
(Review and Appeal) (FAC)

Sd/- K.Gnanasekaran,  
Additional Commissioner  
(Policy and Public Relations)

Sd/- M.A. Siddique,  
Principal Secretary /  
Commissioner of Commercial Taxes

To  
Tvl. Ammeraal Beltch (India) Pvt Ltd.,  
"Unipunch Pride",  
3<sup>rd</sup> Floor-G1, Door No. 40,  
2<sup>nd</sup> Main Road,  
Ambattur Industrial Estate,  
Chennai-600058.

**Through:**

Thiru. CA Vinay Chordia, Chartered Accountant,  
M/s. S L Gadhiya & Co.,  
Old No. 106, New No. 130,  
1<sup>st</sup> Floor, Vepery High Road,  
Vepery, Chennai - 600 007. (By RPAD)

Copy to:  
The Assistant Commissioner (ST)  
Nolambur Assessment Circle

The Joint Commissioner (ST),  
Chennai (South) 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 (ST) including Intelligence and LTU.

All Deputy Commissioners (ST), 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, Greams Road, Chennai - 6.

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

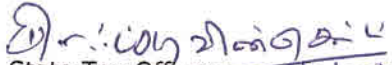
The Accountant General (Audit)-II, No.44, Greams Road, Chennai - 6.

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

Personal Clerk to the CCT.

Stock File 3/ V&A-6(Acts Cell-II) /Spare - 5.

//Forwarded/ By Order//

  
State Tax Officer 16/3/2020