

**GOVERNMENT OF TAMILNADU
COMMERCIAL TAXES DEPARTMENT**

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

ACAAR No.14/2016-2017
Acts cell-II/12725/2016

Dated:13.06.2018

- Present:**
1. Dr.T.V. Somanathan, I.A.S.,
Principal Secretary / Commissioner of Commercial Taxes.
 2. Thiru M. Parameswaran,
Additional Commissioner (ST), (Public Relations)(FAC)
 3. Dr. C. Palani,
Additional Commissioner (ST), (Revision Petitions)(FAC)

1	Name and address of the Applicant	:	Tvl. K S Foundries Private Limited, SF No. 223/1, S.No. 43, Sri Suba Ganesh Industrial Estate, Kuppepalayam Post, S.S. Kulam (Via), Coimbatore - 641 107.
2.	Registration Certificate No.	:	TIN : 33782084726 CST : 1036983
3.	Assessment Circle	:	Avinashi Assessment Circle
4.	Date of application	:	13.05.2016
5.	Date of receipt of application	:	18.05.2016
6.	Clarification sought for	:	"Alloy Casting"
7.	Date of Personal Hearing	:	--
8.	Represented by	:	--

ORDER

Tvl. K S Foundries Private Limited, SF No. 223/1, S.No. 43, Sri Suba Ganesh Industrial Estate, Kuppepalayam Post, S.S. Kulam (Via), Coimbatore - 641 107 (TIN 33782084726), registered dealers in the files of Avinashi Assessment Circle have preferred application in Form 'VV' and sought clarification under Section 48-A (1) of the Tamil Nadu Value Added Tax Act, 2006

(TNVAT Act, 2006), read with Rule 12-A of the Tamil Nadu Value Added Tax Rules, 2007 (TNVAT Rules, 2007).

2.1. The applicant-dealers have sought for clarification for the rate of tax on **"Alloy Casting"**.

2.2. The applicant-dealer have also requested to clarify the eligibility of getting refund of ITC for the sale made to EOU. They have stated that even though they have submitted their Madras High Court Order, proceedings of the Appellate Deputy Commissioner, Coimbatore and all other relevant documents to the Assistant Commissioner (CT), Avinashi Assessment Circle for refund, refund claims are not processed and the Assistant Commissioner is demanding exporter's Invoice copy and shipping bill copy that are not practically possible as it is sales made to Export Oriented Unit located within the State.

3. The issue has been examined in detail with reference to the provisions of the TNVAT Act, 2006 and TNVAT Rules, 2007. Section 48-A of the TNVAT Act, 2006 provides for clarification on any point concerned with rate of tax for commodities.

4.1. The applicant dealer have sought for clarification for **"Alloy Casting"** and **"eligibility of getting refund of ITC for the sales made to EOU"**. The applicant-dealer effected sales of industrial valves to the Export Oriented Unit and claimed refunds on the tax paid on purchases based on the documents by furnishing copy of Green Card, Purchase Order, Bill of Lading, BRC Copy etc., in the context of the EOU exporting the goods as such or finished products to various countries. They have sought clarification on the eligibility of getting refund of Input Tax Credit for the sales made to E.O.U. Though Zero rated sales and sales to SEZ are governed under Section 18 of the TNVAT Act, 2006, the clarification sought by the dealer applicant is not within the purview of the Authority for Clarification and Advance Ruling as per Section 48-A (1) of the TNVAT Act, 2006 as the issue pertains to the eligibility or otherwise in respect of refund of Input Tax Credit under the TNVAT Act, 2006.

4.2. Chapter IV of the Central Sales Tax Act, 1956 (CST Act, 1956) deals with the goods of special importance in the inter-State trade and Commerce. As per Section 14 of the CST Act, 1956, the goods of special importance in inter-State trade or commerce are listed. Item (iv) of the said Section 14 deals about

Iron and Steel wherein in sub-entry (i), pig iron, cast iron including ingot moulds, bottom plates, iron scrap, cast iron scrap, runner scrap and iron skull scrap have been included. Further, in sub-entry (ix) of (iv), tool, alloy and special steels of any of the above categories running from (i) to (viii) have been included. Thus, it is made clear that "Alloy Casting" falls under the above category i.e., falling under sub-entry (ix) of (iv) of Section 14 of the CST Act, 1956. Entry 41 of Part-B of the First Schedule to the TNVAT Act, 2006 reads as under :-

"Declared goods as specified in Section 14 of the Central Sales Tax Act, 1956, other than those specified elsewhere in any of the Schedules"

Accordingly, the commodity "Alloy Castings" is taxable @ 5%.

5. In view of the above, it is clarified that

- (a) The commodity "**Alloy Casting**" is taxable @ 5% as per Entry 41 of Part-B of the First Schedule to the TNVAT Act, 2006.
- (b) "**Eligibility of getting refund of ITC for the same made to EOU**" being a procedural based with relevant provisions of the Act and not being in the nature of commodity is not capable of compliance as it is not within the purview of the Authority for Clarification and Advance Ruling.

Dated this the Thirteenth day of June 2018.

Sd/- M. Parameswaran,
Additional Commissioner (PR)(FAC)

Sd/- C. Palani,
Additional Commissioner (RP) (FAC)

Sd/- T.V. Somanathan,
Commissioner of Commercial Taxes

To

Tvl. K S Foundries Private Limited,
SF No. 223/1, S.No. 43,
Sri Suba Ganesh Industrial Estate,
Kuppepalayam Post,
S.S. Kulam (Via),
Coimbatore – 641 107.

Copy to:
The Assistant Commissioner (ST),
Avinashi Assessment Circle.

The Joint Commissioner (ST),
Coimbatore 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 Enforcement, LTU, MOU
and ISIC.

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/ Acts Cell-II /Spare – 5.

//Forwarded/ By Order//


State Tax Officer