

**GOVERNMENT OF TAMILNADU  
COMMERCIAL TAXES DEPARTMENT**

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

**ACAAR No.114/2015-16**  
**Acts cell-II/2472/2016**

Dated:29.06.2017

**ACAAR No.06/2016-17**  
**Acts cell-II/11075/2016**

**ACAAR No.07/2016-17**  
**Acts cell-II/11076/2016**

- 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. Innova Inkjet Technology, 384, Anna Nagar, West Ambikapuram, Industrial Colony, Ariyamangalam, Trichy-620 010.
2.	Registration Certificate No.	:	TIN No. 331131565460. CST:1079517
3.	Assessment Circle	:	Thiruverumbur Assessment Circle.
4.	Date of application	:	--
5.	Date of receipt of application	:	27.01.2017 & 02.05.2016.
6.	Clarification sought for	:	Rate of tax on " <b>Ink, Make up &amp; Wash</b> " Liquid
7.	Date of Personal Hearing	:	16.06.2017
8.	Represented by	:	Thiru S. Saravanan, Proprietor

**ORDER**

Tvl. Innova Inkjet Technology, 384, Anna Nagar, West Ambikapuram, Industrial Colony, Ariyamangalam, Trichy-620 010 (TIN No. 33783262694), registered dealers in the files of Thiruverumbur, Circle have preferred an application in Form 'VV' and sought

clarification under Section 48-A (1) of the Tamil Nadu Value Added Tax Act read with Rule 12-A of Tamil Nadu Value Added Tax Rules, 2007 (TNVAT Rules, 2007) on the rate of tax applicable on '**Printing Ink**' [ACAAR 114/2015-16 (Acts Cell-II/2472/2016)], '**Wash**' Liquid [ACAAR 07/2016-17 (Acts Cell-II/11076/2016)] and '**Makeup Liquid**' [ACAAR 06/2015-16 (Acts Cell-II/11075/2016)]. Since the issues involved in the above three applications are same, all the applications were considered together and a common order is passed.

2.1. The applicant-dealers has stated that they are the manufacturer of '**Printing Ink**', '**Wash**' Liquid and '**Makeup Liquid**' which are used for printing on the Packing materials in various item of products such as cement bags, fertilizer bags, coding for the information such as price (MRP) Batch No, Mfg. date, expiry date etc. These products are in liquid form only and the supply of these was filled in a bottle which is used for printing in industrial inkjet printer. However, the Commercial Tax Officer Thiruverumbur Assessment Circle has issued a notice that these are like the commodity Toner/Cartridge liable to 14.5% instead of 5% citing the CCT VAT Cell 1789/2007 (VCC No.455 dt.11.05.2007) And VAT Cell-46045/2007/VCC 1245 Dt.28.09.2007.

2.2. The applicant-dealers contended that, the total character of the ink is different from the Toner powder and it would fall under commodity "printing or drawing ink" falling under Entry 106 of part-B of I Schedule to TNVAT Act, taxable at 5%. Tvl. Micro Links, Mount Road, Chennai are manufacturer of similar ink, who were clarified by the Commissioner of Commercial Taxes in letter No.4614/07 (VCC118) that the product is liable to tax at 5% vide part B to 1<sup>st</sup> Schedule to TNVAT Act.

2.3. The applicant-dealers have also stated that the base material for Ink, Wash & Make-up is Methyl ethyl ketone. In order to have a legible printing the Color is added in the ink which is having dye with binders. For Continuous printing the viscosity of the Ink has to be adjusted and diluted again. Hence, the Make-up is required for continuous printing. After the printing process the printing head, inner parts of the machine has to be washed with the Wash Solvent.

3. The applicant-dealers sought for personal hearing and accordingly they were heard on 16.06.2017. Thiru S. Saravanan, Proprietor appeared for the hearing and filed written statements. The applicant-dealers submitted with samples of Ink, wash and

4.1. 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 Proprietor of the firm at the time of hearing were also considered.

4.2. The printing ink dealt by the dealers is in liquid form and it different from printing toner/cartridge, which is in powder form. Printing ink dealt by the applicants falls under Entry-106 of Part-B of First schedule to the TNVAT Act, 2006 reads as below

106. Printing or drawing ink, whether or not concentrated or solid, excluding toner and cartridges other than those specified in the Fourth Schedule

5. As regard to make-up, it is also in the form of liquid and it is used with printing ink to adjust the viscosity of the ink to ensure continuous printing. The make-up does not have any independent usage other than printing. Therefore, the make-up can be treated as an element of printing ink.

6. The wash dealt by the applicant dealers is used as solvent to clean the printing cartridge and it has nothing to do with printing. Therefore, the wash liquid cannot be treated as printing ink falling under Entry-106 of Part-B of First schedule to the TNVAT Act, 2006. Since this commodity does not fall under any specific Entry of I Schedule, it is liable under the residuary Entry of the Schedule.

7. In view of the above discussion, this committee clarifies that

- (i) **The 'Ink' and 'Makeup' Liquid are liable to VAT at 5% under Entry 106 of Part-B of First Schedule to the TNVAT Act, 2006.**
- (ii) **The 'Wash' Liquid is liable to VAT at 14.5% as a residuary item falling under Entry-69 of Part-C of First Schedule to the TNVAT Act, 2006.**

Dated this the Twenty-ninth day of June 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. Innova Inkjet Technology,  
384, Anna Nagar, West Ambikapuram, Industrial Colony,  
Ariyamangalam, Trichy-620 010

Copy to:  
The Assistant Commissioner (CT)  
Thiruverumbur Assessment Circle

The Joint Commissioner (CT),  
Trichy 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 File 3/ Acts Cell-II /Spare - 5.

//Forwarded/By Order//

*U. Narayanan*  
29.6.17.  
Commercial Tax Officer