



## **ABSTRACT**

Central Sales Tax – Sale of Hosiery Goods without "C" Form – Scheme of refund of Tax collected as Special Incentive ordered – Revised orders - Issued.

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### COMMERCIAL TAXES AND REGISTRATION (C1) DEPARTMENT

G.O.(Ms).No.132

Dated: 11.10.2012  
Purattasi 25,  
Thiruvalluvar Aandu, 2043  
Read:

1. G.O.(Ms)No.39, Commercial Taxes Department, dated 4.4.2005.
2. G.O.(Ms)No.195, Commercial Taxes and Registration Department, dated 5.12.2007.

Read also:

3. G.O.(Ms)No.76, Commercial Taxes and Registration Department, dated 11.7.2011.
4. From the President, South India Hosiery Manufacturers' Association, Tiruppur, representation dated 20.07.2011.
5. From the Principal Secretary/ Commissioner of Commercial Taxes Letter No. Drafting Cell.II/43905/2011, dated 9.1.2012.

\* \* \* \* \*

### **ORDER:**

In the Government Order first read above, a scheme of Special Industrial Incentive has been introduced on the sale of Hosiery goods whereby tax at the rate of 10% should be collected from the dealers on inter-State sales of hosiery goods, if made without C Form and 90% of the tax collected will be refunded as a specific industrial incentive so that the effective rate will be 1%, subject to the following conditions:-

p.t.o.

a) the dealers who make inter-State sale of hosiery goods and file 'C' form declarations shall be assessed at the reduced rate of 1% as per the Government Notification No. II(1)/CTRE/84(a-2)/96, dated 5.8.1996.

b) the dealers who make inter-State sale of hosiery goods but could not file 'C' form declarations shall be assessed at 10% as per the mandatory provisions of filing of 'C' forms under the Central Sales Tax Act, 1956 effective from 13.5.2002.

c) to give effect to the notified reduced rate of 1% to the dealers who are assessed at 10% referred to in clause (b) above, the difference between the amount of tax assessed at 10% and the amount of tax at reduced rate of 1% shall be given refund.

d) the refund of 90% of the tax paid shall be treated as specific industrial incentive to the dealers referred to above.

2. Consequent to the amendment to Section 8 of the Central Sales Tax Act, 1956 with effect from 1.4.2007, inter-State sales of hosiery goods without 'C' form declaration are liable to Central Sales Tax at 4% being the rate applicable to the sale of hosiery goods inside the State under Tamil Nadu Value Added Tax Act, 2006. Accordingly, the scheme of repayment of Central Sales Tax on hosiery goods as specific industrial incentive was modified and the rate of tax for inter-State sale of hosiery goods without 'C' form was revised from 10% to 4% in the Government Order second read above.

3. In the Government Order third read above, the rate of tax in respect of commodities specified in Part B to the First Schedule of the Tamil Nadu Value Added Tax Act, 2006 has been increased from 4% to 5% with effect from 12.7.2011.

4. The South India Hosiery Manufacturers' Association, in their representation fourth read above, have requested for suitable modification to the Government order second read above to make tax payment for inter-State sale of hosiery goods at 1% with 'C' Form and 5% without 'C' Form and to get the differential 4% tax payment as industrial incentive.

5. The Government have carefully examined the request of the South India Hosiery Manufacturers' Association in consultation with the Principal Secretary/Commissioner of Commercial Taxes and issue the following orders which will be effective from 12.7.2011:-

p.t.o.

- (a) the dealers who make inter-State sale of hosiery goods and file 'C' form declarations shall be assessed at the reduced rate of 1% as per the Government Notification No.II(1)/CTRE/84(a-2)/96, dated 5.8.1996.
- (b) the dealers who make inter-State sale of hosiery goods but could not file 'C' form declarations shall be assessed at 5% as per the mandatory provisions of filing of 'C' forms under the Central Sales Tax Act,1956 effective from 12.7.2011.
- (c) to give effect to the notified reduced rate of 1% to the dealers who are assessed at 5% referred to in clause (b) above, the difference between the amount of tax assessed at 5% and the amount of tax at reduced rate of 1% shall be given as refund.
- (d) the refund of the tax paid in (c) above shall be treated as specific industrial incentive to the dealers referred to above.

The refund of the Central Sales Tax paid referred to above is subject to the following conditions:-

- (i) there shall be no branch transfer or consignment transfer of hosiery goods to a place outside the State in a year.
- (ii) the dealer should have paid all tax payable under the Tamil Nadu Value Added Tax Act, 2006 and Central Sales Tax Act, 1956 as per the monthly returns filed including the period for which refund is claimed and not in arrears of tax during the financial year.
- (iii) the dealers who have collected 5% tax in their inter-State sale invoices/bills are not eligible for the refund.
- (iv) the dealer shall file a declaration in the Form annexed to this order along with proof of movement of hosiery goods to a place outside this State.

It is further ordered that the assessing authority shall make the refund to the dealers immediately, who satisfy the above conditions on receipt of the claim with the documents prescribed above after confirming the realization of the tax at 5% paid by them.

p.t.o.

6. This order issues with the concurrence of the Finance Department vide its U.O.No.41466/Revenue/2012, dated 13.8.2012.

(BY ORDER OF THE GOVERNOR)

SUNIL PALIWAL  
SECRETARY TO GOVERNMENT

To

The Commissioner of Commercial Taxes, Chepauk, Chennai-5.  
All Additional/Joint/Deputy Commissioners. (Through Commissioner of Commercial Taxes, Chepauk, Chennai-5.  
The Chairman, Tamil Nadu Sales Tax Appellate Tribunal, Chennai – 104.  
The Accountant General,(Accounts and Entitlements),  
Chennai-18. (By name)  
The Accountant General (Audit)-I, Periyar Buildings  
474, Anna Salai, Nandanam, Chennai-600 035 (By name)  
The Accountant General (Audit)-II, Tamil Nadu,  
44, Greams Road, Chennai-6.  
The Comptroller and Auditor-General of India, New Delhi-110 001.

**Copy to :**

The Special P.A. to Minister (Commercial Taxes and Registration),  
Chennai -9.  
The Finance Department, Chennai-9  
The President, South India Hosiery Manufacturers' Association, Tiruppur.  
Stock file / Spare copies.

// Forwarded / By order //

*S. Sridhar*  
*11/8/2012*

SECTION OFFICER.

p.t.o.

**ANNEXURE**

**FORM OF DECLARATION TO BE FURNISHED BY HOSIERY DEALERS FOR  
CLAIM OF REFUND OF TAX PAID UNDER CENTRAL SALES TAX ACT, 1956.**

1.	Serial No.	:	
2.	Seller Invoice No.	:	
3.	Name and address of the purchasing dealer with name of the State	:	
4.	Place to which the goods have been dispatched with name of the State	:	
5.	Mode of dispatch of goods with R.R.No., LR or Way Bill No. and date etc.	:	
6.	Quantity and description of goods sold	:	
7.	Sale price (net)	:	
8.	Sales Tax collected, if any	:	
9.	Proof of payment of tax	:	
10.	Remarks	:	

Note: This should be submitted along with monthly returns in Form I.

SUNIL PALIWAL  
SECRETARY TO GOVERNMENT

/ True copy /

*S. Dishi*  
11/10/2022  
SECTION OFFICER.