

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

ACARR NO.012/2014-15
(Acts Cell -II/13355/2014)

Dated 08.09.2014

- Present:**
1. Thiru. K.Rajaraman, I.A.S.,
Principal Secretary & Commissioner of Commercial Taxes.
 2. Thiru. R.Vayanaperumal,
Additional Commissioner (CT), (Public Relations)
 3. Thiru. K.Mahalingam,
Additional Commissioner (CT), (Revision Petitions)

1.	Name and address of the Applicant	:	Tagros Chemicals India Limited "Jhaver Centre" Rajah Annamalai Building, IV Floor, 72, Marshalls Road, Egmore, Chennai-600 008.
2.	Registration Certificate No.	:	TIN:33360441486/ CST.691073
3.	Date of application	:	25.04.2014
4.	Date of receipt of application	:	25.04.2014
5.	Clarification sought for	:	Rate of Tax on "Sale of pesticides to formulators who formulated using solvents etc., before being sold by formulators for agricultural purpose"
6.	Date of Personal Hearing	:	13.08.2014
7.	Represented by	:	Thiru B.Jeyabalan, Deputy Manager- Accounts

ORDER

Tagros Chemicals India Limited" Jhaver Centre" Rajah Annamalai Building, IV Floor, 72, Marshalls Road, Egmore, Chennai-600 008, (TIN:33360441486/ CST.691073) are registered dealers in the file of Assistant Commissioner (CT) Egmore I Assessment Circle,

manufacturing and marketing Pesticides/Insecticides to formulators who formulated using solvents etc., before being sold by formulators for agricultural purpose" have preferred application in Form "VV" and sought for clarification under section 48-A (1) of the TNVAT Act 2006, read with rule 12(A) of TNVAT Rules 2007.

2. The Applicant-dealer sought for clarification and following:-

Rate of tax on "Sale of pesticides to formulators who formulated using solvents etc., before being sold by formulators for agricultural purpose"

The dealer applicant in Form VV have stated that they are a leading manufacturer, and exporter of Pesticides from Tamil Nadu to various countries. Also they sell around 15%-20% of their Products within India. Their products range include Technical and formulation. While formulation products can be used directly by the consumers, technical need to be formulated by the formulators using solvent etc., before being sold for agricultural purpose.

3. In this regard, the applicant dealer requested to note the fact that Pesticides were exempt till 28.05.2013 under TNVAT Act. Vide amendment to Tamil Nadu Value Added Tax Act, 2006 on 28.05.2013 the Entry relating to pesticides has been shifted to Sl.No.38A from Sl.No.17A and reads as below:

"38A Goods which are used for Agricultural / horticultural purpose. Namely:-

- (a) Chemical Fertilizers.
- (b) Insecticides, Pesticides, Rodenticides, Fungicides, Herbicides and combinations thereof, Plant-growth promoters, Plant Nutrients, Micro Nutrients and Bio fertilizers"

Since they sell their products mainly for Agricultural purpose only, they requested to clarify whether their products can be sold for agriculture purpose to the formulators without TNVAT, vide above amendment. Finally they have requested to provide personal hearing before issuing clarification.

4. In this office reference in Acts Cell-II/13355/2014 dated 25.04.2014 in ACAAR 12/2014-15 a personal hearing notice was send to the dealer applicant with requested to appeal for personal hearing along with require details before the Authority for Advance Ruling and Clarification on 13.08.2014 at 4.00 PM at the officer of the Principal Secretary / Commissioner of Commercial Taxes, Chepauk, 2 Floor put forth their case.

5. Accordingly the dealer applicant appeared before this forum on 13.08.2014 and produced broacher containing process of manufacturing Pesticide/Insecticide out chemicals such as Alpha Cypermethrin, hexane and Tri ethylamine for examination by the authority.

6. At the time of hearing on 13.08.2014, the Authority for Advance Ruling Authority have directed the applicant dealer to produce copies of certificates issued by competent authorities permitting the applicant dealer for producing and marketing Insecticide/pesticide.

Accordingly, the applicant dealer in their letter dated 14.08.2014 have enclosed copies of the following documents for perusal Advance Ruling Authority:-

1. Copy of Certificate of registration of Insecticides under section 9(4) of the Insecticides Act 1968, issued by the Government of India, Ministry of Agriculture, Directorate of plant protection quarantine and storage, Haryana in No.30-TIM/98.
2. Copy of Certificate of registration of Insecticides under section 9(4) of the Insecticides Act 1968, issued by the Government of India, Ministry of Agriculture, Directorate of plant protection quarantine and storage, Haryana in No.295-F/97 dated 02.05.1998.
3. Copy of License to manufacture Insecticides, in Form V under rule 9(2) issued by the Director of Agriculture-2, Government of Tamilnadu dated 18.11.1998.

7. The issue has been examined on 25.08.2014 in detail with reference to the provisions of TNVAT Act, 2006 and Rules, 2007 as well as relevant entries under Forth schedule to the TNVAT Act 2006 and also with reference to the certificates issued by the Central Government and Statement authorities authorizing the applicant dealer for manufacturing and marketing Insecticides.

8. Examination of the products manufactured by the applicant dealer are Insecticides as per the certificates issued by the Central Government and Statement authorities authorizing the applicant dealer for manufacturing and marketing Insecticides. Indigenously manufactured Alpha Cypermethrin Technical is primarily used as pesticides or insecticides.

9. Therefore, it is clarified that "Alpha Cypermethrin Technical" is a species of "Insecticide" for Agricultural/horticultural purposes exempted from tax falling under entry 38-A (b) in Part-B of the Forth Schedule to the TNVAT Act 2006, if used for agriculture/horticulture purposes.

Dated this the 8th Day of September, 2014.

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

Sd/- K. Mahalingam,
Additional Commissioner (RP)

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

To

Tvl. Tagros Chemicals India Limited
"Jhaver Centre" Rajah Annamalai Building, IV Floor,
72, Marshalls Road, Egmore,
Chennai-600 008.

Copy to:

The Assistant Commissioner (CT)
Egmore Assessment Circle

The Joint Commissioner (CT),
Chennai (Central) 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, Greaves Road, Chennai - 6.

The Executive Officer, Traders Welfare Board, Chennai - 5.

The Accountant General (Audit)-II, No.44, Greaves 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)