

OFFICE OF THE COMMISSIONER OF CENTRAL EXCISE : TRICHY.

Trade Notice No. 4/2004 STC

Dated : 27-1-04.

**Sub: Clarification for the maintenance and repair services for  
Automated Teller Machines (ATMs) –Liability of service tax –reg.**

Board 's Service Tax Circular No.74/4/2004-ST dtd 23-1-04 issued under F.No.256/10/2003 –CX.4 is communicated herewith for information, guidance and necessary action.

The contents of this Trade Notice may be brought to the knowledge of all constituent members of the Trade Associations and Chamber of Commerce.

(Issued from the C.No.IV/16/902/2004 S.Tax)

Attested

sd/-

(V.P. VELUSWAMY)  
ASSTT. COMMISSIONER (T).

SUPERINTENDENT.

To

The mailing list –I / II /III.

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**Copy of the Board's Circular No. 74/4/2004-ST dtd 23-1-2004 issued under  
F.No.256/10/2003-CX.4.**

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The Board has received representations seeking clarification with regard to leviability of Service Tax in respect of maintenance & repair of ATMs in terms of Notification no. 20/2003-ST dated 21.8.2003.

2. The matter has been examined in the Board. It is clarified that computers are essentially data processing machines and their function is to process analog or digital data. There may be machines, which use such processed data to perform certain specified functions. These machines may involve processing of data but their principal function is not processing of data per se, but using such processed data for performing independent functions. These are not “computers” but are computerized machines. ATM is one such machine. For the purposes of Customs Tariff also, whereas computer falls under heading 84.73, ATMs fall under sub-heading 8472.90.

3. In view of the above stated facts, the Board has taken a decision that Automatic Teller Machine is not a ‘Computer’, ‘Computer System’ or ‘Computer Peripherals’ (all of which perform or aid primarily in, data processing per se) and thus their maintenance and repair does not fall under exemption Notification No.20/2003-ST, dated 21st August, 2003. Accordingly such services are liable for service tax.

Yours faithfully,

(MANISH MOHAN)

Under Secretary to the Government of India