

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

Present : Sri.Paul Antony .IAS

Sub:- KVAT Act 03- Clarification U/s. 94- Rate of tax on  
Milk Peda-clarified orders issued- Reg:

Read:1. Application in form No. 24 Dt. 14.08.06 filed by  
M/s. Milto Milk Products, Thrikkakara,Kochi  
2. Hearing Notice No.C7.36124/06/CT Dt. 26.09.06.

ORDER No.C7.36124/06/CT Dt. 10.01.07

M/s. Milto Milk Products, Thrikkakkara, has filed an application for clarification U/s. 94 requesting to clarify the rate of tax on 'Milk Peda' under VAT.

Authorised Representative of the applicant was heard. The contention of the applicant was that the item milk peda is a 'sweet' and the item will fall under entry No. 7 of 3<sup>rd</sup> schedule @ 4 %.

The contention of the applicant has been examined in detail. The product in question is admittedly a product with milk and sugar. As per the chapter Note 4(Chapter 4) of Central Excise Tariff Act, 1985, "all products consisting of natural milk constituents, whether or not containing added sugar or other sweetening matter or flavor" are covered under the heading "0404". The product milk peda fulfill the definition of the said chapter note of Central Excise Tariff Act, 1985 and so would fall under the heading 0404. The product coming under the heading 0404 are classified under item (3) of Sl.No. 64 pf SRO 82/06 and hence milk peda would fall under the above entry taxable @ 12.5 %.

The point raised is clarified as above.

Sd/-  
Commissioner