

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

**ACAAR No.111/ 2013-14.**  
**Acts cell-II/2948/2014**

Dated 30.06.2014

- Present:**
1. Thiru. K.Rajaraman, I.A.S.,  
Principal Secretary & Commissioner of Commercial Taxes.
  2. Thiru. R.Vayanaperumal,  
Additional Commissioner (CT), (Public Relations)
  3. Thiru. K.Mahalingam,  
Additional Commissioner (CT), (Revision Petitions)

|    |                                   |   |   |
|----|-----------------------------------|---|---|
| 1. | Name and address of the Applicant | : | Tvl. Mega Petro Products,<br>Plot No.60, SIDCO Industrial Estate, Kakkalur,<br>Thiruvallur District |
| 2. | Registration Certificate No.      | : | TIN:33091724023/ CST:1124147  |
| 3. | Date of application               | : | 27.01.2014  |
| 4. | Date of receipt of application    | : | 27.01.2014  |
| 5. | Clarification sought for          | : | Rate of Tax for "Used or waste Lubricating Oil and used Transformer Oil" .                          |
| 6. | Date of Personal Hearing          | : | --  |
| 7. | Represented by                    | : | --  |

**ORDER**

Tvl. Mega Petro Products, Plot No.60, SIDCO Industrial Estate, Kakkalur, Thiruvallur District (TIN:33091724023), the registered dealers in the files of Tiruvallur Assessment Circle, Tiruvallur trading in "Used or waste Lubricating Oil and used Transformer Oil" have preferred application in Form 'VV' and sought clarification under Section 48-A (1) of the TNVAT Act, 2006, read with Rule 12-A of TNVAT Rules, 2007.

2. The applicant-dealers have sought for clarification on the following:

Rate of tax for "**Used or waste Lubricating Oil and used Transformer Oil**".

3. The applicant-dealers have stated that they are trading in used or waste lubricating oil and used transformer oil. The applicant-dealers have stated further that different dealers in this line of trade are collecting tax at different rates. The applicant-dealers therefore requested to clarify, "What would be the correct rate of tax to be adopted for "Used or waste Lubricating Oil and used Transformer Oil?"

4.1. The issue has been examined in detail with reference to the provisions of TNVAT Act, 2006 and Rules, 2007 and the Entries in relevance with the descriptions of the goods under the Schedules to the TNVAT Act, 2006. The clarification is given accordingly as under:

4.2. The applicant-dealers have sought for clarification regarding rate of tax on "**Used or waste Lubricating Oil and used Transformer Oil**", commonly known as "**waste oil**".

5. The analysis of the Entries with relevant commodity descriptions under both Parts A and B of First and Fourth Schedules does reveal nothing with reference to the used or waste lubricating or user transformer oil, commonly known as waste oil. Entry 122 in Part-B of First Schedule to the TNVAT Act, 2006 describing the "Scraps and Wastes" contains nothing in relevance with the "Waste Oil". Whereas there is an Item (ag) among the goods classified to be the industrial inputs, vide Entry 67-A of Part-B of First Schedule to the Act, which reads, "**Scraps and wastes of all kinds**". This Item (ag) under Entry 67-A of part-B of First Schedule, by virtue of its description "Scraps and Wastes of all kinds" is broad enough to cover all kinds of scraps and wastes not specified under Entry 122 of Part-B of First Schedule to the Act. Therefore, the waste or used lubricating oil and the transformer (coolant) oil drawn from spent transformers are also a kind of oil waste, commonly known as waste oil. Such waste oils are of petro-origin and classifiable under Entry 67-A (ag) of the description, "**Scraps and Wastes of all kinds**" of Part-B of First Schedule to the Act and thus become eligible to attract the levy of tax at 5 % under the said entry as a specifically classified industrial input.

6. The clarification may therefore be that, "the used or waste lubricating oil and used transformer oil, commonly known as waste oil" is taxable at the rate of 5 % under Entry 67-A (ag) of the description, "**Scraps and Wastes of all kinds**" of Part-B of First Schedule to the TNVAT Act, 2006.

Dated this the 30<sup>th</sup> day of June 2014.

Sd/- R. Vayanaperumal,  
Additional Commissioner (PR)

Sd/- K. Mahalingam,  
Additional Commissioner (RP)

Sd/- K. Rajaraman,  
Principal Secretary/  
Commissioner of Commercial Taxes

To

Tvl. Mega Petro Products,  
Plot No.60, SIDCO Industrial Estate,  
Kakkalur, Thiruvallur District

Copy to:

The Assistant Commissioner (CT)  
Thiruvallur Assessment Circle

The Joint Commissioner (CT),  
Chennai (South) 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 (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 File3 / Acts Cell-II / Spare – 5.

//Forwarded/By order//

Additional Commissioner (PR)