

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

**ACAAR No. 20/2015-16.**  
**Acts cell – II/14133/2015**

Dated 01.06.2015

- Present:**
1. Thiru. K.Rajaraman, I.A.S.,  
Principal Secretary & Commissioner of Commercial  
Taxes.
  2. Thiru. A.Sarvar Allam,  
Additional Commissioner (CT), (Public Relations)(I/c)
  3. Thiru. K.Mahalingam,  
Additional Commissioner (CT), (Revision Petitions)

1	Name and address of the Applicant	:	Tvl. Chayagraphics (India) Pvt Ltd, 14B, Ground Floor, First Street, Dr. Thirumurthy Nagar, Nungambakkam, Chennai – 600 034
2.	Registration Certificate No.	:	TIN No.33301023034 CST No.786722
2.	Date of application	:	04.05.2015
3.	Date of receipt of application	:	04.05.2015
4.	Clarification sought for	:	Rate of Tax on Contrast Media Injections Omnipaque (IOHEXOL) Omniscan (GADODIAMIDE) Visipaque (IODIXANOL)
5.	Date of Personal Hearing	:	14.05.2015
6.	Represented by	:	Thiru M.S. Kesava, Director

**ORDER**

Tvl. Chayagraphics (India) Pvt Ltd, 14B, Ground Floor, First Street, Dr.Thirumurthy Nagar, Nungambakkam, Chennai-600 034 (TIN: 33301023034), the registered dealers in the files of Valluvarkottam Assessment Circle 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 "Contrast Media Injections" Omnipaque  
(IOHEXOL) Omniscan (GADODIAMIDE) Visipaque (IODIXANOL)

3.1. The applicant-dealers have sought for personal hearing. The Authority for Clarification and Advance Ruling have convened a meeting for hearing on 14.05.2015 and the applicant-dealers were informed in writing to appear before the Authority on 14.05.2015. Thiru. M.S. Kesava, Director for the Applicant-dealers has represented before the Authority on 14.05.2015 and placed the facts relating to the clarification requested.

3.2. The applicant-dealers have pointed out that already this Hon'ble Authority has issued clarifications vide ACAAR No.109/2012-13, dated 05.06.2013 treating "contrast media injections" as diagnostic reagents are taxable at reduced rate of 5% as per Notification No.II(1)/CTR/12(R-20)/2011, dated 11.07.2011 with effect from 12.07.2011 under TNVAT Act, 2006.

3.3. The applicant-dealers have requested the Advance Ruling Authority to reconsider the clarification dated 05.06.2013 on the following grounds:-

a) Diagnostic reagents are chemicals used in the laboratory for biochemical analysis/testing.

b) Contrast Media Injections cannot be classified as Diagnostic reagents as the former is classified as "Drugs" under Drugs and Cosmetic Act, 1940.

c) Drug License as per Drug Control Act is required to deal with Contrast Media Injections.



d) As per Registration certificate No. N.FE-545, dated 3<sup>rd</sup> May 2010, issued for import of drugs under the Drugs and Cosmetic Rules, 1945, the product "contrast media injections" are classified as drugs.

e) 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.

f) In view of the above submission, the applicant-dealer has prayed the advance Ruling Authority to classify "Contrast Media Injections" as drugs and medicines falling under Entry 44 of Part B of the First schedule of the TNVAT, Act 2006 is taxable at 5%

3.4. The issue has been examined in detail with reference to the provisions of the TNVAT Act, 2006 and Rules, 2007; and the classification of commodities under relevant Entry 44 of Part B of the First schedule of the TNVAT, Act 2006. The clarification is given accordingly as under.

3.5. As requested by the applicant /dealer, the clarification already issued vide ACAAR No.109/2012-13, dated 05.06.2013 treating "contrast media injections" as diagnostic reagents are taxable at reduced rate of 5% as per Notification No.II(1)/CTR/12(R-20)/2011, dated 11.07.2011 with effect from 12.07.2011 under TNVAT Act, 2006 has been reviewed. Based on the license issued by the Drugs and Cosmetic Act, 1940, "Contrast Media Injections" are classified as "Drugs" and therefore it is falling under Entry 44 of Part B of the First schedule of the TNVAT, Act 2006 is taxable at 5%.



3.6. In view of the foregone discussion "contrast media injections" are classified as drugs and medicines falling under Entry 44 of Part B of the First schedule of the TNVAT, Act 2006 is taxable at 5%. Therefore, the clarification issued in this office reference ACAAR No.109/2012-13, dated 05.06.2013 is modified to the extent as indicated in para 3.5.

3.7. The clarification, therefore, is that, "**Contrast Media Injections**" are taxable at 5% under Entry 44 of Part B of the First schedule of the TNVAT, Act 2006.

Dated this the 1<sup>st</sup> day of June, 2015.

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

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

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

To  
Tvl. Chayagraphics (India) Pvt Ltd,  
14B, Ground Floor, First Street,  
Dr. Thirumurthy Nagar,  
Nungambakkam,  
Chennai – 600 034

Copy to:  
The Assistant Commissioner (CT)  
Valluvarkottam 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 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/

 1/6/15  
Additional Commissioner (RP)