

**GOVERNMENT OF TAMILNADU
COMMERCIAL TAXES DEPARTMENT**

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

ACAAR No.70/2016-2017
Acts cell-II/8906/2017

Dated:07.06.2018

- 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. Pure Tropic, 283, Mangalam Road, Karuvampalayam, Tiruppur - 641 604.
2.	Registration Certificate No.	:	TIN.33682325341 CST No. 1034536
3.	Assessment Circle	:	Tiruppur South Assessment Circle
4.	Date of application	:	20.03.2017
5.	Date of receipt of application	:	24.03.2017
6.	Clarification sought for	:	Rate of tax on sale of " Branded Packed Tender Coconut Water and Branded Packed Coconut Milk "
7.	Date of Personal Hearing	:	--
8.	Represented by	:	--

ORDER

Tvl. Pure Tropic, No. 283, Mangalam Road, Karuvampalayam, Tiruppur 641 604 (TIN33682325341), registered dealer in the files of Tiruppur (South) 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).

2. The applicant-dealers have requested the Authority for clarification for the rate of tax on "**Branded Packed Tender Coconut Water and Branded Packed Coconut Milk**". The applicant-dealers have stated that they are proposing to pack tender coconut water with other flavours like mango, pineapple, orange, lychee, lime and rose and request to clarify that if the same commodity code-777 will be applicable and the VAT exemption will be applicable for these products also.

3. The issue has been examined in detail with reference to the provisions of TNVAT Act 2006 and Rules, 2007 and the related entries in all the Schedules to 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 applicant dealers have sought for clarification regarding rate of tax on "**Branded Packed Tender Coconut Water and Branded Packed Coconut Milk**". The Entry 77 of Part B of the Fourth Schedule under the TNVAT Act 2006 reads as below:-

For the period from 01.01.2007 to 31.03.2008

Sl. No. 77 Tender Coconut.

For the period from 01.04.2008 to 30.06.2017

- (i) Tender Coconut,
 - (ii) Packaged tender coconut water
 - (iii) Dessicated coconut, Coconut milk and Coconut milk powder
- are exempted from payment of VAT.

4.1 On plain reading of the above entry, it is observed that the intention of the Government is to give VAT exemption to those who are selling only above commodities without any flavor addition. In the present case, the applicant dealer adds different flavours with the Tender Coconut Water and Coconut Milk and after packing and branding sell it as "**Branded Packed Tender Coconut Water and Branded Packed Coconut Milk**". The entry 77 described above dealt about Tender Coconut and Packaged Tender Coconut water and not classified as branded or unbranded. Coconut Milk Powder classified as Foods and Food Preparations and mixes even if it is unbranded taxable at 5% as per entry 51 of Part B of the First Schedule when the same is not included in Fourth Schedule.

5. The applicant dealer in their application against serial number while explaining how the goods is understood in the common parlance or Commercial circles, have clearly stated that their product as Coconut Water & Fruit Flavour and Coconut Milk drink(Flavoured). In that case by relying on the entry 82 of Part B of the First Schedule to TNVAT Act 2006, that defines

"Milk Food and Milk Products (including Flavoured Milk, Skimmed Milk Powder, Tinned, Bottled or packed) Baby Milk food, panner milk powder and UHT Milk".

It is made clear that Coconut Milk is taxable at 5% and here again the concept of branded or unbranded not been specified properly. Thus 5% rate of tax is applicable for Branded Packed Coconut Milk. Accordingly, **Branded Packed Coconut Milk** is taxable at 5% as per entry 82 of Part B of the First Schedule to TNVAT Act 2006.

6. Though entry 51 of Part B of the First Schedule dealt about Foods and Food preparations and mixes including instant foods, coconut milk powder, pickles, sweets, cheese, confectionery, chocolates, toffees and savouries like chips and popcorn sold without brand name other than those specified in the Fourth Schedule and by the G.O. Ms.No.33 CTR(b2) dated 29/03/2010 and G.O.Ms.No.78 CTR(B2) dated 11/07/2011 Branded Sweets and savouries as well as branded ready mix food products (in the form of flour, powder or wet dough) are subjected to 4% and 5% tax respectively, the **Branded Packed Tender Coconut Water** cannot be fitted in the above entries and therefore, as there is no specific classification as Branded and Unbranded in the entry 77 of Part B of Fourth Schedule, both branded and unbranded packed tender coconut water fall under the above entry and hence exempt from tax.

7. It is clarified that **Branded packed Tender Coconut Water** is exempt from tax as per entry 77 of Part B of the Fourth Schedule to TNVAT Act 2006 and **Branded Packed Coconut Milk** is taxable at 5% as per entry 82 of Part B of the First Schedule to TNVAT Act 2006.

Dated this the Seventh day of June 2018.

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

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

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

To
Tvl. Pure Tropic,
283, Mangalam Road,
Karuvampalayam,
Tiruppur – 641 604.

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

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//


State Tax Officer
15/06/18