



PROCEEDINGS OF THE AUTHORITY FOR CLARIFICATION AND ADVANCE RULINGS UNDER SECTION-60 OF THE KARNATAKA VALUE ADDED TAX, 2003 AND RULES 164 AND 165 OF THE KARNATAKA VALUE ADDED TAX RULES, 2005

PRESENT

: (1) M.D. Jain,
Additional Commissioner of Commercial Taxes
(Head Quarter)-1, Bangalore and chairman.

(2) H. D. Arunkumar,
Additional Commissioner of Commercial Taxes,
(Policy & Law), Bangalore and Member.

(3) R. Jagadeesh Prasad,
Additional Commissioner of Commercial Taxes,
(GST), Bangalore and Member.

NAME AND ADDRESS OF THE APPLICANT : M/s. Kollamogru Harihara C A Bank Ltd.,
Harihara Pallathadka, Sullia Taluk, D.K.

TIN : 29230145725

JURISDICTIONAL ASSESSING AUTHORITY : LVO-265, Puttur

REPRESENTED BY : Sri. Anatha Narayana, STP

ORDER NO.AL.R.CLR.CR-48/12-13, DATED: 19-09-2013

1. M/s. Kollamogru Harihara C A Bank Ltd., Harihara Pallathadka, Sullia Taluk D.K. borne on the files of LVO-265, Puttur having TIN: 29230145725 ("the applicant" for short) has filed an application in Form VAT-540 dated: 16-11-2012 under section.60 of the KVAT Act 2003 (Act for short). The applicant is a agricultural co-operative bank which also sells agricultural implements to the farmers. The applicant is seeking clarification on the rate of tax applicable on the following new products.

- Agricultural Tree climbing apparatus-Unipole-Manually operated.
- Agricultural Tree climbing apparatus-Bipole-Manually operated.
- Aluminium Ladders-general purpose-Manually operated.

2. The applicant's authorised representative Sri. Anantha Narayana, STP appeared before this authority on 20-07-2013 and was heard.

3. Along with the application the applicant has filed the detailed description of the goods. The details are as under:-

a) Agricultural Tree climbing apparatus-Unipole-Manually operated.

It is an aluminium tree climbing equipment, which is operated by using human hands and legs and helps in climbing very tall trees like areca nut tree, coconut tree etc. This is manufactured by using aluminium pole with grips on both sides to keep legs when climbing. It is firmly fixed at the bottom of the tree in to earth by pressing gripper portion of the equipment and keeping the pole in an angled position to the tree.

Tree Climbing equipment in an implement consisting of an aluminium pole with grips to keep legs when climbing. One end of the pole firmly is fixed at the bottom of the tree through the gripper and the upper end of the pole is fitted to the tree with 'U' shaped clamp. This is used in agricultural activities like climbing trees for pesticide spraying, harvesting crops like areca, pepper, coconut etc. The applicant's understanding is that this product is an agricultural implement manually operated falling Sl.No.1 of First Schedule to the Act.

b) Agricultural Tree climbing apparatus-Bipole-Manually operated.

This is again a tree climbing equipment which is as same as ladder having 2 legs of 'Aluminium Poles'. This can be used in agricultural activities like climbing trees for pesticide spraying, harvesting crops like areca, pepper, coconut etc. The applicant's understanding is that this product is an agricultural implement manually operated falling under Sl.No.1 of First Schedule to the Act.

c) Aluminium Ladders-general purpose-Manually operated.

This is a foldable ladder having 4 legs made of 'Aluminium Poles'. This can be used by all generally in the houses to climb up. This is also made from 'Aluminium' and it is manually operated. The applicant's understanding is that this product is unscheduled goods liable to tax at 14.5%.

4. The application is examined in the light of documents and photos tendered by the applicant.

(i) From the verification, it is clear that the above mentioned first two product made of 'Aluminium', even though can be used by agriculturists, they cannot be held to be 'agricultural implements'. They are basically ladders with certain special features. The entry Sl.No. 1 First Schedule to the Act cannot be widened as sought by the applicant to include anything that is used by persons who are agriculturist or

