

Sub :Whether the benefit of input tax credit should be available to the dealer giving vehicles on lease.

**Extract of the order**

Sec. 14 of the Assam Value Added Tax Act '03 deals with the provision relating to ITC Sec.14 (1) starts with expression “subject to the other provision of this sections “meaning thereby that the benefit of ITC is not a blanket one and the same is subject to the various restrictions and conditions. Sec. 14 (6) (f) states that no ITC should be claimed by a registered dealer and shall be allowed to him for purchases of capital goods specified in the seventh schedule.

The seventh schedule, which contains a negative list of capital goods for input tax credit includes inter alia, vehicles.

The definition of capital assets cannot be read in isolations. We have to read the other provisions as well.

In view of the foregoing reasons we hold that the dealer is not eligible for the benefit of ITC for the tax payable on purchases of vehicles inside Assam, whether such vehicle was bought prior to introduction of Value Added Tax or is purchased during Value Added Tax regime.

Sd/-( U.C. Sarmah )  
Addl. Commissioner of Taxes, Assam  
Dispur, Guwahati-6.

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