

**GOVERNMENT OF TAMILNADU  
COMMERCIAL TAXES DEPARTMENT**

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

**ACAAR No.43/2015-16**  
**Acts cell-II/18164/2015**

Dated:07.03.2016

- Present:**
- 1.Thiru. S.K.Prabakar, I.A.S.,  
Principal Secretary / Commissioner of Commercial Taxes.
  - 2.Thiru. A.Sarvar Allam,  
Additional Commissioner (CT), (Public Relations)(FAC)
  - 3.Thiru. K. Mahalingam,  
Additional Commissioner (CT), (Revision Petitions)

1	Name and address of the Applicant	:	Tvl. Tamil Nadu Minerals Limited, No.31, Kamarajar Salai, Chepauk, Chennai - 600005
2.	Registration Certificate No.	:	TIN.No.33790660324 CST.37487
3.	Assessment Circle	:	Chepauk Assessment Circle
4.	Date of application	:	03-06-2015
5.	Date of receipt of application	:	04-06-2015
6.	Clarification sought for	:	Rate of Tax on " <b>Sale of Polished Granite cut to slab size to M/s. Chennai Metro Rail Limited</b> "
7.	Date of Personal Hearing	:	---
8.	Represented by	:	---

**ORDER**

Tvl. Tamil Nadu Minerals Limited, No.31, Kamarajar Salai, Chepauk, Chennai - 600005 (TIN.No. 33790660324), registered dealers 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 Tamil Nadu Value Added Tax Rules, 2007 (TNVAT Rules, 2007).

2. The applicant-dealers have stated that they are supplying **"Polished Granite cut to slab size"** to **M/s. Chennai Metro Rail Limited** for their underground stations. The applicant dealers cited the Notification No.(II)(1)CT/19(b-9)/2002 dated 27<sup>th</sup> March 2002, published at pages 35-36 of part-II-Section 1 of Tamil Nadu Government Gazette, Extraordinary hereby grants "reduction in rate of tax to 5% on the sale to the State and Central Government Departments including Indian Railways and Departments of other State Governments in Tamil Nadu of any goods specified in the First Schedule which are taxable at a rate higher than 5%". In this regards, the applicant-dealers have requested to clarify whether the reduction granted as above will applicable for them for supply of polished granite slabs to M/s. Chennai Metro Rail Limited.

3. The issue has been examined in detail with reference to the provisions of TNVAT Act, 2006 and Rules 2007 and the relative entries regarding the commodities classified under the First and Fourth Schedule to the TNVAT Act, 2006. Section 48-A of TNVAT Act, 2006 provides for clarification on any point concerned with rate of tax for commodities.

4.1. The applicant dealers have sought for clarification on rate of tax for **"Sale of Polished Granite cut to slab size to M/s. Chennai Metro Rail Limited"**. The "Polished granite cut to slab" can be classified under Entry 36 (iii)(b) of Part-C of First Schedule to the TNVAT Act, 2006 with the description "Polished granite slabs, including tombstones, monument slab and head stone" and is taxable at 14.5%.

4.2. The Government of Tamil Nadu created a Special Purpose Vehicle (SPV) for implementing the Chennai Metro Rail Project. This SPV named as "Chennai Metro Rail Limited" was incorporated on 03.12.2007 under the Companies Act. It has now been converted into a Joint Venture of Government of India and Government of Tamil Nadu with equal equity holding. Since the Chennai Metro Rail Limited

is registered under Companies Act, the Chennai Metro Rail Limited cannot be equated to be a department either under the State Government of Tamil Nadu or the Central Government. Hence the Notification No.(II)(1)CT/19(b-9)/2002 dated 27<sup>th</sup> March 2002, granting a reduction in the rate of tax to 5% on the sale of any goods specified in the First Schedule which are taxable at a rate higher than 5% to the State and Central Government Departments including Indian Railways and Departments of other State Governments in Tamil Nadu **will not be applicable for the sale of "polished granite by the applicant dealers to M/s. Chennai Metro Rail Limited.**

5. In view of the above discussion, this Committee clarifies that **"Sale of Polished Granite slabs to any persons including M/s. Chennai Metro Rail Limited"** is liable to tax at 14.5% as under Entry 36 (iii)(b) of Part-C of First Schedule to the TNVAT Act, 2006.

Dated this the Seventh day of March 2016.

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

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

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

To  
Tvl. Tamil Nadu Minerals Limited,  
No.31, Kamarajar Salai,  
Chepauk,  
Chennai - 600005

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

The Joint Commissioner (CT),  
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 (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, 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//

  
Additional Commissioner (PR)(FAC)