M/s LVP Foods Private Limited, 3 Km Stone, Hasanpur Road, Gajraula, Amroha, Uttar Pradesh, 244 235 (GSTIN 09AABCL2517K1ZH)

Authority for Advance Ruling — Uttar Pradesh

Order No. 40, dated 06.09.2019 (Authority for Advance Ruling, Uttar Prad… Dated **06.09.2019**

Q Questions Before the Authority

- What shall be the classification of the product 'Instant Tea Whitener', manufactured and proposed to be supplied by the applicant?
- What shall be the rate of GST on the said product in terms of that classification?

F Facts

The applicant is a company that processes and packs milk in pouches. It proposes to manufacture and supply 'Instant Tea Whitener', a powdered product used like milk powder for making instant tea and coffee. Per the applicant, 1 kg of the product is made from 2.70 kg of standard liquid milk, 160 g of vegetable fat, 354 g of maltodextrin and 210 g of sugar, with liquid milk processed (filtration, separation, pasteurisation, evaporation, homogenisation) into powder and then packed in unit containers or sachets.

H Ruling

Classification of 'Instant Tea Whitener'	**Chapter Heading 0402 of the GST Tariff**	Based on essential character given by liquid milk under Rule 3(b); the ruling treats the product as milk powder despite added sugar, fat and maltodextrin.
Rate of GST on the product	**Applicable rate under the Chapter 0402 entry, Sl. No. 8 of Schedule I, Notification No. 01/2017-Central Tax (Rate) dated 28.06.2017. The percentage is not stated in the ruling.**	The Jurisdictional GST Officer's report, as recorded in the order, gave HSN 04022990 and a 5% rate, but the Authority did not expressly adopt that figure in its ruling. Verify the rate against the current notification.

The Authority held that 'Instant Tea Whitener' as described will merit classification under Chapter Heading 0402 of the GST Tariff and is chargeable to GST at the applicable rate under that tariff entry, read with Notification No. 01/2017-Central Tax (Rate) dated 28.06.2017, Sl. No. 08 of Schedule I. The Authority reasoned that, even after the additives are added, the product remains milk powder and that its essential character is given by liquid milk. The ruling does not state a percentage rate.

R Reasoning

The Authority admitted the application because the issue concerns classification of goods, which falls under Section 97(2)(a) of the CGST Act. It noted that the Customs Tariff heading 0402 covers milk and cream concentrated or containing added sugar, and that the Chapter 4 exclusions for whey-based products, milk-derived products with substituted constituents, and albumins and globulins were not engaged. Applying Rule 3(a) and Rule 3(b) of the General Rules for Interpretation, it accepted that liquid milk gives the product its essential character, that the product cannot be made without milk, and that the other ingredients are ancillary. It therefore held that the product remains milk powder under heading 0402.

P Provisions Relied On

- Section 97(2)(a) of the CGST Act, 2017 (classification of goods as admissible advance ruling matter)
- Section 104(1) of the CGST Act, 2017 (ruling declared void)
- Section 130(2) of the CGST Act, 2017, as printed in the ruling
- Rule 3(a) and Rule 3(b) of the General Rules for Interpretation of the Customs Tariff
- Heading 0402 of the Customs Tariff Act, 1975, and the Chapter 4 exclusion clauses (headings 1702, 1901/2106, 3502 and 35…
- Notification No. 01/2017-Central Tax (Rate) dated 28.06.2017, Sl. No. 08 of Schedule I

! For the Practitioner

A practitioner dealing with sweetened, additive-containing milk powders for tea or coffee whitening can cite this ruling for the position that such products stay within heading 0402 where liquid milk gives the essential character. It settles that classification for this applicant and this formulation only, and an advance ruling binds only the applicant and the Revenue in that case. It does not state the GST percentage, so the rate must be checked against the current notification, and it does not decide the sub-heading for products where the added sugar or fat share is materially different.

Source

Summary prepared from the published order, which is a scanned document. It is a reading aid and not the authority: where the two differ, the order governs. Verify every provision against the original before relying on it.

Original order: www.gstcouncil.gov.in -> up_aar_40_06.09.2019_lvpfpl.pdf

Prepared 07-11-2026.

About Patron Accounting LLP

Patron Accounting LLP is a CA and CS-led accounting and compliance firm working with businesses across India since 2019 — bookkeeping, GST, income tax, payroll, company and LLP compliance, audit and the certificates banks and regulators ask for.

Pune (HQ)
RTC Silver, B4-708, Sai Satyam Park, Wagholi, Pune, Maharashtra 412207

Mumbai
104, Rajshila Building, 597 J.S.S. Road, Marine Lines, Mumbai 400002

Delhi
3rd Floor, B-6/154-155, Sector 5, Rohini, Delhi 110085

Gurugram
Pioneer Urban Square, B109, Golf Course Ext Road, Sector 62, Gurugram…

Ahmedabad
Phoenix Tower, 1107, near Commerce Six Road, Drive In Road, Navrangp…

Talk to us: **+91 94594 56700** | sales@patronaccounting.com | patronaccounting.com

Patron Accounting LLP