

**GOVERNMENT OF TAMIL NADU
COMMERCIAL TAXES DEPARTMENT**

**PROCEEDINGS OF THE
AUTHORITY FOR CLARIFICATION AND ADVANCE RULING**
(Under Section 48-A of TNVAT Act, 2006)

- Present: 1. Dr. K. Manivasan, I.A.S.,
Commissioner of Commercial Taxes,
2. Thiru. R. Chandramohan, M.A.,
Additional Commissioner (PR)
3. Thiru. B. Gnanasekar, M.A.,
Additional Commissioner (RP)**

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A.C.A.A.R 19/ 2012-13
D.Dis.Acts Cell II/16835/2012

Dated 27.07.2012

Ref: Application of Tvl.Central Drugs and Pharmaceuticals, No.3,
Multy Industrial Nagar, Girugambakkam, Chennai 600 122,
dated Nil.

ORDER

Tvl.Central Drugs and Pharmaceuticals, No.3, Multy Industrial Nagar, Girugambakkam, Chennai 600 122, (TIN: 33131662115) have filed an application and sought clarification under Section 48-A of the TNVAT Act, 2006, read with Rule 12-A of TNVAT Rules, 2007.

2. They have sought clarification on the following item in column 4 of Form 'VV':

"Lysol-IP".

3. The issue has been examined in detail with reference to the provisions of the TNVAT Act and Rules and ruling is given.

4. The Tamil Nadu Value Added Tax (Second Amendment) Act, 2011 came into force on 27.09.2011, inserting a new section 48-A for the constitution of a State Level Authority for Clarification and Advance Ruling to clarify any point concerning the rate of tax.

5. The applicants have sought clarification on the rate of tax on **"Lysol-IP"**.

6. It is seen from Form VV filed by the applicants that they have adopted 5% tax rate under Part B of the First Schedule in their monthly returns, considering the product as drugs and medicines.

7. Entry 44 of Part B of the First Schedule reads as follows:**"Drugs and medicines including vaccines, syringes and dressings, medicated ointments produced under drugs license, light liquid paraffin of IP grade"**.

8. Drug includes all medicines for internal or external use of human beings or animals and all substances intended to be used for or in the diagnosis, treatment, mitigation or prevention of any disease or disorder in human beings or animals. Medicine is a substance or preparation used in the treatment of diseases and must have curative power so as to make it effective for treatment of ailments. The settled principle in interpreting an entry under a Sales Tax Law is, it should be given the same meaning which it has at common parlance.

9. The product Lysol-IP, widely used in hospitals, nursing homes and houses as disinfectants to prevent infection, however does not find place in Entry 44 of the First Schedule to the TNVAT Act, 2006. Further, there is no other specific entry for disinfectants used in hospitals, nursing homes and homes in any of the Schedules to the TNVAT Act, 2006. Therefore Lysol-IP is classified as unclassified item only.

10. Entry 69 of Part C to First Schedule reads as follows:
"Any other goods not specified in any of the Schedules.

11. The ruling therefore is that **Lysol-IP** is taxable at 14.5% under Entry 69 of Part-C of the First Schedule to the TNVAT Act 2006.

Sd/- R. Chandramohan
Additional Commissioner (PR)

Sd/- B. Gnanasekar
Additional Commissioner(RP)

Sd/- K. Manivasan
Commissioner of Commercial Taxes

To
Tvl. Central Drugs and Pharmaceuticals,
No.3, Multy Industrial Nagar,
Girugambakkam, Chennai 600 122,
Copy to:

Assistant Commissioner (CT)
Sriperumbudur Assessment Circle.
The Joint Commissioner (CS)

To host in Department Website

The Secretary to Government, Commercial Taxes and Registration
Department , Secretariat, 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 Joint Commissioner (CT), Chennai (South) Division, Chennai-6

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.

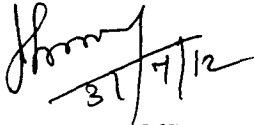
The Deputy Commissioner (CT), Kancheepuram

All Additional Commissioners, Deputy Commissioners, Assistant Commissioners,
Commercial Tax Officers in CCT 's Office

Personal Clerk to the CCT

Stock file / Acts Cell II / Spare-5

//forwarded by order//


31/7/12
Commercial Tax Officer