

GOVERNMENT OF TAMIL NADU
COMMERCIAL TAXES DEPARTMENT

PROCEEDINGS OF THE
AUTHORITY FOR CLARIFICATION AND ADVANCE RULING
(Under Section 48-A of TNVAT Act, 2006)

Present: 1. Thiru K. Rajaraman, I.A.S.,
Principal Secretary/
Commissioner of Commercial Taxes,
2. Thiru R. Vayanaperumal, B.Sc., M.A.,
Additional Commissioner (PR)(FAC)
3. Thiru. K. Mahalingam, M.Sc.,
Additional Commissioner (RP)

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A.C.A.A.R 52/ 2013-14
(Acts cell – II/21423/2013)

Dated 04.03.2014

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|----|--------------------------------|---|---|
| 1 | Name of the Applicant | : | Tvl. Centurywells Roofing India
(Pvt.) Limited,
No. 173 & 174, First Main road,
Nehru Nagar, Kottivakkam ,
Chennai – 600 096. |
| 2. | Registration Certificate No. | : | TIN:33810923474 |
| 3. | Name of the Assessment circle | : | Thiruvannamiyur |
| 4. | Date of application | : | 12.07.2013 |
| 5. | Date of receipt of application | : | 15.07.2013 |
| 6. | Clarification sought for | : | Rate of tax on sale of Corrugated
iron steel sheets

(i) inside the State and

(ii) outside the State not covered
by Form 'C' declarations. |
| 7. | Date of Personal Hearing | : | 14.02.2014 |
| 8. | Represented by | : | Thiru. B.Jeyashankar,
Assistant Manager (Accounts) &
Authorized Representative |

Tvl. Centurywells Roofing India (Pvt.) Limited @ No.173 & 174, First Main Road, Nehru Nagar, Kottivakkam, Chennai – 600 096, (TIN:33810923474), registered dealers in the files of Thiruvannamiyur Assessment Circle, dealing in Corrugated iron-steel sheets, 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 on the following:

Rate of tax on sale of Corrugated Iron-Steel Sheets,

- (i) inside the State of Tamil Nadu; and
- (ii) in the course of inter-state trade or commerce not covered by Form 'C' declarations

3. The applicant-dealers have sought for personal hearing. The Authority for Clarification and Advance Ruling have convened a meeting for hearing on 14.02.2014. and the applicant-dealers were informed in writing to appear before the Authority on 14.02.2014. Thiru. B.Jeyashankar, Assistant Manager (Accounts) and Authorized Representative of the applicant-dealers has appeared before the Authority on 14.02.2014 for hearing and represented for and on behalf of the applicant-dealers. The Authorized Representative has reflected the grounds as given in application and produced the samples of the Corrugated iron steel Sheets, they are manufacturing and marketing.

4. It was stated that the applicant-dealers procure Bare Galvanized/ Colour Galvanized/ Pre-painted Galvanized/ Bare Galvalume/ Colour Galvalume/ Pre-painted Galvalume CR sheets or HR sheets in coil form by way of imports or purchases from outside the State or within the State and such iron sheets are corrugated by passing between ridged rollers by a roll forming machine. The Sheets are corrugated to various standard sizes and sold to customers. The Process of corrugation involves passing flat sheet through powerful presses to make the corrugated sheets very rigid and portable. The corrugation is done in one direction for increased stiffness and strength to the iron sheets. The iron sheets procured are sold after corrugation as such without subjecting to further processes to make it a different and distinct commercial commodity. The iron sheets after corrugation retains still its identity and the corrugated sheets remains as iron sheet in another shape and retains the character of iron.

5. Besides, the Authorized Representative has brought to the notice of the Authority regarding the clarification issued by the authority on earlier occasions on this similar subject in ACAAR 119/2012-13 dated 30.09.2013 and ACAAR 8/2013-14 dated 05.06.2013, wherein it has been clarified by the Authority for Clarification and Advance Ruling that the steel roofing sheets and iron-steel corrugated sheets are declared goods liable to tax at 5 % under Entry 41 in Part-B of First Schedule to TNVAT Act, 2006. On that strength, the Authorized Representative has pleaded that they may also similarly be clarified.

