



**GOVERNMENT OF KARNATAKA  
(Commercial Taxes Department)**

**PROCEEDINGS OF THE COMMISSIONER OF COMMERCIAL TAXES (KARNATAKA),  
BENGALURU.**

Present: RITVIK PANDEY, IAS,  
Commissioner of Commercial Taxes.  
(Karnataka) Bengaluru.

Sub: KTEG Act, 1979 - Section 12 (7) – issue of clarification  
on rate of entry tax on Crude pump, Submersible pump and  
Booster pump - reg.

Ref: Letter dated 12.11.2014 of M/s LINDE ENGINEERING  
INDIA PVT.LTD., Padur-Kaup, Udupi (TIN-29680660887).

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The applicant M/s LINDE ENGINEERING INDIA PVT.LTD., Padur-Kaup, Udupi (TIN-29680660887) has sought clarification on the rate of Entry tax applicable on commodity "Crude pump, Submersible pump and Booster pump".

2. The applicant is a private limited company who have been awarded a contract for process and utilities facilities at top side and inside Cavern on EPCC basis (Engineering, Procurment, Constructions and Commissioning) at Padur in Karnataka. They are doing work for the client M/s Indian Strategic Petroleum Reserves Limited (ISPRL).

3. It is the understanding of the applicant that Seepage water pumps, Crude oil pumps and Booster pumps procured from outside the local area do not fall within the purview of notified goods namely **"Machinery (all kinds) and parts and accessories thereof but excluding agricultural machinery"** specified in Notification No.FD.11 CET 2002 dt. 30.3.2002.

4. It is submitted by the applicant that the expression "Machinery" is not defined in the KTEG Act. However, the dictionary meaning given to the Machinery includes prime movers, transmission Machinery and all other appliances whereby power is generated, transformed, transmitted or applied". As per Advance Law Lexicon, Webster defines "Machinery" as working parts of a machine, engine, or instruments, arranged and constructed so as to apply and regulate force, as the machinery of a watch; the means and appliances by which anything is kept in action.

5. The functions of the goods whose liability to Entry tax are to be clarified is stated to be as under;-

- a) Crude transfer pumps: These pumps are used for pumping crude out of Cavern.
- b) Seepage water pumps: These pumps are used for pumping Seepage water out of Cavern.
- c) Booster Pumps: These are used to increase the pressure on the crude oil flowing in the pipes to enable it to reach the required destination.

6. The matter is examined. As specified in Sl.No.7 of the Table to the Notification No.FD.11 CET 2002 dt.30.3.2002 **“ Machinery (all kinds) and parts and accessories thereof but excluding Agricultural Machinery ”** are liable to Entry Tax at 2%. The word and expression **“ Machinery ”** is not defined under the KTEG ACT, 1979, and the same are to be borrowed from the source as provided under sub-section (5) of Section 2 of KTEG Act, 1979 which reads as under.

***“Words and expressions used in this Act, but not defined shall have the meaning assigned to them in the Karnataka Sales Tax Act, 1957 (Karnataka Act 25 of 1957).”***

Therefore, the entry relating to Machinery has to be imported from the entry provided under the KST Act, 1957. The entry relating to Machinery as it exists in Second Schedule to the KST Act, 1957 is extracted hereunder.

**“ PART ‘M’ of Second schedule to KST Act, 1957**

**1. Machinery , that is to say;-**

- (i) (a)** Earth movers, such as Dumpers, dippers, bulldozers and the like.
- (b)** Parts and accessories of earth movers (other than diesel engine and its Parts, batteries and tyres, tubes and flaps)
- (ii) Agricultural Machinery namely:-**
  - (a)** XXXXXXXXX (Omitted)
  - (b)** Sprinkler and drip irrigation equipments, Generally used for agricultural or horticultural Purposes and their parts (other than oil engines or electric motors) and accessories.
  - (c)** Tractors.
  - (d)** Power tillers.
  - (e)** Tractors and power tillers, Trailers,
  - (ee)** Parts and accessories (excluding Tyres, Tubes and flaps) of Tractors and power tillers, trailers.
  - (f)** Parts and accessories of tractors and power tillers including their engines and its parts, but excluding batteries of tractors and tyres, tubes and flaps.

- (iii) (a) Machinery (all kinds) and parts and accessories thereof except those falling under other items of this entry and those specified elsewhere.
- (b) Handlooms and parts and accessories thereof.
- (c) Sewing machines and its parts and accessories
- (d) Weighing Machines (all kinds)
- (e) Tools and wear parts used in industrial Machinery such as twist drills, taps, reamers, cutters, dies, grinding wheels, button bits, tungsten, carbide wear parts, ceramic industrial wear parts and the like. "

7. Sl.No.12 of Part P to the Second Schedule has description of commodities relating to **pump sets** as under:-

*"12. Pumpsets, that is to say:-*

*(i) Pumpset with electrical motors or oil engines of not more than 10 H.P.*

*(ii) Pumpset with oil engines of more than 10 H.P.*

*(iii) Pumpsets with electric motor of more than 10 H.P."*

8. From the above it is clear that commodity description relating to "Machinery" and "Pumpsets" under the KST Act, are different. The goods on which the applicant has sought for clarification on the rate of tax being Seepage Water Pumps, Crude transfer pumps and Booster pumps fit into the description of commodity under Sl.No.12 of Second Schedule to the KST Act, and do not fall under commodity description of Sl.No.1 of the said Schedule and Act. Hence, the following clarification.

**ORDER NO. KTEG/CLR/CR-14/2014-15 DATED 22.05.2015**

It is clarified that Seepage Water Pumps, Crude transfer pumps and Booster pumps do not fall under the commodity description "Machinery (all kinds) and parts and accessories thereof but excluding Agricultural Machinery" and hence no Entry Tax is payable on the said goods as they are not notified in the Notification No.FD.11 CET 2002 dt.30.3.2002.

  
(RITVIK PANDEY)

Commissioner of Commercial Taxes  
(Karnataka), Bengaluru.  
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Karnataka, Bangalore.