

**15. PROCEEDINGS OF THE COMMISSIONER OF COMMERCIAL TAXES
THIRUVANANTHAPURAM**

Present:- Paul Antony. IAS

Sub:- KVAT Act 2003- Clarification U/s. 94 – Method of
compounding of veterinary medicine- orders- issued- reg:

Read: Application put in by M/s. Virbac Animal Health India Pvt.
Ltd, Cochin.

ORDER No.C3.44139/07/CT Dt.09.04.08

M/s. Virbac Animal Health India Pvt. Ltd, Cochin has preferred an application U/s. 94 of KVAT Act 2003 seeking clarification on the method of compounding of veterinary medicine.

The authorised representative was heard. The question to be considered is the value on which compounded tax @ 4 % is to be paid when the MRP marked on the medicine is inclusive of tax. Since the rate of tax on this item is 4%, the value of the goods has to be arrived at by the following formula.

$$\frac{\text{MRP including tax}}{104} \times 100$$

Compounded tax @ 4 % has to be levied on the above value.

The point sought for is clarified accordingly.

Commissioner.