

GOVERNMENT OF WEST BENGAL
OFFICE OF THE COMMISSIONER OF COMMERCIAL TAXES,
14,BELIAGHATA ROAD, KOLKATA-700015

Trade Circular No. 12/2011

Dated 16.08.2011

Re : Stainless steel wire--whether declared goods or not.

For longtime past it became highly debatable and disputed issue whether the item “stainless steel wire” belonged to the category of declared goods, declared u/s 14 of the CST Act,1956 or it is general goods. It was seen that in the tax parlance the dealers who dealt in this item held the view that this item would definitely be declared goods being covered under clause(IV) of Section 14 of the Act. Where some of them considered it as special steel falling under entry no.(IX) of that clause, some considered it as wire of special nature belonging to entry no.(XV) of that clause. Some of them took almost special and different stand that “iron & steel” mentioned in clause (IV) would be genus and “stainless steel wire” being a form of “iron & steel” would be a specie and would come within the expression of entry no.(XV) covering “wire rods and wire-rolled, drawn, galvanized, aluminized, tinned or coated such as bi-copper”.

Whatever may be the stand taken by the dealers at different times in different states, revenue authorities of different states had to face problems when they did not agree with the views of the dealers. Naturally Courts had to step in to resolve the issue on different occasions. One such case on this particular issue is seen to have come for adjudication before Hon’ble Supreme Court of India. Judgment was delivered by Hon’ble Apex Court on 26.04.2011 in that case [Bansal Wire Industries Ltd & Another-Vs-State of UttarPradesh & Ors reported in 6 SCC545(2011)].

In that case the question emerged for consideration of Hon’ble Apex Court was whether stainless steel wire on a proper reading of section 14 of the CST along with the qualifying words “that is to say” would fall under the category of “tools, alloys and special steels of any of the above categories” enumerated in entry (IX) of clause (IV) or under entry (XV) of the same clause (IV). Being aggrieved by the judgment and order dated 21.05.2010 passed by the Hon’ble Allahabad High Court, the petitioner preferred appeal before Hon’ble Apex Court.

Relying on the judgment given in State of Tamil Nadu –Vs-Pyarelal Malhotra reported in 1 SCC834(1976) & on the judgment given in Union of India-Vs-Hansoli Devi reported in 7 SCC273(2002), Hon’ble Apex Court has pronounced the judgment as below:-

“The findings and the decision arrived at by the High Court that stainless steel wire is not covered under the entry of “tools, alloys and special steels” in entry (IX) and therefore, does not fall under “Iron and Steel” as defined under section 14(IV) of the Central Act have to be upheld. Hence, the said commodity cannot be treated as a declared commodity under section 14 of the Central Act and the provision of section 15 of the Central Act does not apply to the facts of the present appeals”.

The judgment, thus pronounced by Hon’ble Apex Court is binding on everybody. The assessing authorities of this Directorate shall have to follow this judgment in all cases.

H.K. Dwivedi
Commissioner,
Sales Tax, W.B

Memo No. 453(500)CT/PRO
3C/PRO/2008

Dtd. 16.08.2011

Copy forwarded for information and necessary action to :-

- 1) The Principal Secretary, Finance (Revenue) Department, Government of West Bengal.
- 2) Spl. Commissioner, Sales Tax, W.B./Addl. Commissioner, Sales Tax, W.B.
- 3) Spl. Officer, Bureau of Investigation.
- 4) Sr. Joint Commissioner, Sales Tax, (H.Q.).
- 5) Sr. Joint Commissioner, Sales Tax,..... Circle/Range/Central Section.
- 6) Jt. Commissioner, Sales Tax.....Circle/Charge.
- 7) Public Relations Officer, Directorate of Commercial Taxes, W.B.
- 8) Trade Bodies.
- 9) Website HYPERLINK <http://www.wbcomtax.gov.in>.

for Commissioner,
Sales Tax, W.B.