

**GOVERNMENT OF TAMILNADU
COMMERCIAL TAXES DEPARTMENT**

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

ACAAR No.83/2015-16
Acts cell-II/31206/2015

Dated:27.10.2015

- Present:** 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. GRB Dairy Foods Pvt. Ltd. N-10, Phase-III, SIDCO Industrial Estate Hosur – 635 126.
2.	Registration Certificate No.	:	TIN. No. 33183321321 / CST No. 448909
3.	Assessment Circle	:	Hosur (North) Assessment Circle
4.	Date of application	:	05.10.2015
5.	Date of receipt of application	:	06.10.2015
6.	Clarification sought for	:	Rate of Tax on " Branded Butter "
7.	Date of Personal Hearing	:	Personal hearing not Requested
8.	Represented by	:	---

ORDER

Tvl. GRB Dairy Foods Pvt. Ltd., N-10, Phase-III, SIDCO Industrial Estate, Hosur – 635 126 (TIN: 33183321321), the registered dealers in the files of Hosur (North) assessment circle, Hosur, as manufacturer of Ghee, have preferred an application in Form 'VV' and sought clarification under Section 48-A (1) of the TNVAT Act, 2006.

2. The applicant-dealers have stated in the Annexure to their application that they are manufacturers of Ghee and for the purpose of manufacturing ghee, they are purchasing butter with brand name from the Registered dealers. Their request is that they may be clarified whether butter with brand name would attract concessional rate as Industrial Input and accordingly the rate of tax may be clarified.

3. The First Schedule to the TNVAT Act, 2006 reveals no relevant entry in either of its parts relating to butter with brand name. Since, butter with brand name is not specifically mentioned in any of the Schedules to the TNVAT Act, 2006, the butter with brand name automatically falls under the residual entry in Sl. No.69 of Part-C of First Schedule and thereby attracts VAT @ 14.5%.

4. The entry in Sl.No.67 of Part-B of First Schedule reads as below:

Industrial Inputs – Any goods falling under Part-C of First Schedule to the TNVAT Act, 2006 including consumables, packing materials and labels but excluding plant and machinery, ethyl alcohol, absolute alcohol, methyl alcohol, rectified spirit, neutral spirit and cement for use in manufacture and assembling, packing or labelling in connection with such manufacture inside the State for manufacture of goods other than those falling under Second Schedule.

5. By this entry, any of the goods classified under Part-C of First Schedule may be sold or purchased as industrial input for use, either as raw material or consumable or packing material and label for use in manufacture of other goods and such other processes of packing or labelling in connection with such manufacture in the State other than for the manufacture of the goods enumerated in Second Schedule to the TNVAT Act, 2006.

6. The applicant dealers have stated that the butter with brand name, purchased for the purpose of manufacturing ghee marketed with brand name is liable to tax at 14.5%. The butter with brand name falling under residual Entry in Sl.No.69 of Part-C of Schedule is eligible to be sold / purchased as Industrial Input for use in manufacture of ghee, on certification of usage as Industrial Input by the Buyer as prescribed under Rule-6(3)(b) of TNVAT Rules, 2007.

7. It is therefore clarified as below:

- 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 Twenty Seventh day of October, 2015.

Sd/- R. Vayanaperumal,
Additional Commissioner (PR)

Sd/- K. Mahalingam,
Additional Commissioner (RP)

Sd/- K. Rajaraman,
Principal Secretary/
Commissioner of Commercial Taxes

To
Tvl. GRB Dairy Foods Pvt. Ltd.
N-10, Phase-III,
SIDCO Industrial Estate
Hosur – 635 126. --
Tamil Nadu.

Copy to:

The Assistant Commissioner (CT)
Hosur (North) Assessment Circle,
Salem Division

The Joint Commissioner (CT)
Salem Division.

The Joint Commissioner (CS)
to host in the Department website

The Principal Secretary to Government, Commercial Taxes and
Registration Department, Chennai-9.

All Joint Commissioners (CT) including Enforcement, LTU, MOU and ISIC.

All Deputy Commissioners (CT), Territorial, Assessment and Enforcement.

All Heads of Offices (Assessment)

The State Representative, Sales Tax Appellate Tribunal, Chennai – 104.

The Addl. State Representative, (AB) Chennai, Madurai and Coimbatore.

