

**GOVERNMENT OF TAMILNADU  
COMMERCIAL TAXES DEPARTMENT**

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

**ACAAR No.03/2017-2018**  
**Acts cell-II/11668/2017**

Dated: 31.05.2018

- Present:**
1. Dr.T.V. Somanathan, I.A.S.,  
Principal Secretary / Commissioner of Commercial Taxes.
  2. Thiru M. Parameswaran,  
Additional Commissioner (ST), (Public Relations)(FAC)
  3. Dr. C. Palani,  
Additional Commissioner (ST), (Revision Petitions)(FAC)

|    |                                   |   |
|----|-----------------------------------|---|
| 1  | Name and address of the Applicant | : Tvl. Yarab Glue,<br>SF No. 16/2B, Zuzuwadi Village,<br>SIDCO, SIPCOT Complex,<br>Hosur – 635 126. |
| 2. | Registration Certificate No.      | : TIN : 33943361255<br>CST : 673569   |
| 3. | Assessment Circle                 | : Hosur (South) Assessment Circle   |
| 4. | Date of application               | : 19.04.2017  |
| 5. | Date of receipt of application    | : 19.04.2017  |
| 6. | Clarification sought for          | : Rate of tax on sale of " <b>Tapiaco<br/>Starch Products</b> "                                     |
| 7. | Date of Personal Hearing          | : --  |
| 8. | Represented by                    | : --  |

**ORDER**

Tvl. Yarab Glue, SF No. 16/2B, Zuzuwadi Village, SIDCO, SIPCOT Complex, Hosur – 635 126 (TIN 33943361255), registered dealer in the files of Hosur (South) Assessment Circle 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 the Tamil Nadu Value Added Tax Rules, 2007 (TNVAT Rules, 2007).

2. The applicant-dealers have sought for clarification for the rate of tax on the commodity "**Tapiaco Starch Products**" and in the duplicate copy of the application, the name of the commodity mentioned as "**Tapiaco Flour Products**".

3. The issue has been examined in detail with reference to the provisions of the TNVAT Act, 2006 and TNVAT Rules, 2007 and the related entries in all the Schedules to the TNVAT Act, 2006. Section 48-A of the TNVAT Act, 2006 provides for clarification on any point concerned with rate of tax for commodities.

4.1. The Tapiaco Starch Powder is used in various industries including food, paper, adhesive, textile and construction. In any case, either starch powder or flour, both are manufactured out of Tapiaco flour, water with PH neutral value, China clay, maize starch and formaldehyde. Combination of all these raw materials in a required proportion of 30:5:10:20, this product emerged with the help of a machine processed at SIDCO Industrial Estate. According to the applicant-dealer, this is used in pasting machine and in corrugation widely applicable in corrugated box industries.

4.2. As per the application, it is understood that the applicant-dealer have requested the appropriate rate of tax for Tapiaco flour products and not for finished goods like glue, gum, adhesives etc. As per Entry 136 of Part-B of the First Schedule to the TNVAT Act, 2006, Tapiaco flour is taxable @ 5%.

4.3. As per Entry 67-A (s) of Part-B of the First Schedule, "Gum resin, Gum Arabica, Gum gel and Gum glue" are taxable @ 5% if it is sold as industrial input either by a manufacturer or trader subject to production of certificate as required under rule 6(3)(b) of the TNVAT Rules, 2007.

4.4. There is one more entry i.e., item No. 2 of Part-C of the First Schedule to the TNVAT Act, 2006 reads as "Adhesives of all kinds including gum, glue, adhesive solutions, gum paste, lapping compound, liquid M-seal epoxy, adhesive tapes, self adhesive tapes, gum tapes, gummed tapes and resin other than those specified elsewhere in this schedule"

5. From the manufacturing process provided along with the application, it may not be possible to identify under what category

i.e., either items mentioned under 67-A(s) or item 2 of Part-C of the First Schedule, the Tapiaco flour product falls and therefore, it is clarified that

- (i) **"Tapiaco flour"** is taxable @ 5% as per entry 136 of Part-B of the First Schedule to the TNVAT Act, 2006.
- (ii) **"Tapiaco flour product"** is taxable @ 5%, if such product is identical to gum resin, gum Arabica, gum gel and gum glue as per Entry 67-A(s) of Part-B of the First Schedule to the TNVAT Act, 2006.
- (iii) **"Tapiaco flour product"** is taxable @ 14.5% as per Entry 2 of Part-C of the First Schedule, if such product does not fall in the above category (ii).
- (iv) **"Tapiaco flour product"** defined in the category (iii) above is taxable @ 5% if it is sold to the manufacturers as an industrial input as per Entry 67 of Part-B of the First Schedule to the TNVAT Act, 2006, subject to production of certificates specified under rule 6(3)(b) of the TNVAT Rules, 2007.

Dated this the thirty first day of May 2018.

Sd/- M. Parameswaran,  
Additional Commissioner (PR)(FAC)

Sd/- C. Palani,  
Additional Commissioner (RP) (FAC)

Sd/- T.V. Somanathan,  
Principal Secretary/  
Commissioner of Commercial Taxes

To

Tvl. Yarab Glue,  
SF No. 16/2B, ZuZuwadi Village,  
SIDCO, SIPCOT Complex,  
Hosur - 635 126.

Copy to:  
The Assistant Commissioner (ST),  
Hosur (South) Assessment Circle.

The Joint Commissioner (ST),  
Salem 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 (ST) including Enforcement, LTU, MOU and ISIC.  
All Deputy Commissioners (ST), 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 File 3/ Acts Cell-II /Spare - 5.

**//forwarded / by order//**

  
State Tax Officer 01/06/18  
857  
16/18