

**GOVERNMENT OF TAMILNADU  
COMMERCIAL TAXES DEPARTMENT**

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

**ACAAR No.36 to 47/2013-14**  
**Acts cell-II/20240 to 20251/2013**

Dated:25.10.2016

- Present:** 1.Dr.C.Chandramouli, I.A.S.,  
Additional Chief Secretary / Commissioner of Commercial  
Taxes.
- 2.Thiru. A.Sarvar Allam,  
Additional Commissioner (CT), (Public Relations)(FAC)
- 3.Thiru. K. Mahalingam,  
Additional Commissioner (CT), (Revision Petitions)

1.	Name and address of the Applicant	:	Tvl. House of Aloe, 26/3 (OLD 12/3) Central Excise Colony, Chennai - 600 015
2.	Registration Certificate No.	:	TIN: 33356223031 CST: 733077
3.	Name of the Assessment Circle	:	Saidapet Assessment Circle
4.	Date of application	:	05.07.2013
5.	Date of receipt of application	:	05.07.2013
6.	Clarification sought for	:	Rate of tax on Aloe vera products viz., (1) Aloe Detox, (2) Aloe Trim Juice, (3) Aloe Lite, (4) Aloe relief, (5) Aloe plus juice, (6) Aloe pure, (7) kumari swarasam, (8) Aloe muscle rub, (9) Aloe foot care (10) Aloe cold balm (11) Aloe multipurpose, (12) Aloe itch free
7.	Date of Personal Hearing	:	Personal hearing not requested
8.	Represented by	:	---

**COMMON ORDER**

Tvl. House of Aloe., Chennai - 600015, (TIN: 33356223031), registered dealer in Saidapet Assessment Circle have preferred 12 separate applications 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 the products for which clarification is sought are all aloe vera products manufactured by a single manufacturer, the applications in ACAAR Nos.36 to 47/2013-14 (Acts Cell II/20240 to 20251/2013) are taken up for consideration together and a common order is passed on the above 12 applications.

2. The applicant-dealers have stated that they are consignment agent of Tvl. Yeturu Bio-Tech Limited, Hyderabad and sought for clarification on the rate of tax applicable on Aloe vera products viz., (1) Aloe Detox, (2) Aloe Trim Juice, (3) Aloe Lite, (4) Aloe relief, (5) Aloe plus juice, (6) Aloe pure, (7) kumari swarasam, (8) Aloe muscle rub, (9) Aloe foot care (10) Aloe cold balm (11) Aloe multipurpose, (12) Aloe itch free.

3. The Annexure enclosed by the applicant dealers reveals that their vendor manufacturer Tvl. Yeturu Bio-Tech Limited, Andhra Pradesh are approved for the manufacture and sale of Ayurvedic medicine issued by Department of Ayush, Government of Andhra Pradesh. Their contention is that the above goods would fall under the definition of 'drugs and medicine' attracting tax liability at 5% under Entry 44 of Part-B of First Schedule to TNVAT Act.

4. This committee considered the above applications and the documents filed along with the applications carefully and examined the issue with reference to the Schedules and provisions of TNVAT Act, 2006 and notifications issued under the Act.

5. The applicant dealers are dealing in aloe vera ayurvedic products used for health, skin and personal care. These products are claimed to be manufactured under the license issued by Aysh Department. Under TNVAT Act, "Drugs & Medicines including vaccines, serums and dressings, medicated preparations, etc."

under drugs license, light liquid paraffin of IP grade" fall under Entry 44 of Part-B of First Schedule to TNVAT Act attracting liability of 5%. Cosmetics and toilet articles fall under Entry 20 of Part-C of First Schedule to TNVAT Act attracting liability of 14.5%.

6. Products manufacturing with license issued under Drugs and Cosmetics Act may fall under either of the above two entries. Therefore, all the products manufactured with the license issued under Drugs & Cosmetics Act cannot be treated as drugs and medicines as defined under Entry 44 of Part-B of First Schedule to TNVAT Act, 2006. As per usage theory, Drugs & Medicines are used for treating a particular illness and disease. Therefore, the products having therapeutic value and that can be prescribed only by doctors can be treated as drugs & medicine.

7. According the details available in the website of the manufacturer of the products, they are ayurvedic products used for health, skin and personal care. These goods are sold as off-the shelf products in any shop, without insisting doctor's prescription. Therefore, the products cannot be treated as drugs and medicine as defined under Entry 44 of Part-B of First Schedule to TNVAT Act, 2006.

8. The Aloe Vera based products dealt by the applicant-dealers can be classified either as a "cosmetic" as defined under Entry 20 of Part-C of First Schedule to the Act or under the "residuary item" falling under Entry 69 of Part-C of First Schedule to the TNVAT Act, 2006, both liable to VAT at 14.5%.

However, as per Notification No.II(1)/CTR/4(b-5)/2010 issued in G.O.No.33 dated 29-03-2010 with effective from 01-04-2010, the sale of Aloe Vera products by any dealer whose total turnover does not exceed Rupees One Crore in a year is exempt from tax.

9. In view of the above facts, this committee clarifies that  
 (i) the Aloe Vera products viz., (1) Aloe Detox, (2) Aloe Trim Juice, (3) Aloe Lite, (4) Aloe relief, (5) Aloe plus juice, (6) Aloe pure, (7) kumari swarasam, (8) Aloe muscle rub, (9) Aloe foot care (10) Aloe cold balm (11) Aloe multipurpose, (12) Aloe itch free; **are liable to tax at 14.5% either as "Cosmetics" falling under Entry 20 of Part-C of First Schedule to the TNVAT Act or as "residuary item" falling under Entry 69 of Part-C of First Schedule to the TNVAT Act, 2006.**

(ii). However, as per Notification No.II(1)/CTR/4(b-5)/2010 issued in G.O.No.33 dated 29-03-2010 with effective from 01-04-2010, **the sale of Aloe Vera products by any dealer whose total turnover does not exceed Rupees One Crore in a year is exempt from tax.**

Dated this the Twenty-Fifth day of October 2016.

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

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

Sd/- Dr.C. Chandramouli, I.A.S  
 Additional Chief Secretary/  
 Commissioner of Commercial Taxes

To  
 Tvl. House of Aloe,  
 26/3 (OLD 12/3)  
 Central Excise Colony,  
 Chennai - 600 015.

Copy to:  
 The Assistant Commissioner (CT)  
 Saidapet Assessment Circle.

The Joint Commissioner (CT),  
 Chennai (Central) 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  
 TSTC

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//

*L. J. Manojan*  
28/1/16  
Commercial Tax Officer