

PROCEEDINGS OF THE COMMISSIONER OF COMMERCIAL TAXES
THIRUVANANTHAPURAM

Present: Sri.Paul Antony.IAS

Sub: - KVAT Act 2003- Clarification under section 94-
application filed by M/s. Fenner India Ltd- Orders
issued- reg:

Read: - 1. Application in form 24 put in by M/s. Fenner
India Ltd dt.20.04.05

2. .Posting Notice No.VC1.28339/05 dt.17.06.05

ORDER NO.C3.28339/ 05/ CT DT..07.12.05

M/s Fenner India Ltd has preferred an application for clarification under section 94 of KVAT Act 2003 to clarify the following points:

1. The clarification and rate of tax of Oil seals under the Act used exclusively for tractors, which is made up of rubber and metal shell.
2. As per trade policy, apart from cash discount the firm gives turnover discount, MCI and other special discounts based on off- take in the invoices and through credit notes. It may be clarified whether these are allowable deductions under the Act.
3. Whether computer generated invoices are sufficient compliance under the Act.

The applicant was given an opportunity of being heard on 30.07.05 and the following orders are issued.

As per the Sl.No. 131 of Third schedule to KVAT (Amendment) Act, 2005, "Tractors, Power tillers, threshers, harvesters and attachments and parts thereof are taxable @ 4 %. Hence oil seals as a spare part of tractor is taxable @ 4 %.

With respect to second point raised, Discount shown in the tax invoice separately alone will be given deduction for working out taxable turnover under VAT. Discount on credit note is not an allowable deduction.

With respect to third point, computer generated invoices are sufficient, provided the numbering is consecutive, is built into the software, and cannot be tampered with.

This issues raised are clarified as above.

Sd/

Commissioner

