

**GOVERNMENT OF TAMILNADU
COMMERCIAL TAXES DEPARTMENT**

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

ACAAR No.42/2016-17
(Acts Cell-II/28823/2016)

Dated:13.04.2017

- Present:**
1. Dr.C.Chandramouli, I.A.S.,
Additional Chief Secretary /Commissioner of Commercial Taxes.
 2. Thiru. A.Sarvar Allam,
Additional Commissioner (CT), (Public Relations)(FAC)
 - 3.Thiru. K. Gnanasekaran,
Additional Commissioner (CT), (Revision Petitions)(FAC)

1.	Name and address of the Applicant	:	Tvl. Vetrivel Explosives (P) Ltd, No.135-A (Old No 135F) Kennedy Nagar, Salem-636 005.
2.	Registration Certificate No.	:	TIN No. 33142801908. CST:704277
3.	Assessment Circle	:	Suramangalam Circle, Salem Division.
4.	Date of application	:	17.10.2016
5.	Date of receipt of application	:	20.10.2016
6.	Clarification sought for	:	Rate of tax on " Explosives ".
7.	Date of Personal Hearing	:	----
8.	Represented by	:	----

ORDER

Tvl. Vetrivel Explosives (P) Ltd, No.135-A (Old No 135F) Kennedy Nagar, Salem - 636 005. (TIN No.33142801908), registered dealers in the files of Suramangalam Circle, Salem division have preferred an application in Form 'VV' and sought clarification under Section 48-A (1) of the Tamil Nadu Value Added Tax Act read with Rule 12-A of Tamil Nadu Value Added Tax Rules, 2007 (TNVAT Rules, 2007) on the rate of tax applicable on "**Explosives**".

2.1 The applicant-dealers have stated that they are they are supplying Explosives to M/S Neyveli Lignite Corporation Limited. They have requested to supply these explosives at 5% on issuing a certificate with a declaration that explosives purchased from us are used for generation of electrical energy.

2.2. They have also stated that the Government of Tamil Nadu has reduced the tax rate for the supply of any goods other than petrol, Diesel and Cement to M/S Neyveli Lignite Corporation Limited vide Notification - III (G.O.Ms No.77 Commercial Taxes & Registration (B2) Department dated 11th July 2011 in No II (1) /CTR 12(R-17)/2011.

3. This committee considered the above application and the documents filed along with the application carefully and examined the issue with reference to the Schedules and provisions of TNVAT Act, 2006, Rules made thereunder and notifications issued under the Act.

4. Explosives of all kinds are liable to tax at 14.5% under Entry 5 of Part-C of First Schedule to the Tamil Nadu Value Added Tax, 2006. In the notification issued in G.O.Ms. No.77, Commercial Taxes and Registration (B2) Department, dated 11th July 2011, it is mentioned that sale of any goods except petrol, diesel and cement to M/s. Neyveli Lignite Corporation Limited, Neyveli for use in Generation, Transmission and Distribution for electrical energy is liable to tax at concessional rate of 5% subject to production of a certificate.

5. In the case of applicant, the explosives sold to M/S. Neyveli Lignite Corporation Limited, Neyveli cannot be treated as directly used for the purpose of generation of electrically, as explosives are generally used for mining purposes only, which is pre-manufacturing activity.

6. In view of the above discussion, it is clarified that the explosives sold by the applicant to M/S. Neyveli Lignite Corporation Limited, Neyveli is liable to tax at 14.5% under Entry 5 of Part-C of First Schedule to the Tamil Nadu Value Added Tax, 2006 and the concessional rate notified by the Government in the above notification is not applicable to the transaction.

Dated this the Thirteenth day of April 2017.

Sd/- A. Sarvar Allam,
Additional Commissioner (PR)(FAC)

Sd/- K. Gnanasekaran,
Additional Commissioner (RP) (FAC)

Sd/- Dr.C. Chandramouli, I.A.S
Additional Chief Secretary/
Commissioner of Commercial Taxes

To,
Tvl. Vetrivel Explosives (P) Ltd,
No.135-A (Old No 135F) Kennedy Nagar,
Salern-636 005

Copy to:
The Assistant Commissioner (CT)
Suramangalam Assessment Circle

The Joint Commissioner (CT),
Salern 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

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//

U.S. Narayan
Commercial Tax Officer