

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

Present:-.Paul Antony. IAS

Sub:- KVAT Act 03, clarification under section 94- Rate of tax on Multi Function Printers- modified orders issued- Reg:

Read:- 1. Letter Dt. 20.04.06 from Godrej & Boyce Mfg.Co. Ltd., Kochi 35.
2. Application in form no. 24. Dt.06.07.05 from M/s. Godrej & Boyce Mfg. Co. Ltd, Kochi
3. This office order No.C7.36719/05/CT Dt. 18.01.06.

ORDER No.C7.19685/06/CT Dt. 23.06.06

M/s. Godrej & Boyce Manufacturing Co. Ltd, M.G.Road, Kochi 35 had filed an application for clarification U/s. 94 of the KVAT Act 03, on the rate of tax applicable on Video conferencing products and multifunction printers vide paper 2nd cited and as per this office order No.C7.36719/05/CT Dt. 18.01.06, it was clarified that Video Conferencing products (HSN 8517), Multifunction Printer (HSN 8417) etc will fall under RNR category attracting tax @ 12.5 %.

Now the above applicant has filed an application to reconsider the case and rectify the order No.C7.36719/05/CT Dt. 18.01.06 to the effect that Video Conferencing products and Multifunction Printers are taxable @ 4 %.

The contention of the applicant is that as per entry 69(29)(g) of 3rd schedule, other apparatus for carrier current line systems or for digital line systems with HSN Code 8517.50 will attract tax @ 4 % and thus video conferencing equipments with HSN 8517.50.99 will also rightly fall under the above entry with tax @ 4 %.

The contention of the applicant was examined in detail. Video conference equipments, also known as video tele conference equipments is a set of interactive telecommunication technologies which allow two or more locations to interact via two-way video and audio transmission simultaneously. It has also been called visual collaboration and is a type of group ware. A video conferencing terminal must have a few basic components like a camera, a video display, a microphone and speakers. In addition to these, more obvious components are also used; eg; a video conferencing terminal which includes a codec (Compressor/DE Compressor), a user interface, a computer system to run on, and a network connection etc.

HSN 8517.50 indicates “other apparatus for carrier current line system or for digital line system” what is mentioned under the HSN 8517.50 are purely electrically related equipments. Video conferencing equipments, on the other hand, are electronically related digital on line system and this will never fall under the HSN 8517.50.

Hence the clarification issued as per order No. C7.36719/05/CT Dt.018.01.06 regarding the rate of tax on video conferencing equipments requires no modification.

The applicant, vide letter read as 1st paper further argued that as per entry No. 69(22) (a) of 3rd schedule. "Computer systems and peripherals" with HSN 8471 is taxable @ 4 % and hence all items falling under sub heading to HSN 8471 shall also come under the above entry and thus multifunction printer with HSN 8471.60.27 will attract tax only @ 4 %.

The above contention was also examined. Item (22) (a) of Sl.No. 69 of 3rd schedule to KVAT Act 03 cover computer systems and peripherals falling under HSN code 8471. As per rules of interpretation of schedule given in the appendix to the Act, commodities which are given four digit HSN No. shall include all other commodities coming under that heading of the HSN. Since all commodities coming under HSN Code 8471 are covered by Sl. No. 69 (22) (a) of the 3rd schedule multifunction printer covered by HSN code 8471.60.29 will also fall under the above entry and will attract tax only @ 4 %.

In the above circumstances order no. C7.36719/05/CT Dt. 18.01.05 is modified to the above extent.

Sd/
Commissioner