

**GOVERNMENT OF TAMILNADU
COMMERCIAL TAXES DEPARTMENT**

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

ACAAR No.102/2015-16
Acts cell-II/36782/2015

Dated: 11.05.2018

- 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. Clearlac Paints and Allied Products, No.24, MGR Nagar, SIDCO Industrial Estate, Sundrapuram, Coimbatore - 641 021.
2.	Registration Certificate No.	:	TIN :33391802622 CST : 287101
3.	Assessment Circle	:	Podanur Assessment Circle
4.	Date of application	:	23.11.2015
5.	Date of receipt of application	:	08.12.2015
6.	Clarification sought for	:	Rate of Tax on " Turpentine Oil "
7.	Date of Personal Hearing	:	--
8.	Represented by	:	--

ORDER

Tvl. Clearlac Paints and Allied Products, No.24, MGR Nagar, SIDCO Industrial Estate, Sundrapuram, Coimbatore - 641 021 (TIN 33611660202), the registered dealers in the files of Podanur Assessment Circle, Coimbatore have preferred application in Form 'VV' and sought clarification under Section 48-A (1) of the Tamil Nadu Value Added Tax Act (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 regarding the rate of tax on "**Turpentine Oil**". They have stated that they sell the commodity "Turpentine Oil" to traders by purchasing from other States against Form 'C'. The commodity is used for industrial purpose, i.e., mixing and diluting of paints.

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 regarding the commodities classified under the First and Fourth 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. Entry 67-A of Part-B of the First Schedule to the TNVAT Act, 2006 reads as follows:

"Goods which are sold either by the manufacturer or by the trader as industrial input, as may be notified by the Government."

By way of G.O.Ms.No. 135, Commercial Taxes and Registration (B2) Department, dated 16.07.2007 and Notification No. II(1)/CTR/46(b)/2007, certain commodities have been included and one of the commodity referred in sub-entry (ad) of Entry 67-A reads as follows :

"67-A(ad) :

- (i) Pigments including water pigments and leather finishes.
- (ii) Cellulose lacquers, nitro cellulose lacquers, clear and pigments and nitro cellulose ancillaries in liquid, semi-solid or pasty forms.
- (iii) Turpentine oil, bale oil and white oil.
- (iv) Primers of all kinds."

4.2. As per the above entry and Notifications issued therein, if the above commodities are sold either by manufacturer or by the traders, they are taxable @ 5% provided such goods are sold as an 'industrial input' subject to the conditions specified under Rule 6 (3)(b) of the TNVAT Rules, 2007, according to which, every registered dealer who is a manufacturer or producer and purchases industrial inputs to use them in manufacture of taxable goods shall issue a certificate to the seller containing the details of his Taxpayer Identification Number, the details of goods purchased, details of goods manufactured and the name and address and Taxpayer Identification Number of the seller.

5. Hence, it is clarified that "**Turpentine Oil sold as industrial input**" is taxable @ 5% as per sub-entry (ad)(iii) of Entry 67-A of Part-B of the First Schedule to the TNVAT Act, 2006 subject to

fulfilment of conditions specified under Rule 6(3)(b) of the TNVAT Rules, 2007.

Dated this the eleventh 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. Clearlac Paints and Allied Products,
No.24, MGR Nagar,
SIDCO Industrial Estate,
Sundrapuram,
Coimbatore - 641 021.

Copy to:

The Assistant Commissioner (ST),
Podanur Assessment Circle.

The Joint Commissioner (ST),
Coimbatore 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