

**GOVERNMENT OF TAMILNADU
COMMERCIAL TAXES DEPARTMENT**

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

ACAAR No.108/2015-16
Acts cell-II/38864/2015

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. Leader Traders, D.No.29B-1/87, Salem Road, Namakkal-637 001.
2.	Registration Certificate No.	: TIN No. 33553122025 CST No. 885043
3.	Assessment Circle	: Namakkal (Town) Assessment Circle
4.	Date of application	: 26.12.2015
5.	Date of receipt of application	: 29.12.2015
6.	Clarification sought for	: Rate of tax on sale of " Animal Fat(Buffalo Origin) "
7.	Date of Personal Hearing	: --
8.	Represented by	: --

ORDER

Tvl. Leader Traders, D.No.29B-1/87, Salem Road, Namakkal-637 001 (TIN 33553122025), registered dealer in the files of Namakkal (Town) 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 dealers have sought for clarification for the rate of tax on "**Animal Fat (Buffalo Origin)**".

3. The applicant-dealers have stated that they are manufacturing animal feed and cattle feed, poultry feed by mixing various supplements, concentrates and ingredients mentioned in Serial No.5 of Part-B of the First Schedule and such goods also to be used as an additives in the manufacture of various items mentioned above in order to give strength to the animals/birds consuming the said feed. They have also requested clarification on the following points :-

1) Whether the purchase of animal fat by issue of C forms and used in the manufacture of cattle feed, poultry feed, will attract VAT Tax even though the end product is exempt as per Serial No.5 of Part B of the Fourth Schedule?

2) On the other hand, if the said animal fat purchased from outside the State by issue of C form is sold as animal fat without adding any ingredients or "additives" in the State of Tamil Nadu attract tax and if so what is the rate of tax?

As a part of the documentary evidence, the applicant- dealer have enclosed copies of invoices raised by a dealer in Andhra Pradesh to a dealer in cattle feeds in the State of Tamil Nadu according to which, the commodity Animal Fat is an excisable commodity and also attracts VAT and since the buyer in Tamil Nadu purchased the said goods against C form declarations, the seller from Andhra Pradesh charged 2% tax as CST.

4. 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.

5. Under the Andhra Pradesh Value Added Tax Act, 2005, the commodity Animal Fat is categorised as Industrial Input and taxable at 5% as per the notification issued in 2008. Under TNVAT Act, 2006, there is no specific entry for Animal Fat of Buffalo origin. The claim of the dealer applicant that this commodity is also exempt as the finished product being Cattle Feed is exempt as per Serial No.5 of Part-B of the First Schedule to the TNVAT Act, 2006, is not an acceptable argument as the rates of tax differs for raw materials and finished goods and the input tax on raw materials is available for adjustment when such finished goods are taxable sale. There is no specific entry under the TNVAT Act, 2006 like the entry found under APVAT Act, 2005 which reads **"Animal (including fish) fats and oils, crude, refined or purified"**. Thus, under all the four Schedules to the TNVAT Act, 2006, there is no entry of the description "Animal Fats". The commodity "Animal Fats" is being left out from being classified under any of the Schedules to the TNVAT Act, 2006. Since the Commodity "Animal Fats" is not specifically classified under any of the Schedules to the TNVAT Act, 2006, it has to be classified as unclassified item of

commodity under Entry 69 of Part-C of the First Schedule to the Act and therefore liable to tax @ 14.5%.

6. In view of the above, it is clarified that **"Animal Fats (Buffalo Origin)" is generally taxable @ 14.5%, within the State of Tamil Nadu as being the unclassified commodity under Entry 69 of Part-C of the First Schedule to the TNVAT Act 2006, on sale to Manufacturer or traders or other dealers.**

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. Leader Traders,
D.No.29B-1/87, Salem Road,
Namakkal-637 001.

Copy to:
The Assistant Commissioner (ST),
Namakkal (Town) 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.p[

Personal Clerk to the CCT.

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

//forwarded / by order//


25/5/18
State Tax Officer
25/5/18