

**75. PROCEEDINGS OF THE COMMISSIONER OF  
COMMERCIAL TAXES THIRUVANANTHAPURAM**

Present:-.Paul Antony. IAS

Sub:- KVAT Act 03- Rate of tax on Di-Calcium Phosphate-  
Request to rectify/Modify order No.C7.19361/05/CT Dt.  
07.03.06- Orders issued- Reg:

- Read:- 1. Application in Form No. 24 Dt. 04.04.05 filed by  
M/s. Kerala Chemicals and  
Proteins Ltd. Cochin
2. This office order No.C7.19361//CT Dt. 07.03.06
  3. Letter Dt. 20.04.06 from M/s. Kerala Chemicals and  
Proteins Ltd, Cochin.

**ORDER No.C7.22114/06/CT Dt. 31.07.06**

As per paper read as 1<sup>st</sup> above, M/s. Kerala Chemicals and Proteins Ltd. Cochin had filed an application for clarification U/s. 94 of KVAT Act 03, to clarify the rate of tax on Di-calcium Phosphate under VAT. The contention of the applicant was that the item Di-Calcum phosphate manufactured by the applicant is exclusively used as Poultry feed supplement and the HSN of the item is 2309.00.90 and the item can rightly be included under item No.3(g) of first schedule to KVAT Act 03.

Vide order read a 2<sup>nd</sup> above, it was clarified that the item Di- Calcium Phosphate manufactured by the applicant will not fall under entry 3(5)(g) of first schedule and will attract tax @ 12.5%. Since Di calcium phosphate with HSN 2835.25.00 were not specifically included in any of the schedule to KVAT Act 03.

Now the applicant filed an application to reconsider order No. C7.19361/CT Dt. 07.03.06. The applicant contends that Di-Calcum phosphate is categorized under chapter 23 and 28 of Customs Tariff Act 1975, but the item manufactured by the applicant will fall only under chapter 23 and will fall under entry 3 of First schedule.

Chapter 23 of Customs Tariff Act deals with prepared animal fodder out of residues and wasters of food items. The goods mentioned in that said chapter does not contain any addition of chemical substance . But the product of the applicant is a combination of animal bone, hydrochloric acid and Hydrated lime. It is a Chemical substances, which can not be classified under chapter 23, where biological substances are specified.

As already clarified, the HSN Code of the item . Di-Calcium Phosphate is 2835.25.00 and the said HSN were not specifically mentioned in any of the schedule to KVAT Act 03, as amended by KVAT (Amendment) Act 05, and hence attract tax @ 12.5%.

Hence the clarification already issued vides order No.C7.19361/05/CT Dt. 07.03.06 is in order and requires no modification/rectification.

Commissioner