

**GOVERNMENT OF TAMILNADU  
COMMERCIAL TAXES DEPARTMENT**

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

**ACAAR No. 49/2016-17**  
**(Acts Cell-II/31720/2016)**

Dated:02.06.2017

**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. Kallakurichi-II-COOP. Sugar Mills Ltd, Kachirapalayam - 606207, Vilupuram District, Tamilnadu
2.	Registration Certificate No.	:	TIN.No. 33914781109, CST No. 397087/94
3.	Assessment Circle	:	Kallakurichi Assessment Circle
4.	Date of application	:	10-11-2016
5.	Date of receipt of application	:	16-11-2016
6.	Clarification sought for	:	Rate of tax on " <b>Pressmud</b> "
7.	Date of Personal Hearing	:	--
8.	Represented by	:	--

**ORDER**

Tvl. Kallakurichi-II-COOP. Sugar Mills Ltd, Kachirapalayam - 606207, Vilupuram District (TIN.No. 33914781109), registered dealers in the files of Kallakurichi 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) on the rate of tax applicable on "**Press Mud**".

2.1. The applicant-dealers have stated that in their Sugar Mill nearly 110 tonnes of waste are produced. These wastes cannot be stored separately as they produce foul smell in the Mill premises. So these wastes are given to their members and the rest are sold. While doing so for the sale of Press Mud the applicant-dealers are charging a VAT of 14.5% as an unknown item. By charging a VAT on the sale of the Press Mud no dealers are willing to buy these wastes. It is also admitted that the Press Mud are used only for Agricultural purposes.

2.2. The applicant-dealers have enclosed the composition of the press Mud as shown below:

Moisture	32.68% to 50.00%
Nitrogen	1.63%
Phosphorous	8.40%
Potash	8.76%
Sulphur	7.93%
Magnesium	4.14%
Calcium	19.83%
Silicon	9.93%
Crude Wax	6.70%

The applicant-dealers have also stated that the Pressmud is the final by product of the sugar industry which is predominantly used as soil ameliorant and nutrition supplement which is distributed to the cane growers of their mills at free of cost. The sugarcane growers are trained in such a way to utilize the raw Pressmud after allowed it for natural curing for 6 months to 1 year.

3.1. 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.

3.2. Entry 38-A of Part-B of Fourth Schedule is reads as follows:

38-A Goods which are used for Agricultural/horticultural purposes, namely:

a) Chemical fertilizers

b) Insecticides, Pesticides, Rodenticides, Germicides, Weedicides, Fungicides, Herbicides and combination thereof; plant-growth promoters, **plant Nutrients, Micro Nutrients, Bio -nutrients**

**"Pressmud"** the organic solid waste of sugar mill is utilized for conversion into a nutrient supplement and as soil ameliorant substance. Hence the Pressmud may be classified as plant nutrients, Micro Nutrients, Bio-nutrients under Entry-38-A (b) of Part-B of Fourth Schedule to the TNVAT Act, 2006.

4. In view of the above discussion, this committee clarifies that **"Pressmud" if it is sold as 'plant nutrients, Micro Nutrients, Bio-nutrients' is eligible for exemption from VAT liability under Entry 38-A of Part-B of Fourth Schedule to the TNVAT Act, 2006.**

Dated this the Second day of June 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.Kallakurichi-II-COOP. Sugar Mills Ltd,  
Kachirapalayam – 606207,  
Vilupuram District, Tamilnadu

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

The Joint Commissioner (CT),  
Vellore 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//

  
Commercial Tax Officer