

**GOVERNMENT OF TAMIL NADU
COMMERCIAL TAXES DEPARTMENT**

**PROCEEDINGS OF THE
AUTHORITY FOR CLARIFICATION AND ADVANCE RULING**
(Under Section 48-A of TNVAT Act, 2006)

Present: 1. Dr. K. Manivasan, I.A.S.,
Commissioner of Commercial Taxes,
2. Thiru. R. Chandramohan, M.A.,
Additional Commissioner (PR)
3. Thiru. E. Rathinasamy, M.Sc., B.L.,
Additional Commissioner (RP) (FAC)

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A.C.A.A.R. 25/ 2013-14
(Acts Cell-II/17046/2013)

Dated 14.08.2013

Ref: Application of Tvl. The Metal Powder Company
Limited, Maravankulam-625 706,
Thirumangalam, Madurai District, dated
03.06.2013.

An application has been filed by Tvl. The Metal Powder Company Limited, Maravankulam-625 706, Thirumangalam, Madurai District seeking clarification under Section 48-A of TNVAT Act, 2006 read with Rule 12-A of the TNVAT Rules, 2007.

2. The dealer is registered at Thiruparankundram Circle having TIN 33616230260.

3. The clarification is sought on the following in column 4 of Form V V:

"Aluminium Paste"

4. The dealer sought personal hearing and accordingly Thiru S.Karunakar, Advocate and Auhtorised Representative, appeared on 13.08.2013 before the Authority and explained the product details. He also filed additional written submissions at the time of personal hearing.

5. It was informed that aluminium ingots are powdered by using different or various process and then converted to paste / pigment by using different techniques. It was further informed that Automised Aluminium Powder made out of Aluminium Ingots is mixed with solvent and fed into Ball Mill. The slurry is collected in filter press to get filter cake. The Aluminium filter cake is mixed in mixing machine to get aluminium paste. The Aluminium Paste is the commercial name for

reduced size aluminium particles in paste form. Aluminium Paste is sold to Paint and Printing Industries as raw material for the said industries and hence Aluminium Paste is taxable at 5% under Entry 89 (ii) of Part-B of the First Schedule.

6. The issue has been examined in detail with reference to the provisions of the TNVAT Act and Rules and clarification is given as under:

7. Section 48-A of the TNVAT Act, 2006 provides for clarification on any point concerning rate of tax.

8. The dealer had sought clarification on "**Aluminium Paste**".

9. Aluminium paste is an aluminium pigment in paste form made from high purity aluminium as the raw-material. Aluminum ingots are non-ferrous metal converted to paste / pigment by using different process and sold as aluminium paste. Aluminium paste is sold to paint and printing industries for manufacture of paint and printing ink respectively. Therefore, Aluminium Paste is the commercial name for reduced size aluminium particles in paste form coming under pigment category, one of the primary constituent of paint. Therefore, from the description given for the product and the perusal of details furnished, it is seen that the product sold by the dealer finds place under Entry 89 of Part-B of the First Schedule.

10. Entry 89 of Part-B of the First Schedule reads as follows:

(i)

(ii) Metal powder including metal pastes of all types and grades and metal scraps other than those falling under the declared goods.

(iii)

(iv)

11. Therefore "**Aluminium Paste**" fits into the description given under Entry 89 (ii) of the Part-B of the First Schedule.

12. The clarification therefore is that "**Aluminium Paste**" is taxable at 5% under Entry 89 (ii) of Part B of the First Schedule to the TNVAT Act, 2006.

Sd/- R. Chandramohan
Additional Commissioner (PR)

Sd/- E. Rathinasamy
Additional Commissioner (RP) (FAC)

Sd/- Dr. K. Manivasan
Commissioner of Commercial Taxes

To

Tvl. The Metal Powder Company Limited,
Maravankulam-625 706,
Thirumangalam, Madurai District.

Copy to:
The Assistant Commissioner (CT)
Thiruparankundram Assessment Circle.

The Joint Commissioner (CT),
Madurai Division.

The Joint Commissioner (CS),
To host in the Department Website.

The Secretary to Government, CT & R Department, Chennai - 9.

All Joint Commissioners (CT) including Enforcement, LTU, MOU and ISIC.

All Deputy Commissioners (CT), (Territorial) and (Enforcement).

All Head of Officers (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.

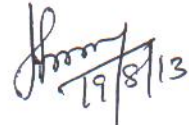
The Accountant General (Audit)-II, No.44, Greams Road, Chennai - 6.

The Additional Commissioners, Deputy Commissioners, Assistant
Commissioners and Commercial Tax Officers in CCT's Office.

Personal Clerk to the CCT.

Stock File3 / Act Cell II / Spare - 5.

/Forwarded/By order/



Commercial Tax Officer