

**18. 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. V. Murukesh Kumar, Deputy Commissioner (General), O/o.CCT, Tvpm.
2. R. Rajasekharan Nair, Deputy Commissioner (Audit & Inspection), O/o.CCT, Tvpm.
3. K.M. Althaf, Deputy Commissioner (Intelligence), O/o.D.C.(Int), Tvpm.

Sub:- KVAT Act, 2003 – Clarification U/s.94 – Rate of tax of equipments used for Ayurvedic medical treatment - Orders issued.

Ref:- Application from M/s Dhroni Ayurvedas, Muvattupuzha dated 29/6/2009

ORDER No. C3/30017/09/CT dated 4/11/2009

1. M/s Dhroni Ayurvedas, Muvattupuzha has filed an application U/s 94 of the KVAT Act 2003 seeking clarification on the rate of tax for certain commodities used in ayurvedic medical treatment.

2. The applicant is a dealer registered under the KVAT Act 2003, dealing in ayurvedic treatment equipments, ayurvedic medicines & bronze items. The products are used by individuals or hospitals for ayurvedic treatment purposes. The applicant was filing VAT returns manually till November 2008 classifying the items as taxable @ 12.5% under Entry 103 of SRO.No.82/2006. After introduction of E-Filing, the returns are filed showing the items under Code, considering the specific usage of the items and taxed @ 4%. The applicant informs that the raw materials used for manufacture are wood, hardware items, paints & varnishes which attract tax @ 12.5%. The allocation of input materials to various finished goods is not easily ascertainable.

3. The applicant informs that the commodities dealt with and the materials used for manufacturing are as follows:

1. Pathi
2. Dharapathi
3. Stand
4. Dharastand
5. Sirodhara Table

4. Applicant has requested to clarify (a) the commodity code and rate of tax applicable for the above said items; (b) input tax claim. The applicant was heard and the contentions raised were examined.

5. Entry 59A of Third Schedule to KVAT Act, 2003 reads:

59A All medical and diagnostic equipments and Hospital instruments, apparatus, appliances, tools and aids used exclusively in medical, surgical, dental, physiotherapy and veterinary sciences and spares and parts thereof xxx

6. The commodities Pathi, Dharapathi, Dharastand, Sirodhara Table are seen to be used exclusively for ayurvedic treatment and does not have any other use. Hence the said commodities are taxable at 4% vide Entry 59A of Third Schedule to KVAT Act, 2003.

The issues raised above are clarified accordingly.

Deputy Commissioner (Gen)
O/o CCT

Deputy Commissioner (A&I)
O/o CCT

Deputy Commissioner (Int)
O/o DC (Int) Tvpm