

**GOVERNMENT OF TAMILNADU
COMMERCIAL TAXES DEPARTMENT**

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

ACAAR No.120/2015-2016
Acts cell-II/5589/2016

Dated: 22.05.2018

- Present:**
1. Dr.T.V. Somanathan, I.A.S.,
Principal Secretary / Commissioner of Commercial Taxes.
 2. Thiru M. Parameswaran,
Additional Commissioner (ST), (Public Relations)(FAC)
 3. Dr. C. Palani,
Additional Commissioner (ST), (Revision Petitions)(FAC)

1	Name and address of the Applicant	:	Tvl. Tamil Nadu Minerals Limited, No.31, Kamarajar Salai, TWAD House, Chepauk, Chennai- 600 005.
2.	Registration Certificate No.	:	TIN : 33790660324 CST : 37487
3.	Assessment Circle	:	Chepauk Assessment Circle
4.	Date of application	:	25.02.2016
5.	Date of receipt of application	:	04.03.2016
6.	Clarification sought for	:	Rate of tax on " Tami Gold- Vermiculite Waste "
7.	Date of Personal Hearing	:	--
8.	Represented by	:	--

ORDER

Tvl. Tamil Nadu Minerals Limited, No.31, Kamarajar Salai, TWAD House, Chepauk, Chennai- 600 005 (TIN 33790660324), registered dealer in the files of Chepauk Assessment Circle have preferred application in Form 'VV' and sought clarification under Section 48-A (1) of the Tamil Nadu Value Added Tax Act, 2006 (TNVAT Act,2006), read with Rule 12-A of the Tamil Nadu Value Added Tax Rules, 2007 (TNVAT Rules, 2007).

2. The applicant-dealer have sought for clarification for the rate of tax on "**Tami Gold- Vermiculite Waste**". The applicant-dealers have stated that it is producing for using directly for Agriculture and

Horticulture over the Pavements in the public places and combined residential accommodation. The applicant further stated that this product contains Aluminium-Iron Magnesium Silicates and it can retain moisture and nutrients that improve aeration resulting in faster, healthier and maximum growth of Plants in the Horticulture field resulted with maximum yield.

3. The issue has been examined in detail with reference to the provisions of the TNVAT Act, 2006 and TNVAT Rules, 2007 and the related entries in all the Schedules to the TNVAT Act, 2006. Section 48-A of the TNVAT Act, 2006 provides for clarification on any point concerned with rate of tax for commodities.

4.1. The unique feature of the product Vermiculite waste is that it is feather light (extremely Light), Low thermal conductivity, Non-conductivity of Electricity, Fire Resistant, Echo Proof (Acoustical Insulation), Termite Resistant and Optimum Compatibility with Cement. In addition to Agricultural and Horticultural activities, this commodity is also used in Building activities and in Bio technological activities and the products comes in different grades. Grade I, II and III are used in Building Activities, Grade IV is used in Horticultural and Agricultural activities and Grade V is used in Bio Technological Activities.

4.2. Though all these grades of product finding place in the website of TAMIN, the dealer applicant has restricted their request only with reference to Grade IV i.e, used in Agricultural and Horticulture. This Grade IV vermiculate acts as booster for Soil Growth and light weight compound for Terrace Gardens. As stated by the applicant, it requires less watering, retains moisture and nutrients, improves soil aeration, needs no additional feeding, eliminates damping off, improving drought tolerance, helps in faster seed germinations and facilitates soil conditions.

4.3. Since the commodity is used in different circumstances as explained above, as stated by the applicant-dealer, it cannot be clarified with reference to agricultural and horticultural use and in the present scenario, it is used in new applications like compressed false ceiling sheets, clay mineral barrier in canal lining to eliminate seepage loss, polluted waste water remediation (Dye effluent and tannery effluent treatments) and Waste developments enriching in with nutrients. In Bio-Technology field, it reduces usage of Chemical Fertilizers reduces bulk density in soil, increase hydraulic conductivity in soil, increase porosity in soil, Maximum yield and Healthier crops and therefore it cannot be equated to Chemical fertilizers as found in entry 17-A(i) of Part-B of fourth Schedule to TNVAT Act 2006.

4.4. Since the component of Vermiculite waste is of inorganic in nature like magnesium, potassium and sodium silicate, it cannot be classified as organic manure as found in entry 7 of Part B of the Fourth Schedule to the TNVAT Act, 2006. Similarly, it cannot also be classified

as Bio-fertilizers and therefore the appropriate entry that accommodates the commodity TAMI GOLD-Vermiculite waste being an inorganic mineral is entry 93 of Part-B of the First Schedule to the TNVAT Act 2006, viz., Ores and Minerals, Lime, Limestone, products of Lime and Dolomite that are taxable at 5%.

5. In view of the above, it is clarified that **"TAMI GOLD-Vermiculite Waste" is taxable at 5% under Entry 93 of Part-B of the First Schedule to the TNVAT Act, 2006.**

Dated this the twenty second day of May 2018.

Sd/- M. Parameswaran,
Additional Commissioner (PR)(FAC)

Sd/- C. Palani,
Additional Commissioner (RP) (FAC)

Sd/- T.V. Somanathan,
Principal Secretary/
Commissioner of Commercial Taxes

To

Tvl. Tamil Nadu Minerals Limited,
No.31, Kamarajar Salai,
TWAD House, Chepauk,
Chennai- 600 005.

Copy to:

The Assistant Commissioner (ST),
Chepauk Assessment Circle.

The Joint Commissioner (ST),
Chennai (East) 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 (ST) including Enforcement, LTU, MOU and ISIC.

All Deputy Commissioners (ST), 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 File 3/ Acts Cell-II /Spare - 5.

//forwarded / by order//


State Tax Officer
24/5/18