

**GOVERNMENT OF TAMIL NADU
COMMERCIAL TAXES DEPARTMENT**

**PROCEEDINGS OF THE
AUTHORITY FOR CLARIFICATION AND ADVANCE RULING
(Under Section 48-A of TNVAT Act, 2006)**

**Present: 1. Dr. K. Manivasan, I.A.S.,
Commissioner of Commercial Taxes,
2. Thiru. R. Chandramohan, M.A.,
Additional Commissioner (PR)
3. Thiru. E. Rathinasamy, M.Sc., B.L.,
Additional Commissioner (RP) (FAC)
* * * * ***

A.C.A.A.R 73/ 2012-13

Dated 06.02.2013

- Ref: 1. Application of Tvl.HCL Technologies Limited, No.50-53, Greams Road, Chennai – 600 006, dated 30-10-2012.
2. CCT Letter No.Acts Cell-II/35631/2012, dated 22.01.2013.
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Tvl.HCL Technologies Limited, No.50-53, Greams Road, Chennai – 600 006 (TIN: 33850540787) have filed an application and sought clarification under Section 48-A of the TNVAT Act, 2006 read with Rule 12-A of the TNVAT Rules, 2007.

2. The clarification was sought on the following in column 4 of Form V V:

“Used cars”.

3. The dealer has sought clarification on used cars. The dealer arranges car loans to purchase cars for personal and official usage. The cars are purchased first by the dealer under finance from third party and after expiry of the loan period, the cars are sold to the employee. The query raised by the dealer is the rate of tax applicable on the sale of used cars by the dealers who are not trading in automobiles.

4. Thiru.R.Govindarajan, Authorized Representative appeared on 05.02.2013 and put forth the submissions already mentioned in the application.

5. The issue has been examined in detail with reference to the provisions of the TNVAT Act and Rules and clarification is given as under:

6. Section 48-A of the TNVAT Act, 2006 provides for clarification on any point concerning rate of tax.

7. The applicant sought clarification on "used cars". The used cars are taxable at the reduced rate of 5% with effect from 12.07.2011 as per Notification No.II(1)/CTR/12 (R-25)/ 2011, dated 11.7.2011. The reduction in rate of tax to 5% in respect of tax payable under TNVAT Act, 2006 is applicable to any dealer other than the dealer in automobiles including commercial vehicles, two-wheelers and three-wheelers on the sale of used motor vehicles which have suffered tax already either under erstwhile TNGST Act, 1959 or the TNVAT Act, 2006 and registered within the State of Tamil Nadu under Motor Vehicles Act, 1988, subject to the condition that the dealer shall not be eligible to avail Input Tax Credit.

8. The clarification, therefore, is that "**used cars**" are taxable at the reduced rate of 5% with effect from 12.07.2011 as indicated in para 6 as per Notification No.II(1)/CTR/12 (R-25)/ 2011, dated 11.7.2011.

Sd/- R.Chandramohan
Additional Commissioner (PR)

Sd/-E. Rathinasamy
Additional Commissioner(RP)(FAC)

Sd/- K. Manivasan
Commissioner of Commercial Taxes

To

Tvl.HCL Technologies Limited,
No.50-53, Greams Road,
Chennai – 600 006.

Copy to:

The Assistant Commissioner (CT)
Egmore - II Assessment Circle,
Chennai.

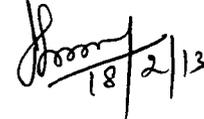
The Joint Commissioner (CT),
Chennai (Central) Division.

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

The 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 / Act Cell II / Spare – 5.

//forwarded by order//



Commercial Tax Officer.