

**GOVERNMENT OF TAMILNADU
COMMERCIAL TAXES DEPARTMENT**

**PROCEEDINGS OF THE AUTHORITY FOR CLARIFICATION AND
ADVANCE RULING**

ACAAR No.35/2014-15
Acts cell-II/19438/2014

Dated:25.10.2016

- Present:** 1.Dr.C.Chandramouli, I.A.S.,
Additional Chief Secretary / Commissioner of Commercial
Taxes.
- 2.Thiru. A.Sarvar Allam,
Additional Commissioner (CT), (Public Relations)(FAC)
- 3.Thiru. K. Mahalingam,
Additional Commissioner (CT), (Revision Petitions)

1	Name and address of the Applicant	:	Tvl. Baskar Jewellery, 79,Kasukadai Street, Virudhunagar.
2.	Registration Certificate No.	:	TIN.No. 33085740362 CST. 487799
3.	Assessment Circle	:	Virudhunagar-II Assessment Circle
4.	Date of application	:	20-06-2014
5.	Date of receipt of application	:	20-06-2014
6.	Clarification sought for	:	Clarification for Purchase tax liability on "Old Silver Golusu"
7.	Date of Personal Hearing	:	---
8.	Represented by	:	---

ORDER

Tvl. Baskar Jewellery, 79, Kasukadai Street, Virudhunagar. (TIN.No. 33085740362), registered dealers in the files of Virudhunagar-II Assessment Circle have preferred application in Form 'VV' and sought clarification under Section 48-A (1) of the Tamil Nadu Value Added Tax

Act, 2006 (TNVAT Act, 2006), read with Rule 12-A of Tamil Nadu Value Added Tax Rules, 2007 (TNVAT Rules, 2007).

2. The applicant-dealers have requested the Authority for clarification on Whether Purchase tax under Sec 12 will attract for Old Silver Golusu at the point of last purchase.

3. This committee considered the above application and documents filed along with the application carefully and examined the issue with reference to the Schedules and provisions of TNVAT Act, 2006 and notifications issued under the Act.

4. Section 12 (1) of the TNVAT Act, 2006 reads as extracted below:

12. Levy of purchase tax. -- Subject to the provisions of sub-section (1) of section 3, every dealer, who in the course of his business purchases from a registered dealer or from any other person, any goods the sale or purchase of which is liable to tax under this Act, in circumstances in which no tax is payable by that registered dealer on the sale price of such goods under this Act, and either -

- (a) consumes or uses such goods in or for the manufacture of other goods for sale or otherwise; or
- (b) disposes of such goods in any manner other than by way of sale in the State; or
- (c) despatches or carries them to a place outside the State except as a direct result of sale or purchase in the course of inter-State trade or commerce or in the course of export out of the territory of India; or
- (d) installs and uses such goods in the factory for the manufacture of any goods,

shall pay tax on the turnover relating to the purchase

5. Worn out and beaten jewellery is liable to tax at 1% under Entry 4 of Part-A of I Schedule to TNVAT Act. Sale of silver golusu and silver waist cord by **any dealer** is exempt from tax as per Notification issued in G.O Ms. No. 193 CT& R (B2) dated 30/12/2006. Therefore,

this is a conditional exemption applicable to sale by dealers only. Further, when a dealer in jewellery purchase old golusu from public, the goods have to be treated as worn out and beaten jewellery falling under Entry 4 of Part-A of I Schedule. Therefore, the conditional exemption given to sale of golusu by dealer is not applicable to the purchase point of old golusu. Consequently, purchase of old Silver golusu by dealers in jewelry for the purpose of consumption in the manufacture of new silver article or jewellery would attract purchase tax at 1% under Section 12(a) of the TNVAT Act read with Entry-4 of Part-A of First Schedule to the TNVAT Act, 2006.

6. In view of the above discussion, it is therefore clarified that the **purchase of "Old Silver Golusu" by dealers in jewelry would attract purchase tax at 1% under Section 12(a) of the TNVAT Act read with Entry-4 of Part-A of First Schedule to the TNVAT Act, 2006.**

Dated this the Twenty-Fifth day of October 2016.

Sd/- A. Sarvar Allam,
Additional Commissioner (PR)(FAC)

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

Sd/- Dr.C. Chandramouli, I.A.S
Additional Chief Secretary/
Commissioner of Commercial Taxes

To
Tvl. Baskar Jewellery,
79,Kasukadai Street,
Virudhunagar.

Copy to:
The Assistant Commissioner (CT)
Virudhunagar-II Assessment Circle.

The Joint Commissioner (CT),
Tirunelveli 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 File 3/ Acts Cell-II /Spare - 5.

//Forwarded/By Order//

L.S. ...
Commercial Tax Officer ^{25/16}