

PROCEEDINGS OF THE AUTHORITY FOR CLARIFICATION AND ADVANCE RULING		
ACAAR No.034/2014-15. (Acts Cell – II/19437/2014)		Dated 24.12.2014
Present:	1. Thiru. K.Rajaraman, I.A.S., Principal Secretary / Commissioner of Commercial Taxes. 2. Thiru. R.Vayanaperumal, Additional Commissioner (CT), (Public Relations) 3. Thiru. K.Mahalingam, Additional Commissioner (CT), (Revision Petitions)	
1	Name and address of the Applicant	: Tvl. Vaithieswara Papers & Boards Private Limited, No.642/3, Chennimala Palayam, Veeracholapuram Post, Kangayam Taluk, Tiruppur District.
2.	Registration Certificate No.	: TIN:33083083241 / CST: 884264
3.	Date of application	: 16.06.2014
4.	Date of receipt of application	: 20.06.2014
5.	Clarification sought for	: Rate of Input tax credit on Purchase of machinery and spares as capital goods
6.	Date of Personal Hearing	: ----
7.	Represented by	: ----

ORDER

Tvl. Vaithieswara Papers & Boards Private Limited, at No.642/3, Chennimala Palayam, Veeracholapuram Post, Kankeyam Taluk, Tiruppur District. (TIN: 33083083241), the registered manufacturers of Kraft Papers in the files of Kangayam Assessment Circle, Kangayam, have preferred application in Form 'VV' and sought clarification under Section 48-A (1) of the TNVAT Act, 2006, read with Rule 12-A of TNVAT Rules, 2007.

2. The applicant-dealers have sought for clarification concerned with the rate of tax on **"Rate of Input tax credit on Purchase of machinery and spares as capital goods at 14.5 % - Whether admissible at 50 % or 100 % since production had commenced before 6 years?"**

3. The applicant-dealers have stated they have purchased Machinery spares for use in Manufacture of Kraft paper by replacement in lieu of damaged parts at 14.5 % as their supplier had demanded. They have sought for clarification, whether they are eligible to avail the input tax credit either at 14.5 % or 5 % and that too at 50 % or 100 % on their purchases of machinery spares, since the production had commenced before six years.

4. The issue has been examined in detail with reference to the provisions of TNVAT Act, 2006 and Rules, 2007 and the relative entries in both first and Fourth Schedules to the TNVAT Act, 2006. Section 48-A (1) of TNVAT Act, 2006 categorically specifies that the clarification should be sought for on any point concerned only with rate of tax for commodities and not in respect of any machinery or procedure provided for execution of the Act and Rules. The clarification sought for by the applicant-dealers here is found to be in respect of the extent of their eligibility to input tax credit on their purchase of machinery spares and electrical goods from registered dealers inside the State for the purpose of maintenance of the machineries installed before six years. This query is relating to the procedure laid down under the Act and Rules for claiming and adjusting the input tax credit on account of purchase of capital goods. The Advance Ruling Authority is not authorized under Section 48-A to clarify the points concerned with the machinery or procedures under the Act. The application is therefore found to be "not maintainable".

5. On the above observation, **the application is disposed off as "Not maintainable" under Section 48-A of the TNVAT Act, 2006.**

Dated this the 24th day of December 2014.

Sd/- R. Vayanaperumal,
Additional Commissioner (PR)

Sd/- K. Mahalingam,
Additional Commissioner (RP)

Sd/- K. Rajaraman,
Principal Secretary/
Commissioner of Commercial Taxes

To
Tvl. Vaithieswara Papers & Boards Private Limited,
No.642/3, Chennimala Palayam,
Veeracholapuram Post,
Kangayam Taluk,
Tiruppur District.

Copy to:
The Assistant Commissioner (CT)
Kankeyam Assessment Circle

The Joint Commissioner (CT),
Salem Division.

The Joint Commissioner (CS)
To host in the Department Website

The Principal Secretary to Government, Commercial Taxes & Registration
Department, Chennai – 9.

All Joint Commissioners (CT) including Enforcement, LTU, MOU and ISIC.
All Deputy Commissioners (CT), Territorial, Assessment and Enforcement
All Head of Offices (Assessment)
The State Representative, Sales Tax Appellate Tribunal, Chennai – 104.
The Addl. State Representative, (AB) Chennai, Madurai and Coimbatore.
The Director, CTSTI, Greams Road, Chennai – 6.
The Executive Officer, Traders Welfare Board, Chennai – 5.
The Accountant General (Audit)-II, No.44, Greams Road, Chennai – 6.
The Additional Commissioners, Deputy Commissioners, Assistant
Commissioners, Commercial Tax Officers in CCT's Office.
Personal Clerk to the CCT.

Stock File3 / Acts Cell-II / Spare – 5.

//Forwarded/By order//


Additional Commissioner (PR)