

**GOVERNMENT OF TAMILNADU
COMMERCIAL TAXES DEPARTMENT**

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

ACAAR No.85/2014-15.
Acts cell-II/31320/2014

Dated 13.08.2015

Present: 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. Agriplast Protected Cultivation Pvt. Ltd., No.30 SIPCOT Industrial Complex, Phase II, Moranapalli village, Hosur - 635 109.
2.	Registration Certificate No.	:	TIN.No.33533325930 CST. 1118858
3.	Assessment Circle	:	Hosur North, Salem
4.	Date of application	:	14.10.2014
5.	Date of receipt of application	:	14.10.2014
6.	Clarification sought for	:	Rate of Tax on " Green Houses, Net Houses and Tunnels along with their accessories "
7.	Date of Personal Hearing	:	----
8.	Represented by	:	----

ORDER

Tvl. Agriplast Protected Cultivation Pvt. Ltd., Hosur - 635109 (TIN No. 33533325930), the registered dealers in the files of Hosur North (Salem Division) 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 sale of **"Green Houses, Net Houses and Tunnels along with their accessories"**.

2.1. The applicant-dealer stated that they were engaged in the business of Green Houses, Net Houses and Tunnels along with their accessories. These goods are being manufactured/fabricated by the company and are sold as kit to various farmers. These goods are basically agriculture plant protection structures used by the farmers to protect their crop against the pests, humidity etc., thereby increasing their crop yield. The dealer also stated that the National Horticulture Board/Mission has considered these structures for directly supply to the farmers and Government subsidy apply on the said good. The dealer adopted "Commodity code - 788; Castor Sheller" (Agricultural implements not operated manually or not driven by animal) for their monthly return.

3. The issue has been examined in detail with reference to the provisions of TNVAT Act, 2006 and Rules 2007 and the relative 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. The dealer sought for clarification for their product **"Green Houses, Net Houses and Tunnels along with their accessories"**.

The Construction of Green Houses or Net Houses involves HDPE Knitted fabrics, Pipes Hard PVC/GI pipes, channels or angles as the case may be and hooks to hold the fabrics together and to hold it in the Pipes/angles/channels. Hence it is considered to be an execution of

Works Contract liable to tax at rate for the respective commodity involved in the execution if exempt – exempted from tax or if taxable at the rate specified under relevant Entry in the Parts- B/C of First Schedule to the TNVAT Act. The Claim of the applicant-dealer is that their **Green Houses, Net Houses and Tunnels along with their accessories** would fall under “Castor Sheller” which is operatable either by power or by tractor or tiller – liable for the exemption under Entry 1(ii) of Part-B of Fourth Schedule. “Castor Sheller” means the powered implement to break the Castor shell to remove the Kernel thereof. Hence the **Green Houses, Net Houses and Tunnels along with their accessories** do not fall under the said item and are not exempted from tax. Therefore the Construction of Green House/Net House would fall under Section 5 and attract tax @ the specified for commodity as provided under section 3(2) of the Act, read with relevant in Part-B/Part-C of First Schedule and Part-B of Fourth Schedule to the TNVAT Act, 2006.

5. It may be therefore clarified that the erection of **“Green Houses, Net Houses and Tunnels sold along with their accessories”** is a kind of “works contract” liable to assessment at differential rate/ compounding rate based on materials used and nature of contract as the case may be as the dealer may opt to pay tax under Section 5 or Section 6 of the TNVAT Act, 2006. Hence the application is therefore not maintainable.

Dated this the Thirteenth day of August 2015.

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

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

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

To
Tvl. Agriplast Protected Cultivation Pvt. Ltd.,
No.30 SIPCOT Industrial Complex, Phase II,
Moranapalli village, Hosur – 635109

Copy to:

The Assistant Commissioner (CT)
Hosur North Assessment Circle

The Joint Commissioner (CT),
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 (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.

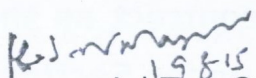
The Accountant General (Audit)-II, No.44, Greams Road, Chennai – 6.

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

Personal Clerk to the CCT.

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

/Forwarded/ By Order/


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Commercial Tax Officer