

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

ACAAR No.129/ 2013-14.
(Acts Cell – II/8537/2014)

Dated 23.10.2014

Present:

1. Thiru. K.Rajaraman, I.A.S.,
Principal Secretary & Commissioner of Commercial Taxes.
2. Thiru. R.Vayanaperumal,
Additional Commissioner (CT), (Public Relations)
3. Thiru. K.Mahalingam,
Additional Commissioner (CT), (Revision Petitions)

1.	Name and address of the Applicant	:	Tvl. Lakshmi Vasantham Agencies, G-2, Ashwin Apartments, D-40, R.V. Nagar, 4 th Street, Anna Nagar (East), Chennai - 600 102
2.	Registration Certificate No.	:	TIN:33651024539 / CST:866064
3.	Date of application	:	24.02.2014
4.	Date of receipt of application	:	12.03.2014
5.	Clarification sought for	:	Rate of Tax on "Orthochip", a combination of herbs.
6.	Date of Personal Hearing	:	16.09.2014
7.	Represented by	:	Thiru. K.G.Trimurthy, Manager (Accounts) & Authorized Representative.

ORDER

Tvl. Lakshmi Vasantham Agencies, G-2, Ashwin Apartments, D-40, R.V. Nagar, 4th Street, Anna Nagar (East), Chennai - 600 102 (TIN: 33651024539), the registered dealers in the files of Amindakarai Assessment Circle, Chennai, manufacturing and marketing herbal food mixes, have preferred application in Form 'VV' and sought clarification under Section 48-A (1) of the TNVAT Act, 2006, read with Rule 12-A of TNVAT Rules, 2007.

2. The applicant-dealers have sought for clarification on the following:

Rate of tax on "**Orthosip**", a mixture of herbal powders with spices and condiments for universal use, claimed to be soup mix.

3. The applicant-dealers have requested for an opportunity of personal hearing. Accordingly, the Authority for Clarification and Advance Ruling have convened a meeting on 16.09.2014, to provide the applicant-dealers an opportunity of personal hearing. The Applicant-dealers were informed officially to appear before the Authority for Clarification and Advance Ruling on 16.09.2014. Thiru. K.G.Trimurthy, the Manager (Accounts) and Authorized Representative of the Applicant-dealers has appeared and represented the applicant-dealers. The applicant-dealers have stated that "Orthosip" is a mixture of four proven anti-arthritic herbal powders with spices and condiments, which can be used by any individual, by boiling one teaspoonful of this mixture in 150 ml of water to prepare tangy soup, to which salt and pepper can be added for taste. The Authorized Representative added that the "Orthosip" is not eligible to be drug or medicine as it is not provided in the prescribed dosage under the prescription of any Physician; but it is an admixture of the herbal and spices powder, used as a food supplement. He has prayed that the rate of tax for "Orthosip" may accordingly be clarified.

4. The issue has been examined in detail with reference to the provisions of TNVAT Act, 2006 and Rules, 2007 and the related Entries in Parts B and C of the First and Fourth Schedules to the TNVAT Act, 2006. Section 48-A of TNVAT Act, 2006 provides for clarification on any point concerned with rate of tax for commodities.

5. The applicant-dealers have sought for clarification regarding rate of tax on "**Orthosip**", a mixture of herbal powders with spices and condiments for universal use, claimed to be soup mix, a food supplement.

6. The related Entry 51 of Part-B of First Schedule the TNVAT Act, 2006 reads as extracted below:

"Foods and food preparations and mixes including instant foods, coconut milk powder, pickles, sweets, cheese, confectionery, chocolates, toffees and savouries like chips and popcorn sold without a brand-name other than those specified in the Fourth Schedule."

The applicant-dealers' product, marketed in the name "Orthochip" as revealed from the literature furnished along with the

application, is a unbranded food supplement, as a mixture of four herbal powder with spices and condiments, which could be used as a soup mix. A teaspoonful of this herbal and spice mix on boiling with 150 ml. of water would give a tangy soup, to which salt and pepper can be added for taste. As such, this product falls within the scope of the expression, "*food preparations and mixes*", as this expression is wide enough to encompass any kind of ready to use food mixes usable as food supplements.

7. The clarification is therefore that the **"Orthosip" sold without a brand name is taxable @ 5 % as a food mix under Entry 51 of Part-B of First Schedule** to the TNVAT Act, 2006.

Dated this, the 23rd Day of October, 2014.

Sd/- R. Vayanaperumal,
Additional Commissioner (PR)

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

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

To

Tvl. Lakshmi Vasantham Agencies,
G-2, Ashwin Apartments,
D-40, R.V. Nagar, 4th Street,
Anna Nagar (East),
Chennai - 600 102

Copy to

The Assistant Commissioner (CT)
Anna Nagar Assessment Circle.

The Joint Commissioner (CT),
Chennai (South) 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.

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The Additional Commissioners, Deputy Commissioners, Assistant
Commissioners, Commercial Tax Officers in CCT's Office.
Personal Clerk to the CCT.
Stock File3 / Acts Cell-II / Spare - 5.

//Forwarded/By order//


Additional Commissioner (PR)