

**GOVERNMENT OF TAMILNADU  
COMMERCIAL TAXES DEPARTMENT**

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

**ACAAR No. 136/2014-15**

Dated: 28.07.2015

**Acts cell – II/7624/2015**

- Present:**
1. Thiru. K.Rajaraman, I.A.S.,  
Principal Secretary/  
Commissioner of Commercial Taxes.
  2. Thiru. R.Vayanaperumal,  
Additional Commissioner (CT),  
(Public Relation)
  3. Thiru. E.Rathinasamy,  
Additional Commissioner (CT),  
(Revision Petition) (FAC)

1	Name and address of the Applicant	: Tvl. Udhayam Chemicals, R.S. No. 45/5 B, Kazhuvankulam, Kusavankudu post, Sivagangai - 625 022.
2.	Registration Certificate No.	: TIN.No.33905401090 CST. 499460
3.	Assessment Circle	: Sivagangai Assessment Circle
4.	Date of application	: 12.03.2015
5.	Date of receipt of application	: 12.03.2015
6.	Clarification sought for	: Rate of Tax on " <b>Metal Polish Soap</b> "
7.	Date of Personal Hearing	: Personal hearing not requested
8.	Represented by	: U. Parameswari, Proprietrix.

**ORDER**

Tvl. Udhayam Chemicals., Sivagangai - 625022. (TIN.No. 33905401090), the registered dealers in the files of Sivagangai Assessment Circle, Chennai, 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 on **"Metal Polish Soap"**. The applicant dealer reveals the chemical composition of the "Metal Polish Soap" in the Annexure provided along with the application are as follows

- a. Alumina or Red oxide or Yellow ochre as abrasive, constitute about 80%.
- b. Stearic acid as solidifying agent, constitute about 15% and
- c. Oil as a greasing agent, constitute about 5%

2.1. It is stated that the **"Metal Polish Soap"** is used in stainless steel utensil manufacturing industry as an abrasive to scour the rough surface of the utensils. The polishing is done by a process called 'Buffing' in which the polishing wheels made up of cloth buffs, coir brush, steel wire brush, iron wire brush or other such materials are used. The product is applied over the polishing wheel which is made to rotate with the help of an electric motor. The product in turn gets applied on to the utensils when they are held tightly against the rotating wheel. The remains of the product stuck onto the utensils are removed by dusting and scouring with the chalk powder. The dealer further explains that the process described above will make the stainless steel utensils smooth, shine and glitter with a mirror like appearance. This process is also called as 'Metal finishing' or 'Mirror finishing'.

2.2. The dealer support his claim of **"Metal Polish Soap"** as an abrasive by providing the photos and a DVD – which contains a video clip showing about how the product is used as an abrasive in polishing stainless steel vessels. The **"Metal Polish Soap"** is of different colours such as yellow, ochre, red, green, grey, black and



white depending on the various raw materials used. The specific use of each of the product depends upon the proportion of various metals in the stainless steel sheets and the thickness of the sheets. The **"Metal Polish Soap"** in commercial parlance is also called as Metal polish soap, Metal polish buffing compound, Metal polishing composition, Buffing Composition, Tripoli, Luster, Rouge, Yellow soap, Green soap or Bar. The applicant dealer also stated that the **"Metal Polish Soap"** find an entry in Central Excise Tariff in chapter 34 under the head **'Polishing and Scouring preparations'**, the specific entry at 3405.90.10 as **'Polishes and composition for application to metal including diamond polishing powder or paste'**.

3. The issue has been examined in detail with reference to the provisions of TNVAT Act, 2006 and Rules 2007 and the relative entries regarding the commodities classified under the First and Fourth Schedule to the TNVAT Act, 2006. Section 48-A of TNVAT Act, 2006 provides for clarification on any point concerned with rate of tax for commodities.

4. The applicant-dealers have sought for clarification on the Rate of tax on **"Metal Polish Soap"**. The product contains "Alumina or Red oxide or Yellow ochre" as their major ingredients which are used as an abrasive on high tensile strength metals, such as carbon and alloy steel, tough iron, and non-ferrous alloys. **The stainless steel vessel is a non-ferrous alloy** onto which the product **"Metal Polish Soap"** applied for polishing. There is a relative Entry in Part-B of First schedule to the TNVAT Act, 2006 contained in S.No.67-A (a) with description "Abrasive of all types".

5. It may be therefore clarified that the product **"Metal Polish Soap"** if sold as **'Metal Polishing agent'** are liable to tax at 5% under Entry 67-A (a) with the description

**"Abrasive of all types" in part-B of First Schedule to the  
TNVAT Act, 2006.**

Dated this the Twenty Eighth Day of July 2015.

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

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

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

To

Tvl. Udhayam Chemicals,  
R.S. No. 45/5 B, Kazhuvankulam,  
Kusavankudu post,  
Sivagangai - 625 022.

Copy to:

The Assistant Commissioner (CT)  
Sivagangai Assessment Circle.

The Joint Commissioner (CT),  
Madurai 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.

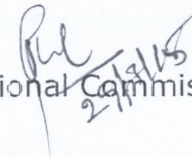
The Director, CTSTI, Greams Road, Chennai - 6.

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)