

**BEFORE THE ADVANCE RULING AUTHORITY: ODISHA SALES TAX TRIBUNAL,  
CUTTACK**

**A.R.A.No.12 of 2012-13**

Present Shri G.C.Patnaik, Shri P.Mishra & Shri A.K.Bhuyan  
1<sup>st</sup> Judicial Member. 2<sup>nd</sup> Judicial Member. Accounts Member-I.

M/s. Utkal Prawn Scale processing Unit,  
AT:Mirzapur, Chandipur,  
Dist: Balasore. ... Applicant.

-Versus-

State of Odisha, represented by the  
Commissioner of Sales Tax(O),Cuttack. ... Respondent.

For the Applicant : ... Mr. S.K.Mishra, Advocate.  
For the Respondent : ... Mr. R.K. Rout, S.R.

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Date of hearing: 11.04.2013 \*\*\* Date of order: 10.05.2013  
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**ORDER**

This order arises out of the petition preferred by the petitioner to give a finding on Advance Ruling u/s.78-A of the O.V.A.T. Act.

2. The brief facts leading to this petition is that, the appellant-petitioner is a registered dealer under Balasore Circle and having business in trading of Prawn Scale after some normal processing of raw Prawn Scale and sells the same to the poultry plant and aquatic feed plant as a raw materials and sought a ruling with regard to the rate of tax. According to the petitioner Prawn Scale is a tax free goods under Sl.No.24 of Schedule-I of O.V.A.T. Act and he collects the Prawn Scale and prepares the raw materials like feed for the poultry firm and aquatic firm. He runs a processing unit and filed the returns showing the same as exempted goods but the authorities claimed 13.5% as tax under O.V.A.T. Act and he sought a ruling on the same.

3. On the other hand, the Revenue has filed the reply and submitted before this forum that the applicant being a TIN holder deals in trading of Prawn Scale and the main question before this forum is that whether Prawn Scale is a tax

free goods covered under Schedule-A within the scope of Sec.17 of the O.V.A.T. Act. Further, what should be the rate of tax for the Prawn Scale? The Revenue mainly contended that Prawn has not been specifically mentioned in the O.V.A.T. Rate Chart as scheduled goods for which it is liable to be taxed @ 13.5% tax of the Rate Chart. Further, there is no mention of Prawn Scale under the exemption goods and it will come under Part-III liable to 13.5% tax. It was also submitted that the raw materials used in manufacturing of Prawn feed and aquatic feed are not exempted from VAT. So, according to the Revenue the dealer has to pay 13.5% tax under the O.V.A.T. Act.

4. On going through the rival contentions it is forthcoming that the outer skin of the prawn called Prawn Scale which is a raw materials of the dealer to prepare the feed as poultry feed and aquatic feed. It is not a scheduled goods under the O.V.A.T. Rate Chart and it squarely comes under part-III which is exigible to 13.5% tax. We are also of the opinion that the dealer collects the raw prawn scale from different source. He grinds the same and prepares the feed and the same is liable to 13.5% tax under the O.V.A.T. Act.

5. In view of our above discussions we are of the opinion that the said Prawn Scale dealt by the dealer is exigible to 13.5% tax and there is no such dispute over the same and accordingly the Advance Ruling is disposed of.

Dictated & Corrected by me,

Sd/-  
(G.C.Patnaik)  
1<sup>st</sup> Judicial Member.

Sd/-  
(G.C.Patnaik)  
1<sup>st</sup> Judicial Member.

I Agree,

Sd/-  
(P.Mishra)  
2<sup>nd</sup> Judicial Member.

I Agree,

Sd/-  
(A.K.Bhuyan)  
Accounts Member-I.

TRUE COPY LISTED

*[Signature]*  
Senior Stenographer