

**GOVERNMENT OF TAMIL NADU
COMMERCIAL TAXES DEPARTMENT**

**PROCEEDINGS OF THE
AUTHORITY FOR CLARIFICATION AND ADVANCE RULING**
(Under Section 48-A of TNVAT Act, 2006)

**Present: 1. Dr. K. Manivasan, I.A.S.,
Commissioner of Commercial Taxes,
2. Thiru. R. Chandramohan, M.A.,
Additional Commissioner (PR)
3. Thiru. E. Rathinasamy, M.Sc., B.L.,
Additional Commissioner (RP) (FAC)**

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A.C.A.A.R 32/ 2012-13

Dated 14.02.2013

Ref: Application of Tvl.WIPRO Limited, 85, T.T.K.
Road, Chennai – 600 018, dated NIL.

Tvl.WIPRO Limited, 85, T.T.K. Road, Chennai – 600 018 (TIN: 33390820109) have filed an application and sought clarification under Section 48-A of the TNVAT Act, 2006 read with Rule 12-A of the TNVAT Rules, 2007.

2. The clarification was sought on the following in column 4 of Form V V:

“Routers”.

3. It was stated by the dealers that Routers, being a transmission apparatus attracts tax liability at 5% under Entry 68 of Part B of the First Schedule as “Information Technology Products”. It was further stated that Routers are accessories to Computer systems or word processing machines. It was further stated that wide area network coverage is to enable communication between offices and allow remote offices to access information. The device, which enables this communication between remote location is a Router.

4. The issue has been examined in detail with reference to the provisions of the TNVAT Act and Rules and clarification is given as under:

5. Section 48-A of the TNVAT Act, 2006 provides for clarification on any point concerning rate of tax.

6. The dealer has sought clarification on "Routers".

7. Entry 68 of Part-B to First Schedule contains "Information Technology Products" notified by Government. The claim of the dealer that "Routers" fall under Entry 68 of Part B of the First Schedule as Information Technology Product is not admissible for the following reasons:

- i. Routers do not fall under Entry 68(6) (h) of Part B to First Schedule since Entry 6 relates to "transmission apparatus other than apparatus for Radio or TV Broadcasting".
- ii. Routers do not fall under Entry 68(14) of Part B to First Schedule which reads as "Switches, Connectors, Relays upto 5 amps". The routers perform function different from the switches and connectors by guiding Data packets in Network to their proper destination, which is a sophisticated function.
- iii. Routers do not fall under 68(18) of Part B to First Schedule which reads as "Signal Generators and Parts". The router does not generate any signals but merely forwards the Data packets.
- iv. Routers do not fall under Entry 68(22)(a) of Part B to First Schedule which reads as "Computer Systems, Peripherals and Parts". Routers are part of Networks and not related to stand alone computer system, which does not involve transfer of Data packets.

8. Routers therefore do not fit into the description given under Entry 68 of Part-B of the First Schedule.

9. There is no specific entry for "Routers" in any of the Schedules to the TNVAT Act. Therefore, Routers are to be considered as unclassified item.

10. Entry 69 of Part C of the First Schedule reads as follows:

"Any other goods, not specified in any of the Schedules".

11. Routers therefore fit into the description given under Entry 69 of Part C of the First Schedule.

12. The clarification, therefore, is that "Routers" are taxable at 14.5% under Entry 69 of Part C of the First Schedule to the TNVAT Act, 2006.

Sd/- R.Chandramohan
Additional Commissioner (PR)

Sd/-E. Rathinasamy
Additional Commissioner(RP)(FAC)

Sd/- K. Manivasan
Commissioner of Commercial Taxes

To

Tvl.WIPRO Limited,
85, T.T.K. Road,
Chennai – 600 018.

Copy to:

The Assistant Commissioner (CT)

Alwarpet Assessment Circle,Chennai.

The Joint Commissioner (CT), Chennai (East) Division.

The Joint Commissioner (CS)

To host in the Department Website

The 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 / Act Cell II / Spare – 5.

//forwarded by order//


26/2/13
Commercial Tax Officer.