



### **ABSTRACT**

Waiver - Commercial Taxes Department - Waiver of penalty and interest payable by Tvl.Cement Corporation of India Limited under the Tamil Nadu General Sales Tax Act, 1959 and the Central Sales Tax Act, 1956 for the period from 1987-1988 to 2000-2001 - Orders- Issued.

### **Commercial Taxes and Registration (D2) Department**

**G.O. (2D) No.101**

**Dated:30.11.2022**

**சுபகிருது, கார்த்திகை - 14  
திருவள்ளூர் ஆண்டு, 2053**

Read:

1. Representation from Tvl.Cement Corporation of India Limited to Commissioner of Commercial Taxes, dated 22.08.2014.
2. Representation from Tvl.Cement Corporation of India Limited to Commissioner of Commercial Taxes, dated 19.11.2018.
3. From the Additional Chief Secretary/ Commissioner of Commercial Taxes letter No.Drafting Cell-I/36586/2018, dated 17.12.2018 addressed to Tvl.Cement Corporation of India Limited.
4. Representation from Tvl.Cement Corporation of India Limited, dated 11.02.2019 to Commissioner of Commercial Taxes.
5. From the Principal Secretary/ Commissioner of Commercial Taxes Letters No.V&A-5(DC-1)/4449/2019, dated 03.01.2020 and 12.05.2020.

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### **ORDER**

Tvl.Cement Corporation of India Limited, a Government of India Enterprise, an assessee in the books of Assistant Commissioner (Commercial Taxes), Egmore-II Assessment Circle, were in arrears of sales tax of Rs.17,40,18,139/- for the years 1987-1988 to 2000-2001, i.e., Rs.17,38,74,016/- under the Tamil Nadu General Sales Tax Act, 1959 and Rs.1,44,123/- under the Central Sales Tax Act, 1956.

2. The Assistant Commissioner (Commercial Taxes), Egmore-II Assessment Circle in the notice dated 21.08.2014 demanded Tvl.Cement Corporation of India Limited to pay the arrears of tax of Rs.17,40,18,139/- for the years 1987-1988 to 2000-2001.

3. Tvl.Cement Corporation of India Limited, in their letter first read above, represented that the Corporation had been referred to the Board for Industrial and Financial Reconstruction (BIFR) in the year 1996 due to incurring of heavy losses and erosion of net worth; and as per the orders of the BIFR, the dues/liabilities are to be settled under the guidance of the BIFR only after the completion of the sale proceeds of the assets of the Corporation and collection of funds in full. Tvl.Cement Corporation of India Limited stated that they were facing huge financial strain to manage their day to day operations and that their management was of the opinion to put efforts to settle the Government dues as far as possible through their own limited and small resources. The Government of Himachal Pradesh and the Government of Karnataka had allowed settling their dues by waiving off interest and penalty on the principal tax dues and also 75% waiver of principal tax dues through One Time Settlement scheme and accordingly the dues had been cleared by the Corporation. The Government of Kerala, in the year 2014, permitted them to avail the Amnesty Scheme by waiving off interest, penalty and to pay 75% on the principal tax dues in instalments and they were making the payments towards sales tax arrears in instalments to settle the old sales tax dues of the Government of Kerala. Tvl.Cement Corporation of India Limited had further stated that the management of the company had decided to pay only the sales tax arrears of Rs.3,22,74,477/- demanded in the notice dated 31.12.2013 by way of a suitable amnesty scheme on instalment basis. They had mentioned that they were not in a position to pay the entire arrears of Rs.17,40,18,139/- for the years 1987-1988 to 2000-2001 demanded in the notice dated 21.08.2014.

4. On verification of copies filed by the dealer, it was found that the Assistant Commissioner, Special Circle III, Ernakulam issued an order in Reg.No.23050034/1988-1989 to 1998-1999 dated 08.04.2014, permitting payment of 25% of the arrears of tax amounting to Rs.1,35,57,149/- out of the total principal amount of arrears including tax, penalty and interest of Rs.5,42,28,600/- relating to Tvl.Cement Corporation of India Limited, under the settlement of outstanding arrears under the Amnesty Scheme approved by the Government of Kerala.

5. In their letter second above, Tvl.Cement Corporation of India Limited informed that the BIFR had sanctioned revival scheme on

03.05.2006 which was duly approved by Cabinet/Government of India and Clause No.9.9.4 of the sanctioned scheme stated as below:-

"9.9.4: State Government of Delhi, Uttar Pradesh, Punjab, Uttaranchal, Chandigarh, Jammu and Kashmir, Chattisgarh, Haryana, Tamil Nadu, Kerala, Maharashtra, Mathiya Pradesam, Karnataka and North East,

- (a) To consider waiving surcharges, penalties, demurrages, etc., if any levied in the past on Sales Tax, Royalty, Cess and ESI, etc., if any charged upon date of sanction by the respective Government Authorities."

6. In the reference third read above, the Additional Chief Secretary/ Commissioner of Commercial Taxes informed Tvl.Cement Corporation of India that only if the entire arrears of Tax, Surcharge, Additional surcharge and Additional sales tax amounting to Rs.9,79,69,319/- as per the notice dated 21.08.2014 of the Assessing Officer of Egmore Assessment circle is paid in full, the balance amount of penalty could be considered for waiver under section 16-B of Tamil Nadu General Sales Tax Act, 1959 subject to the satisfactory of the conditions specified therein and for interest, waiver proposal could be sent to Government for its decision. Accordingly in the reference fourth read above, Tvl.Cement Corporation of India Limited informed that they had paid the principal tax dues of Rs.9,79,69,317/- [The Tamil Nadu General Sales Tax Act, 1959: Tax - Rs.8,02,17,575/-; Surcharge: Rs.64,70,066/-; Additional Surcharge: Rs.10,14,516/-; Additional Sales Tax: Rs.1,01,23,037/-; and the Central Sales Tax Act, 1956: Rs.1,44,123/-] in two Demand Drafts (Rs.9,04,84,735/- and Rs.74,84,582/-) and requested to arrange to issue an order of full settlement of the entire dues.

