

PROCEEDINGS OF THE AUTHORITY FOR CLARIFICATION AND ADVANCE RULING		
ACAAR No.124/2013-14. (Acts Cell – II/7370/2014)		Dated 02.12.2014
Present:	1. Thiru. K.Rajaraman, I.A.S., Principal Secretary & Commissioner of Commercial Taxes. 2. Thiru. R.Vayanaperumal, Additional Commissioner (CT), (Public Relations) 3. Thiru. K.Mahalingam, Additional Commissioner (CT), (Revision Petitions)	
1.	Name and address of the Applicant	: Tvl. S.S. Enterprises, No.3A/9, Ganesh Nagar Extension, Kolathur, Chennai-600 099.
2.	Registration Certificate No.	: TIN:33361368709/ CST:1121592
3.	Date of application	: 05.02.2014
4.	Date of receipt of application	: 03.03.2014
5.	Clarification sought for	: Rate of Tax on "Measuring Instruments and Gauges".
6.	Date of Personal Hearing	: ----
7.	Represented by	: ----

ORDER

Tvl. S.S. Enterprises, No.3A/9, Ganesh Nagar Extension, Kolathur, Chennai-600 099, (TIN: 33361368709), a registered dealer in the line of measuring instruments and gauges, in the files of Villivakkam Assessment Circle, Chennai, 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 "**Measuring Instruments and Gauges**".

3. The applicant-dealer has stated that they are dealing in Measuring Instruments and Gauges, such as, Vernier Caliper, Micrometer, Height Gauge, Dial Gauge, Thread Gauges, Plain Gauges,

and Air Gauges. The said Instruments and Gauges are sold to industries as well as to others. The applicant-dealers have therefore requested that the applicable rate of tax for such Measuring Instruments and Gauges may be clarified.

4. The issue has been examined in detail with reference to the provisions of TNVAT Act, 2006 and Rules, 2007 and the related Entries in Parts B and C of the First and Fourth Schedules to the TNVAT Act, 2006. Section 48-A of TNVAT Act, 2006 provides for clarification on any point concerned with rate of tax for commodities.

5. The applicant-dealers have sought for clarification regarding rate of tax on **"Measuring instrument and Gauges"**.

6. There is no specific Entry of the description, "Measuring Instruments and Gauges" in either the Part - B or Part - C of the First Schedule and in Fourth Schedule. Whereas, the Measuring Instruments and Gauges are the devices used generally in the laboratories of the Industry as well as physical and engineering laboratories in Educational Institutions. Since the Measuring Instruments and gauges are also for industry, especially in engineering industries, for use in their laboratories, these goods gain the eligibility to be treated as Capital Goods, within the scope of the Entry 25 of Part-B of First Schedule to the Act read with the definition of "Capital goods" under section 2(11) of the Act. The Measuring Instruments and Gauges would fall within the scope and meaning of the expressions, "apparatus" and "tools" employed under clause (a) and the expression, "laboratory and equipments" employed under clause (b) of section 2(11) of the Act, 2006. The Measuring Instruments and Gauges therefore bear the eligibility to be the capital goods to attract the tax @ 5 % on sales to the Industry.

7. Besides, the Measuring Instruments and Gauges, since being identified as that of laboratory equipments or scientific instruments or apparatuses, eligible to the reduced rate of tax @ 4 % vide Notification No.II(1)/CTRE/22(a-9)/97 in G.O. Ms. No.74, CT & RE Department dated 05.03.1997. The reduced rate of tax 4 % on the sale of Scientific equipments and instruments to recognized Educational Institutions inside the State by the said Notification issued under section 17 of the TNGST Act, 1959 is still in force as it is not repugnant to the provisions of the TNVAT Act as provided under section 88(3)(i) of the TNVAT Act, 2006.

8. The clarification is therefore that the **Measuring Instruments and Gauges are, -**

(i) taxable @5% if sold as capital goods to a manufacturing unit in the State under Entry 25 of Part-B of First schedule read with section 2(11) of the TNVAT Act, 2006;

(ii) taxable at the reduced rate of 4% if sold to recognized Educational Institutions located inside the State under Notification No. II(1)/CTRE/22(a-9)/97 in G.O. Ms. No.74, CT & RE Department dated 05.03.1997 read with section 88(3)(i) of the TNVAT Act, 2006; and

(iii) taxable @ 14.5 % on sales otherwise.

Dated this, the 2rd Day of December, 2014.

Sd/- R. Vayanaperumal,
Additional Commissioner (PR)

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

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

To

Tvl. S.S. Enterprises,
No.3A/9, Ganesh Nagar Extension,
Kolathur, Chennai-600 099.

Copy to

The Assistant Commissioner (CT)
Villivakkam 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//


Additional Commissioner (PR)