

**GOVERNMENT OF TAMILNADU
COMMERCIAL TAXES DEPARTMENT**

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

ACAAR No.79/2015-16.
(Acts Cell-II/31304/2015)

Dated:18.02.2016

ACAAR No.81/2015-16.
(Acts Cell-II/31304/2015)

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

1	Name and address of the Applicant	:	Tvl. RasiNutri Foods, Ayeepalayam, Athanur 636 301, Rasipuram(TK), Namakkal(DT).	Tvl.ChristyFriedgram Industry, A2 & A3, SIDCO Industrial Estate, Andipalayam – 637 214, Trichengode (TK), Namakkal(DT).
2.	Registration Certificate No.	:	TIN.No.33083162296 CST: 675969	TIN.No.33873200807 CST: 420697
3.	Assessment Circle	:	Rasipuram Assessment Circle	Trichengode Rural Assessment Circle
4.	Date of application	:	06-10-2015	
5.	Date of receipt of application	:	07-10-2015	
6.	Clarification sought for	:	Rate of Tax on sale of "Weaning Food"	
7.	Date of Personal Hearing	:	---	
8.	Represented by	:	---	

COMMON ORDER

Tvl.RasiNutri Foods, Ayeepalayam, Athanur Rasipuram – 636 301 (TIN.No.33083162296), registered dealers in the files of Rasipuram Assessment Circle [ACAAR No.79/2015-16], and Tvl.ChristyFriedgram IndustryAndipalayam – 637 214(TIN.No.33873200807), registered dealers in the files of Trichengode Rural Assessment Circle [ACAAR No. 81/2015-16] have preferred application 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 both the applications seek clarifications on rate of tax applicable on "Weaning food" a common order is passed in both the applications.

2.1. The applicant-dealers have stated in the application that they are approved and authorised manufacturers and suppliers of weaning food for Integrated Child Development Services Scheme (ICDS), governed by Department of Social Welfare and Nutritious Noon Meal Programme, Government of Tamil Nadu. They are purchasing Bengal gram from registered dealers inside the State along with other raw materials, such as, Wheat, Jaggery, Vitamins etc., for using in the manufacture of "Weaning food" for the children in the age group from six months to two years, supplied to the Department of Social Welfare and Nutritious Noon Meal Programme, Government of Tamil Nadu for supply as supplementary/ complementary food under Integrated Child Development Services Scheme (ICDS). The applicant-dealers have sought for clarification on the following: Rate of Tax on "Weaning food" prepared and supplied to Integrated Child Development Services Scheme (ICDS), under the Department of Social Welfare and Nutritious Noon Meal Programme, Government of Tamil Nadu.

3.1. In this regard, the applicant dealers have solicited attention of the Authority for Clarification and Advance Ruling to the Notification No.

II(1)/CTRE/59(A)/95 – G.O.P. No.80, Commercial Taxes and Religious Endowments (B2) Department dated 27.03.1995, published in Tamilnadu Government Gazette No. 150, Part II, Section 1, wherein "Weaning Food" has been exempted on sale by any dealer for the Chief Minister's Noon Meal Scheme under the erstwhile TNGST Act, 1959. The applicant-dealers have also pointed out that the Weaning food prepared by them is being sold to Integrated Child Development Services Scheme (ICDS), implemented by the Department of Social Welfare and Nutritious Noon Meal Programme, Government of Tamil Nadu. The Weaning food sold by them under ICDS is supplied to the children in the age group from six months to two years in order to habituate the children to take solid food in lieu of mother feeding. The weaning food is supplied as supplementary food to the children free of cost.

3.2. The applicant-dealers have furnished a copy of letter from the Director of Integrated Child Development Services Scheme (ICDS) in its reference, ROC No. 7705/NC 1-2/15, dated 06.10.2015 wherein it has been clarified that the exemption of sales tax on supply of weaning food to the District Collectors under Chief Minister's Nutritious Noon Meal Scheme as per the said notification is also applicable to the weaning food supplied to ICDS, which is being covered under NNMP generally known as Nutritious Noon Meal Programme including Integrated Child Development Services Scheme.

4. The applicant-dealers, under the above narrated facts and circumstances, have requested that they may be clarified as to whether weaning food is exempted even under VAT as per the said Notification granting exemption on sale of weaning food for Chief Minister's Nutritious Noon Meal Programme under Section 17 of the erstwhile and repealed TNGST Act, 1959.

5. This committee considered the above application and the documents filed along with the application carefully and examined the

issue with reference to the Schedules and provisions of TNVAT Act, 2006 and TNVAT Rules, 2007 and notifications issued under the Act.

