

COMMERCIAL TAXES DEPARTMENT

From

THIRU T. JACOB, I.A.S.,
Commissioner of Commercial Taxes,
Chepauk, Chennai-5.

To

Tvl. Vetri Construction Equipment Company,
No. 58-B, T.P.K. Road,
Palanganatham,
Madurai – 625 003.

Lr. No. VAT Cell / 44132 /2007 (VCC No.1281) dated 25.9.2007.

Sir,

Sub: TNVAT ACT, 2006 – Rate of tax clarification under TNVAT Act, 2006 for supply of excavator spare parts to 100% EOU - Requested by Tvl. Vetri Construction Equipment Company, Madurai - Sent – Regarding.

Ref: Letter dated 9.8.2007 from Tvl. Vetri Construction Equipment Company, Palanganatham, Madurai-3.

Tvl. Vetri Construction Equipment Company, Palanganatham, Madurai-3 have requested rate of tax clarification under the TNVAT Act, 2006 for levying tax for the supply of excavator spare parts to 100% .E.O.U. units.

It is clarified that the exemption granted to E.O. relates to purchase of raw materials and consumables. But spare parts of excavators are neither consumables nor raw materials. Therefore, for purchase of such spare parts, the E.O.U. have to pay tax at 12.5%.

Sd./G. Shanmugam,
For Commissioner of Commercial Taxes

Copy submitted to the Secretary to Government,
Commercial Taxes and Registration Department, Chennai-9.

// Forwarded/ By order //

COMMERCIAL TAX OFFICER (VAT)