

DEPARTMENT OF COMMERCIAL TAXES, KERALA
PROCEEDINGS OF THE AUTHORITY FOR CLARIFICATION
U/s.94 OF THE KERALA VALUE ADDED TAX ACT, 2003.

Members present are:

1. *Abdul Jabbar.V.K, Joint Commissioner (Audit & Inspection), O/o. CCT, Tvpm.*
2. *T.V. Kamala Bai, Joint Commissioner (Law), O/o. CCT, Tvpm.*
3. *S.K. Suchala Kumar, Joint Commissioner (General), O/o. CCT, Tvpm.*

Sub:- KVAT Act, 2003- Clarification U/s. 94 - Rate of tax of Agar - agar -
Orders Issued.

Read:- 1. Application from M/s Marine Chemicals, Kochi dated 7/12/2010.
2. Letter from the Authorised representative of the applicant dated
7/6/2011.

ORDER No.C3/40212/10/CT DATED 1/7/2011.

1. M/s Marine Chemicals, Kochi, has preferred an application U/s 94 of the Kerala Value Added Tax Act, 2003 seeking clarification on the rate of tax of the commodity Agar - agar powder and strips.

2. The applicant contends that Agar - Agar is a natural polymer industrial input made from sea weed. It is cleansed to form an edible powder by first boiling the plant and then chilling it after which it is dried. The applicant would further contend that the Central Institute of Fisheries Technology has certified that Agar - Agar Powder and Strips are natural polymers. The applicant has also relied upon the Rule 43 of the Rules of Interpretation appended to the Schedules to support his contention.

3. The authorized representative of the applicant was heard and the contentions raised were examined. The authorized representative vide letter read as 2nd paper above has produced a copy of the Bill of Entry for Home Consumption with respect to the commodity Agar Agar powder and the HSN Code mentioned therein is 1302.31.00. The Customs Tariff Act Entry with respect to the said HSN Code reads:

1302 31 00 - Agar-agar

4. The above said HSN Code does not figure in any of the Schedules to the Kerala Value Added Tax Act, 2003. No other entry in any of the Schedules to the Act is suitable for incorporating this commodity. Hence, the commodity Agar - agar powder and strips would be taxable at the rate of 12.5% vide Entry 103 of S.R.O. No. 82/2006.

The issue raised above is clarified accordingly.

Abdul Jabbar.V.K.
Joint Commissioner (A&I)
O/o CCT

T.V. Kamala Bai
Joint Commissioner (Law)
O/o CCT

S.K. Suchala Kumar
Joint Commissioner (General)
O/o CCT