

**16. PROCEEDINGS OF THE COMMISSIONER, COMMERCIAL TAXES
THIRUVANANTHAPURAM**

Present: Sri.Paul Antony.IAS

Sub:- KVAT Act 03- Rate of Tax on Sticko Brand Super glue- Clarified orders issued- Reg:

Read:- 1. Letter Dt. 18.02.06 from M/s. Candid Industries, Cochin
2. This office letter No.C7.6049/06/CT Dt. 12.12.06

ORDER NO.C7.6049/06/CT Dt. 02.03.06

M/s. Candid Industries, Edappally Cochin has forwarded a copy of judgment Dt. 23.01.06 in WP(C) No. 1983/06 along with the reference read as 1st paper above. As per the above judgment, the Hon'ble High Court of Kerala has directed the Commissioner, Commercial Taxes to take a decision on the claim of the petitioner regarding the rate of tax on sticko Brand Super Glue Imported and marketed by the petitioner. It is also directed that the petitioner will be given an opportunity of being heard in relation to the same. The petitioner has also forwarded a copy of certificate issued by the Head of Department, Cochin University of Science and Technology to the effect that Sticko brand supper glue marketed by Candid Industries is methyl cyana acrylate, which is an Ester of unsaturated acyclic monoacid, and comes under HSN 2916.19.50

As per paper 2nd read above, the applicant was directed to furnish the ingredients of the product, manufacturing process, use of the product etc.

Sri.Reji Sebastian, Authorised representative of the applicant was heard. The contention of the applicant is that super glue falls under list 'A' of item 164(10) of 3rd schedule to KVAT Act 03 @ 4 % with HSN 2916.19.50, and he has requested to accept the certificate furnished by the applicant, which is issued by Cochin Science and Technology, Cochin. The applicant further stated that the product is manufactured outside India, imported by them and hence they are not in a position to collect the ingredients or manufacturing process.

The contentions of the applicant were examined in detail. As per the certificate issued by Cochin Science and Technology, the item super glue is an Ester of unsaturated Acyclic monoacid, comes under HSN 2916.19.50. The HSN 2916.19.50 comes under chapter 29 of the Central Excise and Tariff Act 1985. The said chapter deals with organic chemicals. So "Esters of unsaturated acyclic mono acids" is nothing but organic chemicals and is classified as industrial input under entry 164 (10) of list A of third schedule to the KVAT Act 2003. But the item has no effect of glue. The product of the applicant "Super glue" may be made of chemicals, but is an end product used for joining things together. All adhesives and glues have been notified as taxable @ 12.5 % vide serial number 3(8) of SRO 82/06. Therefore the product Super glue imported and marketed by M/s. Candid Industries, Cochin, after all being "Glue", is taxable at 12.5 % coming under Sl. No. 3(8) of the SRO 82/06.

The issue raised by the petitioner is clarified as above.

Sd/
Commissioner