

**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 75/ 2012-13

Dated 06-02-2013

- Ref: 1. Application of Tvl. Hindustan Colos Limited, A-9, SIPCOT Industrial Park, Irungattukottai, Kancheepuram Dist, dated 08-11-2012.
2. CCT Letter in Acts Cell-II/35904/2012, dated 22.01.2013.

Tvl. Hindustan Colos Limited, A-9, SIPCOT Industrial Park, Irungattukottai, Kancheepuram Dist (TIN: 33501663027) have filed an application and sought clarification under Section 48-A of the TNVAT Act, 2006 read with Rule 12-A of the TNVAT Rules, 2007.

2. The clarification was sought on "Bitumen Emulsion" with a request for early hearing. Accordingly the dealers were requested in writing to appear on 05-02-2013 at 11.00 A.M. to putforth their claims. However, the dealer did not appear for hearing on that date. Therefore, clarification is given with reference to the materials furnished.

3. The dealers are engaged in the manufacture of Bitumen and its derivatives including Bitumen Emulsions. It is also stated that Bituminous products are an advanced form of Bitumen and used for road laying purpose. Bitumen emulsion is nothing but an extension of bitumen /

asphalt and bituminous emulsion is a specie of the genus bitumen. The Bitumen Emulsion manufactured by them is a refined form of bitumen or an advanced form of bitumen and should be taxable at 5% under Entry 18 of Part B of the First Schedule to the TNVAT Act, 2006.

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

5. The dealer has sought clarification on Bitumen Emulsion.

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

7. Bitumen is an oil based substance. It is a semi solid hydro carbon product produced by removing the lighter fractions (such as liquid petroleum gas, petrol and diesel) from heavy crude oil during refining process. Bitumens are used as raw materials to manufacture preparations with improved handling and application characteristics or to enhance the physical properties. In such products bitumen is often the principal component but they can contain significant proportions of other materials also. These products are often referred to as bituminous binders or bitumen products and are chemically classified as bitumen preparations. "Bitumen Emulsion" is a dispersion of bitumen in water. However, in the same way as water and oil do not mix easily, water and bitumen together do not get on. To produce Bitumen Emulsion a Bitumen additive is therefore needed. Kerosene, water, emulsifier, acid, latex etc. are the materials used to produce bitumen emulsion. Bitumen and bitumen emulsion are therefore two different and distinct commodities. There is no specific entry for Bitumen emulsion in any of the Schedule under TNVAT Act and hence classified under Entry 69 of Part C to First Schedule taxable at 14.5%.

8. There is no specific entry for Bitumen Emulsion in any of the Schedules under TNVAT Act.

9. Entry 69 of Part C of the First Schedule reads as follows:

"Any other goods not specified in any of the Schedules."

10. Bitumen Emulsion fits into the description given under entry 69 of Part C of the First Schedule.

11. The clarification, therefore, is that **Bitumen Emulsion** is unclassified item taxable at 14.5% under Entry 69 of Part C of the First Schedule to the TNVAT Act, 2006.

Sd/- R.Chandramohan
Additional Commissioner (PR)

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

Sd/- K. Manivasan
Commissioner of Commercial Taxes

To

Tvl. Hindustan Colos Limited,
A-9, SIPCOT Industrial Park,
Irungattukottai,
Kancheepuram Dist

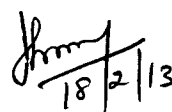
Copy to:

The Assistant Commissioner (CT), Sriperumpudur Assessment Circle,
The Joint Commissioner (CT), Chennai (South) Division.
The Joint Commissioner (CS)

To host in the Department Website
The 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 / Act Cell II / Spare – 5.

//forwarded by order//



Commercial Tax Officer.