

**Circular No. 12/2013**  
**Ref: D3/35847/2013**

**O/o Commissioner of Comml. Taxes,  
Chepauk, Chennai -5.**

**Dated 3 -12-2013.**

**Circular**

Sub: TN VAT Rules, 2007 - Amendment to Form I - Filing of Annexure V to monthly return - representations from various trade and industries - Circular issued - Regarding.

Ref: Govt letter No. 14221/B1/2013-1 dated 12.11.2013.

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The Government, in GO (Ms) No.137, dated 31.10.2013, has introduced an amendment for the filing of Annexure V to the monthly return in order to verify the genuineness of ITC claimed and carried forward by a dealer corresponding to the closing stock held at the end of the month. Whereas various trade and industries have filed their representation stating that the officers of the department are insisting on filing of closing stock inventory in Annexure V for the return relating to October 2013 indiscriminately for all the dealers. Therefore in order to streamline the procedure, the following instructions are issued:

1. From the note provided in annexure V, it is very clear that the details shall be furnished if ITC is carried forward in a month. Therefore, in cases where ITC is carried forward only, filing of closing stock inventory in Annexure V is to be insisted. In other cases wherein there is no ITC carried forward is involved, no such filing of closing stock inventory in Annexure V is to be insisted.

2. This rule has come to force w.e.f. 1.11.2013 only. Therefore the return for the November 2013, which is due on 12<sup>th</sup> / 20<sup>th</sup> December 2013 has to be filed along with Annexure V, if there is ITC carried forward in that month and hence such mandatory provision could not be insisted for the month of October 2013 return.
3. In some business concerns, there may be hundreds of goods. Such commodities could be grouped under rate of tax wise and value can be mentioned for all the commodities, mentioning the name of the major commodities in column No.3. The corresponding commodity codes for such major commodities have to be entered in Column No.4. The purchase value for the commodities mentioned has to be entered in Column No.5 put together. Rate of tax for the commodities has to be mentioned in Column No.6. Thus only one value has to be mentioned for a single rate of tax. Thus the Assessing Officers need not insist value for each and every commodity separately.
4. There is no column prescribed for the quantitative details in closing stock inventory. Therefore the quantitative stock details need not be insisted for this purpose.
5. In the following circumstances ITC would be carried forward without proportionate stock of goods in the place of business:
  - a. A dealer purchases goods within Tamil Nadu paying tax @ 14.5% and sells the goods to other states under the cover of C forms with tax rate of 2%.
  - b. A dealer purchases raw materials and other goods paying tax @ 14.5% and after manufacture sells the finished goods to other manufacturer as industrial input with tax rate of 5%.

- c. A dealer purchases goods within Tamil Nadu paying tax @ 14.5% and transfer those goods to his own branch in other state or to his agents in other State.
- d. A dealer purchases goods within Tamil Nadu paying tax @ 14.5% and effects "Zero" rate sales.

In any of the above circumstances, the excess ITC available at the end of a month does not have any nexus to the actual stock goods held in the place of business. In such circumstances, the "NIL" stock filed by the dealer should be accepted subject to verification of the above circumstances.

All the Joint Commissioners are requested to instruct the Assessing Officers under their control to take note of this circular with regard to filing of Annexure V to form I.

Sd/- K.Manivasan,  
Commissioner of Commercial Taxes

TO

All Joint Commissioners(CT)(Territorial) & Enforcement.

Copy to:

The Secretary to Government,  
Commercial Taxes & Registration Department.

All Additional Commissioners  
All Deputy Commissioners  
All Assessing Officers

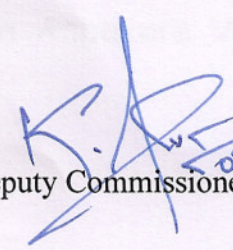
- By Email.

The Joint Commissioner (CT), Computer Systems

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'Y' Section.

/ Forwarded / by Order /

  
Deputy Commissioner (Audit)

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3-12-2013