

**PROCEEDINGS OF THE AUTHORITY FOR CLARIFICATION
AND ADVANCE RULING**

ACARR NO.044/2014-15
(Acts Cell -II/22513/2014)

Dated 08.09.2014

- Present:**
1. Thiru. K.Rajaraman, I.A.S.,
Principal Secretary & Commissioner of Commercial Taxes.
 2. Thiru. R.Vayanaperumal,
Additional Commissioner (CT), (Public Relations)
 3. Thiru. K.Mahalingam,
Additional Commissioner (CT), (Revision Petitions)

1.	Name and address of the Applicant	:	M/s. GKS Industries, 31, A/3, SIDCO, Ambattur Industrial Estate, Chennai -600 098.
2.	Registration Certificate No.	:	TIN.33101360122/CST.46931
3.	Date of application	:	16.07.2014
4.	Date of receipt of application	:	16.07.2014
5.	Clarification sought for	:	Rate of tax on "Steel Scaffolding materials"
6.	Date of Personal Hearing	:	13.08.2014
7.	Represented by	:	Thiru. G.Ravishankar, Authorized Representative

ORDER

M/s. GKS Industries, 31, A/3, SIDCO, Ambattur Industrial Estate, Chennai - 600 098. (TIN.33101360122/CST 46931) are registered dealers in the file of Assistant Commissioner (CT) Villivakkam Assessment Circle, manufacturing "Steel Scaffolding Materials" out of Steel Pipes, Steel Sheets, Steel Channels, Steel Angles, & Consumables like bolts, nuts, welding rods, paint, etc., and selling them locally have preferred application in Form "VV" and sought for clarification under section 48-A (1) of the TNVAT Act 2006, read with rule 12(A) of TNVAT Rules 2007.

2. The Applicant-dealer sought for clarification on the following:-

Rate of tax on "**Steel Scaffolding Materials**"

The applicant dealer in Form VV have stated that Steel Pipes, Steel Sheets, Steel Channels, Steel Angles, & Consumables like bolts, nuts,

welding rods, paint, are used to manufacture/ fabricate spans, scaffolding materials, steel **centering** sheets, props, floor forms and other construction aids, which helps the construction companies to put up concrete structures / buildings. Certain items manufactured / companies by us like scaffolding are also used by other industries to reach heights for maintenance, erection jobs, etc.

In the process of manufacturing /fabricating the above mentioned raw materials falling under declared goods like pipes, channel, sheets etc., undergo process of cutting, bending, welding, painting, etc.

The manufactured / fabricated items comes under Chapter number 73084000 "M/s. Equipment of Scaffolding" & 73071120 "M/s. Pipe Fittings" under Central Excise Act.

GKS Industries is involved in manufacturing and selling of the fabricated/ manufactured items.

The process of conversion of sheets, pipes in to scaffolding does not alter the character of Iron and Steel and after conversion scaffolding remains to be another species of same genus as "Iron and Steel" and hence the same is classified as an item falling under Chapter number 73084000 Central Exercise Act. The applicant dealer has also requested to provide personal hearing before giving clarification.

In this office reference in Acts Cell-II/22513/2014 dated 18.07.2014 in ACAAR 44/2014-15 a personal hearing notice was sent to the applicant dealer with request to appear for personal hearing along with required details before the Authority for Advance Ruling and Clarification on 13.08.2014 at 4.00 PM at the office of the Principal Secretary / Commissioner of Commercial Taxes, Chepauk, 2nd Floor to put forth their case.

Accordingly the applicant dealer appeared before this forum and produced broacher containing photos of various model "Steel Scaffolding Materials" sample material for examination by the authority.

4. The issue has been examined in detail with reference to the provisions of TNVAT Act, 2006 and Rules, 2007 and Section 14 of the CST Act, 1956. As per the decision of the Honorable High Court of Rajasthan, reported in 91 STC Page No. 187, in the case of Rajasthan Roller Flour Mills the High Court has held as under:-

*"When the goods manufactured from declared goods are not themselves **such goods**, taxation of the former will not bar the taxation of the other".*

5. In the case on hand, the "Steel Scaffolding Materials" is a finished product to be sold in the market. It is not an intermediate or declared goods and hence it is taxable at 14.5%.

6. The clarification may therefore be that "Steel Scaffolding Materials" are liable to tax at 14.5% under residual entry 69, Part-C of 1st Schedule to TNVAT Act 2006, broadly classified as building equipments.

Dated this the 8th Day of September, 2014.

Sd/- R. Vayanaperumal,
Additional Commissioner (PR)

Sd/- K. Mahalingam,
Additional Commissioner (RP)

Sd/- K. Rajaraman,
Principal Secretary/
Commissioner of Commercial Taxes

To

M/s. GKS Industries,
31, A/3, SIDCO,
Ambattur Industrial Estate,
Chennai -600 098.

Copy to:

The Assistant Commissioner (CT)
Villivakkam Assessment Circle

The Joint Commissioner (CT),
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 (CT) including Enforcement, LTU, MOU and ISIC.

All Deputy Commissioners (CT), 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 File3 / Acts Cell-II / Spare - 5.

//Forwarded/By order//

Additional Commissioner (PR)