

**36. PROCEEDINGS OF THE COMMISSIONER OF COMMERCIAL TAXES,
THIRUVANANTHAPURAM**

Present:- Paul Antony.IAS

Sub:- KVAT Act 2003- Clarification U/s. 94- Rate of tax on Spent Mustard waste- clarified -order issued- Reg:

Read:- 1.Application in Form No.24 filed by M/s. Herbal Isolates (P) Ltd, Kochi.

ORDER No.C7.40304 /06/DT .11. 07.07

M/s. Herbal Isolates (P) Ltd Kochi preferred an application U/s.94 of the said Act seeking clarification on the following.

“Whether spent mustard waste, obtained after extracting all the oil content in mustard through spinning cone column distillation, which is used only as an animal feed, falls under Serial. No. 3 of the First schedule to the KVAT Act 2003.”

Authorized representative of the applicant was heard. The contentions of the applicant was that the commodity is obtained through ‘spinning cone column distillation’ and would fall under serial number 3(4) of of the first schedule.

The contentions raised by the applicant were examined with reference to the statutory provisions..

As per the KVAT Act, 2003 if the product in question is “solvent extracted”, it would come under entry 3(3)(j) of 1st schedule. On the other hand, if it is expeller variety it would attract tax @ 4 % under entry 93(7) of 3rd schedule.

Solvent extraction is the modern way of processing by chemical extraction which produces high yield and the resultant products would be completed defatted. Only such products evolved out of solvent extraction is eligible to be classifiable under entry 3(3)(j) of the First schedule covering HSN 2306.90.21.

In the instant case, the product in question is evolved through spinning cone column distillation which cannot be treated in par with solvent extraction.

Therefore the commodity in question is classifiable under HSN 2306.90.17 which come under entry 93(7) of 3rd schedule to KVAT Act 2003 and so is taxable @ 4 %.

The point raised is clarified accordingly.

Sd/-
Commissioner.