

**GOVERNMENT OF TAMILNADU  
COMMERCIAL TAXES DEPARTMENT**

**PROCEEDINGS OF THE AUTHORITY FOR CLARIFICATION AND  
ADVANCE RULING**

**ACAAR No.04/2015-16**  
**Acts cell-II/10742/2015**

Dated:05.09.2015

**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.Shri Venkateswara Hitech Machinery Ltd., S.F.No.518/12, Saravanampatti Main Road, Vellakinar (P.O), Coimbatore - 641029
2.	Registration Certificate No.	:	TIN.No.33152024593 CST. 713730
3.	Assessment Circle	:	Thudiyalur Assessment Circle, Coimbatore
4.	Date of application	:	26.03.2015
5.	Date of receipt of application	:	06.04.2015
6.	Clarification sought for	:	<b>Rate of Tax on "Scientific Equipment's and instrument sold to ISRO under CST Act"</b>
7.	Date of Personal Hearing	:	26.08.2015
8.	Represented by	:	T. Govindaraju, Director

**ORDER**

Tvl. Shri Venkateswara Hitech Machinery Ltd., Coimbatore - 641029 (TIN.No. 33152024593), the registered dealers in the files of Thudiyalur Assessment Circle, Coimbatore 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.



2.1. The applicant-dealers have sought for clarification on the following:

**Rate of Tax on "Scientific Equipment's and instrument sold to ISRO under CST Act"**

2.2. The applicant-dealer stated that they were engaged in manufacturing machineries and equipment's for process industries like Chemical, paper, Textile, Activated carbon industries etc., and also heavy fabrication with precision machined ground testing equipment's and handling systems to Indian Space Research Organisation (ISRO). The brochure provided by the dealer reveals that they executed and commissioned many products of ISRO in their SLV, ASLV, PSLV and GSLV Projects. Collapsible mandrels, propellant casting mandrels, INSAT-II integration fixtures and transportation containers, which are invariably certified as scientific equipments for the purpose of Space Launch Vehicle Research by ISRO.

3.1. The issue has been examined in detail with reference to the provisions of TNVAT Act, 2006 and Rules 2007 and the relative entries regarding the commodities classified under the First and Fourth Schedule 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.

3.2. The applicant-dealers have sought for a personal hearing. The Authority for Clarification and Advance Ruling have convened a meeting for hearing on 26.08.2015 at 04.00 PM and the applicant-dealers were informed in writing to appear before the Authority on the above said date. T. Govindaraju, Director (Shri Venkateswara Hitech Machinery Ltd) has represented the Company before the Authority on 26.08.2015 and placed the facts relating to the clarification requested. The authorized representative for the applicant-dealers has reflected the grounds as given in the annexure to the application.

3.3. The written submission filed by the dealer during the personal hearing is that the equipment's that are sold to ISRO are been certified as Scientific equipment's by the ISRO itself and hence the equipment's sold by the applicant-dealer should be considered as Scientific Equipment's sold to Laboratory/Institution for Research work for promotion of scientific object and which is not run with a motive of making profit.



4. The applicant dealer had sought for clarification regarding rate of tax on "**Scientific Equipment's and instrument sold to ISRO under CST Act**". There is no specific/relevant entry in any of the schedules to the TNVAT Act, 2006, relating to Scientific Instrument/equipments. But there is a Notification by Government under Section 8(5) of the CST Act, 1956 in "Notification No.II (I)/CTRE/38/76 dated 20.12.1975" wherein it has been stated that -

In respect of Scientific equipment's and Instruments (herein referred to as "the said goods") the tax payable under the said act by any dealer having his place of business in the State of Tamil Nadu, in respect of the sale by him from such place of business of the said goods in the course of interstate trade or commerce to an educational institution for use in the teaching of science, or to a hospital for its use, or to a laboratory or institution which carries on any research work for the promotion of a literary, Scientific, artistic or educational object and which is not run with the motive of making profit, shall be calculated at the rate of five percent of the sale price of the goods so sold, if-

- a) Such sale does not fall within sub-section (1) of the said section 8; and
- b) The educational institution or a hospital or laboratory or institution, as the case may be, furnishes to the dealer a certificate in the form appended thereto.

The above Notification No.II(I)/CTRE/38/76 dated 20.12.1975 still continues in force since not repealed yet.

5. It is therefore clarified that the **Scientific Equipment's and Instrument as certified by ISRO and sold to ISRO is liable to tax @ 5%, on the basis of such certificate issued by ISRO as prescribed in Notification No.II (I)/CTRE/38/76 dated 20.12.1975 (Gazette dated 11-01-1976).**

Dated this the Fifth day of September 2015.

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

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

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

To  
Tvl.Shri Venkateswara Hitech Machinery Ltd.,  
S.F.No.518/12, Saravanampatti Main Road,  
Vellakinar (P.O), Coimbatore - 641029

Copy to:

The Assistant Commissioner (CT)  
Thudiyalur Assessment Circle, Coimbatore

The Joint Commissioner (CT),  
Coimbatore 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.

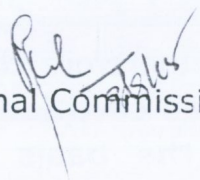
The Accountant General (Audit)-II, No.44, Greams Road, Chennai - 6.

The Additional Commissioners, Deputy Commissioners, Assistant Commissioners, Commercial Tax Officers in CCT's Office.

Personal Clerk to the CCT.

Stock File 3/ Acts Cell-II /Spare - 5.

//Forwarded/By order//

  
Additional Commissioner (PR)