

**ORDER OF CLARIFICATION MADE BY SHRI L.S.M. SALINS,
FINANCIAL COMMISSIONER & PRINCIPAL SECRETARY,
GOVERNMENT OF HARYANA, EXCISE AND TAXATION
DEPARTMENT UNDER SECTION 56(3) OF THE
HARYANA VALUE ADDED TAX ACT, 2003**

Querist: M/s Caparo Maruti Ltd., Bawal, Distt. Rewari

M/s Caparo Maruti Ltd., Bawal, District Rewari was issued clarification vide memo No. 1919-1920/ST-1, dated 3.7.2006 that when two units are part of the same company and transfer of goods from Bawal unit to Gurgaon unit is not a sale liable to tax and input tax paid on materials used in manufacture of the components by Bawal unit is adjustable with tax liability of the Gurgaon unit when such components are sold to MUL.

Now, the querist has submitted that input tax paid by their manufacturing unit at Bawal has been allowed to be set off out of the sale of same goods sold to M/s Maruti Udyog Ltd., Gurgaon through Gurgaon unit, yet the clarification is silent about the adjustment of tax paid on the capital goods of Bawal Unit. He has therefore, sought clarification in this respect as well.

In this respect, from the clarification already issued it is quite clear that the Gurgaon unit is entitled to adjustment of input tax relating to Bawal Unit. Thus, the input tax of Bawal unit in respect of Capital Goods is also admissible to Gurgaon unit, they being same units registered under separate numbers.

(L.S.M.SALINS)

Chandigarh
Dated 16.3.2007

Financial Commissioner & Principal Secretary
to Govt. Haryana, Excise & Taxation Department