

**GOVERNMENT OF TAMILNADU
COMMERCIAL TAXES DEPARTMENT**

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

ACAAR No.97/2015-2016
Acts cell-II/34237/2015

Dated: 22.05.2018

- 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. Thangam Coffee Curing Works, Salem-Yercaud Road, Kannankurichi Post, Salem - 636 008
2.	Registration Certificate No.	:	TIN : 33292703128 CST : 408851
3.	Assessment Circle	:	Salem Rural Assessment Circle
4.	Date of application	:	02.11.2015
5.	Date of receipt of application	:	04.11.2015
6.	Clarification sought for	:	Rate of Tax on "Coffee Husk"
7.	Date of Personal Hearing	:	--
8.	Represented by	:	--

ORDER

Tvl. Thangam Coffee Curing Works, Salem-Yercaud Road, Kannankurichi Post, Salem - 636 008 (TIN 33292703128), registered dealers in the files of Salem 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 Tamil Nadu Value Added Tax Rules, 2007 (TNVAT Rules, 2007).

2. The applicant-dealers have stated that they are doing the job work of Raw Coffee processing received from coffee growers within the State of Tamil Nadu and return the Raw Coffee to them after cleaning and grading. In the process while cleaning the raw coffee, Coffee Husks are being accumulated. In this process, no chemical reaction is being conducted. The accumulated coffee husk which is the outcome of

cleaning the raw coffee is being sold to dealers without collecting tax. They have also stated that the total turnover in this connection is about 1.5 lakhs per year i.e., less than 5 lakhs. The applicant-dealers have requested to clarify rate of tax under Section 3(1) A of the TNVAT Act, 2006 on the sales of coffee husk which is less than the stipulated minimum turnover of Rs.5 lakhs for levy of tax and filing of VAT returns.

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 regarding the commodities classified under all the 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.

4.1. The applicant dealer had sought for clarification on three issues in their application viz.,(i) Rate of tax on 'Coffee Husk'; (ii) Rate of tax on 'Coffee Husk if sales turnover of Coffee Husk less than Rs.5 lakhs under Section 3 (1)(a) of the TNVAT Act, 2006 and (iii) whether Returns to be filed?

4.2. As there is no specific entry in any of the Schedules to the TNVAT Act, 2006, the commodity 'Coffee Husk' has to be categorised as a residual item under Entry 69 of Part-C of the First Schedule to the TNVAT Act, 2006. The Authority for Clarification and Advance Ruling can clarify any point concerned with rate of tax on commodities only.

5. Hence, it is clarified that

(i) The commodity "Coffee Husk" is liable to tax @ 14.5% as a residuary item under entry 69 of Part-C of the First Schedule to the TNVAT Act, 2006.

(ii) In respect of rate of tax on 'Coffee Husk' if sales turnover is less than Rs.5 lakhs, the applicant-dealer may refer Section 3 (1) (a) and Section 3 (1)(b) of the TNVAT Act,2006.

(iii) In respect of filing returns, the applicant- dealer may refer Section 21 of the TNVAT Act, 2006 and Rule 7 of the TNVAT Rules,2007.

Dated this the twenty second day of May 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. Thangam Coffee Curing Works,
Salem-Yercaud Road,
Kannankurichi Post,
Salem - 636 008

Copy to:

The Assistant Commissioner (ST)
Salem 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 24/01/18
24/01/18