

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 55/ 2013-14
(Acts cell-II/22852/2013)

Dated 04.03.2014

- 1 Name of the Applicant : Tvl. Unique Roof Private Limited,
No.2/368-C, Irugur Road,
Chinniampalayam,
Coimbatore - 641 062.
2. Registration Certificate No. : TIN:33962103348 / CST:1026458
3. Name of the Assessment circle : Peelamedu South Circle
4. Date of application : 23.07.2013
5. Date of receipt of application : 26.07.2013
6. Clarification sought for : Rate of tax for Steel Structural
and Parts of Structural.
7. Date of Personal Hearing : 14.02.2014
8. Represented by : Thiru. A.Devasundram,
Director

ORDER:

Tvl. Unique Roof Private Limited @ No.2/368-C, Irugur Road,
Chinniampalayam, Coimbatore - 641062, (TIN:33962103348), registered
dealers in the files of Peelamedu (South) Assessment Circle, Coimbatore,
dealing in Steel structural and Parts of structural, 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 for Steel Structural and Parts of Structural"

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. A. Devasundaram, Director of the applicant-company has appeared before the Authority on 14.02.2014 for hearing and represented the company. The Director has reflected the grounds as given in application and produced the samples of several forms of Structural and Parts thereof including perforated as specified by their customers.

4. It was stated that the applicant-dealer is producing various types of Steel structurals of "T", "C", "H" and "Z" sections as per customer requirements, out of the CR Sheets or GI Sheets procured either import or by purchases from inside and outside the State. The steel structurals produced would fall within the ambit of Chapter 73 - Heading 7308 of Central Excise Tariff Act, Entry 41 in Part-B of first Schedule to the TNVAT Act, 2006 read with section 14(iv)(v) of the CST Act, 1956. But, the iron-steel structurals and part thereof are treated as different from that of the structurals enumerated under section 14(iv)(v) of the CST Act, 1956 read with Entry 41 in Part-B of First Schedule to the TNVAT Act, 2006 and liable to tax at 12.5 %. VAT Cell Clarification vide Letter No.VAT Cell/63/A1/2007 (VCC 33) dated 12.03.2007, clarifying that the tax at the rate of 12.5 % is leviable on the deemed sale value of steel structurals transferred in execution of works contract, is highly erroneous and objectionable. The entry 41 in Part-B of the First Schedule is specific and it prevails over the general residual entry 69 under Part-C of First Schedule and therefore the steel structurals and parts thereof are liable to be clarified as taxable at 5 % under Entry 41 in Part-B of the First Schedule to the TNVAT Act, 2006 read with section 14(iv)(v) of CST Act, 1956. The Process of conversion of steel sheets into structurals does not alter the character of iron and steel and after conversion the steel structurals remains to be the another "species" of the same genus, "iron and steel".

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 7/2013-14 dated 05.06.2013, wherein it has been clarified by the Authority for Clarification and Advance Ruling that the iron-steel structurals (C-Purlin/Z-Purlin) 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 applicant dealer has pleaded that they may also similarly be clarified in a wide manner to

cover the steel structurals of various sections, including "T" and "H" and the Parts thereof, even with perforations on request by the customers.

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 Steel Structurals and parts of structurals.

6.3. The applicant-dealer is producing various types of Steel structurals of "T", "C", "H" and "Z" sections as per customer requirements, out of the CR Sheets or GI Sheets procured either import or by purchases from inside and outside the State. The steel structurals produced would fall within the ambit of Chapter 73 - Heading 7308 of Central Excise Tariff Act, Entry 41 in Part-B of first Schedule to the TNVAT Act, 2006 read with section 14(iv)(v) of the CST Act, 1956. But it has been clarified that the Steel Structurals are liable to tax @ 5% on transfer in the execution of works contract vide VAT Cell Clarification No. 33 in letter No. VAT Cell/36/A1/2007, dated 12.03.2007. Whereas the Entry 41 in Part-B of the First Schedule is specific and it prevails over the general residual entry 69 under Part-C of First Schedule and therefore the steel structurals and parts thereof are liable to be clarified as taxable at 5 % under Entry 41 in Part-B of the First Schedule to the TNVAT Act, 2006 read with section 14(iv)(v) of CST Act, 1956. The Process of conversion of steel sheets into structurals does not alter the character of iron and steel and after conversion the steel structurals remains to be the another "species" of the same genus, "iron and steel".

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) (v) of the CST Act, 1956 reads as under:

(iv) Iron and steel that is to say

(v) steel structurals (angles, Joists, channels, tees, sheet piling sections, Z sections, or any other rolled sections.

6.6. The Steel structurals of various sections and Parts thereof even with perforations as per customer requirements, produced and sold by the applicant-dealer therefore fit into the description given under section 14(iv)(v) of CST Act, 1956. The Steel structurals of various sections and Parts thereof even with perforations as per customer requirements are declared goods liable to tax at the rate of 5 % as provided under Entry 41 in Part-B of First Schedule to the TNVAT Act, 2006, read with section 14(iv)(v) of CST Act, 1956.

6.7. Moreover, it has already been clarified by the Authority for Clarification and Advance Ruling, vide its Proceedings in ACAAR 7/2013-14 dated 05.06.2013, that the iron-steel structurals (C-Purlin/Z-Purlin) 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 is therefore that the **"Steel structurals of various sections and Parts thereof even with perforations as per customer requirements"** 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.

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

K. Mahalingam,
Additional Commissioner (RP)

K. Rajaraman,
Principal Secretary/
Commissioner of Commercial Taxes

To

Tvl. Unique Roof Private Limited,
No.2/368-C, Irugur Road, Chinniampalayam,
Coimbatore – 641 062.

Copy to:
The Assistant Commissioner (CT)
Peelamedu South Assessment Circle.

The Joint Commissioner (CT),
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 (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) (FAC)