



GOVERNMENT OF KARNATAKA  
(Commercial Taxes Department)

PROCEEDINGS OF THE COMMISSIONER OF COMMERCIAL TAXES,  
(KARNATAKA), BANGALORE – CLARIFICATION UNDER SECTION 59(4) OF  
THE KARNATAKA VALUE ADDED TAX ACT, 2003.

Sub: KVAT Act, 2003 – Clarification under section 59(4)  
on the rate of tax applicable on spares of electrical  
starters.

Ref: Application dated 18-07-2011 of M/s Vagale Electrical  
Industries, Bangalore – 560 053 – TIN 29910138755.

\* \* \* \*

In the application cited above, M/s Vagale Electrical Industries, Behind K.V.Temple, Near Balepet Circle, Bangalore – 560 053 stating that the companies like L & T, Siemens etc. have been collecting 5% tax on spares whereas the petitioner is collecting 14% tax on the same products, has therefore sought clarification regarding the correct rate of tax applicable on spares of electrical starters.

2. Section 59(4) of the Karnataka Value Added Tax, 2003 empowers the Commissioner of Commercial Taxes to clarify the rate of tax payable under the Act, if he considers it necessary or expedient so to do, for the purpose of maintaining uniformity in the work of assessments and collection of revenue. It is examined and found that the clarification requested by the petitioner is within the scope of the aforesaid provision and it is necessary that the clarification be issued for the purpose of maintaining uniformity in the work of assessments and collection of revenue.

3. Hence, the following clarification is issued.

**CLARIFICATION NO.CLR/CR-92/2011-12, DATED 21-05-2012**

It is clarified that the parts of motor starters for AC and DC motors covered by CET heading 85.38 as per section 4(1)(b) of the Act are liable to tax at 14%.

(PRADEEP SINGH KHAROLA)  
Commissioner of Commercial Taxes,  
(Karnataka), Bangalore.  
Commissioner of Commercial Taxes  
in Karnataka, BANGALORE