

**GOVERNMENT OF TAMILNADU
COMMERCIAL TAXES DEPARTMENT**

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

ACAAR No.56/2017-18
(Acts Cell-II/34166/2017)

Dated:29.06.2017

ACAAR No.59/2017-18
(Acts Cell-II/34167/2017)

- 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. Gnanasekaran,
Additional Commissioner (CT), (Revision Petitions)(FAC)

1	Name and address of the Applicant	:	Tvl. S.S. Rengasamy Raja, No.3/380, OMR, Mettukuppam, Chennai - 600 097	Tvl. K. Ganesa Raja, No.3/380, OMR, Mettukuppam, Chennai - 600 097
2	Registration Certificate No.	:	TIN.No. 33760923938, CST No. 800207	TIN.No. 33870923635, CST No. 794462
3	Assessment Circle	:	Sholinganallur Assessment Circle	
4	Date of application	:	--	
5	Date of receipt of application	:	09-12-2016	
6	Clarification sought for	:	Rate of tax on " Wire Mesh "	
7	Date of Personal Hearing	:	16-06-2017	
8	Represented by	:	Thiru. Varadhan & Thiru. V.V. Ramesh, Authorized Representative	

ORDER

Tvl. S.S. Rengasamy Raja, No.3/380, OMR, Mettukuppam, Chennai - 600 097 (TIN.No. 33760923938) [ACAAR No. 56/2016-17], and Tvl. K. Ganesa Raja, No.3/380, OMR, Mettukuppam, Chennai - 600 097 [ACAAR No. 59/2016-17] registered dealers in the files of Sholinganallur

Assessment Circle, Chennai 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 "**Wire Mesh**". Since issues involved in both the applications are same, these applications were considered together and a common order is passed.

2.1. The applicant-dealers has submitted a copy of the Hon'ble High Court of Madras order in W.P.No.41906 to 41923 of 2016 dated 30/11/2016, wherein the Hon'ble High Court directs the applicant-dealers to file application before the Commissioner of Commercial Tax and get them clarified on the rate of tax on "Wire Mesh".

2.2. The applicant-dealers have stated that they are using M.S. wire rods, M.S. wires, and G.I. wires, wire mesh of all sizes/types/kinds is manufactured and such wire meshes are usable for making poultry cages, low cost housing usage, prefabricated RCC construction as reinforcement, fencing in agriculture etc., The words "wire links" found in S.No.21 of G.O.Ms.No.79 CT&R(B2) in Notn.No.II(1)/CTR/30(a-4)/2007 dated 23.03.2007 and the same words found in S.No.20 of G.O.Ms.No.78 CT&R(B2) Dept Notn.No.II(1)/CTR/12(R-20)/2011 dated 11.07.2011. They will therefore have to be extended their common parlance meaning i.e. the meaning that the people who deal with the same extend to the words "wire links". That the words "wire links" must be so understood is well settled.

2.3. The applicant-dealers has also stated that a clarification is already issued by VAT Cell/31945/2007 (VCC No.868) dated 10/07/2007 and VAT Cell/42948/2007 (VCC 1317) dated 14/10/2007 that the above said notifications will have to be extended to "wire meshes" also.

3. The applicant-dealers sought for personal hearing and accordingly they were heard on 16.06.2017. Thiru. V.V. Ramesh, Advocate and Counsel of the applicant-dealers appeared for the hearing and filed written statements along with certificates of the various traders certifying that "wire links" are synonymous with "wire meshes". He also demonstrated with samples of wire mesh, wire link and wire rod and other documentary

4.1. 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 raised by the Advocate and counsel of the applicant at the time of hearing were also considered.

4.2. In the Notn.No.II(1)/CTR/30(a-4)/2007 dated 23.03.2007 issued in G.O.Ms.No.79 CT&R(B2) in Notn.No.II(1)/CTR/30(a-4)/2007 dated 23.03.2007, the rate of tax liable on the following goods was reduced to 4%

".....
20. Shields
21. Barbed wire, wire rod and wire links"

4.3. Based on the above notification it was clarified that wire link includes wire mesh, wire netting etc. in clarification issued by the Commissioner of Commercial taxes in Lr.No.VAT Cell/31945/2007 (VCC No.868) dated 10.07.2007. The above clarification was reiterated in another clarification in Lr.No.VAT Cell/42948/2007 (VCC 1317) dated 14.10.2007.

4.4. Subsequent notification was issued in Notn.No.II(1)/CTR/12(R-20)/2011 issued in G.O.Ms.No.78 CT&R(B2) Dept dated 11.07.2011, the tax liable on "Barbed wire, wire rod and wire links" was reduced to 5%.

4.5. In both the clarifications already issued by this office, it has been clarified that "wire mesh" falls under the classification of "Barbed wire, wire rod and wire links" to attract the reduced rate of tax. After the above issue of the clarifications on 10/7/2007 and 14/10/2007, no other clarification was issued deviating from the above view. Further, though there is difference in the manufacturing process of wire links and wire mesh, both commodities have almost similar look and usage. Therefore, following the earlier clarifications, the "Wire mesh" is be classifiable under

Item No.20. "Barbed wire, wire rod and wire links" vide Notn.No.II(1)/CTR/12(R-20)/2011 issued in G.O.Ms.No.78 CT&R(B2) Dept dated 11.07.2011.

5. In view of the above discussion, this committee clarifies that, "Wire Mesh" dealt by the applicant-dealers are liable to tax at 5% under Item No. 20 of Notn.No.II(1)/CTR/12(R-20)/2011 issued in G.O.Ms.No.78 CT&R(B2) Dept dated 11.07.2011.

Dated this the Twenty-ninth day of June 2017

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

Sd/- K. Gnanasekaran,
Additional Commissioner (RP) (FAC)

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

To

1. Tvl. S.S. Rengasamy Raja,
No.3/380, OMR, Mettukuppam,
Chennai - 600 097
2. Tvl. K. Ganesa Raja,
No.3/380, OMR, Mettukuppam,
Chennai - 600 097

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

The Joint Commissioner (CT),
Chennai(East) 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 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//

(C.T. Narayana)
29.6.17
Commercial Tax Officer