

PROCEEDINGS OF THE AUTHORITY FOR CLARIFICATION AND ADVANCE RULING			
ACAAR No.032/2014-15. (Acts Cell – II/19331/2014)		Dated 24.12.2014	
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	:	Tvl. Power Piping Company, S. No.319/4A, 2B, Trichy-Pudukottai N.H. Road, Mandaiyur Pudukottai – 622 515.
2.	Registration Certificate No.	:	TIN: 33134105933 / CST:932262
3.	Date of application	:	16.06.2014
4.	Date of receipt of application	:	19.06.2014
5.	Clarification sought for	:	Rate of Tax on "Boiler Components"
6.	Date of Personal Hearing	:	----
7.	Represented by	:	----

ORDER

Tvl. Power Piping Company, @ S.No.319/4A2, Trichy-Pudukottai N.H. Road, Mandaiyur-622 515, (TIN:33134105933), the registered manufacturers Boiler Components in the files of Pudukottai-I Assessment Circle, Pudukottai, have preferred application in Form 'VV' and sought clarification under Section 48-A (1) of the TNVAT Act, 2006, read with Rule 12-A of TNVAT Rules, 2007.

2. The applicant-dealers have sought for clarification concerned with the rate of tax on "**Boiler Components**"

3. The applicant-dealers have stated that they are manufacturers of Boiler Components, especially ducting components of boilers, supplying the same goods to M/s. Bharat Heavy Electricals Limited, Trichy and Noida, collecting tax at 14.5 % VAT and 2 % CST. On transport of other States, the Authorities in check-post en route demand that the ducting components of the boilers, being the pipes or tubes of Iron and steel, should be enabled by the e-transit pass and hard copy of the same should have to be produced before the check-post authorities, due to their misconception that the ducting components of boilers would fall under the Entry, "Iron and steel" in Sixth Schedule to the Act, 2006. The applicant-dealers therefore requested that the correct rate of tax and classification of the ducting components of boilers may be clarified. Lead and Lead alloys, by Extracting the lead from the scrap batteries and lead based scrap. Since some of their suppliers demand tax @ 14.5 %, the applicant-dealers have prayed that the rate of tax applicable for scrap batteries and lead based scraps may be clarified.

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

4.2. The applicant-dealers have sought for clarification regarding rate of tax on "**Boiler Components**"

5. There is a relative Entry 37 in Part-C of First Schedule to the TNVAT Act, 2006, which reads as extracted below:

37. Furnaces and **boilers of all types** including fluidized bed boilers and Ignifluid boilers and boilers using agricultural waste as fuel but not including boilers using municipal waste only as fuel;

The boilers and boiler components are therefore taxable at 14.5 % as per the expression, "**boilers of all types**" under Entry 37 of Part-C of First Schedule to the Act. However, **a boiler is a part of a Plant** for production or manufacturing, within the scope and meaning of the definition, "Capital Goods" under section 2(11) of the Act, which reads as below:

(11) "capital goods" means, -

- (a) **plant**, machinery, equipment, apparatus, tools, appliances or electrical installation for producing, making, extracting or processing of

any goods or for extracting or for bringing about any change in any substance for the manufacture of final products;

- (b) xxxxxx;
- (c) **components, spare parts and accessories of the goods specified in (a) and (b) above;**
- (d) xxxxxxxx;
- (e) xxxxxx;
- (f) xxxxxx; and
- (g) **tubes, pipes and fittings thereof**

used in the State for the purpose of manufacture, processing, packing or storing of goods in the course of business excluding civil structures and such goods as may be notified by the Government.

The boiler components, especially the ducting components, would fall within the scope of the expressions, "**Plant**", "**components, spare parts and accessories of the goods specified in (a) and (b) above**" and "**tubes, pipes and fittings thereof**" respectively employed under sub-clauses (a), (c) and (g) and therefore found eligible to be treated as "capital goods" attracting VAT @ 5 % on sale to industrial manufacturers inside the State as per Entry 25 of Part-B of First Schedule to the Act.

6. The clarification in respect of the Boiler Components is therefore as given below:

(i) "**Boiler Components**" (ducting components) **are taxable generally at 14.5 % under entry 37 of Part-C of first Schedule to the TNVAT Act, 2006;** and

(ii) However, **boiler components attracts tax @ 5 % as Capital goods under Entry 25 of Part-B of First Schedule read with section 2(11) of the TNVAT Act, 2006 on sale to industrial manufacturers inside the State.**

Dated this the 24th day of December 2014

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

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

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

To

Tvl. Power Piping Company,
S. No.319/4A, 2B,
Trichy-Pudukottai N.H. Road,
Mandaiyur
Pudukottai – 622 515.

Copy to:

The Assistant Commissioner (CT)
Pudukottai-I Assessment Circle

The Joint Commissioner (CT),
Trichy 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)