

**GOVERNMENT OF TAMILNADU  
COMMERCIAL TAXES DEPARTMENT**

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

**ACAAR No.116/2015-16**  
**Acts cell-II/3665/2016**

Dated: 17.05.2018

- 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.Bagyalakshmi Constructions, No.4/431, Kurinji Street, Kalaivani Nagar, Pattanur, Tindivanam-605 006.
2.	Registration Certificate No.	:	TIN.No. 33144722896 CST No. 940847
3.	Assessment Circle	:	Tindivanam Assessment Circle
4.	Date of application	:	NIL
5.	Date of receipt of application	:	09.02.2016
6.	Clarification sought for	:	Rate of tax on sale of " <b>Plastic Dye and Auto Mark White</b> "
7.	Date of Personal Hearing	:	--
8.	Represented by	:	--

**ORDER**

Tvl. Bagyalakshmi Constructions, No.4/431, Kurinji Street, Kalaivani Nagar, Pattanur, Tindivanam-605 006 (TIN 33144722896), registered dealers in the files of Tindivanam 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 "**Plastic Dye and Auto Mark White**".

3. The applicant-dealers have stated that they purchase Plastic Dye and auto mark white in powder form either from Tamil Nadu or from other State and melt at 200° centigrade by a machine called Applicator and by spraying the liquid at both ends of the Road and complete Road Marking. They further stated that these goods are called Hot Melting Road Marking Compound in commercial parlance.

4. The issue has been examined in detail with reference to the provisions of the TNVAT Act, 2006 and the 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. Though the applicant dealer are manufacturers of **Hot Melt Road Marking Compound** using the raw materials like Plastic Dye and Auto Mark White and effecting sales, they have sought for clarification regarding rate of tax on "**Plastic Dye and Auto Mark White**" and not on **Hot Melt Road Marking Compound** in the Column 4(a) of the application in Form VV under Section 48-A of TNVAT Act, 2006.

4.2. Since the applicant have requested for clarification on Plastic Dye and Auto Mark White in form VV by mentioning it against the name of the goods for which Clarification or Advance Ruling sought in column 4(a), the clarification is restricted only on the said goods namely Plastic Dye and Auto Mark White and not on the finished / manufactured goods being Hot Melt Road Marking Compound. In fact the clarification which is to be issued based on the application in Form VV is quite applicable only to the sellers of these goods to the applicant. In other words, what was sought for clarification only on the raw materials and not on the goods sold to various clients.

5. The applicant dealer are already aware of the applicable rate of tax on Plastic Dyes and Auto Mark White and in fact they themselves have stated that Plastic Dyes is taxable at 5% as per Entry 45(ix) of Part B of the First Schedule to TNVAT Act, 2006 and Auto Mark White being Resin is taxable under Entry 67-A(s) or 67-A(af) of Part B of the First Schedule to TNVAT Act, 2006. As understood by the applicant, Plastic Dyes is taxable at 5% as the category of Dyes.

6. With regard to Auto Mark White Power, being Resin or Chemical Compound as stated by the applicant in their application in Form VV, is taxable at 14.5% as per Entry 2 of Part-C of the First Schedule to TNVAT Act, 2006 which reads as

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"Adhesives of all kinds including gum, glue, adhesives, solutions, gum paste, lapping compound, liquid M-seal Epoxy, adhesive tapes, self-adhesives tapes gum tapes, gummed tapes and **resins** other than those specified elsewhere in this Schedule". As mentioned by the dealer applicant, there is also an entry in Part B of the First Schedule according to which, under Entry 67-A in sub-entry (s), "Gum Resin, gum Arabica, gum gel and gum glue" are taxable at 5%. In the same Entry, there is a sub-entry (af) according to which, "Resins, Wood Resins and ester gums" are taxable at 5% whether sold by either by the trader or manufacturer. Since Resin referred by the dealer applicant is in powder form, definitely, it will not fall in any of the above mentioned item under 67-A of Part B of the First Schedule. Therefore, Resin is taxable at 14.5% as per Entry 2 of Part C of the first Schedule to TNVAT Act, 2006. However, when this goods sold to the manufacturer, being an industrial input for the dealer applicant, the applicant is entitled to purchase this goods at 5% under Entry 67 of Part B of the First Schedule to the TNVAT Act, 2006 subject to the production of the Certificates prescribed under Rule 6(3)(b) of TNVAT Rules, 2007.

6. In view of the above, it is clarified that

(i) The commodity "**Plastic Dyes**" is taxable @ 5% as per entry 45(ix) of Part-B of the First Schedule to the TNVAT Act, 2006 whether it is sold as industrial input or otherwise.

(ii) The Commodity "**Auto Mark White**" being a resin is taxable @ 14.5% as per Entry 2 of Part-C of the First Schedule to the TNVAT Act, 2006 and taxable @ 5% on sale as Industrial Input to manufacturers or industries within Tamil Nadu State against the Certificate issued by the buying dealer as prescribed under Rule 6(3)(b) of the TNVAT Rules,2007.

Dated this the seventeenth 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.Bagyalakshmi Constructions,  
No.4/431, Kurinji Street,  
Kalaivani Nagar, Pattanur,  
Tindivanam-605 006.

Copy to:

The Assistant Commissioner (ST),  
Tindivanam Assessment Circle.

The Joint Commissioner (ST),  
Vellore 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//**

*D. B. Srinivasan*  
State Tax Officer 22/05/18.  
*22/5/18*