

**8. PROCEEDINGS OF THE COMMISSIONER, COMMERCIAL TAXES  
THIRUVANANTHAPURAM**

Present: Sri.Paul Antony.IAS

Sub:- CT Dept. KGST Act, 1963- Clarification U/s. 59A- Rate of tax applicable to Beer Sales to Canteen Stores Dept. Kochi- Clarified orders issued – Reg:

Read: Application dt. 03.03.04 filed by M/s. Empee Breweries Ltd, Palakkad

**ORDER No.C3.12717/04/CT Dt. 17.02.06**

M/s. Empee Breweries Ltd, Palakkad has preferred an application for clarification under section 59A of the KGST Act 1963 and requested to clarify the following points.

1. Whether tax collected on the sales of Beer to Canteen Stores Dept. in Kerala at half of the rate of tax applicable to Beer is in order?
2. Whether TOT, Surcharge, AST are chargeable?

The applicant was heard then authorised representative. After considering their submission in the light of the law the following clarification is issued.

Beer was taxable at 60 % under entry 60 of First Schedule to the KGST Act and now also it is 60 % under the schedule to the said Act. Government as per SRO 1091/99 (schedule III, SL.No. 6) has reduced the rate of tax on the sale of any goods to military, Naval, Air force, NCC Canteens and Canteens Stores Department to 50 % of the rate applicable to such goods. As such the applicant dealer may sell Beer at 30 % rate being half the rate of sales tax applicable to Beer. However, this reduced rate is available only upto 31.03.2005, thereafter there is no such reduction in rate.

The applicant dealer is liable to pay turnover tax under section 5(2)(b) till 31.03.05 and thereafter under section 5(2) of the KGST Act, 1963.

As per Kerala Surcharge on Taxes Act 1957, surcharge is payable @ 10 % as stipulated in section 3 of the Act.

Additional Sales Tax is not leviable on the tax payable on Beer. The points referred to are clarified accordingly.

Sd/  
Commissioner