

**GOVERNMENT OF TAMILNADU
COMMERCIAL TAXES DEPARTMENT**

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

ACAAR No.89 to 92/2015-16.
(Acts Cell-II/33734 to 33737/2016)

Dated:25.05.2016

- Present:**
1. Thiru. S.K.Prabakar, I.A.S.,
Principal Secretary & Commissioner of Commercial Taxes.
 2. Thiru. A.Sarvar Allam,
Additional Commissioner (CT), (Public Relations)(FAC)
 3. Thiru. K.Mahalingam,
Additional Commissioner (CT), (Revision Petitions)

1	Name and address of the Applicant	:	Tvl. Agro Tech Foods Limited, Survey No.820/17, Kuthambakkam Village, Poonamalle Taluk, Thiruvallore dist. PIN :602107
2.	Registration Certificate No.	:	TIN.No.33380923856 CST.766292
3.	Assessment Circle	:	Sholinganallur Assessment Circle
4.	Date of application	:	15-08-2015
5.	Date of receipt of application	:	30-08-2015
6.	Clarification sought for	:	Rate of Tax on " branded savouries " viz., Loops, Tortilla Chips, Roasted/Masala Peanuts and Popcorn sold under brand name Act II and Sundrop
7.	Date of Personal Hearing	:	13-04-2016
8.	Represented by	:	Thiru. S.S. Sarma, Executive (Indirect Tax (South))

COMMON ORDER

Tvl. Agro Tech Foods Limited., Poonamalle Taluk, Thiruvallore dist. (TIN.No. 33380923856), registered dealers in the files of Sholinganallur Assessment Circle have preferred four applications 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 the products for which clarification is sought are similar, the applications were taken into consideration together and a common order is passed.

2. In the four applications filed, the applicant-dealers have sought for clarification on the rate of tax applicable on Masala Munch Flavour-Loops, Tortilla Chips, Roasted/Masala Peanuts and Popcorn **sold under their brand name Act II and Sundrop**. The applicant-dealers have also enclosed the product approval letter issued by Food Safety and Standards Authority of India, New Delhi - 110 002. Furthermore, the applicant-dealers enclose the Test Report issued by MicroChem Silliker Laboratory for their various products.

3. The applicant-dealers sought for personal hearing and accordingly they were heard on 13.04.2016. Thiru. S.S. Sarma, Executive Indirect Tax (South), Agro Tech Foods Limited, appeared for hearing and filed written statements along with documentary evidences. The authorised representative submitted a copy of the Proceedings of the Authority for Advance Ruling issued in ACAAR No.31/2013-14 (Acts Cell II/19387/2013) dated 14.08.2013. The above clarification states that the "Branded Sweets and Savouries" are taxable at the reduced rate of 5% with effect from 12.07.2011 as per Notification No.II(1)/CT&R/12(R-29)/2011, dated 11.07.2011.

4. This committee considered the above application and the documents filed along with the application and the contentions raised by the learned authorised representative at the time of the personal hearing carefully and examined the issue with reference to the Schedules and provisions of TNVAT Act, 2006 and notifications issued under the Act.

5. The reduction of rate of tax granted in Notification No.II(1)/CT&R/12(R-29)/2011, dated 11.07.2011 to "Branded Sweets and Savouries" are applicable only for "sweets and savouries" in the Indian context. Masala Munch Flavour-Loops, Tortilla Chips, Roasted/Masala Peanuts and Popcorn sold by the applicants under brand names cannot be considered as savouries in the Indian context,

as they are not marketed as savouries and recognized by the consumers as savouries.

6. According to the law evolved by various courts on commodity taxation, a statute or document is to be construed not according to the mere ordinary general meaning of the words, but according to the ordinary meaning of the words as applied to the subject-matter with regard to which they are used, unless there is something which renders it necessary to read them in a sense which is not their ordinary sense in the English language as so applied. In determining the meaning or connotation of words and expressions describing an item or commodity in reference to taxing it, the principle is that words or expressions must be construed in the sense in which they are understood in the trade, by the dealer and the consumer.

7. Literally, the products dealt by the applicants may be termed as savouries. But, these products are not understood as savouries in common as well as commercial parlance. Therefore, we consider that the benefit of the above referred notification cannot be extended to the products dealt by the applicants. Consequently Masala Munch Flavour-Loops, Tortilla Chips, Roasted/Masala Peanuts and Popcorn sold by the applicants under brand names would fall under the residuary Entry No.69 of Part-C of First Schedule to TNVAT Act, 2006 attracting the rate of tax at 14.5%.

Dated this the Twenty Fifth day of May 2016.

Sd/- A. Sarvar Allam,
Additional Commissioner (PR)(FAC)

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

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

To
Tvl. Agro Tech Foods Limited,
Survey No.820/17,
Kuthambakkam Village,
Poonamalle Taluk, Thiruvallore dist.
PIN :602107

Copy to:
The Assistant Commissioner (CT),
Chennai (East) Assessment Circle.

The Joint Commissioner (CT),
Chennai (East) 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 File 3/ Acts Cell-II /Spare - 5.

//Forwarded/by Order//

K.S. Narayanan
31.5.16,
Commercial Tax Officer