

**GOVERNMENT OF TAMILNADU
COMMERCIAL TAXES DEPARTMENT**

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

ACAAR No.66/2016-2017
Acts cell-II/6547/2017

Dated: 04.06.2018

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. G. T. Jayanti Agrochem (India) Pvt. Ltd., "Silver Cascade Complex", No. 41, Stroten Muthiya Mudali Street, Chennai - 600 079.
2.	Registration Certificate No.	: TIN : 33980242101 CST : 918617
3.	Assessment Circle	: Sowcarpet Assessment Circle, Chennai
4.	Date of application	: 16.02.2017
5.	Date of receipt of application	: 06.03.2017
6.	Clarification sought for	: Rate of tax on sale of "BLACK PEPPER"
7.	Date of Personal Hearing	: --
8.	Represented by	: --

ORDER

Tvl. G. T. Jayanti Agrochem (India) Pvt. Ltd., "Silver Cascade Complex", No. 41, Stroten Muthiya Mudali Street, Chennai-600 079 (TIN 33980242101), registered dealers in the files of Sowcarpet 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. The applicant-dealer have sought for clarification on the rate of tax for "**Black Pepper**" (in Tamil – Kurumilagu – குறுமிளகு).

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. Entry No. 130 of Part-B of the First Schedule to the TNVAT Act, 2006 reads as under :

"Spices of all varieties and forms including cumin seed, ani seed, other than those specified in the Fourth Schedule" are taxable at 5%.

4.2. In G. O. Ms. No. 67, Commercial Taxes & Registration (B2) Department dated 21.05.2009 - Notification No. II(1)/CTR/14/2009, Tamil Nadu Government Gazette, dated 10.06.2009, exemption was granted in respect of Pepper and Cumin seed with effect from 01.04.2009, subject to the condition that the total turnover of those items does not exceed rupees three hundred crore in a year.

4.3. Pepper being spices was taxable at 5% upto 31.03.2009, and thereafter, the Government by way of notification in exercise of the powers conferred under Section 30(1) and (2) of the TNVAT Act, 2006, made an exemption in respect of tax payable under the TNVAT Act, 2006 on the sale of pepper and cumin seed by any dealer whose total turnover in respect of those items does not exceed three hundred crore in a year. It is seen from the notification, the intention of the Legislature is to grant exemption to Peppers of all kinds and varieties and therefore Black Pepper also falls under this category and accordingly exempt from tax subject to the restriction in turnover prescribed therein. Since this is a conditional exemption, the applicable rate of tax in respect of inter-state transactions is governed by entry 130 of Part-B of the First Schedule to the TNVAT Act, 2006.

5. In view of the above, it is clarified that

- (i) The commodity **Black Pepper** when sold within the State of Tamil Nadu is exempt from tax with effect from 01.04.2009 as per the Notification No. II(1)/CTR /14/2009 dated 10.06.2009 if the total turnover of this item does not exceed rupees three hundred crore in a year.
- (ii) The commodity **Black Pepper** when sold within the State of Tamil Nadu is taxable @ 5% with effect from 12.07.2011 as per entry 130 of Part-B of the First Schedule to the TNVAT Act, 2006 if the total turnover of this item exceeded rupees three hundred crore in a year.

- (iii) The commodity **Black Pepper** is taxable @ 5% with effect from 12.07.2011 when sold to un-registered dealers located outside the State of Tamil Nadu as per entry 130 of Part-B of the First Schedule to the TNVAT Act, 2006 read with Section 8(2) of the CST Act, 1956.
- (iv) The Commodity **Black Pepper** is taxable @ 2% with effect from 01.06.2008 when sold to registered dealers outside the State of Tamil Nadu subject to the conditions prescribed under Section 8(4) of CST Act 1956.

Dated this the fourth 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. G. T. Jayanti Agrochem (India) Pvt. Ltd.,
"Silver Cascade Complex,
No. 41, Strotten Muthiya Mudali Street,
Chennai - 700 079.

Copy to:

The Assistant Commissioner (ST),
Sowcarpet Assessment Circle.
The Joint Commissioner (ST),
Chennai (North) 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//

[Signature]
State Tax Officer
5/6/18
05/06/18