IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 19-06-2026

CORAM

THE HON'BLE MR JUSTICE SENTHILKUMAR RAMAMOORTHY

WP No. 20231 of 2023
and W.M.P.No.19555 of 2023

M/s.Kosei Minda Aluminum Company Private Ltd. Rep. By Its Authorized Signatory, No.20a And 20b, Sipcot Industrial Estate, Growth Centre, Vadakkupattu Village, Oragadam, Kancheepuram District-603 204.

..Petitioner(s)

Vs

1. The Principal Commissioner Of Commercial Taxes, Ezhilagam, Chepauk, Chennai-05.

2. State Tax Officer
Oragadam Assessment Circle, No.4/109,
Chennai Bangalore Highways,
Varadharajapuram, Chennai-600 123.

..Respondent(s)

PRAYER: Writ Petition is filed under Article 226 of the Constitution of India, pleased to issue a Writ of Certiorarified Mandamus, to call for the records of the second respondent in the assessment order in CST 1004866/ 2016-17 dated 29.03.2023 and quash the same and direct the second respondent to pass fresh orders by following the circular instructions given by the first respondent in VAT Cell/ 45470/ 2007 (VCC No.1280) dated 25.09.2007 and Circular in VAT Cell/ 41925/ 2007 (VCC No.1193) dated 11.09.2007.

For Petitioner(s): M/s.C.Baktha Siromoni

For Respondent(s): Ms.Amirta Poonkodi Dinakaran,
Government Counsel (Tax)

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ORDER

An order dated 29.03.2023 is assailed in this writ petition. By such order tax was imposed at 14.5% on interstate sales effected by the petitioner without C-Forms.

2. Learned counsel for the petitioner contends that the State Tax Officer erred in relying on advance ruling bearing AC AAR No.080/2013-14 dated 22.07.2014. Relying on the judgment of this Court in *M/s.Veesons Energy Systems(P) Limited v. The Commissioner of Commercial Taxes and another* dated 27.03.2014 *in W.P(MD) No.5866 of 2010*, he contends that circulars and clarifications cannot be issued with regard to interpretation of statutory provisions and that the levy of tax must be within the four corners of law.

3. Referring to notification dated 29.03.2007, he submits that Section 8 of the Central Sales Tax Act, 1956 (the Central Sales Tax Act) was amended so as to provide for payment of tax on the sale of goods in the course of interstate trade or commerce at the rate applicable to the sale or purchase of such goods

inside the appropriate State under the Sales Tax law of that State. Because the petitioner was dealing in capital goods, he contends that the applicable rate of tax is 5% as per entry 5 in part-B of the First Schedule to the Tamil Nadu Value Added Tax Act, 2006 (TNVAT Act). In view of the imposition of tax at 14.5%, learned counsel contends that the impugned order is liable to be set aside.

4. Responding to these contentions, Ms.Amirta Poonkodi Dinakaran, learned Government Counsel (Tax) relies on the Division Bench Judgment of this Court in *M/s.Schwing Stetter (India) Pvt. Ltd. v. The Commissioner of Commercial Taxes and another (Schwing Stetter), in W.P.No.37604 of 2007 & batch* Judgment dated 05.04.2016 to contend that the issue raised by the petitioner herein was addressed in said judgment by concluding that two conditions are required to be fulfilled for goods to be treated as capital goods under the TNVAT Act. The first condition being that said goods should fall within clauses (a) to (g) of the definition of capital goods in Section 2(11). The second condition being that the goods should be used in the State for the purpose of manufacture, processing, etc. In the case at hand, she submits that, admittedly, the goods concerned were not used within the State.

5. Because the goods don't fit within any of the specific entries in the schedule to the TNVAT Act, she submits that the residuary entry (entry 69) in part-C of the First schedule to the TNVAT Act is applicable.

6. Section 8(2) of the Central Sales Tax Act reads as under:

"(2) The tax payable by any dealer on his turnover in so far as the turnover or any part thereof relates to the sale of goods in the course of inter-State trade or commerce not falling within sub-section (1), shall be at the rate applicable to the sale or purchase of such goods inside the appropriate State under the sales tax law of that State.

Explanation:- For the purposes of this sub-section, a dealer shall be deemed to be a dealer liable to pay tax under the sales tax of the appropriate State, not withstanding that he, in fact, may not be so liable under that law."

7. It is common ground between the parties that C-Forms were not provided and, therefore, sub-section (2) is applicable. Sub-section (2) prescribes that the rate applicable to the sale or purchase of the relevant goods inside the appropriate State shall be adopted in cases falling within its scope. The petitioner contends that he dealt with moulds and dies, which fall within the definition of capital goods in Section 2(11) of the TNVAT Act. Section 2(11) reads as under:

"(11) ***"capital goods"*** *means, --*

(a) plant, machinery, equipment, apparatus, tools, appliances or electrical installation for producing, making, extracting or processing of any goods or for extracting or for bringing about any change in any substance for the manufacture of final products;

(b) pollution control, quality control, laboratory and cold storage equipments;

(c) components, spare parts and accessories of the goods specified in (a) and (b) above;

(d) moulds, dies, jigs and fixtures;

(e) refractors and refractory materials;

(f) storage tanks; and

(g) tubes, pipes and fittings thereof;

used in the State for the purpose of manufacture, processing, packing or storing of goods in the course of business excluding civil structures and such goods as may be notified by the Government."

8. Apart from listing different kinds of goods in clauses (a) to (g), the phrase "used in the State for the purpose of manufacture, processing" is used therein. This condition was examined in *Schwing Stetter* by a Division Bench of this Court and the Court categorically held that both these conditions should be fulfilled for the goods to be treated as capital goods for purposes of applying the rate of tax prescribed for such goods in the TNVAT Act. The admitted position is that the moulds and dies of the petitioner were not used in the State for the purpose of manufacture. Hence, one of the conditions in Section 2(11) is not satisfied. Learned counsel for the petitioner has been unable to point to any other entry in the schedule to the TNVAT Act as being applicable. In those circumstances, there is no infirmity in the Tax Department resorting to the residuary entry, namely, entry 69 of part-C of the first schedule.

9. For reasons aforesaid, I find no reasons to interfere with the impugned order. Therefore this writ petition is dismissed without any order as to costs. Consequently, connected writ miscellaneous petition is closed.

19-06-2026

Index: Yes/No
Speaking/Non-speaking order
Neutral Citation: Yes/No
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To

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2. State Tax Officer
   Oragadam Assessment Circle, No.4/109,
   Chennai Bangalore Highways,
   Varadharajapuram, Chennai-600 123.

SENTHILKUMAR RAMAMOORTHY, J.

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