6. 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. The clarification is given accordingly as under

6.1. Section 48-A of TNVAT Act, 2006 provides for clarification on any point concerned with rate of tax for commodities.

6.2. The applicant-dealers have sought for clarification regarding rate of tax on (i) **"Sale of Iron Steel Corrugated Sheets"** inside the State and (ii) on sale in the course of inter-state trade or commerce not covered by Form 'C' declarations.

6.3. The applicant-dealers procure Bare Galvanized/ Colour Galvanized/ Pre-painted Galvanized/ Bare Galvalume/ Colour Galvalume/ Pre-painted Galvalume CR sheets or HR sheets in coil form by way of imports or purchases from outside the State or within the State and such iron sheets are corrugated by passing between ridged rollers by a roll forming machine. The Sheets are corrugated to various standard sizes and sold to customers. The Process of corrugation involves passing flat sheet through powerful presses to make the corrugated sheets very rigid and portable. The corrugation is done in one direction for increased stiffness and strength to the iron sheets. The iron sheets procured are sold after corrugation as such without subjecting to further processes to make it a different and distinct commercial commodity. The corrugated iron sheets therefore retains the identity as iron steel sheets in another shape and continued to retain the character of iron in the absence of outcome of any other manufactured end product.

6.4. As per Entry 41 in Part-B of First Schedule to the TNVAT Act, 2006, the declared goods as specified in section 14 of the Central Sales Tax Act, 1956 other than those specified elsewhere in any of the schedules are liable to 5 % VAT.

6.5. Section 14 (iv) (vi) of the CST Act, 1956 reads as under:

(iv) Iron and steel that is to say

(vi) Iron and steel that is to say (vi) – sheets, hoops, strips, and skelp both black and galvanized, hot and cold rolled, plain and **Corrugated**, in all qualities, in straight

lengths, and in coil form, as rolled and in riveted condition.

6.6. Corrugated iron steel sheets sold by the dealers therefore fit into the description given under section 14(iv)(vi) of CST Act, 1956. The Corrugated iron steel sheets are declared goods as provided under Entry 41 in Part-B of First Schedule to the TNVAT Act, 2006, read with section 14(iv)(vi) of CST Act, 1956, since this commodity is specifically mentioned therein by the word, **"Corrugated"**.

6.7. Moreover, it has already been clarified by the Authority for Clarification and Advance Ruling, vide its Proceedings in ACAAR 119/2012-13 dated 30.09.2013 and ACAAR 8/2013-14 dated 05.06.2013, that the steel roofing sheets and iron-steel corrugated sheets are declared goods liable to tax at 5 % under Entry 41 in Part-B of First Schedule to TNVAT Act, 2006.

6.8. The clarification therefore is that the **"Corrugated Iron Steel Sheets"** are declared goods, taxable at 5 % under Entry 41 in Part-B of First Schedule to the TNVAT Act, 2006 on sale inside the State of Tamil Nadu.

6.9. It is specifically stipulated under subsection (2) of Section 8 of the CST Act, 1956 that the tax payable on sale of any goods by any dealer in the course of interstate trade or commerce not falling within subsection (1) of section 8 shall be at the rate applicable to the sale or purchase of such goods inside the appropriate State under the sales tax laws of that State. The inter-state sale of corrugated iron steel sheets not covered by Form "C" declarations will fall within the scope of subsection (2) of section 8 of the CST Act, 1956.

6.10. The Clarification is therefore in this regard is that **the corrugated iron sheets are taxable at 5 % under section 8(2) of the CST Act, 1956, read with Entry 41 in Part-B of First Schedule to the TNVAT Act, 2006, if the sale of such corrugated iron steel sheets in the course of interstate trade or commerce is not covered by Form 'C' declaration.**

R. Vayanaperumal,
Additional Commissioner (PR) (FAC)

K. Mahalingam,
Additional Commissioner (RP)

K. Rajaraman,
Principal Secretary/
Commissioner of Commercial Taxes

To

Tvl. Centurywells Roofing India (Pvt.) Limited,
No. 173 & 174, First Main road,
Nehru Nagar, Kottivakkam,
Chennai – 600 096.

Copy to:

The Assistant Commissioner (CT)
Thiruvannamiyur 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, Greaves Road, Chennai – 6.

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

The Accountant General (Audit)-II, No.44, Greaves 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) (FAC)