

**GOVERNMENT OF TAMIL NADU  
COMMERCIAL TAXES DEPARTMENT**

**PROCEEDINGS OF THE  
AUTHORITY FOR CLARIFICATION AND ADVANCE RULING**  
(Under Section 48-A (4) of TNVAT Act, 2006)

**Present: 1. Dr. K. Manivasan, I.A.S.,  
Commissioner of Commercial Taxes  
2. Thiru. R. Chandramohan, M.A.,  
Additional Commissioner (PR)  
3. Thiru. B. Gnanasekar, M.A.,  
Additional Commissioner (RP)**

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- 1) D.Dis.Acts Cell II/26459/2012                      Dated 26.10.2012**  
**2) D.Dis.Acts Cell II/26460/2012**  
**3) D.Dis.Acts Cell II/26461/2012**  
**4) D.Dis.Acts Cell II/26462/2012**  
**5) D.Dis.Acts Cell II/26463/2012**  
**6) D.Dis.Acts Cell II/26464/2012**  
**7) D.Dis.Acts Cell II/26465/2012**  
**8) D.Dis.Acts Cell II/26466/2012**

- Ref: 1. Proceedings of the Authority for clarification and Advance Ruling in A.C.A.A.R 2/2011-12, dt 30-3-12.  
2. Proceedings of the Authority for clarification and Advance Ruling in A.C.A.A.R 4/2011-12, dt 30-3-12.  
3. Proceedings of the Authority for clarification and Advance Ruling in A.C.A.A.R 5/2011-12, dt 30-3-12.  
4. Proceedings of the Authority for clarification and Advance Ruling in A.C.A.A.R 6/2011-12, dt 30-3-12.  
5. Proceedings of the Authority for clarification and Advance Ruling in A.C.A.A.R 7/2011-12, dt 30-3-12.  
6. Proceedings of the Authority for clarification and Advance Ruling in A.C.A.A.R 8/2011-12, dt 30-3-12.  
7. Proceedings of the Authority for clarification and Advance Ruling in A.C.A.A.R 9/2011-12, dt 30-3-12.  
8. Proceedings of the Authority for clarification and Advance Ruling in A.C.A.A.R 10/2011-12, dt 30-3-12.  
9. Review application of Tvl. Rajeswari Chemicals, D-1, SIDCO Industrial Estate, Mettur Dam dt. Nil.  
10. Review application of Tvl. Jayashree Chemicals and Engineering Works, Plot No.25-A, SIDCO Industrial Estate, Mettur Dam – 636 402, dated NIL.

11. Review application of Tvl. Siva Sakthi Chemicals, B-18, SIDCO Industrial Estate, Mettur Dam, dt NIL.
12. Review application of Tvl. A.K. Chemicals, 25-A, SIDCO Industrial Estate, Mettur Dam dt NIL.
13. Review application of Tvl. Sri Venkateswara Chemicals, 33-B, SIDCO Industrial Estate, Mettur Dam,dt NIL.
14. Review application of Tvl. Pallava Chemicals, 33/D2, SIDCO Industrial Estate, Mettur Dam,dt NIL.
15. Review application of Tvl. Jothi Chemicals, No.34-G, SIDCO Industrial Estate, Mettur Dam,dt NIL.
16. Review application of Tvl. Sri Murugan Industries, Plot No.25-D, SIDCO Industrial Estate Mettur Dam,dt NIL.

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### **REVIEW ORDER**

The Authority for Clarification and Advance Ruling in the proceedings cited 1 to 8 had clarified that "**Magnesium Sulphate – agri grade**" is a chemical taxable at 5% under Entry 1 of Part B of the First Schedule.

2. Aggrieved against the said orders, the respective dealers had filed applications separately before the Authority under Section 48-A (4) of the TNVAT Act, 2006 to review its clarification given earlier, pleading that "**Magnesium Sulphate – agri grade**" is a micronutrient used for agricultural purposes and therefore exempted from tax as chemical fertilizers.

