

**GOVERNMENT OF TAMILNADU
COMMERCIAL TAXES DEPARTMENT**

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

ACAAR No.40/2016-17
(Acts Cell-II/28660/2016)

Dated:13.04.2017

- 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. Gnanasekaran,
Additional Commissioner (CT), (Revision Petitions)(FAC)

1	Name and address of the Applicant	:	Tvl. Action Construction Equipment Ltd., No.1-E, 1 st Floor, Alsa Regency, 165, Eldams Road, Alwarpet, Chennai-600 018.
2.	Registration Certificate No.	:	TIN.No.33910702550 CST.870033
3.	Assessment Circle	:	Assistant Commissioner(CT) Mylapore Assessment Circle.
4.	Date of application	:	17.10.2016
5.	Date of receipt of application	:	18.10.2016
6.	Clarification sought for	:	Rate of Tax on " Mobile Crane "
7.	Date of Personal Hearing	:	-----
8.	Represented by	:	-----

ORDER

Tvl. Action Construction Equipment Ltd., Chennai (TIN. No. 33910702550), the registered dealers in the files of Mylapore 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).

2.1. The applicant-dealers have stated that they are getting Mobile Crane from their Head Office on stock transfer basis and entry tax is paid on arrival of mobile crane in Tamil Nadu (local area). The entry tax paid is adjusted with the TNVAT dues when sale taken place.

2.2. The manufacturer use "Hydraulic Mobile Crane" as their Capital Goods and used for the manufacture of products in Tamil Nadu. This will be used to shift materials from one point to another point inside the factory premises and classified as Plant & Machinery in their books of accounts.

2.3. In the above said circumstances, the applicant-dealers have requested to clarify that whether they can sell their commodity Mobile Crane, Commodity Code 350, Schedule-I, Part-C against input declaration or as Capital Goods @ 5% TNVAT to their manufacturing clients like Tamil Nadu Newsprint Limited.

2.4. The applicant/dealer has claimed that his sale on Mobile Crane is used as capital goods. Further, there is a specific entry for mobile crane as stated above. Hence, specific entry will prevail over general entry.

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

3.2 In a similar issue, it has already been clarified in ACAAR No.144-151/2013-14 (Acts Cell-II/9996/10003/2014) dated 10.7.2014 and ACAAR No.27/2014-15 (Acts Cell-II/17896/2014) dated 02.12.2014, that "Industrial EOT/ Gantry Cranes" are capital goods within the scope of Entry 25 "as capital goods" read with Section 2(11) of the Act. Accordingly, the mobile crane as claimed by the applicant is taxable at 5% as capital goods if sold within the State. Otherwise, it is taxable at 14.5% under Entry 69 of Part-C of the First Schedule to TNVAT Act. 2006.

4. Therefore, it is clarified that the "Mobile Crane" are taxable at 5% as capital goods if sold within the State. Otherwise, it is taxable at 14.5% under Entry 69 of Part-C of the First Schedule to TNVAT Act. 2006.

Dated this the Thirteenth day of April 2017.

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

Sd/- K. Gnanasekaran,
Additional Commissioner (RP) (FAC)

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

To,
Tvl. Action Construction Equipment Ltd.,
No.1-E, 1st Floor,
Alsa Regency, 165, Eldams Road,
Alwarpet, Chennai-600 018.

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

The Joint Commissioner (CT),
Chennai (East) 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

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//


Commercial Tax Officer