

PROCEEDINGS OF THE AUTHORITY FOR CLARIFICATION AND ADVANCE RULING		
ACAAR No.072/ 2013-14. (Acts Cell – II/29455/2014)		Dated 10.07.2014
<u>Present:</u>	1. Thiru. K.Rajaraman, I.A.S., Principal Secretary & Commissioner of Commercial Taxes. 2. Thiru. R.Vayanaperumal, Additional Commissioner (CT), (Public Relations) 3. Thiru. K.Mahalingam, Additional Commissioner (CT), (Revision Petitions)	
1	Name and address of the Applicant	: Tvl. Hatsun Agro Products Ltd., No.5A, Vijayaragahva Road, T.Nagar, Chennai - 600 017
2.	Registration Certificate No.	: TIN:33871561216 / CST:774527
2.	Date of application	: 21.09.2013
3.	Date of receipt of application	: 21.09.2013
4.	Clarification sought for	: Rate of Tax on "Sweetened Curd"
5.	Date of Personal Hearing	: ----
6.	Represented by	: ----

Tvl. Hatsun Agro Products Ltd., No.5A, Vijayaragahva Road, T.Nagar, Chennai - 600 017 (TIN: 33871561216), the registered dealers in the files of T. Nagar (East) assessment circle, Chennai, manufacturing and marketing CMRI, the Hand Held Computers, have preferred application in Form 'VV' and sought clarification under Section 48-A (1) of the TNVAT Act, 2006, read with Rule 12-A of TNVAT Rules, 2007.

2. The applicant-dealers have sought for clarification on the following:

Rate of tax on "**Sweetened Curd**"

3. The applicant-dealers have stated that they are manufacturing and marketing milk products and ice cream, besides marketing milk in the name of Arokya Milk and Arun Ice cream. Along other milk products like butter, ghee, butter milk, Panneer and curd, they are to prepare and market "sweetened curd". Hence, the dealer-

applicants have preferred this application sought for clarification in respect of rate of tax on "sweetened curd". The applicant dealers have furnished a flow chart, revealing the processes involved in the preparation of curd or sweetened curd. They also furnished the Food Safety and Standards (Food Products Standards and Food Additives) Regulations, 2011, wherein the "Dahi" or "Curd" is defined. The applicant-dealers have pointed out that curd is exempt from tax as per Entry 21 of Part-B of Fourth Schedule to the Act, 2006 and pleaded that the rate of tax for 'sweetened curd' may be clarified.

4.1. The issue has been examined in detail with reference to the provisions of TNVAT Act, 2006 and Rules, 2007 and Section 14 of the CST Act, 1956. The clarification is given accordingly as under

4.2. Section 48-A of TNVAT Act, 2006 provides for clarification on any point concerned with rate of tax for commodities.

4.3. The applicant-dealers have sought for clarification regarding rate of tax on **"Sweetened Curd"**

5. The Entry 21 (i) of Part-B of Fourth Schedule to the TNVAT Act, 2006 reads as extracted below:

"curd, lassi, butter milk and separated milk"

6. Curd is a milk product, obtained from pasteurized or boiled milk by souring by a lactic acid culture or other harmless bacterial culture in conjunction with lactic acid bacteria cultures for souring. As per the Food Standards Regulations, 2011, 'Curd' may contain added cane sugar and shall have the same minimum percentage of milk fat and milk solids not-fat as the milk from which it is prepared. The expression 'curd' employed in Entry 21 (i) of Part-B of Fourth Schedule to the Act is more general to include the sweetened curd also and the expression 'lassi' employed is to denote the sweetened and beaten curd. Therefore, the sweetened curd obtained from the milk by inoculation after standardization with added cane sugar and pasteurization as per the Food Standard Regulations 2011, would fall within the scope of the Entry 21 (i) of Part-B of Fourth Schedule to the Act and hence liable for exemption.

7. The clarification is therefore that the **"Sweetened Curd" is exempt from tax as per entry 21 (i) of Part-B of Fourth Schedule** to the TNVAT Act, 2006.

Dated this, the 10th day of July, 2014.

R. Vayanaperumal,
Additional Commissioner (PR)

K. Mahalingam,
Additional Commissioner (RP)

K. Rajaraman,
Principal Secretary/
Commissioner of Commercial Taxes

To

Tvl. Hatsun Agro Products Ltd.,
No.5A, Vijayaragahva Road,
T.Nagar,
Chennai - 600 017

Copy to:
The Assistant Commissioner (CT)
T.Nagar (East) Assessment Circle

The Joint Commissioner (CT),
Chennai (Central) 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 (CT) including Enforcement, LTU, MOU and ISIC.
All Deputy Commissioners (CT), 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 File3 / Acts Cell-II / Spare - 5.

//Forwarded/By order//


Additional Commissioner (PR)