3. Thiru. B. Ramkumar, Advocate / Authorized Representative appeared on behalf of all the 8 applicants and putforth the grounds for review claiming exemption. It was stated that "**Magnesium Sulphate**" as a chemical has only a limited use in soap industry, pharmaceuticals, tannery and for use in laboratories in educational institutions. The predominant use of magnesium sulphate is in the field of agriculture as a micronutrient for plant growth. The Department of Agriculture, Tamil Nadu, also issues license for the manufacture of "**Magnesium Sulphate – agri grade**" recognizing it as a fertilizer and the market value is also much less when compared with the Magnesium Sulphate sold as chemical. It has direct application in agricultural fields besides its use as micronutrients.

4. The Authority has considered the issue afresh. The clarification given earlier in respect of all the 8 applications was reviewed in the light of the documentary evidences produced at the time of personal hearing.

5. The earlier clarification to the effect that "**Magnesium Sulphate – agri grade**" is taxable at 5% under Entry 1 of Part B of the First Schedule was given as magnesium sulphate is known as a chemical and it is also dealt by dealers in chemicals.

6. Magnesium Sulphate is a kind of small white crystal. Magnesium Sulphate has a wider use in agriculture as micronutrient for plant growth and Magnesium Sulphate as chemical has only limited use in the fields of Soap Industry, Pharmaceuticals, Tannery, Educational institutions. [The manufacture of Magnesium Sulphate is also licensed by Agriculture Department recognizing it as a chemical fertilizer.] Magnesium Sulphate is used in the preparation of micronutrient and it is also added directly to the soil to increase the fertility of the soil and to support plant growth. A kilogram of Magnesium Sulphate as a micronutrient is priced about at Rs.7/- per kilogram and Magnesium Sulphate as a chemical is priced at about Rs.280/- per kilogram. The chemical property of Magnesium Sulphate used in Agricultural fields widely differs from Magnesium Sulphate of lab grade and medical grade.

7. The Authority after reviewing the issue in depth decides under Section 48-A (4) that "**Magnesium Sulphate – agri grade**" is a chemical fertilizer exempted under Entry 17-A of Part B of the Fourth Schedule. Magnesium Sulphate if sold as a chemical for any other non-agriculture purposes is taxable at 5% under Entry 1 of Part B of the First Schedule to the Act.

8. The clarification issued earlier in respect of the 8 dealers cited above, is modified to the extent as discussed above.

Sd/- R. Chandramohan                      Sd/- B. Gnanasekaran                      Sd/- Dr.K. Manivasan  
Additional Commissioner (PR)      Additional Commissioner (RP)      Commissioner of Commercial Taxes

To

1. Tvl. Pallava Chemicals,  
33/D2, SIDCO Industrial Estate,  
Mettur Dam – 636 402.
2. Tvl. A.K. Chemicals,  
No.25-A, SIDCO Industrial Estate,  
Mettur Dam – 636 402.

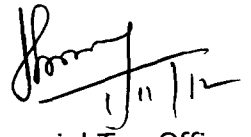
3. Tvl. Siva Sakthi Chemicals,  
No.B-18, SIDCO Industrial Estate,  
Mettur Dam – 636 402.
4. Tvl. Jothi Chemicals,  
No.34-G, SIDCO Industrial Estate,  
Mettur Dam – 636 402.
5. Tvl. Jayashree Chemicals and  
Engineering Works,  
Plot No.25-A, SIDCO Industrial Estate,  
Mettur Dam – 636 402.
6. Tvl. Rajeswari Chemicals,  
D-1, SIDCO Industrial Estate,  
Mettur Dam – 636 402.
7. Tvl. Sri Venkateswara Chemicals,  
Plot No.33-B, SIDCO Industrial Estate,  
Mettur Dam – 636 402.
8. Tvl. Sri Murugan Industries,  
Plot No.25-D, SIDCO Industrial Estate,  
Mettur Dam – 636 402.

Sd/- R. Chandramohan      Sd/- B. Gnanasekaran      Sd/- Dr.K. Manivasan  
Additional Commissioner (PR)      Additional Commissioner (RP)      Commissioner of Commercial Taxes

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The Joint Commissioner (CS) to host in the Department Website  
The Secretary to Government, Commercial Taxes & Registration Department,  
Secretariat, 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.  
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// forwarded by order //

  
Commercial Tax Officer.