

**GOVERNMENT OF TAMILNADU
COMMERCIAL TAXES DEPARTMENT**

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

ACAAR No.77/2014-15.
Acts cell-II/29385/2014

Dated 13.08.2015

- 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. Kannan Devan Hills Plantations Co. Pvt. Ltd., Branch at Woodbridge Tea Factory, 5/233, Marappalam, Puliampara Post, Gudalur, The Nilgiris - 643212
2.	Registration Certificate No.	:	TIN.No.33692360595 CST. 163894
3.	Assessment Circle	:	Thudiyalur Assessment Circle, Coimbatore.
4.	Date of application	:	15.09.2014
5.	Date of receipt of application	:	18.09.2014
6.	Clarification sought for	:	Applicability of Concessional Rate of tax granted to Tea manufactured by Bought Leaf Tea Factories to them.
7.	Date of Personal Hearing	:	-----
8.	Represented by	:	-----

ORDER

Tvl. Kannan Devan Hills Plantations Co. Pvt. Ltd., The Nilgiris - 643212 (TIN No. 33692360595), the registered dealers in the files of

Thudiyalur Assessment Circle, Coimbatore 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: **Applicability of Concessional Rate of tax granted to Tea manufactured by Bought Leaf Tea Factories to them.**

3. The applicant-dealer stated that the sale of tea attracts 5% VAT as it falls under S.I.No.137 of Part-B of the First Schedule of the Act. However the Government vide G.O.Ms.No.108 CT&R (B2) dated 24.05.2007 Notification No. II (1)/CTR/34(B)2007 Gazette Extraordinary dated 24.05.2007, effective from 24.05.2007 reduced the rate of tax to 1% on sale of tea manufactured by Private Bought Leaf Tea factories and by Tamil Nadu Small Tea Growers' Industrial Co-Operative Tea Factories' Federation Limited (INCOSERVE) at tea auction centre at Coonoor and Coimbatore or direct first sale by them. The applicant-dealer pleaded for an clarification on whether the reduced concessional rate of 1% will be applicable to them; when they purchase the tea manufactured out of "Bought Leaf Tea Factory" and they (the dealer) sale directly or at Tea Auction Centres at Coonoor and Coimbatore.

4. The issue has been examined in detail with reference to the provisions of TNVAT Act, 2006 and Rules 2007 and the relative 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.

4.1. The dealer sought for clarification for their applicability of concessional rate of tax granted to "Tea manufactured by Bought Leaf Tea Factories" to them. It is identified that the dealer purchase Green

Tea Leaves from tea growers at Gudalur Taluk and societies at Nilgiris district and manufacture Black tea and sold them directly at the reduced rate of 1% granted by Government vide G.O.Ms.No.108 CT&R (B2) dated 24.05.2007 Notification No.II(1)/CTR/34(B)2007 Gazette Extraordinary dated 24.05.2007, effective from 24.05.2007. On verifying the nature of the dealer it is revealed that they are large consignor and Tea plantation owners. The sale of tea by the dealer even though they were manufactured by Bought Leaf Tea Factories, but were sold to dealer (Kannan Devan Hills Plantations Co. Pvt. Ltd). The dealer cannot be classified under **Bought Leaf Tea factories or as a member of Tamil Nadu Small Tea Growers' Industrial Co-Operative Tea Factories' Federation Limited (INCOSERVE)**. Hence the sale of "Tea" by the dealer will attract the rate of tax @ 5% under Entry in S.No.137 of Part-B of First Schedule to the TNVAT Act, 2006.

5. It is therefore Clarified that the **Sale of "Tea" by Kannan Devan Hills Plantations Company Private Ltd - who purchases it from Bought Leaf Tea factories/Tamil Nadu Small Tea Growers' Industrial Co-Operative Tea Factories' Federation Limited (INCOSERVE) is liable to tax at 5% under Entry 137 of Part-B of First Schedule to the TNVAT Act, 2006.**

Dated this the Thirteenth day of August 2015.

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

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

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

To
Tvl. Kannan Devan Hills Plantations Co. Pvt. Ltd.,
Branch at Woodbridge Tea Factory,
5/233, Marappalam, Puliampara Post
Gudalur, The Nilgiris - 643 212.

Copy to:

The Assistant Commissioner (CT)
Thudiyalur Assessment Circle
Coimbatore

The Joint Commissioner (CT),
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 (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, Greaves Road, Chennai - 6.

The Executive Officer, Traders Welfare Board, Chennai - 5.

The Accountant General (Audit)-II, No.44, Greaves 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/


Commercial Tax Officer