

GOVERNMENT OF ASSAM
OFFICE OF THE COMMISSIONER OF TAXES::: ASSAM::: KAR BHAWAN

No. CTS-71/2007/92

Dated Guwahati, the 27th October 2009

Sub: Clarification as to whether Hindustan Paper Corporation Ltd., (HPCL), Cachar Paper Mill, Panchgram are entitled to avail 100% Input Tax Credit over the CST rate 3% and 2% in case of raw materials (Input) purchase of higher rate of tax i.e. 12.5% respectively while computing apportionment of Input Tax Credit as per Formula laid down in AVAT Rule 11(b).

Extract of the Order

As per provisions of Section 14 (6)(h) of the Assam Value Added Tax Act' 2003, no ITC shall be claimed by a registered dealer or shall be allowed to him for tax paid on purchases of goods dispatch to a place outside the State not as a direct result of sale in course of inter-state trade provided that the ITC may be allowed for the tax paid in excess of the amount of tax that would have been leviable had the goods been sold in the course of inter-state trade or commerce to a registered dealer. As the rate of tax on inter-state sale to registered dealer has been lowered to 3% and 2% w.e.f 01-04-2007 & 01-06-08 respectively, the petitioner can claim ITC paid in excess of 3% and 2% w.e.f 01-04-07 & 01-06-2008 respectively and calculation under rule 11 may be made accordingly.

Sd/- Sanjay Lohiya
Commissioner of Taxies, Assam
Dispur, Guwahat