

**GOVERNMENT OF TAMILNADU
COMMERCIAL TAXES DEPARTMENT**

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

ACAAR No.57/2015-16
Acts cell-II/24172/2015

Dated:06.04.2018

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

1	Name and address of the Applicant	:	Tvl. Santhosh Agri Machinery No.282,Kartar Complex, Salem-Cuddalore main Road, Narasingapuram, Attur(TK) Salem Dt.
2.	Registration Certificate No.	:	TIN No. 33783262694 CST:1041256/4.4.2012
3.	Assessment Circle	:	Attur (Rural) Circle, Salem Division.
4.	Date of application	:	31.07.2015
5.	Date of receipt of application	:	31.07.2015
6.	Clarification sought for	:	Rate of tax on " Straw Baler & Baler Spares ".
7.	Date of Personal Hearing	:	----
8.	Represented by	:	----

ORDER

Tvl. Santhosh Agri Machinery, No.282,Kartar Complex,Salem Cuddalore Main Road, Narasingapuram, Attur (TK)Salem District (TIN No.33783262694) a registered dealer in the files of Attur (Rural) Circle, Salem division have preferred an application in Form 'VV' and sought clarification under Section 48-A (1) of the Tamil Nadu Value Added Tax Act read with Rule 12-A of Tamil Nadu Value Added Tax

Rules, 2007 (TNVAT Rules, 2007) on the rate of tax applicable on **"Straw Baler & Baler Spares"**.

2.1. The applicant-dealers have stated that they are assembling Straw Baler in the aforesaid address and sold the same to locally as well as interstate also. They have also stated that the products used for the following purposes.

- (i) After the paddy harvesting it is used to roll the straw.
- (ii) Agricultural wastes like maize Dust, turmeric Dust, Sugarcane Dust and Curry leaves Dust are rolled and bale using this machine.
- (iii) This machine don't have any engine ,it can be used only with harvester or tractor as an extra attachment.
- (iv) This machine is only used for agricultural purpose anything and it cannot be used for other purposes.

2.2. The applicant-dealer requested to clarify whether the commodity is exempt from VAT as per G.O. No 49 & 50 Dated 27. 3. 2012 as they are Agricultural Implements.

3. The issue has been examined in detail with reference to the provisions of TNVAT Act, 2006 and Rules 2007 and the related entries regarding the commodities classified under the First and Fourth Schedule 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.

4. Though Straw Baler is used to roll the straw after harvesting the paddy, basically this is a machinery operated with harvester or tractor as an extra attachment. As claimed by the applicant, this machine is not only used for Agricultural purpose and has wide applications in Paper Industry, Dairy farms, Packaging Industries, Biomass power generation plant, etc., as understood from the pamphlets enclosed with the application.

5. This Agricultural machinery is a Baler and one such type is Round Baler which has following usage / Applications.

1. Used for baling paddy straw, wheat straw etc.,
2. Compacting paddy straws for easy transpiration and storage.

3. Bales are used for cattle fodder, mushroom farming, paper industry, briquette for power generation.

Thus the Baler is used according to the industry and cannot be restricted to agriculture alone to claim it as an exemption under the caption of Agricultural implements.

6. Further, as per fourth schedule to TNVAT Act 2006, with effect from 01.01.2007, only Agricultural implements manually operated or animal driven as notified by the Government are exempt from tax by section 15 of TNVAT Act, 2006. The present commodity for which clarification sought under Advance Ruling is neither manually operated nor animal driven and operated only with the help of Tractors / Harvester.

7. However, with effect from 01.04.2012, certain agricultural implements operated by tractors by power tillers and their parts and accessories notified by the Government are exempt from tax by section 15 of TNVAT Act 2006. In the notification issued II(1)/CTR/12(a-13).2012 dated 27.03.2012 (G.O. Ms. No.50 CT & R (B1) dated 27.03.2012), 19 implements were specified and perusal of those implements revealed the commodity for which clarification sought not at all finding place.

8. In view of the above position, **the Straw Baler being operated with the help of Tractor / Harvester, is classified under the Entry 140 of Part B of I schedule to TNVAT Act 2006 taxable at 5%.**

Dated this the Sixth day of April 2018.

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

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

Sd/- Dr.T.V. Somanathan, I.A.S,
Principal Secretary/
Commissioner of Commercial Taxes

To
Tvl. Santhosh Agri Machinery
No.282, Kartar Complex,
Salem-Cuddalore main Road,
Narasingapuram,
Attur(TK) Salem Dt.


Copy to:
 The Assistant Commissioner (ST),
 Attur (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//


 10.6.18
 State Tax Officer