

**ORDER OF CLARIFICATION MADE BY SHRI RAMENDRA JAKHU,  
FINANCIAL COMMISSIONER & PRINCIPAL SECRETARY,  
GOVERNMENT OF HARYANA, EXCISE AND TAXATION  
DEPARTMENT, UNDER SECTION 56(3) OF THE  
HARYANA VALUE ADDED TAX ACT, 2003**

**Queriest: M/s Ram Sarup Sanjiv Kumar, Novelty Road, Karnal  
holding TIN No. 06452231047**

M/s Ram Sarup Sanjiv Kumar, Novelty Road, Karnal a dealer registered under HVAT Act holding TIN No. 06452231047 is engaged in purchase and sale of fertilizers. The querist intends to purchase Gypsum from M/s Saint Gobain Gyproc India Ltd. and has sought clarification as to whether VAT is leviable on Gypsum sold by M/s Saint Gobain Gyproc India Ltd. to the assessee firm. Gypsum is a material which if added to the soil will result in better growth of plant. As per Webster's third New International Dictionary of the English Language Unabridged, Volume I, "Gypsum" has been defined as under:

"gypsum : 1. a widely distributed mineral  $\text{CaSO}_4, 2\text{H}_2\text{O}$  consisting of hydrous calcium sulphate, that, is, colourless when pure, occurs massive or in the form of monoclinic that easily split into folia, and is used chiefly as a soil amendment, as a retarder in Portland cement, and in making plaster of Paris".

In another dictionary, namely, Chambers English Dictionary by Caterine Schwartz, etc., 1992 Edition, "Gypsum" has been defined as under:

“gypsum : n. a soft mineral, hydrated calcium sulphate, source of plaster of Paris and other plasters”.

Thus, Gypsum is a material which, if added, to the soil will result in better growth of plant. It improves the soil by reducing salt contents of the soil and thereby makes it fertile for giving higher yield of the crop. It contains calcium & sulphate, which are essential nutrients. Moreover Gypsum is used as a source of plaster of paris and other plasters as well. As per entry 12 of Schedule ‘B’ appended to the HVAT Act 2003, ‘Chemical Fertilizers and Gypsum’ is exempt from VAT. Entry 12 viz ‘Chemical Fertilizers and Gypsum’ is an absolute entry without any condition attached to it and hence Gypsum, whose chemical name is Hydrous calcium sulphate,  $\text{CaSO}_4 \cdot 2\text{H}_2\text{O}$ , is exempt from VAT regardless of the use to which the same is subject and hence exempt from VAT. Matter is clarified accordingly.

(RAMENDRA JAKHU)  
Chandigarh                      Financial      Commissioner      &      Principal  
Secretary  
Dated:                      to      Govt.      Haryana,      Excise      and      Taxation  
Department.

Issued Vide Letter No.,1571-1573/ST-1,Dated 20-11-2009