

**GOVERNMENT OF TAMILNADU
COMMERCIAL TAXES DEPARTMENT**

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

ACAAR No.36/2016-17
Acts cell-II/27339/2016

Dated:30.12.2016

- Present:** 1.Dr.C.Chandramouli, I.A.S.,
Additional Chief Secretary / Commissioner of Commercial
Taxes.
- 2.Thiru. A.Sarvar Allam,
Additional Commissioner (CT), (Public Relations)(FAC)
- 3.Thiru. K. Mahalingam,
Additional Commissioner (CT), (Revision Petitions)

1	Name and address of the Applicant	:	Tvl.Anton Engineering, No.8, Rathina Sabapathy Street, Washermenpet, Chennai – 600 021
2.	Registration Certificate No.	:	TIN.No. 33361221560 CST:95837
3.	Assessment Circle	:	Washermanpet Assessment Circle
4.	Date of application	:	--
5.	Date of receipt of application	:	03-10-2016
6.	Clarification sought for	:	Rate of tax on " Sale of Iron and Steel Scraps and nonferrous scraps obtained on dismantling condemned plant and equipment "
7.	Date of Personal Hearing	:	26-10-2016
8.	Represented by	:	Thiru. M.Mahalingam, Advocate & VAT Consultant

ORDER

Tvl. Anton Engineering, No.8, Rathina Sabapathy Street, Washermenpet, Chennai – 600 021 (TIN.No. 33361221560), registered dealers in the files of Washermenpet 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 Tamil Nadu Value Added Tax Rules, 2007 (TNVAT Rules, 2007) on the rate of tax applicable on **"Sale of Iron and Steel Scraps and nonferrous scraps obtained on dismantling condemned plant and equipment"**

2.1. The applicant-dealers sought for personal hearing and accordingly they were heard on 26.10.2016. Thiru. M.Mahalingam, Advocate and counsel of the applicant-dealers appeared for the hearing and filed written statements along with documentary evidences.

2.2. The applicant-dealers cited the order issued to Tvl. Annam Steel Pvt. Ltd in ACAAR No.031/2014-15 (Acts Cell -II/19047/2014) and contended that as the issue involved in the above clarification is exactly one and the same of the applicants and 'pari materia' with each other. Hence it was prayed to issue clarification to the applicants similar to the above clarification.

3.1. This committee considered the above application and the documents filed along with the application carefully and examined the issue with reference to the Schedules and provisions of TNVAT Act, 2006, Rules made thereunder and notifications issued under the Act. The contentions made by the learned authorized representative of the applicants made at the time of hearing were also considered carefully.

3.2. The applicants have stated that they are in the business of dismantling/cutting and removing of 40 years old stale, unusable and condemned plant and equipment (mostly ferrous and sparingly non-ferrous) from Chennai Port Trust. They have sought clarification on the rate of applicable on the sale of iron and steel and nonferrous scraps obtained on dismantling condemned plant and equipment.

3.3. The ferrous scrap being declared goods enumerated under Sec. 14 of CST Act, 1956, falls under Entry-41 of Part-B of First Schedule to TNVAT Act, 2007. Non-ferrous scrap and non-ferrous metal scrap fall under Entry 122(b) of Part-B of First Schedule to TNVAT Act, 2007. Under both the Entries, the tax applicable is 5%. Therefore, if the dismantled goods from the old and condemned plant

and machineries are sold as ferrous and/or non-ferrous scrap, the goods would fall under the above respective Entries..

4. It is therefore clarified that if the dismantled goods from the old and condemned plant and machineries are sold as ferrous scrap, it is liable at 5% under Entry-41 of Part-B of First Schedule to TNVAT Act, 2007 and if sold as non-ferrous scrap, it is liable at 5% under Entry 122(b) of Part-B of First Schedule to TNVAT Act, 2007.

Dated this the Thirtieth day of December 2016.

Sd/- A. Sarvar Allam,
Additional Commissioner (PR)(FAC)

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

Sd/- Dr.C. Chandramouli, I.A.S
Additional Chief Secretary/
Commissioner of Commercial Taxes

To
Thiru M. Mahalingam,
Advocate & VAT Practitioner,
No.7, S.R.B. Nagar 1st Street,
Kolathur Post,
Chennai – 600 099

Copy to:
The Assistant Commissioner (CT)
Washermanpet Assessment Circle

The Joint Commissioner (CT),
Chennai(North) 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 File 3/ Acts Cell-II /Spare - 5.

//Forwarded/by Order//

U.S. ...
6.7.17
Commercial Tax Officer