

**GOVERNMENT OF TAMIL NADU
COMMERCIAL TAXES DEPARTMENT**

**PROCEEDINGS OF THE
AUTHORITY FOR CLARIFICATION AND ADVANCE RULING
(Under Section 48-A 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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**A.A.R.A.C 27/ 2012-13
D.Dis. Act Cell II/17152/2012**

Dated 27.07.2012

Ref: Application of Tvl. Kissan Chem, Plot No.55/36,
First Floor, G R Nagar, Seelanaiackanpatti,
Salem - 636 201, Dated 22.05.2012

ORDER

Tvl. Kissan Chem, Plot No.55/36, First Floor, G R Nagar, Seelanaiackanpatti, Salem - 636 201,, (TIN: 33152702235 have filed an application and sought clarification and advance ruling on the following under Section 48-A of the TNVAT Act, 2006, read with Rule 12-A of the TNVAT Rules, 2006.

2. They have sought clarification on the following in column No.4 of Form "VV":

"Magnesium Sulphate - Fertilizer grade".

3. The issue has been examined in detail with reference to the provisions of the TNVAT Act and Rules and the relevant entries in the First Schedule and Fourth Schedule upto and after 11.07.2011 and clarification is given.

4. The Tamil Nadu Value Added Tax (Second Amendment) Act, 2011 came into force on 27.09.2011, inserting a new section 48-A for the constitution of a State Level Authority for Clarification and Advance Ruling to clarify any point concerning the rate of tax.

5(i) Item No.27 of Part-B of the First Schedule as it stood upto 11.07.2011 is as follows

"27(i) Chemical Fertilizers"

5(ii) Item No.17-A of Part B of the Fourth Schedule as it stands from 12.07.2011 is as follows

"17-A(i) Chemical Fertilizer"

6(i). The applicants have sought clarification for the rate of tax on "**Magnesium Sulphate - Fertilizer grade**". In common parlance, magnesium Sulphate cannot be termed as chemical fertilizer and chemical fertilizer by its very name does not encompass magnesium sulphate. In determining the meaning or connotation of words and expressions describing an article in a Schedule, those words and expressions should be construed in the sense in which they are understood by the dealer and the customer in the trade.

6(ii) In 72 STC 280, the Supreme Court had held that where a word has a scientific or technical meaning and also an ordinary meaning according to common parlance, it is the latter sense that in a taxing statute the word must be held to have been used, unless a contrary intention is clearly expressed by the legislature. Applying this theory of common parlance, it is seen that the commodity, magnesium sulphate is not considered, treated or understood as chemical fertilizer by people who are dealing in it.

7. Therefore, the clarification is that, Magnesium sulphate is not a chemical fertilizer but "chemical" falling under item Entry of Part-B of the First Schedule taxable at 5% under the TNVAT Act, 2006.

Sd/- R. Chandramohan
Additional Commissioner (PR)

Sd/- B. Gnanasekar
Additional Commissioner(RP)

Sd/- K. Manivasan
Commissioner of Commercial Taxes

To
Tvl. Kissan Chem,
Plot No.55/36, First Floor,
G R Nagar, Seelanaiaackanpatti,
Salem - 636 201.

Copy to:
Assistant Commissioner (CT)
Salem Rural Assessment Circle.
The Joint Commissioner (CS)

To host in Department Website

The Secretary to Government, Commercial Taxes and 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 Joint Commissioner (CT), Salem Division, Salem
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 Deputy Commissioner (CT), Salem
All Additional Commissioners, Deputy Commissioners, Assistant Commissioners,
Commercial Tax Officers in CCT 's Office
Personal Clerk to the CCT
Stock file / Acts Cell II / Spare-5

//forwarded by order//


31/7/12
Commercial Tax Officer