

**GOVERNMENT OF TAMILNADU
COMMERCIAL TAXES DEPARTMENT**

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

ACAAR No.74/2015-16
Acts cell-II/29896/2015

Dated:30.11.2015

- Present:** 1.Thiru. S.K.Prabakar, 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. M.P.A. Associated Traders, No:91/1, South Coovam River Road, Pudupet, Chennai - 600 002.
2.	Registration Certificate No.	:	TIN.No.33130442340 CST. 822870
3.	Assessment Circle	:	Egmore Assessment Circle
4.	Date of application	:	22.09.2015
5.	Date of receipt of application	:	22.09.2015
6.	Clarification sought for	:	Rate of Tax on Sale of Old & Condemned/Unserviceable "Air Conditioning Chiller plants, Air Handling Units (AHUs) and its accessories and materials" as scrap
7.	Date of Personal Hearing	:	Personal hearing not Requested
8.	Represented by	:	---

ORDER

Tvl. M.P.A. Associated Traders., Chennai - 600 002 (TIN.No. 33130442340), the registered dealers in the files of Egmore Assessment Circle, Chennai (Central) Division 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 on the following:

Rate of Tax on: **Old & Condemned/Unserviceable "Air Conditioning Chiller plants, Air Handling Units (AHUs) and its accessories and materials" as scrap**

3. The applicant-dealers have stated that they have taken the public auctions at Indian Bank, Chennai - 600014, which are old and unserviceable **"Air Conditioning Chiller plants, Air Handling Units (AHUs) and its accessories"**. The applicant-dealers have pleaded that the appropriate rate of tax on the **Old & Condemned/Unserviceable "Air Conditioning Chiller plants, Air Handling Units (AHUs) and its accessories and materials"** may be clarified.

4.1. 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 of TNVAT Act, 2006 provides for clarification on any point concerned with rate of tax for commodities.

4.2. The applicant-dealers have sought for clarification regarding rate of tax on the **Sale of Old & Condemned/Unserviceable "Air Conditioning Chiller plants, Air Handling Units (AHUs) and its accessories and materials" as scrap.**

4.3. There is a relative entry in S.No.67-A (ag) with the description as **"Scraps and wastes of all kinds"** in Part-B of First Schedule to the TNVAT Act, 2006. The above entry is wide enough to embrace almost all kinds of scraps obtained as old and Condemned/Unserviceable articles

Condemned/Unserviceable "Air Conditioning Chiller plants, Air Handling Units (AHUs) and its accessories and materials" would fall under this entry. It is therefore construed by the Authority for Clarification and Advance Ruling that **Old & Condemned/Unserviceable Air Conditioning Chiller plants, Air Handling Units (AHUs) and its accessories and materials** would fall under Entry 67-A (ag) of part-B of First Schedule to the TNVAT Act, 2006 and thereby liable to VAT at 5%.

5. It may therefore be clarified that the **Sale of Old & Condemned/Unserviceable "Air Conditioning Chiller plants, Air Handling Units (AHUs) and its accessories and materials"** as scrap would attract tax @ 5% under Entry 67-A (ag) of part-B of First Schedule to the TNVAT Act, 2006.

Date this, the 30th day of November 2015.

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

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

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

To
Tvl. M.P.A. Associated Traders,
No:91/1, South Coovam River Road,
Pudupet, Chennai – 600 002.

Copy to:
The Assistant Commissioner (CT)
Egmore Assessment Circle.

The Joint Commissioner (CT),
Chennai (Central) 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//

 30/11/15
Additional Commissioner (RP)