

**GOVERNMENT OF TAMILNADU
COMMERCIAL TAXES DEPARTMENT**

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

ACAAR No.25/2016-17
Acts cell-II/15145/2015

Dated: 13.04.2018

ACAAR No.26/2016-17
Acts cell-II/15146/2015

ACAAR No. 28/2016-17
Acts cell-II/16973/2015

- 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. Thiru. C.Palani,
Additional Commissioner (ST), (Revision Petitions)(FAC)

1	Name and address of the Applicant	: Tvl. A. Arunachalam & Co, 18/1, Sowdambika Nagar, Tirupur Road, Kangayam -638 701	Tvl. R.K. Ganapathi Chettiar, 138, Muthur Road, Kangayam-638 701	Tvl. Sri Kannan & Co. 5, KRR Thottam, Mangalam Road, Karuvampalayam Tirupur -641 604
2.	Registration Certificate No.	: TIN: 33583080444 CST: 437889	TIN: 33233080006 CST: 437414	TIN: 33602400366 CST: 313641
3.	Assessment Circle	: Kangayam Assessment Circle		Tirupur (Central -I) Assessment Circle
4.	Date of application	: 07-06-2016		23-06-2016
5.	Date of receipt of application	: 13-06-2016		28-06-2016
6.	Clarification sought for	: Rate of tax on " Branded butter "		
7.	Date of Personal Hearing	: --		
8.	Represented by	: --		

ORDER

Tvl. A. Arunachalam & Co, 18/1, Sowdambika Nagar, Tirupur Road, Kangayam - 638701 (TIN.No. 33583080444) and Tvl. R.K. Ganapathi Chettiar, 138, Muthur Road, Kangayam 638 701 (TIN. No. 33233080006) both are the registered dealers in the files of Kangayam Assessment Circle and Tvl. Sri Kannan & Co. 5, KRR Thottam, Mangalam Road, Karuvampalayam, Tirupur - 641 604 (TIN No. 33602400366), registered dealer of Tirupur-I 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). Since issues involved in the above three applications are same, these applications were considered together and a common order is passed.

2.1 The applicant-dealers have stated in the Annexure to their applications that they are manufacturers of Ghee and for the purpose of manufacturing ghee, they are purchasing butter with brand name from the Registered dealers. Accordingly they are charged 14.5% under TNVAT Act, 2006. Their request is that they may be clarified whether butter with brand name would attract concessional rate as Industrial Input under Item No.67 of Part-B of First Schedule at 5% VAT. The applicant-dealers have also enclosed a clarification already issued by the Authority for Clarification and Advance ruling (herein after will be referred as 'Authority') in ACAAR No.83/2015-16 (Acts Cell -II/31206/215) dated 27.10.2015 along with the application.

3. The issue has been examined in detail with reference to the provisions of TNVAT Act, 2006 and Rules 2007 and the related 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. It has already been clarified by the Authority in ACAAR No.83/2015-16 (Acts Cell -II/31206/2015) dated 27.10.2015 in the case of Tvl. GRB Dairy foods Pvt. Limited, Hosur - 635 126 regarding rate of tax on "Branded Butter".

5. Hence, it is therefore clarified and reiterated that,

- a) **"Butter with brand name"** is taxable at 14.5% as a residual item under Entry in Sl.No.69 of Part-C of Schedule to TNVAT Act, 2006".

- b) However, **"Butter with brand name"** sold as Industrial Input for use in manufacture within the state is **liable to tax at the rate of 5% as provided in Entry in Sl.No.67 of Part-B of First Schedule on issue of certificate of usage by the buyer as prescribed in Rule 6(3)(b) of TNVAT Rules, 2007.**

Dated this the thirteenth day of April 2018.

Sd/- M. Parameswaran,
Additional Commissioner (PR)(FAC)

Sd/- C. Palani,
Additional Commissioner (RP) (FAC)

Sd/- Dr. T.V. Somanathan,
Principal Secretary/
Commissioner of Commercial Taxes

To

1. Tvl. A. Arunachalam & Co,
18/1, Sowdambika Nagar,
Tirupur Road, Kangayam – 638701
2. Tvl. R.K. Ganapathi Chettiar,
138, Muthur Road,
Kangayam 638 701
3. Tvl. Sri Kannan & Co.
5, KRR Thottam, Mangalam Road,
Karuvampalayam,
Tirupur – 641 604

Copy to:
The Assistant Commissioner (ST),
Kangayam Assessment Circle.

The Assistant Commissioner (ST),
Tirupur (Central –I) Assessment Circle

The Joint Commissioner (ST),
Salem Division.

The Joint Commissioner (ST),
Coimbatore 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//

J. Srinivasan
State Tax Officer