

GOVERNMENT OF ASSAM
OFFICE OF THE COMMISSIONER OF TAXES::ASSAM::KAR BHAWAN
DISPUR,GUWAHATI.

ORDER

No. CTS-2/2009/330

Dated Dispur the 14th November 2014.

M/s. Aditya Medisales Ltd., (TIN 18440000194), G.S. Road, Guwahati has filed the present application in Form-76 under Section 105 of the Assam Value Added Tax Act, 2003 seeking clarification as to the amount of availed input tax credit required to be reversed on count of inter-State sales to registered dealers as well as outward stock transfer of such goods as have been purchased with availment of input tax credit and, when he has not been able to maintain separate and identifiable account and records so as to satisfactorily relate the quantum of goods purchased with availment of input tax credit subsequently sold in course of inter-State trade to registered dealers or stock transferred to places outside Assam.

Shri D.R. Sethia, Advocate and authorized representative of the applicant dealer appeared and submitted that since all the goods whether purchased locally or obtained otherwise are stored in a common Godown in an unsegregated manner, it is not practically possible to maintain separate account of disposal of goods purchased with availment of input tax credit from other categories of goods. It also appears that the applicant has furnished statements of sale, purchase, inward and outward stock transfer for the return periods of August, 2013, September, 2013 and October, 2013 in Annexure-"D" of this clarification petition.

It is observed that Rule 11 of the Assam Value Added Tax Rules, 2005 prescribes guidelines with a few specimen illustrations to deal with situations of reversal of input tax under circumstances of non-maintenance of separate and identifiable account of disposal of goods obtained with availment of input tax credit.

The applicant dealer has although cited figures of sales, purchases, stock transfer for 3(three) return periods from August, 2013 to October, 2013, the present clarification petition can be fully disposed by demonstrating the calculation process of reversible input tax credit for the period of August, 2013 which is as follows.

The reversal of input tax credit for the return period of August, 2013 is required to be done both under Section 14(9)(f) and Section 14(3A) of the Act.

(A) **Under Section 14(9)(f) :-**

$$\begin{aligned} \text{Amount of input tax credit liable to be} &= \text{Rs. } \underline{\text{Purchase Price X 4}} \\ \text{apportioned} & \\ &= \text{Rs. } \begin{array}{r} 100 \\ \underline{2,64,65,518 X 4} \end{array} \\ &= \text{Rs. } \begin{array}{r} 100 \\ 10,58,621 \end{array} \end{aligned}$$

By applying the formula $\frac{I \times T}{G}$ where

G

I = Apportionable Input Tax Amount
T = Turnover of Outward Stock Transfer
G = Gross Turnover

the amount of input tax credit required to be reversed under Section 14(9)(f) of the Act works out as under :-

Rs. $\frac{10,58,621 \times 7,33,676}{13,15,331 + 5,01,41,415 + 1,00,53,041 + 7,33,676}$

~~(13,15,331 + 5,01,41,415 + 1,00,53,041 + 7,33,676)~~
= Rs. 12,478

(B) Under Section 14(3A) :-

Amount of input tax credit liable to be apportioned = Rs. $\frac{\text{Purchase Price} \times 2}{100}$

= Rs. $\frac{2,64,65,518 \times 2}{100}$

= Rs. 5,29,310

By applying the formula $\frac{I \times T}{G}$ where

G

I = Apportionable Input Tax Amount
T = Turnover of Outward Stock Transfer
G = Gross Turnover

the amount of input tax credit required to be reversed under Section 14(3A) of the Act works out as under :-

Rs. $\frac{5,29,310 \times 1,00,53,041}{13,15,331 + 5,01,41,415 + 1,00,53,041 + 7,33,676}$

$(13,15,331 + 5,01,41,415 + 1,00,53,041 + 7,33,676)$
= Rs. 85,490

The total amount of input tax required to be reversed for the return period of August, 2013 is (A) + (b) = Rs. 12,478 + Rs. 85,490 = Rs. 97,968

However, it is further clarified that this order is without any prejudice to the applicability of provisions of sub-rule (4) of rule 11 of the Assam Value Added Tax Rules, 2005 as and when are invoked by the tax authority.


Sd/-Dr.J.B.Ekka, I.A.S.
Commissioner of Taxes, Assam
Guwahati

Memo No. CTS- 2/2009/330-A

Dated Dispur, ^{26 NOV} ~~September~~, 2014.

Copy to:

1. The Additional Chief Secretary to the Government of Assam, Finance Department, Dispur for favour of kind information.
2. The Addl. Commissioners of Taxes/Joint Commissioners of Taxes (All), Head Office for information.
3. The Deputy Commissionaioners of Taxes, Zones (All) for information.
4. The Assistant Commissioners of Taxes/Superintendents of Taxes (All) for information and necessary action.
5. M/S Aditya Medisales, Near K.K.Memorial School, Rukmininagar, G.S.Road, Guwahati, (Assam) for information.


(Mrs. R.D. Borah),
Addl. Commissioner of Taxes, Assam,
Guwahati.


26/11/2014.