

**GOVERNMENT OF TAMILNADU  
COMMERCIAL TAXES DEPARTMENT**

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

**ACAAR No.09/2016-17**  
**Acts cell-II/11450/2016**

Dated:07.02.2017

- Present:** 1.Dr.C.Chandramouli, I.A.S.,  
Additional Chief Secretary / Commissioner of Commercial  
Taxes.
- 2.Thiru. A.Sarvar Allam,  
Additional Commissioner (CT), (Public Relations)(FAC)
- 3.Thiru.K.Gnanasekaran,  
Additional Commissioner (CT), (Revision Petitions)(FAC)

1	Name and address of the Applicant	:	Tvl. Asian Paints Limited, Prince Towers (4 <sup>th</sup> Floor), No.25 & 26, College Road, Nungambakkam, Chennai - 600 034
2.	Registration Certificate No.	:	TIN.No. 33031343331 CST:766367
3.	Assessment Circle	:	Large Tax payers Unit -II, Chennai - 6
4.	Date of application	:	--
5.	Date of receipt of application	:	05-05-2016
6.	Clarification sought for	:	Rate of tax on " <b>Wood Tech Termishield</b> "
7.	Date of Personal Hearing	:	12-01-2017
8.	Represented by	:	Thiru. P. Rajendran, Commercial Officer

**ORDER**

Tvl. Asian Paints Limited, Prince Towers (4<sup>th</sup> Floor), No.25 & 26, College Road, Nungambakkam, Chennai - 600 034 (TIN.No. 33031343331), registered dealers in the files of Large Tax payers Unit -II, Chennai - 6 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 Tamil Nadu Value

Added Tax Rules, 2007 (TNVAT Rules, 2007) on the rate of tax applicable on "**Wood Tech Termishield**".

2.1. The applicant-dealers sought for personal hearing and accordingly they were heard on 12.01.2017. Thiru. P. Rajendran, Commercial Officer and authorized representative of the applicants appeared for the hearing.

2.2. The applicant-dealers have stated that the wood preservative products sold under brand name Asian paints Wood Tech Termishield is manufactured in Gujarat and is sold by the vendor to the company. The manufacturer has classified the product under the Central Excise Chapter heading 3808 as an insecticide. The product is a light golden coloured penetrative coat that can be easily applied on wooden furniture by means of a brush/spray or by directly injecting into the wood. It is a penetrative solution that seeps into the wood leaving no residue or colour toning on the wood. It is designed for usage on both interior and Exterior wooden furniture. By stating as above, the applicant-dealers have contended that the product "**Wood Tech Termishield**" would fall under Entry 38-A(b) of Part-B of Fourth Schedule to TNVAT Act, 2006, as an 'insecticide'.

3.1. This committee considered the above application and the documents filed along with the application carefully and examined the issue with reference to the Schedules and provisions of TNVAT Act, 2006, Rules made thereunder and notifications issued under the Act. The contentions raised by the Commercial Officer and authorized representative of the applicant-dealers at the time of hearing were also considered.

3.2. Entry 38-A(b) of Part-B of Fourth Schedule to the TNVAT Act, 2006 reads as follows:

38-A. Goods which are used for Agricultural/horticultural purposes, namely:

a) .....

b) Insecticides, Pesticides, Rodenticides, Germicides, Weedicides, Fungicides, Herbicides and combinations thereof, plant-growth promoters, Plant Nutrients, Micro nutrients, Bio -nutrients"

The words 'namely' followed by the main Entry 'Goods' which are used for Agricultural/horticultural purposes' make the Entry



enumerative with the condition that the goods enumerated under this Entry should fulfil the condition prescribed in the main Entry. Therefore, the goods enumerated under the Entry used exclusively for agricultural and horticultural purposes only would fall under this Entry. Since the goods are described clearly with reference specific usage, the goods used for other purposes cannot fall under the above Entry as claimed by the applicant dealers.

3.3. Since the product "Wood Tech Termishield" dealt by the applicant dealers is not specifically enumerated under any of the Entries of the Schedules to the TNVAT Act, the goods would fall under the residuary Entry-69 of Part-C of First Schedule to the TNVAT Act, 2006, attracting levy of tax at 14.5%.

4. In view of the above discussion, it is clarified that "**Asian paints Wood Tech Termishield**" dealt by the applicants fall under the residuary Entry-69 of part-C of First Schedule to the TNVAT Act, 2006 and liable to VAT at 14.5%.

Dated this the Seventh day of February 2017.

Sd/- A. Sarvar Allam,  
Additional Commissioner (PR)(FAC)

Sd/- K. Gnanasekaran,  
Additional Commissioner (RP)(FAC)

Sd/- Dr.C. Chandramouli, I.A.S  
Additional Chief Secretary/  
Commissioner of Commercial Taxes

To  
Tvl. Asian Paints Limited,  
Prince Towers (4<sup>th</sup> Floor),  
No.25 & 26, College Road, Nungambakkam,  
Chennai – 600 034

Copy to:  
The Deputy Commissioner (CT)  
Large Tax payers Unit –II, Chennai – 6.

The Joint Commissioner (CT),  
Large Tax payers Unit.

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 File 3/ Acts Cell-II /Spare - 5.

//Forwarded/by Order//

  
Commercial Tax Officer