

**GOVERNMENT OF TAMIL NADU
COMMERCIAL TAXES DEPARTMENT
OFFICE OF THE COMMISSIONER OF COMMERCIAL TAXES
EZHILAGAM, CHENNAI- 600 005**

**PRESENT: Dr. D. JAGANNATHAN, I.A.S ,
COMMISSIONER OF STATE TAX**

**Circular No. 1 (2022)/2024 – TNGST
(PP6/GST/145/2022)**

Date:24.04.2024

Sub: Clarification regarding the treatment of statutory dues under GST law in respect of the taxpayers for whom the proceedings have been finalised under Insolvency and Bankruptcy Code, 2016- reg.

Ref: Circular No. 187/19/2022-GST, dated 27.12.2022 issued by Ministry of Finance, Department of Revenue, Government of India, Central Board of Indirect Taxes and Customs, New Delhi.

In the reference cited, the CBIC, Department of Revenue, Ministry of Finance, Government of India, New Delhi, has issued Circular No. 187/19/2022-GST, dated 27.12.2022 on the recommendations of the GST Council. Hence, following *pari materia* circular is issued:-

Attention is invited to Circular No.5/2020-TNGST dated 23rd May, 2020, wherein it was clarified that no coercive action can be taken against the corporate debtor with respect to the dues of the period prior to the commencement of Corporate Insolvency Resolution Process (CIRP). Such dues will be treated as 'operational debt' and the claims may be filed by the proper officer before the NCLT in accordance with the provisions of the IBC.

2. Representations have been received from the trade as well as tax authorities, seeking clarification regarding the modalities for implementation of the order of the adjudicating authority under Insolvency and Bankruptcy Code, 2016 (hereinafter referred to as the "IBC") with respect to demand for recovery against such corporate debtor under Tamil Nadu Goods and Services Tax Act, 2017 (hereinafter referred to as "TNGST Act") as well under the existing laws and the treatment of such statutory dues under TNGST Act and existing laws, after finalization of the proceedings under IBC.