

PROCEEDINGS OF THE AUTHORITY FOR CLARIFICATION AND ADVANCE RULING	
<u>ACAAR No. 130/ 2013-14.</u> (Acts Cell – II/8538/2014)	Dated 23.10.2014
<u>Present:</u>	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. Lakshmi Vasantham Agencies, G-2, Ashwin Apartments, D-40, R.V. Nagar, 4 th Street, Anna Nagar (East), Chennai - 600 102
2. Registration Certificate No.	: TIN:33651024539 / CST:866064
3. Date of application	: 24.02.2014
4. Date of receipt of application	: 12.03.2014
5. Clarification sought for	: Rate of Tax on "Energee", a combination of Milk Powder and herbs.
6. Date of Personal Hearing	: 16.09.2014
7. Represented by	: Thiru. K.G.Trimurthy, Manager (Accounts) & Authorized Representative.

ORDER

Tvl. Lakshmi Vasantham Agencies, G-2, Ashwin Apartments, D-40, R.V. Nagar, 4th Street, Anna Nagar (East), Chennai - 600 102 (TIN: 33651024539), the registered dealers in the files of Amindakarai Assessment Circle, Chennai, manufacturing and marketing herbal food mixes, 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:

Rate of tax on "**Energee**", a mixture of milk powder and sugar treated with herbal extracts.

3. The applicant-dealers have requested for an opportunity of personal hearing. Accordingly, the Authority for Clarification and Advance Ruling have convened a meeting on 16.09.2014, to provide the applicant-dealers an opportunity of personal hearing. The Applicant-dealers were informed officially to appear before the Authority for Clarification and Advance Ruling on 16.09.2014. Thiru. K.G.Trimurthy, the Manager (Accounts) and Authorized Representative of the Applicant-dealers has appeared and represented the applicant-dealers. The applicant-dealers have stated that "Energee" is a malted beverage enriched with milk proteins, natural vitamins, minerals and sugar treated with six herbal extracts, which does not increase the blood sugar levels on intake. Two teaspoons of energee in a cup of hot water consumed daily twice eliminates tiredness, in diabetics, maintains suagr level and removes joint pain. The Authorized Representative added that the "energee" is a energy drink concentrate treated with herbals used as a food supplement. He has prayed that the rate of tax for "Energee" may accordingly be clarified.

4. The issue has been examined in detail with reference to the provisions of TNVAT Act, 2006 and Rules, 2007 and the related Entries in Parts B and C of the First and Fourth Schedules 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.

5. The applicant-dealers have sought for clarification regarding rate of tax on "**Energee**", a mixture of milk powder and sugar treated with herbal extracts, a food supplement for diabetics.

6. The related Entry 51 of Part-B of First Schedule the TNVAT Act, 2006 reads as extracted below:

"Foods and food preparations and mixes including instant foods, coconut milk powder, pickles, sweets, cheese, confectionery, chocolates, toffees and savouries like chips and popcorn sold without a brand-name other than those specified in the Fourth Schedule."

The applicant-dealers' product, marketed in the name "Energee" as revealed from the literature furnished along with the application, is a unbranded food supplement, as a mixture of milk powder (for milk proteins and vitamins and minerals) and sugar treated with herbal extracts. Two teaspoonful of this mix in a cup of hot water ensures activeness and maintains blood sugar level. As such, this product falls within the scope of the expression, "*food preparations and mixes*", as

this expression is wide enough to encompass any kind of ready to use food mixes usable as food supplements.

7. The clarification is therefore that the **"Energee" sold without a brand name is taxable @ 5 % as a food mix under Entry 51 of Part-B of First Schedule** to the TNVAT Act, 2006.

Dated this, the 23rd Day of October, 2014.

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

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

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

To
Tvl. Lakshmi Vasantham Agencies,
G-2, Ashwin Apartments,
D-40, R.V. Nagar, 4th Street,
Anna Nagar (East),
Chennai - 600 102

Copy to
The Assistant Commissioner (CT)
Anna Nagar Assessment Circle.

The Joint Commissioner (CT),
Chennai (South) 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 File3 / Acts Cell-II / Spare - 5.

//Forwarded/By order//


Additional Commissioner (PR)