

28. PROCEEDINGS OF THE COMMISSIONER OF COMMERCIAL TAXES, THIRUVANANTHAPURAM

Present: Sri. P.Mara Pandiyan I.A.S

Sub: KVAT Act'03 - Clarification U/s 94 – Rate of tax of Electrically Controlled Bike with Battery and Auto start – Reg.

Ref: 1. Application in Form 24 put in by M/s Queen Pharma Homeo stores, CSI Complex, T.B Road, Palakkad. Dtd. 18.03.2008

2. Application put in by M/s East Venice Autos, Alappuzha dtd.08.02.2008.

ORDER NO. C3. 11849/2008 Dt 28.10.2008

(1) M/s Queen Pharma Homeo stores, CSI Complex, T.B Road, Palakkad and M/s East Venice Autos, Alappuzha have preferred applications u/s 94 of KVAT Act 2003, seeking clarification on the rate of tax applicable to “Electrically controlled bike with battery and auto start”. Since the points raised are similar in nature, they are disposed by the common order.

(2) The applicants are engaged in the distribution of electrically controlled bikes running on battery. It is submitted that the vehicles are manufactured by M/s versatile Energy Research System Auto Pvt. Ltd, Mumbai. There are four models of the said vehicles. The applicant has also submitted that the copy of the documents from the manufacturer, test reports from Automotive Research Association of India, a Government of India Research laboratory. These vehicles run on battery and do not fulfill the criteria for being classified under the head “Motor vehicle” and these vehicles do not require registration under the Motor vehicle Act 1988 or the central Motor vehicle Rules 1989. Accordingly, these vehicles are not registered with the Motor Vehicles Department. In this context, the applicant has sought clarification for the rate of tax applicable to “Electrically controlled bike with battery and Auto start”.

(3) As per sub entry 19 of the entry 107 of Schedule 3 to the KVAT Act “Electrically operated vehicles including battery powered or fuel cell powered vehicles are taxable @ 4%.The item electrically controlled bike with battery and Auto start squarely falls under entry 107(19) of schedule 3 to the KVAT Act 2003 and hence taxable @ 4%.

The point sought for is clarified accordingly.

Commissioner.