

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

**ACAAR No.069/ 2014-15.**  
**Acts cell – II/28102/2014**

Dated 04.10.2014

- 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. Anchor Electricals Pvt. Ltd., Level 3, Ispahani Centre, No.123/124, Nungampakkam High Road, Chennai – 600 034.
2.	Registration Certificate No.	:	TIN: 33525002629 / CST:163482
3.	Date of application	:	08.09.2014
4.	Date of receipt of application	:	08.09.2014
5.	Clarification sought for	:	Rate of Tax for "High Voltage Cables"
6.	Date of Personal Hearing	:	16.09.2014
7.	Represented by	:	Thiru. K.P.Thomas, Senior Manager and Authorized Representative

**ORDER**

Tvl. Anchor Electricals Pvt. Ltd., Level 3, Ispahani Centre, No.123/124, Nungampakkam High Road, Chennai – 600 034 (TIN: 33525002629), the registered dealers in Electrical goods in the files of Nungampakkam Assessment Circle, Chennai, 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 rate of tax for "**High Voltage Cables**"

3.1. The applicant-dealers have sought for personal hearing. The Authority for Clarification and Advance Ruling have convened a meeting

for hearing on 16.09.2014 and the applicant-dealers were informed in writing to appear before the Authority on 16.09.2014. Thiru. K.P.Thomas, Senior Manager and Authorized Representative of the applicant-company has represented before the Authority on 16.09.2014 and placed the facts relating to the clarification sought for by the applicant-dealers.

3.2. The applicant-dealers have stated that they are manufacturers of a range of electrical goods, viz., electric switches, insulated wires & cables, fans, PVC insulation tapes and High Voltage industrial cables up to 1100 V, etc. The applicant-dealers have pointed out that they are in need of clarification regarding rate of tax for High Voltage Cables, though the Entry 66 of Part-B of First Schedule to the TNVAT Act, 2006 reads, "Industrial Cables (High Voltage Cables, XLPE cables, Jelly filled Cables, Optical fibre cables)", as there is no technical specifications in respect of the High voltage cables. Regarding the technical specifications of High Voltage Cables, the applicant-dealers have drawn reliance from decision of the Honourable Delhi High Court in the case of Anchor Electricals (P) Ltd. vs. Commissioner, Sales Tax vide its order on ST.APPL. No.45/2012 dated 20.03.2014, with reference to the Entry 40 of Third Schedule to the Delhi VAT Act, 2005 of the similar description. They have also relied on the provisions under Indian Electricity Rules 1956 for technical specifications relating to the terms, "voltage", "high voltage" and "cables" and claimed that the High Voltage cables up to 1100 volts manufactured and marketed by them would fall under Entry 66 in Part-B of First Schedule to the Act and the rate of tax for such cables may therefore be clarified accordingly.

4. The issue has been examined in detail with reference to the provisions of TNVAT Act, 2006 and Rules, 2007, the relative entries under Parts A and B of First and Fourth Schedules to the TNVAT Act, 2006. The citations relied on by the applicant-dealers, the brochure furnished along with the application and other documents furnished at the time of personal hearing are also perused carefully. The applicant-dealers have sought for clarification regarding rate of tax on **"High Voltage Cables"**

5.1. The Entry 66 in Part-B of First Schedule to the TNVAT Act, 2006 categorically reads as reproduced below:

**"Industrial Cables (High Voltage Cables, XLPE cables, Jelly filled Cables, Fibre Optic Cables)"**

The aforesaid description, "Industrial Cables", under Entry 66 of Part-B of First Schedule is pertaining to the Power (Electricity) Transmission and Distribution Cables of High voltage more than 650 volts to 33000 volts. Such power cables may be either PVC insulated or XLPE insulated. The Entry 66 Part B with its description is itself self-explanatory since the different types of industrial cables are enumerated within bracket following the main Entry "Industrial Cables".

5.2. However, the applicant dealers have pointed out that the Entry 66 of Part B though specific about an industrial cables which include the High Voltage Cables; but bear no technical specifications regarding the High Voltage Cables. It is emphatically stressed that there should be technical specification; and then only everybody shall understand what high voltage cable is. In this regard, the applicant dealer has drawn reliance from the decision of the High Court of Delhi in the case of applicant dealers themselves of their Delhi Chapter in ST. APPL.45/2012, dated 20.03.2014, wherein the High Court of Delhi has decided that the High Voltage Cable of 1100 volts grade manufactured and marketed by the applicant dealers would fall within the Entry 40 of Third Schedule to the Delhi VAT Act, 2005, as the product confirms the specifications as per the definitions of cable in Section 2(g) of Industrial Electricity Rules and the definition of High Voltage Cables u/s 2(av) of Indian Electricity Rules, 1956 and Section 2(2) of Central Electricity Authority (furnishing of statistics, returns and information) Regulations, 2007. The Entry 40 of Third Schedule to Delhi VAT Act, 2005 also reads, "**Industrial Cables/High Voltage Cables, XLPE, Jelly filled Cables, Optical Fibres**". This description is more or less similar to the description under Entry 66 of Part B of First Schedule to the TNVAT Act, 2006.

5.3. The High Voltage cables, as per the definition under sections 2(av) and 2(g) of Indian Electricity Rules, 1956, means the power cables which can transmit the electricity at the voltage exceeding 650 volts to 33000 volts. The High Voltage Cables are generally understood by the manufacturers or the dealers who deals the same commodity and the end-users, especially, the Industry, as being the power cables of capacity to transmit the power with potential exceeding 650 volts. Hence, there is no necessity for an Entry under the Schedule in a taxing enactment to have technical or scientific specifications as it is understood by the trade and industry as what it is in trade parlance. Even without having technical or scientific specifications to describe a commodity, that commodity can be understood by the trade and industry, with reference to its classification under a specific entry as taxable at specific rate. Accordingly, the high voltage cables are understood by the trade and industry as of having the capacity of transmitting the electricity with potential exceeding 650 volts upto 33000 volts and hence liable to tax at 5 % as one kind of 'Industrial Cable' under Entry 66 of Part-B of First Schedule to the TNVAT Act, 2006.

6. The clarification may therefore be as detailed below:

**Industrial Cables which are High Voltage Cables with application above 650 volts are taxable at 5 % under Entry 66 with the description, "Industrial Cables (High**

4

**Voltage Cables, XLPE Cables, Jelly filled cables, Optical fibre cables)" in Part-B of First Schedule to the Act, 2006.**

Dated this the 4<sup>th</sup> Day of October, 2014.

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

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

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

To

Tvl. Anchor Electricals Pvt. Ltd.,  
Level 3, Ispahani Centre,  
No.123/124, Nungampakkam High Road,  
Chennai – 600 034.

Copy to:

The Assistant Commissioner (CT)  
Nungambakkam Assessment Circle

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

*RC*  
21/10/14  
Additional Commissioner (PR)