

**DEPARTMENT OF COMMERCIAL TAXES, KERALA**  
**PROCEEDINGS OF THE AUTHORITY FOR CLARIFICATION**  
**U/s.94 OF THE KERALA VALUE ADDED TAX ACT, 2003.**

***Members present are:***

- 1. Abdul Jabbar.V.K, Joint Commissioner (General), O/o. CCT, Tvpm.***
- 2 T.V. Kamala Bai, Joint Commissioner (Law), O/o. CCT, Tvpm.***
- 3. S.K. Suchala Kumar, Joint Commissioner (Audit & Inspection), O/o. CCT, Tvpm.***

Sub :- KVAT Act, 2003 – Clarification U/s 94 – Whether M-Sand obtained as a bye - product on shaping the granite metals produced in a compounded crusher unit by using a separate machine installed is exempt U/s 8(b) – Orders issued.

Read :- Application from M/s. Metarock (P). Ltd, Kollam dtd. 4/1/2011.

**ORDER No.C3/707/11/CT DATED 9/1/2012.**

1. M/s. Metarock (P) Ltd, Kollam has preferred an application U/s 94 of the Kerala Value Added Tax Act, 2003, seeking clarification on whether m-sand obtained as a bye - product on shaping the granite metals produced in a compounded crusher unit by using a separate machine installed for the purpose is exempt U/s 8(b) of the Act.

2. The applicant, a producer of granite metals, is borne on the rolls of Office of the Commercial Tax Officer, Second Circle, Kollam. The production unit is situated at Aruvikkara, Thiruvananthapuram. The applicant was permitted to pay tax at compounded rates U/s 8 of the Act for the year 2010-11, for one primary machine and two secondary machines.

3. The applicant purchased a new set of machinery consisting of Vertical Shaft Impactor, Vibrating Screen and Bucket Type sand clarifier and installed the said machinery in the same premises where the other compounded crushing machines are situated. The new machine is employed for shaping the granite metals produced so as to suit the same to the specifications of Government works and other major contract works. Manufactured sand (M-sand-3mm granite metal) is obtained in the process.

4. The applicant has referred the first proviso to sub-section (b) of Section 8 of the Kerala Value Added Tax Act, 2003 which reads ***provided that in the case of dealers, who opted to pay compounded tax under this clause, no separate assessment shall be made in respect of m-sand produced by them.***

5. The applicant contends that the new machinery installed is for shaping of granite metal into metal of 3mm size commonly known as M-Sand and it does not fall under any of the category of crushing machines whose jaw size is described in clause (i) to (iv) of sub-section (b) of Section 8. The machinery in question is neither a jaw crusher nor a cone crusher. The machine is one of a separate category having no jaw and cannot be measured invoking jaw size.

6. The applicant has requested to clarify whether the M-Sand so obtained on shaping the granite metal using the machine installed in the same premises, is taxable or not in the light of the proviso to sub-section (b) of Section 8 of the Act.

7. The authorised representative of the applicant was heard in the matter and the contentions raised were examined.

8. The impugned machine, as per the contention raised by the applicant, only polishes the granite metal produced by other crushing machines and m-sand is a resultant bye – product of the same. As such, that machine does not fall in the calculation of compounded tax, since this machine does not produce granite metals. Since the applicant is paying compounded tax for other crushing machines installed by them, the first proviso to sub-section (b) of Section 8 of the Kerala Value Added Tax Act, 2003 would squarely be applicable in this case, and hence no separate assessment be made for the m-sand so produced.

The issue raised above is clarified accordingly.

**Abdul Jabbar.V.K.**  
**Joint Commissioner (General)**  
**O/o CCT**

**T.V. Kamala Bai**  
**Joint Commissioner (Law)**  
**O/o CCT**

**S.K. Suchala Kumar**  
**Joint Commissioner (A&I)**  
**O/o CCT**

To,

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