

PROCEEDINGS OF THE AUTHORITY FOR CLARIFICATION AND ADVANCE RULING	
<u>ACAAR No. 112/ 2013-14.</u> (Acts Cell – II/3761/2014)	Dated 23.10.2014
<u>Present:</u>	1. Thiru. K.Rajaraman, I.A.S., Principal Secretary & Commissioner of Commercial Taxes. 2. Thiru. R.Vayanaperumal, Additional Commissioner (CT), (Public Relations) 3. Thiru. K.Mahalingam, Additional Commissioner (CT), (Revision Petitions)
1.	Name and address of the Applicant : Tvl. Saro Enterprises, No.28, First Reddy Street, Ekkattuthangal, Chennai-600 032.
2.	Registration Certificate No. : TIN:33590906135 / CST:1010032
3.	Date of application : 03.02.2014
4.	Date of receipt of application : 03.02.2014
5.	Clarification sought for : Rate of Tax on "Plastic seedling Trays' used for paddy transplantation.
6.	Date of Personal Hearing : ----
7.	Represented by : ----

ORDER

Tvl. Saro Enterprises, No.28, First Reddy Street, Ekkattuthangal, Chennai-600 032, (TIN: 33590906135), a registered proprietary dealer in the files of Guindy Assessment Circle, Chennai, manufacturing and marketing Plastic Seedling Trays for paddy transplantation, have preferred application in Form 'VV' and sought clarification under Section 48-A (1) of the TNVAT Act, 2006, read with Rule 12-A of TNVAT Rules, 2007.

2. The applicant-dealers have sought for clarification on the following:

Rate of tax on "**Plastic Seedling Trays**" for paddy transplantation.

3. The applicant-dealer has stated that by using in the Plastic Seedling Trays are specially designed for paddy transplantation by mechanical Paddy Transplanter, with the aid of tractors and power tillers. It is also stated that the applicant-dealer has been advised that the Plastic Seedling Trays produced would fall under the category of *Agricultural Implements* under Entry 1 of Part-B of Fourth Schedule and thus exempted from tax. However, there is a doubt, whether the plastic seedling tray for paddy transplantation will come under Entry 1(ii) read with Item No.13 of the List of Agricultural Implements notified as exempted from tax with effect from 01.04.2012 vide Notification No. II(1)/CTR/12(a-3)/2012 in G.O. Ms. No.50/CT & R (B1) Department dated 27.03.2012. It is prayed therefore the appropriate rate of tax for the Plastic Seedling Trays may be clarified.

4. The issue has been examined in detail with reference to the provisions of TNVAT Act, 2006 and Rules, 2007 and the related Entries in Parts B and C of the First and Fourth Schedules to the TNVAT Act, 2006. Section 48-A of TNVAT Act, 2006 provides for clarification on any point concerned with rate of tax for commodities.

5. The applicant-dealers have sought for clarification regarding rate of tax on **“Plastic Seedling Trays”** for paddy transplantation.

6. The related Entry 1(ii) of Part-B of Fourth Schedule to the TNVAT Act, 2006 reads as extracted below:

(ii) Agricultural implements other than those specified in item (i) above, and those powered or operated by tractors or by power tillers as notified by the Government and their parts and accessories.

The agricultural implements under Item (ii) of Entry 1 of Part-B of Fourth Schedule have been notified by the Government vide Notification No. II(1)/CTR/12(a-3)/2012 in G.O. Ms. No.50/CT & R (B1) Department dated 27.03.2012, given effect from 01.04.2012. The Item No.13 of the List of Agricultural Implements under aforesaid Entry 1(ii) reads, “Paddy Transplanter”. The Plastic Seedling Tray for Paddy Transplanter does fall within the scope and meaning of the expression, *“and their parts and accessories”* employed under Entry 1(ii) of Part-B of Fourth Schedule to the Act. The Plastic Seedling Tray for Paddy Transplanter is therefore liable to be treated as an accessory to the Paddy Transplanter operated by tractor or power tiller. Accordingly it attracts exemption from tax as provided under Entry 1(ii) of Part-B of Fourth Schedule to the TNVAT Act, 2006 read with Item (13) of the List of Agricultural Implements notified vide Notification No. II(1)/CTR/12(a-3)/2012 in G.O. Ms. No.50/CT & R (B1) Department dated 27.03.2012.

7. The clarification is therefore that the "**Plastic Seedling Trays**" for Paddy Transplanter operated by tractor or power tiller are **liable to exemption as per Entry 1(ii) of Part-B of Fourth Schedule** to the TNVAT Act, 2006 **read with Item (13) of the List of Agricultural Implements** notified vide **Notification No. II(1)/CTR/12(a-3)/2012 in G.O. Ms. No.50/CT & R (B1) Department dated 27.03.2012.**

Dated this, the 23rd Day of October, 2014.

Sd/- R. Vayanaperumal,
Additional Commissioner (PR)

Sd/- K. Mahalingam,
Additional Commissioner (RP)

Sd/- K. Rajaraman,
Principal Secretary/
Commissioner of Commercial Taxes

To
Tvl. Saro Enterprises,
No.28, First Reddy Street,
Ekkattuthangal,
Chennai-600 032.

Copy to
The Assistant Commissioner (CT)
Guindy Assessment Circle

The Joint Commissioner (CT),
Chennai (South) 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 (CT) including Enforcement, LTU, MOU and ISIC.

All Deputy Commissioners (CT), 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 File3 / Acts Cell-II / Spare - 5.

//Forwarded/By order//


Additional Commissioner (PR)