

**48. PROCEEDINGS OF THE COMMISSIONER OF COMMERCIAL TAXES
THIRUVANANTHAPURAM**

Present:- Paul Antony. IAS

Sub:- KVAT Act 03- Clarification U/s. 94- Rate of tax on Digital and Analogue hearing aids with HSN 9021.40.90- clarified orders issued- Reg:

Read:- Application in form no. 24 Dt. 19.12.05 from M/s. Shravan ENT Care India Pvt. Ltd, Kochi

ORDER No.No.C3.58392/05/CT Dt. 16.05.06

M/s. Shravan ENT Care India (P) Ltd, Kochi has sought for clarification U/s. 94 of KVAT Act 03 on the rate of tax on Digital Analogue hearing aids with HSN 9021.40.90.

The applicant in their application dt. 19.12.05 has submitted that as per KVAT Act 03, FM hearing system used for hearing by handicapped person (HSN Code 9021.40.10) and parts and accessories of hearing aids (HSN Code 9021.90.10) have been exempted from tax. The applicant further pointed out that most of the hearing aids used by the handicapped for hearing are Digital and analogue hearing aids with HSN code 9021.40.90 and the general code for hearing aids is 9021.40 and hence, a clarification on the status of HSN code 9021.40.90 is sought for.

As per Kerala Value Added Tax Act, 03 as amended by KVAT (Amendment) Act 05, Entry 2(4) of 1st schedule specified frequency Modulated hearing aid system used for hearing by handicapped person with HSN Code 9021.40.10. The rules of interpretation of schedule say that commodities, which are given eight digits HSN, shall include the commodities specified under the HSN only. So what is exempted under entry 2(4) of the 1st schedule is FM hearing aid system used for hearing by handicapped persons. Digital and analogue hearing aids do not come under the HSN 9021.40.10, which come under the HSN Code 9021.40.90.

Those items, which come under the HSN Code 9021.40.90, have not been specified in any of the schedule to the KVAT Act. Hence it is taxable @ 12.5 % under RNR category of the said Act.

Sd/
Commissioner.