

**IN THE OFFICE OF COMMISSIONER  
DEPARTMENT OF TRADE AND TAXES  
GOVERNMENT OF N.C.T. OF DELHI  
VYAPAR BHAWAN, NEW DELHI**

No.370/CDVAT/2014/ 331

Dated: 28/11/2014

M/s. Alchemist Foods Limited,  
F-2, Block No.B-1, Mohan Cooperative Industrial Estate,  
Mathura Road,  
New Delhi.

**Through**

M/s. Mitra Gupta & Aggarwal,  
C-2, Kanu Chambers,  
Sanwal Nagar,  
New Delhi - 110 049.

**ORDER**

Present for the Applicant	: Sh. Anil Mitra, Counsel Sh. Daksh Wadhwa, Counsel
Present for the Department	: Sh. M.K. Aggarwal, Departmental Representative

The above named applicant filed an application on 29/08/2014 under section 84 of Delhi Value Added Tax Act, 2004 (hereinafter referred to as the "said Act") and the question put up for determination under the aforesaid provision of law is as under: -

*"What will be the rate of tax on Semi-Cooked item Veg or Non Veg as before consumption or eating the Microwave cooking or cooking by way of other method is required such as Non-Stick Pan on LPG or Heater?"*

**The product is required to be cooked for 5-10 minutes and the same is not eatable in raw form. The product contains Basmati Rice, Boneless Chicken or Meat and Spices.**

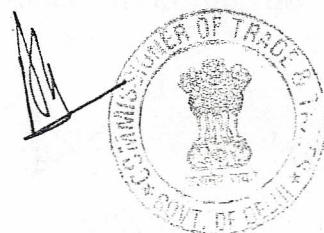
2. The application has been filed in the prescribed format DVAT-42 and the requisite fee of Rs.1000/- paid online vide Reference No. 420233820220914 dated 05.09.2014 of Punjab National Bank.



3. Shri Anil Mitra and Shri Daksh Wadhwa, Counsels appeared and reiterated the grounds of the application filed under section 84 of DVAT Act, 2014. Brief details of the submissions made by the counsel are as under:

- i. Alchemist Foods Limited is registered under DVAT Act, 2004 having TIN 07880391868 in ward 94 and engaged in selling Raw Meat and processed Meat/chicken/fish etc. and now intends to sell semi cooked items such as Rice with Chicken or Meat or with Vegetables.
- ii. The company is importing its product into Delhi from its manufacturing plant at Punjab. The company is also buying materials from other dealers e.g. M/s. Grab A Thought Hospitality Pvt. Ltd. etc.
- iii. The product under consideration is to be cooked for 5-10 minutes and the same is not eatable in raw form. The product contains Basmati Rice, Boneless Chicken or Meat and Spices.
- iv. The applicant has submitted the list of items dealt by the dealer.
- v. The dealer has quoted the definition of 'processed food' as available on the internet. The same is reproduced under:

**“Convenience food, or tertiary processed food,** is commercially prepared food designed for ease of consumption. Although restaurant meals meet this definition, the term is seldom applied to them. Convenience foods include prepared foods such as ready-to-eat foods, frozen foods such as TV dinners, shelf-stable products and prepared mixes such as cake mix.”



and

**“Semi processed convenience foods** some products have undergone some cooking procedures so that the finishing touches have to be given by the consumer. One minute noodles, idli mixes, gulab jamun mixes, upma mixes, soup mixes, cake and baked products mixes. Some ingredients may also have to be added by the user.”

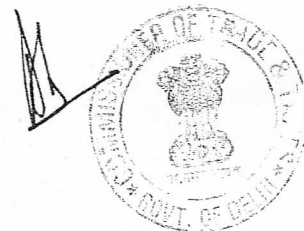
- vi. The dealer further produced samples of some of the semi cooked items i.e. Vegetable Mini Kiev, Chicken Masala Rice & Butter Chicken, dealt by.
- vii. The dealer stated that the item is covered under entry 77 of the third schedule of the DVAT Act, 2014 and should be taxed @ 5%.

With the above averments, the dealer requested to determine the rate of tax on semi cooked item Veg or Non-Veg.

- 4. The DR appearing on behalf of the department stated that Entry 77 of the Schedule-III of DVAT Act, 2004, reads as under:

“Processed meat, poultry, fish and processed or preserved vegetables and fruits, [\*\*\*] including fruit jams, jelly, pickle, fruits squash, paste, fruit drink and fruit juice whether in sealed container or otherwise.”

The entry only includes processed meat, fish and processed or preserved vegetables and fruits and does not include semi cooked items and the items shown by the dealer does not fall under the category of processed food and hence the same are to be classified as unspecified item and to be taxed @ 12.5%. Further, the definition quoted by the dealer from internet



explains the meaning of convenience food and not defines the processed food.

5. I have heard both the sides and perused the samples produced by the counsel during hearing and the documents on record. The items shown by the dealer are not covered under the meaning of entry 77 of the Third Schedule of DVAT Act, 2004. I am of the opinion that the intent of the legislation is only to include processed meat/fish and processed or preserved vegetables and fruits and not to include semi-cooked items. Hence, the semi cooked veg or non-veg should be taxed under section 4(1)(e) of the DVAT Act @ 12.5%.
6. Held accordingly.

(Sanjeev Khirwar)  
Commissioner, VAT

Copy for information and necessary action to:

1. Applicant
2. Addl. Commissioner (Law & Judicial)
3. Addl. Commissioner (System)
- ✓ 4. Programmer (EDP) for uploading this order on web.
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(Sanjeev Khirwar)  
Commissioner, VAT

