

**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. Thiru. Hemant Kumar Sinha, I.A.S.,
Principal Secretary /
Commissioner of Commercial Taxes,
2. Thiru. R. Chandramohan, M.A.,
Additional Commissioner (PR)
3. Thiru. E. Rathinasamy, M.Sc., B.L.,
Additional Commissioner (RP) (FAC)**

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A.C.A.R 7/ 2011-12
D.Dis.Acts Cell II/42769/2011

Dated 30.03.2012

Ref: Application of Tvl. A.K. Chemicals, No.25-A,
SIDCO Industrial Estate, Mettur Dam – 636 402,
Dated Nil

ORDER

Tvl. A.K. Chemicals, No.25-A, SIDCO Industrial Estate, Mettur Dam – 636 402, (TIN: 33243245919) have filed an application and sought clarification and advance ruling on the following under section 48-A of TNVAT Act, 2006, read with rule 12-A of TNVAT Rules, 2006.

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

**"Chemical Fertilizer – Magnesium Sulphate
– Agri grade".**

3. The issue has been examined in detail with reference to provisions of the TNVAT Act and Rules and the relevant entries in the First Schedule and Fourth Schedule up to 11.07.2011 and from 12.07.2011 and clarification is given as under:

4. The Tamil Nadu Value Added Tax (Second Amendment) Act, 2011 came into force on 27.09.2011, by 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 to 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 to Fourth Schedule as it stands from 12.07.2011 is as follows

"17-A(i) Chemical Fertilizer"

6(i). The applicant sought clarification on "Chemical Fertilizers- Magnesium Sulphate – Agri 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 in the trade by the dealer and the customer whose goods are marketable.

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. The commodity magnesium sulphate does not fit into the description chemical fertilizers.

7. Therefore, the clarification is that, Magnesium sulphate is not a chemical fertilizer but "a chemical only" falling under item No.1 of Part-B to First Schedule taxable at 5% under TNVAT Act, 2006.

Sd/- R.Chandramohan
Additional Commissioner (PR)

Sd/- E. Rathinasamy
Additional Commissioner(RP)(FAC)

Sd/- Hemant Kumar Sinha
Principal Secretary /
Commissioner of Commercial Taxes

To
Tvl. A.K. Chemicals,
No.25-A, SIDCO Industrial Estate,
Mettur Dam – 636 402

Copy to:

Assistant Commissioner (CT)
Omalar Assessment Circle.

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 and ISIC

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), Namakkal

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//


07.05.2012
Commercial Tax Officer.