

**GOVERNMENT OF TAMILNADU  
COMMERCIAL TAXES DEPARTMENT**

**PROCEEDINGS OF THE AUTHORITY FOR CLARIFICATION AND  
ADVANCE RULING**

**ACAAR No.42/2015-2016**  
**Acts cell-II/18163/2015**

Dated: 08.06.2018

- Present:**
1. Dr.T.V. Somanathan, I.A.S.,  
Principal Secretary / Commissioner of Commercial Taxes.
  2. Thiru M. Parameswaran,  
Additional Commissioner (ST), (Public Relations)(FAC)
  3. Dr. C. Palani,  
Additional Commissioner (ST), (Revision Petitions)(FAC)

1	Name and address of the Applicant	:	Tvl.Kumar Industries, Main Road, Nadupalayam, Vellatompappu(PO), Pasur(Via), Erode District-638154.
2.	Registration Certificate No.	:	TIN : 33502901038 CST : 705634
3.	Assessment Circle	:	Erode (Rural) Assessment Circle.
4.	Date of application	:	28.05.2015
5.	Date of receipt of application	:	05.06.2015
6.	Clarification sought for	:	Rate of tax on " <b>Groundnut Decordicator</b> "
7.	Date of Personal Hearing	:	--
8.	Represented by	:	--

**ORDER**

Tvl.Kumar Industries, Main Road, Nadupalayam, Vellatompappu(PO), Pasur(Via), Erode District-638154 (TIN 33502901038), registered dealer in the files of Erode Rural Assessment Circle have preferred application in Form 'VV' and sought clarification under Section 48-A (1) of the Tamil Nadu Value

Added Tax Act,2006 (TNVAT Act,2006), read with Rule 12-A of the Tamil Nadu Value Added Tax Rules, 2007 (TNVAT Rules,2007).

2.1. The applicant-dealer have sought for clarification on the rate of tax for "**Groundnut Decordicator**".

2.2. The applicant-dealer have stated that they are using Groundnut Decordicator for separating husk and groundnut kernel operated either by electric motor or by oil engine. In the Groundnut Decordicator, the husks are separated and blown by an in-built air blower by which the kernels get separated by screening into split and whole kernels. This is used for Jatropha and Castor seed shelling and also used for cleaning all sorts of seeds such as Soya-bean, Mustard Seeds, Rape Seeds, groundnuts and Cotton Seeds etc. For the purpose of tax liability, the applicant- dealer relied on the Fourth Schedule to the TNVAT Act,2006 that contained an entry Castor Sheller (item No.3 of Part-B of the Fourth Schedule).

3. The issue has been examined in detail with reference to the provisions of the TNVAT Act, 2006 and TNVAT Rules, 2007 and the related entries in all the Schedules to the TNVAT Act 2006. Section 48-A of the TNVAT Act, 2006 provides for clarification on any point concerned with rate of tax for commodities.

4.1. A Decordicator is a machine for stripping the skin, bark or rind off nuts, wood, plant stalks, grain, etc., in preparation for further processing. Clause (i) of entry 1 of Part-B of the Fourth Schedule to the TNVAT Act, 2006 lists out certain Agricultural Implements manually operated and those Animal Driven notified with effect from 01.01.2007. Entry 2 of Part B of the First Schedule dealt about the Agricultural Implements not operated manually or not driven by animal, sprayers, sprinklers, and drip irrigation equipments including their parts and accessories were taxable at 5% upto 11.07.2011.

4.2 With effect from 12.07.2011, Entry 2 of Part-B of the Fourth Schedule was incorporated in Part-B of the Fourth Schedule as Entry No.1(ii) and 1(iii) as under:-

Entry 1(ii) : Agricultural Implements other than those specified in item 1(i) above and those powered or operated by tractors or by power trillers as notified by the Government and their parts and accessories;

1(iii) : Sprayers, Sprinklers and drip irrigation equipments including their parts and accessories;

4.3. Certain implements that are operated by Power or by Tractors or by power trillers, are exempt from tax with effect from 01.04.2012 vide G.O. Ms. No. 50, Commercial Taxes & Registration (B1) Department, dated 27.03.2012 - Notification No.II(1)/CTR/12(a-13)/2013. The Agricultural Implements specified in the said notification are Bund Former, Cage Wheel, Castor Sheller, Chaff Cutter, Channel Former, Cultipacker, Cultivator, Disc Harrow, Drag Harrow, Groundnut Thresher, Multicrop Thresher, Paddy Combine Harvester, Paddy Transplanter, Power Weeder, Ridger, Rotavator, Spike Harrow, Subsoiler and Plough, bed Plough, Chisel Plough, Disc Plough.

4.4. From the above notified commodities, it is seen that a particular agricultural implement relating to specified crop has been exempted and in case of groundnut crop, it is only Thresher has been exempted from tax and not Decordicator. Therefore, the claim of the applicant-dealer that Groundnut Decordicator has to be viewed as Castor Sheller is not an agreeable one. The main function of Decordicator is removing Husk.

4.5. In a similar issue in respect of Coconut, in ACAAR No. 58/2012-13 (Acts Cell-II/28864/2012), dated 02.11.2012, the Authority for Clarification and Advance Ruling has clarified that **Coconut Dehusking Machine** falls under the category of Machinery taxable @ 14.5% under Entry 69 of Part-C of the First Schedule to the TNVAT Act,2006.

6. In view of the above, it is clarified that "**Groundnut Decordicator**" is a machinery not finding place in any of the Schedules to the TNVAT Act, 2006 is taxable @ 14.5% with effect from 12.07.2011 as a residual item as per Entry 69 of Part-C of the First Schedule to the TNVAT Act, 2006.

Dated this the Eighth day of June 2018.

Sd/- M. Parameswaran,  
Additional Commissioner (PR)(FAC)

Sd/- C. Palani,  
Additional Commissioner (RP) (FAC)

Sd/- T.V. Somanathan,  
Principal Secretary/  
Commissioner of Commercial Taxes

To

Tvl.Kumar Industries,  
Main Road, Nadupalayam,  
Vellatomparappu(PO), Pasur(Via),  
Erode District-638154.

Copy to:  
The Assistant Commissioner (ST),  
Erode (Rural) Assessment Circle.

The Joint Commissioner (ST),  
Salem Division.

The Joint Commissioner (CS)

**To host in the Department Website**

The Principal Secretary to Government, Commercial Taxes &  
Registration Department, Chennai - 9.

All Joint Commissioners (ST) including Enforcement, LTU, MOU and  
ISIC.

All Deputy Commissioners (ST), Territorial, Assessment and  
Enforcement

All Head of Offices (Assessment)

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 Additional Commissioners, Deputy Commissioners, Assistant  
Commissioners, Commercial Tax Officers in CCT's Office.

Personal Clerk to the CCT.

Stock File 3/ Acts Cell-II /Spare - 5.

**//forwarded / by order//**

  
**State Tax Officer**