6.1. At this juncture, it is pertinent to refer the Notification No. II(1)/CTRE/59(A)/95 – G.O.P. No.80, Commercial Taxes and Religious Endowments (B2) Department dated 27.03.1995, published in Tamilnadu Government Gazette No. 150, Part II, Section 1, wherein “Weaning Food” has been exempted on sale by any dealer for the Chief Minister’s Noon Meal Scheme under the erstwhile TNGST Act, 1959. This notification was issued under Section 17 of the erstwhile and repealed TNGST Act, 1959 and continues to be in force as per section 88(3)(i) of TNVAT Act, 2006. Under such circumstances a question arises as to whether the exemption granted on sale of weaning food to Chief Minister’s Noon Meal Programme in the said notification in G.O.P. No. 80 dated 27.03.1995 under the repealed Act is applicable to the sale of weaning food to Integrated Development Service Scheme.

6.2. The Director, Integrated Child Development Service Scheme has opined that the Integrated Child Development Service Scheme is being implemented by the Department of Social Welfare and Nutritious Noon Meal Programme as a part of Nutritious Noon Meal Programme. The exemption granted for Weaning food on sale to Chief Minister’s Noon Meal Programme under Notification No. II(1)/CTRE/59(A)/95–G.O.P. No.80, Commercial Taxes and Religious Endowments (B2) Department dated 27.03.1995 is also therefore applicable to the sale of weaning food for supply to the children as supplementary nutrition under Integrated Child Development Services Scheme, implemented as part of Nutritious Noon Meal Programme.

6.3. On seeking clarification on this issue, the Principal Secretary, Social Welfare and Nutritious Meal Programme vide his Letter No.991/SW7-1/2016-3, dated 04.02.2016 had stated as below:

"i. The Integrated Child Development Services Scheme is incepted by the Government of India on 2nd October 1975 for providing weaning food for the Anganwadi children in the age group of 6 months to 36 months, pregnant women/nursing mothers and now for Adolescent Girls through Anganwadi Centres (Child Welfare Centres).

ii. PT MGR Nutritious Meal Programme (Chief Minister's Nutritious Noon Meal Scheme) is incepted in Tamilnadu on 01.07.1982 for providing Hot cooked Nutritious Meal for the children in the age group of 2 to 5 years in Anganwadi centres (Child Welfare Centres) under Integrated Child Development Services Scheme and School children from 1st STD to 10th STD (primary and upper primary school children).

iii. It is stated that at present weaning food (supplementary nutrition) is being provided to the Anganwadi children under Integrated Child Development Services Scheme only. The Integrated Child Development Services Scheme is covered under the Department of Social Welfare and Nutritious Noon Meal Programme and generally called as Nutritious Noon Meal Programme inclusive of Integrated Child Development Services Scheme.

2. In the stated circumstances, it is confirmed that the exemption granted vide G.O.P.No.80 Commercial Taxes and Registration Department Dated 27.3.1995 in respect of the tax payable under Tamilnadu General Sales Tax Act, 1959 (Tamilnadu Act 1 of 1959) by any dealer on the sale of weaning food to the District Collectors for the Chief Minister's Nutritious Noon-Meal Scheme still holds good.

3. This letter issues with the concurrence of Commercial Taxes and Registration Department's U.O. No.1206/B-2/2016-1, Dated 04.02.2016."

6.4. The above said Notification (i.e., Notification No. II(1)/CTRE/59(A)/95-G.O.P. No.80, Commercial Taxes and Religious Endowments (B2) Department dated 27.03.1995) issued under section 17 of TNGST Act, 1959 has not been canceled so far and the above

clarification has been issued by the Principal Secretary, Social Welfare and Nutritious Meal Programme with the concurrence of Commercial Taxes and Registration Department U.O Note in U.O.No.1206/B-2/2016-1 dated 04.02.2016.

7. It is therefore clarified that the exemption granted to any dealer on the sale of weaning foods, to the District Collectors for the Chief Minister's Nutritious Noon-Meal Scheme vide Notification No. II(1)/CTRE/59(A)/95-G.O.P. No.80, Commercial Taxes and Religious Endowments (B2) Department dated 27.03.1995 issued under Section 17 of TNGST Act, 1959 is applicable to the sale of "weaning foods" to Integrated Child Development Service Scheme as the above notification continues to be in force under section 88(3)(i) of TNVAT Act, 2006.

Dated this the 18th day of February 2016.

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

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

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

To

1. Tvl. RasiNutri Foods,
Ayeepalayam, Athanur,
Rasipuram - 636 301.
2. Tvl.ChristyFriedgram Industry,
A2 & A3, SIDCO Industrial Estate,
Andipalayam - 637 214,
Trichengode (TK),
Namakkal(DT).

Copy to:

1. The Assistant Commissioner (CT),
Rasipuram Assessment Circle.
2. The Assistant Commissioner (CT),
Trichengode Rural Assessment Circle

The Joint Commissioner (CT),
Salem 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//


Additional Commissioner (PR)(FAC)


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