



## **ABSTRACT**

Tamil Nadu Sales Tax (Settlement of Arrears) Act, 2008 – Eligibility of a financial Institution or a Debt Recovery Tribunal which has taken possession of a defaulting dealer to be an applicant under the Act – Clarification – Issued.

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

**G.O. (Ms.) No.34**

**Dated : 20.03.2009**

**Panguni 7, Thiruvalluvar Andu 2040**

### **READ:**

From the Principal Secretary / Commissioner of Commercial Taxes Lr. No.Drafting Cell-I / 23465 / 2008 dated 28.1.2009.

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### **ORDER :**

In his letter read above the Principal Secretary / Commissioner of Commercial Taxes has requested the Government to clarify whether a financial institutions or Debt Recovery Tribunal can make an application under the Tamil Nadu Sales Tax (Settlement of Arrears Act), 2008 since the word ‘applicant’ has been defined in the Act as a dealer. Section 14 of the Act enables the Government to issue clarifications removing difficulties in implementing the Act.

2. The Principal Secretary / Commissioner of Commercial Taxes has obtained the opinion of the Special Government Pleader (Taxes), High Court, Chennai in this matter. The Special Government Pleader (Taxes) has opined that the Settlement of Arrears Act has been introduced with the avowed object of providing a short cut mechanism for realization of long pending arrears by granting certain concessions and that the broad object being realization of revenue by the State, it is immaterial by whom the arrears of tax due and payable by the dealer are settled on his behalf. He has added that when the State is empowered under Law to proceed against the property of the dealer by enforcement of the statutory charge, the legal corollary is that the transferee being a person having

interest in such property would become eligible for settlement of arrears as an 'applicant'.

3. The Government accept the opinion rendered by the Special Government Pleader (Taxes), High Court of Madras and accordingly under section 14 of the Tamil Nadu Sales Tax (Settlement of Arrears) Act, 2008, it is clarified that a financial institution or Debt Recovery Tribunal which has taken into possession the properties of a defaulting dealer is eligible for making an application under the said Act and such transferees shall be considered as an 'applicant' under this Act.

(BY ORDER OF THE GOVERNOR)

RAJEEV RANJAN,  
SECRETARY TO GOVERNMENT.

To  
The Principal Secretary / Commissioner of Commercial Taxes,  
Chennai-5.  
The Accountant General, Chennai-5.

Copy to:  
The Law Department, Chennai-9.  
SF / SC

// Forwarded / by Order //

SECTION OFFICER.