

**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. Dr. K. Manivasan, I.A.S.,
Commissioner of Commercial Taxes,
2. Thiru. R. Chandramohan, M.A.,
Additional Commissioner (PR)
3. Thiru. E. Rathinasamy, M.Sc., B.L.,
Additional Commissioner (RP) (FAC)**

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**A.C.A.A.R 42/ 2012-13
(Acts Cell II/32735/12)**

Dated 20.02.2013

- Ref: 1. Proceedings of the Authority for Clarification and Advance Ruling in A.C.A.A.R 42/ 2012-13, dated 23.07.2012.
2. Order of the Hon'ble High Court of Madras in W.P.No.22326 of 2012, dated 04.09.2012.

REVIEW ORDER:

A clarification was given to Tvl. Metecno (India) Private Limited, No.138/30, Second Floor, Florida Towers, Nelson Manickam Road, Chennai – 600 029 to the effect that "Insulated sandwich panels" are taxable at 14.5% under Entry 69 of Part C of First Schedule to TNVAT Act, 2006 on 23.07.2012 in A.C.A.A.R 42/ 2012-13.

2. Aggrieved against the said clarification the dealer approached the High Court and the High Court in the order referred set aside the impugned proceedings of the Authority and remitted the matter to the Authority for Clarification and Advance Ruling for passing an appropriate order by providing an opportunity of personal hearing to the petitioner.

3. In accordance with the directions of the Hon'ble High Court of Madras, the dealers were summoned to appear on 02.10.2012, on 29.10.2012 and on 05.02.2013. However, the dealers did not appear on those dates. Hence, one more opportunity was given for personal hearing on 19.02.2013. Accordingly, Thiru.V.V.Sampath Kumar, Authorized

Representative appeared on 19.02.2013 and filed written submissions and also produced samples of the materials.

4. The issue was examined in depth and the clarification given earlier was re-examined in the light of the written submissions and on examining the samples produced at the time of personal hearing.

5. The dealers are engaged in the manufacture and sale of insulators with the brand names "glamet", "monowall", "frigowall", "monoroof" etc., The goods dealt by the dealers are used for thermal insulation which reduces heat transfer by conduction, radiation or convection and thereby reduce electrical energy consumption. It also enables the saving of human energy in the lesser temperature and thereby improves drastically the productivity. The product of the dealer is made up of polyurethane foam materials placed between CR sheets. The Polyurethane foam acts as an insulation material and the CR sheets are used to give strength to the product and to hold the PU foam. Because of its low conducting of heat, the temperature within the structure is maintained at a lesser temperature for a longer period as against the higher temperature by the use of conventional materials.

6. The Green Buildings use the goods of the dealer predominantly for the conservation of energy. The advantages of using various types of materials for the insulation of an environment with the thickness of 50 mm, the energy efficiency, conservation of natural resources, occupational comforts etc are all achieved and hence the insulating panels of the dealer are very effective insulators, insulating the inner environment from the outer ones very efficiently.

7. The Indian Institute of Technology, Roorkee, certified that insulated panels dealt by the dealer with the name "Monowall" can be used as an insulator. The Central Institute of Plastic Engineering and Technology, Chennai has also certified that rigid polyurethane foam is one of the best thermal insulation materials.

8. The Authority after reviewing the clarification already issued and after examining the materials placed found that the products sold by the dealers are insulators only.

9. The Authority, therefore, after examining the issue in detail, decides that the materials sold by the dealers are insulators, taxable at 5% under Entry 69 of Part B of the First Schedule to the TNVAT Act.

10. In view of the above findings, the clarification issued in A.C.A.R.R.42/2012-13, dated 23.07.2012 stands modified.

Sd/- R.Chandramohan
Additional Commissioner (PR)

Sd/-E. Rathinasamy
Additional Commissioner(RP)(FAC)

Sd/- K. Manivasan
Commissioner of Commercial Taxes

To

Tvl.Metecno (India) Ltd.,
No.138/30, Second Floor,
Florida Towers,
Nelson Manickam Road, Chennai-600 029.

Copy to:

The Assistant Commissioner (CT)
Sriperumbadur Assessment Circle.

The Joint Commissioner (CT),
Chennai (South) Division.

The Joint Commissioner (CS)
To host in the Department Website

The 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.

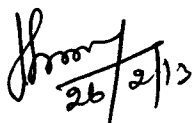
The Additional Commissioners, Deputy Commissioners, Assistant
Commissioners,

Commercial Tax Officers in CCT's Office

Personal Clerk to the CCT.

Stock File3 / Act Cell II / Spare - 5.

//forwarded by order//


26/2/13
Commercial Tax Officer.