

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

**ACAAR No. 86/ 2013-14.**  
**Acts cell – II/34968/2013**

Dated 02.12.2014

- 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. Merino Industries Limited, No.15, Periya Thambi Street, Choolai, Chennai – 600 112
2.	Registration Certificate No.	:	TIN: 33510501204/CST: 696689
3.	Date of application	:	12.11.2013
4.	Date of receipt of application	:	19.11.2013
5.	Clarification sought for	:	Rate of Tax for "Acrylic Solid Surface"
6.	Date of Personal Hearing	:	--
7.	Represented by	:	--

**ORDER**

Tvl. Merino Industries Limited, No.15, Periya Thambi Street, Choolai, Chennai – 600 112 (TIN:33510501204), the registered dealers in the files of Choolai Assessment Circle, Chennai -6, manufacturers of Acrylic Solid Surface, 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 "**Acrylic Solid Surface**"

3. The applicant-dealers have stated that they are importing the Acrylic Solid Surface and selling the same inside the State and in the course of interstate trade or commerce. The applicant-dealers have

claimed that the Acrylic solid surface is basically a plastic product and classified for the purpose of levy of custom duty under the Customs Tariff heading 3921 90 39, a kind of plastic product. In support of their claim, the applicant-dealers have furnished the copies of bills of entry for home consumption, wherein the goods have been classified under Customs tariff heading 3921 90 39. Accordingly, the applicant-dealers have claimed that the acrylic solid surface may be clarified as plastic sheets under Sub-entry (z) of Entry 67-A of Part-B of the First Schedule to the TNVAT Act, 2006 or under Sl. No. 13 in the list the goods notified as liable to the reduced rate of 5 % in Notification No. II(1) / CTR / 12(R-20)/2011 in G.O. Ms. No.78, Commercial Taxes and Registration (B2) Department dated 11.07.2011.

4.1. The issue has been examined in detail with reference to the provisions of TNVAT Act, 2006 and Rules, 2007 as well as the relative entries under Parts A and B of First and Fourth Schedules to the TNVAT Act, 2006.

4.2. The applicant-dealers have sought for clarification regarding rate of tax on "**Acrylic solid surface**" being a kind of plastic product.

5. The Parts A and B of both the First and Fourth Schedules to the TNVAT Act, reveals no entry of the description "Acrylic solid surface" or "Plastic Products or Goods". As pointed out by the applicant-dealers, the Entry 67-A of Part-B of First Schedule to the Act contains a sub-entry (z) of the description, "P.V.C. sheets – plastic sheets". Whereas the Notification No. II(1)/CTR/ 12(R-20)/2011 in G.O. Ms. No.78, Commercial Taxes and Registration (B2) Department dated 11.07.2011 issued under section 30 of the Act reveals the commodity description in Serial No. 13 as extracted below:

**"All plastic goods other than doors, windows, frames, profiles, automobile, industrial and sanitary items"**

6.1. Plastic is defined to be any one of a large number of synthetic, usually organic materials, that have a polymeric structure and can be moulded when soft and then set, especially, such a material in a finished state containing plasticizer, stabilizer, filler, pigments, etc. Plastics are classified as thermosetting (such as Bakelite) or thermoplastic (such as PVC) and are used in the manufacture of many articles and in coatings, artificial fibres, etc. **Solid surface** is a man-made material usually composed of marble dust, bauxite, acrylic or polyester resins and pigments. It is most frequently used for seamless countertop installations. Solid surface is manufactured by mixing **acrylic** or **polyester resin with powdered bauxite filler and pigments**. The material chemically cures and is heated to 60°C or more. Cured material is then cut in sheets or shapes and sanded on one or both sides. Sometimes the material is brought to 160°C and cooled, to improve its heat resistance. Acrylic-modified polyester solid surface can be mixed one sheet at a time using

different formulations, effects and appearances. Acrylic-modified polyester solid surface can be injected into moulds to produce various solid decorative design figures. **Many plastics contain fillers**, relatively inert and inexpensive materials, mostly mineral origin like chalk, bauxite powder, marble or granite dust, zinc oxide, alumina tri-hydrate derived from bauxite, that make the product cheaper by weight.

6.2. The plastic goods made out of the basic polymer mixed with either of the aforesaid fillers are known as composite plastics. The solid surface made of Acrylic resin is a polymer, a basic plastic raw material, on mixed with the micro fined bauxite and marble powder, the filling materials, has gained an identity as composite plastic goods. The Entry 67-A (z) of Part-B of First Schedule and its description is pertaining to the P.V.C. Sheets captioned as plastic sheets. Hence the Acrylic Solid surface in the form of sheets is not liable to be classified under the Entry 67-A (z) of Part-B of First Schedule to the Act. The Acrylic Solid Surface in the form of sheets is therefore eligible to be classified as "Plastic Goods" falling under the goods of description "**All plastic goods other than doors, windows, frames, profiles, automobile, industrial and sanitary items**", in Sl. No. 13 in Notification No. II(1) / CTR / 12(R-20)/2011 in G.O. Ms. No.78, Commercial Taxes and Registration (B2) Department dated 11.07.2011, liable to VAT at the reduced rate of 5 %.

7. The clarification may therefore be that the "**Acrylic Solid Surface**" in the form of sheets is **taxable at the reduced rate of 5 %** as classifiable as plastic goods under **Sl. No.13** with the description, "**All plastic goods other than doors windows, frames, profiles, automobile, industrial and sanitary items**", in Notification No. II(1) / CTR / 12(R-20)/2011 in G.O. Ms. No.78, Commercial Taxes and Registration (B2) Department dated 11.07.2011

Dated this the 2<sup>nd</sup> Day of December 2014.

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

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

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

To

Tvl. Merino Industries Limited,  
No.15, Periya Thambi Street,  
Choolai,  
Chennai – 600 112

Copy to:

The Assistant Commissioner (CT)  
Choolai Assessment Circle

A

The Joint Commissioner (CT),  
Chennai (Central) 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)