

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

Sub :- KVAT Act, 2003 – Clarification U/s 94 – Rate of Extraneal Peritoneal
Dialysis Solution – Orders issued.

Read:- Application from Adv. K. Govinda Pillai, Kochi dtd. 3/6/2011.

ORDER No.C3/19039/11/CT DATED 9/1/2012.

1. Adv. K. Govinda Pillai, Kochi has preferred an application U/s 94 of the Kerala Value Added Tax Act, 2003, seeking clarification on the rate of tax of Extraneal Peritoneal Dialysis Solution.

2. The applicant contends that Extraneal/2L/6/CASE is a fluid used for continuous ambulatory peritoneal dialysis. The applicant contends that the commodity falls under Entry 30 of the First Schedule as it is a life saving drug used in dialysis.

3. The applicant was heard and the contentions raised were examined.

4. Entry 30 of the First Schedule to the Kerala Value Added Tax Act, 2003 reads:

30 *Life Saving Drugs*

*Dineal Solution required for continuous Ambulatory Peritoneal Dialysis
treatment of kidney patients and accessories required for the treatment*

5. Extraneal is an osmotic peritoneal dialysis solution containing Icodextrin as the primary osmotic agent whereas in Dineal solution, Dextrose is the osmotic agent. Icodextrin

functions as a colloid osmotic agent to achieve ultra filtration during long peritoneal dialysis dwells. Icodextrin acts in the peritoneal cavity by exerting osmotic pressure across small intercellular pores resulting in transcapillary ultra filtration throughout the dwell. Like other peritoneal dialysis solutions, Extraneal also contains electrolytes to help normalize electrolyte balance and lactate to help normalize acid-base status.

6. The purpose of both the Dineal and Extraneal solutions are the same, that is to facilitate dialysis. Difference is only based on the osmotic agent used in the solutions. In view of the above facts it can safely be concluded that Extraneal Peritoneal Dialysis Solution would fall under Entry 30 of the First Schedule to the Kerala Value Added Tax, 2003 and hence exempt.

The issue raised above is clarified accordingly.

Abdul Jabbar.V.K.
Joint Commissioner (General)
O/o CCT

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

S.K. Suchala Kumar
Joint Commissioner (A&I)
O/o CCT

To,
Sri. K. Govinda Pillai,
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