

8 PROCEEDINGS OF THE AUTHORITY FOR CLARIFICATION AND ADVANCE RULING	
ACAAR No. 131/ 2013-14. (Acts Cell – II/8539/2014)	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 "Diasugar", a combination of normal sugar and herbal powder.
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 "**Diasugar**", a mixture of normal sugar in combination of eight herbal powders.

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 "Diasugar" is a mixture of normal sugar combined with eight herbal powders, which keeps the blood sugar level under control. It can be used as normal sugar; but the added herbals neutralize the carbohydrates even before entering into blood stream. The Authorized Representative added that the "Orthochip" 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 sugar and herbal powders, used instead of normal sugar. He has prayed that the rate of tax for "Diasugar" 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 "**Diasugar**", a mixture of normal crystalline sugar in combination with eight herbal powders.

6. Normal Sugar is liable to exemption from tax vide Entry 14-A (i) of Part-B of Fourth Schedule to the TNVAT Act, 2006, which reads, "Cane or beet sugar and chemically pure sucrose in solid form". The applicant-dealers' product, "diasugar" is different from normal sugar as it stands as a mixture of normal crystalline sugar and eight herbal powders. Though it can be used instead of normal sugar by all, the herbals mixed with the sugar on intake added with drinks or other food items neutralize the sucrose even before it entering into the blood stream. 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 "Diasugar" as revealed from the literature furnished along with the application, is a unbranded food supplement, as a mixture of sugar with eight herbal powders. 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 **"Diasugar" 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.

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)