7. The Principal Secretary/Commissioner of Commercial Taxes, in the reference fifth read above, had sent waiver proposal year-wise from 1987-1988 to 2000-2001 under the Tamil Nadu General Sales Tax Act, 1959 and the Central Sales Tax Act, 1956 for waiver of penalty and interest in respect of Tvl.Cement Corporation of India Limited as detailed below:-

Sl. No.	Assessment year	Taxable Turnover	Penalty	24(3) Interest	Total (Penalty +Interest)
<b>Under Tamil Nadu General Sales Tax Act, 1959</b>					
1.	1987-1988	12018732	1694641	11200447	12895088
2.	1988-1989	8796586	1860478	8197682	10058160
3.	1989-1990	111596339	4587879	20190072	24777951

4.	1990-1991	49506020	46135409	204893755	251029164
5.	1991-1992	282996092	0	87428617	87428617
6.	1992-1993	261483464	9447629	32537119	41984748
7.	1993-1994	294297770	0	18900629	18900629
8.	1994-1995	138324478	8622	0	8622
9.	1995-1996	138416605	147183	0	147183
10.	1996-1997	216749946	7895827	91561881	99457708
11.	1997-1998	145342926	2273259	43673835	45947094
12.	1998-1999	94531696	467135	0	467135
13.	1999-2000	82108036	1439775	7753900	9193675
14.	2000-2001	4377185	90985	451107	542092
	<b>Total</b>	<b>1840545875</b>	<b>76048822</b>	<b>526789044</b>	<b>602837866</b>
<b>Under Central Sales Tax Act, 1956</b>					
<b>Sl. No.</b>	<b>Assessment year</b>	<b>Taxable Turnover</b>	<b>Penalty</b>	<b>24(3) Interest</b>	<b>Total (Penalty + Interest)</b>
1.	1991-1992	0	0	436721	436721
2.	1992-1993	29497387	0	34262	34262
3.	1993-1994	1044422	0	208374	208374
	<b>Total</b>	<b>30541809</b>	<b>0</b>	<b>679357</b>	<b>679357</b>
	<b>Grand Total</b>	<b>1871087684</b>	<b>76048822</b>	<b>527468401</b>	<b>603517223</b>

**Abstract of Penalty and Interest payable by Tvl.Cement Corporation of India Limited:-**

**ABSTRACT**

(Amount in Rupees)

Act	Penalty	24(3) Interest	Total
<b>TNGST Act, 1959</b>	7,60,48,822.00	52,67,89,044.00	60,28,37,866.00
<b>CST Act, 1956</b>	0	6,79,357.00	6,79,357.00
<b>Total</b>	<b>7,60,48,822.00</b>	<b>52,74,68,401.00</b>	<b>60,35,17,223.00</b>

8. After examination, the waiver proposal was placed before the Waiver Committee for its recommendation. The Waiver Committee had agreed to the proposal.

9. The Government, after careful examination have decided to accept the recommendation of the Waiver Committee. Accordingly, in exercise of the powers vested in item 7 of Appendix 21 of Chapter XII of the Tamil Nadu Financial Code Volume-II, the Government waive an amount of Rs.60,35,17,223/- (Rupees sixty crore thirty-five lakh seventeen thousand two hundred and twenty-three only), being penalty and interest of Rs.60,28,37,866/- under the Tamil Nadu General Sales Tax Act, 1959 and interest of Rs.6,79,357/- under the Central Sales Tax Act, 1956, payable by

Tvl.Cement Corporation of India Limited for the period from 1987-1988 to 2000-2001.

10. This order does not require the concurrence of Finance Department vide its G.O.(Ms)No.334, Finance (BG-I) Department, dated 22.10.2022.

(By Order of the Governor)

B.JOTHI NIRMALASAMY  
SECRETARY TO GOVERNMENT.

To

The Principal Secretary/Commissioner of Commercial Taxes, Chepauk, Chennai-5.

✓ The Joint Commissioner (State Tax) concerned,  
The Accountant General(Accounts & Entitlements), Chennai-18.  
The Accountant General(Audit), Chennai-18.  
(through the Principal Secretary/ Commissioner of Commercial Taxes, Chennai - 5).

**Copy to:**

The Chief Minister's Office, Chennai-9

The Special Personal Assistant to Minister (Water Resources), Chennai-9,

The Special Personal Assistant to Minister (Municipal Administration), Chennai-9

The Special Personal Assistant to Minister (Co-operation), Chennai-9.

The Special Personal Assistant to Minister (Higher Education), Chennai-9,

The Special Personal Assistant to Minister (Public Works), Chennai-9,

The Special Personal Assistant to Minister (Finance and Human Resource Management), Chennai-9.

The Special Personal Assistant to Minister (Commercial Taxes and Registration), Chennai-9.


The Private Secretary to the Secretary to Government, Commercial Taxes and Registration Department, Chennai-9.

The Finance(Revenue) Department, Chennai-9.

The Finance(Resources) Department, Chennai-9.

Stock File /Spare copies.

//Forwarded by Order//

  
8/12/22  
SECTION OFFICER  
8/12/22