

**27. PROCEEDINGS OF THE COMMISSIONER OF COMMERCIAL TAXES
THIRUVANANTHAPURAM**

Present: Sri.Paul Antony.I.A.S

Sub:- Kerala Value Added Tax Act -2003- Clarification U/s.94-
rate of tax of oxides- red oxide, black oxide, yellow oxide-
clarified orders issued- Reg:

Read:-1. Application dt. 18..11..06 of Biju Chemmannur,
Advocate, No.30, 1st Floor, Priyadarsini Complex,
Kunnamkulam.

2. Application from Sri.Cyril.T.Kurian, M/s. Imperial
Chemicals & Dyes Co, Hospital Road, Kochi 11

ORDER No.C3.2201/07/CTDated.14..05..2007

Sri.Biju Chemmannur, Advocate Kunnamkulam had filed
application U/s.94 of Kerala Value Added Tax Act seeking
clarification on the rate of tax applicable to Red oxide and
Black Oxide and Sri.Cyril.T.Kurian, M/s. Imperial Chemicals
& Dyes Co, Kochi had also filed another application seeking
clarification on the rate of tax applicable to
Tata Red (Red oxide) and Tata Yellow (Yellow Oxide) under
Kerala Value Added Tax Act -2003.

Tata Red and Tata Yellow are the commercially known
Red oxide and Black Oxide respectively. Since the two parties
raise common points the matter is clubbed and disposed off
together.

The applicants were given an opportunity of being heard.
The contentions put forth were examined with reference to
relevant statutory provisions.

The applicant M/s. Imperial Chemicals and Dyes inter
alia contended that the item is basically an iron product with
more than 70 % iron oxide and would fall under HSN 2821.10
and is covered under Sl.No.82 of List A of 3rd schedule to the
said Act.

Going by the process of manufacturing of the
commodities, admittedly the raw materials are subjected to a

series of processing by which the identity of the material changes and the products that result are commercially new products known as Red Oxide/Yellow oxide etc holding specific HSN under chapter 32 of the Customs Tariff Act.

Red oxide is has a specific HSN 3206.49.10 while Black Oxide and Yellow Oxide are classifiable under HSN 3206.49.90 (ie; others under the main heading 3206.49). These commodities have no specific entry in any schedule to Kerala Value Added Tax Act. As per sub-section (1)(d) of section 6 of the said Act goods which are not covered by any specific entry in any of the schedules or under the list of commodities mentioned in section 6(1)(a) of the Act are taxable at 12.5%. Government have notified the list of goods coming under 12.5% category as per SRO 82/06 dated 21.01.06. So red oxide, Black Oxide and Yellow Oxide are classifiable under entry 103 of SRO 82/06 dt. 21.01.06 and is taxable @ 12.5%.

The point sought for is clarified accordingly.

Commissioner